

Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (Text with EEA relevance)

2022/0051(COD)

Non-versioned [LATEST TEXT]

15-12-2023 at 17h15

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Formula				
1	2022/0051 (COD)	2022/0051 (COD)	2022/0051 (COD)	
Proposal Title				
2	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (Text with EEA relevance)	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (Text with EEA relevance)	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (Text with EEA relevance)	
Article 1				
82	Article 1 Subject matter	Article 1 Subject matter	Article 1 Subject matter	Article 1 Subject matter <small>Text Origin: Commission Proposal</small>
Article 1(1), first subparagraph				
83	1. This Directive lays down rules	1. This Directive lays down rules	1. This Directive lays down rules on	1. This Directive lays down rules <u>on</u>

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				Text Origin: Council Mandate
Article 1(1), first subparagraph, point (a)				
84	(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has an established business relationship and	(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts <u>that they caused, contributed to or are directly linked to</u> , with respect to their own operations, the operations <u>and those</u> of their subsidiaries, and the value chain operations carried out by entities <u>in their value chain</u> with whom the company has <u>an established</u> business relationship and	(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has an established business relationship and business partners in companies' chains of activities;	(a) on obligations for companies regarding actual and potential human rights adverse impacts and environmental adverse impacts, with respect to their own operations, the operations of their subsidiaries, and the value chain operations carried out by entities with whom the company has an established business relationship and <u>their business partners in companies' chains of activities;</u> Text Origin: Council Mandate
Article 1(1), first subparagraph, point (b)				
85	(b) on liability for violations of the obligations mentioned above.	(b) on liability for violations of the obligations mentioned above. <u>which led to damage;</u>	(b) on liability for violations of the obligations mentioned above. ; <u>and</u>	(b) on liability for violations of the obligations mentioned above. ; <u>and</u> Text Origin: Council Mandate
Article 1(1), first subparagraph, point (ba)				
85a			(c) obligation to adopt a plan to ensure compatibility of business model and strategy of the company with the transition to a sustainable economy and with the	<u>(c) obligation to adopt and put into effect a transition plan for climate change mitigation which aims to ensure, through best efforts, compatibility of the business model and strategy of the company with</u>

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			limiting of global warming to 1.5 °C.	<u>the transition to a sustainable economy and with the limiting of global warming to 1.5 °C.</u>
Article 1(1), second subparagraph				
86	The nature of business relationships as ‘established’ shall be reassessed periodically, and at least every 12 months.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 1(2)				
87	2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.	2. This Directive shall not constitute grounds for reducing the level of protection of human rights, <u>including employment and social rights as stipulated in existing Union and national legislation, the environment or</u> or of protection of the environment or the protection of the climate provided for by the law of Member States <u>Member States or by applicable collective agreements</u> , at the time of the adoption of this Directive.	2. This Directive shall not constitute grounds for reducing the level of protection of human rights or of protection of the environment or the protection of the climate provided for by the law of Member States at the time of the adoption of this Directive.	2. This Directive shall not constitute grounds for reducing the level of protection of human, <u>employment and social</u> rights, or of protection of the environment or the protection of the climate provided for by the law of Member States, or <u>applicable collective agreements</u> at the time of the adoption of this Directive.
Article 1(3)				
88	3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under other Union legislative acts.	3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under other Union legislative acts.	3. This Directive shall be without prejudice to obligations in the areas of human rights, protection of the environment and climate change under other Union legislative acts.	3. This Directive shall be without prejudice to obligations in the areas of human, <u>employment and social</u> rights, protection of the environment and climate change

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	If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.	If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.	If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.	under other Union legislative acts. If the provisions of this Directive conflict with a provision of another Union legislative act pursuing the same objectives and providing for more extensive or more specific obligations, the provisions of the other Union legislative act shall prevail to the extent of the conflict and shall apply to those specific obligations.
Article 2				
89	Article 2 Scope	Article 2 Scope	Article 2 Scope	Article 2 Scope Text Origin: Commission Proposal
Article 2(1)				
90	1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions:	1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions:	1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions:	1. This Directive shall apply to companies which are formed in accordance with the legislation of a Member State and which fulfil one of the following conditions: Text Origin: Commission Proposal
Article 2(1), point (a)				
91	(a) the company had more than 500 employees on average and had a net	(a) The company had more than 500 250 employees on average and	(a) the company had more than 500 employees on average and had a net	(a) the company had more than 500 employees on average and had a net

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	worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared;	had a net worldwide turnover of more than EUR 150 40 million in the last financial year for which annual financial statements have been prepared;	worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been prepared or should have been adopted ;	worldwide turnover of more than EUR 150 million in the last financial year for which annual financial statements have been <i>prepared</i> or should have been adopted ;
Article 2(1), point (b)				
92	(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared, provided that at least 50% of this net turnover was generated in one or more of the following sectors:	(b) the company did not reach the thresholds under <i>point (a), but had more than 250 employees on average and had</i> <u>(a) but is the ultimate parent company of a group that had 500 employees and</u> a net worldwide turnover of more than EUR 40 150 million in the last financial year for which annual financial statements have been prepared, <i>provided that at least 50% of this net turnover was generated in one or more of the following sectors:.</i>	(b) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been prepared or should have been adopted , provided that at least 50% of this net turnover EUR 20 million was generated in one or more of the following sectors associated with the applicable statistical classification of economic activities established by Regulation (EC) No 1893/2006 and listed in Annex II:	(b) the company did not reach the thresholds under <i>point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million</i> <u>(a) but is the ultimate parent company of a group that reaches the thresholds</u> in the <i>last</i> <u>consolidated</u> financial <i>year</i> <u>statements</u> for which <u>consolidated</u> annual financial statements have been <i>prepared</i> , <i>provided that at least 50% of this net turnover was generated in one or more of the following sectors:</i> or should have been adopted. Once these thresholds have been reached, where the ultimate parent company has as its main activity the holding of shares in operational subsidiaries, the obligations under this Directive shall be met by the subsidiary closest to the ultimate parent company in the chain of control that is not a company having as its main activity the holding of shares

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				<u><i>in operational subsidiaries. In case there is more than one such company, they shall all meet the obligations under this Directive.</i></u>
Article 2(1), point (ba)				
92a				<u><i>(ba) the company entered into or is the ultimate parent company of a group that entered into franchising or licensing agreements in the Union in return for royalties with independent third-party companies, where these agreements ensure a common identity, a common business concept and the application of uniform business methods, and where these royalties amount to more than EUR 7.5 million in the last financial year for which annual financial statements have been or should have been adopted, and provided that the company had or is the ultimate parent company of a group that had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been or should have been adopted;</i></u>
Article 2(1), point (bb)				
92b				

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				<u><i>(bb) the company did not reach the thresholds under point (a), but had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million in the last financial year for which annual financial statements have been or should have been adopted, provided that at least EUR 20 million was generated in one or more of the following sectors associated with the applicable statistical classification of economic activities established by Regulation (EC) No 1893/2006 and listed in Annex II:</i></u>
Article 2(1), point (bb)(i)				
93	(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;	<i>deleted</i>	(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear;	(i) the manufacture of textiles, leather and related products (including footwear), and the wholesale trade of textiles, clothing and footwear; Text Origin: Council Mandate
Article 2(1), point (bb)(ii)				
94	(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products, and the wholesale trade of agricultural raw materials, live animals, wood, food, and beverages;	<i>deleted</i>	(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products and beverages , and the wholesale trade of agricultural raw materials, live	(ii) agriculture, forestry, fisheries (including aquaculture), the manufacture of food products <u>and beverages</u> , and the wholesale trade of agricultural raw materials, live

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			animals, wood, food, and beverages; or	animals, wood, food, and beverages; <u>or</u> Text Origin: Council Mandate
Article 2(1), point (bb)(iii)				
95	(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).	<i>deleted</i>	(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products).	(iii) the extraction of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products). Text Origin: Council Mandate
Article 2(1), point (bb)(iiia)				
95a				<u>(iiia) construction.</u>
Article 2(2)				
96	2. This Directive shall also apply to companies which are formed in	2. This Directive shall also apply to companies which are formed in	2. This Directive shall also apply to companies which are formed in	2. This Directive shall also apply to companies which are formed in

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	accordance with the legislation of a third country, and fulfil one of the following conditions:	accordance with the legislation of a third country, and fulfil one of the following conditions:	accordance with the legislation of a third country, and fulfil one of the following conditions:	accordance with the legislation of a third country, and fulfil one of the following conditions: Text Origin: Commission Proposal
Article 2(2), point (a)				
97	(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year;	(a) <u>the company</u> generated a net <u>worldwide</u> turnover of more than EUR 150 million, <u>provided that at least EUR 40 million was generated</u> in the Union in the financial year preceding the last financial year, <u>including turnover generated by third party companies with whom the company and/or its subsidiaries has entered into a vertical agreement in the Union in return for royalties</u> ;	(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year; or	(a) generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year; Text Origin: Council Mandate
Article 2(2), point (b)				
98	(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b).	(b) generated <u>the company did not reach the thresholds under (a) but is the ultimate parent company of a group that had 500 employees and</u> a net <u>worldwide</u> turnover of more than EUR 40 <u>150</u> million but not more than EUR 150 million <u>and at least 40 million was generated</u> in the Union in the last <u>financial year preceding the last</u> for which annual <u>financial year, provided that at least</u>	(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least 50% of its net worldwide turnover <u>EUR 20 million</u> was generated in one or more of the sectors listed in paragraph 1, point (b).	(b) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union <u>the company did not reach the thresholds under (a) but is the ultimate parent company of a group that reaches the thresholds</u> in the <u>consolidated</u> financial year <u>preceding the last</u> statements for which consolidated annual <u>financial year, provided that at least</u>

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		<p><i>50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b) statements have been prepared, including turnover generated by third party companies with whom the company and/or its subsidiaries has entered into a vertical agreement in the Union in return for royalties.</i></p>		<p><i>50% of its net worldwide turnover was generated in one or more of the sectors listed in paragraph 1, point (b). statements have been or should have been adopted. Once these thresholds have been reached, where the ultimate parent company has as its main activity the holding of shares in operational subsidiaries, the obligations under this Directive shall be met by the subsidiary closest to the ultimate parent company in the chain of control that is not a company having as its main activity the holding of shares in operational subsidiaries. In case there is more than one such company, they shall all meet the obligations under this Directive;</i></p>
Article 2(2), point (ba)				
98a				<p><i>(ba) the company entered into or is the ultimate parent company of a group that entered into franchising or licensing agreements in the Union in return for royalties with independent third-party companies, where these agreements ensure a common identity, a common business concept and the application of uniform business methods, and where these royalties amount to more than EUR 7.5 million in the Union in the</i></p>

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				<u>financial year preceding the last financial year; and provided that the company generated or is the ultimate parent company of a group that generated a net turnover of more than EUR 40 million in the Union in the financial year preceding the last financial year;</u>
Article 2(2), point (bb)				
98b				<u>(bb) generated a net turnover of more than EUR 40 million but not more than EUR 150 million in the Union in the financial year preceding the last financial year, provided that at least EUR 20 million was generated in one or more of the sectors listed in paragraph 1, point (b).</u>
Article 2(3)				
99	3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.	3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers <u>and other workers in non-standard forms of employment</u> shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.	3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers shall be included in the calculation of the number of employees in the same way as if they were workers employed directly for the same period of time by the company.	3. For the purposes of paragraph 1, the number of part-time employees shall be calculated on a full-time equivalent basis. Temporary agency workers <u>and other workers in non-standard forms of employment, provided that they fulfil the criteria for determining the status of a worker established by the Court of Justice,</u> shall be included in the calculation of the number of

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				<p>employees in the same way as if they were workers employed directly for the same period of time by the company.</p> <p>Recital 21: Temporary agency workers, including those posted under Article 1(3), point (c), of Directive 96/71/EC, as amended by Directive (EU) 2018/957 of the European Parliament and of the Council, should be included in the calculation of the number of employees in the user company. Other workers in non-standard forms of employment shall also be included in the calculation of the number of employees insofar as they meet the criteria for determining the status of a worker established by the Court of Justice of the European Union.</p>
Article 2(3a)				
99a			<p>3a. This Directive shall apply to a company if the company has met the conditions laid down in paragraph 1 or 2 during two consecutive financial years.</p>	<p><u>3a. This Directive shall apply to a company referred to in paragraph 1 or 2, if the company has met the conditions laid down in paragraph 1 or 2 for each of the last two consecutive financial years. This Directive shall no longer apply to a company referred to in paragraphs 1 or 2 where the conditions laid down in paragraph 1 or 2 cease to be met for each of the last two consecutive financial years.</u></p>

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Article 2(4)				
100	4. As regards the companies referred to in paragraph 1, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has its registered office.	4. As regards the companies referred to in paragraph 1, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has its registered office.	4. As regards the companies referred to in paragraph 1, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has its registered office.	4. As regards the companies referred to in paragraph 1, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has its registered office. Text Origin: Commission Proposal
Article 2(4a)				
100a			5. As regards the companies referred to in paragraph 2, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the Member State competent to regulate matters covered in this Directive shall be that in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year.	<u>5. As regards the companies referred to in paragraph 2, the Member State competent to regulate matters covered in this Directive shall be the Member State in which the company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the Member State competent to regulate matters covered in this Directive shall be that in which the company generated the highest net turnover in the Union in the financial year preceding the last financial year.</u>
Article 2(4b)				
100b				

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			<p>6. Member States may decide to apply this Directive to pension institutions which are considered to be social security schemes under the Regulation (EC) No 883/2004 of the European Parliament and of the Council¹ and Regulation (EC) No 987/2009 of the European Parliament and of the Council². If a Member State decides to apply this Directive to such pension institutions, those pension institutions shall be considered regulated financial undertakings within the meaning of Article 3, point (a)(iv).</p> <p>_____ 1. Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1). 2. Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1).</p>	<u>Deleted</u>
Article 2(4c)				
100c			<p>7. This Directive shall not apply to financial products listed in points (b) and (f) of point (12) of Article 2 of Regulation (EU) 2019/2088 of the European Parliament and of the Council¹.</p>	<u>Deleted</u>

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			1. 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).	
Article 2(4d)				
100d			8. Member States may decide to apply this Directive to regulated financial undertakings within the meaning of Article 3, point (a)(iv), also with respect to their business partners to which such regulated financial undertakings provide the services referred to in Article 3, point (g).	<u>Deleted</u>
Article 3				
101	Article 3 Definitions	Article 3 Definitions	Article 3 Definitions	Article 3 Definitions Text Origin: Commission Proposal
Article 3, first paragraph				
102	For the purpose of this Directive, the following definitions shall apply:	<u>1.</u> For the purpose of this Directive, the following definitions shall apply:	For the purpose of this Directive, the following definitions shall apply:	For the purpose of this Directive, the following definitions shall apply: Text Origin: Commission Proposal

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Article 3, first paragraph, point (a)				
103	(a) ‘company’ means any of the following:	(a) ‘company’ means any of the following:	(a) ‘company’ means any of the following:	(a) ‘company’ means any of the following: Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(i)				
104	(i) a legal person constituted as one of the legal forms listed in Annex I to Directive 2013/34/EU of the European Parliament and of the Council ¹ ; 1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19).	(i) a legal person constituted as one of the legal forms listed in Annex I and Annex II to Directive 2013/34/EU of the European Parliament and of the Council ¹ ; 1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19).	(i) a legal person constituted as one of the legal forms listed in Annex I to Directive 2013/34/EU of the European Parliament and of the Council ¹ ; 1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19).	(i) a legal person constituted as one of the legal forms listed in Annex I and Annex II to Directive 2013/34/EU of the European Parliament and of the Council ¹ ; 1. Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29.6.2013, p. 19). Text Origin: EP Mandate
Article 3, first paragraph, point (a)(ii)				
105	(ii) a legal person constituted in accordance with the law of a third country in a form comparable to those listed in Annex I and II of that Directive;	(ii) a legal person constituted in accordance with the law of a third country in a form comparable to those listed in Annex I and II of that Directive;	(ii) a legal person constituted in accordance with the law of a third country in a form comparable to those listed in Annex I and II of that of Directive 2013/34/EU ;	(ii) a legal person constituted in accordance with the law of a third country in a form comparable to those listed in Annex I and II of that Directive 2013/34/EU ; Text Origin: EP Mandate
Article 3, first paragraph, point (a)(iii)				

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106	(iii) a legal person constituted as one of the legal forms listed in Annex II to Directive 2013/34/EU composed entirely of undertakings organised in one of the legal forms falling within points (i) and (ii);	<i>deleted</i>	(iii) a legal person constituted as one of the legal forms listed in Annex II to Directive 2013/34/EU or in accordance with the law of a third country in a form comparable to those listed in Annex II of that Directive, when such a legal person is composed entirely of undertakings organised in one of the legal forms falling within points (i) and (ii);	(iii) a legal person constituted as one of the legal forms listed in Annex II to Directive 2013/34/EU composed entirely of undertakings organised in one of the legal forms falling within points (i) and (ii); Deleted
Article 3, first paragraph, point (a)(iv)				
107	(iv) a regulated financial undertaking, regardless of its legal form, which is	(iv) a regulated financial undertaking, regardless of its legal form, which is	(iv) a regulated financial undertaking, regardless of its legal form, which is:	(iv) a regulated financial undertaking, regardless of its legal form, which is: Text Origin: Council Mandate
Article 3, first paragraph, point (a)(iv), first indent				
108	- a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).	- a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).	- a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 the European Parliament and of the Council ¹ ; an investment firm as defined in Article 4(1), point (1), of Directive 2014/65/EU the European Parliament and of the Council²; 1. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and	- a credit institution as defined in Article 4(1), point (1), of Regulation (EU) No 575/2013 the European Parliament and of the Council ¹ ; 1. Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1). Text Origin: Commission Proposal

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			amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1). 2. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).	
Article 3, first paragraph, point (a)(iv), second indent				
109	- an investment firm as defined in Article 4(1), point (1), of Directive 2014/65/EU the European Parliament and of the Council ¹ ; 1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).	- an investment firm as defined in Article 4(1), point (1), of Directive 2014/65/EU the European Parliament and of the Council ¹ ; 1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).	- an investment firm as defined in Article 4(1), point (1), of Directive 2014/65/EU the European Parliament and of the Council ¹ ; 1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349). In the text of the Council's General Approach, this indent was put together with the previous one due to a clerical error.	- an investment firm as defined in Article 4(1), point (1), of Directive 2014/65/EU the European Parliament and of the Council ¹ ; 1. Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349). Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), third indent				
110	- an alternative investment fund manager (AIFM) as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council (2), including a manager of Euveca under Regulation (EU) No	- an alternative investment fund manager (AIFM) as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council (2), including a manager of Euveca under Regulation (EU) No	- an alternative investment fund manager (AIFM) as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council (2) ¹ , including a manager of Euveca under Regulation (EU) No	- an alternative investment fund manager (AIFM) as defined in Article 4(1), point (b), of Directive 2011/61/EU of the European Parliament and of the Council (2) ¹ , including a manager of Euveca under Regulation (EU) No

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>345/2013 of the European Parliament and of the Council¹, a manager of EuSEF under Regulation (EU) No 346/2013 of the European Parliament and of the Council² and a manager of ELTIF under Regulation (EU) 2015/760 of the European Parliament and of the Council³;</p> <p>1. Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013, p. 1). 2. Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115, 25.4.2013, p. 18). 3. Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123, 19.5.2015, p. 98).</p>	<p>345/2013 of the European Parliament and of the Council¹, a manager of EuSEF under Regulation (EU) No 346/2013 of the European Parliament and of the Council² and a manager of ELTIF under Regulation (EU) 2015/760 of the European Parliament and of the Council³;</p> <p>1. Regulation (EU) No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013, p. 1). 2. Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds (OJ L 115, 25.4.2013, p. 18). 3. Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123, 19.5.2015, p. 98).</p>	<p>345/2013 of the European Parliament and of the Council^{1,2}, a manager of EuSEF under Regulation (EU) No 346/2013 of the European Parliament and of the Council^{2,3} and a manager of ELTIF under Regulation (EU) 2015/760 of the European Parliament and of the Council^{3,4};</p> <p>1. Regulation (EU) No 345/2013 Directive 2011/61/EU of the European Parliament and of the Council of 17 April 2013 on European venture capital funds (OJ L 115, 25.4.2013 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1). 2. [2] Regulation (EU) No 346/2013 No 345/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship venture capital funds (OJ L 115, 25.4.2013, p. 18) 1). 3. [3] Regulation (EU) 2015/760 No 346/2013 of the European Parliament and of the Council of 29 April 2015 on European long-term investments social entrepreneurship funds (OJ L 123, 19.5.2015, p. 98) 115, 25.4.2013, p. 18). 4. [4] Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123, 19.5.2015, p. 98).</p>	<p>345/2013 of the European Parliament and of the Council^{1,2}, a manager of EuSEF under Regulation (EU) No 346/2013 of the European Parliament and of the Council^{2,3} and a manager of ELTIF under Regulation (EU) 2015/760 of the European Parliament and of the Council^{3,4};</p> <p>1. <u>Regulation (EU) No 345/2013</u> <u>Directive 2011/61/EU</u> of the European Parliament and of the Council of 17 April 2013 on <u>European venture capital funds (OJ L 115, 25.4.2013</u> <u>June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010 (OJ L 174, 1.7.2011, p. 1).</u> 2. [2] Regulation (EU) No 346/2013 <u>No 345/2013</u> of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship <u>venture capital</u> funds (OJ L 115, 25.4.2013, p. 18) <u>1).</u> 3. [3] Regulation (EU) 2015/760 <u>No 346/2013</u> of the European Parliament and of the Council of 29 April 2015 <u>2015</u> <u>2013</u> on European long-term investments <u>social entrepreneurship</u> funds (OJ L 123, 19.5.2015, p. 98 <u>115, 25.4.2013, p. 18).</u> 4. [4] Regulation (EU) 2015/760 of the European Parliament and of the Council of 29 April 2015 on European long-term investment funds (OJ L 123, 19.5.2015, p. 98).</p> <p>Text Origin: Council Mandate</p>
Article 3, first paragraph, point (a)(iv), fourth indent				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
111	<p>- an undertaking for collective investment in transferable securities (UCITS) management company as defined Article 2(1), point (b), of Directive 2009/65/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).</p>	<p>- an undertaking for collective investment in transferable securities (UCITS) management company as defined Article 2(1), point (b), of Directive 2009/65/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).</p>	<p>- an undertaking for collective investment in transferable securities (UCITS) management company as defined Article 2(1), point (b), of Directive 2009/65/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).</p>	<p>- an undertaking for collective investment in transferable securities (UCITS) management company as defined Article 2(1), point (b), of Directive 2009/65/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), fifth indent				
112	<p>- an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).</p>	<p>- an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).</p>	<p>- an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).</p>	<p>- an insurance undertaking as defined in Article 13, point (1), of Directive 2009/138/EC of the European Parliament and of the Council¹;</p> <p>1. Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), sixth indent				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
113	- a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;	- a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;	- a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC;	- a reinsurance undertaking as defined in Article 13, point (4), of Directive 2009/138/EC; Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), seventh indent				
114	- an institution for occupational retirement provision as defined in Article 1, point (6) of Directive 2016/2341 of the European Parliament and of the Council ¹ ; 1. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37).	- an institution for occupational retirement provision as defined in Article 1, point (6) of Directive 2016/2341 of the European Parliament and of the Council ¹ ; 1. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37).	- an institution for occupational retirement provision as defined in Article 1, point (6) within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council ¹ in accordance with Article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive; 1. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37).	- an institution for occupational retirement provision as defined in Article 1, point (6) within the scope of Directive (EU) 2016/2341 of the European Parliament and of the Council ¹ in accordance with Article 2 thereof, unless a Member State has chosen not to apply that Directive in whole or in parts to that institution in accordance with Article 5 of that Directive; 1. Directive (EU) 2016/2341 of the European Parliament and of the Council of 14 December 2016 on the activities and supervision of institutions for occupational retirement provision (IORPs) (OJ L 354, 23.12.2016, p. 37). Text Origin: Council Mandate
Article 3, first paragraph, point (a)(iv), eighth indent				
115	- pension institutions operating pension schemes which are considered to be social security schemes covered by Regulation	<i>deleted</i>	<i>deleted</i>	- pension institutions operating pension schemes which are considered to be social security schemes covered by Regulation

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>(EC) No 883/2004 of the European Parliament and of the Council¹ and Regulation (EC) No 987/2009 of the European Parliament and of the Council² as well as any legal entity set up for the purpose of investment of such schemes;</p> <p>1. Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1).</p> <p>2. Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1).</p>			<p>(EC) No 883/2004 of the European Parliament and of the Council¹ and Regulation (EC) No 987/2009 of the European Parliament and of the Council² as well as any legal entity set up for the purpose of investment of such schemes;Deleted</p> <p>1. Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p. 1);</p> <p>2. Regulation (EC) No 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1);</p>
Article 3, first paragraph, point (a)(iv), ninth indent				
116	- an alternative investment fund (AIF) managed by an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU or an AIF supervised under the applicable national law;	<i>deleted</i>	<i>deleted</i>	- an alternative investment fund (AIF) managed by an AIFM as defined in Article 4(1), point (b), of Directive 2011/61/EU or an AIF supervised under the applicable national law; Deleted
Article 3, first paragraph, point (a)(iv), tenth indent				
117	- UCITS in the meaning of Article 1(2) of Directive 2009/65/EC;	<i>deleted</i>	<i>deleted</i>	- UCITS in the meaning of Article 1(2) of Directive 2009/65/EC; Deleted
Article 3, first paragraph, point (a)(iv), eleventh indent				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
118	<p>- a central counterparty as defined in Article 2, point (1), of Regulation (EU) No 648/2012 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).</p>	<p>- a central counterparty as defined in Article 2, point (1), of Regulation (EU) No 648/2012 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).</p>	<p>- a central counterparty as defined in Article 2, point (1), of Regulation (EU) No 648/2012 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).</p>	<p>- a central counterparty as defined in Article 2, point (1), of Regulation (EU) No 648/2012 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), twelfth indent				
119	<p>- a central securities depository as defined in Article 2(1), point (1), of Regulation (EU) No 909/2014 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).</p>	<p>- a central securities depository as defined in Article 2(1), point (1), of Regulation (EU) No 909/2014 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).</p>	<p>- a central securities depository as defined in Article 2(1), point (1), of Regulation (EU) No 909/2014 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).</p>	<p>- a central securities depository as defined in Article 2(1), point (1), of Regulation (EU) No 909/2014 of the European Parliament and of the Council¹;</p> <p>1. Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (OJ L 257, 28.8.2014, p. 1).</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), thirteenth indent				
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	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	- an insurance or reinsurance special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC;	- an insurance or reinsurance special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC;	- an insurance or reinsurance special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC;	- an insurance or reinsurance special purpose vehicle authorised in accordance with Article 211 of Directive 2009/138/EC; Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), fourteenth indent				
121	- ‘securitisation special purpose entity’ as defined in Article 2, point (2), of Regulation (EU) No 2017/2402 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).	- ‘securitisation special purpose entity’ as defined in Article 2, point (2), of Regulation (EU) No 2017/2402 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).	- ‘securitisation special purpose entity’ as defined in Article 2, point (2), of Regulation (EU) No 2017/2402 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).	- ‘securitisation special purpose entity’ as defined in Article 2, point (2), of Regulation (EU) No 2017/2402 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35). Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), fifteenth indent				
122	- an insurance holding company as defined in Article 212(1), point (f), of Directive 2009/138/EC or a mixed financial holding company as defined in Article 212(1), point (h), of Directive 2009/138/EC, which is	- an insurance holding company as defined in Article 212(1), point (f), of Directive 2009/138/EC or a mixed financial holding company as defined in Article 212(1), point (h), of Directive 2009/138/EC, which is	- an insurance holding company as defined in Article 212(1), point (f), of Directive 2009/138/EC or a mixed financial holding company as defined in Article 212(1), point (h), of Directive 2009/138/EC, which is	- an insurance holding company as defined in Article 212(1), point (f), of Directive 2009/138/EC or a mixed financial holding company as defined in Article 212(1), point (h), of Directive 2009/138/EC, which is

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	part of an insurance group that is subject to supervision at the level of the group pursuant to Article 213 of that Directive and which is not exempted from group supervision pursuant to Article 214(2) of Directive 2009/138/EC;	part of an insurance group that is subject to supervision at the level of the group pursuant to Article 213 of that Directive and which is not exempted from group supervision pursuant to Article 214(2) of Directive 2009/138/EC;	part of an insurance group that is subject to supervision at the level of the group pursuant to Article 213 of that Directive and which is not exempted from group supervision pursuant to Article 214(2) of Directive 2009/138/EC;	part of an insurance group that is subject to supervision at the level of the group pursuant to Article 213 of that Directive and which is not exempted from group supervision pursuant to Article 214(2) of Directive 2009/138/EC; Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), sixteenth indent				
123	<p>- a payment institution as defined in point (d) of Article 1(1) of Directive (EU) 2015/2366 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).</p>	<p>- a payment institution as defined in point (d) of Article 1(1) of Directive (EU) 2015/2366 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).</p>	<p>- a payment institution as defined in point (d) of Article 1(1) of Directive (EU) 2015/2366 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).</p>	<p>- a payment institution as defined in point (d) of Article 1(1) of Directive (EU) 2015/2366 of the European Parliament and of the Council¹;</p> <p>1. Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC (OJ L 337, 23.12.2015, p. 35).</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), seventeenth indent				
124	<p>- an electronic money institution as defined in point (1) of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council¹;</p>	<p>- an electronic money institution as defined in point (1) of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council¹;</p>	<p>- an electronic money institution as defined in point (1) of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council¹;</p>	<p>- an electronic money institution as defined in point (1) of Article 2 of Directive 2009/110/EC of the European Parliament and of the Council¹;</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	1. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).	1. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).	1. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7).	1. Directive 2009/110/EC of the European Parliament and of the Council of 16 September 2009 on the taking up, pursuit and prudential supervision of the business of electronic money institutions amending Directives 2005/60/EC and 2006/48/EC and repealing Directive 2000/46/EC (OJ L 267, 10.10.2009, p. 7). Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), eighteenth indent				
125	- a crowdfunding service provider as defined in point (e) Article 2(1) of Regulation (EU) 2020/1503 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347, 20.10.2020, p. 1).	- a crowdfunding service provider as defined in point (e) Article 2(1) of Regulation (EU) 2020/1503 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347, 20.10.2020, p. 1).	- a crowdfunding service provider as defined in point (e) Article 2(1) of Regulation (EU) 2020/1503 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347, 20.10.2020, p. 1).	- a crowdfunding service provider as defined in point (e) Article 2(1) of Regulation (EU) 2020/1503 of the European Parliament and of the Council ¹ ; 1. Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937 (OJ L 347, 20.10.2020, p. 1). Text Origin: Commission Proposal
Article 3, first paragraph, point (a)(iv), nineteenth indent				
126	- a crypto-asset service provider as defined in Article 3(1), point (8), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-	- a crypto-asset service provider as defined in Article 3(1), point (8), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-	- a crypto-asset service provider as defined in Article 3(1), point (8), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-	- a crypto-asset service provider as defined in Article 3(1), point (8), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-

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	<p>assets, and amending Directive (EU) 2019/1937¹] where performing one or more crypto-asset services as defined in Article 3(1), point (9), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937];</p> <p>1. COM/2020/593 final.</p>	<p>assets, and amending Directive (EU) 2019/1937¹] where performing one or more crypto-asset services as defined in Article 3(1), point (9), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937];</p> <p>1. COM/2020/593 final.</p>	<p>assets, and amending Directive (EU) 2019/1937¹] where performing one or more crypto-asset services as defined in Article 3(1), point (9), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937];</p> <p>1. COM/2020/593 final.</p>	<p>assets, and amending Directive (EU) 2019/1937¹] where performing one or more crypto-asset services as defined in Article 3(1), point (9), of [the proposal for a Regulation of the European Parliament and of the Council on Markets in Crypto-assets, and amending Directive (EU) 2019/1937];</p> <p>1. COM/2020/593 final.</p> <p>Text Origin: Commission Proposal</p>
Article 3, first paragraph, point (a)(iv), twentieth indent				
126a		<p><u>(aa) 'investee company' means a company in which an institutional investor or asset manager invests which cannot be considered as a controlled undertaking;</u></p>		<p><u>Deleted</u></p>
Article 3, first paragraph, point (a)(iv), twenty-first indent				
126b		<p><u>(ab) 'institutional investor' means an entity as defined by Article 2(e) of Directive 2007/36/EC, within the scope of Article 2 of this Directive;</u></p>		<p><u>Deleted</u></p>
Article 3, first paragraph, point (a)(iv), twenty-second indent				
126c		<p><u>(ac) 'asset manager' means an entity as defined by Article 2(f) of</u></p>		<p><u>Deleted</u></p>

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		<u>Directive 2007/36/EC, within the scope of Article 2 of this Directive;</u>		
Article 3, first paragraph, point (b)				
127	(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex, Part II;	(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one <u>failure to comply with obligations in line with the relevant provisions of the instruments listed in Part I, points 18 and 19,</u> of the prohibitions and obligations pursuant to <u>Annex and Part II of the Annex, taking into account, where available, the national legislation and measures linked to those provisions related</u> to the international environmental convention <u>texts</u> listed in <u>Part I, points 18 and 19, of</u> the Annex, and <u>Part II of the Annex;</u>	(b) ‘adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one of the prohibitions and obligations pursuant to the international environmental conventions listed in the Annex I, Part II;	(b) ‘ adverse environmental impact’ means an adverse impact on the environment resulting from the violation of one <u>breach</u> of the prohibitions and obligations <u>listed in Part I, points 18 and 19, and Part II of</u> pursuant to the international environmental conventions listed in the Annex I, <u>Annex I, taking into account national legislation linked to the provisions of the instruments listed therein,</u> Part II;
Article 3, first paragraph, point (c)				
128	(c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, Part I Section 1, as enshrined in the international conventions listed in the Annex, Part I Section 2;	(c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, <u>Part I Section 1, as any action which removes or reduces the ability of an individual or group to enjoy the rights or to be protected by prohibitions</u> enshrined in the	(c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, Part I Section 1, as enshrined in the international conventions listed in the Annex, Part I Section 2;	(c) ‘adverse human rights impact’ means an adverse impact on protected persons resulting from the violation of one of the rights or prohibitions listed in the Annex, <u>Part I Section 1, as enshrined in the international conventions listed in the Annex, Part I Section 2;</u>

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		international conventions <u>and instruments</u> listed in the Annex, Part I, <u>Section 1 and Annex, Part I</u> , Section 2;		
Article 3, first paragraph, point (c)(i)				
128a			(i) an abuse of one of the human rights listed in the Annex I, Part I Section 1, as those human rights are enshrined in the international instruments listed in the Annex I, Part I Section 2;	<u>(i) an abuse of one of the human rights listed in the Annex I, Part I Section 1, as those human rights are enshrined in the international instruments listed in Annex I, Part I Section 2;</u>
Article 3, first paragraph, point (c)(ii), first subparagraph				
128b			(ii) an abuse of a human right not listed in the Annex I, Part I Section 1, but included in the human rights instruments listed in the Annex I, Part I Section 2, provided that:	<u>(ii) an abuse of a human right not listed in the Annex I, Part I Section 1, but included in the human rights instruments listed in the Annex I, Part I Section 2, provided that:</u> To include in Recital 25: "The term abuse should be interpreted in line with international human rights law."
Article 3, first paragraph, point (c)(ii), first subparagraph				
128c			- the human right can be abused by a company or legal entity other than a Member State or a third country or their authorities;	<u>- the human right can be abused by a company or legal entity;</u>

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Article 3, first paragraph, point (c)(iii)				
128d			- the human right abuse directly impairs a legal interest protected in the human rights instruments listed in the Annex I, Part I Section 2; and	- <u>the human right abuse directly impairs a legal interest protected in the human rights instruments listed in the Annex I, Part I Section 2; and</u>
Article 3, first paragraph, point (c)(iv)				
128e			- the company could have reasonably identified such human right abuse in its own operations, those of its subsidiaries or its business partners, taking into account the circumstances of the specific case, including the nature and extent of the company's business operations and its chain of activities, characteristics of the economic sector and geographical and operational context;	- <u>the company could have reasonably foreseen the risk that such human right may be affected, taking into account the circumstances of the specific case, including the nature and extent of the company's business operations and its chain of activities, characteristics of the economic sector and geographical and operational context;</u>
Article 3, first paragraph, point (c)(v)				
128f		<u>(ca) 'adverse impact' means any potential or actual adverse human rights or adverse environmental impact;</u>	(ca) 'adverse impact' means adverse environmental impact and adverse human rights impact;	<u>(ca) 'adverse impact' means adverse environmental impact and adverse human rights impact;</u>
Article 3, first paragraph, point (d)				
129	(d) 'subsidiary' means a legal person through which the activity of	(d) 'subsidiary' means a legal person <u>as defined in Article 2, point</u>	(d) 'subsidiary' means a legal person through which the activity of	(d) 'subsidiary' means a legal person <u>as defined in Article 2, point</u>

