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REPORT

on sustainable corporate governance
(2020/2137(INI))

Committee on Legal Affairs

Rapporteur: Pascal Durand

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on sustainable corporate governance (2020/2137(INI))

The European Parliament,

- having regard to the 2011 UN Guiding Principles on Business and Human Rights (UNGPs)¹,
- having regard to the UN Sustainable Development Goals²,
- having regard to the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises³,
- having regard to the OECD Due Diligence Guidance for Responsible Business Conduct⁴ and for Responsible Business Conduct for Institutional Investors⁵,
- having regard to the International Labour Organization (ILO) Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy⁶,
- having regard to the Paris Agreement, adopted on 12 December 2015⁷,
- having regard to the Intergovernmental Panel on Climate Change (IPCC) 2018 Special Report on Global Warming of 1.5°C⁸,
- having regard to the Commission proposal for a regulation of the European Parliament and of the Council of 4 March 2020 establishing the framework for achieving climate neutrality and amending Regulation (EU) 2018/1999 (European Climate Law) (COM(2020)0080),
- having regard to Regulation (EU) No 517/2014 of the European Parliament and of the Council of 16 April 2014 on fluorinated greenhouse gases and repealing Regulation (EC) No 842/2006⁹,
- having regard to the EU Action Plan: Financing Sustainable Growth (COM(2018)0097),
- having regard to the European Green Deal (COM(2019)0640),

¹ https://www.ohchr.org/documents/publications/guidingprinciplesbusinesshr_en.pdf

² <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

³ <http://mneguidelines.oecd.org/guidelines/>

⁴ <https://www.oecd.org/investment/duediligenceguidanceforresponsiblebusinessconduct.htm>

⁵ <https://mneguidelines.oecd.org/RBC-for-Institutional-Investors.pdf>

⁶ https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---multi/documents/publication/wcms_094386.pdf

⁷ https://unfccc.int/files/essential_background/convention/application/pdf/english_paris_agreement.pdf

⁸ <https://www.ipcc.ch/2018/10/08/summary-for-policymakers-of-ipcc-special-report-on-global-warming-of-1-5c-approved-by-governments/>

⁹ OJ L 150, 20.5.2014, p. 195.

- having regard to the adjusted Commission Work Programme for 2020 (COM(2020)0440),
- having regard to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC¹⁰ (‘the Accounting Directive’),
- having regard to Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups¹¹ (‘the Non-Financial Reporting Directive’ – NFRD),
- having regard to 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 disclosure¹²,
- having regard to Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement¹³ (‘the Shareholders’ Rights Directive’),
- having regard to Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law¹⁴,
- having regard to Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector¹⁵ (‘the Disclosure Regulation’),
- having regard to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088¹⁶ (‘the Taxonomy Regulation’),
- having regard to the Commission Guidelines on non-financial reporting (methodology for reporting non-financial information)¹⁷ and to the Commission Guidelines on non-financial reporting: Supplement on reporting climate-related information¹⁸,
- having regard to the Final Report of the High Level Forum on the Capital Markets

¹⁰ OJ L 182, 29.6.2013, p. 19.

¹¹ OJ L 330, 15.11.2014, p. 1.

¹² OJ L 157, 15.6.2016, p. 1.

¹³ OJ L 132, 20.5.2017, p. 1.

¹⁴ OJ L 305, 26.11.2019, p. 17.

¹⁵ OJ L 317, 9.12. 2019, p. 1.

¹⁶ OJ L 198, 22.6.2020, p. 13.

¹⁷ OJ C 215, 5.7.2017, p. 1.

¹⁸ OJ C 209, 20.6.2019, p. 1.

Union entitled ‘A new vision for Europe’s capital markets’¹⁹,

- having regard to the study drawn up for the Commission in July 2020 on directors’ duties and sustainable corporate governance,
 - having regard to the UN’s Protect, Respect and Remedy Framework for Business and Human Rights of 2008²⁰,
 - having regard to the study drawn up for the Commission in May 2020 entitled ‘Improving financial security in the context of the Environmental Liability Directive’²¹,
 - having regard to the Oslo Principles on Global Obligations to Reduce Climate Change²²,
 - having regard to the recommendations of the Task Force on Climate-related Financial Disclosures of June 2017,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the opinions of the Committee on International Trade and the Committee on the Environment, Public Health and Food Safety,
 - having regard to the report of the Committee on Legal Affairs (A9-0240/2020),
- A. whereas the European Union is founded on the values stated in Article 2 of the Treaty on European Union and whereas its environmental policy is based on the precautionary principle, as stated in Article 191(2) of the Treaty on the Functioning of the European Union;
- B. whereas in a corporate context, a sustainability approach implies that companies take due consideration of general societal and environmental concerns, such as the rights of their employees and respect for planetary boundaries, in order to address the most pressing risks posed to these by their activities;
- C. whereas the multiple international initiatives promoting sustainable corporate governance are voluntary, instruments of soft law only and have largely proven to be ineffective in changing corporate behaviour towards sustainability; whereas the study drawn up for the Commission on directors’ duties and sustainable corporate governance pursuant to the Sustainable Finance Action Plan underlines the benefits of clarifying directors’ obligations vis-à-vis sustainability and long-term considerations; highlights the problems associated with short-termism and recalls the need for companies to incorporate long-term interests to keep the EU on track to meeting its own sustainability commitments; whereas the study clearly points to the need for the adoption of EU legislation in this regard;

¹⁹ https://ec.europa.eu/info/sites/info/files/business_economy_euro/growth_and_investment/documents/200610-cmu-high-level-forum-final-report_en.pdf

²⁰ <http://www.undocs.org/A/HRC/8/5>

²¹ https://ec.europa.eu/environment/legal/liability/pdf/Final_report.pdf

²² <https://climateprinciplesforenterprises.files.wordpress.com/2017/12/osloprincipleswebpdf.pdf>

