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Czech Republic

Environment

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This country-specific Q&A provides an overview of environment laws and regulations applicable in Czech Republic.

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Czech Republic: Environment

1. What is the environmental framework and the key pieces of environmental legislation in your jurisdiction?

The constitutional establishment of the right to the environment is set out in Article 35 of the Charter of Fundamental Rights and Freedoms, which incorporates several fundamental rights. These include the right to a favourable environment and the related right to timely and complete information on the state of the environment and natural resources.

The key environmental framework in the Czech Republic is based primarily on EU law, which has been implemented in Czech legislation.

The key environmental acts can be divided into:

1. Regulations governing the competence of administrative authorities and proceedings in environmental protection such as:
 - Act No. 282/1991 Coll., on the Czech Environmental Inspectorate and its competencies in forestry protection, as amended.
 - Act No. 500/2004 Coll., on Administrative Proceedings, as amended.
 - Act No. 255/2012 Coll., on Inspection (Inspection Order), as amended.
2. Transversal environmental legislation such as:
 - Act No. 17/1992 Coll., on the Environment, as amended, defining basic concepts, principles of environmental protection, and obligations of legal entities and individuals.
 - Act No. 123/1998 Coll., on Free Access to Environmental Information, as amended, which sets out in detail the prerequisites and procedures of the right to information on the state of the environment and natural resources.
 - Act No. 283/2021 Coll., the Building Act, as amended, which ensures that environmental considerations form part of the planning and construction processes.
 - Act No. 100/2001 Coll., on Environmental Impact Assessment, as amended.
 - Act No. 76/2002 Coll., on Integrated Prevention, as amended.
3. Environmental legislation governing the protection of environmental components such as:
 - Act No. 254/2001 Coll., on Water, as amended.

- Act No. 201/2012 Coll., on Air Protection, as amended.
 - Act No. 334/1992 Coll., on Agricultural Land Fund Protection, as amended.
 - Act No. 289/1995 Coll., on Forests, as amended.
 - Act No. 114/1992 Coll., on the Protection of Nature and Landscape, as amended.
4. Environmental legislation governing protection against sources of pollution such as:
 - Act No. 541/2020 Coll., on Waste, as amended.
 - Act No. 477/2001 Coll., on Packaging, as amended.
 - Act No. 258/2000 Coll., on Protection of Public Health, as amended.
 - Act No. 350/2011 Coll., on Chemicals and Chemical Mixtures, as amended.
 - Act No. 18/1997 Coll., the Atomic Act, as amended.
 - Act No. 59/2006 Coll., on Prevention of Major Accidents, as amended.
 - Act No. 73/2012 Coll., on Substances that Deplete the Ozone Layer and on Fluorinated Greenhouse Gases, as amended.

2. Who are the primary environmental regulatory authorities in your jurisdiction? To what extent do they enforce environmental requirements?

The Czech environmental administration comprises national and territorial authorities.

The national regulatory authorities include:

1. The Czech government that:
 - decides on the deployment of the armed forces outside the territory of the Czech Republic, including participation in rescue work during natural disasters, industrial or environmental accidents.
 - may declare a state of emergency in the event of natural disasters, environmental or industrial accidents, accidents or other hazards that threaten life, health or property values or internal order and security to a significant extent.
2. Czech Ministries, where the Ministry of the Environment and the Ministry of Agriculture have the most important roles. It is customary for ministries to decide on appeals against decisions made by

administrative authorities.

3. The Czech Environmental Inspectorate ("CEI"). It is an organisation subordinate to the Ministry of the Environment. The primary task of CEI is to supervise the enforcement of environmental legislation by legal entities and entrepreneurs. The activities of CEI can be divided into five core areas: air protection, waste management, nature, water, and forest management supervision.

Territorial authorities include:

1. Regional and municipal authorities exercising state administration on the territory of regions and municipalities.
2. District Mining Administration.
3. Regional Veterinary Administration.
4. National Parks Administrations (Šumava, Krkonoše, Podyjí and České Švýcarsko).

3. What is the framework for the environmental permitting regime in your jurisdiction?

Czech law does not provide a single, all-encompassing environmental permit.

For construction projects, environmental permits are typically issued in the form of a binding opinion of the relevant authority. These opinions are binding on the decision-making process of the building authority. The most significant binding opinions are:

- the EIA opinion issued under Act No. 100/2001 Coll., on Environmental Impact Assessment, as amended, that applies to significant constructions (e.g., motorways, large production facilities, mineral extraction, plants);
- the Unified Environmental Statement (abbreviated as "UES") issued under Act No. 148/2023 Coll., on Unified Environmental Statement, as amended, replacing up to 26 supporting administrative actions contained in 9 different environmental laws (e.g., exemptions from bans for protected trees and species of special conservation concern, consent to removal from agricultural land, etc.).

Additionally, investors have the option to request a joint binding opinion encompassing both the Environmental Impact Assessment (EIA) and the Unified Environmental Statement (UES).