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	<p>a ‘controlled undertaking’ as defined in Article 2(1), point (f), of Directive 2004/109/EC of the European Parliament and of the Council¹ is exercised;</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).</p>	<p><u>(10), of Directive 2013/34/EU and a legal person</u> through which the activity of a ‘controlled undertaking’ as defined in Article 2(1), point (f), of Directive 2004/109/EC of the European Parliament and of the Council¹ is exercised;</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).</p>	<p>a ‘controlled undertaking’ as defined in Article 2(1), point (f), of Directive 2004/109/EC of the European Parliament and of the Council¹ is exercised;</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).</p>	<p><u>(10), of Directive 2013/34/EU and a legal person</u> through which the activity of a ‘controlled undertaking’ as defined in Article 2(1), point (f), of Directive 2004/109/EC of the European Parliament and of the Council¹ is exercised;</p> <p>1. Directive 2004/109/EC of the European Parliament and of the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market and amending Directive 2001/34/EC (OJ L 390, 31.12.2004, p. 38).</p> <p>Text Origin: EP mandate</p>
Article 3, first paragraph, point (e)				
130	<p>(e) ‘business relationship’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’)</p>	<p>(e) ‘business relationship’ means a <u>direct or indirect</u> relationship <u>of a company</u> with a contractor, subcontractor, or any other legal entities (‘partner’) <u>in its value chain:</u></p>	<p>(e) ‘business relationship partner’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’) entity</p>	<p>(e) ‘business relationship partner’ means a relationship with a contractor, subcontractor or any other legal entities (‘partner’) <u>an entity</u></p> <p>Text Origin: Council Mandate</p>
Article 3, first paragraph, point (e)(i)				
131	<p>(i) with whom the company has a commercial agreement or to whom the company provides financing, insurance or reinsurance, or</p>	<p>(i) with whom the company has a commercial agreement or to whom the company provides financing, insurance or reinsurance, <u>or financial services;</u></p>	<p>(i) with whom the company has a commercial agreement related to the operations, products or services of the company or to whom the company provides</p>	<p>(i) with whom the company has a commercial agreement <u>related to the operations, products or services of the company</u> or to whom the company provides financing,</p>

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			financing, insurance or reinsurance services pursuant to point (g) ('direct business partner'), or	<i>insurance or reinsurance services pursuant to point (g) ('direct business partner')</i> , or <small>Text Origin: Council Mandate</small>
Article 3, first paragraph, point (e)(ii)				
132	(ii) that performs business operations related to the products or services of the company for or on behalf of the company;	(ii) that performs <i>business operations</i> related to the products or services <i>of the company for or on behalf</i> of the company;	(ii) that which is not a direct business partner but which performs business operations related to the operations , products or services of the company for or on behalf of the company ('indirect business partner');	(ii) <i>that</i> which is not a direct business partner but which performs business operations related to the operations , products or services of the company <i>for or on behalf of the company</i> ('indirect business partner'); <small>Text Origin: Council Mandate</small>
Article 3, first paragraph, point (f)				
133	(f) 'established business relationship' means a business relationship, whether direct or indirect, which is, or which is expected to be lasting, in view of its intensity or duration and which does not represent a negligible or merely ancillary part of the value chain;	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 3, first paragraph, point (fa)(g)				
134	(g) 'value chain' means activities related to the production of goods or the provision of services by a company, including the	(g) 'value chain' means <i>activities related to the production of goods or the provision of services by a company, including the</i>	(g) 'value chain' means activities related to the production of goods or the provision of services by a company, including the	(g) ' <i>value chain</i> ' means <i>activities related to the production of goods or the provision of services by a company, including the</i>

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	<p>development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;</p>	<p><i>development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;.</i></p>	<p>development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;’ means:</p>	<p><i>development of the product or the service and the use and disposal of the product as well as the related activities of upstream and downstream established business relationships of the company. As regards companies within the meaning of point (a)(iv), ‘value chain’ with respect to the provision of these specific services shall only include the activities of the clients receiving such loan, credit, and other financial services and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of such regulated financial undertakings does not cover SMEs receiving loan, credit, financing, insurance or reinsurance of such entities;’ means:</i></p> <p>Recital to be inserted:</p> <p>"The definition of chain of activities in Article 3(1)g of this directive is without prejudice to the terms “value chain” or “supply chain” as defined in other EU legislation."</p> <p>Council to check this text of the recital with Legal Service</p> <p>Text Origin: Council Mandate</p>
Article 3, first paragraph, point (fa)(g)(i)				

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134a		<p><u>(i) activities related to, and entities involved in, the production, design, sourcing, extraction, manufacture, transport, storage and supply of raw materials, products or parts of a company's product and the development of a company's product or the development or provision of a service, and</u></p>	<p>(i) activities of a company's upstream business partners related to the production of goods or the provision of services by the company, including the design, extraction, manufacture, transport, storage and supply of raw materials, products or parts of the products and development of the product or the service, and</p>	<p><u>(i) activities of a company's upstream business partners related to the production of goods or the provision of services by the company, including the design, extraction, sourcing, manufacture, transport, storage and supply of raw materials, products or parts of the products and development of the product or the service, and</u></p> <p>Text Origin: Council Mandate</p>
Article 3, first paragraph, point (fa)(g)(ii)				
134b		<p><u>(ii) activities related to, and entities involved in, the sale, distribution, transport, storage, and waste management of a company's products or the provision of services, and excluding the waste management of the product by individual consumers.</u></p>	<p>(ii) activities of a company's downstream business partners related to the distribution, transport, storage and disposal of the product, including the dismantling, recycling, composting or landfilling, where the business partners carry out those activities for the company or on behalf of the company, excluding the disposal of the product by consumers and distribution, transport, storage and disposal of the product being subject to the export control under the Regulation (EU) 2021/821 of the European Parliament and of the Council or the export control relating to weapons, munition or war</p>	<p><u>(ii) activities of a company's downstream business partners related to the distribution, transport, storage and disposal of the product, including the dismantling, recycling, composting or landfilling, where the business partners carry out those activities directly or indirectly for the company or on behalf of the company, excluding the disposal of the product by consumers and distribution, transport, storage and disposal of the product being subject to the export control under the Regulation (EU) 2021/821 of the European Parliament and of the Council or the export control relating to weapons, munition or</u></p>

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			<p>materials, after the export of the product is authorised.</p>	<p><u><i>war materials, after the export of the product is authorised.</i></u></p> <p>To add recital:</p> <p>"This Directive is complemented by other legislative acts, that also address negative adverse impacts in the field of human rights or environmental protection. In particular, Regulation (EU) 2021/821 of the European Parliament and of the Council sets up a regime for the control of exports, brokering, technical assistance, transit and transfer of dual-use items, covering inter alia software and technologies that can be used for intelligence purposes. Under this regime, Member States should consider in particular the risk of such goods being used in connection with internal repression or the commission of serious violations of human rights and international humanitarian law. Also, Regulation (EU) 2019/125 of the European Parliament and the Council prohibits or regulates, as the case may be, export of goods such as chemical substances that are used or could be used for the purpose of capital punishment or for the purpose of torture and other cruel, inhuman or degrading treatment or punishment. Moreover, several other legislative initiatives aim at mitigating environmental impacts of products during their whole lifecycle, including by setting ecodesign requirements</p>

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				based on the sustainability and circularity aspects of products. Compliance with this Directive should facilitate compliance with the provisions and objectives of these other legislative acts, and with the terms and conditions of the applicable authorisations implemented thereunder. Exporters should take into account the results of their due diligence findings under this Directive in their compliance with these other legislative acts."
Article 3, first paragraph, point (fa)(g) a				
134c		<u><i>As regards companies within the meaning of point (a)(iv), 'value chain' with respect to the provision of these specific services shall include the activities of the clients directly receiving such financial services provided by financial undertakings pursuant to point (iv) and of other companies belonging to the same group whose activities are linked to the contract in question. The value chain of regulated financial undertakings within the meaning of point (a)-(iv) does not cover households and natural persons or SMEs;</i></u>	Subject to Article 2(8), as regards regulated financial undertakings within the meaning of point (a)(iv), the term 'chain of activities' shall also include the activities of:	<u><i>Deleted</i></u>
Article 3, first paragraph, point (fa)(g) a(i)				
134d				

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			(i) legal entities receiving directly lending, provision of guarantees and commitments from the regulated financial undertaking;	<u>Deleted</u>
Article 3, first paragraph, point (fa)(g) a(ii)				
134e			(ii) policy-holders and insured parties under insurance contracts concluded with the regulated financial undertaking;	<u>Deleted</u>
Article 3, first paragraph, point (fa)(g) a(iii)				
134f			(iii) legal entities ceding risk under a reinsurance contract and institutions for occupational retirement provision to which coverage is provided under a reinsurance contract concluded with the regulated financial undertaking;	<u>Deleted</u>
Article 3, first paragraph, point (fa)(g) a(iv)				
134g			(iv) subsidiaries of legal entities referred to in points (i) to (iii) benefiting from the service referred to in points (i) to (iii), whose activities are linked to the service in question.	<u>Deleted</u>
Article 3, first paragraph, point (fb)				

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134h			The chain of activities of regulated financial undertakings within the meaning of point (a)(iv) providing such services does not cover SMEs, natural persons and households receiving the services;	<u>Deleted</u>
Article 3, first paragraph, point (h)				
135	(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain, with human rights and environmental requirements resulting from the provisions of this Directive by an auditor which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit;	(h) ‘independent third-party verification’ means verification of <u>aspects of the due diligence of the compliance by a company, or parts of its value chain resulting from the provisions of this Directive either by an auditor or an audit firm that is approved in accordance with Article 3 of Directive 2006/43/EC or accredited in a Member State for conducting certifications, or by an independent assurance services provider as defined in Article 2, point (23), of Directive 2006/43/EC accredited in a Member State in accordance with Regulation (EC) No 765/2008 of the European Parliament and of the Council for the specific conformity assessment activity referred to in Article 14(4a) or, with human rights and environmental requirements resulting from the provisions of this Directive</u> by an <u>auditor independent third party that is accredited in a Member State for conducting</u>	(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain chain of activities , with human rights and environmental requirements resulting from the provisions of this Directive by an auditor expert which is independent from the company, free from any conflicts of interests, has experience and competence in environmental and human rights matters and is accountable for the quality and reliability of the audit verification ;	(h) ‘independent third-party verification’ means verification of the compliance by a company, or parts of its value chain chain of activities , with human rights and environmental requirements resulting from the provisions of this Directive by an auditor expert which is <u>objective, completely</u> independent from the company, free from any conflicts of interests <u>and from external influence</u> , has experience and competence in environmental <u>and or</u> human rights matters, <u>according to the nature of the adverse impact</u> , and is accountable for the quality and reliability of the audit verification ;

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		<u>certifications and</u> which is independent from the company, free from any conflicts of interests, has <u>demonstrated</u> experience, <u>expertise</u> and competence in environmental, <u>climate</u> , and human rights matters, and is accountable for the quality and reliability of the audit <u>or assessment, and meets the minimum standards set out in the delegated act as described in Article 14(4a)</u> ;		
Article 3, first paragraph, point (i)				
136	(i) ‘SME’ means a micro, small or a medium-sized enterprise, irrespective of its legal form, that is not part of a large group, as those terms are defined in Article 3(1), (2), (3) and (7) of Directive 2013/34/EU;	(i) ‘SME’ means a micro, small or a medium-sized enterprise, irrespective of its legal form, that is not part of a large group, as those terms are defined in Article 3(1), (2), (3) and (7) of Directive 2013/34/EU;	(i) ‘SME’ means a micro, small or a medium-sized enterprise undertaking , irrespective of its legal form, that is not part of a large group, as those terms are defined in Article 3(1), (2), (3) and (7) of Directive 2013/34/EU;	(i) ‘SME’ means a micro, small or a medium-sized enterpriseundertaking , irrespective of its legal form, that is not part of a large group, as those terms are defined in Article 3(1), (2), (3) and (7) of Directive 2013/34/EU; <small>Text Origin: Council Mandate</small>
Article 3, first paragraph, point (j)				
137	(j) ‘industry initiative’ means a combination of voluntary value chain due diligence procedures, tools and mechanisms, including independent third-party verifications, developed and overseen by governments, industry	(j) ‘industry <u>or multi-stakeholder</u> initiative’ means a combination of voluntary value chain due diligence an initiative that companies participate in, which provides standards , procedures, tools and and/or mechanisms, including independent third-party	(j) ‘industry initiative’ means a combination of voluntary value chain due diligence procedures in the chains of activities , tools and mechanisms, including independent third-party verifications, developed and overseen by governments,	(j) ‘industry <u>or multi-stakeholder</u> initiative’ means a combination of voluntary value chain due diligence procedures, tools and mechanisms, including independent third-party verifications , developed and overseen by governments, industry associations, interested

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	associations or groupings of interested organisations;	<i>verifications, in order to support, monitor, evaluate, certify, and/or verify aspects of their due diligence, or the due diligence conducted by their subsidiaries and/or business relationships. Such initiatives may be</i> developed and overseen by governments, industry associations or , groupings of interested <u>organisations, or civil society</u> organisations;	industry associations or groupings of interested organisations;	<u>organisations, including civil society organisations,</u> or groupings <u>or combinations thereof, that companies may participate in in order to support the implementation of due diligence obligations of interested organisations;</u>
Article 3, first paragraph, point (k)				
138	(k) ‘authorised representative’ means a natural or legal person resident or established in the Union who has a mandate from a company within the meaning of point (a)(ii) to act on its behalf in relation to compliance with that company’s obligations pursuant to this Directive;	(k) ‘authorised representative’ means a natural or legal person resident or established in the Union who has a mandate from a company within the meaning of point (a)(ii) to act on its behalf in relation to compliance with that company’s obligations pursuant to this Directive;	(k) ‘authorised representative’ means a natural or legal person resident or established in the Union who has a mandate from a company within the meaning of point (a)(ii) to act on its behalf in relation to compliance with that company’s obligations pursuant to this Directive;	(k) ‘authorised representative’ means a natural or legal person resident or established in the Union who has a mandate from a company within the meaning of point (a)(ii) to act on its behalf in relation to compliance with that company’s obligations pursuant to this Directive; <u>Text Origin: Commission Proposal</u>
Article 3, first paragraph, point (l)				
139	(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the	<i>deleted</i>	(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights impact that is especially significant by its nature, or affects a large number of persons or a large area of the	(l) ‘severe adverse impact’ means an adverse environmental impact or an adverse human rights <i>that is especially significant by its nature, such as an impact that is especially significant</i> <u>entails harm to human</u>

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	environment, or which is irreversible, or is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the impact;		environment, or which is irreversible, or where it is particularly difficult to remedy as a result of the measures necessary to restore the situation prevailing prior to the adverse impact;	<i><u>life, health and liberty, or</u></i> by its <i><u>nature, or affects a large scale,</u></i> <i><u>scope and irremediable character,</u></i> <i><u>taking into account its gravity,</u></i> <i><u>including the</u></i> number of persons or a large area of the environment, <i><u>or individuals that are or may be affected, the extent to</u></i> which is irreversible, or is particularly difficult to remedy as a result of the measures necessary <i><u>the</u></i> <i><u>environment is or may be damaged or otherwise affected, its</u></i> <i><u>irreversibility and the limits on the ability</u></i> to restore <i><u>affected individuals or the environment to a</u></i> the <i><u>situation prevailing equivalent to their situation</u></i> prior to the impact <i><u>within a reasonable period of time;</u></i> Recital to be discussed and added Commission to provide draft recital text
Article 3, first paragraph, point (m)				
140	(m) ‘net turnover’ means	(m) ‘net turnover’ means	(m) ‘net turnover’ means:	(m) ‘net turnover’ means: Text Origin: Council Mandate
Article 3, first paragraph, point (m)(i)				
141	(i) the ‘net turnover’ as defined in Article 2, point (5), of Directive 2013/34/EU; or,	(i) the ‘net turnover’ as defined in Article 2, point (5), of Directive 2013/34/EU; or,	(i) the ‘net turnover’ as defined in Article 2, point (5), of Directive 2013/34/EU; or;	(i) the ‘net turnover’ as defined in Article 2, point (5), of Directive 2013/34/EU; or,

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				Text Origin: Council Mandate
Article 3, first paragraph, point (m)(ii)				
142	<p>(ii) where the company applies international accounting standards adopted on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹ or is a company within the meaning of point (a)(ii), the revenue as defined by or within the meaning of the financial reporting framework on the basis of which the financial statements of the company are prepared;</p> <p>¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p.1).</p>	<p>(ii) where the company applies international accounting standards adopted on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹ or is a company within the meaning of point (a)(ii), the revenue as defined by or within the meaning of the financial reporting framework on the basis of which the financial statements of the company are prepared;</p> <p>¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p.1).</p>	<p>(ii) where the company applies international accounting standards adopted on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹ or is a company within the meaning of point (a)(ii), the revenue as defined by or within the meaning of the financial reporting framework on the basis of which the financial statements of the company are prepared;</p> <p>¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p.1).</p>	<p>(ii) where the company applies international accounting standards adopted on the basis of Regulation (EC) No 1606/2002 of the European Parliament and of the Council¹ or is a company within the meaning of point (a)(ii), the revenue as defined by or within the meaning of the financial reporting framework on the basis of which the financial statements of the company are prepared;</p> <p>¹ Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p.1).</p> <p>Text Origin: Council Mandate</p>
Article 3, first paragraph, point (n)				
143	<p>(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, and other individuals, groups, communities or entities whose rights or interests are or could be affected by the products, services and operations of that company, its</p>	<p>(n) ‘<u>affected</u> stakeholders’ means <u>those individuals, groups or communities that have rights or legitimate interests that are affected or could be affected by the adverse impacts stemming from a</u> the company’s employees, the employees of its subsidiaries, and</p>	<p>(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, trade unions and workers’ representatives, consumers, and other individuals, groups, communities or entities whose rights or interests are or could be</p>	<p>(n) ‘stakeholders’ means the company’s employees, the employees of its subsidiaries, <u>trade unions and workers’ representatives, consumers;</u> and other individuals, groups, communities or entities whose rights or interests are or could be</p>

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	subsidiaries and its business relationships;	<p><i>other activities or actions or the activities or actions of entities in its value chain, and the legitimate representatives of such individuals or groups, including the workers and their representatives and the trade unions of the company, of its subsidiaries and throughout its value chain, or in cases where there are no individuals, groups or communities, groups, communities or entities whose rights or interests are or could be affected by an adverse impact on the environment, credible and experienced organisations whose purpose includes the protection of the environment</i> the products, services and operations of that company, its subsidiaries and its business relationships;</p>	affected by the products, services and operations of that company, its subsidiaries and its business relationships partners, including civil society organisations, national human rights and environmental institutions, and human rights and environmental defenders;	affected by the products, services and operations of that company, its subsidiaries and its business relationships partners, including the employees of the company's business partners, trade unions and workers' representatives, national human rights and environmental institutions, civil society organisations whose purpose includes the protection of the environment, and the legitimate representatives of those individuals, groups, communities or entities;
Article 3, first paragraph, point (na)				
143a		<p><i>(na) 'vulnerable stakeholders' means affected stakeholders that find themselves in marginalised situations and situations of vulnerability, due to specific contexts or intersecting factors, including among others, sex, gender, age, race, ethnicity, class, caste, education, indigenous peoples, migration status, disability, as well as social and economic status, and includes</i></p>		<u>Deleted</u>

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		<u><i>stakeholders living in conflict-affected and high risk areas, which are the causes of diverse and often disproportionate adverse impacts, and create discrimination and additional barriers to participation and access to justice;</i></u>		
Article 3, first paragraph, point (o)				
144	(o) ‘director’ means:	(o) ‘director’ means:	<i>deleted</i>	<i>(o) ‘director’ means: Deleted</i>
Article 3, first paragraph, point (o)(i)				
145	(i) any member of the administrative, management or supervisory bodies of a company;	(i) any member of the administrative, management or supervisory bodies of a company;	<i>deleted</i>	<i>(i) any member of the administrative, management or supervisory bodies of a company; Deleted</i>
Article 3, first paragraph, point (o)(ii)				
146	(ii) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive officer and, if such function exists in a company, the deputy chief executive officer;	(ii) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive officer and, if such function exists in a company, the deputy chief executive officer;	<i>deleted</i>	<i>(ii) where they are not members of the administrative, management or supervisory bodies of a company, the chief executive officer and, if such function exists in a company, the deputy chief executive officer; Deleted</i>
Article 3, first paragraph, point (o)(iii)				
147				

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	(iii) other persons who perform functions similar to those performed under point (i) or (ii);	(iii) other persons who perform functions similar to those performed under point (i) or (ii);	<i>deleted</i>	<i>(iii) other persons who perform functions similar to those performed under point (i) or (ii); Deleted</i>
Article 3, first paragraph,				
148	(p) ‘board of directors’ means the administrative or supervisory body responsible for supervising the executive management of the company, or, if no such body exists, the person or persons performing equivalent functions;	(p) ‘board of directors’ means the administrative or supervisory body responsible for supervising the executive management of the company, or, if no such body exists, the person or persons performing equivalent functions;	<i>deleted</i>	<i>(p) ‘board of directors’ means the administrative or supervisory body responsible for supervising the executive management of the company, or, if no such body exists, the person or persons performing equivalent functions; Deleted</i>
Article 3, first paragraph, point (q)				
149	(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and of the specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action.	(q) ‘appropriate <i>measure</i> <u>measures</u> ’ means <i>a measure that is</i> <u>measures that are</u> capable of achieving the objectives of due diligence, <i>and</i> <u>effectively addressing the adverse impact identified pursuant to Article 6 in a manner proportionate and</u> <i>with</i> <u>to</u> the degree of severity and the likelihood of the adverse impact, and <i>reasonably</i> <u>available proportionate and commensurate</u> to the <i>size,</i> <u>resources and capacities of the company, taking. This shall take</u> into account the circumstances of the specific case, including <i>characteristics</i> <u>the nature</u> of the <i>economic sector and</i> <u>adverse</u>	(q) ‘appropriate measure’ means a measure that is capable of achieving the objectives of due diligence, commensurate with the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including characteristics of the economic sector and the nature and extent of the specific company’s business relationship and the company’s influence thereof, and the need to ensure prioritisation of action. operations and characteristics of the economic sector and of the specific business partner;	(q) ‘appropriate <i>measure</i> <u>measures</u> ’ means <i>a measure that is</i> <u>measures that are</u> capable of achieving the objectives of due diligence, <i>by</i> <u>effectively addressing adverse impacts in a manner</u> <i>with</i> <u>to</u> the degree of severity and the likelihood of the adverse impact, and reasonably available to the company, taking into account the circumstances of the specific case, including <i>characteristics of the economic sector and</i> <u>the nature and extent</u> of the <i>specific business relationship and the company’s influence thereof, and the need to ensure prioritisation of action</i> <u>adverse impact and relevant risk factors.</u>

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		<u>impact, characteristics</u> of the specific business relationship <u>and economic sector, the nature of the company's influence thereof, and the need to ensure prioritisation of action.</u> <u>specific activities, products and services, the specific business relationship;</u>		Recital do be discussed
Article 3, first paragraph, point (qa)				
149a		<u>(qa) 'leverage' means the ability to affect change in the practices of the entity causing or contributing to the adverse impact;</u>	(qa) 'business relationship' means a relationship of the company with its business partner;	<u>(qa) 'business relationship' means a relationship of the company with its business partner;</u> No definition of 'leverage' Text Origin: EP Mandate
Article 3, first paragraph, point (qb)				
149b		<u>(qb) "to cause an adverse impact" means that the company's activities on their own are sufficient to result in an adverse impact;</u>	(r) 'parent company' means a company which controls one or more subsidiaries within the meaning of point (d);	<u>(r) 'parent company' means a company which controls one or more subsidiaries within the meaning of point (d);</u> Text Origin: Council Mandate
Article 3, first paragraph, point (qc)				
149c				<u>(ra) 'ultimate parent company' means a parent company which controls, either directly or indirectly in accordance with the criteria set out in Article 22(1) to</u>

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				<p><u>(5) of Directive 2013/34/EU of the European Parliament and of the Council, one or more subsidiary companies and is not controlled by another company;</u></p>
Article 3, first paragraph, point (qd)				
149d		<p><u>(qc) ‘to contribute to an adverse impact’ means that a company's own activities, in combination with the activities of other entities, cause an impact, or that the activities of the company cause, facilitate or incentivise another entity to cause an adverse impact. The contribution must be substantial, meaning that it does not include minor or trivial contributions. Assessing the substantial nature of the contribution and understanding when the actions of the company may have caused, facilitated or incentivised another entity to cause an adverse impact can involve the consideration of multiple factors. The following factors can be taken into account:</u></p> <ul style="list-style-type: none"> <u>– the extent to which a company may encourage or motivate an adverse impact by another entity, i.e. the degree to which the activity increased the risk of the impact occurring,</u> 	<p>(s) ‘group of companies’ means a parent company and all its subsidiaries;</p>	<p><u>(s) ‘group of companies’ means a parent company and all its subsidiaries;</u></p> <p>Text Origin: Council Mandate</p>

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		<p><u>– the extent to which a company could or should have known about the adverse impact or potential for adverse impact, i.e. the degree of foreseeability,</u></p> <p><u>– the degree to which any of the company's activities actually mitigated the adverse impact or decreased the risk of the impact occurring.</u></p> <p><u>The mere existence of a business relationship or activities which create the general conditions in which it is possible for adverse impacts to occur does not in itself constitute a relationship of contribution. The activity in question should substantially increase the risk of adverse impact;</u></p>		
Article 3, first paragraph, point (qe)				
149e		<p><u>(qd) being 'directly linked to an adverse impact' means that there is a relationship between the adverse impact and the company's products, services or operations through another business relationship and where the company has neither caused nor contributed to the impact. Directly linked is not defined by a direct business relationship. Also, a direct linkage does not imply that the responsibility shifts from the business relationship causing an</u></p>	<p>(t) 'remediation' means financial or non-financial compensation provided by the company to person or persons affected by the actual adverse impact, including restitution of the affected person or persons or environment to the situation they would be in, had the actual adverse impact not occurred, that shall be proportionate to the significance and scope of the adverse impact and the company's implication in the adverse impact.</p>	<p><u>(qe) 'remediation' means restitution of the affected person or persons, communities or environment to a situation equivalent or as close as possible to the situation they would be in had the actual adverse impact not occurred, proportionate to the company's implication in the adverse impact, including financial or non-financial compensation provided by the company to a person or persons affected by the actual adverse impact and, where</u></p>

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		<p><u>adverse impact to the company with which it has a linkage;</u></p>		<p><u>applicable, reimbursement of the costs incurred by public authorities for any necessary remedial measures;</u></p> <p>Council to check</p>
Article 3, first paragraph, point (qf)				
149f		<p><u>(qe) 'risk-based' means proportionate to the likelihood and severity of potential adverse impacts;</u></p>		<p><u>(qe) 'risk factors' means facts, situations or circumstances that relate to the severity and likelihood of an adverse impact, including company-level, business operations, geographic and contextual, product and service, and sectoral risk factors;</u></p> <p>Recital (30a1): In conflict-affected and high-risk areas, as defined in accordance with Regulation (EU) 2017/821, human rights' abuses are more likely to occur and to be severe. As such, these situations constitute particular geographic and contextual risk factors. When companies operate in these areas, they therefore should take this into account when integrating due diligence into their policies and risk management systems to ensure that codes of conduct and processes put in place to implement due diligence are adapted to conflict-affected and high-risk areas, consistently with International Humanitarian Law, as laid out in the Geneva Conventions and</p>

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				<p>additional protocols. Companies should also take this into account when performing in-depth assessments as part of the identification and assessing process, when taking appropriate measures to prevent, mitigate, bring to an end and minimize identified adverse impacts, and when engaging with stakeholders. For this purpose, companies may rely on the Commission’s guidance on the assessment of risk factors associated with conflict-affected and high-risk areas, which should take into account the UNDP Guidance on “Heightened Human Rights Due Diligence for Business in Conflict Affected Contexts”.]</p> <p>Text Origin: EP Mandate</p>
Article 3, first paragraph, point (qg)				
149g		<p><i>(qf) ‘risk factors’ means company-level risk factors, business model risk factors, geographic risk factors, product and service risk factors and sectoral risk factors;</i></p>		<p><i>(qf) ‘risk factors’ means facts, situations or circumstances that relate to the severity and likelihood of an adverse impact, including company-level, business operations, geographic and contextual, product and service, and sectoral risk factors;</i></p>
Article 3, first paragraph, point (qh)				
149h		<p><i>(qg) ‘severity of an adverse impact’ means the scale, scope and</i></p>		<p><i>(qg) ‘severity of an adverse impact’ means the scale, scope and</i></p>

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		<p><u>irremediable character of the adverse impact, taking into account the gravity of an adverse impact, including the number of individuals that are or will be affected, the extent to which the environment is or may be damaged or otherwise affected, its irreversibility and the limits on the ability to restore affected individuals or the environment to a situation equivalent to their situation prior to the impact.</u></p>		<p><u>irremediable character of the adverse impact, taking into account the gravity of an adverse impact, including the number of individuals that are or will be affected, the extent to which the environment is or may be damaged or otherwise affected, its irreversibility and the limits on the ability to restore affected individuals or the environment to a situation equivalent to their situation prior to the impact within a reasonable period of time.</u></p> <p>Text Origin: EP Mandate</p>
Article 3, first paragraph, point (qi)				
149i		<p><u>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 28 to amend the Annex, in order to make sure that it remains consistent with the Union's objectives on human rights and the environment.</u></p>		<p><u>2. The Commission shall be empowered to adopt delegated acts in accordance with Article 28 in order to amend Annex I to this Directive by:</u></p> <p><u>(a) Adding the reference to articles of international instruments ratified by all Member States and falling within the scope of a specific prohibition or obligation related to the protection of human rights, fundamental freedoms and of the environment listed in Annex I;</u></p> <p><u>(b) Modifying, as appropriate, the reference to international instruments referred to in Annex I.</u></p>

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				<p><u>in view of the modification, supersession or abrogation of such instruments;</u></p> <p><u>(c) In accordance with developments within the relevant international fora concerning the instruments listed in Annex I, Part I, Section 2,</u></p> <p><u>(i) replacing the reference to the listed instruments, by the reference to new instruments covering the same subject matter and ratified by all Member States, or</u></p> <p><u>(ii) adding the reference to new instruments covering the same subject matter as the listed instruments and ratified by all Member States.</u></p>
Article 3a				
149j		<p><u>Article 3a</u> <u>Single market clause</u></p>		<p><u>Article 3a</u> <u>Level of harmonisation</u></p> <p>Text Origin: EP Mandate</p>
Article 3a(1)				
149k		<p><u>1. The Commission and the Member States shall coordinate during the transposition of this Directive and thereafter in view of a full level of harmonisation between Member States, in order to ensure a level playing field for</u></p>		<p><u>1. 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</u></p>

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		<p><u>companies and to prevent the fragmentation of the Single Market.</u></p>		<p><u>6(1), 6(1a), 7(1) and 8(1), without prejudice to Article 1, paragraphs 2 and 3.</u></p>
Article 3a(2)				
1491		<p><u>2. The Commission shall consider, six years after the entry into force of this Directive, whether changes to the level of harmonisation of this Directive are required to ensure a level-playing field for companies in the Single Market, including whether the provisions of this Directive could be converted into a Regulation.</u></p>		<p><u>2. Notwithstanding paragraph 1, this Directive shall not preclude Member States from introducing, in their national law, more stringent provisions, diverging from those laid down in Articles other than Articles 6(1), 6(1a), 7(1) and 8(1), or provisions that are more specific in terms of the objective or the field covered, in order to achieve a different level of protection of human, employment and social rights, the environment or the climate.</u></p> <p>Recital: "This Directive should not preclude Member States from introducing more stringent national provisions diverging from those laid down in Articles other than Articles 6(1), 6(1a), 7(1) and 8(1), including where such provisions may indirectly raise the level of protection of Articles 6(1), 6(1a), 7(1) and 8(1), such as the provisions on the scope, on the definitions, on the appropriate measures for the remediation of actual adverse impacts, on the carrying out of meaningful engagement with stakeholders and on the civil liability;</p>

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				or from introducing national provisions that are more specific in terms of their objective or the field covered, such as national provisions regulating specific adverse impacts or specific sectors of activity, in order to achieve a different level of protection of protect human, employment and social rights, the environment or the climate.”]
Article 4				
150	Article 4 Due diligence	Article 4 Due diligence	Article 4 Due diligence	Article 4 Due diligence Text Origin: Commission Proposal
Article 4(1)				
151	1. Member States shall ensure that companies conduct human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:	1. Member States shall ensure that companies conduct <i>risk-based</i> human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:	1. Member States shall ensure that companies conduct human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions:	1. Member States shall ensure that companies conduct <i>risk-based</i> human rights and environmental due diligence as laid down in Articles 5 to 11 (‘due diligence’) by carrying out the following actions: Text Origin: EP Mandate
Article 4(1), point (a)				
152	(a) integrating due diligence into their policies in accordance with Article 5;	(a) integrating due diligence into their policies in accordance with Article 5;	(a) integrating due diligence into their policies and risk management systems in accordance with Article 5;	(a) integrating due diligence into their policies <i>and risk management systems</i> in accordance with Article 5;

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				Text Origin: Council Mandate
Article 4(1), point (b)				
153	(b) identifying actual or potential adverse impacts in accordance with Article 6;	(b) identifying actual or potential adverse impacts in accordance with Article 6;	(b) identifying actual or potential adverse impacts in accordance with Article 6;	(b) identifying <u>and assessing</u> actual or potential adverse impacts in accordance with Article 6 <u>and, where necessary, prioritising potential and actual adverse impacts in accordance with Article 6a</u> ; Text Origin: Commission Proposal
Article 4(1), point (c)				
154	(c) preventing and mitigating potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;	(c) preventing and mitigating potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;	(c) preventing and mitigating potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8;	(c) preventing and mitigating potential adverse impacts, and bringing actual adverse impacts to an end and minimising their extent in accordance with Articles 7 and 8; Text Origin: Commission Proposal
Article 4(1), point (ca)				
154a		<u>(ca) where necessary, prioritising potential and actual adverse impacts in accordance with Article 8b</u> ;		<u>Deleted</u>
Article 4(1), point (cb)				

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154b		<u>(cb) remedying actual adverse impacts in accordance with Article 8c;</u>		<u>(cb) providing remediation to actual adverse impacts in accordance with Article 8c;</u>
Article 4(1), point (cc)				
154c				<u>(cc) carrying out meaningful engagement with stakeholders in accordance with Article 8d;</u>
Article 4(1), point (d)				
155	(d) establishing and maintaining a complaints procedure in accordance with Article 9;	(d) establishing and maintaining a complaints procedure <u>participating in a notification and non-judicial grievance mechanism</u> in accordance with Article 9;	(d) establishing and maintaining a complaints procedure in accordance with Article 9;	(d) establishing and maintaining a <u>notification mechanism and</u> complaints procedure in accordance with Article 9;
Article 4(1), point (e)				
156	(e) monitoring the effectiveness of their due diligence policy and measures in accordance with Article 10;	(e) monitoring <u>and verifying</u> the effectiveness of their due diligence policy and measures in accordance with Article 10;	(e) monitoring the effectiveness of their due diligence policy and measures in accordance with Article 10;	(e) monitoring the effectiveness of their due diligence policy and measures in accordance with Article 10; Text Origin: Council mandate
Article 4(1), point (f)				
157	(f) publicly communicating on due diligence in accordance with Article 11.	(f) publicly communicating on due diligence in accordance with Article 11.	(f) publicly communicating on due diligence in accordance with Article 11.	(f) publicly communicating on due diligence in accordance with Article 11.

