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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 - 4 column table

Delegations will find attached the first 4-column table 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, issued with a view to the first trilogue meeting on 18 November 2025.

**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 with EEA relevance)**

2025/0045(COD)

[Version for Trilogue on November 18, 2025]

17-11-2025 at 14h45

	<small>CLEAN</small> Commission Proposal	<small>VS.EC</small> EP Mandate	<small>VS.EC</small> Council Mandate	<small>VS.EC</small> Draft Agreement
Formula				
1	2025/0045 (COD)	2025/0045 (COD)	2025/0045 (COD)	
Document Stage				
2	Proposal for a	Proposal for a	Proposal for a	
Document Type				
3	DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	
Document Purpose				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
4	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	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	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	
EEA Relevance				
5	(Text with EEA relevance)	(Text with EEA relevance)	(Text with EEA relevance)	
Formula				
6	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	
Citation 1				
7	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 50 and 114 thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 50 and 114 thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 50 and 114 thereof,	
Citation 2				
8	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	
Citation 3				
9	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	
Citation 4				

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10	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C [...], [...], p. [...].	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C [...], [...], p. [...].	Having regard to the opinion of the European Economic and Social Committee ¹ , 1. OJ C [...], [...], p. [...].	
Citation 5				
11	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	
Formula				
12	Whereas:	Whereas:	Whereas:	
Recital 1				
13	(1) In its Communication of 11 February 2025 entitled ‘A simpler and faster Europe: Communication on implementation and simplification’, ¹ the European Commission set out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business on the ground. This requires more than an incremental approach and the Union must take bold action to achieve this goal. The Commission, the European Parliament, the Council, Member States’ authorities at all levels and stakeholders need to work together to streamline and simplify EU,	(1) In its Communication of 11 February 2025 entitled ‘A simpler and faster Europe: Communication on implementation and simplification’, ¹ the European Commission set out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business on the ground. This requires more than an incremental approach and the Union must take bold action to achieve this goal. The Commission, the European Parliament, the Council, Member States’ authorities at all levels and stakeholders need to work together to streamline and simplify EU,	(1) In its Communication of 11 February 2025 entitled ‘A simpler and faster Europe: Communication on implementation and simplification’, ¹ the European Commission set out a vision for an implementation and simplification agenda that delivers fast and visible improvements for people and business on the ground. This requires more than an incremental approach and the Union must take bold action to achieve this goal. The Commission, the European Parliament, the Council, Member States’ authorities at all levels and stakeholders need to work together to streamline and simplify EU,	

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	<p>national and regional rules and implement policies more effectively.</p> <p>1. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 February 2025, ‘A simpler and faster Europe: Communication on implementation and simplification’, COM/2025/47 final.</p>	<p>national and regional rules and implement policies more effectively.</p> <p>1. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 February 2025, ‘A simpler and faster Europe: Communication on implementation and simplification’, COM/2025/47 final.</p>	<p>national and regional rules and implement policies more effectively.</p> <p>1. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 February 2025, ‘A simpler and faster Europe: Communication on implementation and simplification’, COM/2025/47 final.</p>	
Recital 2				
14	<p>(2) In the context of the Commission’s commitment to reduce reporting burdens and enhance competitiveness, it is necessary to amend Directives 2006/43/EC¹, 2013/34/EU², (EU) 2022/2464³ and (EU) 2024/1760 of the European Parliament and of the Council⁴, whilst maintaining the policy objectives of the European Green Deal⁵, and the Sustainable Finance Action Plan⁶.</p> <p>1. 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, ELI: http://data.europa.eu/eli/dir/2006/43/oj).</p>	<p>(2) In the context of the Commission’s commitment to reduce reporting burdens and enhance competitiveness, it is necessary to amend Directives 2006/43/EC¹, 2013/34/EU², (EU) 2022/2464³ and (EU) 2024/1760 of the European Parliament and of the Council⁴, whilst maintaining the policy objectives of the European Green Deal⁵, and the Sustainable Finance Action Plan⁶.</p> <p>1. 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, ELI: http://data.europa.eu/eli/dir/2006/43/oj).</p>	<p>(2) In the context of the Commission’s commitment to reduce reporting burdens and enhance competitiveness, it is necessary to amend Directives 2006/43/EC¹,– 2013/34/EU², (EU) 2022/2464³ and (EU) 2024/1760 of the European Parliament and of the Council⁴, whilst maintaining the policy objectives of the European Green Deal⁵, and the Sustainable Finance Action Plan⁶.</p> <p>1. 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,</p>	

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	<p>2. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).</p> <p>3. Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: http://data.europa.eu/eli/dir/2022/2464/oj).</p> <p>4. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1760/oj).</p> <p>5. Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 December 2019, 'The European Green Deal', COM/2019/640 final.</p> <p>6. Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of</p>	<p>2. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).</p> <p>3. Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: http://data.europa.eu/eli/dir/2022/2464/oj).</p> <p>4. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1760/oj).</p> <p>5. Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 December 2019, 'The European Green Deal', COM/2019/640 final.</p> <p>6. Communication from the Commission to the European Parliament, the European Council, the Council, the European Central Bank, the European Economic and Social Committee and the Committee of</p>	<p>ELI: http://data.europa.eu/eli/dir/2006/43/oj).</p> <p>2. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19, ELI: http://data.europa.eu/eli/dir/2013/34/oj).</p> <p>3. Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (OJ L 322, 16.12.2022, p. 15, ELI: http://data.europa.eu/eli/dir/2022/2464/oj).</p> <p>4. Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 (OJ L, 2024/1760, 5.7.2024, ELI: http://data.europa.eu/eli/dir/2024/1760/oj).</p> <p>5. Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions of 11 December 2019, 'The European Green Deal', COM/2019/640 final.</p> <p>6. Communication from the Commission to the European Parliament, the European Council, the Council, the European</p>	

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	the Regions of 8 March 2018, 'Action Plan: Financing Sustainable Growth', COM/2018/097 final.	the Regions of 8 March 2018, 'Action Plan: Financing Sustainable Growth', COM/2018/097 final.	Central Bank, the European Economic and Social Committee and the Committee of the Regions of 8 March 2018, 'Action Plan: Financing Sustainable Growth', COM/2018/097 final.	
Recital 2a				
14a			<p>(2a) Given the change of the scope of undertakings being subject to sustainability reporting, it would be disproportionate to require that audit firms that wish to carry out assurance of sustainability reporting are subject to requirements for approval equivalent to the ones for the approval of audit firms that carry out audits of financial statements. Such approval requirements relate to natural persons who carry out the work on behalf of the audit firm, the majority of the voting rights held by the audit firm and the majority of the members of the administrative or management body of the audit firm. Audit firms that wish to carry out assurance of sustainability reporting should only need to ensure they designate at least one key sustainability partner</p>	

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			who must satisfy the approval conditions for this purpose and who is approved as statutory auditor in the Member State concerned.	
Recital 3				
15	<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</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 <u>should duly take into</u> account of those concerns, it should be given more flexibility in adopting those standards. In any case, the Commission will issue targeted</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</p>	

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	clarify the necessary procedures that assurance providers are to perform as part of their limited assurance engagement before adopting the standards by delegated act.	assurance guidelines by 2026 that clarify the necessary procedures that assurance providers are to perform as part of their <u>when working on the</u> limited assurance engagement before adopting the standards. The lack of <u>harmonised assurance</u> standards <u>is contributing to the problems experienced by undertakings, and it is therefore of the utmost urgency for the Commission to adopt a suitable</u> by delegated act <u>as planned</u> .	clarify the necessary procedures that assurance providers are to perform as part of their limited assurance engagement before adopting the standards by delegated act.	
Recital 4				
16	(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.	(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.	(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.	
Recital 4a				
16a			(4a) Article 45 of Directive 2006/43/EC requires a Member State to register third-country	

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						<p>auditors and audit entities issuing assurance reports on the sustainability information of third country entities admitted to trading on a regulated market of that Member State. The conditions for that registration concern the requirements to be met by the majority of the members of the administrative or management body of the third-country audit entity, the requirements to be met by the third country-auditor, the assurance standards to be used and the publication of an annual transparency report by the third-country audit entity. Moreover, Member States are to subject registered third-country auditors and audit entities to their systems of oversight, their quality assurance systems and their systems of investigation and penalties. Taking into account the current international landscape on the regulation of sustainability reporting and its assurance, and considering that the registration is necessary for the validity of those assurance reports within</p>		

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						<p>the Union, requiring to meet those registration conditions in the first years of application of the sustainability assurance regime would be disproportionate. In addition, the supervision of registered third-country auditors and audit entities is dependent on the existence of equivalence and/or adequacy decisions. Therefore, for a transitional period, simplified registration conditions and an exemption from supervision should be introduced for third country auditors and audit entities issuing assurance reports on the sustainability information of third country entities admitted to trading on a regulated market of a Member State. The simplified registration is possible on condition that certain information is provided to the competent authorities of the Member State and they should decline registration if the information is not provided.</p>		
Recital 5								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
17	<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 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>(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 <u>750</u> employees <u>and a net turnover of more than EUR 450 000 000</u> during the financial year.</p> <p>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 <u>It should be possible to exempt ultimate parent undertakings which are financial holding</u> undertakings must have an average of more than 1000 employees during the financial year and either a net turnover above EUR 50 million or</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 reporting at individual level. The Report on <i>The future of European competitiveness</i> identified the sustainability reporting framework as “a major source of regulatory burden”, concluding in this respect that there was a “need to better consider the size of companies affected by regulation”. To reduce the reporting burden on undertakings and to achieve the objectives of reporting in a more proportionate way, the obligation to prepare and publish a sustainability statement reporting 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</p>	

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				a balance sheet total above EUR 25 million <u>not involved in management activities from complying with reporting obligations.</u>		in Article 3(4) of Directive 2013/34/EU, this means that to be subject to the reporting requirements an undertakings must have a net turnover exceeding EUR 450 000 000 and an average of more than 1000 employees during the financial year, as defined in the national measures transposing Directive 2013/34/EU . This more targeted scope, which should also apply as regards groups and issuers, will ensure that the burden of mandatory sustainability reporting is limited to the largest undertakings, groups and issuers. Those undertakings, groups and issuers are the most consequential in terms of environmental, social and governance (ESG) impacts. At the same time, they are the most able to absorb the costs implied by ESG reporting. Undertakings, groups and issuers below this threshold remain free to carry out voluntary sustainability reporting, a possibility that is significantly facilitated by the new sustainability reporting		

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			standards for voluntary use introduced by this Directive and either a net turnover above EUR 50 million or a balance sheet total above EUR 25 million.	
Recital 6				
18	<p>(6) A balance needs to be found between the objectives of data generation and reduction of administrative burden. Sustainability reporting, including the information referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council¹, of large undertakings with an average of more than 1000 employees during the financial year is indispensable to understand the transition to a climate-neutral economy. In the light of the balance to be found between the objectives of data generation and reduction of administrative burden, large undertakings within the new scope for sustainability reporting that have a net turnover not exceeding EUR 450 000 000 during the financial year should be able to disclose information referred to in Article 8 of</p>	<i>deleted</i>	<i>deleted</i>	

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	<p>Regulation (EU) 2020/852 in a more flexible way. The Commission should be empowered to set out rules supplementing the reporting regime for those undertakings. It should in particular be clarified that the Commission is empowered to specify the reporting regime for activities that are only partially taxonomy aligned.</p> <p>1. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).</p>			
Recital 7				
19	<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</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</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</p>	

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	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.	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 <u>1 750</u> employees <u>and a net turnover of more than EUR 450 000 000</u> during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings.	that Directive, regardless of their legal form. Considering that the scope of individual sustainability reporting should be reduced to large undertakings with a net turnover exceeding EUR 450 000 000 and an average of more than 1000 employees during the financial year, that reduction in scope should also apply to credit institutions and insurance undertakings.	
Recital 7a				
19a		<i><u>(7a) For the purpose of consistency with this Directive, it is important that financial sector legislation remains coherent with its provisions. In this context, it should be considered whether requirements for the financial sector ought to be framed in a way that does not create an obligation for financial undertakings to obtain any information from undertakings which are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU. It should also be considered whether sector-specific financial services</u></i>		

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		<u>legislation, including delegated acts, guidelines by the ESAs and supervisory expectations, ought to be adapted to take into account the content of this Directive.</u>		
Recital 8				
20	(8) The European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement is subject to the sustainability reporting requirements set out in Directive 2013/34/EU, although it is exempted from the sustainability reporting regime set out in Directive 2004/109/EC of the European Parliament and of the Council ¹ pursuant to Article 8 of that Directive. Despite it being a large undertaking incorporated in a legal form listed in Annex I to Directive 2013/34/EU, the EFSF has a mandate - i.e. to safeguard financial stability in the Union by providing temporary financial assistance to Member States whose currency is the euro – that is largely similar to the one of the European Stability Mechanism (ESM), which is not subject to sustainability reporting	(8) The European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement is subject to the sustainability reporting requirements set out in Directive 2013/34/EU, although it is exempted from the sustainability reporting regime set out in Directive 2004/109/EC of the European Parliament and of the Council ¹ pursuant to Article 8 of that Directive. Despite it being a large undertaking incorporated in a legal form listed in Annex I to Directive 2013/34/EU, the EFSF has a mandate - i.e. to safeguard financial stability in the Union by providing temporary financial assistance to Member States whose currency is the euro – that is largely similar to the one of the European Stability Mechanism (ESM), which is not subject to sustainability reporting	(8) The European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement is subject to the sustainability reporting requirements set out in Directive 2013/34/EU, although it is exempted from the sustainability reporting regime set out in Directive 2004/109/EC of the European Parliament and of the Council ¹ pursuant to Article 8 of that Directive. Despite it being a large undertaking incorporated in a legal form listed in Annex I to Directive 2013/34/EU, the EFSF has a mandate - i.e. to safeguard financial stability in the Union by providing temporary financial assistance to Member States whose currency is the euro – that is largely similar to the one of the European Stability Mechanism (ESM), which is not subject to sustainability reporting	

