

# ESG regulation in Portugal

## What is the current ESG legislation landscape and upcoming changes?

Portugal is an EU member and committed to EU's legislation such as the EU Taxonomy, the European Green Deal and the European Disclosure Regulation.

Internal ESG ratings are not common in Portugal and ESG ratings are not regulated yet, however there are existing laws which take climate change into consideration. They are:

- > Climate Basic Law in Portugal (Law 98/2021)
- > Article 64 of the Portuguese Companies Code
- > Decree Law No 89/2017
- > Portuguese Commercial Company Act
- > Accounting Directive No 29

In addition, the Portuguese securities market regulator (CMVM) has non-binding template for disclosure of non-financial information which companies can use for voluntary ESG disclosures.

The Support Programme for More Sustainable Buildings (“Edifícios Mais Sustentáveis”) which ended in 2021, helped rehabilitate and make buildings more energy efficient with the intent to reduce energy bills and energy dependence on greenhouse gas emissions.

Currently, the biggest ESG change in the horizon is the Climate Law Framework which would determine the guidelines for public policies regarding climate and establish decarbonisation targets, among other things.

There are also talks to adopt the Digital Era and make changes to the Consumer Rights Law to strengthen oversight regarding human rights.

## How can Drooms help you during the process of ESG reporting?

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- > Large amounts of information to be collected, continuously updated and stored;
- > The development of a standardised data framework using a clear index structure, making data transparent, comparable and uniform;
- > A central, reliable source of documentation with global accessibility and full confidentiality;
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