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				Text Origin: Commission Proposal
Article 4(1), point (fa)				
157a		<i>(fa) consulting and engaging with affected stakeholders in a meaningful way in accordance with Article 8d.</i>		<u>Deleted</u>
Article 4(2)				
158	2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law.	2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law.	2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law.	2. Member States shall ensure that, for the purposes of due diligence, companies are entitled to share resources and information within their respective groups of companies and with other legal entities in compliance with applicable competition law. Text Origin: Council Mandate
Article 4(2a)				
158a			3. Member States shall ensure that a company or other legal entity shall not be obliged to disclose to its business partner which is complying with the obligations resulting from this Directive, information that is deemed to be a trade secret as defined in Article 2(1) of Directive	<u>3. Member States shall ensure that a business partner shall not be obliged to disclose to a company which is complying with the obligations resulting from this Directive, information that is a trade secret as defined in Article 2(1) of Directive (EU) 2016/943 of the European Parliament and of</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			<p>(EU) 2016/943 of the European Parliament and of the Council¹.</p> <p>1. Directive (EU) 2016/943 of the European Parliament and of the Council of 8 June 2016 on the protection of undisclosed know-how and business information (trade secrets) against their unlawful acquisition, use and disclosure (OJ L 157, 15.6.2016, p. 1).</p>	<p><i><u>the Council¹, without prejudice to the disclosure of the identity of direct and indirect business partners, or essential information needed to identify potential or actual adverse impacts, where necessary and duly justified for the company's compliance with due diligence obligations. This shall be without prejudice to the possibility for the business partners to protect their trade secrets through the mechanisms established in Directive (EU) 2016/943 of the European Parliament and of the Council. Business partners shall never be obliged to disclose classified information or other information the disclosure of which would cause a risk to essential national or security interests.</u></i></p> <p>Add new Recital aligned with operative part.</p> <p>Include in Recital 30: "If companies do not have all the necessary information regarding their chain of activities, including information that is deemed to be a trade secret, they should be able to explain why this information could not be obtained and should take the necessary and reasonable steps to obtain it as soon as possible."</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 4(2b)				
158b		<p><u>2a. Companies shall retain documentation demonstrating their compliance with this Directive for at least 10 years.</u></p>		<p><u>3a. Member States shall require companies to retain documentation regarding the actions adopted to fulfil their due diligence obligations for the purpose of demonstrating compliance, including supporting evidence, for at least 5 years from the moment when such documentation was produced or obtained.</u></p> <p><u>Where, upon expiry of the applicable period, there is an ongoing judicial or administrative proceeding under this Directive, the retention period shall be extended until the final conclusion of the matter.</u></p> <p>[Recital: Such documentation should at least include, where relevant, the identified impacts and in-depth assessments pursuant to Article 6, the prevention and/or corrective action plan pursuant to Articles 7(2)(a) and 8(3)(b)], contractual provisions obtained or contracts concluded pursuant to Articles 7(2)(b),(3) and 8(3)(c),(4), verifications pursuant to Articles 7(4) and 8(5), remediation measures, periodic assessments as part of the company's monitoring obligation, as well as notifications and complaints.]C</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 4a				
158c		<u>Article 4a</u> <u>Due diligence support at group level</u>	Article 4a Due diligence at a group level	<u>Article 4a</u> <u>Due diligence support at a group level</u> Text Origin: EP Mandate
Article 4a(1)				
158d		<u>1. Member States shall ensure that parent companies may perform actions which can contribute to their subsidiaries falling under the scope of this Directive meet their obligations set out in Articles 5 to 11 and Article 15. This is without prejudice to the civil liability of subsidiaries in accordance with Article 22.</u>	1. Member States shall ensure that parent companies falling under the scope of this Directive may fulfil the obligations set out in Articles 5 to 11 and Article 15 on behalf of companies which are their subsidiaries falling under the scope of this Directive. This is without prejudice to civil liability of subsidiaries in accordance with Article 22.	<u>1. Member States shall ensure that parent companies falling under the scope of this Directive may fulfil the obligations set out in Articles 5 to 11 and Article 15 on behalf of companies which are their subsidiaries falling under the scope of this Directive, if this ensures effective compliance. This is without prejudice to the subsidiaries being subject to the exercise of the supervisory authority's powers in accordance with Article 18 and to their civil liability in accordance with Article 22.</u> Related to recital 16a.
Article 4a(2)				
158e		<u>2. The parent company may perform actions which contribute to fulfilling the due diligence</u>	2. The fulfilment of due diligence obligations by a parent company in accordance with the paragraph	<u>2. The fulfilment of due diligence obligations set out in Articles 5 to 11 by a parent company in</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>obligations by the subsidiary company in accordance with paragraph 1, subject to all the following conditions:</i></u>	1 is subject to all the following conditions:	<u><i>accordance with paragraph 1 is subject to all the following conditions:</i></u>
Article 4a(2), point (a)				
158f		<u><i>(a) the subsidiary provides all the relevant and necessary information to its parent company and cooperates with it;</i></u>	(a) the subsidiary provides all the necessary information to and cooperates with its parent company to fulfil the obligations resulting from this Directive;	<u><i>(a) the subsidiary and parent company provide each other with all the necessary information and cooperate to fulfil the obligations resulting from this Directive;</i></u> Text Origin: EP Mandate
Article 4a(2), point (b)				
158g		<u><i>(b) the subsidiary abides by its parent company's due diligence policy;</i></u>	(b) the subsidiary must abide by its parent company's due diligence policy accordingly adapted to ensure that the obligations laid down in Article 5(1) are fulfilled with respect to the subsidiary;	<u><i>(b) the subsidiary abides by its parent company's due diligence policy accordingly adapted to ensure that the obligations laid down in Article 5(1) are fulfilled with respect to the subsidiary;</i></u> Text Origin: EP Mandate
Article 4a(2), point (c)				
158h		<u><i>(c) the parent company accordingly adapts its due diligence policy to ensure that the obligations laid down in Article 5(1) are fulfilled with respect to the subsidiary;</i></u>	(c) the subsidiary integrates due diligence into all its policies and risk management systems in accordance with Article 5;	<u><i>(c) the subsidiary integrates due diligence into all its policies and risk management systems in accordance with Article 5, clearly describing which obligations are to be fulfilled by the parent company, and, where necessary,</i></u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<u>communicating so to relevant stakeholders;</u> Text Origin: EP Mandate
Article 4a(2), point (d)				
158i		<u>(d) the subsidiary integrates due diligence into all its policies and risk management systems in accordance with Article 5;</u>	(d) where relevant, the subsidiary seeks the contractual assurances in accordance with Article 7(2), point (b), or 8(3), point (c);	<u>(d) where necessary, the subsidiary continues to take appropriate measures in accordance with Articles 7 and 8 and to fulfil its obligations under Articles 8c and 8d;</u>
Article 4a(2), point (e)				
158j		<u>(e) where necessary, the subsidiary continues to take appropriate measures in accordance with Articles 7 and 8, as well as continues to perform its obligations under Articles 8a, 8b and 8d;</u>	(e) where relevant, the subsidiary seeks to conclude a contract with an indirect business partner in accordance with Article 7(3) or 8(4);	<u>(e) where relevant, the subsidiary fulfils the obligation to seek the contractual assurances in accordance with Article 7(2), point (b), or Article 8(3), point (c); to seek contractual assurances with an indirect business partner in accordance with Articles 7(3) or 8(4); and to temporarily suspend or terminate the business relationship in accordance with Articles 7(5) or 8(6);</u>
Article 4a(2), point (f)				
158k		<u>(f) where the parent company performs specific actions on behalf of the subsidiary, both the parent</u>	(f) where relevant, the subsidiary temporarily suspends or terminates the business	<u>Deleted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>company and subsidiary clearly and transparently communicate so towards relevant stakeholders and the public domain;</u>	relationship in accordance with Article 7(5) or 8(6).	
Article 4a(2), point (g)				
158l		<u>(g) the subsidiary integrates climate in its policies and risk management systems in accordance with Article 15.</u>		<u>Deleted</u>
Article 4a(3)				
158m				<u>3. When the parent company fulfils the obligation set out in Article 15 on behalf of the subsidiary in accordance with paragraph 1 of this Article, the subsidiary shall comply with the obligations laid down in Article 15 in accordance with the parent company's climate change mitigation plan accordingly adapted to its business model and strategy.</u>
Article 5				
159	Article 5 Integrating due diligence into companies' policies	Article 5 Integrating due diligence into companies' policies	Article 5 Integrating due diligence into companies' policies and risk management systems	Article 5 Integrating due diligence into <u>companies' company's policies and risk management systems</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				Text Origin: Council Mandate
Article 5(1)				
160	1. Member States shall ensure that companies integrate due diligence into all their corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:	1. Member States shall ensure that companies integrate due diligence into all their <u>relevant</u> corporate policies and have in place a due diligence policy. The due diligence policy shall contain all of the following:	1. Member States shall ensure that companies integrate due diligence into all their corporate policies and risk management systems and have in place a due diligence policy. The due diligence policy shall contain all of the following:	1. Member States shall ensure that companies integrate due diligence into all their corporate <u>relevant</u> policies and <u>risk management systems and</u> have in place a due diligence policy. The due diligence policy shall contain all of the following: <u>that ensures a risk-based due diligence.</u> Text Origin: EP Mandate
Article 5(1), point (-a)				
160a		<u>(-a) a description of the potential or actual adverse impacts identified by the company in line with Article 6;</u>		<u>Deleted</u>
Article 5(1),				
161	(a) a description of the company's approach, including in the long term, to due diligence;	(a) a description of the company's approach <u>to due diligence</u> , including in the long term, to due diligences <u>short, medium and long term</u> ;	<i>deleted</i> Moved as a subpoint of paragraph 1a.	(a) a description of the company's approach, including in the long term, to due diligence; <u>Deleted</u>
Article 5(1),				
162				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	(b) a code of conduct describing rules and principles to be followed by the company's employees and subsidiaries;	(b) a code of conduct describing <u>defining</u> rules and principles <u>and measures</u> to be followed by <u>and implemented where relevant throughout</u> the company's employees and <u>and its</u> subsidiaries <u>across all operations. The code of conduct shall be designed to ensure that the company respects human rights and the environment, and it shall be aligned with the fundamental values of the Union;</u>	deleted Moved as a subpoint of paragraph 1a and amended.	(b) a code of conduct describing rules and principles to be followed by the company's employees and subsidiaries; <u>Deleted</u>
Article 5(1),				
163	(c) a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships.	(c) a description of the processes put in place <u>and appropriate measures taken</u> to implement due diligence <u>in line with Articles 7 and 8 in the value chain</u> , including the <u>relevant</u> measures taken to verify compliance with the code of conduct and to extend its application to established business relationships <u>incorporate due diligence into its own business model, employment and purchasing practices with entities with which the company has a business relationship and measures taken to monitor and verify due diligence activities.</u>	deleted Moved as a subpoint of paragraph 1a and amended.	(c) a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to established business relationships. <u>Deleted</u>
Article 5(1), point (a)				
163a				

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			1a. The due diligence policy shall contain all of the following:	<u>1a. The due diligence policy shall be developed in prior consultation with the company's employees and their representatives, and contain all of the following:</u>
Article 5(1), point (b)				
163b			(a) a description of the company's approach, including in the long term, to due diligence;	<u>(a) a description of the company's approach, including in the long term, to due diligence;</u>
Article 5(1), point (c)				
163c			(b) a code of conduct describing rules and principles to be followed by the company's employees and subsidiaries, and the company's direct or indirect business partners, where relevant in accordance with Article 7(2), point (b), 7(3), 8(3), point (c), or 8(4); and	<u>b) a code of conduct describing rules and principles to be followed throughout the company and its subsidiaries, and the company's direct or indirect business partners in accordance with Article 7(2), point (b), 7(3), 8(3), point (c), or 8(4); and</u>
Article 5(1), point (d)				
163d			(c) a description of the processes put in place to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to business partners.	<u>(c) a description of the processes put in place to integrate due diligence into the relevant policies and to implement due diligence, including the measures taken to verify compliance with the code of conduct and to extend its application to business partners.</u>

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Article 5(2)				
164	2. Member States shall ensure that the companies update their due diligence policy annually.	2. Member States shall ensure that the companies <i>update</i> <u><i>continuously review</i></u> their due diligence policy <i>annually</i> <u><i>and update it when significant changes occur.</i></u>	2. Member States shall ensure that the companies update their due diligence policy annually without undue delay after a significant change occurs, but at least every 24 months.	2. Member States shall ensure that the companies update their due diligence policy <i>annually</i> <u><i>without undue delay after a significant change occurs, and review and, where necessary, update it at least every 24 months.</i></u> <u><i>For this purpose, companies shall take into account the adverse impacts already identified according to Article 6, as well as the appropriate measures taken to address such adverse impacts in line with Articles 7 and 8 and the outcome of the assessments carried out in accordance with Article 10.</i></u> Recital 28 to be discussed. Text Origin: Council Mandate
Article 5(2a)				
164a			3. Member States shall ensure that companies referred to in Article 2(1) put in place and oversee the actions listed in Article 4(1).	<u><i>Deleted</i></u>
Article 5(2b)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
164b		<p><i><u>2a. Companies shall carry out a due diligence policy which is proportionate and commensurate to the likelihood and severity of their potential adverse impacts and the severity of their actual adverse impacts, as well as their specific circumstances and risk factors, particularly their sector and location of activity, the size and length of their value chain, the size of the company, its capacity, resources and leverage.</u></i></p>		<p><i><u>Deleted</u></i></p>
Article 5(2c)				
164c		<p><i><u>2b. When companies operate in areas in a state of armed conflict or fragile post-conflict, areas under occupation and/or annexation, as well as areas witnessing weak or non-existent governance and security, such as failed states, Member States shall ensure that they respect obligations under international humanitarian law and conduct heightened, conflict-sensitive due diligence on their operations and business relations through integrating into their due diligence, a conflict analysis based on meaningful and conflict-sensitive stakeholders' engagement, of the root causes, triggers and parties driving the</u></i></p>		<p><i><u>Deleted</u></i></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>conflict, and of the impact of the company's activities on the conflict.</i></u>		
Article 6				
165	Article 6 Identifying actual and potential adverse impacts	Article 6 Identifying <u><i>and assessing</i></u> actual and potential adverse impacts	Article 6 Identifying actual and potential adverse impacts	Article 6 Identifying <u><i>and assessing</i></u> actual and potential adverse impacts Text Origin: EP Mandate
Article 6(1)				
166	1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established business relationships, in accordance with paragraph 2, 3 and 4.	1. Member States shall ensure that companies take appropriate measures to <u><i>broadly scope the impacts of their operations, subsidiaries and business relationships in order to</i></u> identify <u><i>and assess</i></u> actual and potential adverse human rights <i>impacts and</i> <u><i>adverse</i></u> <u><i>and</i></u> environmental impacts arising from their own operations, <u><i>products and services</i></u> or those of their subsidiaries and, <i>where those</i> related to their value chains, <i>from their established business relationships, in accordance with paragraph 2, 3 and 4</i> <u><i>and whether they cause or contribute to or are directly linked to those impacts.</i></u>	1. Member States shall ensure that companies take appropriate measures to identify actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains of activities, those of, from their established business relationships partners, in accordance with paragraph paragraphs 2, 3 and 4.	1. Member States shall ensure that companies take appropriate measures to identify <u><i>and assess</i></u> actual and potential adverse human rights impacts and adverse environmental impacts arising from their own operations or those of their subsidiaries and, where related to their value chains, from their established <u><i>chains of activities, those of their</i></u> business relationships <u><i>partners,</i></u> in accordance with paragraph 2, 3 and 4 <u><i>this Article.</i></u>
Article 6(1a)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
166a			<p>1a. For the purpose of fulfilling the obligation in paragraph 1, companies may map all areas of their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners. Based on the results of that mapping, companies may carry out an in-depth assessment of the areas where adverse impacts were identified to be most likely to be present or most significant.</p>	<p><u>1a. As part of the obligation in paragraph 1, taking into account relevant risk factors, companies shall take appropriate measures to:</u></p> <p><u>a) map their own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners, in order to identify general areas where adverse impacts are most likely to occur and to be most severe;</u></p> <p><u>b) based on the results of that mapping, carry out an in-depth assessment of the own operations, those of their subsidiaries and, where related to their chains of activities, those of their business partners, in the areas where adverse impacts were identified to be most likely to occur and most severe.</u></p>
Article 6(2)				
167	<p>2. By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).</p>	<p>2. By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), <u>Member States shall ensure that, as part of their due diligence process, companies</u> shall only be required to identify actual and potential severe adverse</p>	<p>2. By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe-adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).</p>	<p>2. By way of derogation from paragraph 1, companies referred to in Article 2(1), point (b), and Article 2(2), point (b), shall only be required to identify actual and potential severe-adverse impacts relevant to the respective sector mentioned in Article 2(1), point (b).</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<i>impacts relevant to the respective sector mentioned in Article 2(1), point (b).:</i>		Text Origin: Council Mandate
Article 6(2), point (a)				
167a		<u>(a) identify where adverse impacts are most likely to occur and to be severe, including by identifying individual higher risk operations, subsidiaries and business relationships which should be prioritised taking into account relevant risk factors; and</u>		<u>Deleted</u>
Article 6(2), point (b)				
167b		<u>(b) carry out in-depth assessments of prioritised operations, subsidiaries and business relationships in order to determine the nature and extent of specific actual and potential adverse impacts.</u>		<u>Deleted</u>
Article 6(2), point (c)				
167c		<u>2a. In identifying individual higher risk business relationships, relevant company-level risk factors shall include whether the business relationship is a company covered by this Directive.</u>		<u>Deleted</u> RECITAL TO BE INSERTED: In identifying individual higher risk business partners, relevant company-level risk factors should include whether the business

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				partner is not a company covered by this Directive.
Article 6(3)				
168	3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service..	3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service. <u>and before subsequent financial operations, and, if notified of possible risks by means of the procedures referred to in Article 9, during the provision of the service.</u>	3. When companies referred to in unregulated financial undertakings within the meaning of Article 3, point (a)(iv), provide credit, loan or other financial services the services referred to in Article 3, point (g) , identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.-	3. When companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, identification of actual and potential adverse human rights impacts and adverse environmental impacts shall be carried out only before providing that service.. <u>Deleted</u>
Article 6(4)				
169	4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups	4. Member States shall ensure that, for the purposes of identifying the <u>and assessing</u> adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to <u>including the relevant disaggregated data that can be reasonably obtained by a company, companies shall</u> make use of appropriate methods and resources, including <u>public reports</u> , independent reports and information gathered through the complaints	4. Member States shall ensure that, for the purposes of identifying the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially affected groups	4. Member States shall ensure that, for the purposes of identifying <u>and assessing</u> the adverse impacts referred to in paragraph 1 based on, where appropriate, quantitative and qualitative information, companies are entitled to make use of appropriate resources, including independent reports and information gathered through the <u>notification and</u> complaints procedure provided for in Article 9. Companies shall, where relevant, also carry out consultations with potentially

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	including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.	<p><u>procedure notification and non-judicial grievance mechanism</u> provided for in Article 9. Companies shall, where relevant, also carry out <u>consultations meaningful engagement in accordance with Article 8d</u> with potentially affected <u>groups stakeholders</u> including workers and other relevant stakeholders to gather information on <u>as well as to identify and assess</u> actual or potential adverse impacts.</p>	including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.	<p>affected groups including workers and other relevant stakeholders to gather information on actual or potential adverse impacts.</p> <p>To insert in a recital the bit from the EP mandate that reads: "including the relevant disaggregated data that can be reasonably obtained by a company, companies shall make use of appropriate methods and resources, including public reports".</p> <p>Text Origin: Council Mandate</p>
Article 6(4a)				
169a		<p><u>4a. In the event that not all the necessary information regarding its value chain is available, the company 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></p>		<p><u>Deleted</u></p> <p>[Text to be inserted in Recital 30: "If, when identifying adverse impacts, companies do not have all the necessary information regarding their chain of activities, they should be able to explain why this information could not be obtained and should take the necessary and reasonable steps to obtain it as soon as possible."]</p>
Article 6(4b)				
169b				<p><u>4b. Where information necessary for the in-depth assessment can be obtained from business partners at different levels of the chain of</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u><i>activities, the company shall prioritise requesting such information, where reasonable, directly from business partners where the adverse impacts are most likely to occur.</i></u></p> <p>To add to recitals on Article 6: "With a view to limiting the burden on smaller companies created by requests for information, where information necessary for the identification of adverse impacts can be obtained from business partners at different levels of the chain of activities, companies should exercise restraint with regard to business partners that do not themselves present risks of adverse impacts and privilege reaching out, where reasonable, directly for more detailed information to business partners at levels in the chain of activities where, based on the mapping, potential or actual adverse impacts are most likely to occur."</p>
Article 6a				
169c			<p>Article 6a Prioritisation of identified actual and potential adverse impacts</p>	<p><u><i>Article 6a</i></u> <u><i>Prioritisation of identified actual and potential adverse impacts</i></u></p>
Article 6a(1)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
169d			<p>1. Member States shall ensure that companies prioritise adverse impacts arising from their own operations, those of their subsidiaries or those of their business partners identified pursuant to Article 6 for fulfilling the obligations laid down in Article 7 or 8, where it is not feasible to address all identified adverse impacts at the same time to the full extent.</p>	<p><u>1. Member States shall ensure that, where it is not feasible to prevent, mitigate, bring to an end or minimise all identified adverse impacts at the same time to their full extent, companies prioritise adverse impacts identified pursuant to Article 6 for fulfilling the obligations laid down in Article 7 or 8.</u></p>
Article 6a(2)				
169e			<p>2. The prioritisation of adverse impacts shall be based on severity and likelihood of the adverse impact. Severity of an adverse impact shall be assessed based on its gravity, the number of persons or the extent of the environment affected, and difficulty to restore the situation prevailing prior to the impact.</p>	<p><u>2. The prioritisation shall be based on the severity and likelihood of the adverse impacts.</u></p>
Article 6a(3)				
169f			<p>3. Once the most significant adverse impacts are addressed in accordance with Article 7 or 8 in a reasonable time, the company shall address less significant adverse impacts.</p>	<p><u>3. Once the most severe and most likely adverse impacts are addressed in accordance with Article 7 or 8 in a reasonable time, the company shall address less</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<u>severe and less likely adverse impacts.</u>
Article 7				
170	Article 7 Preventing potential adverse impacts	Article 7 Preventing potential adverse impacts	Article 7 Preventing potential adverse impacts	Article 7 Preventing potential adverse impacts Text Origin: Commission Proposal
Article 7(-1)(1)				
171	1. Member States shall ensure that companies take appropriate measures to prevent, or where prevention is not possible or not immediately possible, adequately mitigate potential adverse human rights impacts and adverse environmental impacts that have been, or should have been, identified pursuant to Article 6, in accordance with paragraphs 2, 3, 4 and 5 of this Article.	1. Member States shall ensure that companies take appropriate measures to prevent, or where prevention is not possible or not immediately possible <u>or has failed</u> , adequately mitigate potential adverse human rights impacts and adverse environmental impacts, that have been, or should have been, identified pursuant to Article 6, in accordance with paragraphs 2, 3, 4 and 5 of this Article.	-1. Member States shall ensure that companies take appropriate measures to prevent, or where prevention is not possible or not immediately possible, adequately mitigate potential adverse human rights impacts and adverse environmental impacts that have been, or should have been, identified pursuant to Article 6 and, where necessary, prioritised pursuant to Article 6a , in accordance with paragraphs 2, 3, 4 and 5 of this Article.	1. Member States shall ensure that companies take appropriate measures to prevent, or where prevention is not possible or not immediately possible, adequately mitigate potential adverse human rights impacts and adverse environmental impacts that have been, or should have been, identified pursuant to Article 6, in accordance with paragraphs 2, 3, 4 and 5 of <u>Article 6a and with</u> this Article.
Article 7(-1), (1) a				
171a			To determine the appropriate measures referred to in the first	<u>To determine the appropriate measures referred to in the first</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			subparagraph, due account shall be taken of:	<u>subparagraph, due account shall be taken of:</u> Text Origin: Council Mandate
Article 7(-1), (1) a, point (a)				
171b			(a) whether the potential adverse impact is caused only by the company, caused jointly by the company and its subsidiary or business partner, or whether it is caused only by the company's business partner in its chain of activities;	<u>(a) whether the potential adverse impact may be caused only by the company; whether it may be caused jointly by the company and its subsidiary or business partner, through acts or omissions; or whether it may be caused only by the company's business partner in the chain of activities;</u>
Article 7(-1), (1) a, point (b)				
171c			(b) whether the potential adverse impact occurred in the operations of the subsidiary, direct business partner or indirect business partner; and	<u>(b) whether the potential adverse impact may occur in the operations of the subsidiary, direct business partner or indirect business partner; and</u>
Article 7(-1), (1) a, point (c)				
171d			(c) the ability of the company to influence the business partner causing the potential adverse impact.	<u>(c) the ability of the company to influence the business partner causing or jointly causing the potential adverse impact.</u>
Article 7(-1), (1) a, point (d)				

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171e		<p><u><i>1a. For the purposes of this Article, in cases where a company may cause a potential adverse impact, appropriate measures shall be understood as measures which aim to prevent or mitigate a potential adverse impact. In cases where a company may contribute to an adverse impact, appropriate measures shall be understood as measures which aim to prevent or mitigate the contribution to the impact, using or increasing the company's leverage with other responsible parties to prevent or mitigate the potential adverse impact. In cases where a company's operations, products or services may be directly linked to an adverse impact through its business relationships with other entities, appropriate measures shall be understood as measures which aim to use or increase the company's leverage with responsible parties to seek to prevent or mitigate the potential adverse impact and to influence the entity causing the impact.</i></u></p>		<p><u><i>Deleted</i></u></p> <p>Recital 33</p> <p>Recitals:</p> <p>(33) Under the due diligence obligations set out by this Directive, if a company identifies potential adverse human rights or environmental impacts, it should take appropriate measures to prevent and adequately mitigate them. To provide companies with legal clarity and certainty, this Directive should set out all the actions companies should be expected to take for prevention and mitigation of potential adverse impacts, where relevant depending on the circumstances.</p> <p>When assessing the appropriate measures to prevent or adequately mitigate adverse impacts, due account shall be taken of the so-called 'level of involvement of the company in an adverse impact' in line with the international frameworks and the company's ability to influence the business partner causing or jointly causing the adverse impact.</p> <p>Companies should take appropriate measures to prevent or mitigate the adverse impacts that they cause by themselves (so called 'causing' the adverse impact as referred to in the</p>

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				<p>international framework) or jointly with their subsidiaries or business partners (so called 'contributing' to the adverse impact as referred to in the international framework),</p> <p>This applies irrespective of whether third entities outside of the company's chain of activities are also causing the adverse impact.</p> <p>Jointly causing the adverse impact is not limited to equal implication of the company and its subsidiary or business partner in the adverse impact, but should cover all cases of the company's acts or omissions, causing the adverse impact in combination with the acts or omissions of subsidiaries or business partners, including where the company substantially facilitates or incentivises a business partner to cause an adverse impact.</p> <p>When companies are not causing the adverse impacts occurring in their chain of activities themselves or jointly with other legal entities, but the adverse impact is caused only by their business partner in the companies' chains of activities (so called 'being directly linked to' the adverse impact as referred to in the international framework), they should still aim to use their influence to prevent or mitigate the adverse impact caused by their business partners or to increase their influence to do so.</p>

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				<p>Using only the notion of ‘causing’ the adverse impact instead of the aforementioned terms used in the international frameworks avoids confusion with existing legal terms in national legal systems while covering the same causal relations as described in these frameworks. In this context, in line with the international frameworks, the company’s influence on a business partner should include on the one hand its ability to persuade the business partner to prevent adverse impacts (for example through market power, pre-qualification requirements or linking business incentives to human rights and environmental performance) and, on the other hand, the degree of influence or leverage that the company could reasonably exercise, for example through cooperation with the business partner in question or engagement with another company which is the direct business partner of the business partner associated with the adverse impact.</p> <p>Recital 38</p> <p>[Adapt accordingly]</p> <p>Recital 56</p> <p>(56) [...] Causality within the meaning of civil liability is not regulated by this</p>

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				Directive, with the exception that the companies should not be held liable if the damage is caused only by the business partners in the companies' chains of activities (so called 'being directly linked to'). [...]
Article 7(-1), (1) a, point (e)				
171f		<u><i>1b. For the purposes of this Article, it shall be presumed that financial undertakings are directly linked to an adverse impact in their value chain without causing or contributing to it.</i></u>		<u><i>Deleted</i></u>
Article 7(2)				
172	2. Companies shall be required to take the following actions, where relevant:	2. Companies shall be required to take <u>appropriate measures</u> , <u>including</u> the following actions, where relevant:	2. Companies shall be required to take the following actions, where relevant:	2. Companies shall be required to take the following <u>actions</u> <u>appropriate measures</u> , where relevant:
Article 7(2), point (a)				
173	(a) where necessary due to the nature or complexity of the measures required for prevention, develop and implement a prevention action plan, with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. The prevention action	(a) where necessary due to the nature or complexity of the measures required for prevention, develop and implement a prevention action plan, with <u>a</u> reasonable and clearly defined <u>timelines for appropriate measures and</u> action, and qualitative and quantitative	(a) where necessary due to the nature or complexity of the measures required for prevention, without undue delay develop and implement a prevention action plan, with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. The	(a) where necessary, due to the nature or complexity of the measures required for prevention, <u>without undue delay</u> develop and implement a prevention action plan, with reasonable and clearly defined timelines for <u>actionthe implementation of appropriate measures</u> and qualitative and

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	plan shall be developed in consultation with affected stakeholders;	indicators for measuring improvement. The prevention action plan shall be developed in consultation with affected stakeholders <u>applicable and accurately tailored to the context of companies' operations and value chain. The development and implementation of a climate transition plan according to Article 15 shall be considered an appropriate measure to prevent environmental adverse impacts related to climate change mitigation pursuant to paragraph 1 of this Article;</u>	prevention action plan shall be developed in consultation with potentially affected stakeholders;	quantitative indicators for measuring improvement. <u>Companies may develop their action plans in cooperation with industry or multi-stakeholder initiatives.</u> The prevention action plan shall be developed in consultation with affected stakeholders <u>adapted to companies' operations and chain of activities;</u>
Article 7(2), point (b)				
174	(b) seek contractual assurances from a business partner with whom it has a direct business relationship that it will ensure compliance with the company's code of conduct and, as necessary, a prevention action plan, including by seeking corresponding contractual assurances from its partners, to the extent that their activities are part of the company's value chain (contractual cascading). When such contractual assurances are obtained, paragraph 4 shall apply;	(b) seek <u>consider establishing through</u> contractual assurances from a business <u>provisions with a</u> partner with whom it has a direct business relationship that it will ensure compliance with the company's code of conduct and, as necessary, a prevention action plan, including by seeking. <u>Partners with whom the company has a business relationship could be asked to establish</u> corresponding <u>reasonable, non-discriminatory and fair</u> contractual assurances from its <u>provisions with their</u> partners, to the extent that their activities are part of the company's value chain	(b) seek contractual assurances from a business partner with whom it has a direct business relationship partner that it will ensure compliance with the company's code of conduct and, as necessary, a prevention action plan, including by seeking corresponding contractual assurances from its partners, to the extent that their activities are part of the company's value chain chain of activities (contractual cascading). When such contractual assurances are obtained, paragraph 4 shall apply;	(b) seek contractual assurances from a business partner with whom it has a direct business relationship partner that it will ensure compliance with the company's code of conduct and, as necessary, a prevention action plan, including by seeking <u>establishing</u> corresponding contractual assurances from its partners, to the extent that their activities are part of the company's value chain <u>(contractual cascading) of activities.</u> When such contractual assurances are obtained, paragraph 4 shall apply;

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		(contractual cascading) . When such contractual assurances are obtained, paragraph 4 shall apply;		
Article 7(2), point (c)				
175	(c) make necessary investments, such as into management or production processes and infrastructures, to comply with paragraph 1;	(c) make necessary <u>modifications, improvements to, withdrawals of or investments in, the company's own operations</u> , such as into management, <u>production or other operational or production processes, facilities, products and product traceability, projects, services and skills and infrastructures, to comply with paragraph 1</u> ;	(c) make necessary financial or non-financial investments, such as into management or production processes and infrastructures, to comply with paragraph 1;	(c) make necessary <u>financial or non-financial</u> investments, <u>adjustments or upgrades</u> , such as into management or <u>production facilities, production or other operational</u> processes and infrastructures, to comply with paragraph 1 ;
Article 7(2), point (ca)				
175a		<u>(ca) adapt business models and strategies, including purchasing practices, including those which contribute to living wages and incomes for their suppliers, in order to prevent potential adverse impacts, and develop and use purchase policies that do not encourage potential adverse impacts on human rights or the environment</u> ;		<u>(ca) make necessary modifications of, or improvements to, the company's own business plan, overall strategies and operations, including purchasing practices, design and distribution practices</u> ; [+RECITAL 34: Where relevant, companies should adapt business plans, overall strategies and operations, including purchasing practices, and develop and use purchase policies that contribute to living wages and incomes for their suppliers, and that do not encourage

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				<p data-bbox="1648 165 2040 225">potential adverse impacts on human rights or the environment.]</p> <p data-bbox="1648 264 2074 1206">To add recital (this text is identical to that in comment to Article 8 identical point): "To conduct their due diligence in an effective and efficient manner, companies should make necessary modifications of, or improvements to, their purchasing practices, design and distribution practices, to address adverse impacts arising both in the upstream part and the downstream part of their chain of activities, before and after the product has been made. Adopting and adapting such policies, as necessary, could be particularly relevant for the company, to avoid being directly linked to an adverse impact in the first instance. Such measures could also be relevant to address negative adverse impacts that are jointly caused by the company and its business partner, for instance due to the deadlines or specifications imposed on it by the company. Also, by better sharing the value along the chain, responsible purchasing or distribution practices contribute to fighting against child labour, which often arises in countries or territories with high poverty levels. "</p> <p data-bbox="1648 1238 1977 1262">Text Origin: EP Mandate</p>
Article 7(2), point (d)				
176				

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	<p>(d) provide targeted and proportionate support for an SME with which the company has an established business relationship, where compliance with the code of conduct or the prevention action plan would jeopardise the viability of the SME;</p>	<p>(d) provide targeted and proportionate <u>financial and administrative</u> support for an SME with which the company has an established business relationship, where compliance with the code of conduct or the prevention action plan would jeopardise the viability of the SME;</p>	<p>(d) provide targeted and proportionate support for an SME with which the company has an established business relationship is a business partner of the company, where compliance with the code of conduct or the prevention action plan would jeopardise the viability of the SME. The targeted and proportionate support may take the form of financing, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing, or guidance, such as training or upgrading management systems;</p>	<p>(d) provide targeted and proportionate support for an SME with which <u>is a business partner of</u> the company, <u>where necessary in light of the resources, knowledge and constraints of the SME, including by providing or enabling access to capacity-building, training or upgrading management systems, and has an established business relationship</u>, where compliance with the code of conduct or the prevention action plan would jeopardise the viability of the SME; <u>providing targeted and proportionate financial support, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing.</u></p>
Article 7(2), point (da)				
176a		<p><u>(da) engage with a business relationship about the company's expectations with regard to preventing and mitigating the potential adverse impacts, including by providing or enabling access to capacity-building, guidance, administrative and financial support such as loans or financing, taking into consideration the resources,</u></p>		<p><u>Deleted</u></p>

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		<u>knowledge and constraints of the business partner;</u>		
Article 7(2), point (e)				
177	(e) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.	(e) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end, in particular where no other action is suitable or effective.	(e) in compliance with Union law, including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring prevent or mitigate the adverse impact to an end, in particular where no other action is suitable or effective.	(e) in compliance with Union law, including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring prevent or mitigate the adverse impact to an end, in particular where no other action measure is suitable or effective. Text Origin: Council Mandate
Article 7(2), point (ea)				
177a		<u>(ea) when there is a direct linkage to impacts occurring in business relationships with other companies operating in the Union, appropriate measures can include notifying the relevant supervisory authority while continuing to make reasonable efforts to seek to prevent or mitigate the impact.</u>		<u>Deleted</u> To add law enforcement standards as a risk factor in recitals 30 or 30a
Article 7(-2a)				
177b				<u>Deleted</u>

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Article 7(2a)				
177c		<u>2a. When distributing or selling a product or providing a service, companies shall take appropriate measures to ensure that the composition, design and commercialisation of a product or service is in line with Union law and does not lead to adverse impacts, be it individual or collective. In this regard, particular attention shall be paid to potential adverse impact on children.</u>		<u>(2a) Companies may carry out, where relevant, appropriate measures in addition to the measures included in paragraph 2, such as engaging with a business partner about the company's expectations with regard to preventing and mitigating the potential adverse impacts, or providing or enabling access to capacity-building, guidance, administrative and financial support such as loans or financing, taking into consideration the resources, knowledge and constraints of the business partner.</u>
Article 7(3)				
178	3. As regards potential adverse impacts that could not be prevented or adequately mitigated by the measures in paragraph 2, the company may seek to conclude a contract with a partner with whom it has an indirect relationship, with a view to achieving compliance with the company's code of conduct or a prevention action plan. When such a contract is concluded, paragraph 4 shall apply.	<i>deleted</i>	3. As regards potential adverse impacts that could not be prevented or adequately mitigated by the measures actions listed in paragraph 2, the company may seek to conclude a contract with a partner with whom it has an indirect relationship business partner , with a view to achieving compliance with the company's code of conduct or a prevention action plan. When such a contract is concluded, paragraph 4 shall apply.	3. As regards potential adverse impacts that could not be prevented or adequately mitigated by the <u>appropriate</u> measures <u>listed</u> in paragraph 2, the company may seek to conclude a contract with a partner with whom it has <u>contractual assurances with</u> an indirect relationship <u>business partner</u> , with a view to achieving compliance with the company's code of conduct or a prevention action plan. When such a contract is concluded <u>contractual assurances are sought</u> , paragraph 4 shall apply.

