

## Proposal Article 15: Combating climate change

With COP27 ongoing, NL would like to draw attention to its drafting proposals for article 15 on combating climate change.

NL does not see a rationale for deviating from the Directive's scope for article 15. For the purposes of consistency (as well as the climate-risks associated with the sectors referred to in articles 2(1)b and 2(2)b), NL suggests to align the scope of article 15 with article 2.

The text "a plan, including .... gas-related activities" as proposed by the Presidency for article 15(1) directly stems from Art. 19a (2) (a) (iii) of the CSRD (Directive 2013/34/EU). The CSRD, however, provides further requirements for companies in this context, as contained in articles 19a(2)(b) and 29b(2)(a) of said Directive. For purposes of consistency, NL therefore argues that these requirements should be included in article 15 as well. It does not make sense to require the reporting of climate risks and impacts under the CSRD while not requiring those risks and impacts to be addressed under the CSDDD.

Furthermore, all companies that fall under the CSDDD inevitably contribute to climate change and should thus adopt reduction plans that are covered by the above proposal (cf. art. 19b (2) (a) (i) of the CSRD). As most emissions are in the value chains, finally, an explicit reference to scope 3-emissions is needed to confirm that these indeed fall within the scope of the Directive.

If this is accepted, article 15(2) could be seen as redundant. In case, however, an explicit cross-reference to CSRD articles is not preferable in article 15(1), the text of article 15(2) could be amended as presented below by directly quoting the text of 19a(2)(b) and (i) of 29b(2)(a) here.

NL believes that reverting to the original proposal for article 15 would create unnecessary incongruity with the CSRD and a resulting lack of clarity for companies, while needlessly putting the EU's commitment to combating climate change in question.

### Text suggestion:

1. Member States shall ensure that companies referred to in Article 2(1) ~~, point (a),~~ and Article 2(2) ~~, point (a),~~ shall adopt a plan, including implementing actions and related financial and investments plans, to ensure that the business model and strategy of the company are **aligned 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 (European Climate Law), and where relevant, the exposure of the undertaking to coal, oil and gas-related activities. This plan shall **be in line with the requirements in Article 19a (2) (b) and Article 29b (2) (a) of Directive 2013/34/EU, amended by Directive [...], and** ~~in particular,~~ identify, on the basis of **the best available scientific** information ~~reasonably available to the company~~, the extent to which climate change is a risk for, or an impact of, the company's operations, **including, where relevant, scope-3 emissions.**
2. Member States shall ensure that ~~, in case climate change is or should have been identified as a principal risk for, or a principal impact of, the company's operations,~~ the company includes ~~greenhouse gas emission reduction objectives in its plan,~~ **time-bound targets related to sustainability matters set by the company, including where appropriate absolute greenhouse gas emission reduction targets at least for 2030 and 2050, including emissions on scope 1, scope 2 and, where relevant, scope 3 greenhouse gas emissions, a description of the progress the company has made towards achieving those targets, and a specification of whether the company's targets related to environmental matters are based on conclusive scientific evidence.**



Council of the European Union  
General Secretariat

**Brussels, 14 November 2022**

**WK 15594/2022 INIT**

**LIMITE**

**DRS  
SUSTDEV  
CODEC  
COMPET**

*This is a paper intended for a specific community of recipients. Handling and further distribution are under the sole responsibility of community members.*

## **MEETING DOCUMENT**

From:	General Secretariat of the Council
To:	Working Party on Company Law
Subject:	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937 – NL comments

Delegations will find attached for their information the Dutch comments on the Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on Corporate Sustainability Due Diligence and amending Directive (EU) 2019/1937