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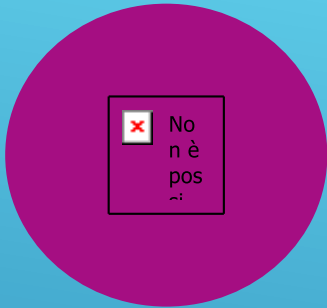
Bulgaria Case Studies & Summary Report

ESRS Project no. 101197623

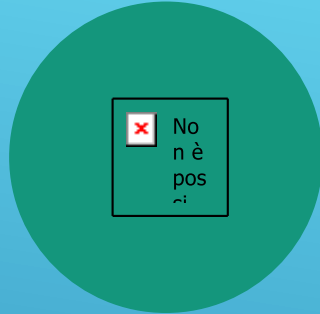
European Social Reporting Standards as a new tool for strengthening social dialogue in companies in the implementation of the CSRD directive and ESG reporting co-funded by the European Union

Introduction

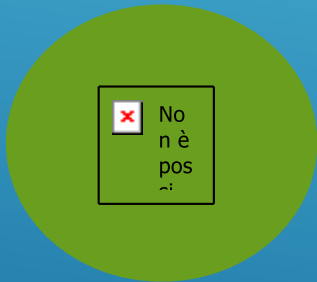
- ✘ Study the process of ESG reporting **in 5 companies**, operating in Bulgaria
- ✘ The Focus was **on the Social (“S”) dimension**
- ✘ **Three main objectives:**
 - ✓ Understand ESG approaches
 - 1. Strengthen social dialogue
 - 2. Promote trade union involvement



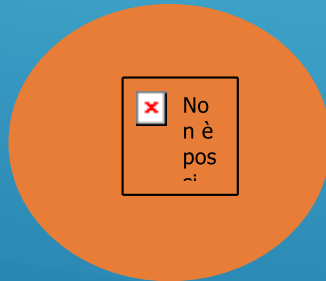
**ANALYSE ESG
PRACTICES**



**ASSESS SOCIAL
INDICATORS**



**IDENTIFY GAPS
AND GOOD
PRACTICES**



**EVALUATE THE
ROLE OF TRADE
UNIONS**

THE OBJECTIVES

ESG Reports' analysis

Interviews with trade unions representatives

Interviews with company experts in charge

Comparison & Summary

METHODOLOGY

Case Study	Name of the company	Industry
Case Study 1	Nestlé Bulgaria EAD	Food Industry
Case Study 2	Sofiyska voda AD	Water Supply and Sewerage Industry
Case Study 3	Vivacom Bulgaria EAD	Telecommunications Industry
Case Study 4	Heidelberg Materials Devnya JSC	Cement Industry
Case Study 5	Carlsberg Bulgaria AD	Brewery Industry

COMPANIES INCLUDED



KEY LIMITATIONS

- ▶ The Mandatory ESG reporting **is foreseen to start in 2028**, covering the reporting year 2027.
- ▶ Limited individual ESG reports
- ▶ At the local level the process of information and consultation with trade union representatives regarding ESG **is not formalized separately.**

SOURCES OF INFORMATION

Case Study 1 Nestlé Bulgaria EAD

Group-level ESG reports for 2024 has been used. The report covers all countries in which the company operates. This report is **in accordance with the EU CSRD and the corresponding ESRS.**

Case Study 2 Sofiyska voda AD

The company's **individual annual activity report** has been used, which discloses ESG information on the company's performance at the local level. The reported information **does not follow the ESRS structure and requirements, as the disclosures are voluntary.** *This report is part of the company's Annual Financial Statements, audited by an independent auditor.*

Case Study 3 Vivacom Bulgaria EAD

The 2024 **ESG Report** was used. The report is a **stand-alone document** and is not accompanied by an audit report. The company's 2024 ESG report has been prepared on a voluntary basis and **follows the standards of the Global Reporting Initiative (GRI) and the structure of the ESRS requirements.**

Case Study 4 Heidelberg Materials Devnya JSC

Group-level ESG reports for 2024 has been used. This report covers all countries in which the Group operates. This report is **in accordance with the EU CSRD and the corresponding ESRS.**

At present, the company's individual Annual Activity Report discloses limited ESG - related information on its performance. These disclosures are voluntary and do not follow the ESRS structure or mandatory reporting requirements. The report is part of the company's Annual Financial Statements, which are audited by an independent auditor.