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Article 7(4), first subparagraph				
179	4. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification.	4. The contractual assurances or the contract <u>provisions</u> shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification. <u>support carrying out due diligence.</u>	4. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification.	4. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification <u>independent third-party verification, including through industry or multi-stakeholder initiatives.</u>
Article 7(4), second subparagraph				
180	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification.	When contractual assurances are obtained from <u>provisions, including contractual, are established</u> , or a contract is entered into, with an <u>SME a business relationship</u> , the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. <u>At the request of the SME, they shall cover the costs in full or shall share them with the company. SMEs may share the results of verifications carried out in relation to themselves with multiple companies.</u>	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification.	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. <u>The company shall also assess whether the contractual assurances with an SMEs should be accompanied by some of the appropriate measures for SMEs included in paragraph 2, point (d).</u> Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. <u>In case the SME requests to pay at least a part of the cost, or in</u>

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		<p><u><i>The contractual provisions sought in accordance with paragraph 2 shall not be such as to result in the transfer of responsibility for carrying out due diligence in accordance with this Directive and of the liability for failing to do so.</i></u></p> <p><u><i>In seeking such contractual provisions, companies shall assess whether the business partner can reasonably be expected to comply with those provisions.</i></u></p>		<p><u><i>agreement with the company, the SME shall be able to share the results of verifications with other companies.</i></u></p> <p>To include in recitals 34a and 45 the following: "Contractual assurances must be designed to ensure that responsibilities are shared appropriately by the company and the business partners ."</p>
Article 7(5), first subparagraph				
181	<p>5. As regards potential adverse impacts within the meaning of paragraph 1 that could not be prevented or adequately mitigated by the measures in paragraphs 2, 3 and 4, the company shall be required to refrain from entering into new or extending existing relations with the partner in connection with or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take the following actions:</p>	<p>5. As regards potential adverse impacts within the meaning of paragraph 1 that <u><i>a company caused or contributed to and that</i></u> could not be prevented or adequately mitigated, <u><i>and where there is no reasonable prospect of change by the measures in paragraphs 2, 3 and 4,</i></u> the company shall be required to refrain from entering into new or extending existing relations with the partner in connection with or in the value chain of which the impact has arisen, and shall, where the law governing their relations so entitles them to, take the following actions <u><i>as a last resort, in line with responsible disengagement:</i></u></p>	<p>5. As regards potential adverse impacts within the meaning of paragraph 1 that could not be prevented or adequately mitigated by the measures in paragraphs 2, 3 and 4, the company shall be required as a last resort to refrain from entering into new or extending existing relations with the business partner in connection with or in the value chain of activities of which the impact has arisen and shall, where the law governing their relations so entitles them to, take the following actions:</p>	<p>5. As regards potential adverse impacts within the meaning of paragraph 1 that could not be prevented or adequately mitigated by the measures in paragraphs 2, 3 and 4, <u><i>as a last resort,</i></u> the company shall be required to refrain from entering into new or extending existing relations with <u><i>the business</i></u> partner in connection with or in the <u><i>value chainchain of activities</i></u> of which the impact has arisen and shall, where the law governing their relations so entitles them to, take the following actions, <u><i>as a last resort:</i></u></p>

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Article 7(5), first subparagraph, point (a)				
182	(a) temporarily suspend commercial relations with the partner in question, while pursuing prevention and minimisation efforts, if there is reasonable expectation that these efforts will succeed in the short-term;	(a) temporarily suspend commercial relations with the partner in question, while pursuing prevention and <u>minimisation</u> <u>mitigation</u> efforts, if there is reasonable expectation that these efforts will succeed in the short term;	(a) temporarily suspend commercial relations with the partner in question the business relationship with respect to the activities concerned , while pursuing prevention and minimisation mitigation efforts, if there is reasonable expectation that these efforts will succeed in the short term short term. If there is no such reasonable expectation or the efforts did not succeed in the short term, the company shall terminate the business relationship;	(a) temporarily suspend commercial relations with the partner in question <u>adopt and implement an enhanced prevention action plan for the specific adverse impact without undue delay, by using or increasing the company's leverage through the temporary suspension of business relationships with respect to the activities concerned, as long as while pursuing prevention and minimisation efforts, if</u> there is reasonable expectation that these efforts will succeed, <u>The action plan shall include a specific and appropriate timeline for the adoption and implementation of all actions therein, during which the company may also seek alternative business partners</u> in the short-term;
Article 7(5), first subparagraph, point (b)				
183	(b) terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe.	(b) terminate the business relationship with respect to the activities concerned, <u>on account of the severity of if the potential adverse impact is severe or if the conditions for temporary suspension under point (a) are not met.</u>	(b) terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe.	(b) <u>if there is no reasonable expectation that these efforts would succeed, or if the implementation of the enhanced prevention action plan failed to prevent or mitigate the adverse impact,</u> terminate the business relationship with respect to

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				the activities concerned if the potential adverse impact is severe.
Article 7(5), first subparagraph, point (ba)				
183a		<u>Prior to temporarily suspending commercial relations or terminating the business relationship, companies shall first be required to assess whether the adverse impacts of doing so would be greater than the adverse impact which is intended to be prevented or mitigated. Should that be the case, companies may refrain from temporarily suspending commercial relations or terminating the business relationship. Where companies do temporarily suspend commercial relations or terminate the business relationship, they shall take steps to prevent, mitigate, or bring to an end the impacts of suspension or termination, provide reasonable notice to the business partner and keep that decision under review.</u>		<u>(ba) Prior to temporarily suspending or terminating the business relationship, the company shall assess whether the adverse impacts of 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 or to terminate the business relationship, and shall be in a position to report to the competent supervisory authority about the duly justified reasons of such decision.</u>
Article 7(5), second subparagraph				
184	Member States shall provide for the availability of an option to terminate the business relationship in contracts governed by their laws.	Member States shall provide for the availability of an option to <u>suspend or terminate</u> the business relationship in contracts governed by their laws, <u>except for contracts</u>	Member States shall provide for the availability of an option to temporarily suspend and terminate the business relationship in contracts governed by their laws	Member States shall provide for the availability of an option to <u>temporarily suspend or terminate</u> the business relationship in contracts governed by their laws <u>in</u>

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		<p><i>where the parties are obliged by law to enter into them. Companies may refer to supervisory authorities to receive guidance on the course of action to take.</i></p>	<p>in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.</p>	<p><i>accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.</i></p>
Article 7(5a)(6)				
185	<p>6. By way of derogation from paragraph 5, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided.</p>	<p>6. By way of derogation from paragraph 5, <u>first subparagraph</u>, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services <u>financial services to entities that cause or contribute to potential adverse impacts within the meaning of paragraph 1</u>, they shall not be required to terminate the credit, loan or other financial service contract if this is strictly necessary to prevent bankruptcy to the entity to whom that service is being provided. In addition to paragraph 5, second subparagraph, a decision to terminate the financial service contract when this can be reasonably expected to cause substantial prejudice to in <u>derogation from paragraph 5, first subparagraph, point (b) may only be taken, as a last resort, if the leverage efforts of companies referred to in Article 3, point (a)(iv) have ultimately failed to influence</u> the entity to whom that service is</p>	<p>6. By way of derogation from paragraph 5, point (b), when companies referred to in regulated financial undertakings within the meaning of Article 3, point (a)(iv), provide credit, loan or other financial the services, they shall not be required to terminate the credit, loan or other financial service contract when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided as referred to in Article 3, point (g), they shall not be required to temporarily suspend or terminate the business relationship.</p>	<p>6. By way of derogation from paragraph 5, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided. <u>Deleted</u></p>

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		being provided <u>to prevent or adequately mitigate adverse potential impacts</u> .		
Article 7(6), second subparagraph				
185a			Where the regulated financial undertaking within the meaning of Article 3, point (a)(iv), decides not to temporarily suspend or terminate the business relationship in accordance with the first subparagraph, it shall monitor the actual adverse impact while pursuing prevention or mitigation efforts.	<u>Deleted</u>
Article 7(5b), first subparagraph				
185b			7. By way of derogation from paragraph 5, the company shall not be required to terminate the business relationship in case where:	<u>Deleted</u>
Article 7(7), first subparagraph, point (a)				
185c			(a) there is a reasonable expectation that the termination would result in an adverse impact that is more severe than the potential adverse impact that could not be prevented or adequately mitigated; or	<u>Deleted</u>

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Article 7(7), first subparagraph, point (a)				
185d			(b) 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 termination would cause substantial prejudice to the company.	<u>Deleted</u>
Article 7(7), second subparagraph				
185e			Where the company decides not to terminate the business relationship in accordance with the first subparagraph, it shall report to the competent supervisory authority about the duly justified reasons of such decision.	<u>Deleted</u>
Article 7(5c)				
185f			The company shall monitor the potential adverse impact, periodically reassess its decision not to terminate the business relationship and seek alternative business relationships.	<u>Where the company decides to temporarily suspend or terminate the business relationship, the company shall take steps to prevent, mitigate or bring to an end the impacts of suspension or termination, provide reasonable</u>

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				<p><u><i>notice to the business partner and keep that decision under review.</i></u></p> <p><u><i>Where the company decides not to temporarily suspend or terminate the business relationship in line with this article, the company shall monitor the potential adverse impact and periodically reassess its decision and whether further appropriate measures are available.</i></u></p> <p>To adapt the following recital to the operative part:</p> <p>RECITAL (36): In order to ensure that appropriate measures for the prevention and mitigation of potential adverse impacts are effective, companies should prioritize engagement with business partners in their chain of activities, instead of terminating the business relationship, as a last resort action after attempting at preventing and mitigating adverse potential impacts without success. However, the Directive should also, for cases where potential adverse impacts could not be addressed by such appropriate measures, refer to the obligation for companies, as a last resort, to refrain from entering into new or extending existing relations with the partner in question and, where there is a reasonable prospect of change, by using or increasing the</p>

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				<p>company's leverage, adopt and implement a prevention action plan without undue delay including a specific and appropriate timeline for the adoption and implementation of all actions therein, while seeking alternative business relationships. Factors determining the appropriateness of the timeline for adoption and implementation of these actions could include the severity of the adverse impact, the need to identify and take steps to prevent or mitigate any additional adverse impacts, as well as impacts on SMEs or smallholders. Companies should suspend their business relationships with the business partner, which increases their leverage and the chances that the impact is addressed. Where there is no reasonable prospect of change, including by using or increasing the company's leverage (for instance, in situations of state-imposed forced labour), or where the implementation of the prevention action plan failed to improve the situation, the company should be required to terminate the business relationship with respect to the activities concerned if the potential adverse impact is severe. In order to allow companies to fulfil that obligation, Member States should provide for the availability of an option to terminate the business relationship in contracts governed by their laws. In deciding to terminate or suspend a</p>

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				<p>business relationship, the company should assess whether the adverse impacts of that decision would be greater than the adverse impact which is intended to be prevented or mitigated. Where companies do temporarily suspend or terminate the business relationship, they should take steps to prevent, mitigate, or bring to an end the impacts of suspension or termination, provide reasonable notice to the business partner and keep that decision under review. It is possible that prevention of adverse impacts at the level of indirect business relationships requires collaboration with another company. In some instances, collaboration with another company could be the only realistic way of preventing adverse impacts at the level of indirect business relationships, in particular, where the indirect business relationship is not ready to enter into a contract with the company.</p>
Article 7(5d)				
185g			<p>8. The obligation to temporarily suspend or terminate the business relationship pursuant to paragraph 5 shall not apply to commercial agreements concluded by the company before the expiry of the transposition period in accordance with Article 30 of this Directive.</p>	<p><u>Deleted</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 8				
186	Article 8 Bringing actual adverse impacts to an end	Article 8 Bringing actual adverse impacts to an end	Article 8 Bringing actual adverse impacts to an end	Article 8 Bringing actual adverse impacts to an end Text Origin: Commission Proposal
Article 8(-1)(1)				
187	1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 to an end, in accordance with paragraphs 2 to 6 of this Article.	1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 to an end, in accordance with paragraphs 2 to 6 of this Article.	-1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 and, where necessary, prioritised pursuant to Article 6a to an end, in accordance with paragraphs 2 to 6 of this Article.	1. Member States shall ensure that companies take appropriate measures to bring actual adverse impacts that have been, or should have been, identified pursuant to Article 6 to an end, in accordance with paragraphs 2 to 6 of Article 6a <u>and with</u> this Article.
Article 8(-1), (1) a				
187a			To determine the appropriate measures referred to in the first subparagraph, due account shall be taken of:	<u>To determine the appropriate measures referred to in the first subparagraph, due account shall be taken of:</u>
Article 8(-1), (1) a, point (a)				
187b			(a) whether the actual adverse impact is caused only by the	<u>(a) whether the actual adverse impact is caused only by the</u>

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			company, caused jointly by the company and its subsidiary or business partner, or whether it is caused only by the company's business partner in its chain of activities;	<u>company; whether it is caused jointly by the company and its subsidiary or business partner, through acts or omissions; or whether it is caused only by the company's business partner in the chain of activities;</u>
Article 8(-1), (1) a, point (b)				
187c			(b) whether the actual adverse impact occurred in the operations of the subsidiary, direct business partner or indirect business partner; and	<u>(b) whether the actual adverse impact occurred in the operations of the subsidiary, direct business partner or indirect business partner; and</u>
Article 8(-1), (1) a, point (c)				
187d			(c) the ability of the company to influence the business partner causing the actual adverse impact.	<u>(c) the ability of the company to influence the business partner causing or jointly causing the actual adverse impact.</u>
Article 8(2)				
188	2. Where the adverse impact cannot be brought to an end, Member States shall ensure that companies minimise the extent of such an impact.	2. Where the adverse impact cannot <u>immediately</u> be brought to an end, Member States shall ensure that companies <u>minimiseadequately mitigate</u> the extent of such an impact, <u>while pursuing all efforts to bring the adverse impact to an end.</u>	2. Where the adverse impact cannot be brought to an end, Member States shall ensure that companies minimise the extent of such an impact.	2. Where the adverse impact cannot <u>immediately</u> be brought to an end, Member States shall ensure that companies minimise the extent of such an impact. Wording to be added to recital 38:

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				<p>"Minimisation of the extent of adverse impacts should require an outcome that is the closest possible to bringing the adverse impact to an end. In this line, the company should periodically reassess the circumstances that made it not possible to bring the adverse impact to an end, and whether the adverse impact can be brought to an end."</p>
Article 8(2a)				
188a		<p><i><u>2a. For the purposes of this Article, in cases where a company has caused an actual impact, appropriate measures shall be understood as measures which aim to mitigate the extent of an actual adverse impact, and remediate damage. In cases where a company has contributed to an actual adverse impact, appropriate measures shall be understood as measures which aim to mitigate the contribution to the impact, using or increasing the company's leverage with other responsible parties to mitigate the potential adverse impact and contribute to remediating damage, to the extent of the contribution. In cases where a company's operations, products or services are directly linked to an adverse impact through its relationships with other entities,</u></i></p>		<p><u>Deleted</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>appropriate measures shall be understood as measures which aim to use or increase the company's leverage with responsible parties to seek to mitigate the adverse impact. A company directly linked to an adverse impact shall consider using its leverage with responsible parties to enable the remediation of any damage caused by an impact.</u>		
Article 8(2b)				
188b		<u>2b. For the purposes of this Article, it shall be presumed that financial undertakings are directly linked to an adverse impact in their value chain without causing or contributing to it.</u>		<u>Deleted</u>
Article 8, 3.				
189	3. Companies shall be required to take the following actions, where relevant:	3. Companies shall be required to take <u>appropriate measures, including</u> the following actions, where relevant:	3. Companies shall be required to take the following actions, where relevant:	3. <u>Companies shall be required to take the following actions</u> <u>appropriate measures,</u> where relevant:
Article 8, 3., point (a)				
190	(a) neutralise the adverse impact or minimise its extent, including by the payment of damages to the affected persons and of financial compensation to the affected	(a) <u>in accordance with Article 8c,</u> neutralise the adverse impact or <u>minimiseadequately mitigate</u> its extent, including by the payment of damages to the affected persons and	(a) neutralise the adverse impact or minimise its extent, including by the payment of damages to the affected persons and of financial compensation to the affected	(a) neutralise the adverse impact or minimise its extent, including by the payment of damages to the affected persons and of financial compensation to the affected

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>communities. The action shall be proportionate to the significance and scale of the adverse impact and to the contribution of the company's conduct to the adverse impact;</p>	<p><i>of financial compensation by restoring the affected persons and/or the environment to a situation equivalent or as close as possible to their situation prior to the affected communities impact.</i> The action shall be proportionate <i>and commensurate</i> to the significance and scale of the adverse impact and to the contribution of the company's conduct to the adverse impact <i>and to its resources and leverage</i>;</p>	<p>communities. The action shall be proportionate to the significance and scale scope of the adverse impact and to the contribution of the company's conduct to implication in the adverse impact;</p>	<p>communities. The action shall be proportionate to the significance and scale severity of the adverse impact and to the contribution of the company's conduct to implication in the adverse impact;</p> <p><small>Text Origin: Council Mandate</small></p>
Article 8, 3., point (b)				
191	<p>(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, develop and implement a corrective action plan with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. Where relevant, the corrective action plan shall be developed in consultation with stakeholders;</p>	<p>(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, develop and implement a corrective action plan with reasonable and clearly defined timelines for <i>the implementation of appropriate measures and</i> action, and qualitative and quantitative indicators for measuring improvement. <i>Where relevant, the corrective</i> The preventative action plan shall be applicable and accurately tailored to the context of companies' operations and value chain. Companies may develop their action plans in cooperation with industry initiatives. The development and implementation of a climate transition plan</p>	<p>(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, without undue delay develop and implement a corrective action plan with reasonable and clearly defined timelines for action and qualitative and quantitative indicators for measuring improvement. Where relevant, The corrective action plan shall be developed in consultation with stakeholders;</p>	<p>(b) where necessary due to the fact that the adverse impact cannot be immediately brought to an end, without undue delay develop and implement a corrective action plan with reasonable and clearly defined timelines for <i>action</i> the implementation of appropriate measures and qualitative and quantitative indicators for measuring improvement. <i>Where relevant,</i> Companies may develop their action plans in cooperation with industry or multi-stakeholder initiatives. The corrective action plan shall be <i>developed in consultation with stakeholders</i> adapted to companies' operations and chain of activities;</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>according to Article 15 plan</u> shall be developed in consultation with stakeholders <u>considered an appropriate measure to minimise environmental adverse impacts related to climate change mitigation pursuant to paragraphs 1 and 2 of this Article</u>;</p>		
Article 8, 3., point (c)				
192	<p>(c) seek contractual assurances from a direct partner with whom it has an established business relationship that it will ensure compliance with the code of conduct and, as necessary, a corrective action plan, including by seeking corresponding contractual assurances from its partners, to the extent that they are part of the value chain (contractual cascading). When such contractual assurances are obtained, paragraph 5 shall apply.</p>	<p>(c) seek <u>choose to establish through contractual assurances from a direct provisions with a</u> partner with whom it has an established <u>a</u> business relationship that it will ensure compliance with the <u>company's</u> code of conduct, and, as necessary, a corrective action plan, including by seeking. <u>Partners with whom the company has a business relationship could be asked to establish</u> corresponding reasonable, <u>non-discriminatory and fair</u> contractual assurances from its <u>provisions with their</u> partners, to the extent that they are part of the value chain (contractual cascading). When such contractual assurances are obtained, paragraph 5 shall apply.;</p>	<p>(c) seek contractual assurances from a direct partner with whom it has an established business relationship partner that it will ensure compliance with the code of conduct and, as necessary, a corrective action plan, including by seeking corresponding contractual assurances from its partners, to the extent that they are part of the value chain of activities (contractual cascading). When such contractual assurances are obtained, paragraph 5 shall apply.;</p>	<p>(c) seek contractual assurances from a direct partner with whom it has an established business relationship <u>partner</u> that it will ensure compliance with the <u>company's</u> code of conduct and, as necessary, a corrective action plan, including by seeking <u>establishing</u> corresponding contractual assurances from its partners, to the extent that they <u>their activities</u> are part of the value <u>company's</u> chain (contractual cascading) <u>of activities</u>. When such contractual assurances are obtained, paragraph 5 shall apply.;</p>
Article 8, 3., point (d)				
193				

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	(d) make necessary investments, such as into management or production processes and infrastructures to comply with paragraphs 1, 2 and 3;	(d) make necessary <u>modifications, improvements to, withdrawals of or investments in, the company's own operations</u> , such as into management, <u>production or other operational or production processes, facilities, products and product traceability, projects, services and skills and infrastructures to comply with paragraphs 1, 2 and 3;</u>	(d) make necessary financial or non-financial investments, such as into management or production processes and infrastructures to comply with paragraphs 1, 2 and 3;	(d) make necessary <u>financial or non-financial</u> investments, <u>adjustments or upgrades</u> , such as into management or <u>production facilities, production or other operational</u> processes and infrastructures to comply with paragraphs 1, 2 and 3;
Article 8, 3., point (da)				
193a		<u>(da) adapt business models and strategies, including purchasing practices, including those which contribute to living wages and incomes for their suppliers, in order to bring to an end or mitigate actual adverse impacts, and develop and use purchase policies that do not encourage actual adverse impacts on human rights or the environment;</u>		<p><u>(da) make necessary modifications of, or improvements to, the company's own business plan, overall strategies and operations, including purchasing practices, design and distribution practices;</u></p> <p>[+RECITAL 39: Where relevant, companies should adapt business plans, overall strategies and operations, including purchasing practices, and develop and use purchase policies that contribute to living wages and incomes for their suppliers, and that do not encourage actual adverse impacts on human rights or the environment.]</p> <p>Add recital: "To conduct their due diligence in an effective and efficient manner, companies should make</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p>necessary modifications of, or improvements to, their purchasing practices, design and distribution practices, to address adverse impacts arising both in the upstream part and the downstream part of their chain of activities, before and after the product has been made. Adopting and adapting such policies, as necessary, could be particularly relevant for the company, to avoid being directly linked to an adverse impact in the first instance. Such measures could also be relevant to address negative adverse impacts that are jointly caused by the company and its business partner, for instance due to the deadlines or specifications imposed on it by the company. Also, by better sharing the value along the chain, responsible purchasing or distribution practices contribute to fighting against child labour, which often arises in countries or territories with high poverty levels."</p>
Article 8, 3., point (e)				
194	<p>(e) provide targeted and proportionate support for an SME with which the company has an established business relationship, where compliance with the code of conduct or the corrective action plan would jeopardise the viability of the SME;</p>	<p>(e) provide targeted and proportionate <u>financial and administrative</u> support for an SME with which the company has an <u>established</u> business relationship, where compliance with the code of conduct or the corrective action plan would jeopardise the viability of the SME;</p>	<p>(e) provide targeted and proportionate support for an SME with which the company has an established business relationship is a business partner of the company, where compliance with the code of conduct or the corrective action plan would jeopardise the viability of the SME. The targeted and proportionate</p>	<p>(e) provide targeted and proportionate support for an SME with which <u>is a business partner of</u> the company, <u>where necessary in light of the resources, knowledge and constraints of the SME, including by providing or enabling access to capacity-building, training or upgrading management systems, and has an established</u></p>

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			support may take the form of financing, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing, or guidance, such as training or upgrading management systems;	<i>business relationship</i> , where compliance _____ with the code of conduct or the corrective action plan would jeopardise the viability of the SME [;] , <u>providing targeted and proportionate financial support, such as direct financing, low-interest loans, guarantees of continued sourcing, or assistance in securing financing.</u>
Article 8, 3., point (ea)				
194a		<u>(ea) engage with a business relationship about the company's expectations with regard to bringing to an end and mitigating actual adverse impacts, including by providing or enabling access to capacity-building, guidance, administrative and financial support such as loans or financing, taking into consideration the resources, knowledge and constraints of the business partner;</u>		deleted
Article 8, 3., point (f)				
195	(f) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end,	(f) in compliance with Union law including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end,	(f) in compliance with Union law, including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end	(f) in compliance with Union law, including competition law, collaborate with other entities, including, where relevant, to increase the company's ability to bring the adverse impact to an end

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	in particular where no other action is suitable or effective.	in particular where no other action is suitable or effective.	or minimise the extent of such impact , in particular where no other action is suitable or effective.	<u><i>or minimise the extent of such impact</i></u> , in particular where no other <u><i>actionmeasure</i></u> is suitable or effective.
Article 8, 3., point (fa)				
195a			(g) provide remediation to the affected persons and communities.	<u><i>(g) provide remediation in accordance with Article 8c.</i></u>
Article 8, 3., point (fb)				
195b		<u><i>(fa) when there is a direct linkage to impacts occurring in business relationships with other companies operating in the Union, appropriate measures can include notifying the relevant supervisory authority while continuing to make reasonable efforts to seek to bring the impact to an end or mitigate the impact.</i></u>		deleted <small>Text Origin: EP Mandate</small>
Article 8(-3a)				
195c				<u><i>Deleted</i></u>
Article 8, 3., point (fd)				
195d		<u><i>3a. When distributing or selling a product or providing a service, companies shall take appropriate</i></u>		<u><i>(3a) Companies may carry out, where relevant, appropriate measures in addition to the</i></u>

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		<p><u>measures to ensure that the composition, design and commercialisation of a product or service is in line with Union law and does not lead to adverse impacts, be it individual or collective. In this regard, particular attention shall be paid to potential adverse impact on children.</u></p>		<p><u>measures included in paragraph 3, such as engaging with a business partner about the company's expectations with regard to bringing adverse impacts to an end or minimise the extent of such impacts, or providing or enabling access to capacity-building, guidance, administrative and financial support such as loans or financing, taking into consideration the resources, knowledge and constraints of the business partner.</u></p>
Article 8(4)				
196	<p>4. As regards actual adverse impacts that could not be brought to an end or adequately mitigated by the measures in paragraph 3, the company may seek to conclude a contract with a partner with whom it has an indirect relationship, with a view to achieving compliance with the company's code of conduct or a corrective action plan. When such a contract is concluded, paragraph 5 shall apply.</p>	<p><i>deleted</i></p>	<p>4. As regards actual adverse impacts that could not be brought to an end or adequately mitigated by the measures in paragraph 3, the company may seek to conclude a contract with a partner with whom it has an indirect relationship business partner, with a view to achieving compliance with the company's code of conduct or a corrective action plan.—When such a contract is concluded, paragraph 5 shall apply.</p>	<p>4. As regards actual adverse impacts that could not be brought to an end or adequately mitigated<u>minimised</u> by the <u>appropriate</u> measures <u>listed</u> in paragraph 3, the company may seek to conclude a contract with a partner with whom it has <u>contractual assurances with</u> an indirect relationship<u>business partner</u>, with a view to achieving compliance with the company's code of conduct or a corrective action plan.—When such a contract is concluded<u>assurances are sought</u>, paragraph 5 shall apply.</p>
Article 8(5), first subparagraph				

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197	5. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification.	5. The contractual assurances or the contract <u>provisions</u> shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification <u>support carrying out due diligence.</u>	5. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification.	5. The contractual assurances or the contract shall be accompanied by the appropriate measures to verify compliance. For the purposes of verifying compliance, the company may refer to suitable industry initiatives or independent third-party verification <u>or suitable independent third-party verification, including through industry initiatives or independent third-party verification or multi-stakeholder initiatives.</u>
Article 8(5), second subparagraph				
198	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification.	When contractual assurances are obtained from <u>provisions, including contractual, are established</u> , or a contract is entered into, with an <u>SME a business relationship</u> , the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. <u>SMEs may share the results of the verifications carried out in relation to themselves with multiple companies.</u>	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification.	When contractual assurances are obtained from, or a contract is entered into, with an SME, the terms used shall be fair, reasonable and non-discriminatory. <u>The company shall also assess whether the contractual assurances with an SME should be accompanied by some of the appropriate measures for SMEs included in paragraph 3, point (e).</u> Where measures to verify compliance are carried out in relation to SMEs, the company shall bear the cost of the independent third-party verification. <u>In case the SME requests to pay at least a part of the cost, or in agreement with the company, the SME shall be able to share the</u>

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				<u>results of verifications with other companies.</u> TBD in Art 22.
Article 8(5a)				
198a		<u>The contractual provisions sought in accordance with paragraph 3 shall not be such as to result in the transfer of responsibility for carrying out due diligence in accordance with this Directive and the liability for failing to do so.</u>		deleted
Article 8(5b)				
198b		<u>In seeking such contractual provisions, companies shall assess whether the business partner can reasonably be expected to comply with those provisions.</u>		deleted
Article 8(6), first subparagraph				
199	6. As regards actual adverse impacts within the meaning of paragraph 1 that could not be brought to an end or the extent of which could not be minimised by the measures provided for in paragraphs 3, 4 and 5, the company shall refrain from entering into new or extending existing relations with	6. As regards actual adverse impacts within the meaning of paragraph 1 that <u>a company caused or contributed to, and that</u> could not be brought to an end or the extent of which could not be minimised by the measures provided for in paragraphs 3, 4 and 5 <u>mitigated, and where there is no</u>	6. As regards actual adverse impacts within the meaning of paragraph 1 that could not be brought to an end or the extent of which could not be minimised by the measures provided for in paragraphs 3, 4 and 5, the company shall be required as a last resort to refrain from entering into new or	6. As regards actual adverse impacts within the meaning of paragraph 1 that could not be brought to an end or the extent of which could not be minimised by the measures provided for in paragraphs 3, 4 and 5, <u>as a last resort</u> , the company shall <u>be required to</u> refrain from entering

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	<p>the partner in connection to or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions:</p>	<p><u>reasonable prospect of change</u>, the company shall <u>be required to</u> refrain from entering into new or extending existing relations with the partner in connection to or in the value chain of which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions <u>as a last resort, in line with responsible disengagement</u>:</p>	<p>extending existing relations with the business partner in connection towith or in the value chain of activities of which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions:</p>	<p>into new or extending existing relations with the <u>business</u> partner in connection towith or in the value chain of <u>activities of</u> which the impact has arisen and shall, where the law governing their relations so entitles them to, take one of the following actions, <u>as a last resort</u>:</p>
Article 8(6), first subparagraph, point (a)				
200	<p>(a) temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or minimise the extent of the adverse impact, or</p>	<p>(a) temporarily suspend commercial relationships with the partner in question, while pursuing efforts to bring to an end or minimise the extent of the adverse impact, or <u>prevention and mitigation efforts</u></p>	<p>(a) temporarily suspend commercial relationships with the partner in question the business relationship with respect to the activities concerned, while pursuing efforts to bring to an end or minimise the extent of the adverse impact, if there is reasonable expectation that these efforts will succeed in the short term. If there is no such reasonable expectation or the efforts did not succeed in the short term, the company shall terminate the business relationship; or</p>	<p>(a) temporarily suspend commercial <u>adopt and implement an enhanced corrective action plan for the specific adverse impact without undue delay, including by using or increasing the company's leverage through the temporary suspension of business</u> relationships with <u>respect to the activities concerned, as long as there is reasonable expectation that these</u> the partner in question, while pursuing efforts to bring to an end or minimise the extent of the adverse impact, or <u>will succeed. The action plan shall include a specific and appropriate timeline for the adoption and implementation of all actions therein, during which the company may also seek alternative business partners;</u></p>

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Article 8(6), first subparagraph, point (b)				
201	(b) terminate the business relationship with respect to the activities concerned, if the adverse impact is considered severe.	(b) terminate the business relationship with respect to the activities concerned, <i>if the on account of the severity of the actual</i> adverse impact, <i>or if the conditions for temporary suspension under point (a) are not met is considered severe.</i>	(b) terminate the business relationship with respect to the activities concerned, if the adverse impact is considered severe.	(b) <i>if there is no reasonable expectation that these efforts would succeed, or if the implementation of the enhanced corrective action plan failed to bring to an end or minimise the adverse impact,</i> terminate the business relationship with respect to the activities concerned, if the <i>actual</i> adverse impact is considered severe.
Article 8(6), first subparagraph, point (ba)				
201a		<i>Prior to temporarily suspending commercial relations or terminating the business relationship, companies shall first be required to assess whether the adverse impacts of doing so would be greater than the adverse impact which is intended to be brought to an end or mitigated. Should that be the case, companies may refrain from temporarily suspending commercial relations or terminating the business relationship. Where companies do temporarily suspend commercial relations or terminate the business relationship, they shall take steps to prevent, mitigate or bring to an end the impacts of suspension or termination, provide reasonable</i>		<i>Prior to temporarily suspending or terminating the business relationship, the company shall assess whether the adverse impacts of doing so can be reasonably expected to be manifestly more severe than the adverse impact that could not be brought to an end or adequately minimised. Should that be the case, the company shall not be required to suspend or to terminate the business relationship, and shall be in a position to report to the competent supervisory authority about the duly justified reasons of such decision.</i>

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		<u>notice to the business partner and keep that decision under review.</u>		
Article 8(6), second subparagraph				
202	Member States shall provide for the availability of an option to terminate the business relationship in contracts governed by their laws.	Member States shall provide for the availability of an option to <u>suspend or</u> terminate the business relationship in contracts governed by their laws, <u>except for contracts where the parties are obliged by law to enter into them. Companies may refer to supervisory authorities to receive guidance on the course of action to take.</u>	Member States shall provide for the availability of an option to temporarily suspend and terminate 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 the availability of an option to <u>temporarily suspend or</u> terminate the business relationship in contracts governed by their laws <u>in accordance with the first subparagraph, except for contracts where the parties are obliged by law to enter into them.</u>
Article 8(6a)(7)				
203	7. By way of derogation from paragraph 6, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract, when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided.	7. By way of derogation from paragraph 6, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services <u>financial services to entities that cause or contribute to actual adverse impacts in the meaning of paragraph 1,</u> they shall not be required to terminate the credit, loan or other financial service <u>contract, if this is strictly necessary to prevent bankruptcy to the entity to whom that service is being provided. In addition to paragraph 6, second subparagraph, a decision to terminate the</u> financial service	7. By way of derogation from paragraph 6, point (b), when companies referred to in when regulated financial undertaking within the meaning of Article 3, point (a)(iv), provide credit, loan or other financial the services, they shall not be required to terminate the credit, loan or other financial service contract, when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided as referred to in Article 3, point (g), they shall not be required to temporarily suspend or terminate the business relationship.	7. By way of derogation from paragraph 6, point (b), when companies referred to in Article 3, point (a)(iv), provide credit, loan or other financial services, they shall not be required to terminate the credit, loan or other financial service contract, when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided. <u>Deleted</u>

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		contract <u>in derogation from paragraph 6, point (b) may only be taken, as a last resort, if the leverage efforts of companies referred to in Article 3(1), point (a)(iv) have ultimately failed to influence</u> , when this can be reasonably expected to cause substantial prejudice to the entity to whom that service is being provided <u>to bring actual adverse impacts to an end or to minimise their extent.</u>		
Article 8(7), second subparagraph				
203a			Where the regulated financial undertaking within the meaning of Article 3, point (a)(iv), decides not to temporarily suspend or terminate the business relationship in accordance with the first subparagraph, it shall monitor the actual adverse impact while pursuing efforts to bring to an end or minimise the extent of the adverse impact.	<u>Deleted</u>
Article 8(6b), first subparagraph				
203b			8. By way of derogation from paragraph 6, the company shall not be required to terminate the business relationship in case where:	<u>Deleted</u>