Once the facility has obtained all the necessary environmental binding opinions and is permitted by the building authority, the investor still needs to obtain an environmental permit for the operation of the facility, if

one or more industrial activities are to be carried out there. The Integrated Pollution Prevention and Control permit (IPPC permit) serves for this purpose. It is issued under Act No. 76/2002 Coll. on Integrated Prevention, as amended. The aim of the IPPC permit is to prevent or reduce pollution through the implementation of Best Available Techniques – BAT.

Depending on the specific nature of the activity, other special permits may be required for individual activities (waste management, water discharge or abstraction, sources of air pollution, etc.).

4. Can environmental permits be transferred between entities in your jurisdiction? If so, what is the process for transferring?

The process for transferring an environmental permit depends on the permit's type. Czech law differentiates between a personal permit and a permit in rem.

Personal permits are binding only on named individuals. These are very rare in environmental law. These personal permits may be transferred by a public law contract, unless the nature of the matter excludes this possibility, or unless special law provides otherwise. The public law contract requires the consent of the administrative authority.

By contrast, permits in rem relate to the addressee due to their association with a specific asset (e.g., property or equipment). Consequently, they are binding on the owner of the property and his successors.

5. What rights of appeal are there against regulators with regards to decisions to grant environmental permits?

As previously stated, the majority of the environmental permits for building projects are issued in the form of a binding opinion of the relevant authority, which is binding for the decision-making of the building authority.

It is important to note that the binding opinions themselves cannot be appealed or be subject to an administrative action. It is only possible to challenge the final administrative decision of the building authority, and to cite the unlawfulness of the binding opinion as a reason for the unlawfulness of the final administrative decision of the building authority.

If an environmental permit is issued in the form of an administrative decision (e.g., a water permit, a waste

management permit), it is possible to appeal against such a decision or challenge its legality before the administrative courts.

6. Are environmental impact assessments (EIAs) for certain projects required in your jurisdiction? If so, what are the main elements of EIAs (including any considerations in relation to biodiversity or GHG emissions) and to what extent can EIAs be challenged?

The majority of buildings are subject to the requirement of a building permit issued by the relevant building authority. Certain structures may have a detrimental effect on the environment, and it is essential to assess this in advance. Therefore, before the building authority issues a building permit, investors must undergo an Environmental Impact Assessment (EIA) process and obtain the EIA binding opinion, which is binding for the decision-making of the building authority. The EIA process is carried out by the regional authority or the Ministry of the Environment.

The full EIA process is carried out for structures or activities listed in Category I of Annex 1 to Act No. 100/2001 Coll. These are the most significant structures or activities, including airports, motorways, reservoirs, and mining sites.

For projects in Category II of Annex 1 to Act No. 100/2001 Coll., at least a screening procedure is mandatory. The purpose of a screening is to decide whether the project will be subject to the full EIA process.

The binding EIA opinion itself cannot be appealed or be subject to an administrative action. It is only possible to challenge the final administrative decision of the building authority, which is bound by the EIA opinion, and to cite the unlawfulness of the EIA opinion as a reason for the unlawfulness of the final administrative decision of the building authority.

7. What is the framework for determining and allocating liability for contamination of soil and groundwater in your jurisdiction, and what are the applicable regulatory regimes?

The liability for contamination of soil and groundwater is regulated in Act No. 167/2008 Coll. on Prevention and Remedying of Environmental Damage, as amended (Environmental Liability Act; hereinafter the "ELA"), which transposes the Directive 2004/35/CE of the European

Parliament and of the Council of 21 April 2004 on environmental liability with regard to the prevention and remedying of environmental damage.

The ELA establishes the framework for the prevention and remediation of ecological damage to water or land, if such damage has occurred or is imminent. The ELA applies primarily to instances of ecological damage or imminent threat thereof, if caused by an operational activity specified in Annex 1 to the ELA. This includes, for example, installations subject to an integrated permit, installations for the recovery, disposal, collection or purchase of waste, discharging wastewater into surface or groundwater. The ELA defines obligations to prevent and remedy environmental damage.

8. Under what circumstances is there a positive obligation to investigate land for potential soil and groundwater contamination? Is there a positive obligation to provide any investigative reports to regulatory authorities?

The regulation of mandatory groundwater monitoring is outlined in Section 21 of the Water Act (Act No. 254/2001 Coll.) and Decree No. 5/2011 Coll. The Czech Hydrometeorological Institute is responsible for groundwater monitoring, which consists of the following elements:

- an assessment of the status of groundwater bodies (chemical and quantitative status),
- an assessment of significant and persistent trends and contamination zones,
- a groundwater quality assessment.

The scope and frequency of monitoring for the defined groundwater bodies is determined by the said Decree.

The legislation governing soil monitoring is outlined in the relevant component legislation. The Central Institute for Supervising and Testing in Agriculture holds a special status. It is a specialised body of public administration established by the Ministry of Agriculture. The Institute performs monitoring activities in accordance with special acts in the areas of plant variety testing, feedingstuffs, agrochemical testing of soils, soils and plant nutrition, seeds and seedlings of the grown plants, perennial plants (viculture and hops), protection against harmful organisms, and plant protection.

9. If land is found to be contaminated, or pollutants are discovered to be migrating to

neighbouring land, is there a duty to report this contamination to relevant authorities?

A subject carrying out or managing an operational activity (the operator) is obliged to communicate to the Czech Environmental Inspectorate any information on circumstances that could lead to imminent threat of environmental damage and on the preventive measures taken. If the preventive measures do not eliminate the imminent threat of environmental damage, the operator must notify the Czech Environmental Inspectorate thereof.

In the event that environmental damage has already occurred, the operator shall be obliged to communicate to the Czech Environmental Inspectorate information on all relevant circumstances of the occurrence of the environmental damage or circumstances indicating its occurrence, as well as on the remedial measures taken. The Czech Environmental Inspectorate may, at any time, request information on the environmental damage that has occurred and on the remedial measures taken; the operator must provide it, without undue delay.

10. Does the owner of land that is affected by historical contamination have a private right of action against a previous owner of the land when that previous owner caused the contamination?

A landowner who, under the Environmental Liability Act (ELA), is obliged to implement remediation measures despite not having caused the contamination, is entitled to seek compensation from the previous owner, as outlined in the Civil Code, for the responsibility of the former owner regarding the contamination.

11. What are the key laws and controls governing the regulatory regime for waste in your jurisdiction?

The legal basis for waste management in the Czech Republic is Act No. 541/2020 Coll., the Waste Act, as amended, which implements the requirements of the EU Directive 2008/98/EC. The Waste Act sets out the obligations of legal entities and individuals in waste management and the conditions for waste prevention. Furthermore, it determines the circumstances in which a movable item may be classified as a by-product, or when waste that has undergone recycling or other recovery processes no longer qualifies as waste.

Another key regulation is Act No. 542/2020 Coll., on End-

of-Life Products, as amended, which regulates the take-back of selected products (electrical equipment, batteries or accumulators and tyres) and the disposal of end-of-life vehicles.

The management of packaging is further regulated by Act No. 477/2001 Coll., on packaging, as amended, which establishes the rights and obligations of entities placing packaging on the market or in circulation.

12. Do producers of waste retain any liabilities in respect of the waste after having transferred it to another person for treatment or disposal off-site (e.g. if the other person goes bankrupt or does not properly handle or dispose of the waste)?

In general, waste producers are no longer responsible for the waste if they have transferred their ownership to an authorised person in accordance with the law.

13. To what extent do producers of certain products (e.g. packaging/electronic devices) have obligations regarding the take-back of waste?

Act No. 542/2020 Coll., on End-of-Life Products, as amended, stipulates that manufacturers are obligated to ensure the take-back:

- waste electrical and electronic equipment from households, free of charge and without any obligation to purchase new products; the manufacturer is also obliged to ensure the take-back of non-household waste electrical equipment (but not necessarily free of charge);
- waste portable or automotive batteries/accumulators from the end user, at their own expense, regardless of the brand, regardless of the date of their placement on the market, without any link to the purchase of a new product and without payment for such take-back; the manufacturer is also obliged to ensure the take-back of waste industrial batteries or accumulators (though not necessarily free of charge);
- waste tyres from end-user, regardless of brand or date of their placement on the market, without any requirement for the purchase of a new product or payment for such take-back.

Act 477/2001 Coll., on Packaging, as amended, stipulates that individuals or entities placing packaging on the market or in circulation must prove that the packaging has not become waste in the Czech Republic. If this is not

possible, they are obliged to ensure the free take-back of the packaging or waste from the packaging.

14. What are the duties of owners/occupiers of premises in relation to asbestos, or other deleterious materials, found on their land and in their buildings?

As the Czech Republic is a Member State of the EU, its legislation is broadly affected by the EU legislation. In the specific case of asbestos, the EU enacted Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH). According to the Regulation, asbestos fibres are classified as a dangerous substance and their manufacture, placing on the market, and use of these fibres and of articles and mixtures containing these fibres added intentionally, are prohibited.

The Regulation also sets out that use of articles containing asbestos fibres which were already installed and/or in service prior to 1 January 2005, shall continue to be permitted until they are disposed of or reach the end of their service life; however, Member States may, for reasons of protecting human health, impose restrictions, prohibitions, and specific conditions on use of such articles before they are disposed of or reach the end of their service life.

In light of the EU law prohibition, Czech legislation places particular emphasis on regulating the handling of asbestos, with a focus on its disposal. This involves ensuring the safety of workers involved in handling asbestos and establishing the necessary conditions and requirements for its proper disposal.

Therefore, in the event that an individual owns or uses property containing asbestos, such as roof tiles or waste pipes, there is no immediate obligation to take action until the decision is made to dispose of it.

The protection of workers handling asbestos is regulated by Act No. 309/2006 Coll., on ensuring other conditions of health and safety at work, as amended. The said Act stipulates that work with asbestos is prohibited, with the exception of activities related to the disposal of stocks, waste, and facilities containing asbestos, the removal of buildings and parts of buildings containing asbestos, the repair and maintenance of buildings or work with isolated short-term exposure. The specific duties regarding the work with asbestos, particularly the creation of an asbestos management plan, the asbestos exposure assessment, the health risk assessment, the technical

process for removal, the protective work equipment, and the check measurements are governed by Government Regulation No. 361/2007 Coll.

The management of asbestos as a waste is regulated by the Waste Act. Section 85 of the Waste Act provides that everyone must ensure that, when handling asbestos-containing waste, asbestos fibres or asbestos dust are not released into the air and that liquids containing asbestos fibres are not spilled. The Waste Act also requires payment of a landfill fee, in the case of disposing of asbestos-containing waste.

As outlined in Ordinance No. 273/2021 Coll., on Details of Waste Management, the management of asbestos-containing waste is specifically defined. It must be taken to a special landfill. It must be also wrapped in sealed packaging or placed in sealed containers and the disposal area must be covered with a technological material immediately after the waste is deposited.

Furthermore Act No. 258/2000 Coll., on the Protection of Public Health, as amended, requires employers to notify the relevant public health authority of work in which employees are or may be exposed to asbestos (this does not apply to isolated and short-term exposure). The employer is obliged to notify the public health authority at least 30 days before commencing the work and whenever there is a change in working conditions that is likely to result in an increase in exposure to asbestos.

Other deleterious materials may be regulated by a range of legislation. The application of specific regulations always depends on the type of deleterious material. For example, the Waste Act and the Protection of Public Health Act could be considered.

15. To what extent are product regulations (e.g. REACH, CLP, TSCA and equivalent regimes) applicable in your jurisdiction? Provide a short, high-level summary of the relevant provisions.

The Czech legislation governs various aspects of product regulation, including product quality, product safety, and product packaging, amongst others. These national statutory provisions implement EU law or govern specific duties that go beyond the scope of EU law. Additionally, there are EU Regulations that are directly applicable in EU Member States without need for an implementation.

Which statutory provisions are supposed to be applied to a particular case depends on what kind of product is in question (food products, electric appliances, etc.).

As a part of EU law, both REACH and CLP Regulations are directly applicable in the Czech Republic. The REACH Regulation sets out specific obligations for producers, importers, distributors, and downstream users who handle a minimum of one tonne of a chemical per year. The CLP Regulation requires producers, importers or downstream users of chemicals or their mixtures to classify, label, and package the substances or mixtures before placing them on the market. The overarching objective of both Regulations is to enhance the protection of human health and the environment in relation to the risks posed by chemicals. Supplementing provisions to the REACH and CLP Regulation are contained in Act No. 350/2011 Coll., on Chemicals and Chemical Mixtures.

In addition, there are other EU-level Regulations regarding product-related aspects. For instance, there are regulations on food labelling (Regulation (EU) No 1169/2011), eco-design requirements (Directive 2009/125/EC), energy label (Regulation (EU) 2017/1369) and others.

Regulation (EU) 2023/988 on General Product Safety, has recently come into force. This Regulation establishes obligations for economic operators and providers of online marketplaces with regard to the general safety of products intended for consumers. The Regulation requires economic operators to place or make available only safe products on the market. The Czech Republic has adopted Act No. 387/2024 Coll., on General Product Safety, which contains mainly procedural provisions supplementing the provisions in the Regulation.

At the national level, there are two notable pieces of legislation to which we can refer: Act No. 110/1997 Coll., on Food and Tobacco Products, which deals with, among other things, dual quality of food; and Act No. 243/2022 Coll., on the Limitation of the Environmental Impact of Selected Plastic Products, which deals with, among other things, the prohibition of placing selected single-use plastic products on the market.

TSCA (Toxic Substances Control Act) is a U.S. law and therefore is not directly applicable in the Czech Republic. But if a Czech entity exports chemicals to the United States, it must comply with this law.

16. What provisions are there in your jurisdiction concerning energy efficiency (e.g. energy efficiency auditing requirements) in your jurisdiction?

The key legislation in the field of energy efficiency is Act No. 406/2000 Coll., on Energy Management, as amended.

The Energy Management Act aims to enhance energy efficiency and establishes specific obligations for both individuals and legal entities, including:

- The obligation to obtain a Building Energy Performance Certificate applies to a builder, an association of unit owners, a building administrator, or an owner of a building. This obligation arises in the case of the construction of a new building or a substantial construction change. It also applies in the case of the sale or lease of a building or part of a building. The certificate categorises buildings (A to G) based on the energy demand for their standard usage. It assesses the amount of energy required for heating, cooling, water heating, lighting, ventilation, and humidity treatment. The certificate also contains recommendations for improving the energy performance of a building. Only qualified energy specialists with a license from the Ministry of Industry and Trade are authorised to prepare the building energy performance certificate.
- The obligation of entrepreneurs, as well as of the Czech Republic, regions, municipalities, public universities and others, under the conditions governed by the Energy Management Act, to ensure the preparation of energy audits. An energy audit is a systematic review and analysis of energy consumption, which provides sufficient knowledge of the current energy management in the energy economy (e.g., buildings) and identifies opportunities for cost-effective energy savings. Only qualified energy specialists with a license from the Ministry of Industry and Trade are authorised to prepare energy audits.
- The obligation of a builder, an association of unit owners, a building administrator or an owner of a building to ensure the preparation of an energy assessment for situations governed by the Energy Management Act. An energy assessment is a written report containing information on the assessment of compliance with predetermined technical, environmental, and economic parameters specified by the energy assessment commissioner, including the results and evaluation. Only qualified energy specialists with a license from the Ministry of Industry and Trade are authorised to prepare energy assessments.
- The obligation of an owner of a building, an association of unit owners, or a building administrator to ensure regular inspections of a heating system, a combined heating and ventilation system, or air-conditioning system with a rated output exceeding 70 kW operated.
- Other specific obligations of a builder, an owner of a

building, an association of unit owners, or a building administrator to reduce the energy performance of a building when constructing a new building or reconstructing an existing building.

17. What are the key policies, principles, targets, and laws relating to the reduction of greenhouse gas emissions (e.g. emissions trading schemes) and the increase of the use of renewable energy (such as wind power) in your jurisdiction?

There are several pieces of legislation in the Czech Republic that focus on reducing greenhouse gas emissions and protecting the climate. These regulations are part of a broader European framework.

The Regulation (EU) 2021/1119 ("European Climate Law") aims to achieve a 55% reduction in emissions by 2030, compared to 1990 levels, with the ultimate goal of achieving climate neutrality by 2050. These objectives are intended to be met by the whole EU as a unified entity.

As an EU Member State, the Czech Republic is also part of the European Union Emissions Trading System (EU ETS) regulated by Directive 2003/87/EC. This Directive is implemented in Czech law by Act No. 383/2012 Coll., on the Conditions for Greenhouse Gas Emission Trading, as amended. Operators monitor their emissions, report them annually to the Ministry of the Environment, and retire allowances for them. Operators receive a portion of their allowances free of charge and can buy the rest on the market or at auction.

The promotion of the use of energy from renewable sources is regulated by the Directive (EU) 2018/2001. By 2030, the Directive requires EU Member States to ensure that the share of renewables in the EU's final energy consumption is 42.5%. In addition to setting an overall target for renewable energy in the EU by 2030, the Directive also sets sectoral targets for renewable energy in the transport sector and in the heating and cooling sectors. These targets are set equally for each Member State.

Act No. 165/2012 Coll. on supported energy sources, as amended, stipulates the national regulatory framework for support of renewable energy production.

18. Does your jurisdiction have an overarching "net zero" or low-carbon target and, if so, what legal measures have been implemented in order

to achieve this target.

Czech legislation does not set a national "net zero" target. Instead, the EU-wide 2050 climate neutrality target set by the Regulation (EU) 2021/1119 is in place. In order to achieve this goal, the Czech government adopted the overarching strategic document "State Environmental Policy of the Czech Republic 2030 with a view to 2050".

19. Are companies under any obligations in your jurisdiction to have in place and/or publish a climate transition plan? If so, what are the requirements for such plans?

While companies are not yet under obligation to have in place and/or publish a climate change transition plan, this is set to change in the near future, due to the recently adopted Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence, also known as "the CSDDD".

EU Member States, including the Czech Republic, will have to implement into national law, within the transposition period, the obligations of large companies (defined by number of employees and turnover) to adopt and put into effect a climate transition plan. Under Article 22 of the CSDDD, the transition plan for climate change mitigation aims to ensure, through best efforts, that the business model and strategy of the company are 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, as established in Regulation (EU) 2021/1119, including its intermediate and 2050 climate neutrality targets. The plan also includes, where relevant, the exposure of the company to coal-, oil- and gas-related activities.

The transition plan for climate change mitigation will have to be updated every 12 months and contain a description of the progress the company has made towards achieving the targets.

The specific requirements of the transition plan for climate change mitigation are set out in Article 22(2) of the CSDDD.

20. To what extent does your jurisdiction regulate the ability for products or companies to be referred to as "green", "sustainable" or similar

terms? Who are the regulators in relation to greenwashing allegations?

The Czech Republic does regulate the ability for products to be referred to as "eco-friendly". The national eco-label for products and services is represented by the labels "Environmentally friendly product" and "Environmentally friendly service". The EU eco-label for products is represented by "EU Ecolabel", which has unified criteria for granting across the EU. All of these labels can be granted by the Ministry of the Environment, after an independent assessment based on the eco-label application.

In the Czech Republic, there is no official eco-label for companies that would be granted by the state or state authority. There are some unofficial eco-labels in existence, but the state does not carry out or verify the assessment process.

The regulatory body in the Czech Republic in relation to greenwashing allegations would depend on the specific area in which the alleged greenwashing occurred. The Czech Trade Inspection Authority has general competence to protect consumers from misleading information about the environmental characteristics of products or services; however, in specific areas such as agricultural, food, and tobacco products, a specialised authority, in this case the Czech Agriculture and Food Inspection Authority, would have competence.

Furthermore, the Czech Courts would have the necessary jurisdiction to protect competition against unfair practices.

21. Are there any specific arrangements in relation to anti-trust matters and climate change issues?

In relation to the competence of the Office for the Protection of Competition, the Czech legislation has not yet contained specific measures relating to anti-trust and climate change issues. However, the Office for the Protection of Competition aligns with the European Commission's guidelines, including the Horizontal Guidelines, which cover sustainability agreements and clarify that the anti-trust rules do not prevent agreements between competitors that pursue a sustainability objective.

22. Have there been any notable court judgments in relation to climate change litigation over the

past three years?

In 2024, the Supreme Administrative Court dismissed a climate lawsuit filed by environmental associations against the government and four ministries (Ministry of Environment, Ministry of Industry and Trade, Ministry of Agriculture, and Ministry of Transport).

The object of the lawsuit was the alleged passivity of the defendant state authorities in the field of protection against climate change and its harmful effects. The lawsuit specifically highlighted the government's failure to meet its commitments under the Paris Agreement and the EU's target to reduce greenhouse gas emissions by at least 55% by 2030, compared to 1990.

The Supreme Administrative Court considered the newly formulated requirements of the European Court of Human Rights in the decision *Verein KlimaSeniorinnen Schweiz and Others v. Switzerland*. However, the Court also found that the case differs from the case of *Verein KlimaSeniorinnen Schweiz*, because Switzerland is not an EU Member State. When assessing the legal framework of the Czech Republic, it was therefore necessary to consider not only national but also EU legislation and control mechanisms. The EU's collective commitment to reduce greenhouse gas emissions by 55% by 2030, compared to 1990 levels, has been reflected both in EU secondary legislation (Fit for 55) and in the obligations of individual Member States, including the Czech Republic. Despite this, and even considering the recent case law of the European Court of Human Rights (ECHR), the Court found no legal obligation for the Czech Republic to reduce greenhouse gas emissions by more than 80%, as requested by the applicants.

23. In light of the commitments of your jurisdiction that have been made (whether at international treaty meetings or more generally), do you expect there to be substantial legislative change or reform in the relation to climate change in the near future?

The Czech government is currently discussing a draft of the new State Energy Concept. This document is of a strategic nature, outlining the future goals and priorities of the state in the energy sector, to ensure sufficient energy at affordable prices for citizens and businesses, while meeting climate goals.

The draft suggests that the Czech Republic could reduce emissions by 62-63% in 2030, compared to 1990, and should be close to climate neutrality by 2050.

The draft concept also anticipates a reduction in coal use, particularly in the context of electricity and heat production. After 2033, coal consumption will be limited to non-energy use only. The share of renewable energy is also set to increase significantly, reaching 36-44% of primary energy consumption by 2050.

Nuclear energy will be pivotal in driving the transformation of the energy sector, both in electricity generation and increasingly in heat generation.

24. To what extent can the following persons be held liable for breaches of environmental law and/or pollution caused by a company: (a) the company itself; (b) the shareholders of the company; (c) the directors of the company; (d) a parent company; (e) entities (e.g. banks) that have lent money to the company; and (f) any other entities? Transactions

(a) The company itself may be held fully liable for breaches of environmental legislation and/or pollution caused. It means that the company can be found liable under civil law as well as under administrative or criminal law.

(b) Shareholder liability is potentially possible but very unlikely. Shareholders only make strategic decisions, which are then implemented by the directors responsible for the company's operations.

(c) The company's director may be found liable for environmental damage or pollution. This is mainly due to their broader decision-making powers about the business management of the company.

The possible administrative or criminal liability of the director is independent of the liability of the company. As the company director makes decisions about the business management of the company, a thorough knowledge of the law is crucial. For example, a decision to illegally landfill waste from a factory can give rise to a criminal liability of both the company and its director.

In terms of civil liability, directors are required to act with due managerial care, which includes acting in accordance with the law in general. If a director causes damage to the company by breaching his duties, he is obliged to compensate the company for the damage. If he fails to do so, he is liable to the company's creditors for their debts, to the extent that he has failed to make good the damage, if the creditor is unable to recover the performance from the company.

(d) There is no explicit provision in the environmental legislation to hold the parent company liable for breaches by the subsidiary; however, liability under Act No. 90/2012 on Companies and Cooperatives, as amended, would come into consideration if the subsidiary suffered damage because of its conduct being significantly influenced by the parent company. This damage could probably include the costs of remediation of environmental damage, etc.

There is no explicit provision in the environmental legislation that makes a financial institution (e.g., a bank) liable for environmental damage resulting solely from lending money to a company.

Czech law does not provide for the liability of other entities for environmental damage or pollution caused by the company.

25. To what extent can: (a) a buyer assume any pre-acquisition environmental liabilities in an asset sale/share sale; and (b) a seller retain any environmental liabilities after an asset sale/share sale in your jurisdiction?

(a) In the case of an asset sale, a distinction must be made between two types of liability, namely liability arising under public law (criminal and administrative liability) and liability arising under civil law.

In most cases, public law liability for environmental damage or pollution does not transfer to the buyer with the assets; however, depending on the legislation that would govern the resolution of environmental damage, certain obligations related to environmental damage may also be imposed on the new owner of the assets (in particular the immovable property).

In most cases, civil liability does not transfer to the buyer when the assets are sold; however, for example, if a branch is acquired as a part of an enterprise that is economically and functionally independent, the transfer would include the debts associated with the branch.

In the case of a share sale, a buyer acquires control over the entire company, but the company remains a separate legal entity. This means that a buyer does not assume liabilities for environmental damage or pollution, but these remain with the transferred company; however, if it is reasonable to do so, given the nature of the transferred company's business, the buyer should analyse the existing and potential liabilities for the purposes of the final purchase price and any additional guarantees.

(b) As previously stated, in the event of an asset sale, the seller retains public law and civil liabilities.

In the case of a share sale, a seller retains neither public law liability nor civil liability for environmental damage, as these remain with the transferred company.

26. What duties to disclose environmental information does a seller have in a transaction? Is environmental due diligence commonplace in your jurisdiction?

Czech law does not explicitly oblige sellers to provide buyers with environmental information related to a transaction.

However, under the general rules of contract law, it can be said that environmental information is part of the negotiation process between the parties to the transaction. By providing this information, the seller can avoid potential liability for factual or legal defects of the target of the transaction.

As mentioned in Question 8 above (Energy efficiency), the obligation of a seller to provide a buyer with a Building Energy Performance Certificate in the case of a sale or a lease of a building can be considered as a specific type of environmental information.

In Czech jurisdiction, environmental due diligence is becoming increasingly important, as it can prevent future disputes among parties to the transaction. It is especially relevant in transactions where there are environmental risks. These transactions primarily encompass industries such as industry, agriculture, energy, and waste management.

Parties to a transaction should therefore pay sufficient attention to the environmental aspects and assess the potential risks thoroughly, as neglecting to do so may lead to a disproportionate final purchase price and future disputes.

27. What environmental risks can be covered by insurance in your jurisdiction, and what types of environmental insurance policy are commonly available? Is environmental insurance regularly obtained in practice?

These insurance products were not widely used in the Czech Republic in the past and were only used by entrepreneurs on rare occasions. In light of the mounting public concern for the environment and the increasing

interest among entrepreneurs in environmentally sustainable business practices, insurance companies are now offering these products on a broader scale.

EU law, specifically Directive 2004/35/CE of the European Parliament and of the Council of 21 April 2004 on Environmental Liability with Regard to the Prevention and Remedying of Environmental Damage, had a significant impact on raising awareness of insurance against environmental risks in the Czech Republic. This Directive was implemented in Act No. 167/2008 Coll., on the Prevention and Remediation of Environmental Damage. Annex 1 to this Act lists the operational activities which, if carried out by the operator, require such an operator to ensure financial security for the compensation of the costs of preventing or remedying environmental damage. This obligation can be fulfilled by the operator's conclusion of an insurance policy covering such risks, and therefore the implementation has posed an incentive for insurance companies to create a suitable insurance product.

The explicit obligation to conclude an insurance policy is stated by Act No. 224/2015 Coll., on the Prevention of Major Accidents. Section 33 governs the obligation of an operator, defined under this Act, to provide liability insurance for damages resulting from a major accident for the entire period of use of the facility, including the testing phase. Following the adoption of this statutory provision, insurance companies have also created a suitable insurance product.

In relation to the aforementioned, insurance companies do offer insurance products that provide coverage for environmental risks associated with business activities. These insurance products are designed to cover not only the duties arising from Act No. 167/2008 Coll., and Act No. 224/2015 Coll., but also other potential environmental risks associated with operating a business. It is also possible to negotiate a special insurance policy that will cover specific environmental risks associated with the activities of a particular entrepreneur.

The insurance products offered by individual insurance companies do not always provide identical levels of cover; however, there is one commonality among most of these policies: they do not extend to progressive environmental pollution, but rather, they are applicable only to instances of pollution caused by a sudden event.

In conclusion, there is a possibility to conclude an insurance policy, which will cover various environmental risks and also enable the entrepreneurs to meet their statutory duties under the aforementioned acts; however, given the recent appearance of such insurance on the

Czech market, the product range is not yet as diverse as one might expect.

28. To what extent are there public registers of environmental information kept by public authorities in your jurisdiction? If so, what is the process by which parties can access this information?

In the Czech Republic, the Central Register of the Environment is the key public administration information system. It provides services and data to other agency information systems in the Ministry of the Environment. These other systems include:

- the Integrated Reporting Obligations Fulfilment System (in Czech abbreviated as "ISPOP") is a system that provides for the receipt and processing of selected reports in electronic form. These reports concern air, water, and soil pollution, waste and packaging records and the disposal of electrical equipment or records of car wrecks in the relevant facilities. The system also ensures the further distribution of these reports to the relevant public administration institutions;
- the System for the Registration of Hazardous Waste Shipments (in Czech abbreviated as "SEPNO") which is a separate module of the ISPOP. The SEPNO system provides electronic services for the purpose of receiving and processing Hazardous Waste Shipment Notification Sheets in electronic form and for further access to the relevant public administration institutions;
- the Hazardous Waste Assessment System (in Czech abbreviated as "HNVO"), which is used to apply for and issue a Certificate of Exclusion of Hazardous Waste Characteristics or a Notice that a waste has one or more hazardous properties;
- the Information System for Waste Management (in Czech abbreviated as "ISOH"), which provides essential services for the decision-making, control and statistical needs in the field of waste management;
- the IPO system, which is a database of inspection technicians for stationary combustion sources;
- the Integrated Prevention Information System (IS IPPC) which is used to ensure compliance with the obligations related to the publication of information and public access to information under Act No. 76/2002 Coll., on Integrated Prevention, as amended (in particular the brief summary of the application, the assessment of the best available techniques and the decision itself – the integrated permit);

- the CITES Register, which is a set of information services that are made available to the public and to the authorities administering trade in endangered species. These services include the issuance, management and control of CITES documents, management of a centralised database of seized illegally held specimens of endangered species, registration of offences in trade with endangered species etc.

Other environmental public registers in the Czech Republic are:

- the Integrated Pollution Register, which provides detailed information on the extent to which hazardous chemicals are discharged into the environment by Czech companies, specifically in emissions to air, water, soil, and how much is passed on in waste and wastewater.
- the Contaminated Sites Registration System, which is a system established by the Ministry of the Environment for the registration, monitoring, and priority assessment of contaminated or potentially contaminated sites and sites with environmental damage.

29. To what extent is there a requirement on public bodies in your jurisdiction to disclose environmental information to parties that request it?

The right to environmental information is one of the fundamental rights guaranteed by the Charter of Fundamental Rights and Freedoms. According to the Charter, everyone has the right to timely and complete information on the state of the environment and natural resources; however, this right is subject to the limitations set out in the law that implements it. This is outlined in Act No. 123/1998 Coll., on the right to information on the environment. Another important regulation is the Aarhus Convention.

Should applicants wish to obtain environmental information, they are at liberty to request that the obliged entity disclose it, without the need to provide justification. The following entities are obliged to disclose environmental information:

1. administrative authorities and other organisational units of the state and bodies of local self-government units,
2. individuals and legal entities which, on the basis of special legal regulations, exercise competences relating directly or indirectly to the environment in the

- field of public administration,
3. legal entities established, set up, managed or entrusted by the entities referred to in points 1 and 2, as well as individuals entrusted by these entities who, on the basis of legal regulations or agreements with these entities, provide services that affect the state of the environment and its individual components.

Information regarding the environment, its components, factors, and activities affecting the environment and its components, as well as the state of human health, safety, and living conditions of people, if they are or may be affected by the state of the environment, can be requested.

The obliged entity may refuse to provide information only in specific cases (e.g., where the information is classified or constitutes a trade secret).

30. Are entities in your jurisdictions subject to mandatory greenhouse gas public reporting requirements?

Yes. The primary legislation governing emissions reporting is Commission Implementing Regulation (EU) 2018/2066 and Act No. 383/2012 Coll. The operator of the installation is required to report the annual quantity of emissions to the Ministry of the Environment by 15 March of the following year. These data are then published in the

national Trade Register for trading of allowances, available at <https://www.povolenky.cz/>.

31. Have there been any significant updates in environmental law in your jurisdiction in the past three years? Are there any material proposals for significant updates or reforms in the near future?

In 2024, an amendment to the Water Act was approved, representing a comprehensive legislative solution to water accidents. The amendment redefines the roles and responsibilities of relevant parties in the event of an accident and increases the penalties for causing an accident. Among its provisions are the introduction of continuous measurement of wastewater discharges from selected polluters and establishment of a register of all wastewater discharges into watercourses.

On 1 July 2024, the above-mentioned Act No. 283/2021 Coll., Building Act, and Act No. 148/2023 Coll., on Unified Environmental Statement, entered into full force. The goal of these Acts is to simplify the process of obtaining environmental permits for construction projects.

The Czech Government has approved a draft amendment to the Packaging Act, which introduces a deposit system for PET bottles and metal cans. The draft amendment is currently in the legislative process, having been referred to the houses of parliamentary for discussion.

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