Case Study 5 Carlsberg Bulgaria AD

Group-level ESG reports which is part of the Annual Report of the parent company for 2024 has been used. The report covers all countries in which the company operates. This report is in accordance with the EU CSRD and the corresponding ESRS.

Carlsberg Bulgaria AD has not reported information in its own individual 2024 report regarding sustainability matters.

SOCIAL INDICATORS

* Presence in the report: indicated with + (yes) or – (no)						
No.	ESRS name	Case Study 1	Case Study 2	Case Study 3	Case Study 4	Case Study 5
1	Working conditions					
1a	Job security	+	+	+	+	+
1b	Working time	+	-	+	+	+
1c	Adequate pay	+	+	+	+	+
1d	Social dialogue	+	+	+	+	+
1e	Freedom of association, presence of works councils and workers' rights to information, consultation and participation	+	-	-	+	+
1f	Collective bargaining, including the percentage of employees covered by collective agreements	+	-	+	+	+
1g	Work-life balance	+	-	+	+	+
1h	Health and safety at work	+	+	+	+	+
2	Equal treatment and equal opportunities for all					
2a	Gender equality and equal pay for work of equal value	+	-	+	+	+
2b	Training and skills development	+	+	+	+	+
2c	Employment and integration of people with disabilities	+	-	+	+	+
2d	Measures to prevent violence and harassment in the workplace	+	+	+	+	+
2e	Diversity	+	-	+	+	+
3	Civil rights					
3a	Freedom of expression	+	-	-	+	+
3b	Freedom of assembly	+	-	-	+	+
3c	Privacy	+	-	+	+	+

KEY FINDINGS

Group reports = full coverage

Standalone ESG on local level = nearly complete

It demonstrates strong commitment to corporate social sustainability with potential to expand to the remaining topics.

Local annual reports = partial

It covers the main social topics. Policies and procedures are clearly outlined, and the company collects relevant information on the identified topics.

Conclusions: This provides a solid foundation for further enhancement, with a real opportunity to incorporate additional social topics into future ESG reports. Active involvement of worker and employee representatives could support this development and strengthen social dialogue.

GOOD PRACTICES: SUMMARY

Working Conditions & Job Security	Adequate Pay	Social Dialogue & Workers' Rights	Work-Life Balance	Health & Safety	Equality, Diversity & Inclusion	Training & Development	Inclusion & Workplace Culture	Human Rights
Share plans and comprehensive benefits packages	Transparent salary updates and compensation structure	Employee feedback via eNPS surveys	Flexible work arrangements (remote & flexible hours)	ISO 45001 certification and global safety standards	Gender pay gap analysis and pay transparency tools	Mentoring and talent development programs	Inclusion of people with disabilities (international partnerships)	Human rights policies and due diligence processes
Flexible employment models (full-time, part-time, fixed-term)	Regular benchmarking against ESRS and living wage standards	Active role of works councils and European Works Councils	Employee Assistance Programs (EAP)	Training programs (including VR and leadership training)	Diversity policies and inclusion programs	Access to e-learning and certifications	Anti-harassment and inclusive leadership training	Annual awareness and transparency initiatives
Collective agreements ensuring fair conditions	Monitoring of minimum wage compliance across markets	Regular staff meetings with senior management	Monitoring through internal surveys	Incident reporting systems and preventive measures	Leadership development for women	Leadership and skills training at all levels	Youth programs and internal mobility opportunities	
Regulated working hours to prevent overtime		Defined Employee Relations strategies and training		Strong safety culture and regular safety initiatives	DEI surveys and Diversity Charter commitments			

Full list of good practices - [link](#)

SUMMARY OF INTERVIEWS WITH TRADE UNION REPRESENTATIVES

1. General Awareness and Formal Rights

Trade union representatives are generally aware of their right to participate in ESG reporting processes. However, **awareness alone has not translated into systematic or formalized participation.** In several cases, this right has either not been actively exercised or has remained purely theoretical, due to the absence of clear procedures, invitations, or structured mechanisms for involvement.

Identified weakness: without explicit procedures and timelines, participation remains discretionary rather than guaranteed.

2. Training and Capacity Building

Training on ESG topics has been provided unevenly across the case studies. Where training exists, it often **focuses on general ESG awareness rather than on the specific role of employees and trade unions in social reporting, consultation, and verification of data.** In some cases, no training has been offered at all.

Identified weakness: ESG reporting introduces complex concepts such as double materiality, social indicators, and compliance with ESRS standards. Without adequate capacity building, trade union involvement risks being symbolic rather than substantive.

SUMMARY OF INTERVIEWS WITH TRADE UNION REPRESENTATIVES

3. Initiation of Trade Union Involvement

Where any involvement has occurred, it has most often been initiated by the company, sometimes indirectly through group-level structures such as European Works Councils. **At the local level, trade unions have rarely been proactive initiators, largely due to limited information, lack of procedural clarity, and the perception that ESG reporting is a management-driven process.**

Identified weakness: ESG reporting is still treated primarily as a corporate compliance exercise, rather than as a shared governance process involving workers' representatives.

4. Information and Consultation Procedures

Formal information and consultation procedures related specifically to ESG reporting are largely absent. In most cases:

- trade unions were not informed during report preparation;
- information was provided only after publication;
- no advance materials were shared that would allow unions to react, comment, or contribute.

Identified weakness: This represents a missed opportunity. Timely and meaningful information is a core element of social dialogue and for preventing superficial or selective reporting of social issues.

SUMMARY OF INTERVIEWS WITH TRADE UNION REPRESENTATIVES

5. Consultations and Use of Trade Union Expertise

None of the case studies demonstrates a fully developed consultation procedure on ESG reporting at the local level. While many social topics traditionally raised by trade unions—such as working conditions, health and safety, equality, and collective bargaining—are reflected in ESG reports, **this occurs indirectly, through existing social dialogue mechanisms rather than through ESG-specific consultations.**

Identified weakness: Trade unions emphasize that their practical knowledge of workplace realities remains underutilized. Structured consultations could significantly improve the relevance, accuracy, and credibility of the “Social” pillar of ESG reporting

6. Feedback, Influence, and Impact

Trade unions reported that **they had not provided formal feedback on ESG reports**, mainly because they were neither informed nor consulted during the drafting process. Nevertheless, several case studies show that **ongoing social dialogue indirectly influences ESG content**, indicating management’s recognition of social issues raised by unions.

Identified potential: where social dialogue exists, ESG reporting can build on it—especially if formalized channels are created.

SUMMARY OF INTERVIEWS WITH TRADE UNION REPRESENTATIVES

7. Stakeholder Engagement and Double Materiality

Trade unions were not involved in double materiality assessments in any of the case studies. These assessments were conducted internally by management or at group level, based on regulatory requirements and available data.

Identified weakness: As a result, worker-identified risks and impacts—particularly those related to job quality, work intensity, psychosocial risks, and long-term employment security—may be insufficiently captured.

8. ESG “S” Indicators and Risk of Social Washing

Trade unions consistently raise issues that align closely with ESG “S” indicators /decent work and fair remuneration; occupational health and safety; equality, diversity, and inclusion; work–life balance; etc./

Although many of these themes appear in ESG reports, their selection is rarely the result of direct consultation.

Identified weakness: The absence of structured involvement increases the risk that social indicators are selected selectively or reported in a way that emphasizes policies over lived experience.

SUMMARY OF INTERVIEWS WITH COMPANY EXPERTS IN CHARGE OF ESG REPORTING

1. Overall Assessment: Solid ESG Foundations with Growing Potential for Social Dialogue

The companies have made significant progress in establishing ESG and sustainability reporting frameworks, particularly through alignment with international standards such as GRI and ISO and through well-developed group-level governance structures. **This demonstrates a clear commitment to transparency, compliance, and long-term sustainability.**

Identified potential: While social dialogue is not yet systematically embedded in ESG reporting processes, the existing structures, policies, and reporting cycles create real opportunities to strengthen worker involvement in a gradual and constructive way.