- D. whereas during the last legislative term, the EU undertook a number of initiatives in an effort to foster transparency and long-termism in financial and economic activities, such as the Shareholders' Rights Directive, the Action Plan for Financing Sustainable Growth, the Disclosure Regulation and the Taxonomy Regulation; whereas this trend had started, inter alia, with the adoption of the Non-Financial Reporting Directive (NFRD); whereas the disclosure of non-financial information is necessary to measure, monitor and manage undertakings' performances and their long-term impact on society and the environment;
- E. whereas the NFRD is intertwined with sustainable corporate governance and has been a significant step forward in promoting non-financial reporting in the EU; whereas it nonetheless presents serious shortcomings that need to be addressed in order to make it more useful to investors and stakeholders;
- F. whereas according to the European Green Deal, companies and financial institutions need to step up their disclosure of climate and environmental data so that investors are fully informed about the sustainability of their investments; whereas the Commission has committed to reviewing the NFRD to this end; whereas according to its adjusted Work Programme for 2020, the Commission intends to put forward a proposal reviewing the NFRD in the first trimester of 2021;
- G. whereas stakeholders have often expressed the view that the non-financial information provided by companies pursuant to the NFRD is insufficient, unreliable and not comparable; whereas those tasked with preparing this information have expressed confusion at the plethora of voluntary reporting frameworks and have called for legal clarification and standardisation; whereas the disclosure of more complete and reliable information is necessary in order to reduce any potential adverse impacts on the climate, environment and society; whereas improvements in non-financial reporting could increase companies' accountability and enhance trust in them; whereas these improvements should not create unfair competitive imbalances; whereas disclosure obligations should therefore take into account administrative costs and should be proportionate to the size of the company and consistent with other legislation applicable to business activities, such as the respect for trade secrets and the protection of whistleblowers;
- H. whereas the study drawn up for the Commission on directors' duties and sustainable corporate governance demonstrates the increasing tendency of publicly listed companies in the EU to focus on the short-term interests of their shareholders; whereas the study proposes several legislative options at EU level that would significantly improve corporate sustainability; whereas there is a need to adopt a legislative framework for European companies, while fully respecting the principle of proportionality and avoiding an excessive administrative burden for European companies; whereas this framework must ensure compliance with and improve legal certainty in the internal market and should not create competitive disadvantages;
- I. whereas a sustainability approach to corporate governance comprises both human rights and environmental protection; whereas a legal requirement to disclose information related to environmental, social and employee issues and human rights, bribery and corruption should be considered an aspect of the 'corporate responsibility to respect' as

defined in the UN Guiding Principles on Business and Human Rights;

- J. whereas the Paris Agreement aims to contain the rise in the average temperature of the planet well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels;
- K. whereas the growing global competition for access to natural resources often results in unsustainable corporate exploitation of the natural and human environment;
- L. whereas corporate governance has a key role to play in delivering the EU's commitments to implement the UN Sustainable Development Goals and the Paris Agreement;
- M. whereas climate change poses serious risks to food security, namely to the availability, accessibility and utilisation of food and the stability of food systems; whereas women farmers currently account for 45-80 % of all food production in developing countries, which are disproportionately affected by climate change and environmental degradation;
- N. whereas the Aarhus Convention establishes a number of environmental rights for the public and for associations, including the right to access environmental information, the right to participate in environmental decision-making and access to justice;
- O. whereas in 2017 the UN Aarhus Convention Compliance Committee found the EU in violation of the Aarhus Convention for not allowing members of the public to challenge decisions of the EU institutions before the EU courts;
- P. whereas the Commission has raised ambitions for the 2019-2024 period by setting out an agenda for the European Green Deal, affirming that 'Europe must lead the transition to a healthy planet';
- Q. whereas company directors have the legal and statutory duty to act in the interest of their company; whereas this duty has been the subject of different interpretations in different jurisdictions and the interest of the company has often been equated with the financial interests of the shareholder; whereas what is considered to be the interest of the company should also incorporate the interests of relevant stakeholders, including employees, and wider societal interests; whereas a narrow interpretation of this duty with an excessive focus on short-term profit maximisation is detrimental to the company's long-term performance and sustainability, and hence the long-term interests of its shareholders;
- R. whereas the consistency of EU legislation on sustainable corporate governance should be achieved through the establishment of concrete obligations and incentives to act and not only to report information; whereas an additional framework defining company boards' duties in terms of sustainability is therefore necessary;
- S. whereas in order to make corporate governance in the EU more sustainable, transparent and accountable, the Commission should, in addition to the proposals to review the NFRD, introduce new legislation on due diligence and directors' duties; whereas if due diligence obligations and directors' duties are to be covered by a single legislative

instrument, they should be clearly separated in two different parts; whereas those obligations and duties are complementary but not interchangeable, nor is one subordinate to the other;

Non-financial reporting obligations

1. Calls on the Commission, when proposing new action in the field of company law and corporate governance, to strike the proper balance between, on the one hand, the need to ease short-term pressure on corporate directors and promoting the integration of sustainability concerns into corporate decision-making, and, on the other hand, the need for sufficient flexibility, while ensuring harmonisation; stresses the importance of strengthening the role of directors in pursuing the long-term interests of companies in future action at EU level and of engendering a culture within companies' governing bodies that takes into account and implements sustainable corporate governance;
2. Welcomes the Commission's commitment to reviewing the NFRD; highlights that such revision should be fully consistent with the requirements imposed by the Disclosure Regulation and the Taxonomy Regulation; calls on the Commission to take into account the recommendations included in this resolution;
3. Reiterates its call for an enlargement of the scope of the NFRD to cover all listed and non-listed large undertakings established in EU territory, as defined in Article 3(4) of the Accounting Directive; stresses that in order to provide a level playing field, non-financial reporting obligations should also apply to non-EU companies operating in the EU market; invites the Commission to identify high-risk sectors of economic activity with a significant impact on sustainability matters that could justify the inclusion of small and medium-sized enterprises (SMEs) in those sectors within the scope of the NFRD; considers, to this end, that the Commission should draw on external independent expertise to provide an indicative, non-exhaustive and regularly updated list of conflict-affected and high-risk areas as well as specific guidance for SMEs; considers, in particular, that investments and sectors often linked to illegal business activities, such as environmental crimes, illegal wildlife trade, corruption or financial crime, should be specifically targeted; stresses that a review of the NFRD is also needed to give financial market participants access to the relevant data in order to carry out the obligations of the Disclosure Regulation;
4. Emphasises that sustainable corporate governance constitutes an important pillar, which allows the EU to achieve an economy that is both resilient and sustainable, to enhance the level playing field in order to maintain and boost EU companies' international competitiveness and protect EU workers and businesses from unfair competition from third countries, and can therefore be beneficial to EU trade and investment policy, if it is adequately measured and proportionate;
5. Notes that the COVID-19 pandemic has exposed the vulnerabilities of global supply chains, and has shown that the voluntary rules alone are not enough, as witnessed, for instance in the garment sector where production was disrupted during the crisis, leading to negative effects throughout the supply chain; notes that businesses with better defined environmental, social and governance practices and risk mitigation processes are weathering the crisis better; recognises that the Organisation for Economic Co-

operation and Development (OECD) has stated²³ that companies taking proactive steps to address the risks related to the COVID-19 crisis in a way that mitigates adverse impacts on workers and supply chains are likely to build more long-term value and resilience and to improve their viability in the short term and their prospects for recovery in the medium to long term;