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		<p>requirements. For the EFSF to benefit from the same treatment as the ESM as regards sustainability reporting, and for consistency with the exemption regime provided by Directive 2004/109/EC, the EFSF should be exempted from the regime on sustainability reporting provided by Directive 2013/34/EU.</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 39, 31.12.2004, p. 38, ELI: http://data.europa.eu/eli/dir/2004/109/oj).</p>		<p>requirements. For the EFSF to benefit from the same treatment as the ESM as regards sustainability reporting, and for consistency with the exemption regime provided by Directive 2004/109/EC, the EFSF should be exempted from the regime on sustainability reporting provided by Directive 2013/34/EU.</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 39, 31.12.2004, p. 38, ELI: http://data.europa.eu/eli/dir/2004/109/oj).</p>		<p>requirements. For the EFSF to benefit from the same treatment as the ESM as regards sustainability reporting, and for consistency with the exemption regime provided by Directive 2004/109/EC, the EFSF should be exempted from the regime on sustainability reporting provided by Directive 2013/34/EU.</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonization of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 39, 31.12.2004, p. 38, ELI: http://data.europa.eu/eli/dir/2004/109/oj).</p>		
Recital 8a								
20a						<p>(8a) Article 19(1), fourth subparagraph, of Directive 2013/34/EU requires large undertakings, and small and medium-sized undertakings, except micro undertakings, which are public-interest entities as defined in point (a) of point (1) of Article 2, that is the undertakings which are subject to mandatory sustainability</p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			reporting, to report information on key intangible resources and their role in the undertaking's business model and value creation. In order to ensure consistency with the new scope in Article 19a(1) and to achieve the objectives of such reporting in a more proportionate way, this requirement should only apply to undertakings that have a net turnover exceeding EUR 450 000 000 and have more than 1000 employees.	
Recital 9				
21	(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 2013/34/EU, and without prejudice to Union requirements to	(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 <u>provide clarity and</u> 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 2013/34/EU, and without prejudice to Union	(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. However, nothing in that Directive requires value chain undertakings to provide any information to reporting undertakings nor to subject to assurance any information that they may provide. In practice, reporting undertakings obtain information about their value chains through various means, including contractual	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>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.</p> <p>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</p>	<p>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 <u>with an average of more than 1 750</u> employees on average <u>and a net turnover of more than EUR 450 000 000</u> 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 <u>adopt a risk-based approach, prioritising efforts to gather information on high-risk impacts and sustainability issues commonly associated with its sector and,</u> 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. <u>Where not all the necessary information regarding their value chain is available, or such information is incomplete or subject to legal limitations, the</u></p>	<p>arrangements and buying power. There is evidence that undertakings in the value-chain, including small and medium-sized enterprises, are receiving disproportionate requests for information from reporting undertakings, notwithstanding the limitations specified in Article 29b(4) of that Directive. It is therefore necessary to reduce the reporting limit limit the burden for smaller undertakings in the value chain that are not required to report on their sustainability. The Reporting undertaking, for the purposes of reporting sustainability undertakings should be prohibited from requiring information at individual or at consolidated level, as required by Directive 2013/34/EU, and without prejudice to Union requirements to conduct a due diligence process, should therefore not seek to obtain exceeding certain limits from undertakings established in or outside of the Union in its in their value chain that have up to 1000 employees on average during the financial year. At the</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>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><u>undertakings should be allowed to explain the efforts made to obtain the necessary information about their value chain, the reasons why that information could not be obtained, and their plans to obtain such information in the future.</u> 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 <u>750</u> employees <u>and a net turnover of up to EUR 450 000 000</u> 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</p>	<p>same time, undertakings in their value chain that have up to 1000 employees on average during the financial year any information that goes beyond the should be given a statutory right to refuse to provide information specified in the standards for voluntary use by exceeding those limits. To ensure the effectiveness of that right and to avoid placing a burden on smaller companies to proactively assess whether that right applies, reporting undertakings that are not which choose to request information exceeding those limits should be required to report on their sustainability. The reporting undertaking should, however, be allowed to collect from such ensure that undertakings in its their value chain any additional sustainability that have up to 1000 employees on average during the financial year are informed of which extra information is requested and of their statutory right to decline to provide it. To ensure proportionality, the scope of this ‘value-chain cap’ is limited in the following ways.</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p>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. <u>Undertakings within the value chain should be allowed to choose a template for reporting of sustainability information voluntarily so that undertakings requesting information are not required to assess or map the size categories of all entities in their value chain.</u></p>	<p>First, it does not prohibit the sharing of information on a voluntary basis, such as information that is commonly shared between among undertakings in the a given sector. Second, it does not affect any obligation that may exist, whether contractually or under other Union or national law, to provide information that falls within the scope of the value-chain cap. Third, the value-chain cap only applies to information gathering done for the purpose of reporting sustainability information as required by Directive 2013/34/EU. It does not affect Union requirements to conduct a due diligence process or information gathering made for any other purpose, such as for the reporting undertaking's risk management concerned.</p> <p>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</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>opinion respecting the obligation on undertakings not to seek to obtain from right of undertakings in their the value chain that have up to 1000 employees on average during the financial year to decline to provide to the reporting undertakings 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. Those standards should, to the greatest extent possible, take account of Regulation (EC) 1221/2009 of</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			the European Parliament and the Council (EMAS Regulation). It is important that reporting undertakings only request information from undertakings in their value chain insofar as necessary. In particular, it is important that they request less information than that specified in the standards for voluntary use if they do not need all the information in those standards.	
Recital 9a				
21a		<i><u>(9a) Until the Commission adopts sustainability reporting standards for voluntary use, undertakings that report sustainability information voluntarily may do so according to the Commission recommendation 2025/4984, which is based on the voluntary standard for SMEs (VSME) developed by EFRAG. To ensure continuity and proportionality, the sustainability reporting standards for voluntary use adopted by the Commission as a delegated act should be based on that recommendation, and should be proportionate and take into</u></i>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p><u>account the think small first principle; should use simplified language and modularity allowing for flexibility and progression in the disclosures. The objective of this voluntary standard should be to support companies: (a) providing information that will help satisfy the data needs of undertakings requesting sustainability information from their suppliers; (b) providing information that will help satisfy data needs from banks and investors, therefore helping undertakings in their access to finance; (c) improving the management of the sustainability issues they face, i.e. environmental and social challenges such as pollution, workforce health and safety; this will support their competitive growth and enhance their resilience in the short-, medium- and long-term; and (d) contributing to a more sustainable and inclusive economy.</u></p>		
Recital 9a				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
21b			<p>(9a) There are circumstances in which undertakings should, subject to assurance, be permitted to omit certain information when applying the sustainability reporting requirements. Those circumstances should be developed and clarified. First, in certain cases the disclosure of sustainability information could seriously prejudice the commercial position of an undertaking. In such cases, the undertaking should be allowed to omit such information, provided that specific conditions for the omission are met to ensure that such cases remain exceptional and that the interests of the users of reported sustainability information are also adequately protected. In this context, the fact that undertakings not established in the Union are not required to report the same information does not constitute a serious prejudice to the commercial position of the undertaking. Second, undertakings should be able to omit information such as</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>intellectual capital, intellectual property, know-how or the results of innovation that would qualify as a trade secrets as defined in Directive (EU) 2016/943 of the European Parliament and of the Council. Third, undertakings should be able to omit classified information. Finally, there may be information that should be kept confidential for reasons not relating to commercial prejudice, trade secrecy or classification. In particular, undertakings should be free to omit information that is to be protected from unauthorised access or disclosure according to other Union legislation or national law. Moreover, the sustainability reporting requirements should not oblige undertakings to disclose information which would be prejudicial to the privacy of natural persons or to the security of natural or legal persons. This is especially important in the current geopolitical context. Defence undertakings in particular need</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			discretion to withhold sensitive information the disclosure of which could be prejudicial to their own security or to that of other legal persons, including Member States.	
Recital 9b				
21c		<i><u>(9b) Sustainability reporting requirements should not oblige an undertaking to disclose information such as intellectual capital, intellectual property, know-how or the results of innovation that would qualify as trade secrets as defined in Directive (EU) 2016/943 of the European Parliament and of the Council. The reporting requirements provided for in this amending Directive should therefore be without prejudice to Directive (EU) 2016/943.</u></i>		
Recital 10				
22	(10) Article 29c(1) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market, small and non-complex institutions and captive re(insurance) undertakings, to report	(10) Article 29c(1) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market, small and non-complex institutions and captive re(insurance) undertakings, to report	(10) Article 29c(1) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market, small and non-complex institutions and captive re(insurance) undertakings, to report	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	sustainability information in accordance with the limited set of standards to be adopted by the Commission. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, the empowerment for the Commission to adopt delegated acts to provide for sustainability reporting standards for those small and medium-sized undertakings should be removed.	sustainability information in accordance with the limited set of standards to be adopted by the Commission. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, the empowerment for the Commission to adopt delegated acts to provide for sustainability reporting standards for those small and medium-sized undertakings should be removed.	sustainability information in accordance with the limited set of standards to be adopted by the Commission. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, the empowerment for the Commission to adopt delegated acts to provide for sustainability reporting standards for those small and medium-sized undertakings should be removed. References to Article 29c should accordingly be deleted from that Directive.	
Recital 11				
23	(11) Article 19a(7) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market to opt out from sustainability reporting for the first two years of application of those requirements. Considering that small and medium-sized undertakings should be excluded from the sustainability reporting,	(11) Article 19a(7) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market to opt out from sustainability reporting for the first two years of application of those requirements. Considering that small and medium-sized undertakings should be excluded from the sustainability reporting,	(11) Article 19a(7) of Directive 2013/34/EU allows small and medium-sized undertakings with securities admitted to trading on an EU regulated market to opt out from sustainability reporting for the first two years of application of those requirements. Considering that small and medium-sized undertakings should be excluded from the sustainability reporting,	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the provision allowing for the two-year opt out should be removed.	the provision allowing for the two-year opt out should be removed.	the provision allowing for the two-year opt out should be removed.	
Recital 12				
24	(12) 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.	(12) 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 <u>1 750</u> employees <u>and a net turnover of more than EUR 450 000 000</u> , on a consolidated basis, during the financial year.	(12) Article 29a(1) of Directive 2013/34/EU requires parent undertakings of large groups to prepare and publish a sustainability statement reporting 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 a net turnover exceeding EUR 450 000 000 and an average of more than 1000 employees, on a consolidated basis, during the financial year as defined in the national measures transposing Directive 2013/34/EU.	
Recital 12a				
24a		<u>(12a) Directive (EU) 2022/2464 requires undertakings in scope to report sustainability information according to mandatory European Sustainability Reporting Standards (ESRS). In July 2023 the Commission adopted a first set of ESRS. To deliver swiftly on the</u>	(12a) Directive (EU) 2022/2464 requires undertakings in scope to report sustainability information according to mandatory European Sustainability Reporting Standards (ESRS). In July 2023 the Commission adopted a first set of ESRS. To deliver swiftly	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p><u>simplification and streamlining of sustainability reporting the Commission should adopt a delegated act as soon as possible, and at the latest six months after the entry into force of this Directive, to revise the first set of ESRS to substantially reform the standards by: (i) removing datapoints deemed least important for general purpose sustainability reporting, (ii) prioritising quantitative indicators over narrative text, (iii) providing clear instructions on how to apply the materiality principle, to ensure that undertakings are only required to report material information, and to reduce the risk that assurance service providers inadvertently encourage undertakings to report information that is not necessary or dedicate excessive resources to the materiality assessment process, (iv) improving consistency with other pieces of EU legislation, including financial services legislation, (v) ensuring to the greatest extent possible interoperability with</u></p>	<p>on the simplification and streamlining of sustainability reporting the Commission will adopt a delegated act as soon as possible, and at the latest six months after the entry into force of this directive, to revise the first set of ESRS to substantially reform the standards by: (i) removing datapoints deemed least important for general purpose sustainability reporting, (ii) prioritising quantitative datapoints over narrative text and (iii) further distinguishing between mandatory and voluntary datapoints. The revision will clarify provisions that are deemed unclear. It will improve consistency with other pieces of EU legislation, including financial services legislation. It will provide clearer instructions on how to apply the materiality principle, to ensure that undertakings are only required to report material information, and to reduce the risk that assurance service providers inadvertently encourage undertakings to report information that is not</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>global sustainability reporting standards.</u>	necessary or dedicate excessive resources to the materiality assessment process. It will simplify the structure and presentation of the standards. It will further enhance the already very high degree of interoperability with global sustainability reporting standards. If appropriate in light of the goal of reducing burden and providing clarification, it will also introduce provisions regarding the specific situation of financial sector undertakings. It will also make any other modifications that may be considered necessary considering the experience of the first application of ESRS.	
Recital 12b				
24b		<u>(12b) To better clarify the demands made to financial holding undertakings that are parent undertakings, only these are exempted from complying with the obligations set out in this Directive. Likewise, to decrease the administrative burden on undertakings, for recent</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>acquisitions of subsidiaries that are not reporting yet, parent undertaking should benefit of a 24 months transition period.</u>		
Recital 13				
25	(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 in the number of prescribed datapoints that undertakings should report, that empowerment should be removed.	(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 in the number of prescribed datapoints that undertakings should report, that empowerment should be removed. <u>The Commission should instead issue voluntary sector-specific guidelines to support undertakings and auditors in assessing their risks, opportunities and impacts in specific sectors, to facilitate the application of ESRS within a given sector, to identify the sustainability matters likely to be material for a specific sector and to reduce the burden of reporting. Those guidelines should be based</u>	(13) Article 29b 29 (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 in the number of prescribed datapoints that undertakings should report, that empowerment should be removed. Depending on the demand from undertakings subject to sustainability reporting requirements of the Directive 2013/34/EU, the Commission could support undertakings by providing sector-specific guidance that illustrates and facilitates the application of ESRS within a given sector, including guidance on the conduct of the double materiality assessment aimed at identifying sustainability	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>on consultation with relevant stakeholders.</u>	matters likely to be material for a typical undertaking operating in that sector. Where appropriate, relevant international standards may be taken into account.	
Recital 14				
26	(14) Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability, the	(14) Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for undertakings in the value chain that are not required to report on their sustainability, the	(14) Article 29b(4) of Directive 2013/34/EU requires sustainability reporting standards to not specify disclosures requiring undertakings to obtain from small and medium-sized undertakings in their value chain any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for small and medium-sized undertakings with securities admitted to trading on an EU regulated market. Considering that small and medium-sized undertakings with securities admitted to trading on an EU regulated market should be excluded from sustainability reporting, and in order to reduce the reporting burden for smaller undertakings in the value chain that are not required to report on their sustainability, the	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	sustainability reporting standards should not specify disclosures requiring undertakings 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 to be disclosed pursuant to the sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability.	sustainability reporting standards should not specify disclosures requiring undertakings to obtain from undertakings in their value chain that have up to 1000 <u>1 750</u> employees <u>and a net turnover of up to EUR 450 000 000</u> on average during the financial year any information that goes beyond the information to be disclosed pursuant to the sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability.	sustainability reporting standards should not specify disclosures requiring undertakings 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 to be disclosed pursuant to the sustainability reporting standards for voluntary use by undertakings that are not required to report on their sustainability.	
Recital 14a				
26a			(14a) Until the Commission adopts sustainability reporting standards for voluntary use, undertakings that report sustainability information voluntarily may do so according to the Commission recommendation 2025/XXX, which is based on the voluntary standard for SMEs (VSME) developed by EFRAG. To ensure continuity and proportionality, the sustainability reporting standards for voluntary use	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			adopted by the Commission as a delegated act should be based on that recommendation.	
Recital 15				
27	(15) Article 29d of Directive 2013/34/EU requires undertakings subject to the requirements in Articles 19a and 29a of that Directive to prepare their management report, or consolidated management report, where applicable, in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 ¹ and to mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ² , in accordance with the electronic reporting format to be specified in that Delegated Regulation. To provide clarity to undertakings, it should be specified that until such rules on the marking up are adopted by way of that a Delegated Regulation, for the marking up of sustainability reporting is adopted, undertakings	(15) Article 29d of Directive 2013/34/EU requires undertakings subject to the requirements in Articles 19a and 29a of that Directive to prepare their management report, or consolidated management report, where applicable, in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 ¹ and to mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ² , in accordance with the electronic reporting format to be specified in that Delegated Regulation. To provide clarity to undertakings, it should be specified that until such rules on the marking up are adopted by way of that a Delegated Regulation, for the marking up of sustainability reporting is <u>are</u> adopted, by way of	(15) Article 29d of Directive 2013/34/EU requires undertakings subject to the requirements in Articles 19a and 29a of that Directive to prepare their management report, or consolidated management report, where applicable, in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815 ¹ and to mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council ² , in accordance with the electronic reporting format to be specified in that Delegated Regulation. To provide clarity to undertakings, it should be specified that until such rules on the marking up are adopted by way of that a Delegated Regulation, for the marking up of sustainability reporting is adopted, undertakings	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>are should not be required to mark-up their sustainability reporting.</p> <p>1. Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).</p> <p>2. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).</p>	<p><u>that Delegated Regulation</u> undertakings are should not be required to mark-up their sustainability reporting.</p> <p>1. Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).</p> <p>2. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).</p>	<p>are should not be required to mark-up their sustainability reporting.</p> <p>1. Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).</p> <p>2. Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (OJ L 198, 22.6.2020, p. 13, ELI: http://data.europa.eu/eli/reg/2020/852/oj).</p>	
Recital 16				
28	<p>(16) Article 33(1) of Directive 2013/34/EU specifies that the members of the administrative, management and supervisory bodies of an undertaking have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of that Directive. To provide flexibility do for</p>	<p>(16) Article 33(1) of Directive 2013/34/EU specifies that the members of the administrative, management and supervisory bodies of an undertaking have collective responsibility for ensuring that <u>the following certain</u> documents are drawn up and published in accordance with the requirements of that Directive. To provide flexibility do for</p>	<p>(16) Article 33(1) of Directive 2013/34/EU specifies that the members of the administrative, management and supervisory bodies of an undertaking have collective responsibility for ensuring that the following certain documents are drawn up and published in accordance with the requirements of that Directive. To provide flexibility do for</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	undertakings and reduce their reporting burden, it should be specified that the collective responsibility of the members of the administrative, management and supervisory bodies of an undertaking for compliance with the requirements of Article 29d of that Directive as regards the digitalisation of the management report is limited to its publication in the single electronic format, including the marking up of the sustainability reporting therein.	undertakings and reduce their reporting burden, it should be specified Member States can provide that the collective responsibility of the members of the administrative, management and supervisory bodies of an undertaking for compliance with the requirements of Article 29d of that Directive as regards the digitalisation of the management report is limited to its publication in the single electronic format, including the marking up of the sustainability reporting therein.	undertakings and reduce their reporting burden, it for Member States who may have different legal systems, they should be specified given an option to provide that the collective responsibility of the members of the administrative, management and supervisory bodies of an undertaking for compliance with the requirements of Article 29d of that Directive as regards the digitalisation of the management report is limited to its publication in the single electronic format, including the marking up of the sustainability reporting therein.	
Recital 17				
29	(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	(17) Pursuant to Article 40a(1), fourth and fifth subparagraph subparagraphs of Directive 2013/34/EU, a subsidiary in the Union of a third-country 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	(17) Pursuant to Article 40a(1), fourth and fifth subparagraph of Directive 2013/34/EU, a subsidiary in the Union of a third-country 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	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	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 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.	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, <u>and in order to ensure a level playing field</u> , 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 <u>and</u> the branch should be raised from EUR 40 000 000 to EUR 50 000 000, to align with the <u>set at a net turnover threshold for large undertakings of more than EUR 450 000 000.</u>	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. Furthermore , for reasons of consistency and 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.	
Recital 18				
30	(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to	(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to	(18) Article 5(2), first subparagraph, of Directive (EU) 2022/2464 specifies the dates by which the Member States are to	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned.</p> <p>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>apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned.</p> <p>Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with more than 1000 <u>1 750</u> employees <u>and a net turnover of more than EUR 450 000 000</u> 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>apply the sustainability reporting requirements set out in Directive 2013/34/EU, with different dates depending on the size of the undertaking concerned.</p> <p>Considering that the scope of the individual sustainability reporting requirements should be reduced to include only large undertakings with a net turnover exceeding EUR 450 000 000 and 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>	
Recital 18a				
30a			<p>(18a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly,</p>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						<p>Article 5(2), first subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of undertakings subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), first subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of undertakings subject to that Directive, should apply. Accordingly, undertakings that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such undertakings from reporting obligations as regards the financial years beginning between 1 January 2025 and 31 December 2026. Member States are required to implement this derogation in a way that ensures</p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			compliance with the principle of legal certainty.	
Recital 19				
31	(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.	(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 <u>1 750</u> employees <u>and a net turnover of more than EUR 450 000 000</u> 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.	(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 a net turnover exceeding EUR 450 000 000 and 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.	
Recital 19a				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
31a			<p>(19a) It is important to ensure legal certainty regarding this reduction in scope, especially regarding the material scope of the relevant provisions at each point in time. Accordingly, Article 5(2), third subparagraph, point (a) of Directive (EU) 2022/2464, on the first set of issuers subject to that Directive, should be amended to limit its application to three financial years from 1 January 2024. For financial years starting on or after 1 January 2027, Article 5(2), third subparagraph, point (b) of Directive (EU) 2022/2464, on the second set of issuers subject to that Directive, should apply. Accordingly, issuers that fall within point (a) but outside of point (b), as amended by this Directive, will fall outside of the scope of this Directive as of financial years starting on or after 1 January 2027. Nevertheless, with a view to reducing burden as swiftly as possible, Member States should be able to exempt such issuers from reporting obligations as</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			regards the financial years beginning between 1 January 2025 and 31 December 2026. Member States are required to implement this derogation in a way that ensures compliance with the principle of legal certainty.	
Recital 19b				
31b			(19aa) Due to the change in the scope of undertakings subject to sustainability reporting obligation, the review clause included in Article 6(1) should be adjusted. In order to ensure that the Union's objective of enabling the disclosure of sufficient data on corporate sustainability, the Commission should assess the appropriateness of the scope of Directive (EU) 2022/2464 as amended by this Directive. It is appropriate for that review to be based on, in particular, an analysis of the needs for sustainability data to mobilise private investments towards EU Green Deal objectives on the one hand, and the influence of sustainability reporting on the	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			competitiveness of the EU undertakings on the other hand. It is also important that the review take into account the best practices developed and the actual level of preparedness of undertakings to provide sustainability disclosures under that Directive. To this end and in the light of the proportionality principle, when considering the possible extension of the scope, it is important that the Commission consider whether to balance this extension with a possibility to establish a simplified reporting regime.	
Recital 19c				
31c			(19b) In the context of this and other ongoing and future initiatives, including simplification initiatives, it is important to ensure coherence between the sustainability information that undertakings must disclose, on the one hand, and the information that financial market participants subject to the disclosure obligations of Regulation (EU)	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						<p>2019/2088 need in order to comply with those obligations, on the other. This Directive does not remove the obligation for the sustainability reporting standards adopted under Article 29b(1) of Directive 2013/34/EU to require disclosure, by the undertakings and parent undertakings within scope, of at least the latter information. Maintaining coherence more broadly, including as regards undertakings outside of the scope of the mandatory sustainability reporting standards, will require careful attention from the Commission and co-legislators in the context of these initiatives. This is particularly important with EU's financial services legislation, which concerns many institutions that have to fulfil their obligations arising from the corporate sustainability reporting directive, the sustainable finance regulation and sector-specific financial services legislation.</p>		
Recital 19d								

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
31d			(19c) Directive (EU) 2024/1760 does not aim to provide a comprehensive framework for the protection of human rights or the environment in the context of companies' operation. Instead, it aims to harmonise national law concerning general due diligence obligations on such companies, liability in that respect, and the adoption and implementation of transition plans, thereby ensuring that companies active in the internal market contribute to sustainable development. Due diligence processes are complementary to, rather than replacing, the specific legal obligations that operate to protect, directly or indirectly, human rights or the environment. Those specific legal obligations include, amongst many other examples, labour, working time and equality law; law concerning workplace health and safety, including the handling of hazardous materials; construction standards and building zoning laws; and law regulating product or food	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			safety. All such legal obligations fall outside of the scope of this Directive, unless and insofar as they lay down general due diligence obligations. To increase legal certainty and to ensure that the necessary regulatory freedom is explicitly preserved, Article 1 of Directive (EU) 2024/1760 should be amended to further clarify the limits of the Directive's scope.	
Recital 19e				
31e			(19d) Directive (EU) 2024/1760 imposes wide-ranging due diligence obligations on relevant companies. Because of this, its scope is limited to particularly large companies. Nevertheless, the Report on <i>The future of European competitiveness</i> identified the due diligence framework as “a major source of regulatory burden”, concluding in this respect that there was a “need to better consider the size of companies affected by regulation”. Furthermore, this Directive can best achieve its objectives as regards the very largest	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			companies, which have the greatest influence over their value chain, the greatest impact on human rights and the environment, and the greatest resources to implement due diligence diligently. For all of these reasons, and in line with the crucial objective of simplification, the scope of this Directive should be reduced. In particular, the threshold of EUR 450 000 000 in Article 2(1) and 2(2) should be raised to EUR 1.5 billion, and the threshold of 1 000 employees in Article 2(1) should be raised to 5 000 employees.	
Recital 20				
32	(20) Article 4(1) of Directive (EU) 2024/1760 prohibits Member States from introducing, in their national law, provisions within the field covered by the Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Article 8(1) and (2), and Article 10(1) of that Directive. To ensure that Member States do not go beyond that Directive and	(20) Article 4(1) of Directive (EU) 2024/1760 prohibits Member States from introducing, in their national law, provisions within the field covered by the Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Article 8(1) and (2), and Article 10(1) of that Directive. To ensure that Member States do not go beyond that Directive and	(20) Article 4(1) of Directive (EU) 2024/1760 prohibits Member States from introducing, in their national law, provisions within the field covered by the Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Article 8(1) and (2), and Article 10(1) Articles 10(1) and 11(1) of that Directive. To ensure that Member States do not	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>to avoid the creation of a fragmented regulatory landscape resulting in legal uncertainty and unnecessary burden, the full harmonisation provisions of Directive (EU) 2024/1760 should be expanded to additional provisions regulating the core aspects of the due diligence process. That includes, in particular, the identification duty, the duties to address adverse impacts that have been or should have been identified, the duties to engage with stakeholders in certain cases, and the duty to provide for a complaints and notification mechanism. At the same time, Member States should be allowed to introduce more stringent or more specific provisions on other aspects, including to address emerging risks linked to new products or services.</p>	<p>to avoid the creation of a fragmented regulatory landscape resulting in legal uncertainty and unnecessary burden, the full harmonisation provisions of Directive (EU) 2024/1760 should be expanded to additional provisions regulating the core aspects of the due diligence process. That includes, in particular, the <u>provisions on due diligence at group level</u>, identification duty, the duties to address adverse impacts that have been or should have been identified, <u>prioritisation</u>, the duties to engage with stakeholders in certain cases, and the duty to provide for a complaints and notification mechanism. At the same time, Member States should <u>continue to</u> be allowed to introduce more stringent or more specific <u>or maintain</u> provisions on other aspects, including to address emerging risks linked to new <u>of national law regulating specific adverse impacts or specific sectors of activity, specific</u> products or services, <u>in order to achieve a different level of protection of human,</u></p>	<p>go beyond that Directive and to avoid the creation of a fragmented regulatory landscape resulting in legal uncertainty and unnecessary burden, the full harmonisation provisions of Directive (EU) 2024/1760 should be expanded to additional provisions regulating the core aspects of the due diligence process. That includes, in particular, the identification duty, the duties to address adverse impacts that have been or should have been identified, the duties to engage with stakeholders in certain cases, and the duty to provide for a complaints and notification mechanism. At the same time, Member States should continue to be allowed to introduce more stringent or more specific provisions on other aspects or provisions on due diligence that are more specific in terms of the objective or the field covered. The latter concept includes provisions of national law regulating specific adverse impacts or specific sectors of activity, in order to achieve a different level of protection of human, employment and social</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>employment and social rights, the environment or the climate.</u>	<p>rights, the environment or the climate. To increase legal certainty and to ensure necessary regulatory freedom, in particular as regards, including to address emerging specific risks linked to new for which due diligence obligations may be important, this concept should be further clarified.</p> <p>It should be clarified that the concept includes due diligence obligations concerning specific products or, services, or situations. Conversely, national rules going beyond a specific objective or field, for instance by regulating the due diligence process in general or regulating due diligence in a whole sector, do not fall within this concept.</p>	
Recital 21				
33	(21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To reduce burdens on companies that have to comply with that	(21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To <u>ensure effectiveness</u> , reduce burdens on companies that have to	(21) Article 5 of Directive (EU) 2024/1760 obliges Member States to ensure that large companies above a certain size conduct risk-based human rights and environmental due diligence. To reduce burdens on Article 8 requires those companies that	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>obligation, the required due diligence should, as a general rule, be limited to the company's own operations, those of its subsidiaries and those of its direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have plausible information that suggests an adverse impact at the level of an indirect business partner. Plausible information means information of an objective character that allows the company to conclude that there is a reasonable likelihood that the information is true. This may be the case where the company concerned has received a complaint or is in the possession of information, for example through credible media or NGO reports, reports of recent incidents, or through recurring problems at certain locations</p>	<p>comply with that obligation <u>and ensure that their resources are used purposefully</u>, the required due diligence should, as a general rule, be limited to the company's own operations, those of its subsidiaries and those of its direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies <u>and measures taken</u> should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have plausible information that suggests an adverse impact at the level of an indirect <u>take into account relevant risk factors, including company-level risk factors, such as whether the</u> business partner. Plausible information means information of an objective character that allows the <u>is not a</u> company to conclude that there is a reasonable likelihood that the information is true. This may be the case where the company concerned has</p>	<p>have to comply with that obligation, then to take appropriate measures to identify and assess adverse impacts, taking into account relevant risk factors. Companies should be required due diligence should, as a general rule, be limited to the company's to conduct a scoping exercise to identify areas across their own operations, those of its their subsidiaries and, where related to their chains of activities, those of its their direct business partners ('tier 1'). Consequently, when it comes to business relationships, companies should, after having mapped their chains of activities, be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have plausible information that suggests an adverse impact at the level of an indirect business partner. Plausible information means information of an objective character that allows the company to conclude that there is a reasonable likelihood that the information is true. This may be</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>about likely or actual harmful activities at the level of an indirect business partner. Where the company has such information, it should carry out an in-depth assessment. Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. In addition, companies should seek to ensure that their code of conduct – which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations – is followed throughout the chain of activities in accordance with contractual cascading and SME support.</p>	<p>received a complaint or is in the possession of information, for example through credible media or NGO reports, reports of recent incidents, or through recurring problems at certain locations about likely or actual harmful activities at <u>covered by this Directive, business operation risk factors, geographic and contextual risk factors, such as the level of an indirect business partner. Where the company has such information, it should carry out an in-depth assessment</u> <u>law enforcement with respect to the type of adverse impacts; product and service risk factors, and sectoral risk factors</u>. Companies should also carry out in-depth assessments with respect to the scoping to identify general areas where adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. Where the in-depth assessment confirms</p>	<p>the case where the company concerned has received a complaint or is in the possession of information, for example through credible media or NGO reports, reports of recent incidents, or through recurring problems at certain locations about impacts are likely or actual harmful activities at the level of an indirect business partner. Where the company has such information, it should to occur and carry out an in-depth assessment in the areas where adverse impacts were identified to be most likely to occur and most severe. Under this risk-based scoping approach, companies are not required to identify and assess every single entity or risk where that would not be reasonable taking into account the circumstances of the specific case. In the same vein, companies should only be required to take reasonable measures in gathering the necessary information. When identifying and assessing adverse impacts, the company should take into account, based</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p>the likelihood or existence of the adverse impact, it should then be deemed<u>are most likely to occur and</u> to be identified. In addition,<u>most severe. Based on the results of scoping the</u> companies should seek to ensure that their code of conduct—which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations—is followed throughout the chain of activities in accordance with contractual cascading and SME support<u>be required, where on the basis of relevant and verifiable information the company has grounds to believe that adverse impacts have arisen or may arise, to carry out further assessments only in areas where adverse impacts were identified to be most likely to occur and most severe.</u></p>	<p>on an overall assessment, relevant risk factors, including company-level risk factors, such as whether the business partner is not a company covered by this Directive; business operation risk factors; geographic and contextual risk factors, such as the level of law enforcement with respect to the type of adverse impacts; product and service risk factors; and sectoral risk factors. Companies should also carry out in-depth assessments with respect to adverse impacts arising beyond their direct identify and assess the impact of existing business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. In addition, companies should seek to ensure that their code of conduct—which is part of their due diligence</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			policy and sets out the expectations as to how to protect human models and strategies, including labour, rights and the environment in business operations — is followed throughout the chain of activities in accordance with contractual cascading and SME support trading, procurement and pricing practices.	
Recital 21a				
33a			(21a) Furthermore, with a view to reducing burdens and achieving the objectives of Directive (EU) 2024/1760 in a more proportionate way, this scoping exercise should be limited to the company’s own operations, those of its subsidiaries and those of its direct business partners (‘tier 1’). Consequently, when it comes to business relationships, companies should be required to carry out in-depth assessments as regards direct business partners only. Companies should, however, look beyond their direct business relationships where they have,	