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Article 8(8), first subparagraph, point (a)				
203c			(a) there is a reasonable expectation that the termination would result in an adverse impact that is more severe than the actual adverse impact that could not be brought to an end or minimised; or	Deleted
Article 8(8), first subparagraph, point (a)				
203d			(b) 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 termination would cause substantial prejudice to the company.	Deleted
Article 8(8), second subparagraph				
203e			Where the company decides not to terminate the business relationship in accordance with the first subparagraph, it shall report to the competent supervisory authority about the duly justified reasons of such decision.	Deleted
Article 8(6c)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
203f			The company shall monitor the actual adverse impact, periodically reassess its decision not to terminate the business relationship and seek alternative business relationships.	<p><u>Where the company decides to temporarily suspend or terminate the business relationship, the company shall take steps to prevent, mitigate or bring to an end the impacts of suspension or termination, provide reasonable notice to the business partner and keep that decision under review.</u></p> <p><u>Where the company decides not to temporarily suspend or terminate the business relationship in line with this article, the company shall monitor the potential adverse impact and periodically reassess its decision and whether further appropriate measures are available.</u></p>
Article 8(6d)				
203g			9. The obligation to temporarily suspend or terminate the business relationship pursuant to paragraph 6 shall not apply to commercial agreements concluded by the company before the expiry of the transposition period in accordance with Article 30 of this Directive.	<u>Deleted</u>
Article 8a				
203h				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>Article 8a</u> <u>Appropriate measures by institutional investors and asset managers to induce their investee companies to bring actual adverse impacts caused by them to an end</u>		<u>Deleted</u>
Article 8a(1)				
203i		<u>1. Member States shall ensure that institutional investors and asset managers take appropriate measures as described in paragraph 3 of this Article to induce their investee companies to bring actual adverse impacts to an end that have been, or should have been identified pursuant to Article 6.</u>		<u>Deleted</u>
Article 8a(2)				
203j		<u>2. Where the adverse impact cannot be brought to an end, Member States shall ensure that institutional investors and asset managers induce their investee companies to minimise the extent of such an impact.</u>		<u>Deleted</u>
Article 8a(3)				
203k		<u>3. Where relevant, institutional investors and asset managers shall</u>		<u>Deleted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><i><u>be required to engage with the investee company and exercise voting rights in line with Article 3g (1), point (a), of Directive 2007/36/EC [SRD2], in order to induce the management body of an investee company to bring the actual impact to and end or minimise its extent. The action sought from the investee company shall be proportionate to the significance and scale of the adverse impact and to the contribution of the investee company's conduct to the adverse impact. Likewise, the actions required from institutional investors and asset managers shall be proportionate and commensurate, and shall take due account of the degree of control they have over the investee company.</u></i></p>		
Article 8b				
2031		<p><i><u>Article 8b</u></i> <i><u>Prioritising actual and potential adverse impacts</u></i></p>		<i><u>Deleted</u></i>
Article 8b(1)				
203m		<p><i><u>1. In cases where it is not possible to prevent, bring to an end or mitigate all identified adverse</u></i></p>		<i><u>Deleted</u></i>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<i><u>impacts simultaneously through appropriate measures as outlined in Articles 7 and 8, companies may prioritise the order in which they take appropriate measures on the basis of the likelihood and severity of adverse impacts.</u></i>		
Article 8b(2)				
203n		<i><u>2. Companies shall be required to take appropriate measures as per paragraph 1 according to the severity and likelihood of impacts and taking into account risk factors.</u></i>		<u>Deleted</u>
Article 8b(3)				
203o		<i><u>3. Once the most severe and likely adverse impacts are addressed in accordance with Articles 7 or 8 in a reasonable time, the company shall address less severe and less likely adverse impacts.</u></i>		<u>Deleted</u>
Article 8c				
203p		<i><u>Article 8c Remediation of actual adverse impacts</u></i>		<i><u>Article 8c Remediation of actual adverse impacts</u></i>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 8c(1)				
203q		<p><u>1. Member States shall ensure that where a company has caused or contributed to an actual adverse impact, that company shall take appropriate measures to remediate that adverse impact and the possible harm it has caused to people or the environment, or contribute to its remediation. The remediation may be proposed as a result of a non-judicial grievance procedure as laid down in Article 9.</u></p>		<p><u>1. Member States shall ensure that where a company has caused or jointly caused an actual adverse impact, that company shall provide remediation.</u></p> <p>Text to be added to recital 39, 53 or 54 (tbc):</p> <p>"Member States should ensure that, where the company fails to provide remediation in case it has caused or jointly caused the actual adverse impact, the competent supervisory authority has the power, on its own motion or as a result of substantiated concerns communicated to it in accordance with this Directive, to order the company to provide appropriate remediation. This is without prejudice in such situation to the imposition of penalties for the infringement of national provisions adopted pursuant to this Directive and to the civil liability being sought before a national court. "</p>
Article 8c(2)				
203r		<p><u>2. Such remedial measures shall aim to restore the affected persons and groups or communities and/or the environment to a situation equivalent or as close as possible to</u></p>		<p><u>Deleted</u></p>

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		<i><u>their situation prior to the impact. They may include compensation, restitution, rehabilitation, public apologies, reinstatement or a contribution to investigations. Companies shall prevent additional harm being caused.</u></i>		
Article 8c(3)				
203s		<i><u>3. Member states shall ensure that the single helpdesk as designated pursuant to Article 14a acts as a contact point for due diligence mediation in order to assist companies and stakeholders in finding remedial solutions. In performing those duties, the single helpdesk shall be impartial, predictable and equitable.</u></i>		<i><u>Deleted</u></i>
Article 8c(4)				
203t		<i><u>4. Where a company is directly linked to an adverse impact, Member States shall encourage its voluntary participation in any remedial measures, where appropriate, and encourage companies to consider using their leverage with responsible parties to enable the remediation of any damage caused by an impact.</u></i>		<i><u>2. Where the actual adverse impact is caused only by the company's business partner, voluntary remediation may be provided by the company. The company may also use its ability to influence the business partner causing or jointly causing the adverse impact to enable remediation.</u></i>
Article 8d				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
203u		<u>Article 8d</u> <u>Carrying out meaningful engagement with affected stakeholders</u>		<u>Article 8d</u> <u>Carrying out meaningful engagement with stakeholders</u> Recital 44 to be discussed
Article 8d(1)				
203v		<u>1. Member States shall ensure that companies take appropriate measures to carry out meaningful engagement with affected stakeholders that allows for genuine interaction and dialogue in their due diligence process. To this end, the engagement shall cover information and consultation of affected stakeholders and shall be comprehensive, structural, effective, timely and culturally and gender sensitive.</u>		<u>1. Member States shall ensure that companies take appropriate measures to carry out effective engagement with stakeholders, in accordance with this article.</u>
Article 8d(2)				
203w		<u>2. Where it is not possible to carry out meaningful engagement with affected stakeholders, or where engagement with additional expert perspectives is useful to allow the company to comply fully with the requirements of this Directive, in particular in the context of scoping and prioritisation decisions under</u>		<u>2. Without prejudice to Directive (EU) 2016/943, when consulting with stakeholders, companies shall, as appropriate, provide relevant and comprehensive information to stakeholders, in order to carry out effective and transparent consultations. Without prejudice to Directive (EU) 2016/943, consulted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>Article 6, companies shall engage in a meaningful way with other relevant stakeholders, such as civil society organisations, or legal or natural persons defending human rights or the environment in order to gain credible insights into potential or actual adverse impacts, in order to be able to comply with the requirements of this Directive.</u></p>		<p><u>stakeholders shall be allowed to make a reasoned request for relevant additional information, which shall be provided by the company within a reasonable period of time and in an appropriate and comprehensible format. If the company refuses a request for additional information, the consulted stakeholder shall be entitled to written justification for that refusal.</u></p>
Article 8d(2a)				
203x				<p><u>2a. Consultation of stakeholders shall take place, in the following steps of the due diligence process:</u></p> <p><u>(a) to gather the necessary information on actual or potential adverse impacts, in order to identify, assess and prioritise adverse impacts pursuant to Articles 6 and 6a;</u></p> <p><u>(b) the development of prevention and corrective action plans pursuant to Article 7(2) and Article 8(3), and the development of enhanced prevention and corrective action plans pursuant to Article 7(5) and Article 8(6);</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><i>(c) <u>the decision to terminate a business relationship pursuant to Article 7(5) and Article 8(6);</u></i></p> <p><i>(d) <u>the adoption of appropriate measures to remediate adverse impacts pursuant to Article 8c.</u></i></p> <p><i>(e) <u>as appropriate, when developing qualitative and quantitative indicators for the monitoring pursuant to Article 10.</u></i></p>
Article 8d(4)				
203y		<p><i>3. <u>Companies shall, as appropriate, provide comprehensive, targeted and relevant information to affected stakeholders about their value chain and their actual or potential adverse impacts on the environment, human rights and good governance.</u></i></p>		<p><i>3. <u>Where it is not reasonably possible to carry out effective engagement with stakeholders to the extent necessary to comply with the requirements of this Directive, companies shall consult additionally with experts who can provide credible insights into potential or actual adverse impacts.</u></i></p>
Article 8d(5)				
203z		<p><i>4. <u>Affected stakeholders shall be allowed to request additional written information, which shall be provided by the company within a reasonable amount of time and in an appropriate and comprehensible format. Without prejudice to Directive (EU) 2016/943, if the</u></i></p>		<p><i>4. <u>In consulting stakeholders, companies shall identify and address barriers to engagement and shall ensure that participants are not the subject of retaliation or retribution, including by maintaining confidentiality or anonymity.</u></i></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>company refuses a request for additional information, the affected stakeholder shall be entitled to written justification for that refusal. Member States shall ensure that supervisory or judicial authorities are entitled to order the disclosure of the information.</u></p>		
Article 8d(6)				
203aa		<p><u>5. Companies shall set up an appropriate framework for consulting affected stakeholders. Companies may decide to identify and consult different affected stakeholders depending on the context or adverse impact concerned. Companies shall in particular inform and consult workers and workers representatives as well as other relevant affected stakeholders when developing a due diligence policy in line with Article 5, when identifying adverse impacts in line with Article 6, when developing action plans or terminating a business relationship in line with Article 7 and 8, when prioritising their adverse impacts in line with Article 8b, when developing remedial measures in line with Article 8c, when establishing a notification or non-judicial grievance mechanism in line with</u></p>		<p><u>5. Member States shall ensure that companies are allowed to fulfil the obligations laid down in this Article through industry or multi-stakeholder initiatives, as appropriate, provided that the consultations procedures meet the requirements set out in this Article. The use of industry and multi-stakeholder initiatives shall not be sufficient to fulfil the obligation to consult the company's own employees and their representatives.</u></p>

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		<u>Article 9 and when carrying out their obligations in line with Article 10.</u>		
Article 8d(7)				
203ab		<u>6. Workers and their representatives shall be informed by their company on its due diligence policy and the implementation thereof, and engagement with them shall be without prejudice to existing Union and national legislation in the field of employment and social rights as well as collective agreements applicable.</u>		<u>6. Engagement with employees and their representatives shall be without prejudice to relevant EU and national legislation in the field of employment and social rights as well as collective agreements applicable.</u> Add in recitals: The term ‘employee’, for the purpose of this Directive, must be defined according to the criteria established by the Court of Justice.
Article 8d(8)				
203ac		<u>7. In informing and consulting affected stakeholders, companies shall identify and address barriers to engagement and shall ensure that participants are not the subject of retaliation or retribution, including by maintaining confidentiality or anonymity. Companies shall pay particular attention to the needs of vulnerable stakeholders, and overlapping vulnerabilities and intersecting factors, ensure a gender-responsive</u>		<u>Deleted</u>

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		<u><i>approach, and fully respect the United Nations Declaration on the Rights of Indigenous Peoples.</i></u>		
Article 9				
204	Article 9 Complaints procedure	Article 9 Complaints procedure <u>Notification and non-judicial grievance mechanism</u>	Article 9 Complaints procedure	Article 9 <u>Notification mechanism and</u> complaints procedure
Article 9(1)				
205	1. Member States shall ensure that companies provide the possibility for persons and organisations listed in paragraph 2 to submit complaints to them where they have legitimate concerns regarding actual or potential adverse human rights impacts and adverse environmental impacts with respect to their own operations, the operations of their subsidiaries and their value chains.	1. Member States shall ensure that companies provide the possibility <u>for publicly available and effective notification and non-judicial grievance mechanisms at operational level, that can be used by</u> persons and organisations listed in paragraph 2 to submit complaints to them <u>notify them of or raise grievances and request remediation,</u> where they have legitimate information or concerns regarding actual or potential adverse human rights impacts and adverse or environmental impacts with respect to their <u>the companies'</u> own operations, the operations of their subsidiaries and their value chains. <u>Member States shall ensure that companies are able to provide such a possibility to submit notifications and grievances through</u>	1. Member States shall ensure that companies provide the possibility for persons and organisations listed in paragraph 2 to submit complaints to them where they have legitimate concerns regarding actual or potential adverse human rights impacts and adverse environmental impacts with respect to their own operations, the operations of their subsidiaries and the operations of their value business partners in the companies' chains of activities.	1. Member States shall ensure that companies provide the possibility for persons and organisations listed in paragraph 2 to submit complaints to them where they have legitimate concerns regarding actual or potential adverse human rights impacts and adverse environmental impacts with respect to their own operations, the operations of their subsidiaries and <u>the operations of their value business partners in the companies'</u> chains <u>of activities.</u> Text Origin: Council Mandate

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		<u>collaborative arrangements, including industry initiatives, with other companies or organisations, by participating in multi-stakeholder grievance mechanisms or joining a global framework agreement.</u>		
Article 9(2)				
206	2. Member States shall ensure that the complaints may be submitted by:	2. Member States shall ensure that the <i>complaints</i> <u>grievances</u> may be submitted by:	2. Member States shall ensure that the complaints may be submitted by:	2. Member States shall ensure that the complaints may be submitted by: <small>Text Origin: Council Mandate</small>
Article 9(2), point (a)				
207	(a) persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact,	(a) persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact, <u>and the legitimate representatives of such individuals, or, in cases where there are no individuals, groups or communities affected by an adverse impact on the environment, credible and experienced organisations whose purpose includes the protection of the environment,</u>	(a) persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact;	(a) <u>natural or legal</u> persons who are affected or have reasonable grounds to believe that they might be affected by an adverse impact, <u>and the legitimate representatives of such persons on behalf of them, such as civil society organisations and human rights defenders;</u>
Article 9(2), point (b)				
208				

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	(b) trade unions and other workers' representatives representing individuals working in the value chain concerned,	(b) trade unions and other workers' representatives representing individuals working in the value chain concerned,	(b) trade unions and other workers' representatives representing individuals working in the value chain chain of activities concerned, and	(b) trade unions and other workers' representatives representing individuals working in the value chain chain of activities concerned, and Text Origin: Council Mandate
Article 9(2), point (c)				
209	(c) civil society organisations active in the areas related to the value chain concerned.	<i>deleted</i>	(c) civil society organisations active in the areas related to the value chain concerned human rights or environmental adverse impact that is the subject matter of the complaint.	(c) civil society organisations active and experienced in the areas related to the environmental adverse impact that is the subject matter of the complaint value chain-concerned . To insert in recital 42 the following text: "[...] Persons and organisations who could submit such complaints should include persons who are affected or have reasonable grounds to believe that they might be affected and the legitimate representatives of such persons on behalf of them, such as civil society organisations and human rights defenders; trade unions and other workers' representatives representing individuals working in the chain of activities concerned and civil society organisations active in the areas related to the environmental adverse impact that is the subject matter of the complaint concerned. [...]" Text Origin: Council Mandate

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Article 9(2), point (ca)				
209a		<p><u>2a. Member States shall ensure that notifications may be submitted by the persons and organisations listed in points (a) and (b) of paragraph 2, and in addition, in as far as they are not covered under those points, by the following:</u></p> <p><u>(a) legal or natural persons defending human rights or the environment;</u></p> <p><u>(b) civil society organisations active in the areas related to the value chain concerned.</u></p>		<u>Deleted</u>
Article 9(2a)(3)				
210	<p>3. Member States shall ensure that the companies establish a procedure for dealing with complaints referred to in paragraph 1, including a procedure when the company considers the complaint to be unfounded, and inform the relevant workers and trade unions of those procedures. Member States shall ensure that where the complaint is well-founded, the adverse impact that is the subject matter of the complaint is deemed to be identified within the meaning of Article 6.</p>	<p>3. Member States shall ensure that the companies establish a procedure for dealing with complaints<u>notifications and grievances</u> referred to in paragraph 1, including a procedure when the company considers the complaint<u>notifications or grievances</u> to be unfounded, and inform the relevant workers and trade unions<u>affected stakeholders, and their representatives where applicable, and other relevant persons or organisations covered</u></p>	<p>32a. Member States shall ensure that the companies establish a fair, accessible, and transparent procedure for dealing with complaints referred to in paragraph 1, including a procedure when the company considers the complaint to be unfounded, and inform the relevant workers and trade unions of those procedures. Member States that procedure. The procedure shall ensure that where the complaint is well founded, the adverse impact that is the subject</p>	<p>3. Member States shall ensure that the companies establish a <u>fair, publicly available, accessible, predictable and transparent</u> procedure for dealing with complaints referred to in paragraph 1, including a procedure when the company considers the complaint to be unfounded, and inform the relevant workers and trade unions of those procedures. Member States that procedure. Companies shall ensure that where the complaint is well founded, the</p>

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		<p><u>by paragraphs 2 and 2a</u>, of those procedures. Member States shall ensure that where the <u>complaint notification or grievance</u> is well-founded, the adverse impact that is the subject matter of the <u>complaint notification or grievance</u> is deemed to be identified within the meaning of Article 6.</p>	<p>matter of the complaint is deemed to be identified within the meaning of Article 6 the confidentiality of the identity of the person or organisation submitting the complaint, and the necessary measures to prevent any form of retaliation from the company and its subsidiaries.</p>	<p><i>adverse impact that is the subject matter of</i> <u>take reasonably available measures to prevent any form of retaliation by ensuring the confidentiality of the identity of the person or organisation submitting the complaint, in accordance with national law. Where information needs is deemed to be identified within the meaning of Article 6 shared, it shall be in a manner that does not endanger the stakeholders' safety, including by not disclosing their identity.</u></p> <p>To add in recital 42, the following text: "[...] Companies should ensure accessibility of the notifications mechanisms and complaints procedure for stakeholders, taking due account of relevant barriers.[...]"</p>
Article 9(2a), (3) a				
210a			<p>Member States shall ensure that where the complaint is well-founded, the adverse impact that is the subject matter of the complaint is deemed to be identified within the meaning of Article 6 and the company shall take appropriate measures in accordance with Articles 7 and 8, including providing remediation where relevant.</p>	<p><u>Member States shall ensure that where the complaint is well-founded, the adverse impact that is the subject matter of the complaint is deemed to be identified within the meaning of Article 6 and the company shall take appropriate measures in accordance with Articles 7, 8 and 8c.</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 9(2a), (3) b				
210b		<p><u>3a. Member States shall ensure that when companies establish or participate in notification and grievance mechanisms, those mechanisms are legitimate, accessible, predictable, equitable, transparent, rights-compatible, gender- and culturally responsive, and based on engagement and dialogue. Notification and grievance mechanisms shall be designed and operated in a manner that is informed by the perspectives of stakeholders and adapted to the needs of people who may be most vulnerable to adverse impacts. Companies shall adopt and implement policies and processes to maintain the independence of the notification and grievance mechanism.</u></p>		<u>Deleted</u>
Article 9(2a), (3) c				
210c		<p><u>3b. Companies shall take measures to ensure that persons submitting notifications or grievances are free from retaliation or retribution, including by ensuring that notifications and grievances can be raised either anonymously or confidentially, in accordance with national law and adopt and implement policies to</u></p>		<u>Deleted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>that effect. Where information needs to be shared, it shall be in a manner that does not endanger the stakeholders' safety, including by not disclosing their identity.</u></p>		
Article 9(2a), (3) d				
210d		<p><u>3c. Member States shall ensure that persons submitting grievances under paragraph 2, where they do not do so anonymously, are entitled to receive timely and appropriate follow-up from the company with which they have filed a grievance pursuant to paragraph 1 and shall also be entitled:</u></p> <p><u>(a) to be provided with the reasoning as to whether a grievance has been considered founded or unfounded and provided with information on the steps and actions taken;</u></p> <p><u>(b) to engage with the company's representatives at an appropriate level to discuss potential or actual adverse impacts that are the subject matter of the grievance;</u></p> <p><u>(c) to request that companies remediate or contribute to the remediation of actual adverse impacts, in line with Article 8c.</u></p>		<p><u>Deleted</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 9(4)				
211	4. Member States shall ensure that complainants are entitled	4. Member States shall ensure that complainants <u>persons submitting notifications under paragraph 2a, where they do not do so anonymously,</u> are entitled <u>to receive timely and appropriate follow-up from the company with which they have filed a notification pursuant to paragraph 1.</u>	4. Member States shall ensure that complainants are entitled:	4. Member States shall ensure that complainants are entitled: Text Origin: Commission Proposal
Article 9(4), point (a)				
212	(a) to request appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and	<i>deleted</i>	(a) to request appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and ; and	(a) to request appropriate follow-up on the complaint from the company with which they have filed a complaint pursuant to paragraph 1, and ; <u>and</u> Text Origin: Council Mandate
Article 9(4), point (b)				
213	(b) to meet with the company's representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint.	<i>deleted</i>	(b) to meet with the company's representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint.	(b) to meet with the company's representatives at an appropriate level to discuss potential or actual severe adverse impacts that are the subject matter of the complaint, and <u>and potential remediation in line with Article 8c;</u> Text Origin: Council Mandate

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Article 9(4), point (ba)				
213a				<u>(ba) to be provided with the reasoning as to whether a complaint has been considered founded or unfounded and, where founded, to be provided with information on the steps and actions taken or to be taken.</u>
Article 9(4a)				
213b			5. Member States shall ensure that companies are allowed to fulfil the obligations laid down in paragraphs 1 and 3, first subparagraph, by participation in collaborative complaints procedures, including those established jointly by companies, through industry associations or multi-stakeholder initiatives, provided that the collective procedures meet the requirements set out in this Article.	<u>5. Member States shall ensure that companies establish an accessible mechanism for the submission of notifications by persons and organisations where they have information or concerns regarding actual or potential adverse impacts with respect to their own operations, the operations of their subsidiaries and the operations of their business partners in the companies' chains of activities.</u> <u>The mechanism shall ensure that notifications can be made either anonymously or confidentially in accordance with national law. Companies shall take reasonably available measures to prevent any form of retaliation by ensuring the confidentiality of the identity of the person or organisation submitting the complaint, in accordance with</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<u><i>national law. The company may inform the persons submitting notifications about steps and actions taken or to be taken, where relevant.</i></u>
Article 9(4b)				
213c		<u><i>4a. Member States shall ensure that supervisory authorities are empowered to issue guidance to companies and other relevant actors responsible for developing and administering notification and grievance mechanisms, including in relation to their compliance with the criteria set out in this Article, and in line with relevant international standards.</i></u>		<u><i>6. Member States shall ensure that companies are allowed to fulfil the obligations laid down in paragraphs 1, 3, first subparagraph, and 5, by participation in collaborative complaints' procedures and notification mechanisms, including those established jointly by companies, through industry associations, multi-stakeholder initiatives or global framework agreements, provided that the collaborative procedures and mechanisms meet the requirements set out in this Article.</i></u>
Article 9(4c)				
213d		<u><i>4b. The submission of a notification or grievance under this Article shall not be a prerequisite for or preclude the persons submitting them from having access to the substantiated concerns procedure under Article 19 or to judicial or other non-</i></u>		<u><i>7. The submission of a notification or complaint under this Article shall not be a prerequisite for or preclude the persons submitting them from having access to the procedures under Article 19 and 22 or to other non-judicial mechanisms.</i></u>

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		<u>judicial mechanisms, such as the OECD National contact points where they exist.</u>		
Article 10				
214	Article 10 Monitoring	Article 10 Monitoring <u>and verifying</u>	Article 10 Monitoring	Article 10 Monitoring <small>Text Origin: EP Mandate</small>
Article 10, first paragraph				
215	Member States shall ensure that companies carry out periodic assessments of their own operations and measures, those of their subsidiaries and, where related to the value chains of the company, those of their established business relationships, to monitor the effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out at least every 12 months and whenever there are reasonable grounds to believe that significant new risks of the occurrence of those adverse impacts may arise. The due diligence policy shall be updated in	Member States shall ensure that companies carry out periodic assessments of their own operations and measures, those of their subsidiaries and, where related to the value chains of the company, those <u>continuously verify the implementation and monitor the adequacy and effectiveness</u> of their established business relationships, to monitor the effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments <u>actions taken in accordance with this Directive. Monitoring and verification</u> shall be based, where appropriate, on qualitative and quantitative indicators and be carried out at least every 12	1. Member States shall ensure that companies carry out periodic assessments of their own operations and measures, those of their subsidiaries and, where related to the value chains of activities of the company, those of their established business relationships partners , to monitor the effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out without undue delay after a significant change occurs, but at least every 12 24 months and whenever there are reasonable grounds to believe that significant	1. Member States shall ensure that companies carry out periodic assessments of their own operations and measures, those of their subsidiaries and, where related to the value chains <u>chains of activities</u> of the company, those of their established business relationships, <u>to partners, to assess the implementation and to</u> monitor the <u>adequacy and</u> effectiveness of the identification, prevention, mitigation, bringing to an end and minimisation of the extent of human rights and environmental adverse impacts. Such assessments shall be based, where appropriate, on qualitative and quantitative indicators and be carried out <u>without undue delay after a significant change occurs, but</u> at least every 12 months and whenever

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	accordance with the outcome of those assessments.	months <u>continuously, taking into account the nature, severity and likelihood of the adverse impacts in question</u> and whenever there are reasonable grounds to believe that significant new risks of the occurrence of those adverse impacts may arise. <u>Where appropriate, the due diligence policy, the prevention action plan and the corrective action plan</u> shall be <u>reviewed and</u> updated in accordance with the outcome of those assessments.	new risks of the occurrence of those adverse impacts may arise. The due diligence policy shall be updated in accordance with the outcome of those assessments and with due consideration of relevant information from stakeholders.	there are reasonable grounds to believe that significant new risks of the occurrence of those adverse impacts may arise. <u>Where appropriate, the due diligence policy, the identified adverse impacts and the derived appropriate measures</u> shall be updated in accordance with the outcome of those assessments <u>and with due consideration of relevant information from stakeholders.</u>
Article 10, first paragraph a				
215a			2 By way of derogation from paragraph 1, when regulated financial undertakings within the meaning of Article 3, point (a)(iv), provide the services as referred to in Article 3, point (g), they shall in respect to their business partners carry out periodic assessments only to monitor the effectiveness of the prevention, mitigation, bringing to an end, and minimisation of the extent of adverse impacts identified in accordance with Article 6(3).	<u>Deleted</u>
Article 11				
216	Article 11 Communicating	Article 11 Communicating	Article 11 Communicating	Article 11 Communicating

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				Text Origin: Commission Proposal
Article 11, first paragraph				
217	<p>Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a and 29a of Directive 2013/34/EU report on the matters covered by this Directive by publishing on their website an annual statement in a language customary in the sphere of international business. The statement shall be published by 30 April each year, covering the previous calendar year.</p>	<p>1. Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a, 29a and 40a and 29a of Directive 2013/34/EU report on the matters covered by this Directive by publishing on their website an annual statement in a language customary in the sphere of international business <u>at least one of the official languages of the Union</u>. The statement shall be published by 30 April each year, covering the previous calendar year <u>no later than 12 months after the balance sheet date of the financial year for which the statement is drawn up. For non-EU companies the statement will include information on the way to contact the company's authorised representative as defined in Article 16.</u></p>	<p>Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a and 29a of Directive 2013/34/EU report on the matters covered by this Directive by publishing on their website an annual statement on the financial year in a language customary in the sphere of international business. The statement shall be published by 30 April each year, covering the previous calendar year within a reasonable period of time which shall not exceed 12 months after the balance sheet date of the financial year for which the statement is drawn up.</p>	<p>1. Member States shall ensure that companies that are not subject to reporting requirements under Articles 19a and 29a of Directive 2013/34/EU <u>Without prejudice to the exemption in paragraph 2 of this Article, Member States shall ensure that companies</u> report on the matters covered by this Directive by publishing on their website an annual statement. <u>This annual statement shall be published:</u></p> <p><u>(a) in at least one of the official languages of the Union of the Member State of the supervisory authority designated pursuant to Article 17 and, where different, in a language customary in the sphere of international business.;</u></p> <p><u>(b) within a reasonable period of time, but no later than 12 months after the balance sheet date of the financial year for which the statement shall be published by 30 April each year, covering the previous calendar year is drawn up, or, for companies voluntarily reporting in accordance with</u></p>

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				<p><u>Directive 2013/34/EU, by the date of publication of the annual financial statements.</u></p> <p><u>In the case of a company formed in accordance with the legislation of a third country, the statement shall also include the information pursuant to Article 16(2) regarding the company's authorised representative.</u></p>
Article 11, first paragraph a				
217a			<p>Companies that are included in a consolidated management report and exempted from the obligations under Articles 19a or 29a of Directive 2013/34/EU in accordance with Articles 19a(7) and 29a(7) of that Directive shall be deemed to have fulfilled the obligation under this Article.</p>	<p><u>2. Paragraph 1 shall not apply to companies that are subject to sustainability reporting requirements in accordance with Articles 19a, 29a or 40a of Directive 2013/34/EU, including those that are exempted in accordance with Articles 19a(9) or 29a(8) of that Directive.</u></p>
Article 11, second paragraph				
218	<p>The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for such reporting under paragraph 1, specifying information on the description of due diligence, potential and actual adverse impacts and actions taken on those.</p>	<p><u>2. The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for such reporting under paragraph 1, ensuring that it is consistent with the disclosure requirements for due diligence outlined in Article 40b of Directive 2013/34/EU, and</u> specifying</p>	<p>The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for such reporting under paragraph 1, specifying information on the description of due diligence, potential and actual adverse impacts and actions taken onwith respect to those impacts.</p>	<p><u>3. The Commission shall adopt delegated acts in accordance with Article 28 concerning the content and criteria for suchthe reporting under paragraph 1, specifying, in particular, sufficiently detailed information on the description of due diligence, potential and actual adverse impacts identified and</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p>information on the description of due diligence, potential and actual adverse impacts and actions taken on those. <u><i>This reporting should be sufficiently detailed to demonstrate it complied with the obligations under this Directive.</i></u></p> <p><u><i>When adopting delegated acts, the Commission shall ensure that there is no duplication in reporting requirements for companies referred to in Article 3, point (a)(iv), that are subject to reporting requirements and consider principal adverse impacts under Article 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council, while maintaining in full the minimum obligations stipulated in this Directive.</i></u></p> <p><u><i>For companies that do not have a website, Member States shall dedicate a website to the publication of the annual statement of the companies concerned.</i></u></p>		<p><u><i>appropriate measures and actions taken onwith respect to those impacts. In preparing these delegated acts, the Commission shall take due account of, and align them as appropriate with, the sustainability reporting standards adopted pursuant to Article 29b and 40b of Directive 2013/34/EU.</i></u></p> <p><u><i>When adopting delegated acts, the Commission shall ensure that there is no duplication in reporting requirements for companies referred to in Article 3, point (a)(iv) that are subject to reporting requirements under Article 4 of Regulation (EU) 2019/2088, while maintaining in full the minimum obligations stipulated in this Directive.</i></u></p>
Article 11a				
218a		<p><u><i>Article 11a</i></u> <u><i>Accessibility of information on the European Single Access Point (ESAP)</i></u></p>		<p><u><i>Article 11a</i></u></p>

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				<p data-bbox="1653 167 2076 263"><u>Accessibility of information on the European Single Access Point (ESAP)</u></p> <p data-bbox="1653 300 1816 327">To be adjusted.</p> <p data-bbox="1653 368 2047 459">1. “[...] and Regulation (EU) XX/XXXX [ESAP Regulation]” in the title of the Directive.</p> <p data-bbox="1653 501 2076 751">2. A recital 66a on implementing act (as referred to in the comment in the margin of the circulated text): (66a) "In order to ensure uniform conditions for the implementation of [Article 11a of] this Directive, implementing powers should be conferred on the Commission."</p> <p data-bbox="1653 793 2047 1114">3. A new art. 27a for the amendment of the Annex to the ESAP Regulation: Article 27a “Amendment to Regulation (EU) No XX/XXXX [ESAP Regulation] In Regulation (EU) No XX/XXXX [ESAP Regulation], the following point is added to part B of the Annex: ‘XX. Directive XXXX/XX/EU on XXXXX [CSDDD short title]”</p> <p data-bbox="1653 1155 2063 1406">4. And a new 28a on “Committee Procedure”: Article 28a “Committee procedure 1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.</p>

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				2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.
Article 11a(1)				
218b		<p><u>1. Member States shall ensure that, when making public the annual statements drawn-up pursuant to Article 11(1) of this Directive, companies submit that information at the same time to the collection body referred to in paragraph 3 of this Article for accessibility on ESAP, as established under Regulation (EU) XX/XXXX [ESAP Regulation] of the European Parliament and of the Council^{1a}.</u></p> <p><u>That information shall comply with all of the following requirements:</u></p> <p><u>(a) the information shall be prepared in a data extractable format as defined in Article 2, point (3), of Regulation (EU) XX/XXXX [ESAP Regulation]^{1b} or, where required under Union law, in a machine-readable format, as defined in Article 2, point (13), of Directive (EU) 2019/1024 of the European Parliament and of the Council^{1c};</u></p> <p><u>(b) the information shall be accompanied by all the following metadata:</u></p>		<p><u>1. From ... [x months after the date of entry into force of the ESAP amending Directive], Member States shall ensure that, when making public the annual statement referred to in Article 11(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 established under Regulation (EU) XX/XXXX [ESAP Regulation] of the European Parliament and of the Council^{1a}.</u></p> <p><u>Member States shall ensure that the information complies with the following requirements:</u></p> <p><u>(a) be submitted in a data extractable format as defined in Article 2, point (3), of Regulation (EU) XX/XXXX [ESAP Regulation] or, required by Union or national law, in a machine-readable format, as defined in Article 2, point (4), of that Regulation;</u></p>

Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p><u>(i) all the names of the company to which the information relates;</u></p> <p><u>(ii) the legal entity identifier of the company, as specified pursuant to Article 7(4) of Regulation (EU) XX/XXXX [ESAP Regulation];</u></p> <p><u>(iii) the size of the company by category, as specified pursuant to Article 7(4) of Regulation (EU) XX/XXXX [ESAP Regulation];</u></p> <p><u>(iv) the type of information, as classified pursuant to Article 7(4) of Regulation (EU) XX/XXXX [ESAP Regulation];</u></p> <p><u>(v) the specific period for which the information is to be made publicly available on ESAP, where relevant.</u></p> <p><u>Ia. Regulation (EU) XX/XXXX of the European Parliament and of the Council establishing a European single access point providing centralised access to publicly available information of relevance to financial services, capital markets and sustainability (OJ L [...], [...], p. [...]).</u></p> <p><u>Ib. Directive (EU) 2019/1024 of the European Parliament and of the Council of 20 June 2019 on open data and the re-use of public sector information (OJ L 172, 26.6.2019, p. 56).</u></p> <p><u>Ic. Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (OJ L 257, 28.8.2014, p. 73)</u></p>		<p><u>(b) be accompanied by the following metadata:</u></p> <p><u>(i) all the names of the company to which the information relates;</u></p> <p><u>(ii) the legal entity identifier of the company, as specified pursuant to Article 7(4), point (b), of Regulation (EU) XX/XXXX [ESAP Regulation];</u></p> <p><u>(iii) the size of the company by category, as specified pursuant to Article 7(4), point (d), of that Regulation;</u></p> <p><u>[(iv) the industry sector(s) of the economic activities of the company, as specified pursuant to Article 7(4), point (e), of that Regulation;]</u></p> <p><u>(iv) the type of information, as classified pursuant to Article 7(4), point (c), of that Regulation;</u></p> <p><u>(v) an indication of whether the information includes personal data.</u></p> <p><u>Ia Regulation (EU) XX/XXXX of the European Parliament and of the Council establishing a European single access point providing centralised access to publicly available information of relevance to financial services,</u></p>

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				<u>capital markets and sustainability (OJ L [...], [...], p. [...]).</u>
Article 11a(2)				
218c		<u>2. For the purposes of paragraph 1(b)(ii), Member States shall ensure that companies acquire a legal entity identifier as specified pursuant to Article 7(4) of Regulation (EU) XX/XXXX [ESAP Regulation].</u>		<u>2. For the purposes of paragraph 1(b)(ii), Member States shall ensure that companies obtain a legal entity identifier.</u>
Article 11a(3)				
218d		<u>3. By [1 day before the obligation for companies to submit to the collection body enters into application], for the purposes of making accessible on ESAP the information referred to in paragraph 1, Member States shall designate one of the officially appointed mechanisms referred to in Article 21, point (2) of Directive 2004/109/EC as the collection body as defined in Article 2, point (2), of Regulation (EU) XX/XXXX [ESAP Regulation] and notify ESMA thereof.</u>		<u>3. By [1 day before the obligation for companies to submit to the collection body enters into application], 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) XX/XXXX [ESAP Regulation] and notify ESMA thereof.</u>
Article 11a(4)				
218e				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>4. For the purposes of ensuring an efficient collection and administration of data submitted in accordance with paragraph 1, points (a) and (b), the Commission shall be empowered to adopt implementing measures to specify:</u></p> <p>(a) <u>any other metadata to accompany the information;</u></p> <p>(b) <u>the structuring of data in the information;</u></p> <p>(c) <u>whether a machine-readable format is required and which machine-readable format is to be used.</u></p>		<p><u>4. For the purposes of ensuring the efficient collection and management of information submitted in accordance with paragraph 1, the Commission shall be empowered to adopt implementing measures to specify:</u></p> <p>(a) <u>any other metadata to accompany the information;</u></p> <p>(b) <u>the structuring of data in the information;</u></p> <p>(c) <u>for which information a machine-readable format is required and, in such cases, which machine-readable format is to be used.</u></p>
Article 12				
219	Article 12 Model contractual clauses	Article 12 Model contractual clauses	Article 12 Model contractual clauses	Article 12 Model contractual clauses Text Origin: Commission Proposal
Article 12, first paragraph				
220	In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission shall adopt guidance	In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission shall, <u>in consultation</u>	In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission, in consultation with	In order to provide support to companies to facilitate their compliance with Article 7(2), point (b), and Article 8(3), point (c), the Commission, <u>in consultation with</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	about voluntary model contract clauses.	<u>with Member States and relevant stakeholders</u> , adopt guidance, <u>tailored to the sector and size of companies</u> , about voluntary model contract clauses <u>by the application date of this Directive</u> . <u>Those model contractual clauses shall stipulate, as a minimum:</u>	Member States and stakeholders , shall adopt guidance about voluntary model contract contractual clauses.	<u>Member States and stakeholders</u> , shall adopt guidance about voluntary model contract contractual clauses, <u>no later than after 30 months from the entry into force of this Directive</u> . Recital (45): "In order to give companies tools to help them comply with their due diligence requirements through their value chain, the Commission, in consultation with Member States and stakeholders, should provide guidance on model contractual clauses, which can be used voluntarily by companies as a tool to help fulfil their obligations in Articles 7 and 8. The guidance should aim to facilitate a clear allocation of tasks between contracting parties and ongoing cooperation, in a way that avoids the transfer of the obligations of this Directive to a business partner and automatically rendering the contract void in case of a breach. The guidance should reflect the principle that the mere use of contractual assurances cannot, on its own, satisfy the due diligence standards of this Directive."
Article 12, first paragraph, point (a)				
220a		<u>(a) the clear allocation of tasks between both contracting parties, in ongoing cooperation, and that contractual clauses shall not be</u>		<u>Deleted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>such as to result in the transfer of responsibility for carrying out due diligence; and</u>		
Article 12, first paragraph, point (b)				
220b		<u>(b) that without prejudice to Article 7 (5) and Article 8 (6), where contractual clauses are breached, companies shall first take appropriate measures in line with Article 7 (4) and Article 8 (5) and shall avoid terminating such clauses.</u>		<u>Deleted</u>
Article 13				
221	Article 13 Guidelines	Article 13 Guidelines	Article 13 Guidelines	Article 13 Guidelines Text Origin: Commission Proposal
Article 13, first paragraph				
222	In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, in consultation with Member States and stakeholders, the European Union Agency for Fundamental Rights, the European Environment	<u>1.</u> In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, <u>including in relation to rights and protections enshrined in the Annex,</u> the Commission, in consultation with Member States, <u>the European cross-industry and</u>	In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the Commission, in consultation with Member States and stakeholders, the European Union Agency for Fundamental Rights, the European Environment	<u>1.</u> In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations <u>in a practical manner,</u> <u>and to provide support to stakeholders,</u> the Commission, in consultation with Member States and stakeholders, the European