6. Notes that the Taxonomy Regulation establishes a series of environmental objectives, namely on climate change, the use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and on biodiversity and ecosystems; considers that the concept of environmental matters in the NFRD should be interpreted in line with the Taxonomy Regulation and include all forms of pollution; invites the Commission to take the recommendations of the Task Force on Climate-related Financial Disclosures into account and promote the development of innovative accounting techniques that reflect the value of ecosystems; considers it equally important to define with precision the other sustainability matters to which the NFRD refers, such as the concepts of social and employee matters, respect for human rights, and anti-corruption and bribery; believes that employee matters could encompass the disclosure of companies' salary policies, which could include showing wages by decile and gender pay gaps;
7. Considers that sustainable corporate governance is key to the long-term direction of undertakings to align their activities to the achievement of the EU's overall environmental objectives as laid down in the European Green Deal, as well as the EU's commitment to reduce its greenhouse gas emissions as it moves towards the 2050 climate neutrality target; underlines that all sectors should contribute to reaching that target;
8. Considers that the definition of materiality should refer to any relevant environmental, human rights and governance impacts on society as a whole, beyond value creation and matters relating to the pure financial performance of companies; calls for this definition to be revised in line with the double materiality principle introduced by the NFRD and further explained in the Commission Guidelines on reporting climate-related information; considers that materiality should be assessed in a process involving relevant stakeholders;
9. Observes that the NFRD gives companies within its scope significant flexibility to disclose relevant information in the way they consider most useful; notes that companies may currently rely, at their discretion, on a number of different frameworks; observes that they are still uncertain about how best to comply with their disclosure obligations; considers it necessary to set up a comprehensive EU framework, with due regard for the principle of proportionality, to cover the full gamut of sustainability issues relevant to comprehensive non-financial reporting; highlights, in this regard, that the EU legislative framework should ensure that the disclosures are clear, balanced, understandable, comparable among companies within a sector, verifiable and objective, and include time-bound sustainability targets; stresses that this framework should also include mandatory standards, both general and sector-specific; welcomes, in this regard,

²³ [http://www.oecd.org/coronavirus/policy-responses/covid-19-and-responsible-business-conduct-02150b06/#:~:text=A%20responsible%20business%20conduct%20\(RBC,both%20government%20and%20business%20response](http://www.oecd.org/coronavirus/policy-responses/covid-19-and-responsible-business-conduct-02150b06/#:~:text=A%20responsible%20business%20conduct%20(RBC,both%20government%20and%20business%20response)

the Commission's commitment to supporting a process to develop EU non-financial reporting standards; stresses that specific mandatory reporting obligations and standards should be set in the NFRD review, with the appropriate involvement of all stakeholders concerned, such as civil society, environmental organisations and social partners;

10. Considers that non-financial statements should be set out in the annual management report in order to avoid additional burdens for companies; welcomes the commitment undertaken by the Commission in its Capital Markets Union Action Plan (COM(2020)0590) to putting forward a legislative proposal by the third quarter of 2021 for a publicly accessible, EU-wide online digital platform that provides free access to both the financial and non-financial information reported by companies; considers that this platform should allow users to compare the data disclosed by companies, by including categories such as themes, sectors, countries, turnover and number of employees;
11. Notes that the NFRD excludes non-financial statements from the requirement of content assurance to which financial statements of companies are otherwise subject; considers that non-financial statements should be subject to a mandatory audit, depending on the size and field of activity of the company concerned; considers that the assurance service provider, subject to requirements of objectivity and independence, should conduct its audit in accordance with the future EU framework; stresses, in the light of the foregoing, the need to address the inherent wrong incentives in statutory auditing by reviewing the Statutory Audit Directive²⁴; affirms that this would also be an opportunity to address the quasi-monopoly of the 'Big Four' accountancy companies, which typically audit the largest listed companies;
12. Highlights that workers' representatives should be involved in defining the process for reporting non-financial information and in verifying information, in particular regarding social sustainability goals and issues related to the supply production chain, including outsourcing and subcontracting;
13. Highlights the importance of introducing an obligation requiring certain EU companies to produce, on an annual basis, a country-by-country report for each tax jurisdiction in which they operate; calls on the Council to adopt its general approach as soon as possible in order to start negotiations with Parliament on the Commission's proposal for a directive amending Directive 2013/34/EC as regards disclosure of income tax information by certain undertakings and branches (COM(2016)0198);
14. Believes that the EU should make every effort to ensure that the free trade agreements they negotiate include clauses requiring the partner states to lay down comparable obligations for their companies, with a view to avoiding any new means of distorting competition;

Directors' duty of care and additional measures to make corporate governance more sustainability-oriented

15. Stresses the importance of diversity and inclusiveness in companies, which leads to better business performance; calls on the Council to adopt its general approach as soon

²⁴ OJ L 158, 27.5.2014, p. 196.

as possible in order to start negotiations with Parliament on the Women on Boards Proposal²⁵, which sets out to put an end to the pervasive imbalance between women and men at the highest levels of company decision-making; calls on the Commission to examine additional proposals to improve gender balance among senior managers and those holding influential positions in companies;