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			<p>or can be reasonably expected to know of, objective and verifiable information that suggests an adverse impact at the level of an indirect business partner. In order to be able to do this, companies should map their chains of activities to identify their indirect business partners, based on reasonably available information. Objective and verifiable information is information that objectively has a reasonable likelihood of being true, taking into account amongst other things, the credibility of the source. Those sources could include data produced by government bodies, baseline studies or impact assessments commissioned by other parties, local community grievances and demand records, studies and indices by academics, NGOs, government agencies and industry bodies, available reports prepared by other enterprises operating in the local area or region, studies and reports by inter-governmental organisations and multilateral and bilateral</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>development institutions, studies undertaken by communities about key issues that may be relevant to project development, land mapping and other information about the project or activity. Examples of information suggesting an adverse impact could include a notification or complaint, stakeholder engagement, credible reports in the media or from international organisations or NGOs, environmental and social impact assessments, geographical risk assessments, reports of recent incidents, or information about recurring problems in the sector in which the company operates or at certain locations. Using such information sources constitutes good practice under the OECD Due Diligence Guidance for Responsible Business Conduct. Where the company has, or can reasonably be expected to know of, such information, it should carry out an in-depth assessment. Companies should also carry out in-depth assessments with respect to</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>adverse impacts arising beyond their direct business partner where the structure of this business relationship lacks economic rationale and suggests that it was chosen to remove an otherwise direct supplier with harmful activities from the purview of the company. In each of these cases, the in-depth assessment should be aimed at obtaining accurate and reliable information, in particular about the nature and extent, causes, severity and likelihood of the identified adverse impacts, to enable the company to conduct the prioritisation in accordance with Article 9 and adopt appropriate measures to address them in accordance with Articles 10 to 12. In addition, to reduce burdens and create legal certainty, it should be made clearer that the entire identification and assessment process should be based on risk factors, implying a ‘risk-based approach’. Furthermore, the definition of ‘risk factors’ should be further clarified, drawing on recital 41 of the existing</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			Directive. Where the in-depth assessment confirms the likelihood or existence of the adverse impact, it should then be deemed to be identified. In addition, companies should be able to request that their code of conduct – which is part of their due diligence policy and sets out the expectations as to how to protect human, including labour, rights and the environment in business operations – is followed throughout the chain of activities in accordance with contractual cascading and SME support.	
Recital 22				
34	(22) To limit the trickle-down effect on small and medium-sized undertakings and small midcap companies when it comes to mapping the value chain to identify adverse impacts, large companies should limit information requests to the information specified in the standards for voluntary use referred to in Article 29a of Directive (EU) 2013/34/EU,	(22) To limit the trickle-down effect on <u>other companies</u> , <u>including</u> small and medium-sized undertakings and small midcap companies when it comes to mapping the value chain <u>the scoping of the chain – of activities</u> to identify adverse impacts, large companies <u>within the scope</u> should limit information requests to the <u>not seek to obtain</u> information specified in the standards for	(22) To limit the trickle-down effect on other companies , including small and medium-sized undertakings and small midcap companies, when it comes to mapping the value chain to identify the scoping of areas across their chains of activities where adverse impacts, large are likely to occur , companies should limit information requests to the information specified in the	

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	unless they need additional information to carry out the mapping and they cannot obtain that information in any other reasonable way.	voluntary use referred to in Article 29a of Directive (EU) 2013/34/EU, unless they need <u>from their business partners but rely only on information that is already reasonably available, such as publicly known information, information from searches and information gained through earlier cooperation. Entity-level information and communication with business partners is not relevant at this stage. It should only be possible to seek such information for further assessments under certain conditions. In such a case, it should be possible to seek information from business partners only where, following a risk-based approach, such information is necessary in light of indications of likely adverse impacts from business partners with fewer than 5000 employees where such</u> additional information to carry out the mapping and they cannot <u>reasonably be obtained by other means, mainly from existing or secondary sources. In any case, any request should be targeted, reasonable and</u>	standards for voluntary use referred to in Article 29a of <u>subject to</u> Directive (EU) 2013/34/EU, unless they need additional 2024/1760 should only request information to carry out the mapping and they cannot obtain from direct business partners where that information is necessary and, in the case of direct business partners with fewer than 1000 employees, cannot reasonably be obtained by <u>in any other reasonable way</u> means.	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<i><u>proportionate. In order to facilitate compliance for companies and the relevant business partners, it should be possible to obtain that the necessary information in any other reasonable way either individually or collaboratively.</u></i>		
Recital 22a				
34a		<i><u>(22a) While keeping with the objective of prioritising the most adverse and likely impacts, companies should be given significant flexibility in deciding which risks to address first on the basis of the severity and likelihood of an adverse impact. Such a decision should be based on the scale, scope or irremediable character of the adverse impact, taking into account the gravity of the impact. Once the most severe and likely adverse impacts are addressed in reasonable time, companies should address less severe and less likely adverse impacts. However, companies should not be penalised for any harm stemming from less significant adverse impacts that were not yet</u></i>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u><i>addressed according to the prioritisation in line with these principles.</i></u>		
Recital 23				
35	(23) Companies may find themselves in situations where their production heavily relies on inputs from one or several specific suppliers. At the same time, where the business operations of such a supplier are linked to severe adverse impacts, including child labour or significant environmental harm, and the company has unsuccessfully exhausted all due diligence measures to address those impacts, the company, as a last resort should suspend the business relationship while continuing to work with the supplier towards a solution, where possible using any increased leverage resulting from the suspension.	(23) Companies may find themselves in situations where their production heavily relies on inputs from one or several specific suppliers. At the same time, where the business operations of such a supplier are linked to severe adverse impacts, including child labour or significant environmental harm, and the company has unsuccessfully exhausted all due diligence measures to address those impacts, the company, as a last resort should <u><i>temporarily</i></u> suspend the business relationship while continuing to work with the supplier towards a solution, where possible using any increased leverage resulting from the suspension. <u><i>The company should assess, in consultation with relevant stakeholders, whether such suspension leads to a substantial prejudice for the company, including where crucial business partners provide</i></u>	(23) Companies may find themselves in situations where their production heavily relies on inputs from one or several specific suppliers. At the same time, where the business operations of such a supplier are linked to severe adverse impacts, including child labour or significant environmental harm, and the company has unsuccessfully exhausted all due diligence measures to address those impacts, the company, as a last resort should suspend the business relationship while continuing to work with the supplier towards a solution, where possible using any increased leverage resulting from the suspension. The suspension should end once the adverse impact is addressed.	

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		<p><u>raw materials, products or services which are essential to the company's business to which no available alternative exists. Substantial prejudice should be interpreted as a negative and significant effect on the company's legal, financial or economic situation or its production capacity, including in the long term, such as an effect giving rise to the likelihood of insolvency. In order not to undermine the aims of this Directive, the decision not to suspend the business relationship should be subject to conditions, including reporting to the competent supervisory authority about the duly justified reasons for such a decision. Companies should also assess if the adverse impacts from suspension can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company should not be required to suspend the business relationship and should be in a position to report to the</u></p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u><i>competent supervisory authority about the duly justified reasons for such a decision.</i></u>		
Recital 24				
36	(24) To reduce burdens on companies and make stakeholder engagement more proportionate, companies should only have to engage with workers, their representatives including trade unions, and individuals and communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners, and that have a link to the specific stage of the due diligence process being carried out. That includes individuals or communities in the neighbourhood of plants operated by business partners where those individuals or communities are directly affected by pollution, or indigenous people whose right to lands or resources are directly affected by how a business partner acquires, develops or otherwise uses land, forests or waters. Moreover, stakeholder engagement should	(24) To reduce burdens on companies and make stakeholder engagement more proportionate, companies should only have to engage with workers, their representatives including trade unions, and individuals and communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners, and that have a link to the specific stage of the due diligence process being carried out. That includes individuals or communities in the neighbourhood of plants operated by business partners where those individuals or communities are directly affected by pollution, or indigenous people whose right to lands or resources are directly affected by how a business partner acquires, develops or otherwise uses land, forests or waters. Moreover, stakeholder engagement should	(24) To reduce burdens on companies and make stakeholder engagement more proportionate, companies should only have to engage with workers their employees, the employees of their subsidiaries and of their business partners, the representatives of those employees including trade unions, and individuals and communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners. In line with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, this includes the legitimate representatives of those individuals or communities. They play an important role for communities, such as indigenous peoples or local communities, but can also be relevant for individuals, in particular in	

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	only be required for certain parts of the due diligence process, namely at the identification stage, for the development of (enhanced) action plans and when designing remediation measures.	only be required for certain parts of the due diligence process, namely at the identification stage, for the development of (enhanced) action plans and when designing remediation measures.	<p>situations where it is not possible or appropriate to engage directly with individual rightsholders, or not all of them. For instance, it may be difficult to reach out to certain rightsholders, due to, for example, communication barriers, but especially in situations where their security cannot be guaranteed (such as in conflict areas or if rightsholders fear reprisals) or there is a serious lack of trust. Legitimate representatives might for instance be community leaders, the individuals or bodies representing indigenous peoples in accordance with their organisational rules and traditions (e.g., elected elders), consumer protection groups or, in certain situations, civil society organisations where they can be considered to genuinely represent the interests of rightsholders.</p> <p>Conversely, this does not include individuals or organisations which show solidarity with the case but without any specific connection and without any</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>formal representation role. Directly affected individuals or communities are those right-holdersand that have a link to the specific stage of the due diligence process being carried out. That includes individuals or communities in the neighbourhood of plants operated by business partners where those individuals or communities are directly affected by pollution, or indigenous people whose right to lands or resources are directly affected by how a business partner acquires, develops or otherwise uses land, forests or waters. Moreover, stakeholder engagement should only be required for certain parts of the due diligence process, namely at the identification stage, for the development of (enhanced) action plans and when designing remediation measures.</p>	
Recital 24a				
36a			<p>(24a) Companies should monitor the implementation and effectiveness of their due diligence measures. They should carry out periodic assessments of their own operations, those of</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>their subsidiaries and, where related to the chain of activities of the company, those of their business partners, to assess the implementation and to monitor the adequacy and effectiveness of the identification, prevention, minimisation, bringing to an end and mitigation of 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 without undue delay after a significant change occurs, but at least every 5 years and be revised in-between if there are reasonable grounds to believe that the measures are no longer adequate or effective or new risks of adverse impact could have arisen. In order to ensure alignment with the international standards companies could also consider conducting periodic assessments annually in order to</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>ensure that the information about the adequacy and effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of adverse impacts remains relevant, accurate and up-to-date. In particular, companies operating in high risk sectors or having business partners operating in such sectors could benefit from more frequent assessments, which serve to maintain the usefulness of the information for the company's decision making or in order to better monitor the progress towards the net zero interim target. The Directive also foresees that the due diligence policy is updated without undue delay after a significant change occurs and it is reviewed and, where necessary, updated at least every two years.</p> <p>More frequent, including ad hoc monitoring should contribute to a proper update of the due diligence policy. A significant change should be understood as</p>	

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			<p>a change to the status quo of the company's own operations, operations of its subsidiaries or business partners, the legal or business environment or any other substantial shift from the situation of the company or its operating context. Examples of a significant change could be cases when the company starts to operate in a new economic sector or geographical area, starts producing new products or changes the way of producing the existing products using technology with potentially higher adverse impact, or changes its corporate structure via restructuring or via mergers or acquisitions. Reasonable grounds to believe that there are new risks may arise in different ways, including learning about the adverse impact from publicly available information, through stakeholder engagement, or through notifications. Companies should retain documentation demonstrating their compliance with this requirement for at least five years. Such</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			documentation should at least include, where relevant, the identified impacts and in-depth assessments pursuant to Article 8, the prevention and/or corrective action plan pursuant to Articles 10(2), point (a), and 11(3), point (b), contractual assurances obtained or contracts concluded pursuant to Articles 10(2), point (b), Article 10(4) and 11(3) (c), Article 11(5), verifications pursuant to Articles 10(5) and 11(6), remediation measures, periodic assessments as part of the company's monitoring obligation, as well as notifications and complaints. Financial undertakings should carry out periodic assessment only of their own operations, those of their subsidiaries and those of their upstream business partners.	
Recital 25				
37	(25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced to	(25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced to	(25) To reduce administrative burdens on companies, the Commission's deadline for the adoption of general due diligence guidelines should be advanced	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>26 July 2026. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group of companies should be deferred to 26 July 2028 in accordance with Directive (EU) XXX/XXX¹. That two-year interval will should provide companies with sufficient time to take into account the practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures.</p> <p>1. Directive (EU) 2025/XX of</p>	<p>26 July 2026. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group of companies should be deferred to 26 July 2028 in accordance with Directive (EU) XXX/XXX¹. That two-year interval will should provide companies with sufficient time to take into account the practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures.</p> <p>1. Directive (EU) 2025/XX of</p>	<p>tomade available prior to the transposition deadline, by 26 July 20262027. In parallel, the application deadline for Directive (EU) 2024/1760 for the first group ofall companies should be deferred to 26 July 2028 in accordance with Directive (EU) XXX/XXX¹2029. That two-year interval will should provide companies with sufficient time to take into account the practical guidance and best practices included in the Commission's guidelines when implementing due diligence measures.</p> <p>1. Directive (EU) 2025/XX of</p>	
Recital 26				
38	<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</p>	<p>(26) To ensure better alignmentThe provisions of Directive (EU) 2024/1760 with the sustainability reporting regime laid down in Directive (EU) 2022/2464, the requirement to put into effecton 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</p>	<p>(26) To ensure better alignment of Directive (EU) 2024/1760 with the wording of 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</p>	

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	updated design remains subject to administrative supervision.	to adopt the plan and its initial and updated design remains subject to <u>have been deemed to be disproportionate, particularly due to the administrative supervision burden on companies and competent authorities, and could lead to legal uncertainty. It is necessary to repeal those provisions in order to streamline obligations and support a more targeted and efficient implementation of that Directive.</u>	the This way, the behavioural duty under Directive (EU) 2024/1760 is consistent with the requirement for the reported plan and its initial and updated design remains subject to administrative supervision to set out ‘implementing actions’ in Directive (EU) 2022/2464.	
Recital 26a				
38a			(26a) With a view to reducing burden for companies and achieving the objectives of Directive (EU) 2024/1760 in a more proportionate way, Article 22 of that Directive should be tailored in the following ways. First, it is difficult for individual companies to translate the high-level goals of the transition to a sustainable economy and the limiting of global warming in line with the Paris Agreement into the specific steps necessary for their business model and strategy to be ‘compatible’ with those goals. Accordingly, this	

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			<p>obligation should be replaced by a more concrete, more proportionate and more clearly-defined obligation to aim, via reasonable efforts, towards a business model and strategy that ‘contribute to’ those goals. The transition plan should thus aim to ensure, through reasonable efforts, that the business model and strategy of the company contribute to the limiting of global warming in line with the Paris Agreement and in line with the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119. Second, the required behavioural standard should no longer be ‘best efforts’ but ‘reasonable efforts’. Recital 73 of the Directive already clarifies that even the concept of ‘best efforts’ should be understood as an ‘obligation of means’ and that due account shall be given to the complexity and evolving nature of climate transitioning and the progress made by companies. While companies should strive to achieve the objectives contained in their</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>plans, specific circumstances may lead to companies not being able to reach these objectives where this is no longer reasonable. With a view to providing further legal certainty, it should be clarified that the notion of ‘reasonable efforts’ refers to what can be expected from a diligent party to reach the targets in its transition plan, taking into account best industry practices, the effectiveness of actions taken and the principle of proportionality. It does not require making every possible effort, adopting the best standard in the given sector for all actions in case that would not be reasonable under the circumstances, or going beyond the underlying science. Third, companies should be given more flexibility regarding the content of the plan. In particular, companies should still be required to adopt a transition plan, namely a plan that includes the core elements described above. However, the design elements set out in Article</p>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						22(1), second subparagraph of that Directive should be made optional. Finally, given the particular complexity of formulating transition plans for climate change mitigation, there should be a transitional period during which adoption of such a plan is optional rather than obligatory for companies. That transitional period should be limited to two years following application of the measures referred to in Article 37(1), second subparagraph of that Directive (hence two years from 26 July 2029). During the transitional period, companies are encouraged to adopt transition plans for climate change mitigation on a voluntary basis and engage with supervisory authorities to adequately prepare for when the plan adoption becomes obligatory.		
Recital 26b								
38b						(26b) As announced in the Clean Industrial Deal, the Commission is working on defining sectorial pathways		

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			<p>which should help companies develop plans that aim to ensure that their business plans and strategy contribute to the transition to a sustainable economy and the limiting of global warming in line with the Paris Agreement, and should also provide a common EU methodology to guide companies and supervisors ('sectoral emission pathways') as well as the adequacy of implementing actions ('sectoral decarbonisation lever pathways'). The pathways will be developed in dialogue with industry and other stakeholders, including SMEs. The pathways are based on an indicative 2030-2050 GHG budget that is fully compatible with the Paris Agreement's long-term temperature goals. Because guidance could assist companies in designing and adopting their transition plans, thereby reducing the burden on those companies, the Commission guidelines on transition plans under the Directive should be required to reflect the results of</p>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						<p>this work by including practical guidance on sectoral and cross-sectoral pathways. These pathways reflect the need for certain sectors to transition earlier than others while acknowledging that in some sectors the pace of greenhouse gas reductions can be slower, and even within sectors, the pathways are based on different scenarios. For all of these reasons, companies should take these pathways into account in adopting their transition plans for climate change mitigation. The sectoral and cross-sectoral pathways are being developed based on the intermediate and long-term targets of the European Climate Law, which do not cover all global emissions. Consequently, for emissions that are not covered by those pathways, companies should take into account other international, science-based, pathways aligned with the Paris Agreement.</p>		
Recital 26c								

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
38c						<p>(26c) Under Article 22(2) of Directive (EU) 2024/1760, companies that report a transition plan for climate change mitigation in accordance with the CSRD Directive (EU) 2022/2464 are deemed to have complied with the obligation to adopt a transition plan for climate change mitigation as referred to in Article 22(1) of Directive (EU) 2024/1760. This transition plan for climate change mitigation is one and the same as in Directive (EU) 2022/2464 and the Commission Delegated Regulation (EU) 2023/2772. Accordingly, it is appropriate to amend Directive (EU) 2022/2464 to ensure alignment with the changes made to the obligation to adopt a climate change transition plan in Directive (EU) 2024/1760, with the concept of contribution having the same meaning in both cases. It is, however, important to maintain the obligation to adopt such a plan in Directive (EU) 2024/1760, because Directive (EU) 2022/2464 does not require such</p>		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						<p>adoption. While there are requirements for the adoption of climate-related transition plans also in other areas of EU law, those rules either have a different scope (e.g., transformation plans under the Industrial Emissions Directive (Directive 2010/75/EU) or climate-neutrality plans under the ETS Directive (Directive 2003/87/EC), both of which are at installation level) or pursue different objectives (e.g., plans under the Capital Requirements Directive VI (Directive 2013/36/EU) and the Solvency II Directive (Directive 2009/138/EC) which seek to address financial risks to the institution, including from climate change and the transition to climate neutrality). A common transition plan template could support the integration of activity or installation-level data into company level transition plans. This template would be based on existing requirements and would not add additional reporting for companies.</p>		

