

Energy Briefing: Special Edition

The first carbon emissions report under Greek Climate Law is due on 31 October 2023

Article 20 of the National Climate Law no. 4936/2022 (the **Law**) requires companies from a wide range of sectors to report on their carbon footprint or the total amount of greenhouse gases emitted directly or indirectly by one or more individuals, a geographical area, an entity or a production process, and expressed in tonnes of carbon dioxide (CO₂) equivalent.

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A. Reporting Obligation

1. The companies specified in section B below must submit a report on their carbon footprint for 2022 (the **Report**) to a publicly accessible electronic database implemented and operated by the Natural Environment and Climate Change Agency (NECCA) (the **Reporting Obligation**).
2. The Report must include voluntary targets and actions of each obliged legal entity to reduce or offset the direct and indirect greenhouse gas emissions from their energy consumption, as defined in the GHG Protocol - WORLD RESOURCES INSTITUTE or alternatively in accordance with ISO 14064-1:2018 categories 1 and 2 (the **Emissions**).

3. The electronic database is expected to be operational by 31 October 2023.

B. Who Does the Reporting Obligation Apply To?

1. The Reporting Obligation applies to the following legal entities (the **Obligated Entities**):
 - a. companies limited by shares with listed shares or other securities in Greece;
 - b. credit institutions¹;
 - c. regulated insurance companies;
 - d. investment companies;
 - e. companies active in a broad range of sectors including:
 - i. telecommunications;
 - ii. water supply and sewerage companies;
 - iii. courier companies;
 - iv. electricity and natural gas supply;
 - v. retail (where they have more than 500 employees);
 - vi. logistics, specifically service providers to third parties in transport, transit and storage of goods and commodities; and
 - vii. urban and transport services.

¹ referred to in par. 1 of Article 3 of Law No. 4261/2014 (A` 107)

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2. Small and micro enterprises with fewer than 50 employees and an annual turnover or total annual balance sheet of less than €10m are excluded from the Reporting Obligation.
3. The Ministry of Environment and Energy issued a Circular on 16 June 2023 which clarified that:
 - a. each Report must correspond to one Greek Tax Identification Number (TIN);
 - b. the Report must not include Emissions from activities outside Greece;
 - c. the Report should not include Emissions of other legal entities (those holding a different TIN number) even if the Obligated Entity holds shares in them;
 - d. Obligated Entities which operate facilities that are part of the EU Emissions Trading System (ETS) must submit a Report on their overall carbon footprint (including all these facilities).

C. Reporting Procedure

1. The Emissions included in the Reports must be calculated in accordance with the 2006 IPCC Guidelines for National Greenhouse Gas Inventories. The most recently reported national emissions conversion factors must be used to convert final energy consumption into tonnes of carbon dioxide (CO₂) equivalent.
2. The Report must be verified by an independent verifier (the **Verifier**) who meets the minimum qualification requirements set out in EU Implementing Regulation 2067/2018² in accordance with the procedure specified in the relevant joint decision of the Minister and the Deputy Minister of Economy, Development and Tourism.
3. The Report must be updated and verified annually.

D. Non-Compliance Penalty

1. In case of failure to submit the Report, a fine of €50 is imposed for each day of delay. The fine shall not exceed 0.01% of the project operator's

total turnover for the last financial year as submitted in their last income tax return.

E. Tips for Successful Reporting

1. In order to successfully comply with their Reporting Obligations, the Ministry of Environment and Energy suggests that Obligated Entities do the following:
 - a. appoint an enforcement officer for the implementation of the Law and possibly a climate task force;
 - b. define the organisational boundaries of their business, and prepare the Report for all activities under their TIN;
 - c. for the purposes of the Report, the emission calculations do not include activities:
 - i. outside Greece;
 - ii. of other companies in which they participate; and
 - iii. emissions from aviation and maritime transport reported in the ETS;
 - d. develop a system for monitoring and reporting their emissions according to an accepted international standard (ISO 14064, GHG protocol), with a focus on data management and monitoring;
 - e. calculate 2022 Emissions carefully, as this is the first mandatory carbon footprint calculation year and will be used as a base year, with mandatory reduction targets in the future relating to this;
 - f. think of some useful indicators that relate their emissions to their activities such as emissions per employee, turnover, square meter of office space, unit of output and unit of product produced;
 - g. appoint a Verifier to provide a carbon footprint certificate certify, which is required to accompany the Report; and
 - h. think about the future - the goal is to achieve climate neutrality by 2050.

² The Law refers to EU Regulation 600/2012 which has been repealed and replaced by EU Implementing Regulation 2067/2018.

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