16. Underlines the need for greater employee involvement in company decision-making processes in order to better integrate the long-term objectives and impacts of their companies; invites the Commission to look into the possibility of revising the European Works Council Directive²⁶ and establishing a new framework on employees' information, consultation and involvement in European companies;
17. Stresses that the ecological transition and the rise of digitalisation will have profound repercussions on the labour force; considers, therefore, that any sustainable corporate governance should recognise and guarantee effectively the right of employees to continuing vocational training and lifelong education during their working hours;
18. Notes that companies are not abstract entities detached from today's environmental and social challenges; considers that companies should make a more active contribution to sustainability as their long-term performance, resilience and even their survival may depend on the adequacy of their response to environmental and social matters; stresses, in this regard, that the duty of care of directors towards their company should be defined not only in relation to short-term profit maximisation by way of shares, but also sustainability concerns; notes the major role of executive directors in defining a company's strategy and overseeing its operations; considers that executive directors' legal duties to act in the interest of their company should be understood as a duty to integrate long-term interests and sustainability risks, impacts, opportunities and dependencies into their company's overall strategy; stresses that this duty of prioritisation could entail a shift towards sustainable investments from non-sustainable investments;
19. Calls on the Commission to present a legislative proposal to ensure that directors' duties cannot be misconstrued as amounting solely to the short-term maximisation of shareholder value, but must instead include the long-term interest of the company and wider societal interests, as well as that of employees and other relevant stakeholders; believes, in addition, that such a proposal should ensure that members of the administrative, management and supervisory bodies, acting within the competences assigned to them by national law, have the legal duty to define, disclose and monitor a corporate sustainability strategy;
20. Stresses, with regard to the ongoing revision of the Environmental Liability Directive²⁷, that companies should possess financial securities for environmental liability for environmental harm inflicted on individuals and ecosystems;

²⁵ Proposal for a directive of the European Parliament and of the Council of 14 November 2012 on improving the gender balance among non-executive directors of companies listed on stock exchange and related measures (COM(2012)0614).

²⁶ OJ L 122, 16.5.2009, p. 28.

²⁷ OJ L 143, 30.4.2004, p. 56.

21. Considers that companies' sustainability strategies should identify and address, in accordance with their due diligence obligations, on the one hand, material issues in line with the non-financial reporting requirements, and, on the other hand, the significant impacts that those companies could have on environmental, climate, social and employee matters, and the implications for human rights, bribery and corruption arising from their business models, operations and supply chains, including outside the EU; considers that the duty of care that directors owe to their company also requires abiding by the duty not to harm ecosystems and to protect the interests of relevant stakeholders, including employees, who may be adversely impacted by the company's activities;
22. Believes that the scope of the future legislation should cover all listed and non-listed large undertakings established in EU territory, as defined in Article 3(4) of the Accounting Directive; stresses that in order to provide a level playing field, this legislation should also apply to non-EU companies operating in the EU market; invites the Commission to identify high-risk sectors of economic activity with a significant impact on sustainability matters that could justify applying it to SMEs in those sectors; further considers that, following the impact assessment the Commission is currently undertaking, the sustainability strategies should include measurable, specific, time-bound and science-based targets as well as transition plans aligned with the EU's international commitments on the environment and climate change, in particular the Paris Agreement, the Convention on Biological Diversity and international agreements addressing deforestation; believes that the strategies could also include an internal policy on a fair salary based on living wage per country, a policy on gender equality, and a policy ensuring employees' rights are better integrated in business activities; underlines that the content of these internal policies should be determined by the companies themselves, with due consideration for and in consultation with their employees; considers that these policies should take into account sector-specific and/or geographical matters and the rights of persons belonging to particularly vulnerable groups or communities; considers that linking the variable part of the remuneration of executive directors to the achievement of the measurable targets set in the strategy would serve to align directors' interests with the long-term interests of their companies; calls on the Commission to further promote such remuneration schemes for top management positions;
23. Notes that some Member States have introduced the concept of 'loyalty shares' in their legislation, whereby long-term shareholding is rewarded through voting rights and tax advantages; calls on the Commission to consider the introduction of new mechanisms to promote sustainable returns and the long-term performances of companies; highlights that retained earnings can contribute to building adequate reserves;
24. Considers that the Shareholders' Rights Directive should also be amended in order to incentivise 'patient' shareholder behaviour, in particular by rewarding long-term shareholding through voting rights and tax advantages;
25. Expresses concern that certain international investment agreements such as the Energy Charter Treaty place the financial interests of multinational corporations above environmental and climate priorities; urges the Commission to take swift action to ensure that existing and future trade investment agreements are fully aligned with EU environmental and climate objectives and to come forward with proposals to counteract

corporate land grabbing and deforestation in the upcoming review of the NFRD;

26. Considers that, in the process of defining and monitoring their sustainability strategies, companies should have the duty to inform and consult relevant stakeholders; believes that the concept of a stakeholder should be interpreted broadly and include all persons whose rights and interests may be affected by the decisions of the company, such as employees, trade unions, local communities, indigenous peoples, citizens' associations, shareholders, civil society and environmental organisations; considers it essential, moreover, to consult national and local public authorities dealing with the sustainability of economic affairs, in particular those responsible for employment and environmental public policies;
 27. Considers that this engagement should take place, depending on the size and field of activity of the company concerned, by means of advisory committees comprising stakeholders' representatives or spokespersons, including employees as well as independent experts, with the overall aim of providing advice on the content and implementation of the company's sustainability strategy; considers that these advisory committees could be chaired by non-executive directors and should have the right to request, if approved by a large majority, an independent audit should reasonable concerns be raised over the proper implementation of the sustainability strategy;
 28. Believes that companies that receive State aid, EU funding, or other public money or companies that carry out redundancy plans should aim to retain their workers' jobs and offer them protection, adjust the remuneration of their directors accordingly, pay their fair share of taxes, implement their sustainability strategy in line with the objective of reducing their carbon footprint, and refrain from paying out dividends or offering share buy-back schemes aimed at remunerating shareholders;
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- ◦
29. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

In the corporate context, a sustainability approach implies that the interest of different stakeholders in the company, including general societal and environmental concerns are duly taken into consideration. Currently, several international initiatives promote sustainable corporate governance, notably the UN Guiding Principles on Business and Human Rights of 2011, the OECD Guidelines for Multinational Enterprises, the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy. While these tools are valuable in terms of encouraging responsible business conduct in a globalised environment, they remain soft law only.

The European Union undertook multiple steps with the aim of fostering transparency and long-termism in financial and economic activities, such as the revision of the Shareholder's Rights Directive, the Action Plan for Financing Sustainable Growth, the Disclosure Regulation and the Taxonomy Regulation. The adoption of the Non-Financial Reporting Directive in 2014 was also a major step forward in promoting transparency in order to measure, monitor and manage undertakings' performance and their long-term impact on society and the environment. However, the shortcomings identified during its implementation show that there is a need to enhance non-financial reporting information in the Union. The rapporteur is convinced that transparency is of key importance to ensure accountability. He welcomes, therefore, the engagement of the Commission to review the current Directive.