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
Recital 26d								
38d						<p>(26d) In light of the amendments made to Article 22(1) of Directive (EU) 2024/1760 by this Directive, it is appropriate to adjust and clarify the powers of supervisory authorities regarding transition plans for climate change. First, supervisory authorities should only supervise the mandatory adoption of such a plan. Second, as regards supervision of that adoption, it is important that authorities take due account of, inter alia, the difficulties inherent in estimating future greenhouse gas emissions, the availability and effectiveness of climate change mitigation technologies, and the overall complexity and evolving nature of climate transitioning. While it is important that authorities supervise whether transition plans are science-based and whether the plan, including the actions and underlying assumptions, is generally robust, companies should be granted the necessary flexibility in determining the nature of their</p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>contribution within the limits set by the Directive. In carrying out their functions, it is important that supervisory authorities, where appropriate, prioritise cooperation over enforcement action, in particular through penalties. While the authorities retain discretion over the performance of their supervisory role, they may find it useful to seek to engage in a dialogue with companies and guide their efforts in adopting transition plans through advice and, where needed, assistance, in a manner that does not compromise their independence or responsibilities to ensure legality. Where appropriate, they should be able to afford companies an opportunity to rectify non-compliance and avoid sanctions by coming into compliance within a specified time. This might include, for instance, seeking or accepting time-bound commitments to address shortcomings. However, that does not prevent them from taking immediate enforcement action for example where the</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			company has not been cooperative in the past, has repeatedly failed to comply with its obligations, including with previous commitments, or if proposed commitments are insufficient. Third, companies should be able to request advice from supervisory authorities regarding the adoption of these plans. Additionally, companies should be able to request advice regarding the design or implementation of those plans.	
Recital 27				
39	(27) Article 27(1) of Directive EU 2024/1760 requires Member States to lay down penalties that are to be “effective, proportionate and dissuasive”. Article 27(2) of that Directive requires Member States, when deciding whether to impose penalties and, if so, when determining their nature and appropriate level, to take due account of a series of factors that determine the gravity of the infringement and attenuating or aggravating circumstances. Article 27(4) of that Directive requires Member States to base any	(27) Article 27(1) of Directive EU 2024/1760 requires Member States to lay down penalties that are to be “effective, proportionate and dissuasive”. Article 27(2) of that Directive requires Member States, when deciding whether to impose penalties and, if so, when determining their nature and appropriate level, to take due account of a series of factors that determine the gravity of the infringement and attenuating or aggravating circumstances. Article 27(4) of that Directive requires Member States to base any	(27) Article 27(1) of Directive EU 2024/1760 requires Member States to lay down penalties that are to be “effective, proportionate and dissuasive”. Article 27(2) of that Directive requires Member States, when deciding whether to impose penalties and, if so, when determining their nature and appropriate level, to take due account of a series of factors that determine the gravity of the infringement and attenuating or aggravating circumstances. Article 27(4) of that Directive requires Member States to base any	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>imposed pecuniary penalties on the net worldwide turnover of the company concerned. However, given the fact that Member States already have to take into account the series of factors laid down in Article 27(2) of that directive, the need to base pecuniary penalties on the net worldwide turnover of the company concerned is superfluous. However, to ensure a level playing field across the Union, Member States should be prohibited from introducing in their national law a ceiling or cap for any pecuniary penalties imposed on companies under their jurisdiction that would prevent supervisory authorities from imposing penalties in accordance with the factors laid down in Article 27(2). Moreover, to harmonise enforcement practices across the Union, the Commission, in collaboration with the Member States, should develop guidelines to assist supervisory authorities in determining the level of penalties.</p>	<p>imposed pecuniary penalties on the net worldwide turnover of the company concerned. However, given the fact that <u>In order to ensure proportionate penalties,</u> Member States already have to take into account the series of factors laid down in Article 27(2) of that directive, the need to base <u>should guarantee that the maximum limit for</u> pecuniary penalties on <u>is set at 5% of</u> the net worldwide turnover of the company concerned is superfluous. However, to ensure a level playing field across the Union, Member States should be prohibited from introducing in their national law a ceiling or cap for any pecuniary penalties imposed on <u>or, for</u> companies <u>falling</u> under their jurisdiction that would prevent supervisory authorities from imposing penalties in accordance with the factors laid down in <u>Article 2(1)(b) and Article 27(2)(2)(b), of the consolidated worldwide turnover of the ultimate parent undertaking, in the financial year preceding that of the decision to impose the fine.</u> Moreover, to</p>	<p>imposed, when imposing pecuniary penalties, to base them on the net worldwide turnover of the company concerned. However, given the fact that Member States already have this requirement appears unnecessary and could be misinterpreted as requiring pecuniary penalties to be based solely or primarily on that turnover. Instead, in accordance with the requirement that penalties be effective, proportionate and dissuasive, supervisory authorities are required to take into appropriate account of the net worldwide turnover (or, in the case of companies belong to a group, the net consolidated worldwide turnover of the ultimate parent company), alongside the series of factors laid down in Article 27(2) of that Directive. Accordingly, this separate requirement should be removed. Conversely, the need to base pecuniary penalties on the net worldwide turnover of the company concerned is superfluous. However, to ensure a level playing field across the Union and in line</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		harmonise enforcement practices across the Union, the Commission, in collaboration with the Member States, should develop guidelines to assist supervisory authorities in determining the <u>appropriate</u> level of penalties.	with the objective of harmonization , Member States should be prohibited from introducing in their national law a ceiling or cap for any required to set a uniform maximum limit of pecuniary penalties imposed on of 5% of the net worldwide turnover. The application of this maximum limit to companies under their jurisdiction that would prevent supervisory authorities from imposing penalties in accordance with the factors laid down in Article 27(2) belonging to groups should be clarified. Moreover, to harmonise increase the consistency of enforcement practices across the Union, the Commission, in collaboration with the Member States, should develop guidelines to assist supervisory authorities in determining the level of penalties.	
Recital 28				
40	(28) To limit possible litigation risks linked to the harmonised civil liability regime of Directive (EU) 2024/1760, the specific, Union-wide liability regime currently provided for in Article	(28) To limit possible litigation risks linked to the harmonised civil liability regime of Directive (EU) 2024/1760, the specific, Union-wide liability regime currently provided for in Article	(28) To limit possible litigation risks linked to the harmonised civil liability regime of Directive (EU) 2024/1760 better achieve the principle of subsidiarity , the specific, Union-wide liability	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>29(1) of that Directive should be removed. At the same time, as a matter of both international and Union law, Member States should be required to ensure that victims of adverse impacts have effective access to justice and to guarantee their right to an effective remedy, as enshrined in Article 2(3) of the International Covenant on Civil and Political Rights, Article 8 of the Universal Declaration of Human Rights, Article 9(3) of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and Article 47 of the EU Charter of Fundamental Rights. Member States should therefore ensure that, in case a company is held liable for a failure to comply with the due diligence requirements laid down in Directive (EU) 2024/1760, and that where such failure caused damage, victims are able to receive full compensation, which should be granted in accordance with the principles of effectiveness and equivalence, while balancing this through</p>	<p>29(1) of that Directive should be removed. At the same time, as a matter of both international and Union law, Member States should be required to ensure that victims of adverse impacts have effective access to justice and to guarantee their right to an effective remedy, as enshrined in Article 2(3) of the International Covenant on Civil and Political Rights, Article 8 of the Universal Declaration of Human Rights, Article 9(3) of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and Article 47 of the EU Charter of Fundamental Rights. Member States should therefore ensure that, in case a company is held liable for a failure to comply with the due diligence requirements laid down in Directive (EU) 2024/1760, and that where such failure caused damage, victims are able to receive full compensation, which should be granted in accordance with the principles of effectiveness and equivalence, while balancing this through</p>	<p>regime currently provided for in Article 29(1) of that Directive should be removed. At the same time, as a matter of both international and Union law, Member States should be required to ensure that victims of adverse impacts have effective access to justice and to guarantee their right to an effective remedy, as enshrined in Article 2(3) of the International Covenant on Civil and Political Rights, Article 8 of the Universal Declaration of Human Rights, Article 9(3) of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus Convention) and Article 47 of the EU Charter of Fundamental Rights. Member States should therefore ensure that, in case a company is held liable for a failure to comply with the due diligence requirements laid down in Directive (EU) 2024/1760, and that where such failure caused damage, victims are able to receive full compensation, which should be granted in accordance with the principles of</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>safeguards should prevent against overcompensation. In view of the different rules and traditions that exist at national level when it comes to allowing representative actions, the specific requirement in that regard in Directive (EU) 2024/1760 should be deleted. Such deletion is without prejudice to any provision of the applicable national law allowing a trade union, non-governmental human rights or environmental organisation, other non-governmental organisation or a national human rights institution to bring actions to enforce the rights of the alleged injured party, or to support such actions brought directly by such party.</p> <p>Furthermore, for the same reason, the requirement for Member States to ensure that the liability rules are of overriding mandatory application in cases where the law applicable to claims to that effect is not the national law of the Member State should be deleted. That deletion does not restrict the possibility for Member States to provide that the provisions of national law transposing Article 29</p>	<p>safeguards should prevent against overcompensation. In view of the different rules and traditions that exist at national level when it comes to allowing representative actions, the specific requirement in that regard in Directive (EU) 2024/1760 should be deleted. Such deletion is without prejudice to any provision of the applicable national law allowing a trade union, non-governmental human rights or environmental organisation, other non-governmental organisation or a national human rights institution to bring actions to enforce the rights of the alleged injured party, or to support such actions brought directly by such party.</p> <p>Furthermore, for the same reason, the requirement for Member States to ensure that the liability rules are of overriding mandatory application in cases where the law applicable to claims to that effect is not the national law of the Member State should be deleted. That deletion does not restrict the possibility for Member States to provide that the provisions of national law transposing Article 29</p>	<p>effectiveness and equivalence, while balancing this through safeguards should prevent against overcompensation. In view of the different rules and traditions that exist at national level when it comes to allowing representative actions, the specific requirement in that regard in Directive (EU) 2024/1760 should be deleted. Such deletion is without prejudice to any provision of the applicable national law allowing a trade union, non-governmental human rights or environmental organisation, other non-governmental organisation or a national human rights institution to bring actions to enforce the rights of the alleged injured party, or to support such actions brought directly by such party.</p> <p>Furthermore, for the same reason, the requirement for Member States to ensure that the liability rules are of overriding mandatory application in cases where the law applicable to claims to that effect is not the national law of the Member State should be deleted. That deletion does not restrict the possibility for Member States to</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	of Directive EU 2024/1760 are of overriding mandatory application in accordance with Article 16 of Regulation (EC) No 864/2007, in cases where the law applicable to claims to that effect is not the national law of a Member State.	of Directive EU 2024/1760 are of overriding mandatory application in accordance with Article 16 of Regulation (EC) No 864/2007, in cases where the law applicable to claims to that effect is not the national law of a Member State.	provide that the provisions of national law transposing Article 29 of Directive EU 2024/1760 are of overriding mandatory application in accordance with Article 16 of Regulation (EC) No 864/2007, in cases where the law applicable to claims to that effect is not the national law of a Member State.	
Recital 29				
41	(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.	(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.	(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.	
Recital 29a				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
41a		<p><i><u>(29a) In order to facilitate compliance by companies with reporting and due diligence obligations under Union law, and to enhance the accessibility and usability of sustainability-related information, the Commission should establish a dedicated digital reporting portal. That portal should serve as a one-stop shop, providing companies, free of charge, with tailored access to templates, guidelines, reporting requirements, including voluntary tools, and information on funding and tendering opportunities. To ensure the effective functioning of the portal, the Commission should promote the interoperability of existing data platforms, enabling seamless transmission, exchange and analysis of data, as well as complementarity with the European Single Access point. Furthermore, and in view of the rapid technological developments, the Commission should assess the potential of technological solutions, including the use of trustworthy artificial intelligence in accordance with Regulation</u></i></p>	<p>(29a) The transposition deadline should be postponed by one year and the dates from which Member States are to apply Directive (EU) 2024/1760 should be unified for all companies within scope in order to give companies more time to prepare for the requirements of that Directive. Additionally, several other dates in that Directive should be amended to reflect this one-year postponement, as well as the postponement implemented by Directive (EU) 2025/794.</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p><u>(EU) 2024/1689 of the European Parliament and of the Council¹ to support the digitalisation of reporting and improve the quality and accessibility of sustainability-related data.</u></p> <p><u>1. Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (OJ L, 2024/1689, 12.7.2024).</u></p>		
Recital 30				
42	<p>(30) Since the objectives of this Directive cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go</p>	<p>(30) Since the objectives of this Directive cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go</p>	<p>(30) Since the objectives of this Directive cannot be sufficiently achieved by the Member States but can rather, by reason of the scale or effects of the action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Directive does not go</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	beyond what is necessary in order to achieve those objectives.	beyond what is necessary in order to achieve those objectives.	beyond what is necessary in order to achieve those objectives.	
Recital 31				
43	(31) Directive 2006/43/EC, Directive 2013/34/EU, Directive (EU) 2022/2464 and Directive (EU) 2024/1760 should therefore be amended accordingly,	(31) Directive 2006/43/EC, Directive 2013/34/EU, Directive (EU) 2022/2464 and Directive (EU) 2024/1760 should therefore be amended accordingly,	(31) Directive 2006/43/EC, Directive 2013/34/EU, Directive (EU) 2022/2464 and Directive (EU) 2024/1760 should therefore be amended accordingly,	
Formula				
44	HAVE ADOPTED THIS DIRECTIVE:	HAVE ADOPTED THIS DIRECTIVE:	HAVE ADOPTED THIS DIRECTIVE:	
Article 1				
45	Article 1 Amendments to Directive 2006/43/EC	Article 1 Amendments to Directive 2006/43/EC	Article 1 Amendments to Directive 2006/43/EC	
Article 1, first paragraph				
46	Directive 2006/43/EC is amended as follows:	Directive 2006/43/EC is amended as follows:	Directive 2006/43/EC is amended as follows:	
Article 1, first paragraph a				
46a			(-1) Article 3, paragraph 4 is replaced by the following:	
Article 1, first paragraph b				
46b			‘4. The competent authorities of the Member States may approve as audit firms only those entities which satisfy the following conditions:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 1, first paragraph c				
46c			(a) the natural persons who carry out statutory audits on behalf of an audit firm must satisfy at least the conditions for statutory audit imposed by Article 4, Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12 of this Directive and must be approved as statutory auditors in the Member State concerned;	
Article 1, first paragraph d				
46d			(b) a majority of the voting rights in an entity must be held by audit firms which are approved in any Member State or by natural persons who satisfy at least the conditions for statutory audit imposed by Article 4, Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12 of this Directive. Member States may provide that such natural persons must also have been approved in another Member State. For the purpose	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						of the statutory audit of cooperatives, savings banks and similar entities as referred to in Article 45 of Directive 86/635/EEC, a subsidiary or legal successor of a cooperative, savings bank or similar entity as referred to in Article 45 of Directive 86/635/EEC, Member States may lay down other specific provisions in relation to voting rights;		
Article 1, first paragraph e								
46e						(c) a majority - up to a maximum of 75 % - of the members of the administrative or management body of the entity must be audit firms which are approved in any Member State or natural persons who satisfy at least the conditions for statutory audit imposed under Article 4, Article 6(1), Article 7(1), Article 8(1) and (2), Article 9, Article 10(1) first subparagraph, Article 11 and Article 12 of this Directive. Member States may provide that such natural persons must also have been approved in another Member State. Where such a		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			body has no more than two members, one of those members must satisfy at least the conditions in this point;	
Article 1, first paragraph f				
46f			(d) the firm must satisfy the condition imposed by Article 4.'	
Article 1, first paragraph g				
46g			(-1a) In Article 24b(1), the second subparagraph is replaced by the following:	
Article 1, first paragraph h				
46h			'Member States shall ensure that, when the assurance of sustainability reporting is carried out by an audit firm, that audit firm designates at least one key sustainability partner who must satisfy at least the conditions imposed by Articles 4 and 6 to 12 and must be approved as statutory auditor in the Member State concerned. That key sustainability partner may be (one of) the key audit partner(s). The audit firm shall provide the key sustainability partner(s) with sufficient resources and with personnel that have the necessary	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			competence and capabilities to carry out his, her or its duties appropriately.';	
Article 1, first paragraph, point (1)				
47	(1) in Article 26a, paragraph 3 is replaced by the following:	(1) in Article 26a, paragraph 3 is replaced by the following:	(1) in Article 26a, paragraph 3 is replaced by the following:	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (3), first subparagraph				
48	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 audit report.	3. The Commission shall be empowered to , <u>no later than 1 October 2026</u> , 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 audit report.	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 audit report.	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (3), second subparagraph				
49	The Commission may adopt the assurance standards referred to in	The Commission may <u>shall</u> adopt the assurance standards referred to	The Commission may adopt the assurance standards referred to in	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	the first subparagraph only where those standards:	in the first subparagraph only <u>where those after having obtained an opinion from EFRAG while ensuring that the</u> standards:	the first subparagraph only where those standards:	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (3), second subparagraph, point (a)				
50	(a) have been developed with proper due process, public oversight and transparency;	(a) have been developed with proper due process, public oversight and transparency;	(a) have been developed with proper due process, public oversight and transparency;	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (3), second subparagraph, point (b)				
51	(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and	(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and	(b) contribute a high level of credibility and quality to the annual or consolidated sustainability reporting; and	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (3), second subparagraph, point (c)				
52	(c) are conducive to the Union public good.;	(c) are conducive to the Union public good.;	(c) are conducive to the Union public good.;	
Article 1, first paragraph h, point (1), amending provision, numbered paragraph (1), second subparagraph, point (ca)				
52a			(1a) in Article 45, paragraph 5, the second subparagraph, point (a) is replaced by the following:	
Article 1, first paragraph h, point (1), amending provision, numbered paragraph (1), second subparagraph, point (cb)				
52b			‘(a) the majority of the members of the administrative or management body of the third-country audit entity meet	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			requirements which are equivalent to those laid down in Articles 4 to 10, with the exception of Article 7(2), Article 8(3) and the second subparagraph of Article 10(1);’	
Article 1, first paragraph h, point (2)				
52c			(1aa) in Article 45, the following paragraph is inserted:	
Article 1, first paragraph h, point (3)				
52d			‘5b. Member States shall not apply paragraphs 1 to 5a in relation to assurance reports concerning annual or consolidated sustainability reporting, issued for financial years starting during the period from 1 January 2025 to 31 December 2030 in cases where the third-country auditor or audit entity concerned provides the competent authorities of the Member State with the following:	
Article 1, first paragraph h, point (4)				
52e			(a) the name and address of the auditor or audit entity	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			concerned and information about its legal structure;	
Article 1, first paragraph h, point (5)				
52f			(b) the declaration that the third country auditor who signs the assurance report acquired knowledge in the area of sustainability reporting and its assurance and the information on the level of that knowledge;	
Article 1, first paragraph h, point (6)				
52g			(c) where the auditor or the audit entity belongs to a network, a description of that network;	
Article 1, first paragraph h, point (7)				
52h			(d) the assurance standards and independence related requirements which have been applied to the assurance of sustainability reporting concerned;	
Article 1, first paragraph h, point (8)				
52i			(e) a description of the internal quality control system of the audit entity that covers the assurance of the sustainability reporting; and	
Article 1, first paragraph h, point (9)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
52j			<p>(f) an indication of whether and when the last quality assurance review of the auditor or audit entity for the sustainability assurance engagements was carried out and necessary information about the outcome of that quality assurance review.</p> <p>Upon receiving all of the above information the competent authorities of the Member State register the third-country auditor or audit entity concerned for the purpose of assurance of sustainability information and make it clear that the registration was done under the transition period provision. If any of the above information is not provided by the third-country auditor or audit entity concerned, the competent authorities of the Member State shall not register that auditor or audit entity.</p>	
Article 1, first paragraph, point (2)				
53	(2) in Article 48a(2), the second subparagraph is replaced by the following:	(2) in Article 48a(2), the second subparagraph is replaced by the following:	(2) in Article 48a(2), the second subparagraph is replaced by the following:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 1, first paragraph, point (2), amending provision, first paragraph				
54	‘ The power to adopt delegated acts referred to in Article 26a(3) shall be conferred on the Commission for an indeterminate period of time.. ’	‘ The power to adopt delegated acts referred to in Article 26a(3) shall be conferred on the Commission for an indeterminate period of time.. ’	‘ The power to adopt delegated acts referred to in Article 26a(3) shall be conferred on the Commission for an indeterminate period of time.. ’	
Article 2				
55	Article 2 Amendments to Directive 2013/34/EU	Article 2 Amendments to Directive 2013/34/EU	Article 2 Amendments to Directive 2013/34/EU	
Article 2, first paragraph				
56	Directive 2013/34/EU is amended as follows:	Directive 2013/34/EU is amended as follows:	Directive 2013/34/EU is amended as follows:	
Article 2, first paragraph, point (1)				
57	(1) Article 1 is amended as follows:	(1) Article 1 is amended as follows:	(1) Article 1 is amended as follows:	
Article 2, first paragraph, point (1)(a)				
58	(a) in paragraph 3, the introductory wording is replaced by the following:	(a) in paragraph 3, the introductory wording is replaced by the following:	(a) in paragraph 3, the introductory wording is replaced by the following:	
Article 2, first paragraph, point (1)(a), amending provision, first paragraph				
59	‘ The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article	‘ The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article	‘ The coordination measures prescribed by Articles 19a, 19b, 29a, 29aa, 29d, 30 and 33, Article	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	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;;	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 <u>exceed</u> , on their balance sheet dates, exceed the average number of 1000 <u>1 750</u> employees – and a net turnover of <u>EUR 450 000 000</u> during the financial year;;	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 a net turnover of EUR 450 000 000 and the average number of 1000 employees– during the financial year;;	
Article 2, first paragraph, point (1)(b)				
60	(b) paragraph 4 is replaced by the following:	(b) paragraph 4 is replaced by the following:	(b) paragraph 4 is replaced by the following:	
Article 2, first paragraph, point (1)(b), amending provision, numbered paragraph (4), first subparagraph				
61	4. The coordination measures prescribed by Articles 19a, 29a and 29d shall not apply to the European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement nor to financial products listed in Article 2, point (12), (b) and (f) of	4. The coordination measures prescribed by Articles 19a, 29a and 29d shall not apply to the European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement nor to financial products listed in Article 2, point (12), (b) and (f) of	4. ‘The coordination measures prescribed by Articles 19a, 29a and 29d shall not apply to the European Financial Stability Facility (EFSF) established by the EFSF Framework Agreement nor to financial products listed in Article 2, point (12), (b) and (f) of	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Regulation (EU) 2019/2088 of the European Parliament and of the Council*.	Regulation (EU) 2019/2088 of the European Parliament and of the Council*.	Regulation (EU) 2019/2088 of the European Parliament and of the Council*.	
Article 2, first paragraph, point (1)(b), amending provision, numbered paragraph (4), second subparagraph				
62				
Article 2, first paragraph, point (1)(b), amending provision, numbered paragraph (4), third subparagraph				
63	* Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/2088/oj).;	* Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/2088/oj).;	* Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (OJ L 317, 9.12.2019, p. 1, ELI: http://data.europa.eu/eli/reg/2019/2088/oj).;	
Article 2, first paragraph, point (1a)				
63a		<u>(1a) in Article 19(1), the fourth subparagraph is replaced by the following:</u>	(1a) Article 19(1), fourth subparagraph is replaced by the following:	
Article 2, first paragraph, point (1b)				
63b		<u>‘Undertakings which, on their balance sheet dates, exceed the average number of 1 750 employees and a net turnover of EUR 450 000 000 during the financial year shall report</u>	‘Undertakings which, on their balance sheet dates, exceed a net turnover of EUR 450 000 000 and the average number of 1000 employees during the financial year, shall report	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>information on the key intangible resources and explain how the business model of the undertaking fundamentally depends on such resources and how such resources are a source of value creation for the undertaking.</u> ’;	information on the key intangible resources and explain how the business model of the undertaking fundamentally depends on such resources and how such resources are a source of value creation for the undertaking. ’	
Article 2, first paragraph, point (2)				
64	(2) Article 19a is amended as follows:	(2) Article 19a is amended as follows:	(2) Article 19a is amended as follows:	
Article 2, first paragraph, point (2)(a)				
65	(a) in paragraph 1, the first subparagraph is replaced by the following:	(a) in paragraph 1, the first subparagraph is replaced by the following:	(a) in paragraph 1, the first subparagraph is replaced by the following:	
Article 2, first paragraph, point (2)(a), amending provision, first paragraph				
66	‘ 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	‘ Large Undertakings which, on their balance sheet dates, exceed the average number of 1000 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> 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	‘ Large Undertakings which, on their balance sheet dates, exceed a net turnover of EUR 450 000 000 and 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	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	development, performance and position.;	development, performance and position.;	development, performance and position.;	
Article 2, first paragraph, point (2)(a), amending provision, first paragraph a				
66a		<u>(aa) in paragraph 1, the following subparagraph is added:</u> <u>‘Undertakings that are a financial holding undertaking as defined in Article 2(15), shall be exempted from carrying out the obligations under this Directive.’;</u>		
Article 2, first paragraph, point (2)(a), amending provision, first paragraph a				
66b			(aa) in paragraph 2, point (iii) is replaced by the following:	
Article 2, first paragraph, point (2)(a), amending provision, first paragraph b				
66c			‘the plans of the undertaking, including implementing actions and related financial and investment plans, to ensure that its business model and strategy contribute to the transition to a sustainable economy and to the limiting of global warming in line with the Paris Agreement under the United Nations Framework Convention on	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>Climate Change adopted on 12 December 2015 (the ‘Paris Agreement’) and with the objective of achieving climate neutrality by 2050 as established in Regulation (EU) 2021/1119 of the European Parliament and of the Council ⁽¹⁾, and, where relevant, the exposure of the undertaking to coal-, oil- and gas-related activities;’</p> <p>1. 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)."</p>	
Article 2, first paragraph, point (2)(a), amending provision, first paragraph b				
66d				
Article 2, first paragraph, point (2)(b)				
67	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:	
Article 2, first paragraph, point (2)(b)(i)				
68	(i) the first subparagraph is replaced by the following:	(i) the first subparagraph is replaced by the following:	(i) after the first subparagraph is replaced by , the following subparagraphs are inserted:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (2)(b)(i), amending provision, first paragraph				
69	<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 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</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 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> 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. Undertakings that report the necessary value chain information without reporting from undertakings in their value chain which, on their balance sheet</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, When establishing contractual and other arrangements for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from an undertaking shall not require undertakings in their its value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year—any, to provide information exceeding the information specified in the standards for voluntary use referred to in Article 29ca.</p> <p>Any contractual provision contrary to the second subparagraph shall not be binding. This shall not affect the</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	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.;	dates, do not exceed the average number of 1000 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> 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>binding nature of the remainder of the contract.</p> <p>Where an undertaking requests information:</p> <p>(i) for the purposes of sustainability information as required by this Directive, from undertakings in its value chain; and</p> <p>(ii) some or all of that information falls outside of that exceeds the information specified in the standards for voluntary use referred to in Article 29ca,</p> <p>that undertaking shall ensure that undertakings in its value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year, are informed of which information falls into point (ii) of this subparagraph and of their statutory right to decline to provide that information.</p> <p>Any undertaking in the value chain which, on its balance sheet date, does not exceed the</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>average number of 1000 employees during the financial year, shall have a right to decline to provide information exceeding the information specified in the standards for voluntary use referred to in Article 29ca in response to a request made for the purposes of reporting of sustainability as required by this Directive.</p> <p>Nothing in the second, third, fourth or fifth subparagraphs:</p> <p>(i) affects information requests for purposes other than for the reporting of except for additional sustainability information that is commonly shared betweenas required by this Directive, including Union requirements on undertakings to conduct a due diligence process; or</p> <p>(ii) imposes or implies any obligation on undertakings in the sector concerned value-chain to provide information falling within the standards for</p>	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						<p>voluntary use referred to in Article 29ca.</p> <p>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 the first subparagraph.;</p>		
Article 2, first paragraph, point (2)(b)(i), amending provision, first paragraph a								
69a						<p>(ii) the fourth subparagraph is replaced by the following subparagraph:</p>		
Article 2, first paragraph, point (2)(b)(i), amending provision, first paragraph b								
69b						<p>‘When reporting the information referred to in</p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>paragraphs 1 and 2, undertakings may omit the following information:</p> <p>(a) in exceptional cases, information the disclosure of which would be seriously prejudicial to the commercial position of the undertaking, provided that all of the following conditions are met:</p> <p>(i) such omission does not prevent a fair and balanced understanding of the undertaking's development, performance and position, or of its principal risks or principal impacts;</p> <p>(ii) the undertaking has determined that it is impossible to disclose the information in a manner, such as at an aggregated level, that would enable it to meet the objectives of the disclosure requirement without seriously prejudicing its commercial position;</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>(iii) the undertaking discloses the fact that it has used this exemption;</p> <p>(iv) the undertaking reassesses at each reporting date whether the information may still be omitted.</p> <p>(b) information corresponding to intellectual capital, intellectual property, know-how or the results of innovation that qualifies as a trade secret as defined in Article 2, point (1), of Directive (EU) 2016/943, provided that both of the following conditions are met:</p> <p>(i) the undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the undertaking reassesses at each reporting date whether the information may still be omitted.</p> <p>(c) classified information as defined in Article 2, point (7) of Regulation (EU) 2023/2418, provided that both of the following conditions are met:</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>(i) the undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the undertaking reassesses at each reporting date whether the information may still be omitted;</p> <p>(d) other information that is to be protected from unauthorised access or disclosure because of obligations laid down in other Union legislation or in national law, or in order to safeguard the privacy or security of a natural person or the security of a legal person, provided that both of the following conditions are met:</p> <p>(i) the undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the undertaking reassesses at each reporting date whether the information may still be omitted;</p>	
Article 2, first paragraph, point (2)(b)(ia)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
69c		<u>(ia) the second subparagraph is replaced by the following:</u>		
Article 2, first paragraph, point (2)(b)(ib)				
69d		<u>'In the event that not all the necessary information regarding its value chain is available, the undertaking shall explain the efforts made to obtain the necessary information about its value chain, the reasons why not all of the necessary information could be obtained, and, its plans to obtain the necessary information in the future. ';</u>		
Article 2, first paragraph, point (2)(b)(ii)				
70	(ii) the following subparagraph is added:	(ii) the following subparagraph is added:	<i>deleted</i>	
Article 2, first paragraph, point (2)(b)(ii), amending provision, first paragraph				
71	‘ The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.; ’	‘ The first subparagraph is without prejudice to <u>information requests made for purposes other than the reporting of sustainability information as required by this Directive, including</u> Union requirements on undertakings to conduct a due diligence process.; ,	<i>deleted</i>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (2)(ba)				
71a		<u>(ba) the following paragraph is inserted:</u>		
Article 2, first paragraph, point (2)(bb)				
71b		<u>'4a. The reporting obligations set out in this Article are without prejudice to Directive (EU) 2016/943 of the European Parliament and of the Council. Therefore, undertakings shall not be required to disclose information on intellectual capital, intellectual property or know-how, business information or technological information which constitutes trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943.'</u>		
Article 2, first paragraph, point (2)(c)				
72	(c) paragraphs 6 and 7 are deleted;	(c) paragraphs 6 and 7 are deleted;	(c) paragraphs 6 and 7 are deleted;	
Article 2, first paragraph, point (2)(ca)				
72a		<u>(ca) paragraph 10 is replaced by the following:</u>	(d) paragraph 10 is replaced by the following: 'The exemption laid down in paragraph 9 shall also apply to	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			public-interest entities subject to the requirements of this Article’.	
Article 2, first paragraph, point (2)(cb)				
72b		<u>'10. The exemption laid down in paragraph 9 shall also apply to public-interest entities subject to the requirements of this Article.';</u>		
Article 2, first paragraph, point (3)				
73	(3) the following Article 19b is inserted:	deleted	deleted	
Article 2, first paragraph, point (3), amending provision, first paragraph				
74	Article 19b	deleted	deleted	
Article 2, first paragraph, point (3), amending provision, second paragraph				
75	Optional taxonomy reporting for certain undertakings	deleted	deleted	
Article 2, first paragraph, point (3), amending provision, numbered paragraph (1)				
76	1. Member States shall ensure that, by way of derogation from Article 8 of Regulation (EU) 2020/852, undertakings as referred to in Article 19a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000	deleted	deleted	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	during the financial year shall apply the paragraphs 2, 3 and 4 of this Directive.			
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (2)</i>				
77	2. An undertaking as referred to in paragraph 1 that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 or with economic activities that fulfil only certain requirements of that provision shall include in its management report information on how and to what extent its activities are associated with those economic activities.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (3), first subparagraph</i>				
78	3. In particular, a non-financial undertaking that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 shall disclose the following indicators:	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (3), first subparagraph, point (a)</i>				
79	(a) the proportion of its turnover derived from products or	<i>deleted</i>	<i>deleted</i>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation;			
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (3), first subparagraph, point (b)</i>				
80	(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (3), second subparagraph</i>				
81	A non-financial undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (4), first subparagraph</i>				
82	4. In particular, a non-financial undertaking that claims that its activities are associated with economic activities that fulfil only certain requirements of	<i>deleted</i>	<i>deleted</i>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Article 3 of Regulation (EU) 2020/852 shall disclose the following indicators:			
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (4), first subparagraph, point (a)</i>				
83	(a) the proportion of its turnover derived from products or services associated with economic activities fulfilling only certain requirements of Article 3 of that Regulation;	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (4), first subparagraph, point (b)</i>				
84	(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation;	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (4), second subparagraph</i>				
85	A non-financial undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of Regulation (EU) 2020/852.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (3), amending provision, numbered paragraph (5)</i>				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
86	5. The Commission shall adopt a delegated act in accordance with Article 49 of this Directive to supplement paragraphs 1, 2, 3 and 4 of this Article to specify the content and presentation of the information to be disclosed pursuant to those paragraphs, including the content of the information concerning economic activities that fulfil only certain of the criteria set out in Article 3 of Regulation (EU) 2020/852, and the methodology to be used in order to comply with them, taking into account the specificities of both financial and non-financial undertakings and the technical screening criteria established pursuant to that Regulation.;	<i>deleted</i>	<i>deleted</i>	
Article 2, first paragraph, point (4)				
87	(4) Article 29a is amended as follows:	(4) Article 29a is amended as follows:	(4) Article 29a is amended as follows:	
Article 2, first paragraph, point (4)(a)				
88	(a) in paragraph 1, the first subparagraph is replaced by the following:	(a) in paragraph 1, the first subparagraph is replaced by the following:	(a) in paragraph 1, the first subparagraph is replaced by the following:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (4)(a), amending provision, first paragraph				
89	<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 1000 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u>, 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, on a consolidated basis, a net turnover of EUR 450 000 000 and 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>	
Article 2, first paragraph, point (4)(a), amending provision, first paragraph a				
89a		<p><u>(aa) in paragraph 1, the following subparagraphs are added:</u></p> <p><u>'Parent undertakings that are a financial holding undertaking as defined in Article 2(15), shall be exempted from carrying out the obligations under this Article. In case of recent acquisitions of subsidiaries that are not subject</u></p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<i><u>to the reporting of information referred to in the first subparagraph, the parent undertaking will benefit of a 24 months transition period before being required to integrate information on its new subsidiary, within its consolidated sustainability report.</u></i>		
Article 2, first paragraph, point (4)(a), amending provision, first paragraph a				
89b			(aa) in paragraph 2, point (iii) is replaced by the following:	
Article 2, first paragraph, point (4)(a), amending provision, first paragraph b				
89c			‘the plans of the group, including implementing actions and related financial and investment plans, to ensure that its business model and strategy contribute to the transition to a sustainable economy and to the limiting of global warming in line with the Paris Agreement under the United Nations Framework Convention on Climate Change adopted on 12 December 2015 (the ‘Paris Agreement’) and with the objective of achieving climate neutrality by 2050 as established	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>in Regulation (EU) 2021/1119 of the European Parliament and of the Council ⁽¹⁾, and, where relevant, the exposure of the group to coal-, oil- and gas-related activities;’</p> <p>1. 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).</p>	
Article 2, first paragraph, point (4)(b)				
90	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:	(b) paragraph 3 is amended as follows:	
Article 2, first paragraph, point (4)(b)(i)				
91	(i) the first subparagraph is replaced by the following:	(i) the first subparagraph is replaced by the following:	(i) after the first subparagraph is replaced by , the following subparagraphs are inserted:	
Article 2, first paragraph, point (4)(b)(i), amending provision, first paragraph				
92	‘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	‘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	‘ 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	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	<p>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 information that is commonly shared between undertakings in the sector concerned.</p> <p>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</p>	<p>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 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> 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>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 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> during the financial year any information that exceeds the information specified in the standards for voluntary use</p>	<p>products and services, its business relationships and its supply chain. Member States shall ensure that, When establishing contractual and other arrangements for the reporting of sustainability information as required by this Directive, undertakings do not seek to obtain from an undertaking shall not require undertakings in their value chain which, on their balance sheet dates, do not exceed the average number of– 1000 employees during the financial year, to provide any information exceeding the information specified in the standards for voluntary use referred to in Article 29ca.</p> <p>Any contractual provision contrary to the second subparagraph shall not be binding. This shall not affect the binding nature of the remainder of the contract.</p> <p>Where an undertaking requests information:</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	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.;	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>(i) for the purposes of sustainability information as required by this Directive, from undertakings in its value chain; and</p> <p>(ii) some or all of that information falls outside of that exceeds the information specified in the standards for voluntary use referred to in Article 29ca,</p> <p>that undertaking shall ensure that undertakings in its value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year, are informed of which information falls into point (ii) of this subparagraph and of their statutory right to decline to provide that information.</p> <p>Any undertaking in the value chain which, on its balance sheet date, does not exceed the average number of 1000 employees during the financial year, shall have a right to decline to provide information exceeding the information</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>specified in the standards for voluntary use referred to in Article 29ca in response to a request made for the purposes of reporting of sustainability as required by this Directive.</p> <p>Nothing in the second, third, fourth or fifth subparagraphs:</p> <p>(i) affects information requests for purposes other than for the reporting of except for additional sustainability information that is commonly shared betweenas required by this Directive, including Union requirements on undertakings to conduct a due diligence process; or</p> <p>(ii) imposes or implies any obligation on undertakings in the sector concernedvalue-chain to provide information falling within the standards for voluntary use referred to in Article 29ca.</p> <p>Parent undertakings that report the necessary value chain information without reporting from undertakings in their value</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			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 the first subparagraph.;	
Article 2, first paragraph, point (4)(b)(i), amending provision, first paragraph a				
92a			(ii) The fourth subparagraph is replaced by the following subparagraph:	
Article 2, first paragraph, point (4)(b)(i), amending provision, first paragraph b				
92b			‘When reporting the information referred to in paragraphs 1 and 2, parent undertakings may omit the following information: (a) information the disclosure of which would be seriously prejudicial to the commercial position of the group, provided	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>that all of the following conditions are met:</p> <p>(i) such omission does not prevent a fair and balanced understanding of the group's development, performance and position, or of its principal risks or principal impacts;</p> <p>(ii) the parent undertaking has determined that it is impossible to disclose the information in a manner, such as at an aggregated level, that would enable it to meet the objectives of the disclosure requirement without seriously prejudicing the group's commercial position;</p> <p>(iii) the parent undertaking discloses the fact that it has used this exemption;</p> <p>(iv) the parent undertaking reassesses at each reporting date whether the information may still be omitted;</p> <p>(b) information corresponding to intellectual capital,</p>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
			<p>intellectual property, know-how or the results of innovation that qualifies as a trade secret as defined in Article 2, point (1), of Directive (EU) 2016/943, provided that both of the following conditions are met:</p> <p>(i) the parent undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the parent undertaking reassesses at each reporting date whether the information may still be omitted;</p> <p>(c) classified information as defined in Article 2, point (7) of Regulation (EU) 2023/2418, provided that both of the following conditions are met:</p> <p>(i) the parent undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the parent undertaking reassesses at each reporting date whether the information may still be omitted;</p>	

