

# New ESG legislation



*PENKOV • MARKOV & PARTNERS*

INTERNATIONAL LAW FIRM

SINCE 1990





## ENVIRONMENT

- Climate
- Water resources
- Circular economy
- Pollution
- Biodiversity



## SOCIAL

- Equality
- Working conditions
- Respect for human rights



## GOVERNANCE

- Corporate bodies
- Internal control and risk management systems
- Fight against corruption
- AML, GDPR, Whistleblowing



# Corporate Sustainability Reporting Directive („CSRD“)



EU Energy Efficiency  
Directive



EU Corporate  
Sustainability  
Reporting Directive  
(CSRD)



EU Taxonomy  
directive



NFRD



Low Emission Zones



Emissions Trading  
System  
Carbon Border  
Adjustment  
Mechanism

# Директива за отчитане на корпоративната устойчивост („CSRD“)



• • •  
Non-financial  
sustainability  
report

• • •  
European sustainability  
reporting standards  
(„ESRS“)

• • •  
Principle of  
*double materiality*

• • •  
*Value chain*  
Where are the significant  
impacts, risks and  
opportunities focused?

## Related EU legislation

**EU Taxonomy**  
Regulation 2020/852

**Corporate  
Sustainability Due  
Diligence Directive**  
to be revised

**Green Claims Directive**  
to be transposed by 2026

**Greenwash Directive**  
Directive 2024/825  
to be transposed by 2026 r.

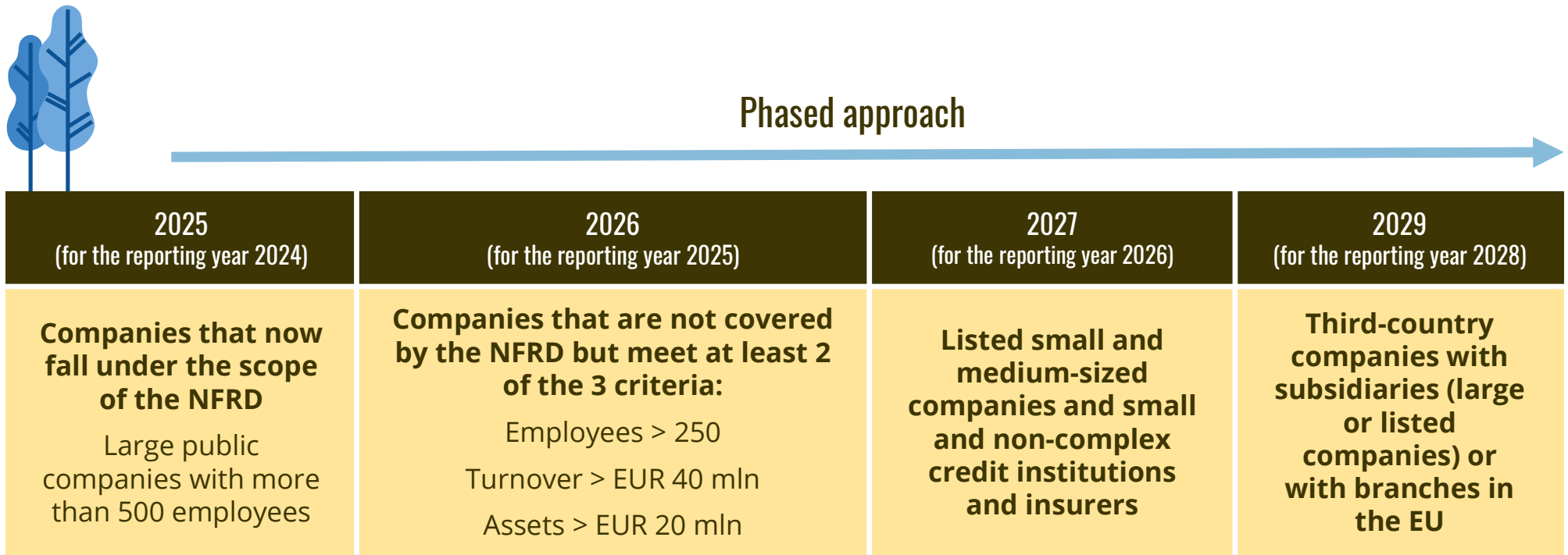
**NFRD**  
Directive 2014/95



# Corporate sustainability reporting directive („CSRD“)



## Phased approach

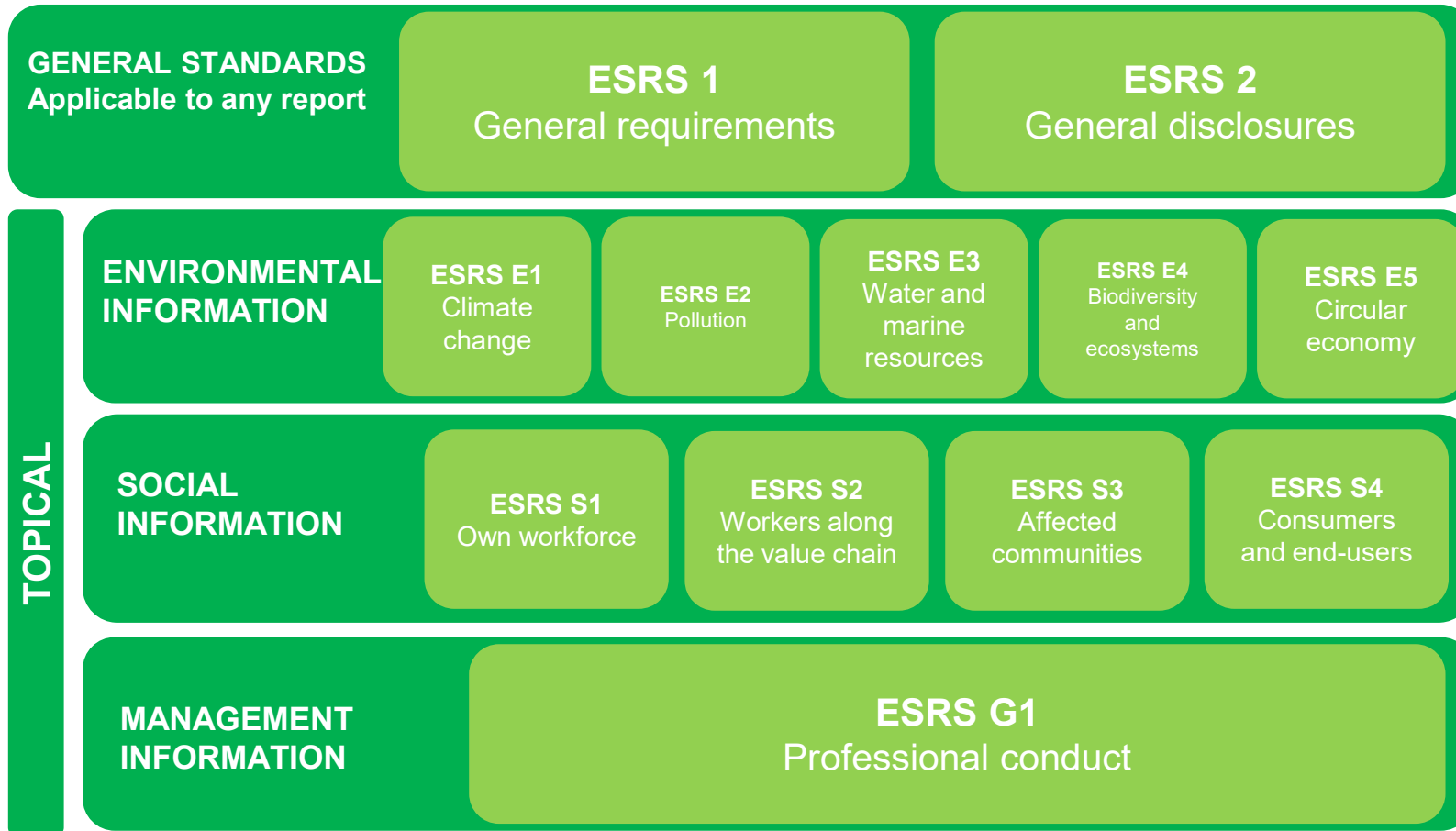


# Law on Amendment and Supplement to the Accountancy Act

## Non-Financial Declaration -> Sustainability Report

1. *Information necessary to understand the company's impacts on sustainability issues, as well as the information needed to understand how these issues affect the company's development, performance and health (**double materiality**)*