In addition, a consistent European approach on sustainable corporate governance should be achieved through the establishment of concrete obligations to do and not only to report information. The Rapporteur considers that it is necessary to establish a new framework defining company boards' duties in terms of sustainability.

Non-financial reporting obligations

In its resolution of 29 May 2018 on Sustainable finance, the European Parliament called for the consideration of an enlargement of the scope of application of the NFRD. The Rapporteur would like to reiterate this call, while specifying which companies need to comply with the obligation of reporting non-financial information. He is of the opinion that the current scope appears to be too narrow and not in line with the definitions laid down in the Accounting Directive.

The definition of materiality should be also reviewed and aligned with issues that affect long-term value creation and include matters beyond the purely financial performance of companies.

The significant flexibility offered by the NFRD results in companies reporting information is often deemed insufficient, unreliable and not comparable. The non-binding guidelines issued by the European Commission did not remedy this problem. The rapporteur believes that it is, therefore, necessary to put in place a standardised framework, which will allow for clear, balanced, understandable, comparable among companies within a sector, verifiable and objective disclosures.

Another recurrent difficulty that the stakeholders are faced with is related to the location of

the report, for which the current framework provides also considerable flexibility. Harmonising this aspect seems, therefore, necessary. In any circumstances, the information should be easily accessible, for example on the company's website or by means of a publicly accessible and free of charge EU-wide digital platform.

A crucial part of the review should be the content assurance requirement, which is not part of the currently applicable rules on non-financial information. The rapporteur considers that the statements should be subject to a mandatory audit performed by an impartial and independent assurance service provider.

It is extremely important to ask the Council to urgently resume negotiations with Parliament on the Commission's proposal for a directive amending Directive 2013/34/EC as regards disclosure of income tax information by certain undertakings and branches.

Directors' duty of care and additional measures to make corporate governance more sustainability-oriented

Companies are not abstract entities disconnected of today's environment and social challenges. They should more actively contribute to sustainability as their long-term performance, resilience, and even survival may depend on their adequate response to environment and social matters. In this regard, directors' duty of care towards the company should be defined not only in relation to short-term profit maximisation of shares, but also in relation to sustainability concerns. Given the major role of directors in defining companies' strategy and overseeing its operations, they should have a duty to integrate long-term interests and sustainability risks, impacts, opportunities, and dependencies in the overall strategy of the company.

The rapporteur sees the need for a new framework ensuring that the members of the administrative, management and supervisory bodies of undertakings have the collective responsibility of defining, disclosing and monitoring a corporate sustainability strategy. This duty should require taking into consideration also the interest of stakeholders who may be adversely impacted by the company's activities. The Rapporteur is of the opinion that the sustainability strategy should include measurable, specific, time-bound and science-based targets aligned with the Union's commitments at international level. It should also include policies on better integration of employee's rights in the business activities and a definition of a fair salary policy, as well as sector-specific and/or geographical matters.

The process of defining and monitoring the sustainability strategy should include all relevant stakeholders, such as shareholders, employee's representatives and external stakeholder affected by the company's activities. Depending on the size of the company, an obligation to establish advisory committees for this purpose should be considered.

25.10.2020

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Legal Affairs

on sustainable corporate governance
(2020/2137(INI))

Rapporteur for opinion: Heidi Hautala

SUGGESTIONS

The Committee on International Trade calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Stresses that, while it is the sole responsibility of states and governments to safeguard human rights in their countries, sustainable corporate governance encompasses the ‘corporate responsibility to respect human rights’, as defined in the UN Guiding Principles of Business and Human Rights; recalls that the EU’s economy is facing the biggest global economic crisis since the Great Depression, with companies all over Europe hit especially hard; stresses that, at this time, any new legislative initiative should bear in mind its impact on administrative burden for micro and small and medium-sized enterprises (SMEs) in particular, and its impact on employment in EU companies and in their engagement in international markets; recalls the importance of transitional periods in order to create legal certainty and good legislation;
2. Calls for three distinct, yet mutually reinforcing, legislative proposals on directors’ duties and sustainable corporate governance, on corporate human rights and environmental due diligence, and on the reform of the Non-Financial Reporting Directive¹;
3. Reiterates that global supply chains are the key feature of the global economy, but that their complex nature and lack of corporate accountability may lead to a higher risk of human and labour rights violations and impunity for environmental crimes, and that trade policy must contribute to a transparent corporate governance, in line with the Non-Financial Reporting Directive, as it affects supply chains, including subcontracting chains, and demonstrate compliance with environmental, human rights, social and safety standards in line with the Paris Agreement and promotes the achievement of the

¹ OJ L 330, 15.11.2014, p. 1.

UN Sustainable Development Goals;

4. Emphasises that sustainable corporate governance constitutes an important pillar, which allows the EU to achieve an economy that is both resilient and sustainable, to enhance the level playing field in order to maintain and boost EU companies' international competitiveness and protect EU workers and businesses from unfair competition from third countries, and can therefore be beneficial to EU trade and investment policy, if it is adequately measured and proportionate;
5. Notes that the COVID-19 pandemic has exposed the vulnerabilities of global supply chains, and has shown that the voluntary rules alone are not enough, as witnessed, for instance in the garment sector where production was disrupted during the crisis, leading to negative effects throughout the supply chain; notes that businesses with better defined environmental, social and governance practices and risk mitigation processes are weathering the crisis better; recognises that the Organisation for Economic Co-operation and Development (OECD) has stated² that companies taking proactive steps to address the risks related to the COVID-19 crisis in a way that mitigates adverse impacts on workers and supply chains are likely to build more long-term value and resilience and to improve their viability in the short term and their prospects for recovery in the medium to long term;
6. Notes with concern that recent research³ on the implementation of the EU Non-Financial Reporting Directive has revealed that more than three quarters of companies do not provide information about their supply chains, even in high-risk sectors, except for the apparel sector where a significant number of companies provide either a general or detailed list of their suppliers; notes that publicly listed companies, unlisted public companies and private companies registered in the EU may have different obligations under national law as regards sustainable corporate governance; recalls the importance of levelling the playing field vis-a-vis companies registered outside of the EU who do not always follow sustainable corporate governance principles, which have a negative impact on EU enterprises and their employees; stresses that sustainable corporate governance should apply to all EU and non-EU companies operating in the single market; calls on the Commission to use the review of the Non-Financial Reporting Directive as an opportunity to enhance reporting requirements and the enforceability of reporting and ensure compliance with environmental, social and human rights standards;
7. Recognises that the findings of the recent Commission study on directors' duties and sustainable corporate governance, carried over the 1992-2018 period, have confirmed that there is a trend for most EU companies to favour short termism over long termism and sustainability, and; underlines that the impact of such corporate short termism on EU business trading practices in third countries is unsustainable; stresses that directors'