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			<p>(d) other information that is to be protected from unauthorised access or disclosure because of obligations laid down in other Union legislation or in national law, or in order to safeguard the privacy or security of a natural person or the security of a legal person, provided that both of the following conditions are met:</p> <p>(i) the parent undertaking discloses the fact that it has used this exemption; and</p> <p>(ii) the parent undertaking reassesses at each reporting date whether the information may still be omitted.’</p>	
Article 2, first paragraph, point (4)(b)(i), amending provision, first paragraph c				
92c			(c) paragraph 9 is replaced by the following:	
Article 2, first paragraph, point (4)(b)(i), amending provision, first paragraph d				
92d			‘The exemption laid down in paragraph 8 shall also apply to public-interest entities subject to the requirements of this Article.’	
Article 2, first paragraph, point (4)(b)(ii)				

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93	(ii) the following subparagraph is added:	(ii) the following subparagraph is added:	<i>deleted</i>	
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph				
94	‘ The first subparagraph is without prejudice to Union requirements on undertakings to conduct a due diligence process.; ’	‘ The first subparagraph is without prejudice to <u>information requests made for purposes other than the reporting of sustainability information as required by this Directive, including</u> Union requirements on undertakings to conduct a due diligence process.; ’	<i>deleted</i>	
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph a				
94a		<u>(ia) the second subparagraph is replaced by the following:</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph b				
94b		<u>‘In the event that not all the necessary information regarding its value chain is available, the undertaking shall explain the efforts made to obtain the necessary information about its value chain, the reasons why not all of the necessary information could be obtained, and its plans to obtain the necessary information in the future.’;</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph c				

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94c		<u>(ba) the following subparagraph is added:</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph d				
94d		<u>'5a. The reporting obligations set out in this Article are without prejudice to Directive (EU) 2016/943. Therefore, undertakings shall not be required to disclose information on intellectual capital, intellectual property or know-how, business information or technological information which constitutes trade secrets as defined in Article 2, point (1), of Directive (EU) 2016/943.'</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph e				
94e		<u>(bb) in paragraph 8, the first subparagraph is replaced by the following:</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph f				
94f		<u>'Provided that the conditions set out in the second subparagraph of this paragraph are met, a parent undertaking which is a subsidiary undertaking shall be exempted from the obligations set out in paragraphs 1 to 5 of this Article (the "exempted parent undertaking") if such parent</u>		

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		<i><u>undertaking and its subsidiary undertakings are included in the consolidated management report of another undertaking, drawn up in accordance with Article 29 and this Article. A parent 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 5 of this Article where:</u></i>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph g				
94g		<i><u>(i) such parent 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</u></i>		

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		<u>subparagraph of Article 23(4) of Directive 2004/109/EC;</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph h				
94h		<u>(ii) the parent undertaking is a financial holding undertaking in accordance with Article 2(15), that does not have any subsidiaries in the Union with an operating business. ';</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph i				
94i		<u>(bc) paragraph 9 is replaced by the following:</u>		
Article 2, first paragraph, point (4)(b)(ii), amending provision, first paragraph j				
94j		<u>'9. The exemption laid down in paragraph 8 shall also apply to public-interest entities subject to the requirements of this Article. ';</u>		
Article 2, first paragraph, point (5)				
95	(5) the following Article 29aa is inserted:	<i>deleted</i>	<i>deleted</i>	
Article 2, first paragraph, point (5), amending provision, first paragraph				
96	Article 29aa	<i>deleted</i>	<i>deleted</i>	
Article 2, first paragraph, point (5), amending provision, second paragraph				

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97	Optional taxonomy reporting for certain parent undertakings	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (1)</i>				
98	1. Member States shall ensure that, by way of derogation from Article 8 of Regulation (EU) 2020/852, parent undertakings as referred to in Article 29a(1) of this Directive which, on their balance sheet dates, do not exceed a net turnover of EUR 450 000 000, on a consolidated basis, during the financial year shall apply the paragraphs 2, 3 and 4 of this Directive.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (2)</i>				
99	2. A parent undertaking as referred to in paragraph 1 that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 or with economic activities that fulfil only certain requirements of that provision shall include in its management report information on how and to what extent its activities are	<i>deleted</i>	<i>deleted</i>	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	associated with those economic activities.			
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (3), first subparagraph</i>				
100	3. In particular, a non-financial parent undertaking that claims that its activities are associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 shall disclose the following indicators:	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (3), first subparagraph, point (a)</i>				
101	(a) the proportion of its turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation;	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (3), first subparagraph, point (b)</i>				
102	(b) the proportion of its capital expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (3), second subparagraph</i>				

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103	A non-financial parent undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of that Regulation.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (4), first subparagraph</i>				
104	4. In particular, a non-financial parent undertaking that claims that its activities are associated with economic activities that fulfil only certain requirements of Article 3 of Regulation (EU) 2020/852 shall disclose the following indicators:	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (4), first subparagraph, point (a)</i>				
105	(a) the proportion of its turnover derived from products or services associated with economic activities fulfilling only certain requirements of Article 3 of that Regulation;	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (4), first subparagraph, point (b)</i>				
106	(b) the proportion of its capital expenditure related to	<i>deleted</i>	<i>deleted</i>	

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	assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation;			
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (4), second subparagraph</i>				
107	A non-financial parent undertaking that discloses the indicators referred to in the first subparagraph may disclose the proportion of its operating expenditure related to assets or processes associated with economic activities that fulfil only certain requirements of Article 3 of that Regulation.	<i>deleted</i>	<i>deleted</i>	
<i>Article 2, first paragraph, point (5), amending provision, numbered paragraph (5)</i>				
108	5. The Commission shall adopt a delegated act in accordance with Article 49 of this Directive to supplement paragraphs 1, 2, 3 and 4 of this Article to specify the content and presentation of the information to be disclosed pursuant to those paragraphs, including the content of the information concerning economic activities that fulfil only certain of the criteria set out in Article 3 of Regulation (EU) 2020/852, and the methodology to be used in order to comply with	<i>deleted</i>	<i>deleted</i>	

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	them, taking into account the specificities of both financial and non-financial undertakings and the technical screening criteria established pursuant to this Regulation.;			
Article 2, first paragraph, point (6)				
109	(6) Article 29b is amended as follows:	(6) Article 29b is amended as follows:	(6) Article 29b is amended as follows:	
Article 2, first paragraph, point (6)(-a)				
109a		<u>(-a) in paragraph 1, the following subparagraph is inserted after the second subparagraph:</u>		
Article 2, first paragraph, point (6)(-b)				
109b		<u>'The Commission, after consultation with relevant stakeholders, shall develop voluntary sector-specific guidelines to assist undertakings in the same sector in conducting their materiality assessment. These guidelines shall provide tailored support for identifying and disclosing sector-relevant sustainability impacts, risks, and opportunities, ensuring consistency and comparability</u>		