2. Governance and Reporting Processes: A Strong Base for More Inclusive Practices

Most companies rely on group-level ESG governance, which ensures consistency, quality, and strategic oversight. In several cases, ESG reporting is supported by dedicated teams, defined responsibilities, and cross-functional coordination. This reflects a high level of organizational maturity.

Identified potential: These governance systems could be further enhanced by:

- Formally recognizing trade unions as part of the ESG stakeholder ecosystem;
- Creating clearer interfaces between ESG teams and existing social dialogue structures.

SUMMARY OF INTERVIEWS WITH COMPANY EXPERTS IN CHARGE OF ESG REPORTING

3. Double Materiality Analysis: A Key Process with High Potential for Union Engagement

Double materiality analysis is established at group level, using structured methodologies and involving a wide range of internal and external stakeholders. This demonstrates a serious and professional approach to identifying ESG risks and impacts.

Identified potential: Promising entry points for deeper social dialogue, particularly by:

- Including trade unions as a source of insight on social impacts, working conditions, and workforce-related risks;
- Facilitating structured input at local or sectoral level, even when final decisions are taken centrally.

Enhancing union involvement here would increase the robustness, relevance, and credibility of the analysis, while supporting better risk management for companies.

4. Sustainability Strategies and Policies: Clear Commitments, Opportunity for Co-Ownership

Most companies apply group sustainability strategies or policies, including human rights, diversity, health and safety, and environmental responsibility. These strategies provide clear direction and shared objectives across organisations.

Identified potential:

- Use ESG strategies as a common reference point in social dialogue;
- Encourage joint reflection on how global commitments translate into local workplace realities.

Such an approach would build shared ownership and mutual understanding, strengthening trust and long-term implementation.

SUMMARY OF INTERVIEWS WITH COMPANY EXPERTS IN CHARGE OF ESG REPORTING

5. Information and Consultation Practices: Existing Channels That Can Be Built Upon

The case studies show that companies already maintain regular communication and consultation mechanisms with trade unions, even if these are not yet explicitly linked to ESG reporting. In several cases, ESG topics are indirectly reflected through ongoing discussions on health and safety, diversity, training, and working conditions.

Identified potential: This is a positive starting point. By:

- Introducing ESG as a standing or periodic agenda item;
- Providing early information at the start of the reporting cycle;

companies can integrate ESG into existing social dialogue structures without creating parallel or burdensome processes.

SUMMARY OF RESEARCH FINDINGS

1

Reliability and Credibility of ESG Reporting

Group-level reports aligned with EU legislation and ESRS

Use of international standards - ISO, ESRS, GRI

2

Alignment of the Social (“S”) Aspects with Reality

Even where trade unions were not formally involved in the preparation of the ESG report, regular social dialogue and ongoing interactions with employee representatives have ensured that key social issues are indirectly captured.

3

Influence of Information and Consultation on ESG Reporting

Information and consultation processes have an indirect rather than decisive influence on the final ESG reports due to:

- strong regulatory requirements governing social data;
- standardized internal data collection systems;
- ISO-certified management processes;

SUMMARY OF RESEARCH FINDINGS

4

Information, Consultation, and the Prevention of Social Washing

The risk of social washing is currently mitigated primarily through regulation, verified data, and internal control systems, rather than through formal trade union involvement in ESG reporting. However, trade union engagement is widely recognised as a valuable complementary safeguard

5

Selection of Social (“S”) Indicators

It is conducted primarily at Group or management level, based on:

- regulatory requirements;
- internal reporting systems;
- available and verifiable data

6

Trade Unions’ Understanding of Their Role in ESG Implementation

Trade unions demonstrate a good and gradually improving understanding of their potential role in ESG implementation

The research highlights a need for further capacity-building, as trade union involvement in ESG processes remains limited in practice.

THE FINAL MESSAGE

👉 **ESG reporting + social dialogue = stronger outcomes**

Improve the quality and credibility of ESG reporting

Strengthen mutual trust and cooperation

Reduced risk of “social washing”

Contribute to more sustainable business models



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Thank you for your attention!

Nevyana Mastikova-Petrova
National Expert



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