² [http://www.oecd.org/coronavirus/policy-responses/covid-19-and-responsible-business-conduct-02150b06/#:~:text=A%20responsible%20business%20conduct%20\(RBC,both%20government%20and%20business%20response](http://www.oecd.org/coronavirus/policy-responses/covid-19-and-responsible-business-conduct-02150b06/#:~:text=A%20responsible%20business%20conduct%20(RBC,both%20government%20and%20business%20response)

³ The Alliance for Corporate Transparency Research Report 2019: An analysis of the sustainability reports of 1000 companies pursuant to the EU Non-Financial Reporting Directive, p. 6, available at http://www.allianceforcorporatetransparency.org/assets/2019_Research_Report%20Alliance_for_Corporate_Transparency-7d9802a0c18c9f13017d686481bd2d6c6886fea6d9e9c7a5c3cfafea8a48b1c7.pdf

duties should encompass the obligation to integrate long-term sustainability aspects into their business strategy with sustainability targets beyond current shareholder value primacy, and to disclose appropriate information, while taking into account competition policy and legitimate interests to protect internal business know-how; stresses that the development of such strategies should be based on international social, environmental and human rights standards, and should include consulting with local communities where appropriate; notes that a balanced composition of the domestic advisory groups (DAGs) and the lessons learnt from their experience as an inclusive structured dialogue could be used as a model for EU corporate structures that take civil society into account; notes that adjustments to the composition of a board of directors, such as through the appointment of a member with knowledge of sustainable corporate governance, could increase compliance with these obligations; considers that the question of the extent of the applicability of such measures should be determined on the basis of the potential risk of harm; notes that all efforts should be in line with the principle of proportionality;

8. Calls upon the Commission to review the impact of sustainable corporate governance obligations on financial institutions providing trade finance;
9. Stresses the requirement to disclose information on how environmental, social and employee matters, respect for human rights, and bribery and corruption affect a company and how it affects society and the environment (i.e. the ‘double materiality standard’) should include the sharing of all relevant information on the supply chain; notes that sharing this information pursuant to the rules laid down in the Non-Financial Reporting Directive; stresses that any new EU requirements must be in accordance with the various international reporting standards such as the Global Reporting Initiative, the Sustainability Accounting Standards Board and the International Integrated Reporting Council so as to ensure a level playing field for European companies; notes the importance of providing comprehensive guidelines and indications on what information on value chains needs to be shared;
10. Underlines the importance of the new taxonomy regulation and its significance for supply chains; stresses that tackling tax avoidance is a fundamental part of sustainable corporate governance;
11. Acknowledges the Commission’s proposal to prepare legislation on sustainable corporate governance and due diligence on the basis of OECD Guidelines for Multinational Enterprises and the accompanying OECD Due Diligence Guidance on Responsible Business Conduct, the standards set in core International Labour Organization conventions and the UN Guiding Principles on Business and Human Rights; calls on the Commission to explore the possibility of EU-level certification schemes for supply chains as a complementary initiative to its legislative proposal on due diligence; calls on the Commission to assess which existing legislation could be updated or streamlined;
12. Underlines that sustainable corporate governance should not be understood narrowly as mere due diligence legislation but also trade policy plays a vital role in the smart mix of measures that foster business respect for human rights and mitigate environmental damage; stresses the importance of coherence between corporate governance structures of EU businesses and EU efforts in dialogue with third countries on responsible

business conduct through Trade and Sustainable Development chapters in Free Trade Agreements; stresses that both the sustainable corporate governance and corporate due diligence should be considered in the ongoing Trade Policy Review.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	27.10.2020
Result of final vote	+: 34 -: 3 0: 6
Members present for the final vote	Barry Andrews, Anna-Michelle Asimakopoulou, Tiziana Beghin, Geert Bourgeois, Saskia Bricmont, Udo Bullmann, Jordi Cañas, Daniel Caspary, Miroslav Číž, Arnaud Danjean, Paolo De Castro, Emmanouil Fragkos, Raphaël Glucksmann, Markéta Gregorová, Enikő Győri, Roman Haider, Christophe Hansen, Heidi Hautala, Danuta Maria Hübner, Herve Juvin, Maximilian Krah, Danilo Oscar Lancini, Bernd Lange, Margarida Marques, Gabriel Mato, Sara Matthieu, Emmanuel Maurel, Carles Puigdemont i Casamajó, Samira Rafaela, Inma Rodríguez-Piñero, Massimiliano Salini, Helmut Scholz, Liesje Schreinemacher, Sven Simon, Dominik Tarczyński, Mihai Tudose, Kathleen Van Brempt, Marie-Pierre Vedrenne, Jörgen Warborn, Iuliu Winkler, Jan Zahradil
Substitutes present for the final vote	Svenja Hahn, Jean-Lin Lacapelle

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

34	+
ECR	Emmanouil Fragkos
ID	Danilo Oscar Lancini
GUE/NGL	Emmanuel Maurel, Helmut Scholz
NI	Tiziana Beghin, Carles Puigdemont i Casamajó
PPE	Anna-Michelle Asimakopoulou, Daniel Caspary, Arnaud Danjean, Christophe Hansen, Danuta Maria Hübner, Gabriel Mato, Massimiliano Salini, Sven Simon, Iuliu Winkler
RENEW	Barry Andrews, Jordi Cañas, Svenja Hahn, Samira Rafaela, Liesje Schreinemacher, Marie-Pierre Vedrenne
S&D	Udo Bullmann, Miroslav Číž, Paolo De Castro, Raphaël Glucksmann, Bernd Lange, Margarida Marques, Inma Rodríguez-Piñero, Mihai Tudose, Kathleen Van Brempt
VERTS/ALE	Saskia Bricmont, Markéta Gregorová, Heidi Hautala, Sara Matthieu

