ESG Integration in Banking Strategy and Reporting: Evidence from the Slovak Banking Sector

Nina Majerovičová and Ján Papula
Faculty of Management, Comenius University in Bratislava, Slovakia

majerovicova3@uniba.sk
jan.papula@fm.uniba.sk

Abstract: The integration of Environmental, Social and Governance factors into the banking sector has become an increasingly important topic as regulatory requirements expand, investor expectations evolve and sustainability risks become more financially material. This paper explores how ESG considerations are reflected in strategic decision making, risk management and credit evaluation within banks, with a particular focus on the Slovak banking sector operating under the European regulatory environment. The study is based on qualitative research using structured interviews with ESG specialists and professionals from banking institutions in Slovakia. The aim is to better understand how formal ESG requirements, especially those linked to the Corporate Sustainability Reporting Directive, are translated into everyday banking practice. The analysis focuses on identifying the key motivations behind ESG adoption, the main challenges institutions face during implementation and the extent to which ESG factors are actually embedded in core business processes. The results show that ESG is gradually moving beyond a purely regulatory obligation and is increasingly perceived as a relevant part of long term strategy. Banks recognize its importance for managing emerging risks, strengthening their reputation and responding to stakeholder pressure. At the same time, the practical implementation of ESG remains uneven. A lack of consistent data, limited internal expertise and the absence of unified methodologies make it difficult to fully integrate ESG into decision making. Reporting activities are often seen as complex and resource demanding, even though they contribute to greater transparency. The findings also indicate that ESG factors are beginning to influence credit assessment, particularly in relation to green financing and the evaluation of sector specific risks. However, their use is not yet systematic, which points to a gap between regulatory expectations and actual practice. The paper contributes empirical insight from a less frequently studied regional context and highlights the need for stronger internal capabilities, better data management and a more strategic approach to ESG integration in banking.

Keywords: ESG factors, Banking strategy, Sustainability reporting, Credit risk, Sustainable finance

1. Introduction

The integration of Environmental, Social, and Governance (ESG) factors has evolved from a niche corporate social responsibility concept into a major trend reshaping business strategies. Recognizing that ESG considerations affect financial performance and long-term reputation, companies are increasingly moving beyond profit maximization toward sustainability (Pathak, 2024). This shift is driven by growing investor demand for sustainable investments, making ESG a mainstream investment strategy (Krantz, 2024). ESG criteria also cover diverse risks, including climate, social, governance, and transparency issues that require integration into strategic decision-making (Oliver Yébenes, 2024). As a result, ESG adoption enhances innovation, productivity, and organizational resilience through broader stakeholder engagement (Cabaleiro-Cerviño, Mendi, 2024).

Within this transition, the financial and banking sectors play a crucial role. Sustainable business practices must align with broader objectives such as the UN Agenda 2030 and Slovakia 2030 strategy (MIRRI SR, 2020). According to the European Banking Authority, climate, environmental, and social challenges are driving structural economic changes that significantly affect the financial system. Banks therefore play a key role in financing the transition to a sustainable economy and managing ESG-related risks. Through lending, investment, and advisory activities, they influence capital allocation and the achievement of national and international sustainability goals (EBA, 2022).

1.1 Problem Statement

To support the transition toward sustainability, the European Union has introduced increasingly stringent regulatory frameworks (European Commission, 2025). A key milestone was the replacement of the Non-Financial Reporting Directive (NFRD) with the more comprehensive Corporate Sustainability Reporting Directive (CSRD) in 2023. Together with the European Sustainability Reporting Standards (ESRS), the CSRD requires detailed sustainability disclosures based on the principle of double materiality, addressing both a company's environmental impact and the financial risks arising from ESG factors (EFRAG).

Despite clear expectations from regulators such as the EBA and the ECB, integrating ESG into daily banking operations remains challenging. Environmental risks affect traditional credit, market, and operational risks, yet

available ESG metrics are often underdeveloped, complicating systematic risk management (Bruno, Lagasio, 2021). The ECB (2020) highlights that extreme weather events and climate-related policies can disrupt business models, reprice assets, and reduce collateral values, thereby increasing financial risks. Although ESG factors increasingly influence borrower creditworthiness, inconsistent data and limited standardization hinder their effective incorporation into credit ratings (S&P Global Ratings, 2023).