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		<u>across companies operating in the same sector.</u> ’;		
Article 2, first paragraph, point (6)(a)				
110	(a) in paragraph 1, the third and fourth subparagraphs are deleted;	(a) in paragraph 1, the third and fourth <u>and sixth</u> subparagraphs are deleted;	(a) in paragraph 1, the third and , fourth and sixth subparagraphs are deleted;	
Article 2, first paragraph, point (6)(aa)				
110a		<u>(aa) in paragraph 2, the first subparagraph is replaced by the following:</u>		
Article 2, first paragraph, point (6)(ab)				
110b		<u>‘The sustainability reporting standards shall ensure the quality of reported information, by requiring that it is simple, accessible, streamlined, understandable, proportionate, relevant, verifiable, comparable and represented in a faithful manner. The sustainability reporting standards shall:</u>		
Article 2, first paragraph, point (6)(ac)				
110c		<u>(a) to the extent possible, be quantitative in nature;</u>		
Article 2, first paragraph, point (6)(ad)				
110d		<u>(b) avoid double reporting and any overlap with obligations</u>		

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		<u>stemming from other legislative instruments;</u>		
Article 2, first paragraph, point (6)(ae)				
110e		<u>(c) avoid imposing a disproportionate administrative and financial burden on undertakings; and</u>		
Article 2, first paragraph, point (6)(af)				
110f		<u>(d) ensure to the greatest extent possible interoperability with internationally recognised standards set by global standard-setting initiatives for sustainability reporting as required by point (a) of paragraph 5.';</u>		
Article 2, first paragraph, point (6)(b)				
111	(b) in paragraph 4, first subparagraph, the last sentence is replaced by the following:	(b) in paragraph 4, <u>the</u> first subparagraph, the last sentence is replaced by the following:	(b) in paragraph 4, first subparagraph, the last sentence is replaced by the following:	
Article 2, first paragraph, point (6)(b), amending provision, first paragraph				
112	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	<u>Sustainability reporting standards shall take account of the difficulties, including legal limitations stemming from this Directive, that undertakings might encounter in gathering information from actors</u>	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 of 1000	

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	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.;	<u>throughout their value chain, especially from those which are not subject to the sustainability reporting requirements laid down in Article 19a or 29a and from suppliers in emerging markets and economies. Sustainability reporting standards shall specify disclosures on value chains that are proportionate and relevant to the capacities and characteristics of undertakings in the value chains, and to the scale and complexity of their activities, especially those of undertakings that are not subject to the sustainability reporting requirements laid down in Article 19a or 29a.</u> 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 <u>of 1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> during the financial year any information that exceeds the information to be disclosed pursuant to the sustainability	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.;	

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		reporting standards for voluntary use referred to in Article 29ca;		
Article 2, first paragraph, point (7)				
113	(7) Article 29c is deleted;	(7) Article 29c is deleted;	(7) Article 29c is deleted;	
Article 2, first paragraph, point (8)				
114	(8) the following Article 29ca is inserted:	(8) the following Article 29ca is inserted:	(8) the following Article 29ca is inserted:	
Article 2, first paragraph, point (8), amending provision, first paragraph				
115	Article 29ca	Article 29ca	Article 29ca	
Article 2, first paragraph, point (8), amending provision, second paragraph				
116	Sustainability reporting standards for voluntary use	Sustainability reporting standards for voluntary use	Sustainability reporting standards for voluntary use	
Article 2, first paragraph, point (8), amending provision, numbered paragraph (1)				
117	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	1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1) <u>and to limit the information that can be requested from such undertakings for the purposes of this Directive</u> , the Commission shall adopt a delegated act by [4 months after entry into force of this Directive] in accordance with Article 49	1. To facilitate voluntary reporting of sustainability information by undertakings other than those referred to in Articles 19a(1) and 29a(1) and to limit the information that may be required for the purposes of this Directive from undertakings in the value chain, which on their balance sheet date, do not exceed the average number of 1000 employees during the financial	

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	standards for voluntary use by such undertakings.	supplementing this Directive to provide for sustainability reporting standards for voluntary use by such undertakings.	year , the Commission shall adopt a delegated act by [4 months after entry into force of this Directive 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.	
Article 2, first paragraph, point (8), amending provision, numbered paragraph (2)				
118	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.;	2. The sustainability reporting standards referred to in paragraph 1 shall be <u>based on Commission Recommendation 2025/4984 and</u> proportionate to <u>the size of the undertakings, and</u> be <u>and</u> 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. ; <u>Undertakings within the value chain may choose a template for reporting of sustainability information, so that undertakings requesting information are not</u>	2. Without prejudice to paragraph 3 , the sustainability reporting standards referred to in paragraph 1 shall be based on Commission Recommendation 2025/XXX, in its original version. They shall also 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.;	

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		<u>required to assess or map the size categories of all entities in their value chain.</u>		
Article 2, first paragraph, point (8), amending provision, numbered paragraph (2a)				
118a		<u>3. The Commission shall, at least every four years after the date of its application, review the delegated act referred to in paragraph 1 and, where necessary, it shall amend it to take into account developments relevant to sustainability reporting.</u>	3. The Commission shall, at least every four years after the date of its application, review the delegated act referred to in paragraph 1 and, where necessary, it shall amend it to take into account developments relevant to sustainability reporting.;	
Article 2, first paragraph, point (8), amending provision, numbered paragraph (2b)				
118b		<u>4. When amending delegated acts pursuant to paragraph 3, the Commission shall take into consideration technical advice from EFRAG.';</u>		
Article 2, first paragraph, point (9)				
119	(9) Article 29d is replaced by the following:	(9) Article 29d is replaced by the following:	(9) Article 29d is replaced by the following:	
Article 2, first paragraph, point (9), amending provision, first paragraph				
120	Article 29d	Article 29d	Article 29d	

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Article 2, first paragraph, point (9), amending provision, second paragraph				
121	Single electronic reporting format	Single electronic reporting format	Single electronic reporting format	
Article 2, first paragraph, point (9), amending provision, numbered paragraph (1)				
122	1. Undertakings subject to the requirements of Article 19a of this Directive shall prepare their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815* and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, undertakings shall not be required to markup their sustainability reporting.	1. Undertakings subject to the requirements of Article 19a of this Directive shall prepare their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815* and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, undertakings shall not be required to markup their sustainability reporting.	1. Undertakings subject to the requirements of Article 19a of this Directive shall prepare their management report in the electronic reporting format specified in Article 3 of Commission Delegated Regulation (EU) 2019/815* and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852; in accordance, with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that– Delegated Regulation, undertakings shall not be required to markup their sustainability reporting.	
Article 2, first paragraph, point (9), amending provision, numbered paragraph (2), first subparagraph				
123	2. Parent undertakings subject to the requirements of Article 29a shall prepare their consolidated management report in the electronic reporting format specified in Article 3 of Delegated	2. Parent undertakings subject to the requirements of Article 29a shall prepare their consolidated management report in the electronic reporting format specified in Article 3 of Delegated	2. Parent undertakings subject to the requirements of Article 29a shall prepare their consolidated management report in the electronic reporting format specified in Article 3 of Delegated	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, parent undertakings shall not be required to markup their sustainability reporting.;	Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, parent undertakings shall not be required to markup their sustainability reporting.;	Regulation (EU) 2019/815 and shall mark up their sustainability reporting, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852, in accordance with the electronic reporting format to be specified in that Delegated Regulation. Until such rules on the marking up are adopted by way of that Delegated Regulation, parent undertakings shall not be required to markup their sustainability reporting.;	
	Article 2, first paragraph, point (9), amending provision, numbered paragraph (2), second subparagraph			
124	_____	_____	_____	
	Article 2, first paragraph, point (9), amending provision, numbered paragraph (2), third subparagraph			
125	* Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).;	* Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).;	* Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (OJ L 143, 29.5.2019, p. 1, ELI: http://data.europa.eu/eli/reg_del/2019/815/oj).;	

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Article 2, first paragraph, point (10)				
126	(10) in Article 33, paragraph 1 is replaced by the following:	(10) in Article 33, paragraph 1 is replaced by the following:	(10) in Article 33, paragraph 1 is replaced by the following:	
Article 2, first paragraph, point (10), amending provision, numbered paragraph (1), first subparagraph				
127	1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted pursuant to Regulation (EC) No 1606/2002, with Delegated Regulation (EU) 2019/815, with the sustainability reporting standards referred to in Article 29b of this Directive, and with the requirements of Article 29d of this Directive:	1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted pursuant to Regulation (EC) No 1606/2002, with Delegated Regulation (EU) 2019/815, with the sustainability reporting standards referred to in Article 29b of this Directive, and with the requirements of Article 29d of this Directive:	1. Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, have collective responsibility for ensuring that the following documents are drawn up and published in accordance with the requirements of this Directive and, where applicable, with the international accounting standards adopted pursuant to Regulation (EC) No 1606/2002, with Delegated Regulation (EU) 2019/815, with the sustainability reporting standards referred to in Article 29b of this Directive, and with the requirements of Article 29d of this Directive:	
Article 2, first paragraph, point (10), amending provision, numbered paragraph (1), first subparagraph, point (a)				
128	(a) the annual financial statements, the management report and the corporate governance	(a) the annual financial statements, the management report and the corporate governance	(a) the annual financial statements, the management report and the corporate governance	

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	statement when provided separately; and	statement when provided separately; and	statement when provided separately; and	
Article 2, first paragraph, point (10), amending provision, numbered paragraph (1), first subparagraph, point (b)				
129	(b) the consolidated financial statements, the consolidated management reports and the consolidated corporate governance statement when provided separately.	(b) the consolidated financial statements, the consolidated management reports and the consolidated corporate governance statement when provided separately.	(b) the consolidated financial statements, the consolidated management reports and the consolidated corporate governance statement when provided separately.	
Article 2, first paragraph, point (10), amending provision, numbered paragraph (1), second subparagraph				
130	By way of derogation from subparagraph 1, Member States shall ensure that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, do not have collective responsibility for ensuring that the management report, or consolidated management report, where applicable, is prepared in accordance with Article 29d.;	By way of derogation from subparagraph 1, Member States shall ensure <u>may provide</u> that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, do not have collective responsibility for ensuring that the management report, or consolidated management report, where applicable, is prepared in accordance with Article 29d.;	By way of derogation from subparagraph 1, Member States shall ensure may provide that the members of the administrative, management and supervisory bodies of an undertaking, acting within the competences assigned to them by national law, do not have collective responsibility for ensuring that the management report, or consolidated management report, where applicable, is prepared in accordance with Article 29d.;	
Article 2, first paragraph, point (11)				
131	(11) Article 34 is amended as follows:	(11) Article 34 is amended as follows:	(11) Article 34 is amended as follows:	

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Article 2, first paragraph, point (11)(a)				
132	(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:	(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:	(a) paragraph 1, second subparagraph, point (aa), is replaced by the following:	
Article 2, first paragraph, point (11)(a), amending provision, numbered paragraph (aa)				
133	(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;;	(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;;	(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;;	
Article 2, first paragraph, point (11)(b)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
134	(b) the following paragraph 2a is inserted:	(b) the following paragraph 2a is inserted:	(b) the following paragraph 2a is inserted:	
Article 2, first paragraph, point (11)(b), amending provision, numbered paragraph (2a)				
135	<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 1000<u>1750</u> employees <u>and a net turnover of EUR 450 000 000</u> 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<u>right of the</u> undertakings in their<u>the</u> value chain which, on their balance sheet dates, do not exceed the average number of 1000 employees during the financial year to decline to provide to the reporting entity 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>	
Article 2, first paragraph, point (11)(b), amending provision, numbered paragraph (2aa)				
135a		<u>(ba) the following paragraph is inserted:</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (11)(b), amending provision, numbered paragraph (2ab)				
135b		<u>2b. Member States shall ensure that the opinion referred to in paragraph 1, second subparagraph, point (aa), is prepared in full respect of the possibility of undertakings in the value chain to omit to provide information in exceptional cases where an undertaking established under the legislation of a third country could be sanctioned due to third-country legislation simply by transmitting sustainability data.;</u>		
Article 2, first paragraph, point (12)				
136	(12) in Article 40a, paragraph 1 is amended as follows:	(12) in Article 40a, paragraph 1 is amended as follows:	(12) in Article 40a, paragraph 1 is amended as follows:	
Article 2, first paragraph, point (12)(-a)				
136a		<u>(-a) the first subparagraph is replaced by the following:</u>		
Article 2, first paragraph, point (12)(-b)				
136b		<u>'A Member State shall require that a subsidiary undertaking established in its territory whose ultimate parent undertaking is governed by the</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<i>law of a third country publish and make accessible a sustainability report covering the information specified in points (a)(iii) to (a)(v), points (b) to (f) and, where appropriate, point (h) of Article 29a (2), and in accordance with Article 29a(3), at the group level of that ultimate third-country parent undertaking.';</i>		
Article 2, first paragraph, point (12)(a)				
137	(a) the second subparagraph is replaced by the following:	(a) the second subparagraph is replaced by the following:	(a) the second subparagraph is replaced by the following:	
Article 2, first paragraph, point (12)(a), amending provision, first paragraph				
138	‘ The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive; ’,	‘ The first subparagraph shall only apply to large -subsidiary undertakings as defined in Article 3(4) of this Directive <u>which, on their balance sheet dates, exceed a net turnover of EUR 450 000 000 in the preceding financial year.</u> ’,	‘ The first subparagraph shall only apply to large subsidiary undertakings as defined in Article 3(4) of this Directive; ’,	
Article 2, first paragraph, point (12)(b)				
139	(b) the fourth and fifth subparagraphs are replaced by the following:	(b) the fourth and fifth <u>subparagraphs are</u> <u>subparagraph</u> <u>is</u> replaced by the following:	(b) the fourth and fifth subparagraphs are replaced by the following:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (12)(b), amending provision, first paragraph				
140	‘ 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.	‘ 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 <u>EUR 450 000 000</u> in the preceding financial year.	‘ 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.	
Article 2, first paragraph, point (12)(b), amending provision, first paragraph a				
140a		<u>(ba) the fifth subparagraph is deleted</u>		
Article 2, first paragraph, point (12)(b), amending provision, second paragraph				
141	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.;	<i>deleted</i>	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.;	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 2, first paragraph, point (13)				
142	(13) Article 49 is amended as follows:	(13) Article 49 is amended as follows:	(13) Article 49 is amended as follows:	
Article 2, first paragraph, point (13)(-a)				
142a		<u>(-a) in paragraph 2, first sentence, the reference to Article 29c is deleted;</u>	(-a) in paragraph 2, first sentence, the reference to Article 29c is deleted;	
Article 2, first paragraph, point (13)(-b)				
142b		<u>(-aa) in paragraph 3, first sentence, the reference to Article 29c is deleted</u>	(-aa) in paragraph 3, first sentence, the reference to Article 29c is deleted;	
Article 2, first paragraph, point (13)(-c)				
142c		<u>(-ab) paragraph 3b is amended as follows</u>	(-ab) paragraph 3b is amended as follows:	
Article 2, first paragraph, point (13)(-d)				
142d		<u>(i) in the first subparagraph, introductory wording, the reference to Article 29c is deleted</u>	(i) in the first subparagraph, introductory wording, the reference to Article 29c is deleted;	
Article 2, first paragraph, point (13)(-e)				
142e		<u>(ii) in the fourth subparagraph, the reference to Article 29c is deleted;</u>	(ii) in the fourth subparagraph, the reference to Article 29c is deleted;	
Article 2, first paragraph, point (13)(-f)				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
142f		<i>(iii) in the sixth subparagraph, the reference to Article 29c is deleted</i>	(iii) in the sixth subparagraph, the reference to Article 29c is deleted.	
Article 2, first paragraph, point (13)(a)				
143	(a) the following paragraphs 3c to 3e are inserted:	(a) the following paragraphs 3c to 3e and 3d are inserted:	(a) the following paragraphs 3c to 3e and 3d are inserted:	
Article 2, first paragraph, point (13)(a), amending provision, numbered paragraph (3c)				
144	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].	3c. The power to adopt delegated acts referred to in Articles 19b(5), 29aa(5) and Article 29ca shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive].	3c. The power to adopt a delegated acts act referred to in Articles 19b(5), 29aa(5) and Article 29ca shall be conferred on the Commission for an indeterminate period from [date of entry into force of amending Directive] [date of entry into force of amending Directive] .	
Article 2, first paragraph, point (13)(a), amending provision, numbered paragraph (3d)				
145	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	3d. The delegations of powers referred to in Articles 19b(5), 29aa(5) and Article 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	3d. The delegations of powers referred to in Articles 19b(5), 29aa(5) and Article 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 Official	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	therein. It shall not affect the validity of any delegated acts already in force.	date specified therein. It shall not affect the validity of any delegated acts already in force.	<i>Journal of the European Union</i> or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	
Article 2, first paragraph, point (13)(a), amending provision, numbered paragraph (3e)				
146	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 the consultation of the experts of the Member State Expert Group on Sustainable Finance referred to in Article 24 of Regulation (EU) 2020/852.;	<i>deleted</i>	<i>deleted</i>	
Article 2, first paragraph, point (13)(b)				
147	(b) paragraph 5 is replaced by the following:	(b) paragraph 5 is replaced by the following:	(b) paragraph 5 is replaced by the following:	
Article 2, first paragraph, point (13)(b), amending provision, numbered paragraph (5)				
148	5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa, Articles 29b, 29ca or 40b, or	5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa , Articles 29b, 29ca or 40b, or	5. A delegated act adopted pursuant to Article 1(2), Article 3(13), Article 19b, Article 29aa , Articles 29b, 29ca or 40b, or	

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	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..	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.	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.	
Article 3				
149	Article 3 Amendments to Directive (EU) 2022/2464	Article 3 Amendments to Directive (EU) 2022/2464	Article 3 Amendments to Directive (EU) 2022/2464	
Article 3, first paragraph				
150	In Directive (EU) 2022/2464, Article 5(2) is amended as follows:	In Directive (EU) 2022/2464, Article 5(2) is amended as follows:	In Directive (EU) 2022/2464, Article 5(2) is amended as follows:	
Article 3, first paragraph, point (1)				
151	(1) the first subparagraph is amended as follows:	(1) the first subparagraph is amended as follows:	(1) the first subparagraph is amended as follows:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 3, first paragraph, point (1)(a)				
152	(a) point (a) is deleted;	(a) point (a) is deleted;	(a) in point (a), the introductory text is replaced by ‘for financial years starting between 1 January 2024 and 31 December 2026 inclusive:’ is deleted;	
Article 3, first paragraph, point (1)(b)				
153	(b) point (b) is amended as follows:	(b) point (b) is amended as follows:	(b) point (b) is amended as follows:	
Article 3, first paragraph, point (1)(b)(i)				
154	(i) point (i) is replaced by the following:	(i) point (i) is replaced by the following:	(i) point (i) is replaced by the following:	
Article 3, first paragraph, point (1)(b)(i), amending provision, numbered paragraph (i)				
155	‘ (i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 employees during the financial year;; ’,	‘ (i) to large undertakings which, on their balance sheet dates, exceed the average number of 1000 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> during the financial year;; ’,	‘ (i) to large undertakings which, on their balance sheet dates, exceed a net turnover of EUR 450 000 000 and the average number of 1000 employees during the financial year;; ’,	
Article 3, first paragraph, point (1)(b)(ii)				
156	(ii) point (ii) is replaced by the following:	(ii) point (ii) is replaced by the following:	(ii) point (ii) is replaced by the following:	
Article 3, first paragraph, point (1)(b)(ii), amending provision, numbered paragraph (ii)				
157	‘	‘	‘	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	(ii) to 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;;	(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed the average number of 1000 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> , on a consolidated basis, during the financial year;;	(ii) to parent undertakings of a large group which, on their balance sheet dates, exceed, on a consolidated basis, a net turnover of EUR 450 000 000 and the average number of 1000 employees, on a consolidated basis , during the financial year;;	
Article 3, first paragraph, point (1)(c)				
158	(c) point (c) is deleted;	(c) point (c) is deleted;	(c) point (c) is deleted;	
Article 3, first paragraph, point (2)				
159	(2) the third subparagraph is amended as follows:	(2) the third subparagraph is amended as follows:	(2) the third subparagraph is amended as follows:	
Article 3, first paragraph, point (2)(a)				
160	(a) point (a) is deleted;	(a) point (a) is deleted;	(a) in point (a), the introductory text is replaced by ‘for financial years starting between 1 January 2024 and 31 December 2026 inclusive:’ is deleted;	
Article 3, first paragraph, point (2)(b)				
161	(b) point (b) is amended as follows:	(b) point (b) is amended as follows:	(b) point (b) is amended as follows:	
Article 3, first paragraph, point (2)(b)(i)				
162	(i) point (i) is replaced by the following:	(i) point (i) is replaced by the following:	(i) point (i) is replaced by the following:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 3, first paragraph, point (2)(b)(i), amending provision, numbered paragraph (i)				
163	‘ (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;; ’	‘ (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 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> during the financial year;; ’	‘ (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 a net turnover of EUR 450 000 000 and the average number of 1000 employees during the financial year;; ’	
Article 3, first paragraph, point (2)(b)(ii)				
164	(ii) point (ii) is replaced by the following:	(ii) point (ii) is replaced by the following:	(ii) point (ii) is replaced by the following:	
Article 3, first paragraph, point (2)(b)(ii), amending provision, numbered paragraph (ii)				
165	‘ (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;; ’	‘ (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 <u>1 750</u> employees <u>and a net turnover of EUR 450 000 000</u> , on a consolidated basis, during the financial year;; ’	‘ (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, on a consolidated basis, a net turnover of EUR 450 000 000 and the average number of 1000 employees , on a consolidated basis , during the financial year;; ’	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		,	,	
Article 3, first paragraph, point (2)(c)				
166	(c) point (c) is deleted.	(c) point (c) is deleted.	(c) point (c) is deleted.	
Article 3, first paragraph, point (2)(ca)				
166a			(3) The following fifth subparagraph is inserted:	
Article 3, first paragraph, point (2)(cb)				
166b			‘By way of derogation from point (a) of the first subparagraph and point (a) of the third subparagraph, Member States may exempt undertakings or issuers which do not exceed a net turnover of EUR 450 000 000 and the average number of 1000 employees during the financial year, on a consolidated basis, where applicable, from complying with the measures necessary to comply with Article 1, with the exception of point (14), and with Article 2, for the financial years starting between 1 January 2025 and 31 December 2026.’	
Article 3, first paragraph, point (2)(cc)				

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166c			(4) In Article 6(1), points (b) and (c) are replaced by the following:	
Article 3, first paragraph, point (2)(cd)				
166d			‘(b) an assessment of the number of undertakings voluntarily using the sustainability reporting standards referred to in Article 29ca of Directive 2013/34/EU;	
Article 3, first paragraph, point (2)(ce)				
166e			(c) an assessment of whether and how the scope of the provisions amended by this amending Directive should be extended, in particular in relation to large undertakings with a net turnover not exceeding EUR 450 000 000 and an average number of employee not exceeding 1000 during the financial year, as well as to third-country undertakings operating directly on the Union internal market without a subsidiary or a branch on the territory of the Union;’	
Article 4				
167	Article 4	Article 4	Article 4	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Amendments to Directive (EU) 2024/1760	Amendments to Directive (EU) 2024/1760	Amendments to Directive (EU) 2024/1760	
Article 4, first paragraph				
168	Directive (EU) 2024/1760 is amended as follows:	Directive (EU) 2024/1760 is amended as follows:	Directive (EU) 2024/1760 is amended as follows:	
Article 4, first paragraph, point (1)				
169	(1) in Article 1(1), point (c) is replaced by the following:	(1) in Article 1(1), point (c) is replaced by the following: <u>deleted;</u>	(1) in Article 1(1), point (c) is replaced by the following 1 is amended as follows:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (-1)				
169a			(a) in paragraph 1, point (c) is replaced by the following:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (c)				
170	(c) the obligation for companies to adopt a transition plan for climate change mitigation, including implementing actions which aim to ensure, through best efforts, compatibility of the business model and of the strategy of the company with the transition to a sustainable economy and with the limiting of global warming to 1,5 °C in line with the Paris Agreement.;	<i>deleted</i>	(c) the obligation for companies to adopt a transition plan for climate change mitigation, including implementing actions which aim to ensure, through best reasonable efforts, compatibility of that the business model and of the strategy of the company with contribute to the transition to a sustainable economy and with to the limiting of global warming to 1,5 °C in line with the Paris Agreement.’;	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 4, first paragraph, point (1), amending provision, numbered paragraph (Ca)				
170a			(b) the following paragraph 4 is inserted:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (Cb)				
170b			‘4. This Directive does not affect Union or national law relating to matters other than those set out in paragraph 1. In particular, the rules referred to in paragraph 1, point (a), do not affect Union or national law concerning human, employment or social rights, or protection of the environment and climate change other than general due diligence obligations.’	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (Ca)				
170c		<u>1a Article 2 is amended as follows:</u>	(1a) Article 2 is amended as follows:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (Cb)				
170d		<u>(a) in paragraph 1, point (a) is replaced by the following:</u>	(a) in paragraph 1, point (a) is replaced by the following:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (Cc)				
170e		<u>‘(a) the company had more than 5 000 employees on average and had a net worldwide turnover of more than EUR 1,5 billion in the last financial year for which annual financial statements have</u>	‘(a) the company had more than 5 000 employees on average and had a net worldwide turnover of more than EUR 1.5 billion in the last financial year for which annual financial	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u>been or should have been adopted</u> ’;	statements have been or should have been adopted’;	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (CCI)				
170f		<u>(b) in paragraph 2, point (a) is replaced by the following:</u>	(b) in paragraph 2, point (a) is replaced by the following:	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (CCII)				
170g		<u>‘(a) the company generated a net turnover of more than EUR 1,5 billion in the Union in the financial year preceding the last financial year;’</u>	‘(a) the company generated a net turnover of more than EUR 1.5 billion in the Union in the financial year preceding the last financial year;’;	
Article 4, first paragraph, point (1), amending provision, numbered paragraph (CCIII)				
170h		<u>(c) in paragraph 3, the first subparagraph is replaced by the following:</u>		
Article 4, first paragraph, point (1), amending provision, numbered paragraph (CCIV)				
170i		<u>‘3. Where the ultimate parent company has as its main activity the holding of shares in operational subsidiaries and does not engage in taking management, operational or financial decisions affecting the group or one or more of its subsidiaries, it may be exempted from carrying out the obligations under this Directive. That</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<i><u>exemption is subject to the condition that one of the ultimate parent company's subsidiaries established in the Union is designated to fulfil the obligations set out in Articles 6 to 16 on behalf of the ultimate parent company, including the obligations of the ultimate parent company with respect to the activities of its subsidiaries. In such a case, the designated s in an effective manner, in particular to ensure that the designated subsidiary obtains from the companies of the group the relevant information and documents to fulfil the obligations of the ultimate parent company under this Directive.';</u></i>		
Article 4, first paragraph, point (2)				
171	(2) in Article 3(1), point (n) is replaced by the following:	(2) in Article 3(1), point (n) is replaced by the following <u>is amended as follows:</u>	(2) in Article 3(1), point (n) is replaced by the following is amended as follows:	
Article 4, first paragraph, point (2a)				
171a			(a) point (n) is replaced by the following:	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Article 4, first paragraph, point (2a), amending provision, numbered paragraph (n)				
172	‘(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers’ representatives, and individuals or communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities;;	‘(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers’ representatives, and individuals or communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities;;	‘(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries and of its business partners, and their trade unions and workers’ representatives, and individuals or communities whose rights or interests are or could be directly affected by the products, services and operations of the company, its subsidiaries and its business partners and the legitimate representatives of those individuals or communities;;’;	
Article 4, first paragraph, point (2), amending provision, numbered paragraph (na)				
172a			(b) point (u) is replaced by the following:	
Article 4, first paragraph, point (2), amending provision, numbered paragraph (nb)				
172b			‘(u) ‘risk factors’ means facts, situations or circumstances that relate to the severity and likelihood of an adverse impact, including company-level facts, situations or circumstances (such as whether the company is not	

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			covered by this Directive or other comparable mandatory sustainable due diligence legislation), geographical and contextual facts, situations or circumstances (such as the level of law enforcement with respect to the type of adverse impact), and business operations, product and service, and sectoral facts, situations or circumstances;	
Article 4, first paragraph, point (2a)				
172c		<u>(b) the following point is added:</u>		
Article 4, first paragraph, point (2b)				
172d		<u>(w) 'reasonably available information' means information which can be obtained by the company from its own, or from existing or secondary sources without contacting a business partner. ';</u>		
Article 4, first paragraph, point (3)				
173	(3) Article 4 is replaced by the following:	(3) Article 4 is replaced by the following <u>amended as follows</u> ::	(3) Article 4 is replaced by the following:	
Article 4, first paragraph, point (3), amending provision, first paragraph				
174	'	'	'	

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	Article 4	Article 4	Article 4	
Article 4, first paragraph, point (3), amending provision, second paragraph				
175	Level of harmonisation	Level of harmonisation	Level of harmonisation	
Article 4, first paragraph, point (3), amending provision, numbered paragraph (-1)				
175a		<u>(a) paragraph 1 is replaced by the following:</u>		
Article 4, first paragraph, point (3), amending provision, numbered paragraph (1)				
176	1. Without prejudice to Article 1(2) and (3), Member States shall not introduce, in their national law, provisions within the field covered by this Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Articles 6 and 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14.	1. Without prejudice to Article 1(2) and (3), Member States shall not introduce, in their national law, provisions within the field covered by this Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Articles 6 and 8 , Article 10(1) to (5), Article 11(1) to (6) and Article 14 <u>to 16</u> .	1. Without prejudice to Article 1(2) and (3), Member States shall not introduce, in their national law, provisions within the field covered by this Directive laying down human rights and environmental due diligence obligations diverging from those laid down in Articles 6 and 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14.	
Article 4, first paragraph, point (3), amending provision, numbered paragraph (1a)				
176a		<u>(b) paragraph 2 is deleted;</u>		
Article 4, first paragraph, point (3), amending provision, numbered paragraph (2)				
177	2. Notwithstanding paragraph 1, this Directive shall not preclude Member States from introducing, in their national law, more stringent provisions	<i>deleted</i>	2. Notwithstanding paragraph 1, this Directive shall not preclude Member States from introducing, in their national law, more stringent provisions	

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	diverging from those laid down in provisions other than Articles 6 and, 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14, or provisions that are more specific in terms of the objective or the field covered, including by regulating specific products, services or situations, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate.;		diverging from those laid down in provisions other than Articles 6 and, 8, Article 10(1) to (5), Article 11(1) to (6) and Article 14, or provisions that are more specific in terms of the objective or the field covered, including by regulating specific products, services or situations, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate.;	
Article 4, first paragraph, point (3a)				
177a		<u>(3a) Article 6 is amended as follows:</u>		
Article 4, first paragraph, point (3b)				
177b		<u>(a) paragraph 1 is amended as follows:</u>		
Article 4, first paragraph, point (3c)				
177c		<u>'1. Member States shall ensure that parent companies falling under the scope of this Directive are allowed to fulfil the obligations set out in Articles 7 to 11 on behalf of companies which are subsidiaries of those parent companies and fall under the</u>		

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		<i><u>scope of this Directive, if this ensures effective compliance. This is without prejudice to such subsidiaries being subject to the exercise of the supervisory authority's powers in accordance with Article 25 and to their civil liability in accordance with Article 29.'</u></i>		
Article 4, first paragraph, point (3d)				
177d		<i><u>(b) paragraph 3 is deleted;</u></i>		
Article 4, first paragraph, point (3e)				
177e		<i><u>(c) the following paragraph is added:</u></i>		
Article 4, first paragraph, point (3f)				
177f		<i><u>'3a. When a company covered by this Directive acquires a company that was not in the scope of this Directive, the acquiring company has two years to integrate the processes of the purchased company into its own due diligence policy.'</u></i>		
Article 4, first paragraph, point (4)				
178	(4) Article 8 is amended as follows:	(4) Article 8 is amended as follows:	(4) Article 8 is amended as follows:	
Article 4, first paragraph, point (4)(a)				

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179	(a) in paragraph 2, point (b) is replaced by the following:	(a) in paragraph 2, point (b) is replaced by the following:	(a) in paragraph 2, point (b) is replaced by the following:	
Article 4, first paragraph, point (4)(aa)				
179a			‘1. Member States shall ensure that companies take appropriate measures to identify and assess actual and potential adverse impacts arising from their own operations or those of their subsidiaries and, where related to their chains of activities, those of their business partners, in accordance with this Article.	
Article 4, first paragraph, point (4)(a), amending provision, point (a)				
179b		‘ <u>2. As part of the obligation set out in paragraph 1, and adopting a risk-based approach that takes into account relevant risk factors, including geographical and contextual risk factors, such as the level of law enforcement; sectoral, product or service risk factors, as well as business operation or business partners risk factors, such as whether the business partner is not a company covered by this Directive, companies shall take appropriate measures to:</u>	2. As part of the obligation set out in paragraph 1, taking into account relevant risk factors, companies shall take appropriate measures to:	

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Article 4, first paragraph, point (4)(a), amending provision, point (b)				
179c		<i>(a) carry out a scoping, based on reasonably available information, to identify general areas across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners where adverse impacts are most likely to occur and to be most severe;</i>	(a) carry out a scoping exercise, based on reasonably available information, to identify the areas across their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners where adverse impacts are likely to occur;	
Article 4, first paragraph, point (4)(a), amending provision, numbered paragraph (b)				
180	‘ (b) based on the results of the mapping as referred to in point (a), carry out and in-depth assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners, in the areas where adverse impacts were identified to be most likely to occur and most severe.; ’	(b) based on the results of the mapping as scoping referred to in point (a), and where, on the basis of relevant and verifiable information, the company has grounds to believe that adverse impacts have arisen or may arise, carry out and in-depth a further assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners, only in the areas where adverse impacts were identified to be most likely to occur and to be most severe. Companies shall not be required to request any information from business partners, where no likely	‘ (b) based on the results of the mapping scoping exercise as referred to in point (a), carry out and an in-depth assessment of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their direct business partners, in the areas where adverse impacts were identified to be most likely to occur and most severe.; For the purposes of this Article, a measure cannot be appropriate if it is not reasonably available to the company. ’	

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		<u>and severe risks were identified. Companies shall be able to prioritise assessing direct business partners, in line with severity and likelihood of the adverse impacts.</u> ;		
Article 4, first paragraph, point (4)(b)				
181	(b) the following paragraph 2a is inserted:	<i>deleted</i>	(b) the following paragraph 2a is inserted:	
Article 4, first paragraph, point (4)(b), amending provision, numbered paragraph (2a), first subparagraph				
182	2a. Where a company has plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or may arise, it shall carry out an in-depth assessment. The company shall always carry out such an assessment where the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of paragraph 2, point (b). Where the assessment confirms the likelihood or	<i>deleted</i>	2a. Companies shall also map their chains of activities to identify their indirect business partners, based on reasonably available information. Where a company has, or can be reasonably expected to know of, objective and verifiable plausible information that suggests that adverse impacts at the level of the operations of an indirect business partner have arisen or may arise have a reasonable prospect of arising , it shall carry out an in-depth assessment. The Where a company shall always carry out such an assessment where is	

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	existence of the adverse impact, it is deemed to have been identified.		aware, or can reasonably be expected to be aware, that the indirect, rather than direct, nature of the relationship with the business partner is the result of an artificial arrangement that does not reflect economic reality but points to a circumvention of and is designed to circumvent paragraph 2, point (b), it shall carry out an in-depth assessment. When identifying and assessing adverse impacts, the company shall take into account relevant risk factors. Where the assessment confirms the likelihood or existence of the adverse impact, it is deemed to have been identified.	
Article 4, first paragraph, point (4)(b), amending provision, numbered paragraph (2a), second subparagraph				
183	The first subparagraph is without prejudice to the company considering available information about indirect business partners and whether those business partners can follow the rules and principles set out in the company's code of conduct when selecting a direct business partner.	<i>deleted</i>	<i>deleted</i>	
Article 4, first paragraph, point (4)(b), amending provision, numbered paragraph (2a), third subparagraph				

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184	Notwithstanding the first subparagraph, irrespective of whether plausible information is available about indirect business partners, a company shall seek contractual assurances from a direct business partner that that business partner will ensure compliance with the company's code of conduct by establishing corresponding contractual assurances from its business partners. Article 10(2), points (b) and (e) shall apply accordingly.;	<i>deleted</i>	Notwithstanding the first subparagraph, Irrespective of whether plausible information is available about indirect business partners the first paragraph applies, a company shall may seek contractual assurances from a direct business partner that that business partner will ensure compliance with the company's code of conduct by establishing corresponding contractual assurances from its business partners, together with requests to inform the company of adverse impacts and any measures taken to address them. Where the company makes such a request, it shall provide the support referred to in Article 10(2) point (e), where relevant. This subparagraph is without prejudice to Article 10(2)(b), Article 10(4), Article 10(5), Article 11(3)(c), Article 11(5) and Article 11(6), points (b) and (e) shall apply accordingly.;	
Article 4, first paragraph, point (4)(b), amending provision, numbered paragraph (1), third subparagraph a				
184a		<i>deleted</i>	3. Member States shall ensure that, for the purposes of identifying and assessing the	

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			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 notification mechanism and the complaints procedure provided for in Article 14.	
Article 4, first paragraph, point (4)(ba)				
184b		<i><u>(ba) paragraph 3 is replaced by the following:</u></i>		
Article 4, first paragraph, point (4)(bb)				
184c		<i><u>'3. Member States shall ensure that, for the purposes of the scoping provided for in paragraph 2, point (a), companies do not seek to obtain the information from their business partners but rely solely on information that is already reasonably available, including risk factors.'</u></i>		
Article 4, first paragraph, point (4)(c)				

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185	(c) paragraph 4 is replaced by the following:	(c) paragraph 4 is replaced by the following:	(c) paragraph 4 is replaced by the following:	
Article 4, first paragraph, point (4)(c), amending provision, numbered paragraph (4)				
186	<p>4. Where information necessary for the in-depth assessment provided for in paragraph 2, point (b), and in paragraph 2a can be obtained from different business partners, the company shall prioritise requesting such information, where reasonable, directly from the business partner or partners where the adverse impacts are most likely to occur.;</p>	<p>4. Where information necessary <u>Member States shall ensure that, for the in-depth purposes of the further assessment provided for in paragraph 2, point (b), of this Article companies do not seek to obtain information from business partners, unless this is necessary. Where the business partner has fewer than 5000 employees, companies may seek such information only as a last resort, and if it cannot reasonably be obtained by other means, in particular from existing or secondary sources. In any case, any request shall be targeted, reasonable and proportionate. Where information necessary for the further assessment provided for and in paragraph 2a, point (b),</u> can be obtained from different business partners, the company shall prioritise requesting <u>seek</u> such information, where reasonable, directly from the</p>	<p>4. Where information necessary for the in-depth assessment provided for in paragraph 2, point (b), and in paragraph 2a can be obtained from different business partners, the company shall prioritise requesting such information, where reasonable, directly from the business partner or partners where the adverse impacts are most likely to occur.;</p>	

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		business partner or partners where the adverse impacts are most likely to occur. <u>Information may be sought individually or collaboratively.</u> ;		
Article 4, first paragraph, point (4)(d)				
187	(d) the following paragraph 5 is added:	(d) the following paragraph 5 is added:	(d) the following paragraph 5 is added:	
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (5), first subparagraph				
188	5. Member States shall ensure that, for the mapping provided for in paragraph 2, point (a), companies do not seek to obtain information from direct business partners with fewer than 500 employees that exceeds the information specified in the standards for voluntary use referred to in Article 29a of Directive 2013/34/EU.	5. Member States shall ensure that, for the mapping <u>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, digital solutions, industry or multi-stakeholders initiatives, collaboration and information gathered through the notification mechanism and the complaints procedure</u> provided for in paragraph 2, point (a), companies do not seek to obtain information	5. Member States shall ensure that, for the mapping <u>purposes of scoping exercise</u> provided for in paragraph 2, point (a), companies do not seek <u>only request</u> to obtain information from direct business partners where that information is necessary and, in case of direct business partners with fewer than 500 1 000 employees that exceeds the information specified in the standards for voluntary use referred to in Article 29a of Directive 2013/34/EU, cannot reasonably be obtained by other means.	

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		<i>from direct business partners with fewer than 500 employees that exceeds the information specified in the standards for voluntary use referred to in Article 29a of Directive 2013/34/EU¹⁴.</i>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (5), second subparagraph				
189	By way of derogation to the first sub-paragraph, where additional information is necessary for the mapping provided for in paragraph 2, point (a), in light of indications of likely adverse impacts or because the standards do not cover relevant impacts, and where such additional information cannot reasonably be obtained by other means, the company may seek such information from that business partner.;	<i>By way of derogation to the first sub-paragraph, Where additional information is necessary for the mapping provided for in paragraph 2, point (a), in light of indications of likely, despite having taken appropriate measures to identify adverse impacts or because the standards, companies do not cover relevant impacts, and where such additional have all the necessary information regarding their chains of activities, they shall be able to reasonably explain why such information cannot reasonably be obtained by other means. If, as a result, they could not take appropriate measures to prevent, mitigate, bring to an end or minimise the adverse impact, they shall not be penalised the company may seek such</i>	By way of derogation to The guidelines issued under Article 19(1) on the identification process shall include guidance in respect of the first sub-paragraph, where additional information is necessary for the mapping provided for in paragraph 2, point (a), in light of indications of likely adverse impacts or because the standards do not cover relevant impacts, and where such additional information cannot reasonably be obtained by other means, the company may seek such information from that business partnersubparagraph.’;	

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		<i>information from that business partner.</i> ;		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph a				
189a		<u>4a</u> <u>Article 9 is replaced by the following :</u>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph b				
189b		<u>Article 9</u>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph c				
189c		<u>Prioritisation of identified actual and potential adverse impacts</u>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph d				
189d		<u>1. Member States shall ensure that, where it is not feasible for companies to prevent, mitigate, bring to an end or minimise all adverse impacts identified pursuant to Article 8, companies may prioritise the most severe and most likely adverse impacts in order to fulfil the obligations laid down in Article 10 or 11.</u>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph e				
189e		<u>2. Once the most severe and most likely adverse impacts are addressed in accordance with Article 10 or 11 within a reasonable time, the company</u>		

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		<u>shall address less severe and less likely adverse impacts.</u>		
Article 4, first paragraph, point (4)(d), amending provision, numbered paragraph (1), second subparagraph f				
189f		<u>3. Where prioritisation decisions are made in accordance with this Article, Member States shall ensure that companies are not penalised under Article 25 or 27 for any harm stemming from any less significant adverse impacts that have not yet been addressed.’;</u>		
Article 4, first paragraph, point (5)				
190	(5) in Article 10, paragraph 6 is replaced by the following:	(5) in Article 10, paragraph 6 is replaced by the following:	(5) in Article 10, paragraph 6 is replaced by the following:	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), first subparagraph				
191	‘ 6. As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall, as a last resort:	‘ 6. —As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall <u>can</u> , as a last resort:	‘ 6. —As regards potential adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 2, 4 and 5, the company shall, as a last resort and until the impact is addressed:	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), first subparagraph, point (a)				

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192	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), first subparagraph, point (b)				
193	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed, and	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed, and	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed suspend the business relationship with respect to the activities concerned, including with a view to using or increasing its leverage, and	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), first subparagraph, point (c)				
194	(c) use or increase its leverage through the suspension of the business relationship with respect to the activities concerned.	(c) use or increase its leverage, <i>where possible</i> , through the <i>temporary</i> suspension of the business relationship with respect to the activities concerned.	(c) use or increase its leverage through the suspension of the business relationship with respect to the activities concerned. adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there	

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			is a reasonable expectation that those efforts will succeed.	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), second subparagraph				
195	As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not trigger the company's liability.	As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not trigger expose the company's to penalties pursuant to Article 27 or to liability under Article 29.	As long as there is a reasonable expectation that the enhanced prevention action plan will succeed, the mere fact of continuing to engage with the business partner shall not trigger expose the company's to penalties pursuant to Article 27 or to liability under Article 29.	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), third subparagraph				
196	Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	Prior to temporarily suspending a business relationship, the company shall assess <u>in consultation with relevant stakeholders, whether no available alternative to that business relationship, that provides a raw material, product or service essential to the company's production of goods or provision of services, exists and the suspension would cause substantial prejudice to the company or</u> whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated.	Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	

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		Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.		
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), fourth subparagraph				
197	Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	Member States shall provide for an option to suspend <u>or terminate</u> the business relationship in contracts governed by their laws in accordance with the first subparagraph , except for contracts where the parties are obliged by law to enter into them.	Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), fifth subparagraph				
198	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	
Article 4, first paragraph, point (5), amending provision, numbered paragraph (6), sixth subparagraph				
199	Where the company decides not to suspend the business relationship pursuant to this Article, it shall	Where the company decides not to suspend the business relationship pursuant to this Article, it shall	Where the company decides not to suspend the business relationship pursuant to this Article, it shall	

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	monitor the potential adverse impact and periodically assess its decision and whether further appropriate measures are available.;	monitor the potential adverse impact and periodically assess its decision and whether further appropriate measures are available.;	monitor the potential adverse impact and periodically assess its decision and whether further appropriate measures are available.;	
Article 4, first paragraph, point (6)				
200	(6) in Article 11, paragraph 7 is replaced by the following:	(6) in Article 11, paragraph 7 is replaced by the following:	(6) in Article 11, paragraph 7 is replaced by the following:	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), first subparagraph				
201	7. As regards actual adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated by the measures set out in paragraphs 3, 5 and 6, the company shall, as a last resort:	7. As regards actual adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated <u>brought to an end or the extent of which could not be minimised</u> by the measures set out in paragraphs 3, 5 and 6, the company shall <u>can</u> , as a last resort:	7. As regards actual adverse impacts as referred to in paragraph 1 that could not be prevented or adequately mitigated brought to an end or the extent of which could not be minimised by the measures set out in paragraphs 3, 5 and 6, the company shall, as a last resort and until the impact is addressed:	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), first subparagraph, point (a)				
202	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	(a) refrain from entering into new, or extending existing, relations with a business partner in connection with which, or in the chain of activities of which, the impact has arisen,	

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Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), first subparagraph, point (b)				
203	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed, and	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention corrective action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed, and	(b) where the law governing its relation with the business partner concerned so entitles it, adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed, suspend the business relationship with respect to the activities concerned, including with a view to using or increasing its leverage and	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), first subparagraph, point (c)				
204	(c) use or increase its leverage through the suspension of the business relationship with respect to the activities concerned.	(c) use or increase its leverage, where possible , through the temporary suspension of the business relationship with respect to the activities concerned.	(c) use or increase its leverage through the suspension of the business relationship with respect to the activities concerned. adopt and implement a corrective action plan for the specific adverse impact without undue delay, provided that there is a reasonable expectation that those efforts will succeed.	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), second subparagraph				
205	As long as there is a reasonable expectation that the enhanced prevention action plan will	As long as there is a reasonable expectation that the enhanced prevention corrective action plan	As long as there is a reasonable expectation that the enhanced prevention corrective action plan	

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	succeed, the mere fact of continuing to engage with the business partner shall not trigger the company's liability.	will succeed, the mere fact of continuing to engage with the business partner shall not trigger <u>expose</u> the company's to <u>penalties pursuant to Article 27 or to liability pursuant to Article 29.</u>	will succeed, the mere fact of continuing to engage with the business partner shall not trigger <u>expose</u> the company's to penalties pursuant to Article 27 or to liability under Article 29.	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), third subparagraph				
206	Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or adequately mitigated. Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	Prior to <u>temporarily</u> suspending a business relationship, the company shall assess, <u>in consultation with relevant stakeholders, whether no available alternative to that business relationship, that provides a raw material, product or service essential to the company's production of goods or provision of services, exists and the suspension would cause substantial prejudice to the company, or</u> whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or brought to an end or the extent of which could not be adequately mitigated <u>minimised</u> . Should that be the case, the company shall not be required to suspend the business relationship	Prior to suspending a business relationship, the company shall assess whether the adverse impacts from doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be prevented or brought to an end or the extent of which could not be adequately mitigated <u>minimised</u> . Should that be the case, the company shall not be required to suspend the business relationship and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.	