2. *The plans (including financial and investment) of the undertaking and the actions to implement them, so as to ensure that its business model and strategy are compatible with the transition to a sustainable economy and with the containment of global warming*
3. *The greenhouse gas emission reduction targets set for at least 2030 and 2050*
4. *Description of the role of management and supervisory authorities in relation to sustainability issues and the existence of incentive schemes (additional remuneration, options)*
5. *The manager shall inform the workers' representatives and discuss with them the relevant information and the means of obtaining and verifying sustainability information*
6. *The information shall be disclosed in accordance with the requirements of the European Sustainability Reporting Standards (ESRS)*

# European standards for sustainability reporting(ESRS) Regulation (EC) 2023/2772



**SECTORAL**

EFRAG has announced 2 sets of standards that will be published in 2026:

Agriculture;  
Coal mining;  
Mining;  
Oil and natural gas;  
Electricity production;  
Land transport;  
Food industry  
Textiles

# Sanctions

*Non-monetary sanction in the amount of BGN 2000 to BGN 5000  
Fine in the amount of BGN 500 to 3000*





## Latest developments

*New Law on Amendment and Supplement to the Accountancy Act  
EU Omnibus Simplification Package (end of February)*



# Thank you for your attention!

Tel.: ++ 359 2 971 3935

Email: [nikolay.voynov@penkov-markov.eu](mailto:nikolay.voynov@penkov-markov.eu)

<https://www.penkov-markov.eu>