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>Agency, and where appropriate with international bodies having expertise in due diligence, may issue guidelines, including for specific sectors or specific adverse impacts.</p>	<p><u>sectoral social partners and other relevant</u> and stakeholders, the European Union Agency for Fundamental Rights, the European Environment Agency, <u>the European Labour Authority, the European External Action Service, the European Innovation Council and the Small and Medium-Sized Enterprises Executive Agency (EISMEA), the European Food Safety Authority</u>, and where appropriate <u>with the OECD and other</u> international bodies having expertise in due diligence, <u>may</u> issue <u>clear and easily understandable</u> guidelines, including <u>for general and sector-specific</u> sectors or specific adverse impacts <u>guidance, in order to facilitate compliance in a practical manner</u>.</p>	<p>Agency, and where appropriate with international bodies having expertise in due diligence, may <u>shall</u> issue guidelines, including for specific sectors or specific adverse impacts, no later than after two years from the entry into force of this Directive.</p>	<p>Union Agency for Fundamental Rights, the European Environment Agency, <u>the European Labour Authority</u>, and where appropriate with international <u>organisations and other</u> bodies having expertise in due diligence, <u>may</u> issue guidelines, including <u>general guidelines and</u> for specific sectors or specific adverse impacts.</p>
Article 13, first paragraph a				
222a		<p><u>1a. In order to provide support to companies or to Member State authorities on how companies should fulfil their due diligence obligations, the guidelines shall include:</u></p> <p><u>(a) information on the implementation of the human rights and environmental standards applicable to businesses</u></p>		<p><u>1a. These guidelines shall include:</u></p> <p><u>(a) guidance and best practices on how to conduct due diligence in line with the obligations in Articles 4 to 11, particularly, the identification process pursuant to Article 6, the prioritisation of impacts pursuant to Articles 6a, appropriate measures to adapt purchasing practices pursuant to</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>based on the OECD Guidelines for Multinational Enterprises as clarified in the OECD Due Diligence Guidance for Responsible Business Conduct as well as the UN Guiding Principles on Business and Human Rights;</u></p> <p><u>(b) lists of risk factors and accompanying guidance, including enterprise-level risk factors, geographic risk factors and sectoral risk factors;</u></p> <p><u>(c) sector specific guidance, in particular for the following sector, in line with current or future OECD guidelines:</u></p> <p><u>(i) the manufacture and the wholesale trade and retail of textiles, wearing apparel, fur, leather and related products (including footwear),</u></p> <p><u>(ii) agriculture, water supply, the management of land and resources, including nature conservation, forestry, fisheries (including aquaculture), the rubber industry, the manufacture of food products, marketing and advertising of food and beverages, and the wholesale trade and retail of agricultural raw materials, live animals, animal products, wood, food, and beverages, and waste management,</u></p>		<p><u>Articles 7(2) and 8(3), information on responsible disengagement pursuant to Articles 7(5) and 8(6), appropriate measures for remediation pursuant to Article 8c, and on how to identify and engage with stakeholders pursuant to Article 8d, including through the mechanism established in Article 9;</u></p> <p><u>(b) practical guidance on plans pursuant to Article 15;</u></p> <p><u>(c) sector specific guidance, in particular for the sectors listed in Article 2, paragraph 1, point (ba) and associated with the applicable statistical classification of economic activities established by Regulation (EC) No 1893/2006 and listed in Annex II;</u></p> <p><u>(d) guidance on the assessment of company-level, business operations, geographic and contextual, product and service, and sectoral risk factors, including those associated with conflict-affected and high-risk areas;</u></p> <p><u>(e) references to data and information sources available for the compliance with the obligations in this Directive, and to digital tools and technologies that could facilitate and support compliance;</u></p>

Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>(iii) <u>mining and quarrying, the extraction, refining, transport and handling of mineral resources regardless from where they are extracted (including crude petroleum, natural gas, coal, lignite, metals and metal ores, as well as all other, non-metallic minerals and quarry products), the manufacture of basic metal products, other non-metallic mineral products and fabricated metal products, (except machinery and equipment), and the wholesale trade of mineral resources, basic and intermediate mineral products, (including metals and metal ores, construction materials, fuels, chemicals and other intermediate products), construction, energy sector,</u></p> <p>(iv) <u>the provision of financial services, investment services and activities, and other financial services;</u></p> <p>(d) <u>information on how to perform heightened, conflict-sensitive due diligence in conflict-affected areas;</u></p> <p>(e) <u>information on how to share resources and information among companies and other legal entities for the purposes of preventing, mitigating and remediating adverse</u></p>		<p>(f) <u>information on how to share resources and information among companies and other legal entities for the purpose of compliance with this Directive, in line with the protection of trade secrets pursuant to Article 4(3) and the protection from potential retaliation and retribution pursuant to Article 8d;</u></p> <p>(g) <u>information for stakeholders and their representatives on how to engage throughout the due diligence process.</u></p> <p>Accompanying recital: (46a) Digital tools and technologies, such as those used for tracking, surveillance or tracing raw materials, goods and products throughout value chains (for instance satellites, drones, radars, or platform-based solutions) could support and reduce the cost of data gathering for value chain management, including the identification and assessment of adverse impacts, prevention and mitigation, and monitoring of the effectiveness of due diligence measures. In order to help companies fulfilling their due diligence obligations along their value chain, the use of such tools and technologies should be encouraged and promoted. To this end, the Commission should issue guidelines with useful information and references to</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>impacts in compliance with competition law;</u></p> <p><u>(f) information on how to take into account the specific needs of SMEs;</u></p> <p><u>(g) information on the establishment of a notification and non-judicial grievance mechanism,</u></p> <p><u>(h) information on responsible disengagement and an assessment and dynamic listing of contexts where adverse impacts are systemic state-sponsored;</u></p> <p><u>(i) practical guidance on how to identify and engage with affected stakeholders;</u></p> <p><u>(j) information on facilitation by Member States of access to justice for victims and prevention of retaliation of affected stakeholders;</u></p> <p><u>(k) practical guidance on the development and implementation of prioritisation strategies, including practical guidance on how proportionality and prioritisation, in terms of impacts, sectors and geographical areas, may be applied to due diligence obligations depending on the size and sector of the company;</u></p>		<p>appropriate resources. When using digital tools and technologies, companies should take into account and appropriately address possible risks associated therewith, and put in place mechanisms to verify the appropriateness of the information obtained.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><i>(l) information on responsible purchasing practices;</i></p> <p><i>(m) information on gender-responsive and culturally responsive due diligence, and measures that companies should take to address the challenges faced by smallholders, including access to a living income;</i></p> <p><i>(n) information on how to support safe participatory collection of independent data on human rights violations and environmental damages and on how to undertake necessary actions for the data to be considered;</i></p> <p><i>(o) information for Union export credit agencies to help Union and Member States' funds and export credits operate in line with the principles of this Directive.</i></p>		
Article 13, third paragraph				
222b		<p><i>1b. The guidelines shall be made available no later than ... [1 year before the date of entry into force of obligations for companies under this Directive], in free of charge and easily accessible format, including digital, and in all the</i></p>		<p><i>1b. The guidelines in paragraph 1a, points (a), (d), and (e) shall be made available no later than 30 months after the entry into force of this Directive. The guidelines in paragraph 1a, points (b), (f) and (g) shall be made available no later</i></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>official languages of the Union. The Commission shall periodically review the relevance of its guidelines and adapt them, including to new best practices.</u>		<u>than 36 months after the entry into force of this Directive. The guidelines in paragraph 1a, point (c) shall be made available no later than 54 months after the entry into force of this Directive.</u>
Article 13, fourth paragraph				
222c		<u>1c. Country fact-sheets shall be updated regularly by the Commission and made publicly available in order to provide up-to-date information on the international Conventions and Treaties ratified by each of the Union's trading partners. The Commission shall collect and publish trade and customs data on origins of raw materials, and intermediate and finished products, and publish information on human rights, environmental and governance potential or actual adverse impacts risks associated with certain countries or regions, sectors and sub-sectors, and products.</u>		<u>1c. The guidelines shall be made available in all the official languages of the Union. The Commission shall periodically review the guidelines and adapt them where appropriate.</u>
Article 14				
223	Article 14 Accompanying measures	Article 14 Accompanying measures	Article 14 Accompanying measures	Article 14 Accompanying measures

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				Text Origin: Commission Proposal
Article 14(1)				
224	<p>1. Member States shall, in order to provide information and support to companies and the partners with whom they have established business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive, set up and operate individually or jointly dedicated websites, platforms or portals. Specific consideration shall be given, in that respect, to the SMEs that are present in the value chains of companies.</p>	<p>1. <u>Before the entry into force of this Directive</u>, Member States <u>with the support of the Commission</u> shall <u>develop and implement measures and toolboxes</u>, in order to provide information, <u>advice</u> and support to companies and the partners with whom they have established business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive, <u>and</u> set up and operate individually or jointly dedicated <u>user-friendly</u> websites, platforms or portals. Specific consideration <u>Such information, advice and support shall be given, in that respect, to the SMEs that are present in the value chains of companies</u> <u>practical and tailored to the specific needs of SMEs in particular. Member States shall also ensure that training on how to perform due diligence is made available for companies. In doing so, Member States shall ensure complementarity and coherence with similar measures already in existence, such as information and promotion provided by OECD National Contact Points.</u></p>	<p>1. Member States shall, in order to provide information and support to companies and the partners with whom they have established business relationships partners in their value chains chains of activities in their efforts to fulfil the obligations resulting from this Directive, set up and operate individually or jointly dedicated websites, platforms or portals. Specific consideration shall be given, in that respect, to the SMEs that are present in the value chains chains of activities of companies.</p>	<p>1. Member States shall, in order to provide information and support to companies, <u>their business and the partners with whom they have established business relationships in their value chains in their efforts to fulfil the obligations resulting from this Directive</u> <u>and stakeholders</u>, set up and operate individually or jointly dedicated websites, platforms or portals. Specific consideration shall be given, in that respect, to the SMEs that are present in the <u>value chains</u> <u>chains of activities</u> of companies. <u>These websites, platforms or portals shall, in particular, give access to:</u></p> <p><u>(a) the content and criteria for reporting as defined by the Commission under Article 11;</u></p> <p><u>(b) the Commission's guidance about voluntary model contractual clauses regulated in Article 12 and guidelines regulated in Article 13;</u></p> <p><u>(c) the single helpdesk regulated in Article 14a; and</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<u><i>(d) information for stakeholders and their representatives on how to engage throughout the due diligence process.</i></u>
Article 14(1a)				
224a		<u><i>1a. The Commission shall establish a dedicated digital portal for companies to access free of charge all templates and information relating to all reporting requirements stemming from this Directive and other Union legislative instruments specific to a particular company based on its size, sector, product and service, risk exposure etc., as well as access to information on funding and tendering opportunities in order to implement, fulfil and profit from their due diligence obligations.</i></u>		<u><i>Deleted</i></u>
Article 14(1b)				
224b		<u><i>1b. Member States shall provide information and support for stakeholders and their representatives to exercise their engagement in due diligence, for their capacity development, and provide them with information and assistance to facilitate their access to justice. This shall include legal</i></u>		<u><i>Deleted</i></u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u><i>counsel and setting up and operating individually or jointly dedicated websites, platforms or portals. Member States may also provide financial support to stakeholders for the purpose of raising their awareness and facilitating access to the rights provided to them by this Directive, as well as support and protection for affected stakeholders in relation to potential or actual adverse impacts related to business operations.</i></u>		
Article 14(2)				
225	2. Without prejudice to applicable State aid rules, Member States may financially support SMEs.	2. Without prejudice to applicable State aid rules, Member States may financially <u>shall provide financial and other</u> support <u>to SMEs, where relevant</u> SMEs .	2. Without prejudice to applicable State aid rules, Member States may financially support SMEs.	2. Without prejudice to applicable State aid rules, Member States may financially support SMEs. <u>Member States may also provide support to stakeholders for the purpose of facilitating the exercise of the rights laid down in this Directive.</u>
Article 14(3)				
226	3. The Commission may complement Member States' support measures building on existing Union action to support due diligence in the Union and in third countries and may devise new measures, including facilitation of	3. The Commission may <u>shall establish advisors for due diligence under the scope of the Enterprise Europe Network and shall, including in view of ensuring consistency,</u> complement Member States' support measures building on existing Union action to support	3. The Commission may complement Member States' support measures building on existing Union action to support due diligence in the Union and in third countries and may devise new measures, including facilitation of	3. The Commission may complement Member States' support measures building on existing Union action to support due diligence in the Union and in third countries and may devise new measures, including facilitation of

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	joint stakeholder initiatives to help companies fulfil their obligations.	due diligence in the Union and in third countries and may devise new measures, including facilitation of joint stakeholder initiatives to help companies fulfil their obligations.	joint stakeholder initiatives to help companies fulfil their obligations.	joint stakeholder initiatives to help companies fulfil their obligations. Text Origin: Commission Proposal
Article 14(3a)				
226a		<u><i>3a. The Commission and Member States shall ensure that the Union's cooperation and trade instruments support the development of an enabling environment in third countries, as well as developing and strengthening cooperation and partnership mechanisms with third countries, and relying on existing instruments, to address the root causes of adverse impacts on human rights and the environment, and build the capacity of third country economic actors to respect the environment and human rights.</i></u>		<u><i>Deleted</i></u>
Article 14(4)				
227	4. Companies may rely on industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment	4. <u><i>Without prejudice to Articles 18, 19 and 22,</i></u> companies may rely on <u>participate in</u> industry schemes and multi-stakeholder initiatives to support the implementation of <u>aspects of</u> their <u>due diligence</u> obligations referred to in Articles 5 to 11 of this Directive to the extent	4. Companies may rely on industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are appropriate to support the fulfilment	4. <u><i>Without prejudice to Articles 18, 19 and 22,</i></u> companies may rely on <u>participate in</u> industry schemes and multi-stakeholder initiatives to support the implementation of their obligations referred to in Articles 5 to 11 of this Directive to the extent that such schemes and initiatives are

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	<p>of those obligations. The Commission and the Member States may facilitate the dissemination of information on such schemes or initiatives and their outcome. The Commission, in collaboration with Member States, may issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives.</p>	<p>that such schemes and initiatives are appropriate to support the fulfilment of those<u>the relevant</u> obligations. The Commission and the Member States may facilitate the dissemination of information on such schemes or initiatives and their outcome<u>They may be particularly appropriate to support sector-wide risk identification, providing tools for mitigation of specific risks, coordinating the use of companies' leverage to enable remediation, and providing access to a grievance mechanism.</u> The Commission, in collaboration with Member States, may issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives.<u>the OECD, the OHCHR and relevant stakeholders, shall:</u></p>	<p>of those obligations. The Commission and the Member States may facilitate the dissemination of information on such schemes or initiatives and their outcome. The Commission, in collaboration with Member States, may<u>shall</u> issue guidance for assessing the fitness of industry schemes and multi-stakeholder initiatives.</p>	<p>appropriate to support the fulfilment of those obligations. <u>In particular, companies may, after having assessed their appropriateness, make use of or join relevant risk analysis carried out by industry or multi-stakeholder initiatives or by members of those initiatives and may take or join effective appropriate measures through such initiatives. When doing so, companies shall monitor the effectiveness of such measures and, continue to take appropriate measures where necessary to ensure the fulfilment of their obligations.</u></p> <p>The Commission and the Member States may facilitate the dissemination of information on such schemes or initiatives and their outcome. The Commission, in collaboration with Member States, may<u>shall</u> issue guidance <u>setting out fitness criteria and a methodology for companies to assess</u>for assessing the fitness of industry schemes and multi-stakeholder initiatives.</p>
Article 14(4), point (a)				
227a		<p><u>(a) issue guidance and a methodology for assessing the scope, alignment with this</u></p>		<p><u>Deleted</u></p>

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		<u>Directive, and credibility including with regard to transparency, governance, oversight mechanisms and accountability of participating companies, of individual industry and multi-stakeholder initiatives, building on the OECD's alignment assessment methodology;</u>		
Article 14(4), point (b)				
227b		<u>(b) establish a centralised and public digital platform for companies, governments and other stakeholders to access free of charge independent third-party assessments of the scope, alignment, and credibility of individual industry and multi-stakeholder initiatives using the methodology developed by the Commission under point (a). Independent third-party assessments may be carried out by Member States, the OECD or other independent third party assessors;</u>		<u>Deleted</u>
Article 14(4), point (c)				
227c		<u>(c) facilitate the dissemination of other relevant information on the scope, alignment and credibility of industry and multi-stakeholder initiatives and their outcomes. Member States shall foster the</u>		<u>Deleted</u>

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		<p><i><u>development of appropriate industry or multi-stakeholder initiatives to support companies in particular sectors or on particular issues that involve severe sustainability risks but lack such initiatives.</u></i></p>		
Article 14(4a)				
227d		<p><i><u>4a. Without prejudice to Articles 18, 19 and 22, companies may use independent third party verification to support the implementation of aspects of their due diligence obligations referred to in Articles 5 to 11 of this Directive to the extent that such verification is appropriate to support the fulfilment of the relevant obligations. The Commission shall adopt a delegated act in accordance with Article 28 to specify the minimum standards, including transparency standards, for the independent third-party verification.</u></i></p>		<p><i><u>4a. Without prejudice to Articles 18, 19 and 22, companies may use independent third-party verification on and from companies in their chain of activities to support the implementation of due diligence obligations to the extent that such verification is appropriate to support the fulfilment of the relevant obligations. Third-party verification may be carried out by other companies or by an industry or multi-stakeholder initiative. Independent third-party verifiers shall act with objectivity and complete independence from the company, be free from any conflict of interests, remain free from external influence, whether direct or indirect, and shall refrain from any action incompatible with their independence. According to the nature of the adverse impact, they shall have experience and competence in environmental or</u></i></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u>human rights matters and shall be accountable for the quality and reliability of the verification.</u></p> <p><u>The Commission, in collaboration with Member States, shall issue guidance setting out fitness criteria and a methodology for companies to assess the fitness of third party verifiers, and guidance for monitoring the accuracy, effectiveness and integrity of third-party verification.</u></p>
Article 14(4b)				
227e		<p><u>4b. Relevant stakeholders may submit notifications and grievances pursuant to Article 9 through industry and multi-stakeholder initiatives that the company participates in.</u></p>		<p><u>Deleted</u></p>
Article 14a				
227f		<p><u>Article 14a</u> <u>Single helpdesk</u></p>		<p><u>Article 14a</u> <u>Single helpdesk</u></p> <p>Text Origin: EP Mandate</p>
Article 14a(1)				
227g		<p><u>1. Each Member State shall designate one or more national</u></p>		<p><u>1. The Commission shall establish a single helpdesk through which</u></p>

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		<p><u>helpdesks on corporate sustainability due diligence. Member States may assign this role to an existing authority such as National Contact Points where they exist but shall ensure that the single helpdesks are functionally independent from the tasks and role of the supervisory authorities.</u></p>		<p><u>companies may seek information, guidance and support about how to fulfil their obligations under this Directive.</u></p>
Article 14a(2)				
227h		<p><u>2. Companies may seek additional guidance and obtain further support and information about how best to fulfil their due diligence obligations through this point of contact, including on the role of collaborative industry and multi-stakeholder initiatives in supporting and assisting companies to meet specific aspects of their due diligence obligations.</u></p>		<p><u>2. Relevant national authorities in each Member State shall collaborate with the single helpdesk in order to assist in tailoring the information and guidance to national contexts and its dissemination.</u></p> <p>Add a Recital: "The Commission should establish a single helpdesk on corporate sustainability due diligence. This single helpdesk should be able to collaborate and request information from relevant national authorities in each Member State, including national helpdesks where they exist, for instance to assist in tailoring the information and guidance to national contexts and its dissemination, without prejudice to the allocation of functions and powers among the authorities within national systems. The Single helpdesk and relevant national authorities should</p>

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				<p>also liaise with each other to ensure cross-border cooperation."</p> <p>Commission to provide a draft for recital on the idea of "without prejudice of national helpdesks..."</p>
Article 14a(3)				
227i		<p><u>3. The single helpdesks may also liaise with each other to ensure cross-border cooperation, and, where relevant, Member States shall ensure that single helpdesks coordinate with other implementation bodies or other relevant international instruments, such as OECD National Contact Points.</u></p>		<u>Deleted</u>
Article 15				
228	Article 15 Combating climate change	Article 15 Combating climate change	Article 15 Combating climate change	<p>Article 15 Combating climate change</p> <p>Cross-references to be checked</p> <p>Text Origin: Commission Proposal</p>
Article 15(1)				
229	1. Member States shall ensure that companies referred to in Article 2(1), point (a), and Article 2(2),	1. Member States shall ensure that companies referred to in Article 2(1), point (a), and <u>develop and</u>	1. Member States shall ensure that companies referred to in Article 2(1), point (a), and Article 2(2),	1. Member States shall ensure that companies referred to in Article 2(1), point (a) <u>points (a) and (c),</u>

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	<p>point (a), shall adopt a plan to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations.</p>	<p><u><i>implement a transition plan in line with the reporting requirements in Article 2(2), point (a), shall adopt a plan 19a of Regulation (EU) 2021/0104 (CSRD), to ensure that the business model and strategy of the company are compatible aligned with the objectives of the transition to a sustainable economy and with the limiting of global warming to 1.5-°C in line with the Paris Agreement. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which and the objective of achieving climate neutrality as established in Regulation (EU) 2021/1119 (European Climate Law) as regards its operations in the Union, including its 2050 climate change is a risk for, or an impact of, the company's operations. neutrality target and the 2030 climate target. This plan shall include a description of:</i></u></p>	<p>point (a), shall adopt a plan, including implementing actions and related financial and investments plans, to ensure that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement and the objective of achieving climate neutrality by 2050 as established in Regulation (EU) 2021/1119, and where relevant, the exposure of the undertaking to coal-, oil- and gas-related activities, as referred to in Articles 19a(2), point (a)(iii), and 29a(2), point (a)(iii), of Directive 2013/34/EU. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which climate change is a risk for, or an impact of, the company's operations.</p>	<p>and Article 2(2), point (a), shall adopt a plan <u>adopt and put into effect a transition plan for climate change mitigation which aims to ensure, through best efforts,</u> that the business model and strategy of the company are compatible with the transition to a sustainable economy and with the limiting of global warming to 1.5 °C in line with the Paris Agreement. This plan shall, in particular, identify, on the basis of information reasonably available to the company, the extent to which 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 undertaking to coal-, oil- and gas-related activities.</p> <p><u>The design of the transition plan referred to in the first subparagraph shall contain:</u></p> <p><u>(a) time-bound targets related to climate change is a risk for, or an impact of, the company's operations for 2030 and in five-year steps up to 2050 based on conclusive scientific evidence and including, where appropriate, absolute emission reduction targets for greenhouse gas for scope 1,</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u>scope 2 and scope 3 greenhouse gas emissions for each significant category;</u></p> <p><u>(b) a description of decarbonisation levers identified and key actions planned to reach targets referred to under point (a), including where appropriate changes in the undertaking's product and service portfolio and the adoption of new technologies;</u></p> <p><u>(c) an explanation and quantification of the investments and funding supporting the implementation of the transition plan;</u></p> <p><u>(d) a description of the role of the administrative, management and supervisory bodies with regard to the plan.</u></p> <p>Add to recital 50</p> <p>(...) aiming to ensure, through best efforts to put into effect the plan should be understood just as an obligation of means and not of results (...).</p>
Article 15(1), point (a)				
229a				<u>Deleted</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>(a) the resilience of the company's business model and strategy to risks related to climate matters;</u>		
Article 15(1), point (b)				
229b		<u>(b) the opportunities for the company related to climate matters;</u>		<u>Deleted</u>
Article 15(1), point (c)				
229c		<u>(c) where appropriate an identification and explanation of decarbonisation levers within the company's operations and value chain, including the exposure of the company to coal-, oil- and gas-related activities, as referred to in Articles 19a(2), point (a)(iii), and 29a(2), point (a)(iii), of Directive 2013/34/EU;</u>		<u>Deleted</u>
Article 15(1), point (d)				
229d		<u>(d) how the company's business model and strategy take account of the interests of the company's affected stakeholders and of the impacts of the company on climate change;</u>		<u>Deleted</u>
Article 15(1), point (e)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
229e		<u>(e) how the company's strategy has been implemented and will be implemented with regard to climate matters, including related financial and investment plans;</u>		<u>Deleted</u>
Article 15(1), point (f)				
229f		<u>(f) the time-bound targets related to climate change set by the company for scope 1, 2 and, where relevant, 3 emissions, including where appropriate, absolute emission reduction targets for greenhouse gas for 2030 and in five-year steps up to 2050 based on conclusive scientific evidence, and a description of the progress the company has made towards achieving those targets;</u>		<u>Deleted</u>
Article 15(1), point (g)				
229g		<u>(g) a description of the role of the administrative, management and supervisory bodies with regard to climate matters.</u>		<u>Deleted</u>
Article 15(2)				
230	2. Member States shall ensure that, in case climate change is or should have been identified as a principal	<i>deleted</i>	2. Member States shall ensure that, in case climate change is or should have been identified as a principal	2. Member States shall ensure that, in case climate change is or should have been identified as a principal

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	risk for, or a principal impact of, the company's operations, the company includes emission reduction objectives in its plan.		risk for, or a principal impact of, the company's operations, the company includes greenhouse gas emission reduction objectives in its plan.	risk for, or a principal impact of, the company's operations, the company includes emission reduction objectives in its plan. <u>Deleted</u>
Article 15(3)				
231	3. Member States shall ensure that companies duly take into account the fulfilment of the obligations referred to in paragraphs 1 and 2 when setting variable remuneration, if variable remuneration is linked to the contribution of a director to the company's business strategy and long-term interests and sustainability.	3. Member States shall ensure that companies duly take into account the fulfilment of the obligations referred to in paragraphs 1 and 2 when setting variable remuneration, if <u>directors are responsible for overseeing the obligations set out in this Article and that companies with more than 1000 employees on average have a relevant and effective policy in place to ensure that part of any</u> variable remuneration <u>for directors</u> is linked to the contribution of a director to the company's business strategy and long-term interests and sustainability <u>company's transition plan referred to in this Article. Such a policy shall be approved by the Annual General Meeting.</u>	deleted	3. Member States shall ensure that companies duly take into account the fulfilment <u>Companies that report a transition plan for climate change mitigation in accordance with Article 19a, 29a or 40a, as the case may be, of Directive 2013/34/EU of the European Parliament and</u> of the obligations referred to in paragraphs 1 and 2 when setting variable remuneration, if variable remuneration is linked to the contribution of a director to the company's business strategy and long-term interests and sustainability <u>Council shall be deemed to have complied with the adoption obligation set out in paragraph 1 of this Article.</u> <u>Companies that are included in the transition plan for climate change mitigation of their parent undertaking, reported in accordance with Article 29a or 40a, as the case may be, of Directive 2013/34/EU of the European Parliament and of the</u>

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				<p><u>Council, shall be deemed to have complied with the adoption requirement set out in paragraph 1 of this Article.</u></p> <p>Recital saying: the CSRD and CSDDD plans are the same on content and CSRD compliance lead to adoption compliance (but adoption only)</p>
Article 15(3a)				
231a				<p><u>3a. Member States shall ensure that the transition plan referred to in paragraph 1 is updated every 12 months and contains a description of the progress the company has made towards achieving the targets referred to under paragraph 1, point (a).</u></p>
Article 15(3b)				
231b				<p><u>3b. Member States shall ensure that companies with more than 1000 employees on average have an appropriate policy to promote the implementation of the plan referred to in this Article including through, among others, financial incentives to members of the administrative, management or supervisory bodies concerned.</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<i><u>The first subparagraph is without prejudice to Directive 2007/36/EC of the European Parliament and of the Council.</u></i>
Article 16				
232	Article 16 Authorised representative	Article 16 Authorised representative	Article 16 Authorised representative	Article 16 Authorised representative Text Origin: Council Mandate
Article 16(1)				
233	1. Member States shall ensure that each company referred to in Article 2(2) designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative.	1. Member States shall ensure that each company referred to in Article 2(2) designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative.	1. Member States shall ensure that each lay down rules to require that a company referred to in within the meaning of Article 2(2) operating in a Member State designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative.	1. Member States shall ensure that <u>each lay down rules to require that a company referred to in within the meaning of Article 2(2) operating in a Member State</u> designates a legal or natural person as its authorised representative, established or domiciled in one of the Member States where it operates. The designation shall be valid when confirmed as accepted by the authorised representative. Text Origin: Council Mandate
Article 16(2)				
234	2. Member States shall ensure that the name, address, electronic mail address and telephone number of the authorised representative is	2. Member States shall ensure that the name, address, electronic mail address and telephone number of the authorised representative is	2. Member States shall ensure relay down rules to require that the authorised representative or the company notifies the name,	2. Member States shall ensure <u>relay down rules to require that the authorised representative or the company notifies the</u> name,

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	<p>notified to a supervisory authority in the Member State where the authorised representative is domiciled or established. Member States shall ensure that the authorised representative is obliged to provide, upon request, a copy of the designation in an official language of a Member State to any of the supervisory authorities.</p>	<p>notified to a supervisory authority in the Member State where the authorised representative is domiciled or established. Member States shall ensure that the authorised representative is obliged to provide, upon request, a copy of the designation in an official language of a Member State to any of the supervisory authorities.</p>	<p>address, electronic mail address and telephone number of the authorised representative is notified to a supervisory authority in the Member State where the authorised representative is domiciled or established. Member States shall ensure lay down rules to require that the authorised representative is obliged to provide provides, upon request, a copy of the designation in an official language of a Member State to any of the supervisory authorities.</p>	<p>address, electronic mail address and telephone number of the authorised representative is notified to a supervisory authority in the Member State where the authorised representative is domiciled or established. Member States shall ensure lay down rules to require that the authorised representative is obliged to provide provides, upon request, a copy of the designation in an official language of a Member State to any of the supervisory authorities.</p> <p><small>Text Origin: Council Mandate</small></p>
Article 16(3)				
235	<p>3. Member States shall ensure that a supervisory authority in the Member State where the authorised representative is domiciled or established and, where it is different, a supervisory authority in the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year are informed that the company is a company within the meaning of Article 2(2).</p>	<p>3. Member States shall ensure that a supervisory authority in the Member State where the authorised representative is domiciled or established and, where it is different, a supervisory authority in the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year are informed that the company is a company within the meaning of Article 2(2).</p>	<p>3. Member States shall ensure that lay down rules to require that the authorised representative or the company informs a supervisory authority in the Member State where the authorised representative is domiciled or established and, where it is different, a supervisory authority in the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year are informed that the company is a company within the meaning of Article 2(2).</p>	<p>3. Member States shall ensure that lay down rules to require that the authorised representative or the company informs a supervisory authority in the Member State where the authorised representative is domiciled or established and, where it is different, a supervisory authority in the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year are informed that the company is a company within the meaning of Article 2(2).</p> <p><small>Text Origin: Council Mandate</small></p>

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Article 16(4)				
236	4. Member States shall ensure that each company empowers its authorised representative to receive communications from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this Directive. Companies shall be required to provide their authorised representative with the necessary powers and resources to cooperate with supervisory authorities.	4. Member States shall ensure that each company empowers its authorised representative to receive communications from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this Directive. Companies shall be required to provide their authorised representative with the necessary powers and resources to cooperate with supervisory authorities.	4. Member States shall ensure relay down rules to require that each company empowers its authorised representative to receive communications from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this Directive. Companies shall be required to provide their authorised representative with the necessary powers and resources to cooperate with supervisory authorities.	4. Member States shall ensure lay down rules to require that each company empowers its authorised representative to receive communications from supervisory authorities on all matters necessary for compliance with and enforcement of national provisions transposing this Directive. Companies shall be required to provide their authorised representative with the necessary powers and resources to cooperate with supervisory authorities. Text Origin: Council Mandate
Article 16(4a)				
236a			5. When the company within the meaning of Article 2(2) fails to comply with the obligations laid down in this Article, all Member States in which such company operates should be competent to enforce the fulfilment of such obligations in accordance with the national law. The Member State intending to enforce the obligations laid down in this Article notifies the supervisory authorities through the European	<u>5. When the company within the meaning of Article 2(2) fails to comply with the obligations laid down in this Article, all Member States in which such company operates should be competent to enforce the fulfilment of such obligations in accordance with the national law. The Member State intending to enforce the obligations laid down in this Article notifies the supervisory authorities through the European</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			Network of Supervisory Authorities in accordance with Article 21 so that other Member States do not enforce them.	<u>Network of Supervisory Authorities in accordance with Article 21 so that other Member States do not enforce them.</u> <small>Text Origin: Council Mandate</small>
Article 17				
237	Article 17 Supervisory Authorities	Article 17 Supervisory Authorities	Article 17 Supervisory Authorities	Article 17 Supervisory Authorities <small>Text Origin: Commission Proposal</small>
Article 17(1)				
238	1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 to 11 and Article 15(1) and (2) ('supervisory authority').	1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 to 11 and Article 15(1) and (2) <u>this Directive</u> ('supervisory authority').	1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 to 11 and Article 15(1) and (2) 15 ('supervisory authority').	1. Each Member State shall designate one or more supervisory authorities to supervise compliance with the obligations laid down in national provisions adopted pursuant to Articles 6 5 to 11 and Article 15(1) and (2) 15 ('supervisory authority'). <small>Text Origin: Council Mandate</small>
Article 17(2)				
239	2. As regards the companies referred to in Article 2(1), the competent supervisory authority shall be that of the Member State in	2. As regards the companies referred to in Article 2(1), the competent supervisory authority shall be that of the Member State in	2. As regards the companies referred to in Article 2(1), the competent supervisory authority shall be that of the Member State in	2. As regards the companies referred to in Article 2(1), the competent supervisory authority shall be that of the Member State in

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	which the company has its registered office.	which the company has its registered office.	which the such company has its registered office.	which the company has its registered office. Text Origin: Commission Proposal
Article 17(3), first subparagraph				
240	3. As regards companies referred to in Article 2(2), the competent supervisory authority shall be that of the Member State in which the company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the competent supervisory authority shall be the supervisory authority of the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year before the date indicated in Article 30 or the date on which the company first fulfils the criteria laid down in Article 2(2), whichever comes last.	3. As regards companies referred to in Article 2(2), the competent supervisory authority shall be that of the Member State in which the company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the competent supervisory authority shall be the supervisory authority of the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year before the date indicated in Article 30 or the date on which the company first fulfils the criteria laid down in Article 2(2), whichever comes last.	3. As regards companies referred to in Article 2(2), the competent supervisory authority shall be that of the Member State in which the such company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the competent supervisory authority shall be the supervisory authority of the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year before the date indicated in Article 30 or the date on which the company first fulfils the criteria laid down in Article 2(2), whichever comes last.	3. As regards companies referred to in Article 2(2), the competent supervisory authority shall be that of the Member State in which the company has a branch. If the company does not have a branch in any Member State, or has branches located in different Member States, the competent supervisory authority shall be the supervisory authority of the Member State in which the company generated most of its net turnover in the Union in the financial year preceding the last financial year before the date indicated in Article 30 or the date on which the company first fulfils the criteria laid down in Article 2(2), whichever comes last. Text Origin: Commission Proposal
Article 17(3), second subparagraph				
241	Companies referred to in Article 2(2) may, on the basis of a change in circumstances leading to it	Companies referred to in Article 2(2) may, on the basis of a change in circumstances leading to it	Companies referred to in Article 2(2) may, on the basis of a change in circumstances leading to it	Companies referred to in Article 2(2) may, on the basis of a change in circumstances leading to it