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		and shall be in a position to report to the competent supervisory authority about the duly justified reasons for such decision.		
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), fourth subparagraph				
207	Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	Member States shall provide for an option to suspend <u>or terminate</u> the business relationship in contracts governed by their laws in accordance with the first subparagraph , except for contracts where the parties are obliged by law to enter into them.	Member States shall provide for an option to suspend the business relationship in contracts governed by their laws in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), fifth subparagraph				
208	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	Where the company decides to suspend the business relationship, it shall take steps to prevent, mitigate or bring to an end the impacts of the suspension, shall provide reasonable notice to the business partner concerned and shall keep that decision under review.	
Article 4, first paragraph, point (6), amending provision, numbered paragraph (7), sixth subparagraph				
209	Where the company decides not to suspend the business relationship pursuant to this Article, it shall monitor the potential adverse impact and periodically assess its decision and whether further	Where the company decides not to suspend the business relationship pursuant to this Article, it shall monitor the potential <u>actual</u> adverse impact and periodically assess its decision and whether	Where the company decides not to suspend the business relationship pursuant to this Article, it shall monitor the potential <u>actual</u> adverse impact and periodically assess its decision and whether	

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	appropriate measures are available.;	further appropriate measures are available.;	further appropriate measures are available.;	
Article 4, first paragraph, point (7)				
210	(7) in Article 13, paragraph 3 is amended as follows:	(7) in Article 13, paragraph 3 is amended as follows:	(7) in Article 13, paragraph 3 is amended as follows:	
Article 4, first paragraph, point (7)(a)				
211	(a) the introductory wording is replaced by the following:	(a) the introductory wording is replaced by the following:	(a) the introductory wording is replaced by the following:	
Article 4, first paragraph, point (7)(a), amending provision, first paragraph				
212	‘ Consultation of relevant stakeholders shall take place at the following stages of the due diligence process;;	‘ Consultation of relevant stakeholders shall take place at the following stages of the due diligence process;;	‘ Consultation of relevant stakeholders shall take place at the following stages of the due diligence process;;	
Article 4, first paragraph, point (7)(b)				
213	(b) points (c) and (e) are deleted;	(b) points (c) and (e) are deleted;	(b) points (c) and (e) are deleted;	
Article 4, first paragraph, point (8)				
214	(8) in Article 15, the second sentence is replaced by the following:	(8) in Article 15, the second sentence is replaced by the following:	(8) in Article 15, the second sentence is replaced by the following:	
Article 4, first paragraph, point (8), amending provision, first paragraph				
215	‘	‘	‘	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every 5 years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.;	Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every 5 4 years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.;	Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every 5 years and whenever there are reasonable grounds to believe that the measures are no longer adequate or effective or that new risks of the occurrence of those adverse impacts may arise.;	
Article 4, first paragraph, point (8), amending provision, first paragraph a				
215a			(8a) in Article 16, paragraph 3 is replaced by the following:	
Article 4, first paragraph, point (8), amending provision, first paragraph b				
215b			‘By 31 March 2029, the Commission shall adopt delegated acts in accordance with Article 34 in order to supplement this Directive by laying down the content and criteria for the reporting under paragraph 1, specifying, in particular, sufficiently detailed information on the description of due diligence, actual and potential adverse impacts identified, and appropriate	

	CLEAN	Commission Proposal	VS.EC	EP Mandate	VS.EC	Council Mandate	VS.EC	Draft Agreement
						measures taken with respect to those impacts. In preparing those delegated acts, the Commission shall take due account of, and align them as appropriate with, the sustainability reporting standards adopted pursuant to Articles 29b and 40b of Directive 2013/34/EU.’;		
Article 4, first paragraph, point (8), amending provision, first paragraph c								
215c					(8b)	in Article 17,		
Article 4, first paragraph, point (8), amending provision, first paragraph d								
215d					(a)	paragraph 1, first subparagraph is replaced by the following:		
Article 4, first paragraph, point (8), amending provision, first paragraph e								
215e					‘1.	From 1 January 2031 Member States shall ensure that, when making public the annual statement referred to in Article 16(1) of this Directive, companies submit that statement at the same time to the collection body referred to in paragraph 3 of this Article for the purpose of making it accessible on the European single access point (ESAP), as		

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			established by Regulation (EU) 2023/2859.’	
Article 4, first paragraph, point (8), amending provision, first paragraph f				
215f			(b) paragraph 3 is replaced by the following:	
Article 4, first paragraph, point (8), amending provision, first paragraph g				
215g			‘By 31 December 2030, for the purposes of making the information referred to in paragraph 1 of this Article accessible on ESAP, Member States shall designate at least one collection body, as defined in Article 2, point (2), of Regulation (EU) 2023/2859, and notify the European Securities and Markets Authority thereof.’	
Article 4, first paragraph, point (8), amending provision, first paragraph h				
215h			(8c) in Article 18, the sole paragraph is replaced by:	
Article 4, first paragraph, point (8), amending provision, first paragraph i				
215i			‘In order to provide support to companies to facilitate their compliance with Article 10(2), point (b), and Article 11(3), point (c), the Commission, in consultation with Member States and stakeholders, shall adopt guidance about voluntary	

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			model contractual clauses, by 26 January 2029.'	
Article 4, first paragraph, point (8a)				
215j		<u>(8a) in Article 19(2), point (b) is deleted;</u>		
Article 4, first paragraph, point (9)				
216	(9) in Article 19, paragraph 3 is replaced by the following:	(9) in Article 19, paragraph 3 is replaced by the following:	(9) in Article 19, paragraph 3 is replaced by the following:	
Article 4, first paragraph, point (9), amending provision, numbered paragraph (3)				
217	3. The guidelines referred to in paragraph 2, point (a), shall be made available by 26 July 2026, those referred to in paragraph 2, points (d) and (e), by 26 January 2027, and those referred to in paragraph 2, points (b), (f) and (g), by 26 July 2027.;	3. The guidelines referred to in paragraph 2, point (a), <u>(b) and (d) to (g)</u> shall be made available by 26 July 2026, those referred to in paragraph 2, points (d) and (e), by 26 January 2027, and those referred to in paragraph 2, points (b), (f) and (g), by 26 July 2027. ;	3. The guidelines referred to in paragraph 2, point (a), shall be made available by 26 July 2026, those referred to in paragraph 2, points (d) and (e), by 26 January 2027, and those referred to in paragraph 2, points (b), (f) and (g), by 26 July 2027.	
Article 4, first paragraph, point (10)				
218	(10) in Article 22(1), the first subparagraph is replaced by the following:	(10) in Article 22(1), the first subparagraph is replaced by the following: <u>22 is deleted;</u>	(10) in Article 22(1), the first subparagraph is replaced by the following:	
Article 4, first paragraph, point (10), amending provision, first paragraph -a				

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218a			‘ (i) the first subparagraph is replaced by the following:	
Article 4, first paragraph, point (10), amending provision, first paragraph				
219	‘ Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c), and Article 2(2), points (a), (b) and (c), adopt a transition plan for climate change mitigation, including implementing actions, which aim to ensure, through best efforts, 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 and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, the exposure of the company to coal-, oil- and gas-related activities.; ’	<i>deleted</i>	Member States shall ensure that companies referred to in Article 2(1), points (a), (b) and (c), and Article 2(2), points (a), (b) and (c), adopt a transition plan for climate change mitigation, including outlining amongst other things implementing actions, which aims aim to ensure, through best reasonable efforts, that the business model and strategy of the company are compatible with with contribute to the transition to a sustainable economy and with to the limiting of global warming to 1.5°C in line with the Paris Agreement and in line with the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets, and where relevant, address the exposure of the company to coal-, oil- and gas-related activities.;	

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			<p>A company's business model and strategy contribute to the transition to a sustainable economy and to the limiting of global warming as referred to in the first subparagraph where they help bring about that transition and limitation, taking into account relevant pathways. For the purposes of this article, 'reasonable efforts' means taking the reasonable steps that would be taken by a diligent person to achieve the targets set in the transition plan, taking into account best industry practices, the effectiveness of actions taken, and the principle of proportionality.</p> <p>By way of derogation from the first subparagraph and the third paragraph, Member States shall ensure that adoption of the transition plan referred to in that subparagraph is optional during the first two years of the application of the measures to be adopted in accordance with Article 37.</p>	

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						The guidelines issued under Article 19(1) on transition plans shall include practical guidance on sectoral and cross-sectoral pathways to assist companies in adopting plans and actions. These guidelines may be used by a company in adopting and designing their transition plan for climate change mitigation, as well as by supervisory authorities in supervising the adoption and update of this plan.'		
Article 4, first paragraph, point (10), amending provision, first paragraph a								
219a					(ii)	in the second subparagraph, the introductory text is replaced by the following:		
Article 4, first paragraph, point (10), amending provision, first paragraph b								
219b						'The design of the transition plan for climate change mitigation referred to in the first subparagraph may contain:'		
Article 4, first paragraph, point (10), amending provision, first paragraph a								
219c				(10a)	in Article 24, paragraph 1 is replaced by the following:	(10a)	in Article 24, paragraph 7 is replaced by the following:	
Article 4, first paragraph, point (10), amending provision, first paragraph b								
219d				1.	Each Member State shall designate one or more			

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		<u>supervisory authorities to supervise compliance with the obligations laid down in the provisions of national law adopted pursuant to Articles 7 to 16.’;</u>		
Article 4, first paragraph, point (10), amending provision, first paragraph d				
219e			‘7. By 26 July 2028, Member States shall inform the Commission of the names and contact details of the supervisory authorities designated pursuant to this Article, as well as of their respective competences where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.’;	
Article 4, first paragraph, point (10), amending provision, first paragraph c				
219f		<u>(10b) in Article 25, paragraph 1 is replaced by the following:</u>	(10b) in Article 25:	
Article 4, first paragraph, point (10), amending provision, first paragraph f				
219g			(a) paragraph 1 is replaced by the following:	
Article 4, first paragraph, point (10), amending provision, first paragraph d				
219h		<u>‘1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the</u>	‘Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks	

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				<p><i>tasks assigned to them under this Directive, including the power to require companies to provide information and carry out investigations related to compliance with the obligations set out in Articles 7 to 16.’;</i></p>		<p>assigned to them under this Directive, including the power to require companies to provide information and carry out investigations related to compliance with the obligations set out in Articles 7 to 16.</p> <p>Member States shall require the supervisory authorities to supervise the adoption of the transition plan for climate change mitigation in accordance with the requirements provided for in the first, second and third subparagraphs of Article 22(1).</p> <p>In carrying out their supervisory function in respect of the adoption of the transition plan for climate change mitigation, the authorities shall take due account of, inter alia, the difficulties inherent in estimating future greenhouse gas emissions, the effectiveness and availability of certain climate change mitigation technologies, levers and actions over time and the overall complexity and evolving nature of climate transitioning.’</p>		
Article 4, first paragraph, point (10), amending provision, first paragraph h								

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219i			(b) the following paragraph 10 is inserted:	
Article 4, first paragraph, point (10), amending provision, first paragraph i				
219j			‘10. Member States shall ensure that supervisory authorities are able, upon request, to provide advice to companies regarding the adoption, design and implementation of transition plans for climate change mitigation referred to in Article 22.	
Article 4, first paragraph, point (11)				
220	(11) in Article 27, paragraph 4 is replaced by the following:	(11) in Article 27, paragraph 4 <u>is replaced by the following is amended as follows:</u>	(11) in Article 27, paragraph 4 is replaced by the following:	
Article 4, first paragraph, point (11a)				
220a		<u>(a) in paragraph 2, point (d) is deleted;</u>		
Article 4, first paragraph, point (11), amending provision, numbered paragraph (4)				
221	‘ 4. The Commission, in collaboration with Member States, shall issue guidance to assist supervisory authorities in determining the level of penalties	‘ 4. The Commission, in collaboration with Member States, shall issue guidance <u>on the appropriate level of penalties, taking into account the turnover</u>	‘ 4. The Commission, in collaboration with Member States, shall issue guidance to assist supervisory authorities in	

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	in accordance with this Article. Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.;	<i>of companies.</i> to assist supervisory authorities in determining the level of penalties in accordance with this Article. Member States shall not set a maximum limit of pecuniary penalties in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.;	determining the level of penalties in accordance with this Article. Member States shall not set ensure that the maximum limit of pecuniary penalties is set at 5% of the net worldwide turnover of the company or, in the case of companies referred to in Article 2(1), point (b) and Article 2(2), point (b), 5% of the net consolidated worldwide turnover calculated at the level of the ultimate parent company, in the financial year preceding that of the decision to impose the fine in their national law transposing this Directive that would prevent supervisory authorities from imposing penalties in accordance with the principles and factors set out in paragraphs 1 and 2.;	
Article 4, first paragraph, point (12)				
222	(12) Article 29 is amended as follows:	(12) Article 29 is amended as follows:	(12) Article 29 is amended as follows:	
Article 4, first paragraph, point (12)(a)				
223	(a) paragraph 1 is deleted;	(a) paragraph 1 is deleted;	(a) paragraph 1 is deleted;	
Article 4, first paragraph, point (12)(b)				

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224	(b) paragraph 2 is replaced by the following:	(b) paragraph 2 is replaced by the following:	(b) paragraph 2 is replaced by the following:	
Article 4, first paragraph, point (12)(b), amending provision, numbered paragraph (2)				
225	<p>2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.;</p>	<p>2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.;</p>	<p>2. Where a company is held liable pursuant to national law for damage caused to a natural or legal person by a failure to comply with the due diligence requirements under this Directive, Member States shall ensure that those persons have a right to full compensation. Full compensation shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.;</p>	
Article 4, first paragraph, point (12)(c)				
226	(c) in paragraph 3, point (d) is deleted;	(c) in paragraph 3, point (d) is deleted;	(c) in paragraph 3, point (d) is deleted;	
Article 4, first paragraph, point (12)(d)				
227	(d) paragraph 4 is replaced by the following:	(d) paragraph 4 is replaced by the following:	(d) paragraph 4 is replaced by the following:	
Article 4, first paragraph, point (12)(d), amending provision, numbered paragraph (4)				
228	4. Companies that have participated in industry or multi-	4. Companies that have participated in industry or multi-	4. Companies that have participated in industry or multi-	

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	stakeholder initiatives, or used independent third-party verification or contractual clauses to support the implementation of due diligence obligations may nevertheless be held liable in accordance with national law.;	stakeholder initiatives, or used independent third-party verification or contractual clauses to support the implementation of due diligence obligations may nevertheless be held liable in accordance with national law.;	stakeholder initiatives, or used independent third-party verification or contractual clauses to support the implementation of due diligence obligations may nevertheless be held liable in accordance with national law.;	
Article 4, first paragraph, point (12)(e)				
229	(e) in paragraph 5, the first subparagraph is replaced by the following:	(e) in paragraph 5, the first subparagraph is replaced by the following:	(e) in paragraph 5, the first subparagraph is replaced by the following:	
Article 4, first paragraph, point (12)(e), amending provision, first paragraph				
230	‘ The civil liability of a company for damages as referred to in this Article shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the chain of activities of the company.;	‘ The civil liability of a company for damages as referred to in this Article shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the chain of activities of the company.;	‘ The civil liability of a company for damages as referred to in this Article shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the chain of activities of the company.;	
Article 4, first paragraph, point (12)(f)				
231	(f) paragraph 7 is deleted;	(f) paragraph 7 is deleted;	(f) paragraph 7 is deleted;	
Article 4, first paragraph, point (13)				

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232	(13) in Article 36, paragraph 1 is deleted.	(13) in Article 36, paragraph 1 is deleted. <u>is amended as follows:</u>	(13) in Article 36, paragraph 1 is deleted.	
Article 4, first paragraph, point (13a)				
232a		(a) <u>paragraph 1 is deleted</u>	(a) paragraph 1 is deleted;	
Article 4, first paragraph, point (13b)				
232b		(b) <u>in paragraph 2, point (e) is deleted.</u>	(b) in paragraph 2:	
Article 4, first paragraph, point (13c)				
232c			(i) the introductory text is replaced by the following:	
Article 4, first paragraph, point (13d)				
232d			‘By [26 July 2031] and every three years thereafter, the Commission shall submit a report to the European Parliament and to the Council on the implementation of this Directive and its effectiveness and efficiency in reaching its objectives, in particular in addressing adverse impacts. The report shall be accompanied, if appropriate, by a legislative proposal. The first report shall, inter alia, assess the following issues:’	
Article 4, first paragraph, point (13e)				

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232e			(ii) point (e) is replaced by the following:	
Article 4, first paragraph, point (13f)				
232f			‘whether the rules on combatting climate change provided for in this Directive, especially as regards the design of transition plans for climate change mitigation and their adoption, as well as the powers of supervisory authorities related to those rules, need to be revised;’	
Article 4, first paragraph, point (13g)				
232g			(iii) the following point is inserted:	
Article 4, first paragraph, point (13h)				
232h			‘(h) whether the scoping exercise established by Article 8(2), point (a) should be extended to include indirect business partners and, if so, whether the in-depth assessment established by Article 8(2), point (b) should be extended in the same way.’	
Article 4, first paragraph, point (13i)				

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232i			(14) in Article 37(1), the first and second subparagraphs are replaced by the following:	
Article 4, first paragraph, point (13j)				
232j			<p>‘1. Member States shall adopt and publish, by 26 July 2028, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate the text of those measures to the Commission.</p> <p>They shall apply those measures from 26 July 2029 with the exception of the measures necessary to comply with Article 16, which Member States shall apply for financial years starting on or after 1 January 2030.’.</p>	
Article 4a				
232k		<u>Article 4a</u> <u>Digital solutions</u>		
Article 4a(1)				
232l		<u>1. The Commission shall establish a dedicated digital reporting portal serving as a one-stop-shop for companies. The portal shall provide free access to all templates, guidelines and</u>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<p><u>information relating to all reporting requirements imposed on companies in Union law, including voluntary tools, tailored to a company's size, sector, products and services, and risk exposure. It shall also provide access to information on funding and tendering opportunities to help companies implement, comply with and benefit from their due diligence obligations. For the purposes of the first subparagraph, the Commission shall ensure that the relevant data platforms providing information to companies and data users are interoperable and that data can be transmitted, exchanged and analysed in a technically seamless manner and complement the European Single Access Point.</u></p>		
Article 4a(2)				
232m		<p><u>2. The Commission shall submit a report to the European Parliament and the Council by [24 months after the entry into force of this Directive] on the need to provide for technological solutions for the purposes of this</u></p>		

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		<u><i>Directive, including the use of trustworthy artificial intelligence in accordance with Regulation (EU) 2024/1689.</i></u>		
Article 5				
233	Article 5 Transposition	Article 5 Transposition	Article 5 Transposition	
Article 5(1), first subparagraph				
234	1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [12 months after entry into force] at the latest. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [12 months after entry into force] at the latest. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive by [12 months after entry into force] , with the exception of Article 4 by [12 months after entry into force or by 31 December 2026, whichever comes later] at the latest. They shall forthwith communicate to the Commission the text of those provisions.	
Article 5(1), first subparagraph a				
234a			Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with Article 4 of this Directive by 26 July 2028 at the latest. They shall forthwith communicate to the	

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			Commission the text of those provisions.	
Article 5(1), second subparagraph				
235	When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	When Member States adopt those the provisions referred to in the first and second subparagraphs , they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	
Article 5(2)				
236	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	
Article 6				
237	Article 6 Entry into force	Article 6 Entry into force	Article 6 Entry into force	
Article 6, first paragraph				
238	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	
Article 7				

	<small>CLEAN</small> Commission Proposal	<small>VS.EC</small> EP Mandate	<small>VS.EC</small> Council Mandate	<small>VS.EC</small> Draft Agreement
239	Article 7 Addressees	Article 7 Addressees	Article 7 Addressees	
Article 7, first paragraph				
240	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.	
Formula				
241	Done at Brussels,	Done at Brussels,	Done at Brussels,	
Formula				
242	For the European Parliament	For the European Parliament	For the European Parliament	
Formula				
243	The President	The President	The President	
Formula				
244	For the Council	For the Council	For the Council	
Formula				
245	The President	The President	The President	