3	-
ID	Herve Juvin, Maximilian Krah
PPE	Jörgen Warborn

6	0
ECR	Geert Bourgeois, Dominik Tarczyński, Jan Zahradil
ID	Roman Haider, Jean-Lin Lacapelle
PPE	Enikő Győri

Key to symbols:

+ : in favour

- : against

0 : abstention

29.10.2020

OPINION OF THE COMMITTEE ON THE ENVIRONMENT, PUBLIC HEALTH AND FOOD SAFETY

for the Committee on Legal Affairs

on sustainable corporate governance
(2020/2137(INI))

Rapporteur for opinion: Pascal Canfin

SUGGESTIONS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- A. whereas the Paris Agreement aims to contain the rise in the average temperature of the planet well below 2°C above pre-industrial levels and to pursue efforts to limit the temperature increase to 1.5°C above pre-industrial levels;
- B. whereas COVID-19 has illustrated the profound interconnections between human health, animal health and environmental health; whereas sustainable development should not be limited only to environmental and climate protection, but should also seek to ensure the highest level of protection and development for people, living beings and ecosystems; whereas the UN Sustainable Development Goals address multiple cross-cutting issues, including full and productive employment and decent work for all; whereas sustainable corporate governance holds great potential for ensuring that companies contribute to the realisation of all of these goals;
- C. whereas the European Union is founded on the values stated in Article 2 of the Treaty on European Union and whereas its environmental policy is based on the precautionary principle, as stated in Article 191(2) of the Treaty on the Functioning of the European Union;
- D. whereas the rapidly changing global economy necessitates a corporate governance model that will address the most pressing challenges ranging from climate change, environmental degradation and natural disasters to growing global inequalities; whereas the EU and humanity as a whole are currently breaching four of the nine planetary boundaries;

- E. whereas the growing global competition for access to natural resources often results in unsustainable corporate exploitation of the natural and human environment;
- F. whereas corporate governance has a key role to play in delivering the EU's commitments to implement the UN Sustainable Development Goals and the Paris Agreement;
- G. whereas climate change poses serious risks to food security, namely to the availability, accessibility and utilisation of food and the stability of food systems; whereas women farmers currently account for 45-80 % of all food production in developing countries, which are disproportionately affected by climate change and environmental degradation;
- H. whereas on average, deforestation is responsible for 20 % of human-induced carbon dioxide emissions; whereas deforestation in Brazil and the overexploitation of the high seas are two powerful reminders that we urgently need better sustainable governance of the environment on a global scale;
- I. whereas more and more countries and public authorities are granting legal status to ecosystems; whereas Ecuador has enshrined the Rights of Nature in its Constitution, thereby recognising the inalienable right of ecosystems to exist and flourish, and has vested individuals, peoples, communities and even other nations with the right to enforce the Rights of Nature and to apply preventative and restrictive measures on activities that could lead to the extinction of species, the destruction of ecosystems or the permanent alteration of natural cycles;
- J. whereas the Aarhus Convention establishes a number of environmental rights for the public and for associations, including the right to access environmental information, the right to participate in environmental decision-making and access to justice;
- K. whereas in 2017 the UN Aarhus Convention Compliance Committee found the EU in violation of the Aarhus Convention for not allowing members of the public to challenge decisions of the EU institutions before the EU courts;
- L. whereas the Commission has raised ambitions for the 2019-2024 period by setting out an agenda for the European Green Deal, affirming that 'Europe must lead the transition to a healthy planet';
 - 1. Considers that sustainable corporate governance is key to the long-term direction of undertakings to align their activities to the achievement of the EU's overall environmental objectives as laid down in the European Green Deal, as well as the EU's commitment to reduce its greenhouse gas emissions as it moves towards the 2050 climate neutrality target; underlines that all sectors should contribute to reaching that target;
 - 2. Expresses concern that certain international investment agreements such as the Energy Charter Treaty place the financial interests of multinational corporations above environmental and climate priorities; urges the Commission to take swift action to ensure that existing and future trade investment agreements are fully aligned with EU environmental and climate objectives and to come forward with proposals to counteract corporate land grabbing and deforestation in the upcoming review of the Non-Financial

Reporting Directive (NFRD);

3. Stresses that the ecological transition and the rise of digitalisation will have profound repercussions on the labour force; considers, therefore, that any sustainable corporate governance should recognise and guarantee effectively the right of employees to continuing vocational training and lifelong education during their working hours;
4. Considers that the current approach of having Commission guidelines on non-financial reporting by companies is insufficient on its own to bring about the desired outcome of comparable, reliable and consistent reporting by undertakings;
5. Calls in this regard for the adoption of EU standards with well-defined requirements in terms of the content and accessibility of non-financial information that should apply to at least all listed and non-listed large undertakings operating in the EU; points out that new European standards need to be based on an impact assessment and adapted to the capabilities of small and medium-sized enterprises (SMEs); calls for the introduction of specific mechanisms for SMEs to facilitate and ensure the implementation of these standards, including language support tools to help them access online platforms;
6. Calls on the Commission to commit to developing such standards during the upcoming NFRD review; considers that these standards should not pose an undue burden on SMEs;
7. Calls on the Commission and the Member States to adhere to and promote the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct in order to prevent, reduce and remedy harm to the environment and biodiversity, while taking due account of obligations and commitments to ensure a safe, clean, healthy and sustainable environment;
8. Considers that the EU framework should help and assist companies, in particular SMEs, by ensuring that disclosures are clear, balanced, understandable and comparable among companies within a sector;
9. Further considers that consistency of EU legislation on sustainable corporate governance should be achieved not only through the obligation to report information, but also through the introduction of concrete, proportionate and enforceable obligations and quantified objectives, based on an impact assessment; calls on the Commission to ensure that the revision of the NFRD is in line with the EU Taxonomy Regulation for sustainable activities and to define the minimum standards to be applied to companies in a mandatory and binding way; further considers that incentives should also be introduced on how to implement these measures, in particular for smaller companies;
10. Considers that corporate sustainability strategies should prioritise long-term interests in order to facilitate a mandatory shift away from unsustainable investments and corporate practices and towards more sustainable operations that promote environmental and climate objectives such as renewable energy production, waste reduction and the promotion of a truly circular economy;
11. Recalls that the sustainable character of companies depends on whether their management fully abides by their environmental and social obligations; stresses that strong and independent inspection services are necessary to ensure full respect for these

obligations;