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	generating most of its turnover in the Union in a different Member State, make a duly reasoned request to change the supervisory authority that is competent to regulate matters covered in this Directive in respect of that company.	generating most of its turnover in the Union in a different Member State, make a duly reasoned request to change the supervisory authority that is competent to regulate matters covered in this Directive in respect of that company.	generating most of its turnover in the Union in a different Member State, make a duly reasoned request to change the supervisory authority that is competent to regulate matters covered in this Directive in respect of that company.	generating most of its turnover in the Union in a different Member State, make a duly reasoned request to change the supervisory authority that is competent to regulate matters covered in this Directive in respect of that company. Text Origin: Commission Proposal
Article 17(3a), first subparagraph				
241a			3a. Where the parent company fulfils the obligations resulting from this Directive on behalf of its subsidiaries in accordance with Article 4a, the competent supervisory authority for the parent company and its subsidiaries shall be that of the parent company pursuant to paragraph 2 or 3.	<u>3a. Where the parent company fulfils the obligations resulting from this Directive on behalf of its subsidiaries in accordance with Article 4a, the competent supervisory authority of the parent company shall cooperate with the competent supervisory authority of the subsidiary, which will remain competent to ensure that the subsidiary is subject to the exercise of powers in accordance with Article 18. In this regard, the European Network of Supervisory Authorities shall facilitate the needed cooperation, coordination and mutual assistance according to Article 21.</u>
Article 17(3a), second subparagraph				
241b				

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			<p>When the supervisory authority under the first subparagraph identifies a failure of the subsidiary to comply with the obligations provided for in Article 4a(2), it shall notify the supervisory authority that would be competent in respect of that subsidiary in accordance with paragraph 2 or 3, to carry out the powers in respect of that subsidiary in accordance with Articles 18 and 20.</p>	<p><i>deleted</i></p> <p><i>Text Origin: Council Mandate</i></p>
<i>Article 17(4)</i>				
242	<p>4. Where a Member State designates more than one supervisory authority, it shall ensure that the respective competences of those authorities are clearly defined and that they cooperate closely and effectively with each other.</p>	<p>4. Where a Member State designates more than one supervisory authority, it shall ensure that the respective competences of those authorities are clearly defined and that they cooperate closely and effectively with each other.</p>	<p>4. Where a Member State designates more than one supervisory authority, it shall ensure that the respective competences of those authorities are clearly defined and that they cooperate closely and effectively with each other.</p>	<p>4. Where a Member State designates more than one supervisory authority, it shall ensure that the respective competences of those authorities are clearly defined and that they cooperate closely and effectively with each other.</p> <p><i>Text Origin: Commission Proposal</i></p>
<i>Article 17(5)</i>				
243	<p>5. Member States may designate the authorities for the supervision of regulated financial undertakings also as supervisory authorities for the purposes of this Directive.</p>	<p>5. Member States may designate the authorities for the supervision of regulated financial undertakings also as supervisory authorities for the purposes of this Directive.</p>	<p>5. Member States may designate the authorities for the supervision of regulated financial undertakings also as supervisory authorities for the purposes of this Directive.</p>	<p>5. Member States may designate the authorities for the supervision of regulated financial undertakings also as supervisory authorities for the purposes of this Directive.</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				Text Origin: Commission Proposal
Article 17(6)				
244	6. By the date indicated in Article 30(1), point (a), 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 competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.	6. By the date indicated in Article 30(1), point (a), Member States shall inform the Commission of the names and contact details of the supervisory authorities <u>and, where applicable, the respective competences of those authorities,</u> designated pursuant to this Article, as well as of their respective competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.	6. By the date indicated in Article 30(1), point (a), 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 competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto.	6. By the date indicated in Article 30(1), point (a), 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 competence where there are several designated supervisory authorities. They shall inform the Commission of any changes thereto. Text Origin: Commission Proposal
Article 17(7)				
245	7. The Commission shall make publicly available, including on its website, a list of the supervisory authorities. The Commission shall regularly update the list on the basis of the information received from the Member States.	7. The Commission shall make publicly available, including on its website, a list of the supervisory authorities, <u>and, when a Member State has several supervisory authorities, the respective competences of those authorities.</u> The Commission shall regularly update the list on the basis of the information received from the Member States.	7. The Commission shall make publicly available, including on its website, a list of the supervisory authorities. The Commission shall regularly update the list on the basis of the information received from the Member States.	7. The Commission shall make publicly available, including on its website, a list of the supervisory authorities, <u>and, when a Member State has several supervisory authorities, the respective competences of those authorities in relation to this Directive.</u> The Commission shall regularly update the list on the basis of the information received from the Member States. Text Origin: EP Mandate

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 17(8)				
246	<p>8. Member States shall guarantee the independence of the supervisory authorities and shall ensure that they, and all persons working for or who have worked for them and auditors or experts acting on their behalf, exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.</p>	<p>8. Member States shall guarantee the independence of the supervisory authorities and shall ensure that they, and all persons working for or who have worked for them and auditors or experts<u>persons</u> acting on their behalf, exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.</p>	<p>8. Member States shall guarantee the independence of the supervisory authorities and shall ensure that they, and all persons working for or who have worked for them and auditors or experts acting on their behalf, exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.</p>	<p>8. Member States shall guarantee the independence of the supervisory authorities and shall ensure that they, and all persons working for or who have worked for them and auditors, <u>experts and any other person</u> or experts acting on their behalf, exercise their powers impartially, transparently and with due respect for obligations of professional secrecy. In particular, Member States shall ensure that the authority is legally and functionally independent, <u>free from external influence whether direct or indirect, including</u> from the companies falling within the scope of this Directive or other market interests, that its staff and the persons responsible for its management are free of conflicts of interest, subject to confidentiality requirements, and that they refrain from any action incompatible with their duties.</p> <p>Recital (53): "In order to ensure the monitoring of the correct implementation of companies' due diligence obligations and ensure the proper enforcement of this Directive, Member States should designate one or more national supervisory</p>

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				<p>authorities. These supervisory authorities should be of a public nature, independent from the companies falling within the scope of this Directive or other market interests, and free from conflicts of interest and external influence, whether direct or indirect. In order to exercise their powers impartially, these supervisory authorities should neither seek nor take instructions from anybody. In accordance with national law, Member States should ensure that each supervisory authority is provided with the human and financial resources necessary for the effective performance of its tasks and exercise of its powers. They should be entitled to carry out investigations, on their own initiative or based on substantiated concerns raised under this Directive. These investigations can include, where appropriate, on site inspections and the hearing of relevant stakeholders. Where competent authorities under sectoral legislation exist, Member States could identify those as responsible for the application of this Directive in their areas of competence. [They could designate authorities for the supervision of regulated financial undertaking also as supervisory authorities for the purposes of this Directive.] Supervisory authorities should publish and make available on a website an annual report on their past activities, including the most serious breaches identified."</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				Text Origin: EP Mandate
Article 17(8a)				
246a		<u>8a. Member States shall ensure that supervisory authorities publish and make available on a website an annual report detailing their past activities, future work plan and priorities, and the most serious non-compliance issues.</u>		<u>8a. Member States shall ensure that supervisory authorities publish and make accessible online an annual report on their activities under this Directive.</u>
Article 17(8b)				
246b		<u>8b. Member States shall ensure that supervisory authorities recognise the role of implementation bodies of other relevant international instruments, such as OECD National Contact Points. The Commission, in consultation with relevant international bodies, may develop guidelines on the coordination between supervisory authorities and such implementation bodies.</u>		deleted Text Origin: EP Mandate
Article 18				
247	Article 18 Powers of supervisory authorities	Article 18 Powers of supervisory authorities	Article 18 Powers of supervisory authorities	Article 18 Powers of supervisory authorities Text Origin: Commission Proposal

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 18(1)				
248	<p>1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to request information and carry out investigations related to compliance with the obligations set out in this Directive.</p>	<p>1. Member States shall ensure that the supervisory authorities <u>are independent and impartial and have adequate powers, resources and expertise and resources</u> to carry out the tasks assigned to them under this Directive, including the power to <u>request require companies to provide</u> information and carry out investigations, <u>which can include where appropriate on site inspections and the hearing of relevant stakeholders</u>, related to compliance with the obligations set out in this Directive.</p>	<p>1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to request information and carry out investigations related to compliance with the obligations set out in this Directive Articles 6 to 11 and Article 15. As regards Article 15, Member States shall only require supervisory authorities to supervise that companies have adopted the plan.</p>	<p>1. Member States shall ensure that the supervisory authorities have adequate powers and resources to carry out the tasks assigned to them under this Directive, including the power to <u>request require companies to provide</u> information and carry out investigations related to compliance with the obligations set out in this Directive Articles 5 to 11. As regards Article 15, supervisory authorities shall be required to supervise the adoption and design of the plan in accordance with the requirements of Article 15(1).</p> <p>Recital to reflect this text as follows: "supervisory authorities shall be required to, at least. .."</p>
Article 18(2)				
249	<p>2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has sufficient information indicating a possible breach by a company of the obligations provided for in the</p>	<p>2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has sufficient information indicating a possible breach by a company of the obligations provided for in the</p>	<p>2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has sufficient information indicating a possible breach by a company of the obligations provided for in the</p>	<p>2. A supervisory authority may initiate an investigation on its own motion or as a result of substantiated concerns communicated to it pursuant to Article 19, where it considers that it has sufficient information indicating a possible breach by a company of the obligations provided for in the</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	national provisions adopted pursuant to this Directive.	national provisions adopted pursuant to this Directive.	national provisions adopted pursuant to this Directive.	national provisions adopted pursuant to this Directive. Text Origin: Commission Proposal
Article 18(3)				
250	3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and with prior warning to the company, except where prior notification hinders the effectiveness of the inspection. Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2).	3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and with prior warning to the company, except where prior notification hinders the effectiveness of the inspection. Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2).	3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and with prior warning to the company, except where prior notification hinders the effectiveness of the inspection. Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2).	3. Inspections shall be conducted in compliance with the national law of the Member State in which the inspection is carried out and with prior warning to the company, except where prior notification hinders the effectiveness of the inspection. Where, as part of its investigation, a supervisory authority wishes to carry out an inspection on the territory of a Member State other than its own, it shall seek assistance from the supervisory authority in that Member State pursuant to Article 21(2). Text Origin: Commission Proposal
Article 18(4), first subparagraph				
251	4. If, as a result of the actions taken pursuant to paragraphs 1 and 2, a supervisory authority identifies a failure to comply with national provisions adopted pursuant to this Directive, it shall grant the company	4. If, as a result of the actions taken pursuant to paragraphs 1 and 2, a supervisory authority identifies a failure to comply with national provisions adopted pursuant to this Directive, it shall grant the company	4. If, as a result of the actions taken pursuant to paragraphs 1 and 2, a supervisory authority identifies a failure to comply with national provisions adopted pursuant to this Directive, it shall grant the company	4. If, as a result of the actions taken pursuant to paragraphs 1 and 2, a supervisory authority identifies a failure to comply with national provisions adopted pursuant to this Directive, it shall grant the company

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	concerned an appropriate period of time to take remedial action, if such action is possible.	concerned an appropriate period of time to take remedial action, if such action is possible.	concerned an appropriate period of time to take remedial action, if such action is possible.	concerned an appropriate period of time to take remedial action, if such action is possible. Text Origin: Commission Proposal
Article 18(4), second subparagraph				
252	Taking remedial action does not preclude the imposition of administrative sanctions or the triggering of civil liability in case of damages, in accordance with Articles 20 and 22, respectively.	Taking remedial action does not preclude the imposition of administrative sanctions or the triggering of civil liability in case of damages, <i>including</i> in accordance with Articles 20 and 22, respectively.	Taking remedial action does not preclude the imposition of administrative sanctions penalties or the triggering of civil liability in case of damages, in accordance with Articles 20 and 22, respectively.	Taking remedial action does not preclude the imposition of <i>administrative sanctions</i> penalties or the triggering of civil liability in case of damages, in accordance with Articles 20 and 22, respectively. Text Origin: Council Mandate
Article 18(5)				
253	5. When carrying out their tasks, supervisory authorities shall have at least the following powers:	5. When carrying out their tasks, supervisory authorities shall have at least the following powers:	5. When carrying out their tasks, supervisory authorities shall have at least the following powers:	5. When carrying out their tasks, supervisory authorities shall have at least the following powers: Text Origin: Commission Proposal
Article 18(5), point (a)				
254	(a) to order the cessation of infringements of the national provisions adopted pursuant to this Directive, abstention from any repetition of the relevant conduct and, where appropriate, remedial	(a) to order the cessation of infringements of the national provisions adopted pursuant to this Directive, abstention from any repetition of the relevant conduct and, where appropriate, remedial	(a) to order the cessation of infringements of the national provisions adopted pursuant to this Directive, abstention from any repetition of the relevant conduct and, where appropriate, remedial	(a) to order the cessation of infringements of the national provisions adopted pursuant to this Directive, abstention from any repetition of the relevant conduct and, where appropriate, remedial

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	action proportionate to the infringement and necessary to bring it to an end;	action proportionate to the infringement and necessary to bring it to an end;	action proportionate to the infringement and necessary to bring it to an end;:	action proportionate to the infringement and necessary to bring it to an end;: Text Origin: Council Mandate
Article 18(5), point (aa)				
254a			(i) the cessation of infringements of the national provisions adopted pursuant to this Directive;	<u>(i) the cessation of infringements of the national provisions adopted pursuant to this Directive by performing an action or ceasing a conduct;</u> Text Origin: Council Mandate
Article 18(5), point (ab)				
254b			(ii) the abstention from any repetition of the relevant conduct; and	<u>(ii) the abstention from any repetition of the relevant conduct; and</u> Text Origin: Council Mandate
Article 18(5), point (ac)				
254c			(iii) where appropriate, to provide remediation proportionate to the infringement and necessary to bring it to an end;	<u>(iii) where appropriate, to provide remediation proportionate to the infringement and necessary to bring it to an end;</u> Text Origin: Council Mandate
Article 18(5), point (b)				

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255	(b) to impose pecuniary sanctions in accordance with Article 20;	(b) to impose pecuniary sanctions in accordance with Article 20;	(b) to impose pecuniary sanctions penalties in accordance with Article 20; and	(b) to impose pecuniary sanctions penalties in accordance with Article 20; and Text Origin: Council Mandate
Article 18(5), point (c)				
256	(c) to adopt interim measures to avoid the risk of severe and irreparable harm.	(c) to adopt interim measures to avoid the risk of severe and irreparable harm. ;	(c) to adopt interim measures to avoid the in case of urgency due to risk of severe and irreparable harm.	(c) to adopt interim measures to avoid the in case of imminent risk of severe and irreparable harm.
Article 18(5), point (ca)				
256a		<u>(ca) to assess the validity of prioritisation strategies as foreseen under Article 8b and order a review if the requirements for such strategies have not been met.</u>		deleted Text Origin: EP Mandate
Article 18(6)				
257	6. Where the legal system of the Member State does not provide for administrative sanctions, this Article and Article 20 may be implemented in such a manner that the sanction is initiated by the competent supervisory authority and imposed by the competent national courts, while ensuring that those legal remedies are effective and have an equivalent effect to the	6. Where the legal system of the Member State does not provide for administrative sanctions, this Article and Article 20 may be implemented in such a manner that the sanction is initiated by the competent supervisory authority and imposed by the competent national courts, while ensuring that those legal remedies are effective and have an equivalent effect to the	6. Where the legal system of the Member State does not provide for administrative sanctions, Supervisory authorities shall exercise the powers referred to in this Article and Article 20 may be implemented in such a manner that the sanction is initiated by the competent supervisory authority and imposed by the competent in accordance with the national	6. Where the legal system of the Member State does not provide for administrative sanctions, Supervisory authorities shall exercise the powers referred to in this Article and Article 20 may be implemented in such a manner that the sanction is initiated by the competent supervisory authority and imposed by the competent in accordance with the national

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	administrative sanctions imposed by supervisory authorities.	administrative sanctions imposed by supervisory authorities.	courts, while ensuring that those legal remedies are effective and have an equivalent effect to the administrative sanctions imposed by supervisory authorities. law:	<i>courts, while ensuring that those legal remedies are effective and have an equivalent effect to the administrative sanctions imposed by supervisory authorities.</i> <u>law:</u> Text Origin: Council Mandate
Article 18(6), point (a)				
257a			(a) directly;	<u>(a) directly;</u> Text Origin: Council Mandate
Article 18(6), point (b)				
257b			(b) in cooperation with other authorities; or	<u>(b) in cooperation with other authorities; or</u> Text Origin: Council Mandate
Article 18(6), point (c)				
257c			(c) by application to the competent judicial authorities.	<u>(c) by application to the competent judicial authorities, which shall ensure that legal remedies are effective and have an equivalent effect to the fines imposed directly by supervisory authorities.</u> Text Origin: Council Mandate
Article 18(7)				
258				

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	7. Member States shall ensure that each natural or legal person has the right to an effective judicial remedy against a legally binding decision by a supervisory authority concerning them.	7. Member States shall ensure that each natural or legal person has the right to an effective judicial remedy against a legally binding decision by a supervisory authority concerning them, <u>in accordance with national law and without prejudice to Member State rules on companies' right to court appeal and other relevant safeguards.</u>	7. Member States shall ensure that each natural or legal person has the right to an effective judicial remedy against a legally binding decision by a supervisory authority concerning them.	7. Member States shall ensure that each natural or legal person has the right to an effective judicial remedy against a legally binding decision by a supervisory authority concerning them, <u>in accordance with national law.</u> Text Origin: EP Mandate
Article 18(7a)				
258a		<u>7a. Supervisory authorities shall publish and regularly update a list of all companies subject to this Directive under their jurisdiction, without containing any personal data within the meaning of Article 4(1) of Regulation (EU) 2016/679. The lists of companies subject to this Directive shall display links to access companies' due diligence statements where applicable.</u>		<u>Deleted</u>
Article 18(7b)				
258b		<u>7b. Member States shall ensure that the supervisory authorities keep records of the investigations referred to in paragraph 1, indicating, in particular, their nature and result, as well as records of any notice of remedial action issued under paragraph 5.</u>		<u>7b. Member States shall ensure that the supervisory authorities keep records of the investigations referred to in paragraph 1, indicating, in particular, their nature and result, as well as records of any enforcement action issued under paragraph 5.</u>

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Article 18(7c)				
258c		<u><i>7c. Decisions of supervisory authorities regarding a company's compliance with this Directive shall be without prejudice to the company's civil liability under Article 22. In the context of ongoing civil liability proceedings and upon request of a court, supervisory authorities shall share any information they may have at their disposal about a given company with the court before which the proceedings brought under Article 22 are to be heard.</i></u>		<u><i>7c. Decisions of supervisory authorities regarding a company's compliance with this Directive shall be without prejudice to the company's civil liability under Article 22.</i></u> Text Origin: EP Mandate
Article 19				
259	Article 19 Substantiated concerns	Article 19 Substantiated concerns	Article 19 Substantiated concerns	Article 19 Substantiated concerns Text Origin: Commission Proposal
Article 19(1)				
260	1. Member States shall ensure that natural and legal persons are entitled to submit substantiated concerns to any supervisory authority when they have reasons to believe, on the basis of objective	1. Member States shall ensure that natural and legal persons are entitled to submit substantiated concerns to any supervisory authority when they have reasons to believe, on the basis of objective	1. Member States shall ensure that natural and legal persons are entitled to submit substantiated concerns to any supervisory authority when they have reasons to believe, on the basis of objective	1. Member States shall ensure that natural and legal persons are entitled to submit substantiated concerns, <u><i>through easily accessible channels</i></u> , to any supervisory authority when they have reasons to

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	circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').	circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').	circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').	<p>believe, on the basis of objective circumstances, that a company is failing to comply with the national provisions adopted pursuant to this Directive ('substantiated concerns').</p> <p>RECITAL 53: "They should be entitled to carry out investigations, including, where appropriate, on-site inspections and hearing of relevant stakeholders, on their own initiative or based on substantiated concerns raised under this Directive. Member States should establish an accessible mechanism for receiving substantiated concerns, free of charge or with a fee limited to covering administrative costs only, and ensure that practical information is made available to the public on how to exercise this right .</p> <p>Text Origin: Commission Proposal</p>
Article 19(1a)				
260a		<u><i>1a. Member States shall ensure that, where persons submitting substantiated concerns so request, the supervisory authority takes the necessary measures for the appropriate protection of the identity of that person and their personal information, which, if disclosed, would be harmful to that person.</i></u>		<u><i>1a. Member States shall ensure that, where persons submitting substantiated concerns so request, the supervisory authority takes the necessary measures for the appropriate protection of the identity of that person and their personal information, which, if disclosed, would be harmful to that person.</i></u>

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Article 19(2)				
261	2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority.	2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority <u>and inform the person that has submitted a substantiated concern as provided for in paragraph 1.</u>	2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority.	2. Where the substantiated concern falls under the competence of another supervisory authority, the authority receiving the concern shall transmit it to that authority. Text Origin: EP Mandate
Article 19(3)				
262	3. Member States shall ensure that supervisory authorities assess the substantiated concerns and, where appropriate, exercise their powers as referred to in Article 18.	3. Member States shall ensure that supervisory authorities assess the substantiated concerns and, where appropriate, exercise their powers as referred to in Article 18 <u>within a reasonable period of time.</u>	3. Member States shall ensure that supervisory authorities assess the substantiated concerns in an appropriate period of time and, where appropriate, exercise their powers as referred to in Article 18.	3. Member States shall ensure that supervisory authorities assess the substantiated concerns <u>in an appropriate period of time</u> and, where appropriate, exercise their powers as referred to in Article 18. Text Origin: Council Mandate
Article 19(4)				
263	4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern and shall provide the reasoning for it.	4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern and <u>of its decision to accede to or refuse the request for action, and</u> shall provide the reasoning for it, <u>and a</u>	4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern and shall provide the reasoning for it.	4. The supervisory authority shall, as soon as possible and in accordance with the relevant provisions of national law and in compliance with Union law, inform the person referred to in paragraph 1 of the result of the assessment of their substantiated concern and shall provide the reasoning for it. <u>The supervisory authority shall also inform the persons submitting the</u>

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		<p><i><u>description of the further steps and measures it will take. Supervisory authorities may allow for additional information to be provided by the person who has submitted the concern.</u></i></p>		<p><i><u>substantiated concern who have, in accordance with national law, a legitimate interest in the matter, its decision to accept or refuse any request for action, as well as a description of the further steps and measures, and practical information on access to administrative and judicial review procedures.</u></i></p>
Article 19(4a)				
263a		<p><i><u>4a. Member States shall ensure that supervisory authorities establish easily accessible channels for receiving concerns. Procedures to submit substantiated concerns shall be fair, equitable, timely and free of charge. Member States shall ensure that practical information is made available to the public on access to administrative and judicial review procedures.</u></i></p>		<p>deleted</p> <p><small>Text Origin: EP Mandate</small></p>
Article 19(5)				
264	<p>5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and having, in accordance with national law, a legitimate interest in the matter have access to a court or other</p>	<p>5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and having, in accordance with national law, a legitimate interest in the matter have access to a court or other</p>	<p>5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and having, in accordance with national law, a legitimate interest in the matter have access to a court or other</p>	<p>5. Member States shall ensure that the persons submitting the substantiated concern according to this Article and having, in accordance with national law, a legitimate interest in the matter, have access to a court or other</p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the supervisory authority.	independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the supervisory authority.	independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the supervisory authority.	independent and impartial public body competent to review the procedural and substantive legality of the decisions, acts or failure to act of the supervisory authority. Text Origin: Council Mandate
Article 20				
265	Article 20 Sanctions	Article 20 Sanctions	Article 20 Sanctions Penalties	Article 20 Sanctions <u>Penalties</u> In Recital 54 (Council mandate): To delete the words - "Member States should have flexibility to base the penalty also on other criteria, such as the economic situation of the company." Text Origin: Council Mandate
Article 20(1)				
266	1. Member States shall lay down the rules on sanctions applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions provided for shall be effective, proportionate and dissuasive.	1. Member States shall lay down the rules on sanctions applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions provided for shall be effective, proportionate and dissuasive.	1. Member States shall lay down the rules on sanctions penalties , including pecuniary penalties , applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions penalties provided for shall be effective, proportionate and dissuasive.	1. Member States shall lay down the rules on sanctions <u>penalties</u> , <u>including pecuniary penalties</u> , applicable to infringements of national provisions adopted pursuant to this Directive, and shall take all measures necessary to ensure that they are implemented. The sanctions <u>penalties</u> provided for shall be effective, proportionate and dissuasive.

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Article 20(2)				
267	2. In deciding whether to impose sanctions and, if so, in determining their nature and appropriate level, due account shall be taken of the company's efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as collaboration with other entities to address adverse impacts in its value chains, as the case may be.	2. In deciding whether to impose sanctions and, if so, in determining their nature and appropriate level, due account shall be taken of the company's efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as collaboration with other entities to address adverse impacts in its value chains, as the case may be.:	2. In deciding whether to impose sanctions penalties and, if so, in determining their nature and appropriate level, due account shall be taken in particular of the company's efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as collaboration with other entities to address adverse impacts in its value chains chain of activities , as the case may be.	2. In deciding whether to impose sanctions penalties and, if so, in determining their nature and appropriate level, due account shall be taken of the company's efforts to comply with any remedial action required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as collaboration with other entities to address adverse impacts in its value chains, as the case may be.:
Article 20(2), point (a)				
267a		<u>(a) the company's efforts to comply with any remedial action required of them by a supervisory authority;</u>		<u>(a) the nature, gravity and duration of the infringement, and the severity of the impacts resulting from that infringement;</u>
Article 20(2), point (b)				
267b		<u>(b) any investments made and any targeted support provided pursuant to Articles 7 and 8;</u>		<u>(b) any investments made and any targeted support provided pursuant to Articles 7 and 8;</u>
Article 20(2), point (c)				
267c				

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		<u>(c) any collaboration with other entities to address adverse impacts in its value chains;</u>		<u>(c) any collaboration with other entities to address the impacts concerned;</u>
Article 20(2), point (d)				
267d		<u>(d) the seriousness and duration of the company's infringement, or the severity of the impacts that have occurred;</u>		<u>(d) where relevant, the extent to which prioritisation decisions were made in accordance with Article 6a;</u>
Article 20(2), point (e)				
267e		<u>(e) the extent to which prioritisation decisions were reasonable, credible and taken in good faith;</u>		<u>(e) any relevant previous infringements by the company of national provisions adopted pursuant to this Directive found by a final decision;</u>
Article 20(2), point (f)				
267f		<u>(f) any previous infringements by the company of national provisions adopted pursuant to this Directive;</u>		<u>(f) the extent to which the company carried out any remedial action with regard to the concerned subject-matter;</u>
Article 20(2), point (g)				
267g		<u>(g) the financial benefits gained or losses avoided by the company due to the infringement, if the relevant data are available;</u>		<u>(g) the financial benefits gained from or losses avoided by the company due to the infringement;</u>

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Article 20(2), point (h)				
267h		<u>(h) penalties imposed in respect of similar infringements in other Member States;</u>		<u>Deleted</u>
Article 20(2), point (i)				
267i		<u>(i) whether the company has effectively dealt with complaints or proposals raised by persons or affected stakeholders, including pursuant to Article 9;</u>		<u>(i) any other aggravating or mitigating factors applicable to the circumstances of the case.</u>
Article 20(2), point (j)				
267j		<u>(j) any other aggravating or mitigating factors applicable to the circumstances of the case.</u>		<u>Deleted</u>
Article 20(2), point (k)				
267k		<u>2a. At least the following measures and sanctions shall be provided for:</u> <u>(a) pecuniary sanctions;</u> <u>(b) a public statement indicating that a company is responsible and the nature of the infringement;</u> <u>(c) the obligation to perform an action, including to cease the</u>		<u>2a. At least the following penalties shall be provided for:</u> <u>(a) pecuniary penalties;</u> <u>(b) if the company fails to comply with the decision imposing a pecuniary penalty within the applicable time-limit, a public statement indicating the company responsible and the nature of the infringement;</u>

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		<p><u>conduct constituting the infringement and to desist from any repetition of that conduct;</u></p> <p><u>(d) the suspension of products from free circulation or export.</u></p>		<p>Points (c) and (d) are deleted.</p> <p>Text to be inserted in recital 54: "This penalties regime is without prejudice to the power to withdraw and to prohibit the placing, making available on the market and export of products under other Union legislative acts providing for more extensive or more specific due diligence obligations, such as the Deforestation Regulation."</p>
Article 20(2a)(3)				
268	3. When pecuniary sanctions are imposed, they shall be based on the company's turnover.	3. When pecuniary sanctions are imposed, they shall be based on the company's <u>net worldwide</u> turnover. <u>The maximum limit of pecuniary sanctions shall be not less than 5% of the net worldwide turnover of the company in the business year preceding the fining decision.</u>	3. When pecuniary sanctions penalties are imposed, they shall be based on commensurate with the company's worldwide net turnover.	3. When pecuniary sanctions are imposed, they shall be based on the company's <u>net worldwide</u> turnover. <u>The maximum limit of pecuniary penalties shall be not less than 5% of the net worldwide turnover of the company in the financial year preceding the fining decision.</u>
Article 20(2a), (3) a				
268a		<u>Member States shall ensure that, with regards to companies referred to in Article 2(1), point (b) and Article 2(2), point (b), administrative pecuniary sanctions are calculated taking into account the consolidated turnover reported by that company.</u>		<u>Member States shall ensure that, with regards to companies referred to in Article 2(1), point (b) and Article 2(2), point (b), pecuniary penalties are calculated taking into account the consolidated turnover reported by the ultimate parent company.</u>

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Article 20(2b)				
268b		<u>3a. Member States shall lay down rules so that companies which are formed in accordance with the legislation of a third country under Article 2(2) shall be excluded from public procurement processes if they fail to appoint an authorised representative under Article 16.</u>		<u>Deleted</u>
Article 20(4)				
269	4. Member States shall ensure that any decision of the supervisory authorities containing sanctions related to the breach of the provisions of this directive is published.	4. Member States shall <u>keep a record of sanctions that have been imposed and</u> ensure that any decision of the supervisory authorities containing sanctions related to the breach of the provisions of this directive is published. <u>The published decision shall not contain any personal data within the meaning of Article 4(1) of Regulation (EU) 2016/679.</u>	4. Member States shall ensure that any decision of the supervisory authorities containing sanctions penalties related to the breach infringements of the national provisions of adopted pursuant to this Directive is published, publicly available for at least 3 years and sent to the European Network of Supervisory Authorities. The published decision shall not contain any personal data within the meaning of Article 4(1) of Regulation (EU) 2016/679.	4. Member States shall ensure that any decision of the supervisory authorities containing sanctions penalties related to the breach infringements of the national provisions of adopted pursuant to this Directive is published, <u>publicly available for at least 5 years and sent to the European Network of Supervisory Authorities. The published decision shall not contain any personal data within the meaning of Article 4(1) of Regulation (EU) 2016/679.</u> Number of years is contingent on Art 22
Article 21				
270				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Article 21 European Network of Supervisory Authorities	Article 21 European Network of Supervisory Authorities	Article 21 European Network of Supervisory Authorities	Article 21 European Network of Supervisory Authorities Text Origin: Commission Proposal
Article 21(1), first subparagraph				
271	1. The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them.	1. The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them, <u>as well as ensuring regular public communication on the activities of the Network.</u>	1. The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them.	1. The Commission shall set up a European Network of Supervisory Authorities, composed of representatives of the supervisory authorities. The Network shall facilitate the cooperation of the supervisory authorities and the coordination and alignment of regulatory, investigative, sanctioning and supervisory practices of the supervisory authorities and, as appropriate, sharing of information among them. Text Origin: Commission Proposal
Article 21(1), second subparagraph				
272	The Commission may invite Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities.	The Commission <i>may shall</i> invite <u>the European Agency for Fundamental Rights, the European Environment Agency, the European Labour Authority, the European Innovation Council and SMEs Executive Agency, and</u>	The Commission may invite Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities.	The Commission may invite Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities. Text Origin: Commission Proposal

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>the European Securities and Markets Authority and other</i></u> Union agencies with relevant expertise in the areas covered by this Directive to join the European Network of Supervisory Authorities.</p>		
Article 21(1), second subparagraph a				
272a			<p>1a. The Commission shall set up a secured system of exchange of information regarding the net turnover generated in the Union by a company referred to in Article 2(2), that does not have a branch in any Member State or has branches located in different Member States. Member States shall regularly communicate information they have regarding the net turnover generated by those companies. The Commission shall analyse this information within a reasonable period of time and notify the Member State where the company generated most of its net turnover in the Union in the financial year preceding the last financial year, that the company is a company within the meaning of Article 2(2) and the supervisory authority of the Member State is competent in accordance with Article 17(3).</p>	<p><u><i>1a. Member States shall cooperate with the Network in order to identify the companies within their jurisdiction, in particular by providing all necessary information in order to assess whether a non-European company fulfils the criteria set in Article 2. The Commission shall set up a secured system of exchange of information regarding the net turnover generated in the Union by a company referred to in Article 2(2), that does not have a branch in any Member State or has branches located in different Member States where Member States shall regularly communicate information they have regarding the net turnover generated by those companies. The Commission shall analyse this information within a reasonable period of time and notify the Member State where the company generated most of its net turnover in the Union in the financial year preceding the last</i></u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<u><i>financial year, that the company is a company within the meaning of Article 2(2) and the supervisory authority of the Member State is competent in accordance with Article 17(3).</i></u>
Article 21(2)				
273	2. Supervisory authorities shall provide each other with relevant information and mutual assistance in carrying out their duties and shall put in place measures for effective cooperation with each other. Mutual assistance shall include collaboration with a view to the exercise of the powers referred to in Article 18, including in relation to inspections and information requests.	2. Supervisory authorities shall provide each other with relevant information and mutual assistance in carrying out their duties and shall put in place measures for effective cooperation with each other. Mutual assistance shall include collaboration with a view to the exercise of the powers referred to in Article 18, including in relation to inspections and information requests.	2. Supervisory authorities shall provide each other with relevant information and mutual assistance in carrying out their duties and shall put in place measures for effective cooperation with each other. Mutual assistance shall include collaboration with a view to the exercise of the powers referred to in Article 18, including in relation to inspections and information requests.	2. Supervisory authorities shall provide each other with relevant information and mutual assistance in carrying out their duties and shall put in place measures for effective cooperation with each other. Mutual assistance shall include collaboration with a view to the exercise of the powers referred to in Article 18, including in relation to inspections and information requests. Text Origin: Commission Proposal
Article 21(2a)				
273a		<u><i>2a. Member States shall cooperate with the Network in order to identify the companies within their jurisdiction , in particular by providing all necessary information in order to assess whether a non-European company fulfils the criteria set in Article 2.</i></u>		<u><i>Deleted</i></u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 21(3)				
274	3. Supervisory authorities shall take all appropriate steps needed to reply to a request for assistance by another supervisory authority without undue delay and no later than 1 month after receiving the request. Such steps may include, in particular, the transmission of relevant information on the conduct of an investigation.	3. Supervisory authorities shall take all appropriate steps needed to reply to a request for assistance by another supervisory authority without undue delay and no later than 1 month after receiving the request. Such steps may include, in particular, the transmission of relevant information on the conduct of an investigation.	3. Supervisory authorities shall take all appropriate steps needed to reply to a request for assistance by another supervisory authority without undue delay and no later than 1 month after receiving the request. When it is necessary due to the circumstances of the case, the period may be extended by a maximum of two months based on a proper justification. Such steps may include, in particular, the transmission of relevant information on the conduct of an investigation.	3. Supervisory authorities shall take all appropriate steps needed to reply to a request for assistance by another supervisory authority without undue delay and no later than 1 month after receiving the request. <u>When it is necessary due to the circumstances of the case, the period may be extended by a maximum of two months based on a proper justification.</u> Such steps may include, in particular, the transmission of relevant information on the conduct of an investigation. Text Origin: Council Mandate
Article 21(4)				
275	4. Requests for assistance shall contain all the necessary information, including the purpose of and reasons for the request. Supervisory authorities shall only use the information received through a request for assistance for the purpose for which it was requested.	4. Requests for assistance shall contain all the necessary information, including the purpose of and reasons for the request. Supervisory authorities shall only use the information received through a request for assistance for the purpose for which it was requested.	4. Requests for assistance shall contain all the necessary information, including the purpose of and reasons for the request. Supervisory authorities shall only use the information received through a request for assistance for the purpose for which it was requested.	4. Requests for assistance shall contain all the necessary information, including the purpose of and reasons for the request. Supervisory authorities shall only use the information received through a request for assistance for the purpose for which it was requested. Text Origin: Commission Proposal
Article 21(5)				

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276	5. The requested supervisory authority shall inform the requesting supervisory authority of the results or, as the case may be, of the progress regarding the measures to be taken in order to respond to the request for assistance.	5. The requested supervisory authority shall inform the requesting supervisory authority of the results or, as the case may be, of the progress regarding the measures to be taken in order to respond to the request for assistance.	5. The requested supervisory authority shall inform the requesting supervisory authority of the results or, as the case may be, of the progress regarding the measures to be taken in order to respond to the request for assistance.	5. The requested supervisory authority shall inform the requesting supervisory authority of the results or, as the case may be, of the progress regarding the measures to be taken in order to respond to the request for assistance. Text Origin: Commission Proposal
Article 21(6), first subparagraph				
277	6. Supervisory authorities shall not charge each other fees for actions and measures taken pursuant to a request for assistance.	6. Supervisory authorities shall not charge each other fees for actions and measures taken pursuant to a request for assistance.	6. Supervisory authorities shall not charge each other fees for actions and measures taken pursuant to a request for assistance.	6. Supervisory authorities shall not charge each other fees for actions and measures taken pursuant to a request for assistance. Text Origin: Commission Proposal
Article 21(6), second subparagraph				
278	However, supervisory authorities may agree on rules to indemnify each other for specific expenditure arising from the provision of assistance in exceptional cases.	However, supervisory authorities may agree on rules to indemnify each other for specific expenditure arising from the provision of assistance in exceptional cases.	However, supervisory authorities may agree on rules to indemnify each other for specific expenditure arising from the provision of assistance in exceptional cases.	However, supervisory authorities may agree on rules to indemnify each other for specific expenditure arising from the provision of assistance in exceptional cases. Text Origin: Commission Proposal
Article 21(7)				
279				

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	7. The supervisory authority that is competent pursuant to Article 17(3) shall inform the European Network of Supervisory Authorities of that fact and of any request to change the competent supervisory authority.	7. The supervisory authority that is competent pursuant to Article 17(3) shall inform the European Network of Supervisory Authorities of that fact and of any request to change the competent supervisory authority.	7. The supervisory authority that is competent pursuant to Article 17(3) shall inform the European Network of Supervisory Authorities of that fact and of any request to change the competent supervisory authority.	7. The supervisory authority that is competent pursuant to Article 17(3) shall inform the European Network of Supervisory Authorities of that fact and of any request to change the competent supervisory authority. Text Origin: Commission Proposal
Article 21(8)				
280	8. When doubts exist as to the attribution of competence, the information on which that attribution is based will be shared with the European Network of Supervisory Authorities, which may coordinate efforts to find a solution.	8. When doubts exist as to the attribution of competence, the information on which that attribution is based will be shared with the European Network of Supervisory Authorities, which may coordinate efforts to find a solution.	8. When doubts exist as to the attribution of competence, the information on which that attribution is based will be shared with the European Network of Supervisory Authorities, which may coordinate efforts to find a solution.	8. When doubts exist as to the attribution of competence, the information on which that attribution is based will be shared with the European Network of Supervisory Authorities, which may coordinate efforts to find a solution. Text Origin: Commission Proposal
Article 21(8a)				
280a			9. The European Network of Supervisory Authorities shall publish the decisions of the supervisory authorities containing penalties as referred to in Article 20(4).	<u>9. The European Network of Supervisory Authorities shall publish:</u> <u>(i) the decisions of the supervisory authorities containing penalties as referred to in Article 20(4); and</u> <u>(ii) an indicative list of non-EU companies subject to this Directive.</u>
Article 21(8b)				

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280b		<u>8a. The European Network of Supervisory Authorities shall publish a register of non-EU companies and their compliance.</u>		<u>Deleted</u>
Article 22				
281	Article 22 Civil liability	Article 22 Civil liability	Article 22 Civil liability of companies and a right to full compensation	Article 22 Civil liability <u>of companies and a right to full compensation</u> Recitals to reflect the final text of this provision.
Article 22(1)(1)				
282	1. Member States shall ensure that companies are liable for damages if:	1. Member States shall ensure that companies are liable for damages if:	-1. Member States shall ensure that companies are a company can be held liable for damages if a damage caused to a natural or legal person, provided that:	1. Member States shall ensure that companies area company can be held liable for damages if a damage caused to a natural or legal person, provided that: Text Origin: Council Mandate
Article 22(1)(1), point (a)				
283	(a) they failed to comply with the obligations laid down in Articles 7 and 8 and;	(a) they failed to comply with the obligations laid down in Articles 7 and 8 this Directive and;	(a) they the company intentionally or negligently failed to comply with the obligations laid down in Articles 7 and 8, when the right, prohibition or obligation listed in Annex I is aimed to protect the natural or legal person and ; and	(a) they the company intentionally or negligently failed to comply with the obligations laid down in Articles 7 and 8, when the right, prohibition or obligation listed in Annex I is aimed to protect the natural or legal person and ; and

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				Text Origin: Council Mandate
Article 22(1)(1), point (b)				
284	(b) as a result of this failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures laid down in Articles 7 and 8 occurred and led to damage.	(b) as a result of this failure <u>the company caused or contributed to an actual</u> an adverse impact that should have been identified, <u>prioritised</u> , prevented, mitigated, brought to an end, <u>remediated</u> or its extent minimised through the appropriate measures laid down in <u>Articles 7 and 8 occurred</u> <u>this Directive</u> and led to damage.	(b) as a result of this a failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures laid down in Articles 7 and 8 occurred and led to damages as referred to in point (a), a damage to the natural or legal person's legal interest protected under national law was caused.	(b) as a result of <u>this</u> a failure an adverse impact that should have been identified, prevented, mitigated, brought to an end or its extent minimised through the appropriate measures laid down in Articles 7 and 8 occurred and led to <u>damages as referred to in point (a), a damage to the natural or legal person's legal interest protected under national law was caused.</u> Text Origin: Council Mandate
Article 22(1), (1) a				
284a			A company cannot be held liable if the damage was caused only by its business partners in its chain of activities.	<u>A company cannot be held liable if the damage was caused only by its business partners in its chain of activities.</u> Text Origin: Council Mandate
Article 22(2), first subparagraph				
285	2. Notwithstanding paragraph 1, Member States shall ensure that where a company has taken the actions referred to in Article 7(2), point (b) and Article 7(4), or Article	<i>deleted</i>	2. Notwithstanding paragraph 1, Member States shall ensure that Where at the company has taken the actions referred to in Article 7(2), point (b) and Article 7(4), or Article	2. Notwithstanding paragraph 1, Member States shall ensure that Where <u>at</u> he company <u>has taken the actions referred to in Article 7(2), point (b) and Article 7(4), or Article</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	<p>8(3), point (c), and Article 8(5), it shall not be liable for damages caused by an adverse impact arising as a result of the activities of an indirect partner with whom it has an established business relationship, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be adequate to prevent, mitigate, bring to an end or minimise the extent of the adverse impact.</p>		<p>8(3), point (c), and Article 8(5), it was held liable in accordance with paragraph 1, a natural or legal person shall not be liable for damages caused by an adverse impact arising as a result of the activities of an indirect partner with whom it has an established business relationship, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be adequate to prevent, mitigate, bring to an end or minimise the extent of the adverse impact have the right to full compensation for the damage occurred in accordance with national law. Full compensation under this Directive shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.</p>	<p>8(3), point (c), and Article 8(5), <u>it was held liable in accordance with paragraph 1, a natural or legal person</u> shall not be liable for damages caused by an adverse impact arising as a result of the activities of an indirect partner with whom it has an established business relationship, unless it was unreasonable, in the circumstances of the case, to expect that the action actually taken, including as regards verifying compliance, would be adequate to prevent, mitigate, bring to an end or minimise the extent of the adverse impact <u>have the right to full compensation for the damage occurred in accordance with national law. Full compensation under this Directive shall not lead to overcompensation, whether by means of punitive, multiple or other types of damages.</u></p> <p>Text Origin: Council Mandate</p>
Article 22(2), second subparagraph				
286	<p>In the assessment of the existence and extent of liability under this paragraph, due account shall be taken of the company's efforts, insofar as they relate directly to the damage in question, to comply with any remedial action required of them by a supervisory authority,</p>	<p>In the assessment of the existence and extent of liability under this paragraph, due account shall be taken of the <u>extent of the</u> company's efforts, insofar as they relate directly to the damage in question, to comply with any remedial action <u>take remedial</u></p>	<p><i>deleted</i></p>	<p>In the assessment of the existence and extent of liability under this paragraph, due account shall be taken of the company's efforts, insofar as they relate directly to the damage in question, to comply with any remedial action required of them by a supervisory authority,</p>

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	any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as any collaboration with other entities to address adverse impacts in its value chains.	<u>action, including that</u> required of them by a supervisory authority, any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as any collaboration with other entities <u>and affected stakeholders</u> to address adverse impacts in its value chains.		any investments made and any targeted support provided pursuant to Articles 7 and 8, as well as any collaboration with other entities to address adverse impacts in its value chains. <u>Deleted</u>
Article 22(2), second subparagraph a				
286a		<p><u>2a. Member States shall ensure that:</u></p> <p><u>(a) the limitation period for bringing actions for damages is at least ten years and measures are in place to ensure that costs of the proceedings are not prohibitively expensive for claimants to seek justice;</u></p> <p><u>(b) claimants are able to seek injunctive measures, including summary proceedings. These shall be in the form of a definitive or provisional measure to cease an action which may be in breach of this Directive, or to comply with a measure under this Directive;</u></p> <p><u>(c) measures are in place to ensure that mandated trade unions, civil society organisations, or other relevant actors acting in the public interest can bring actions before a</u></p>		<p><u>2a. Member States shall ensure that:</u></p> <p><u>(a) national rules on the beginning, duration, suspension or interruption of limitation periods shall not unduly hamper the bringing of actions for damages and, in any case, shall not be less than the rules on general civil liability national regimes.</u></p> <p><u>The limitation period for bringing actions for damages under this Directive shall be at least 5 years and, in any case, not lower than the limitation period laid down under general civil liability national regimes.</u></p> <p><u>Limitation periods shall not begin to run before the infringement has ceased and the claimant knows, or can reasonably be expected to know:</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u>court on behalf of a victim or a group of victims of adverse impacts, and that these entities have the rights and obligations of a claimant party in the proceedings, without prejudice to existing national law;</u></p> <p><u>(d) when a claim is brought, that a claimant provides elements substantiating the likelihood of a company's liability under this Directive and has indicated that additional evidence lies in the control of the company, courts are able to order that such evidence be disclosed by the company in accordance with national procedural law, subject to the Union and national rules on confidentiality and proportionality.</u></p>		<p><u>(i) of the behaviour and the fact that it constitutes an infringement;</u> <u>(ii) of the fact that the infringement caused harm to it; and</u> <u>(iii) the identity of the infringer.</u></p> <p><u>(b) cost of proceedings are not prohibitively expensive for claimants to seek justice.</u></p> <p><u>(c) claimants are able to seek injunctive measures, including summary proceedings. These shall be in the form of a definitive or provisional measure to cease infringements of the national provisions adopted pursuant to this Directive by performing an action or ceasing a conduct;</u></p> <p><u>(d) Member States shall provide for the reasonable conditions under which any person claiming to have been violated in a legal position pursuant to this Directive to authorise a trade union, non-governmental human rights or environmental organisation or other non-governmental organisation, and, according to national law, national human rights' institutions, based in an EU member state to bring actions to enforce victim's rights in its own capacity, without prejudice to national rules of civil procedure.</u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u><i>A trade union or non-governmental organisation may be authorised under paragraph (1) if it complies with the requirements laid down in national law. In particular, it may be authorised if it maintains a permanent presence of its own and, in accordance with its statutes, is not engaged commercially and not only temporarily in the realisation of rights protected under this Directive or the corresponding rights in the national law of a state.</i></u></p> <p><u><i>(e) when a claim is brought, that a claimant presents a reasoned justification containing reasonably available facts and evidence sufficient to support the plausibility of its claim for damage and has indicated that additional evidence lies in the control of the company, , courts are able to order that such evidence be disclosed by the company in accordance with national procedural law.</i></u></p> <p><u><i>National courts shall limit the disclosure of the evidence sought to that which is necessary and proportionate to support a potential claim or a claim for damages and the preservation to that which is necessary and proportionate to support such a claim for damages.</i></u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u><i>In determining whether an order for the disclosure or preservation of evidence is proportionate, national courts shall consider the extent to which the claim or defence is supported by available facts and evidence justifying the request to disclose evidence; the scope and cost of disclosure as well as the legitimate interests of all parties, including third parties concerned, including preventing non-specific searches for information which is unlikely to be of relevance for the parties in the procedure; whether the evidence the disclosure of which is sought contains confidential information, especially concerning any third parties, and what arrangements are in place for protecting such confidential information.</i></u></p> <p><u><i>Member States shall ensure that national courts have the power to order the disclosure of evidence containing confidential information where they consider it relevant to the action for damages. Member States shall ensure that, when ordering the disclosure of such information, national courts have at their disposal effective measures to protect such information.</i></u></p>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				Recital to reflect the text on injunctive measures.
Article 22(2), fourth subparagraph				
286b		<u>2b. Companies that have participated in industry or multi-stakeholder initiatives, multi-stakeholders initiatives, or used third-party verification or contractual clauses to support the implementation of specific aspects of their due diligence obligations can still be held liable in accordance with this Article.</u>		<u>Companies that have participated in industry or multi-stakeholder initiatives, or used third-party verification or contractual clauses to support the implementation of due diligence obligations can still be held liable in accordance with this Article.</u>
Article 22(3)(3)				
287	3. The civil liability of a company for damages arising under this provision shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the value chain.	3. The civil liability of a company for damages arising under this provision shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the value chain. <u>In such instances as where a subsidiary is under the scope of this Directive and has been dissolved by the parent company or has dissolved itself intentionally in order to avoid liability, the liability can be imputed to the parent company in case there is no legal successor.</u>	32a. The civil liability of a company for damages arising under this provision shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the value company's chain of activities.	3. The civil liability of a company for damages arising under this provision shall be without prejudice to the civil liability of its subsidiaries or of any direct and indirect business partners in the value <u>company's</u> chain <u>of activities</u> .
Article 22(3), (3) a				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
287a			When the damage was caused jointly by the company and its subsidiary, direct or indirect business partner , they shall be liable jointly and severally, without prejudice to the provisions of national law concerning the conditions of joint and several liability and the rights of recourse.	<u>When the damage was caused jointly by the company and its subsidiary, direct or indirect business partner , they shall be liable jointly and severally, without prejudice to the provisions of national law concerning the conditions of joint and several liability and the rights of recourse.</u> Text Origin: Council Mandate
Article 22(4)				
288	4. The civil liability rules under this Directive shall be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.	4. The civil liability rules under this Directive shall be without prejudice to Union or national rules on civil <u>not limit companies'</u> liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter <u>under Union or national legal systems, including rules on joint and several liability</u> than this Directive.	4. The civil liability rules under this Directive shall be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.	4. The civil liability rules under this Directive shall <u>not limit companies' liability under Union or national legal systems and shall</u> be without prejudice to Union or national rules on civil liability related to adverse human rights impacts or to adverse environmental impacts that provide for liability in situations not covered by or providing for stricter liability than this Directive.
Article 22(5)				
289	5. Member States shall ensure that the liability provided for in provisions of national law transposing this Article is of overriding mandatory application in	5. Member States shall ensure that the liability provided for in provisions of national law transposing this Article is of overriding mandatory application in	5. Member States shall ensure that the liability provided for in provisions of national law transposing this Article is <u>are</u> of overriding mandatory application in	5. Member States shall ensure that the liability provided for in provisions of national law transposing this Article is <u>are</u> of overriding mandatory application in

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	cases where the law applicable to claims to that effect is not the law of a Member State.	cases where the law applicable to claims to that effect is not the law of a Member State.	cases where the law applicable to claims to that effect is not the law of a Member State.	cases where the law applicable to claims to that effect is not the law of a Member State. Text Origin: Council Mandate
Article 23				
290	Article 23 Reporting of breaches and protection of reporting persons	Article 23 Reporting of breaches and protection of reporting persons	Article 23 Reporting of breaches and protection of reporting persons	Article 23 Reporting of breaches and protection of reporting persons Text Origin: Commission Proposal
Article 23, first paragraph				
291	Directive (EU) 2019/1937 shall apply to the reporting of all breaches of this Directive and the protection of persons reporting such breaches.	Directive (EU) 2019/1937 shall apply to the reporting of all breaches of this Directive and the protection of persons reporting such breaches.	Directive (EU) 2019/1937 shall apply to the reporting of all breaches of this Directive and the protection of persons reporting such breaches.	Directive (EU) 2019/1937 shall apply to the reporting of all breaches of this Directive and the protection of persons reporting such breaches. Text Origin: Commission Proposal
Article 24				
292	Article 24 Public support	Article 24 Public support, <u>public procurement and public concessions</u>	<i>deleted</i>	Article 24 Public support, <u>public procurement and public concessions</u> Text Origin: EP Mandate
Article 24, first paragraph				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
293	Member States shall ensure that companies applying for public support certify that no sanctions have been imposed on them for a failure to comply with the obligations of this Directive.	Member States shall ensure that companies applying for public support certify that no sanctions have been imposed on them for a failure to comply <u>(non-)compliance with the obligations resulting from this Directive or their voluntary implementation qualifies as one of the environmental and social aspects to be taken into consideration in accordance</u> with the obligations of this Directive <u>rules applicable to the provision of public support or the award of public contracts and concessions</u> .	deleted	Member States shall ensure that companies applying for public support certify that no sanctions have been imposed on them for a failure to comply with the obligations of this Directive <u>compliance with the obligations resulting from the national measures transposing this Directive, or their voluntary implementation, qualifies as an environmental and/or social aspect that contracting authorities may, in accordance with Directive 2014/24/EU of the European Parliament and of the Council, Directive 2014/25/EU of the European Parliament and of the Council and Directive 2014/23/EU of the European Parliament and of the Council, take into account as part of the award criteria for public and concession contracts, and as an environmental and/or social condition that contracting authorities may, in accordance with those Directives, lay down in relation to the performance of public and concession contracts</u> .
Article 25				
294	Article 25 Directors' duty of care	Article 25 Directors' duty of care	deleted	Article 25 Directors' duty of care Deleted

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 25(1)				
295	1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies referred to in Article 2(1) take into account the consequences of their decisions for sustainability matters, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term.	1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies referred to in Article 2(1) take into account the consequences of their decisions for sustainability matters, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term.	<i>deleted</i>	1. Member States shall ensure that, when fulfilling their duty to act in the best interest of the company, directors of companies referred to in Article 2(1) take into account the consequences of their decisions for sustainability matters, including, where applicable, human rights, climate change and environmental consequences, including in the short, medium and long term. <u>Deleted</u>
Article 25(2)				
296	2. Member States shall ensure that their laws, regulations and administrative provisions providing for a breach of directors' duties apply also to the provisions of this Article.	2. Member States shall ensure that their laws, regulations and administrative provisions providing for a breach of directors' duties apply also to the provisions of this Article.	<i>deleted</i>	2. Member States shall ensure that their laws, regulations and administrative provisions providing for a breach of directors' duties apply also to the provisions of this Article. <u>Deleted</u>
Article 26				
297	Article 26 Setting up and overseeing due diligence	Article 26 <i>deleted</i>	<i>deleted</i>	<i>deleted</i>
Article 26(1)				
298	1. Member States shall ensure that directors of companies referred to in	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Article 2(1) are responsible for putting in place and overseeing the due diligence actions referred to in Article 4 and in particular the due diligence policy referred to in Article 5, with due consideration for relevant input from stakeholders and civil society organisations. The directors shall report to the board of directors in that respect.			
<i>Article 26(2)</i>				
299	2. Member States shall ensure that directors take steps to adapt the corporate strategy to take into account the actual and potential adverse impacts identified pursuant to Article 6 and any measures taken pursuant to Articles 7 to 9.	<i>deleted</i>	<i>deleted</i>	<i>deleted</i>
<i>Article 27</i>				
300	Article 27 Amendment to Directive (EU) No 2019/1937	Article 27 Amendment to Directive (EU) No 2019/1937	Article 27 Amendment to Directive (EU) No 2019/1937 2019/1937	Article 27 Amendment to Directive (EU) 2019/1937 2019/1937 <small>Text Origin: Council Mandate</small>
<i>Article 27, first paragraph</i>				
301	In Point E.2 of Part I of the Annex to Directive (EU) No 2019/1937, the following point is added:	In Point E.2 of Part I of the Annex to Directive (EU) No 2019/1937, the following point is added:	In Point E.2 of Part I of the Annex to Directive (EU) 2019/1937	In Point E.2 of Part I of the Annex to Directive (EU) 2019/1937

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			2019/1937 2019/1937 , the following point is added:	2019/1937 <u>2019/1937</u> , the following point is added: Text Origin: Council Mandate
Article 27, first paragraph, amending provision, first paragraph				
302	<p>(vi) [Directive ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937*¹]</p> <p>1. ⁺ OJ: Please insert in the text the number and the date of the Directive contained in document ... and insert the OJ reference of that Directive in the footnote.</p>	<p>(vi) [Directive ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937*¹]</p> <p>1. ⁺ OJ: Please insert in the text the number and the date of the Directive contained in document ... and insert the OJ reference of that Directive in the footnote.</p>	<p>(vi) [Directive ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (OJ L ..., ...) *¹].</p> <p>* Directive ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (OJ L ..., ...).¹.</p> <p>1. ⁺⁺ OJ: Please insert in the text the number and the date of the Directive contained in document ... and insert the OJ reference of that Directive in the footnote.</p>	<p>(vi) fDirective ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 <u>(OJ L ..., ...)</u> *¹].</p> <p><u>* Directive ... of the European Parliament and of the Council of ... on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 (OJ L ..., ...).</u>¹.</p> <p>1. +⁺⁺ OJ: Please insert in the text the number and the date of the Directive contained in document ... and insert the OJ reference of that Directive in the footnote.</p> <p>Text Origin: Council Mandate</p>
Article 28				
303	Article 28 Exercise of the delegation	Article 28 Exercise of the delegation	Article 28 Exercise of the delegation	Article 28 Exercise of the delegation Text Origin: Council Mandate
Article 28(1)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
304	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.	1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article. Text Origin: Council Mandate
Article 28(2)				
305	2. The power to adopt delegated acts referred to in Article 11 shall be conferred on the Commission for an indeterminate period of time.	2. The power to adopt delegated acts referred to in Article <u>3(2)</u> , <u>Article 11 and Article 14(4a)</u> 11 shall be conferred on the Commission for <u>a period of 5 years from ... [date of entry into force of this Directive]. The Commission shall draw up a report in respect of the delegation of power no later than nine months before the end of the 5-year period. The delegation of power shall be tacitly extended for periods of an identical duration, unless the European Parliament or the Council opposes such an extension no later than three months before the end of each period</u> an indeterminate period of time.	2. The power to adopt delegated acts referred to in Article 11 shall be conferred on the Commission for an indeterminate period of time from ... [date of entry into force of this Directive] .	2. The power to adopt delegated acts referred to in Article <u>3(2) and Article 11</u> shall be conferred on the Commission for an indeterminate period of time <u>from ... [date of entry into force of this Directive]</u> . Text Origin: Council Mandate
Article 28(3)				
306	3. The delegation of power referred to in Article 11 may be revoked at any time by the European	3. The delegation of power referred to in Article <u>3(2)</u> , <u>and Article 11 or Article 14(4a)</u> 11 may be revoked at	3. The delegation of power referred to in Article 11 may be revoked at any time by the European	3. The delegation of power referred to in Article <u>3(2) and Article 11</u> may be revoked at any time by the

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.	European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force. Text Origin: Council Mandate
Article 28(4)				
307	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.	4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making. Text Origin: Commission Proposal
Article 28(5)				
308	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.	5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council. Text Origin: Commission Proposal

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 28(6)				
309	6. A delegated act adopted pursuant to Article 11 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 of the Council."	6. A delegated act adopted pursuant to Article <u>3(2), Article 11 or Article 14(4a)</u> 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 of the Council."	6. A delegated act adopted pursuant to Article 11 shall enter into force only if no objection has been expressed either by the European Parliament or by 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 of the Council."	6. A delegated act adopted pursuant to Article <u>3(2) and Article 11</u> shall enter into force only if no objection has been expressed either by the European Parliament or <u>by</u> 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 of the Council." <small>Text Origin: Council Mandate</small>
Article 29				
310	Article 29 Review	Article 29 Review <u>and reporting</u>	Article 29 Review	
Article 29, first paragraph				
311	No later than ... [OP please insert the date = 7 years after the date of entry into force of this Directive], the Commission shall submit a report to the European Parliament	<u>1.</u> No later than ... [OP please insert the date = <u>76</u> years after the date of entry into force of this Directive], <u>and every 3 years thereafter</u> , the Commission shall	No later than ... [OP please insert the date = 7 years after the date of entry into force of this Directive] <u>7</u> years after the date of entry into force of this Directive], the	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	and to the Council on the implementation of this Directive. The report shall evaluate the effectiveness of this Directive in reaching its objectives and assess the following issues:	submit a <u>comprehensive</u> report to the European Parliament and to the Council on the implementation of this Directive. The report shall evaluate the effectiveness of this Directive in reaching its objectives, <u>in particular regarding its effectiveness in preventing potential adverse impacts, bringing actual adverse impacts to an end or minimising their extent globally, derive recommendations for actions and shall be accompanied, if appropriate, by a legislative proposal. The report shall</u> and assess <u>in particular</u> the following issues:	Commission shall submit a report to the European Parliament and to the Council on the implementation of this Directive. The report shall evaluate the effectiveness of this Directive in reaching its objectives and assess the following issues:	
Article 29(1), point (-a)				
311a		<u>(-a) the impact of this Directive on SMEs, accompanied by an account and assessment of the effectiveness of the different measures and tools for support provided to SMEs by the Commission and the Member States;</u>		
Article 29(1), point (-b)				
311b		<u>(-aa) an assessment of the number of small and medium-sized undertakings voluntarily applying corporate sustainability and due</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>diligence in line with this Directive;</u>		
Article 29(1), point (-ab)				
311c		<u>(-ab) the effectiveness of this Directive in achieving its objectives, including the associated indirect costs and the economic, social and environmental benefits thereof as well as the effects on the competitiveness of European Union companies;</u>		
Article 29, first paragraph, point (a)				
312	(a) whether the thresholds regarding the number of employees and net turnover laid down in Article 2(1) need to be lowered;	(a) whether the thresholds regarding the number of employees and net turnover laid down in Article 2(1) 2 need to be lowered, <u>in particular for certain sectors, whether the modalities for calculating thresholds are appropriate and whether significant loopholes need to be closed for the Directive to apply to all relevant legal forms of economic operators and complex corporate structures;</u>	(a) whether the thresholds regarding the number of employees and net turnover laid down in Article 2(1) need to be lowered revised;	
Article 29(1), point (aa)				
312a		<u>(aa) the effectiveness of the enforcement mechanisms put in</u>		

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<u>place at national level and of the sanctions and procedures for civil liability in particular;</u>		
Article 29(1), point (ab)				
312b		<u>(ab) the convergence and divergence between national laws of the Member States transposing this Directive;</u>		
Article 29, first paragraph, point (b)				
313	(b) whether the list of sectors in Article 2(1), point (b), needs to be changed, including in order to align it to guidance from the Organisation for Economic Cooperation and Development;	<i>deleted</i>	(b) whether the list of sectors in Article 2(1), point (b), needs to be changed, including in order to align it to guidance from the Organisation for Economic Cooperation Co-operation and Development;	
Article 29, first paragraph, point (c)				
314	(c) whether the Annex needs to be modified, including in light of international developments	<i>deleted</i>	(c) whether the Annex I needs to be modified, including in light of international developments;	
Article 29, first paragraph, point (d)				
315	(d) whether Articles 4 to 14 should be extended to adverse climate impacts.	(d) whether Articles 4 to 14 should be extended to <u>additional</u> adverse climate <u>impacts, in particular to also encompass adverse</u> impacts. <u>on good governance;</u>	(d) whether Articles 4 to 14 should be extended to adverse climate impacts or Article 15 needs to be revised.	

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 29(1), point (da)				
315a		<u>(da) whether a broad sustainability plan, dealing with other environmental impacts than climate, shall be developed;</u>		
Article 29(1), point (db)				
315b		<u>(db) whether the definition of "value chain" as regards regulated financial undertakings should be extended to a wider range of companies;</u>		
Article 29, first paragraph, point (da)				
315c			(da) whether the definition of 'chain of activities' in Article 3, point (g), needs to be revised, including whether the provision of investment or the provision of services referred to in Article 3, point (g), by regulated financial undertakings within the meaning of Article 3, point (g),, needs to be included; and	
Article 29, first paragraph, point (db)				
315d				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
			(db) whether Article 3, point (a) needs to be revised so that other legal persons constituted as different legal forms than those listed in Annex I of Directive 2013/34/EU or in a form comparable to those listed therein are covered;	
Article 29, first paragraph, point (dc)				
315e			(dc) whether Article 2 needs to be revised so that the number of employees and net turnover of subsidiaries of the company is included in the calculation of the number of employees and net turnover of the company;	
Article 29, first paragraph, point (dd)				
315f			(dd) whether the criterion of net turnover generated in the Union laid down in Article 2(2) and the threshold of the net turnover therein need to be revised;	
Article 29, first paragraph, point (da)				
315g				<u>(da) whether changes to the level of harmonisation of this Directive are required to ensure a level-playing field for companies in the internal market.</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 29(1a)				
315h		<u><i>Ia. The Commission shall initiate and coordinate an annual Union-wide assessment of the resilience of companies to adverse scenarios related to their value chains. The Commission shall provide this assessment to the European Parliament and the Council.</i></u>		
Article 30				
316	Article 30 Transposition	Article 30 Transposition	Article 30 Transposition	Article 30 Transposition Text Origin: Commission Proposal
Article 30(1), first subparagraph				
317	1. Member States shall adopt and publish, by ... [OJ to insert: 2 years from the entry into force of this Directive] at the latest, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall adopt and publish, by ... [OJ to insert: 2 years from the entry into force of this Directive] at the latest, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall adopt and publish, by ... [OJ to insert: 2 years from the entry into force of this Directive] <i>from the entry into force of this Directive]</i> 2 years from the entry into force of this Directive] at the latest, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall adopt and publish, by ... [<i>OJ to insert: 2 years from the entry into force of this Directive]</i> 2 years from the entry into force of this Directive] at the latest, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions. Text Origin: Council Mandate

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
Article 30(1), second subparagraph				
318	They shall apply those provisions as follows:	<p>They shall apply those provisions <u>from... [OJ to insert: 3 years from the entry into force of this Directive] as regards companies referred to in Article 2(1) which had more than 1000 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year, or were the ultimate parent company of a group with such a number of employees and generating such a turnover, and Article 2(2) which generated a net turnover of more than EUR 150 million in the Union in the financial year preceding the last financial year, or were the ultimate parent company of a group generating such a turnover.</u></p> <p><u>They shall apply those provisions from... [OJ to insert: 4 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), which had more than 500 employees on average and had a net worldwide turnover of more than EUR 150 million in the last financial year, or were the ultimate parent company of a group with such a number of employees and generating such a turnover.</u></p>	They shall apply those provisions as follows:	They shall apply those provisions as follows: Text Origin: Commission Proposal

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
		<p><u><i>They shall apply those provisions from... [OJ to insert: 4 years from entry into force of this Directive] as regards companies referred to in Article 2(1) point (a), which had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million, and Article 2(2) which generated a net turnover of more than EUR 40 million in the Union and EUR 150 million worldwide in the financial year preceding the last financial year or were the ultimate parent company of a group generating such a turnover.</i></u></p> <p><u><i>By way of derogation from the fourth subparagraph of this paragraph, companies referred to in Article 2(1), point (a), which had more than 250 employees on average and had a net worldwide turnover of more than EUR 40 million but not more than EUR 150 million in the last financial year may decide not to fulfil the obligations under this Directive until [OJ to insert: 5 years from entry into force of this Directive]. In such cases, the company shall notify the supervisory authority, while providing a brief statement on why it is the case, as follows:</i></u></p>		
Article 30(1), second subparagraph, point (a)				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
319	(a) from ... [OJ to insert: 2 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (a), and Article 2(2), point (a);	<i>deleted</i>	(a) from ... [3... [OJ to insert: 2 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (a), and Article 2(2), point (a) which are formed in accordance with the legislation of the Member State and that had more than 1000 employees on average and generated a net worldwide turnover of more than EUR 300 million in the last financial year preceding ... [3 years from the entry into force of this Directive] for which annual financial statements have been or should have been adopted;	(a) from <u>... [3... [OJ to insert: 2 years from the entry into force of this Directive]</u> as regards companies referred to in Article 2(1), point (a) <u>points (a) and (b), which are formed in accordance with the legislation of the Member State and that had more than 1000 employees on average and generated a net worldwide turnover of more than EUR 300 million in the last financial year preceding ... [3 years from the entry into force of this Directive] for which annual financial statements have been or should have been adopted and Article 2(2), point (a);</u> Text Origin: Council Mandate
Article 30(1), second subparagraph, point (b)				
320	(b) from ... [OJ to insert: 4 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (b), and Article 2(2), point (b).	<i>deleted</i>	(b) from ... [OJ to insert: 43 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (b), and Article 2(2), point (b). which are formed in accordance with the legislation of a third country and that generated a net turnover of more than EUR 300 million in the Union, in the financial year preceding the last financial year preceding ... [3 years from the entry into force of this Directive];	(b) from ... [OJ to insert: 43 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (b), and Article 2(2), point (b). <u>2(1), point (b), and Article 2(2), point (b). 2(2), points (a) and (b), which are formed in accordance with the legislation of a third country and that generated a net turnover of more than EUR 150 million in the Union, in the financial year preceding the last financial year</u>

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
				<p><u><i>preceding ... [3 years from the entry into force of this Directive];</i></u></p> <p>Recital to be added to justify the different threshold for non/EU companies.</p> <p>Text Origin: Council Mandate</p>
Article 30(1), second subparagraph, point (ba)				
320a			<p>(c) from... [4 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (a), and Article 2(2), point (a);</p>	<p><u><i>(c) from... [4 years from the entry into force of this Directive] as regards all other companies referred to in Article 2(1), points (a) and (b), and Article 2(2), points (a) and (b), and companies referred to in Article 2(1), point (ba) and Article 2(2), point (ba);</i></u></p> <p>Text Origin: Council Mandate</p>
Article 30(1), second subparagraph, point (bb)				
320b			<p>(d) from ... [5 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (b), and Article 2(2), point (b).</p>	<p><u><i>(d) from ... [5 years from the entry into force of this Directive] as regards companies referred to in Article 2(1), point (bb), and Article 2(2), point (bb).</i></u></p> <p>Text Origin: Council Mandate</p>
Article 30(1), third subparagraph				
321				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	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 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. Text Origin: Commission Proposal
Article 30(2)				
322	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.	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. Text Origin: Commission Proposal
Article 31				
323	Article 31 Entry into force	Article 31 Entry into force	Article 31 Entry into force	Article 31 Entry into force Text Origin: Commission Proposal
Article 31, first paragraph				
324	This Directive shall enter into force on the twentieth day following that	This Directive shall enter into force on the twentieth day following that	This Directive shall enter into force on the twentieth day following that	This Directive shall enter into force on the twentieth day following that

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
	of its publication in the Official Journal of the European Union.	of its publication in the Official Journal of the European Union.	of its publication in the Official Journal of the European Union.	of its publication in the Official Journal of the European Union. Text Origin: Commission Proposal
Article 32				
325	Article 32 Addressees	Article 32 Addressees	Article 32 Addressees	Article 32 Addressees Text Origin: Commission Proposal
Article 32, first paragraph				
326	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.	This Directive is addressed to the Member States. Text Origin: Commission Proposal
Formula				
327	Done at Brussels,	Done at Brussels,	Done at Brussels ...,	Done at <i>Brussels</i> ..., Text Origin: Council Mandate
Formula				
328	For the European Parliament	For the European Parliament	For the European Parliament	For the European Parliament Text Origin: Commission Proposal
Formula				

	Commission Proposal	EP Mandate	Council Mandate	Draft Agreement
329	The President	The President	The President	The President <small>Text Origin: Commission Proposal</small>
Formula				
330	For the Council	For the Council	For the Council	For the Council <small>Text Origin: Commission Proposal</small>
Formula				
331	The President	The President	The President	The President <small>Text Origin: Commission Proposal</small>