In practice, ESG implementation remains uneven across the banking sector. Banks face significant barriers, particularly the lack of reliable and standardized ESG data from corporate clients. Integrating ESG into established banking processes also requires substantial technological investment and coordination across multiple departments. Consequently, compliance activities, including CSRD reporting, are often viewed as resource-intensive and complex. While ESG considerations are becoming more important in lending decisions, especially in green finance, their application is not yet fully systematic, revealing a gap between regulatory expectations and banks' operational capabilities.

1.2 Objective

In light of the evolving regulatory landscape and significant implementation challenges, this paper analyzes how formal ESG requirements are reflected in strategic decision-making, risk management, and credit evaluation within the banking sector. It focuses particularly on the Slovak banking sector, offering empirical insights from a less frequently studied regional context operating under the broader European regulatory framework. By combining theoretical insights from key authors and European regulatory institutions with qualitative data from structured interviews with ESG specialists in Slovakia, the research examines the extent to which ESG factors are embedded in core business processes.

Ultimately, the paper aims to identify the main drivers of ESG adoption, critically assess operational and data-related barriers to implementation, and highlight the need for stronger internal capabilities and a more strategic approach to sustainable finance.

2. Literature Review

2.1 ESG Reporting and European Regulation

Driven by regulatory and stakeholder pressure, sustainability reporting is now a key imperative. The EU leads this transition through frameworks requiring companies to account for their environmental and social impacts (European Commission, 2025). A major milestone was the 2014 Non-Financial Reporting Directive (NFRD), requiring large public-interest entities to disclose information on environmental, social, human rights, and anti-corruption matters (European Union, 2014). Companies used various reporting frameworks under a "comply or explain" principle (Hirsch & Heichl, 2025).

However, the NFRD was criticized for inconsistencies and limited comparability, restricting its effectiveness (Myrén, 2025). In response, the EU introduced the 2023 Corporate Sustainability Reporting Directive (CSRD), significantly expanding scope and requirements. It covers large EU firms and non-EU companies with over €150 million in the EU market (European Commission, 2025), aligning with the Sustainable Finance Disclosure Regulation (SFDR) and EU Taxonomy (European Parliament, 2022).

To implement the CSRD, the European Financial Reporting Advisory Group (EFRAG) developed the European Sustainability Reporting Standards (ESRS), creating a standardized, data-driven process with mandatory audits (Operato et al., 2025). A core element is the double materiality principle, requiring firms to assess both environmental/social impacts and financial sustainability risks (Myrén, 2025).

2.2 Regulatory Framework for Banks

The structural economic shifts driven by climate change, environmental degradation, and social inequalities significantly impact the entire financial system. As a result, the European banking sector operates under a highly developed ESG regulatory framework led by the European Banking Authority (EBA) and the European Central Bank (ECB) (European Banking Authority, 2022). The financial sector plays a dual role: it is essential for financing the transition to a low-carbon economy while also managing emerging risks linked to ESG factors (European Banking Authority, 2022).

The EBA has developed a Roadmap on Sustainable Finance built on three pillars. The first enhances transparency through expanded disclosure requirements, including the Green Asset Ratio (GAR), which measures the share of sustainable assets in a bank's portfolio (Bruno & Lagasio, 2021; European Banking Authority, 2022). The second focuses on risk management, requiring banks to integrate ESG risks into

governance and risk frameworks under supervisory review and climate stress-testing. The third examines potential prudential treatments, assessing whether capital requirements should reflect long-term environmental and social risks (European Banking Authority, 2022). As illustrated in detail in Table 1, the EBA Roadmap serves not merely as a general strategic document but as a comprehensive regulatory mechanism divided into three logical pillars:

Table 1: The EBA Roadmap on Sustainable Finance

Pillar	Focus Area	Key Objectives	Key Regulatory/Supervisory Tools
Pillar 1	Transparency & Market Discipline	Enhance disclosure requirements (including Pillar 3 disclosures, SFDR, and EU Taxonomy alignment) to improve market information.	Pillar 3 disclosures, SFDR, and EU Taxonomy alignment.
Pillar 2	Supervision	Integrate ESG risks into supervisory frameworks to ensure institutions identify and manage these risks effectively.	Supervisory Review and Evaluation Process (SREP), climate stress testing.
Pillar 3	Prudential Requirements	Analyze how ESG risks are embedded in current prudential regulation and assess if capital requirements should reflect long-term risks.	CRR/CRD amendments, prudential treatment of environmental and social risks.

Source: EBA (2022)

Complementing this, the ECB's 2020 Guide on climate-related and environmental risks sets supervisory expectations for eurozone banks. It requires institutions to assess how these risks affect business strategies across short-, medium-, and long-term horizons (European Central Bank, 2020). Banks must also develop ESG key performance indicators (KPIs), apply scenario analysis, and integrate climate risk considerations into governance, credit policies, and overall risk management (European Central Bank, 2020).

Beyond sector-specific banking regulation, the European Union has expanded its sustainability governance framework through the Corporate Sustainability Reporting Directive (CSRD, 2022) and the Corporate Sustainability Due Diligence Directive (CSDDD, 2024). As highlighted in Table 2, the directives are complementary: the CSRD establishes the basis for reporting and transparency, whereas the CSDDD sets the requirements for operational due diligence and corporate accountability.

Table 2: Comparison of CSRD and CSDDD

Feature	CSRD	CSDDD
Primary Goal	Enhancing corporate transparency through standardized sustainability disclosures.	Identifying, preventing, mitigating, and accounting for adverse human rights and environmental impacts.
Core Mechanism	Mandatory reporting under European Sustainability Reporting Standards (ESRS).	Due diligence obligations integrated into corporate policies and risk management systems.
Scope	Broad application to large EU undertakings and certain non-EU companies; requires double materiality.	Focused on large companies with significant turnover and high-risk sectoral activities; phased implementation.
Focus	Disclosure of sustainability information; ensuring audit-ready, comparable data.	Operational accountability; addressing adverse impacts across the value chain.
Legal Nature	Reporting and disclosure directive.	Substantive due diligence obligation and liability framework.

Source: CSRD (2022), CSDDD (2024)

However, the Corporate Sustainability Due Diligence Directive has undergone substantial revision following the adoption of the EU Omnibus simplification package, which aims to strengthen European competitiveness and

reduce regulatory burdens. The reforms narrowed the scope of the CSDDD, increased the applicability thresholds, reduced indirect compliance effects on smaller entities, and postponed implementation timelines, with the practical application of many requirements now expected toward 2029. These developments reflect a broader shift in EU policymaking toward balancing sustainability objectives with economic competitiveness and regulatory simplification (Corporate Sustainability Due Diligence Directive, 2026).

2.3 Credit Evaluation and ESG

While ESG criteria assess an entity's environmental, social, and governance performance, not all ESG factors are immediately financially material. In banking, "ESG credit factors" refer specifically to variables that significantly affect a borrower's creditworthiness, particularly their ability and willingness to meet financial obligations (S&P Global Ratings, 2023). ESG risks are not treated as standalone categories but as transversal risks that interact with and amplify traditional credit, market, operational, and liquidity risks (European Banking Authority, 2022).

According to ECB guidelines, environmental risks operate through physical and transition channels (European Central Bank, 2020). Physical risks stem from extreme weather events and long-term climate shifts, affecting Probability of Default (PD) and Loss Given Default (LGD). For example, floods can reduce real estate collateral values, while droughts can eliminate agricultural revenues, weakening repayment capacity (European Central Bank, 2020; Bruno & Lagasio, 2021).

Transition risks arise from the shift to a low-carbon economy, including policy changes, technological developments, and market shifts. Higher compliance costs, such as carbon pricing or energy efficiency requirements, can reduce profitability and increase default risk, while also causing asset repricing and potential stranded assets, creating market and liquidity risks (European Central Bank, 2020).

Social and governance factors also influence credit assessment. Social risks include labor practices, health and safety issues, and reputational controversies, which can directly affect financial performance (S&P Global Ratings, 2023). Governance factors cover risk management, transparency, oversight quality, and cyber-risk controls. Overall, ESG integration reshapes credit evaluation by requiring banks to assess not only current financial strength but also long-term resilience and adaptability.

3. Methodology

3.1 Research Approach

To fulfill the research objectives, this study adopts a qualitative research design aimed at comparing established theoretical frameworks and regulatory requirements with actual banking practice. The primary focus is to examine the practical application of ESG principles within the Slovak banking sector, particularly their impact on strategic decision-making, credit evaluation, risk management, and sustainability reporting. By employing a qualitative approach, the study bridges the gap between high-level European regulatory expectations such as the Corporate Sustainability Reporting Directive and the day-to-day operational realities of financial institutions. This methodological framework enables an in-depth exploration of the nuances, underlying motivations, and internal mechanisms driving ESG integration, moving beyond quantitative indicators to understand the "how" and "why" of the transition toward sustainable finance.

3.2 Data Collection

The primary empirical data for this study were collected through structured interviews with ESG specialists, sustainability managers, and responsible professionals from three banking institutions operating in Slovakia. To ensure a well-prepared and structured discussion, the interview questions were sent to respondents in advance. Data collection combined face-to-face meetings at bank headquarters with online video conferences, depending on participant availability and preference.

To ensure data integrity and encourage open and honest discussion of internal challenges, all interviews were recorded, fully transcribed, and anonymized. To enhance the trustworthiness and validity of the research, the study utilized member checking, allowing participants to review and approve their transcribed interviews.

3.3 Data Analysis

Following the data collection phase, the transcribed interviews were subjected to qualitative content analysis. This method was selected to systematically identify recurring themes, patterns, and operational challenges related to ESG implementation across the participating banking institutions. The anonymized responses were

categorized and cross-compared to highlight both shared characteristics, such as widespread difficulties in obtaining corporate client data, and differences in how individual banks structure ESG governance and educational initiatives.

In addition to content analysis, the study applied comparative analysis (contrasting theoretical frameworks with practical realities), alongside inductive and deductive reasoning and synthesis. This multi-layered analytical approach enabled a comprehensive assessment of how ESG theory translates into banking practice. Ultimately, the synthesis of findings supported the formulation of evidence-based recommendations, offering insights not only for the banking sector but also for other organizations preparing for the requirements of ESG reporting under the CSRD.

4. Results

4.1 Strategic Shift in Banking

The qualitative analysis of the Slovak banking sector indicates that ESG integration has evolved beyond a mere compliance exercise into an essential pillar of long-term strategy, risk mitigation, and sustainable business development. Banks are now proactively positioning themselves to finance the large-scale decarbonization and complex economic transformation required in the coming decades, aiming to capture significant investment flows linked to the global low-carbon transition.

This strategic shift is fundamentally tied to corporate reputation and stakeholder trust. While banks recognize that a strong ESG profile enhances brand value and market attractiveness, respondents emphasized the absolute necessity of avoiding greenwashing. Participants stressed that robust internal processes, integrated data systems, and comprehensive risk management frameworks must always precede external communication to ensure credibility.

Regarding priorities, banks focus on achieving carbon neutrality in financed portfolios by 2050 and reducing their own environmental footprint, despite practical constraints such as infrastructure and retrofitting costs. On the social dimension, institutions prioritize accessibility and inclusion, emphasizing employee well-being through flexible working arrangements and meaningful community-oriented initiatives.

4.2 Internal Barriers and Implementation Challenges

Translating strategic ESG goals into automated banking operations faces internal barriers, particularly the shift from centralized teams to cross-departmental integration. Overcoming organizational inertia while balancing ESG with routine was a primary leadership challenge.

The most critical obstacle is a lack of consistent, high-quality ESG data. As corporate clients often struggle to provide necessary metrics, banks rely on uncertain proxy data, which impairs risk model accuracy, a gap experts estimate will persist for approximately five years. This data scarcity complicates the CSRD reporting process, which is highly resource-intensive and requires 1.5 to 2 years of preparation to ensure audit-readiness.