12. Calls in this regard for the adoption of an EU legislative framework requiring undertakings to establish, implement, regularly assess and update a corporate sustainability strategy in consultation with all relevant stakeholders; believes that this strategy should address in particular the companies' environmental impacts such as loss of biodiversity and deforestation, as well as mid- and long-term planning towards achieving climate neutrality by 2050;
13. Recognises that while women are vulnerable to the effects of climate change, they are also effective agents of change in relation to mitigation and adaptation; calls on the Commission and the Member States to include gender mainstreaming in their environmental analyses, policymaking, action plans and any other measures applicable to sustainable development and climate change in order to command greater attention for gender perspectives.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	29.10.2020
Result of final vote	+: 66 -: 11 0: 3
Members present for the final vote	Nikos Androulakis, Bartosz Arłukowicz, Margrete Auken, Simona Baldassarre, Marek Paweł Balt, Traian Băsescu, Aurelia Beigneux, Monika Beňová, Sergio Berlato, Alexander Bernhuber, Malin Björk, Simona Bonafè, Delara Burkhardt, Pascal Canfin, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nathalie Colin-Oesterlé, Esther de Lange, Christian Doleschal, Marco Dreosto, Eleonora Evi, Agnès Evren, Fredrick Federley, Pietro Fiocchi, Catherine Griset, Jytte Guteland, Anja Hazekamp, Martin Hojsík, Pär Holmgren, Jan Huitema, Yannick Jadot, Adam Jarubas, Petros Kokkalis, Athanasios Konstantinou, Joanna Kopcińska, Sylvia Limmer, Javi López, Fulvio Martusciello, Liudas Mažylis, Joëlle Mélin, Tilly Metz, Dolors Montserrat, Alessandra Moretti, Dan-Ștefan Motreanu, Ville Niinistö, Ljudmila Novak, Grace O'Sullivan, Jutta Paulus, Jessica Polfjård, Luisa Regimenti, Frédérique Ries, María Soraya Rodríguez Ramos, Sándor Rónai, Rob Rooken, Silvia Sardone, Christine Schneider, Günther Sidl, Linea Søgaard-Lidell, Nicolae Ștefănuță, Nils Torvalds, Edina Tóth, Véronique Trillet-Lenoir, Alexandr Vondra, Mick Wallace, Pernille Weiss, Michal Wiezik, Tiemo Wölken, Anna Zalewska
Substitutes present for the final vote	Maria Arena, Manuel Bompard, Antoni Comín i Oliveres, Margarita de la Pisa Carrión, Sven Giegold, Jens Gieseke, Nicolás González Casares, Christophe Hansen, Laura Huhtasaari, Ondřej Knotek, Róza Thun und Hohenstein

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

66	+
EPP	Bartosz Arłukowicz, Traian Băsescu, Alexander Bernhuber, Nathalie Colin-Oesterlé, Esther de Lange, Christian Doleschal, Agnès Evren, Jens Gieseke, Christophe Hansen, Adam Jarubas, Fulvio Martusciello, Liudas Mažylis, Dolores Montserrat, Dan-Ștefan Motreanu, Ljudmila Novak, Christine Schneider, Róza Thun und Hohenstein, Edina Tóth, Michal Wiezik
S&D	Nikos Androulakis, Maria Arena, Marek Paweł Balt, Monika Beňová, Simona Bonafè, Delara Burkhardt, Sara Cerdas, Mohammed Chahim, Tudor Ciuhodaru, Nicolás González Casares, Jytte Guteland, Javi López, Alessandra Moretti, Sándor Rónai, Günther Sidl, Tiemo Wölken
RENEW	Pascal Canfin, Fredrick Federley, Martin Hojsík, Jan Huitema, Ondřej Knotek, Frédérique Ries, María Soraya Rodríguez Ramos, Nicolae Ștefănuță, Nils Torvalds, Véronique Trillet-Lenoir
GREENS/EFA	Margrete Auken, Sven Giegold, Pär Holmgren, Yannick Jadot, Tilly Metz, Ville Niinistö, Grace O'Sullivan, Jutta Paulus
ECR	Sergio Berlato, Pietro Fiocchi, Joanna Kopcińska, Alexandr Vondra, Anna Zalewska
GUE/NGL	Malin Björk, Manuel Bompard, Anja Hazekamp, Petros Kokkalis, Mick Wallace
NI	Antoni Comín i Oliveres, Eleonora Evi, Athanasios Konstantinou

11	-
EPP	Jessica Polfjärd
ID	Simona Baldassarre, Aurelia Beigneux, Marco Dreosto, Catherine Griset, Laura Huhtasaari, Sylvia Limmer, Joëlle Mélin, Luisa Regimenti, Silvia Sardone
ECR	Rob Rooker

3	0
EPP	Pernille Weiss
RENEW	Linea Søgaard-Lidell
ECR	Margarita de la Pisa Carrión

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	16.11.2020
Result of final vote	+: 13 -: 5 0: 0
Members present for the final vote	Geoffroy Didier, Ibán García Del Blanco, Jean-Paul Garraud, Esteban González Pons, Gilles Lebreton, Karen Melchior, Franco Roberti, Marcos Ros Sempere, Stéphane Séjourné, Marie Toussaint, Adrián Vázquez Lázara, Axel Voss, Marion Walsmann, Tiemo Wölken, Lara Wolters
Substitutes present for the final vote	Magdalena Adamowicz, Patrick Breyer, Daniel Buda, Jorge Buxadé Villalba, Caterina Chinnici, Pascal Durand, Heidi Hautala, Sabrina Pignedoli
Substitutes under Rule 209(7) present for the final vote	Daniel Freund

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

13	+
EPP	Geoffroy Didier
S&D	Ibán García Del Blanco, Franco Roberti, Marcos Ros Sempere, Tiemo Wölken, Lara Wolters
RENEW	Pascal Durand, Karen Melchior, Stéphane Séjourné, Adrián Vázquez Lázara
VERTS/ALE	Patrick Breyer, Marie Toussaint
GUE/NGL	Manon Aubry

5	-
EPP	Esteban González Pons, Axel Voss
ID	Jean-Paul Garraud, Gilles Lebreton
ECR	Angel Dzhambazki

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention