

Abstract: ESG concept (Environment, Social and Governance) with a focus on the environmental area in the context of current legislation

As the climate crisis intensifies, so does the pressure to create a sustainable legal framework. Legal regulation should be able to ensure compliance with climate commitments. Whether this is indeed the case is the question addressed in this paper. Non-financial reporting was previously covered by the NFRD, which is now being replaced by the CSRD.

In the first part, I briefly introduce the development of the ESG concept and its relationship to international agreements and European legislation. Standardization is a key element of non-financial reporting. I will briefly introduce the GRI standards, which are widely used around the world, but will focus more on the ESRS standards. These are the first uniform standards in the European Union.

The second part focuses on the environmental pillar of the ESG concept, where I analyse the different thematic parts of the ESRS standards in more detail. I use a descriptive approach to look at climate change, pollution, water and marine resources, biodiversity and resource use. I place each element of the legislation in the context of relevant documents or principles that apply to environmental issues.

The third part is largely analytical, except for a description of the implementation of the Directive in national legislation. Quite central is the analysis of the CSRD, in which I assess the potential benefits and risks and compare the new text with the previous regulation.

The fourth part is devoted to a practical examination of a sample of Czech companies. I compare the published sustainability reports of a sample of ten Czech companies based on predetermined evaluation points. The result is an overview of companies' readiness to adopt the requirements stemming from the CSRD and an assessment of the current state of non-financial reporting. As part of the overall assessment, I outline the specific areas where the CSRD could contribute to a better approach to sustainability within the private sector.

The conclusion focuses on answering the research questions and on *de lege ferenda* considerations. I mention possible pitfalls arising from the analysis of the CSRD and the research from the practical part.

Key words: sustainability, ESG concept, sustainability report