To mitigate these challenges, banks are investing in multi-level training, ranging from specialized sustainability certifications to role-specific guidance. Furthermore, to reinforce accountability, ESG performance metrics are increasingly integrated into senior management remuneration and bonus structures.

4.3 Integration of ESG into Credit Risk Management

The integration of ESG factors has fundamentally reshaped modern credit risk assessment, as banks now treat environmental and social considerations as critical transversal risks that actively amplify traditional credit, market, and operational vulnerabilities. This paradigm shift directly impacts key financial metrics, most notably the Probability of Default (PD) and Loss Given Default (LGD), which are increasingly sensitive to sustainability-related variables.

This interaction is most prominent through the interplay of transition and physical risks. Transition risks, exemplified by rising carbon costs and regulatory shifts, compress profit margins within carbon-intensive sectors, while physical climate hazards, such as frequent floods or prolonged droughts, directly impair a borrower's long-term repayment capacity. Consequently, financial institutions have adopted more conservative collateral assessment frameworks, systematically factoring in geographical climate exposure and requiring specific energy performance certificates for real estate assets.

Beyond mere risk management, banks are increasingly leveraging green financing to actively support clients with credible transition potential, precisely aligning these financial products with the EU Taxonomy and sophisticated internal ESG scoring models. These ESG-linked loans are subject to rigorous annual reviews, where instances of non-compliance may trigger pre-defined financial consequences, thereby ensuring that sustainability commitments remain an enduring and integral component of the entire credit lifecycle.

5. Discussion

5.1 Comparing Theory with Practice

A central objective of this research was to compare established theoretical frameworks on Environmental, Social, and Governance (ESG) principles with operational realities in the banking sector. Theoretical literature suggests that ESG-oriented firms do not merely respond to compliance requirements but proactively adopt ethical and sustainable practices that consider a broad range of stakeholders, including employees, clients, suppliers, and local communities. The qualitative findings from the Slovak banking sector strongly support this view. ESG is no longer perceived as a marginal or purely regulatory issue but has been integrated into core long-term business strategies. Banks recognize that their ESG approach directly influences their risk profile, innovation capacity, and ability to build long-term trust with investors and the public.

Theoretical models further argue that firms with strong stakeholder engagement and ESG integration demonstrate higher absorptive capacity, which enhances innovation performance. In banking practice, this is reflected in the development of new financial products supporting economic transformation and decarbonization. Given the scale of capital reallocation required for the transition to a low-carbon economy, banks are actively innovating through green loans, ESG-linked financial instruments, and advisory services that support clients' sustainability transitions. This innovation drive also extends internally, as banks optimize energy use, shift toward renewable energy sources, and redesign infrastructure to improve social inclusion and accessibility.

Another key theoretical concept concerns the nature of ESG risks. Academic literature and European regulatory frameworks, including those of the EBA and ECB, emphasize that climate, environmental, and social risks fundamentally reshape traditional financial risk structures. The empirical findings confirm that Slovak banks adopt this perspective, treating ESG not as isolated risk categories but as transversal risks that interact with and amplify credit, market, and operational risks. For example, a corporate client's failure to decarbonize is assessed as a future credit risk due to expected increases in emission-related costs.

However, while alignment between theory and strategic-level practice is strong, the study also reveals variation in the depth and pace of implementation. Strategic planning, governance frameworks, and social policies have been implemented relatively quickly. In contrast, the systematic integration of environmental metrics into highly automated credit pricing and risk models is progressing more slowly. This is largely due to the complexity of translating qualitative environmental risks and forward-looking climate scenarios into precise, quantifiable inputs that can be processed within existing banking systems. The following overview serves to provide a clearer comparison between the established theoretical frameworks and the operational reality in the Slovak banking sector.

Table 3: ESG theory vs. Slovak banking practice

Dimension	Theoretical ESG frameworks	Slovak banking sector practice
ESG approach	Proactive, value-driven integration beyond compliance.	ESG increasingly embedded in core strategy and governance.
Stakeholder focus	Broad stakeholder orientation (employees, clients, suppliers, communities).	Strong stakeholder consideration reflected in ESG policies and communication.
Innovation role	ESG enhances absorptive capacity and innovation performance.	Development of green loans, ESG-linked products, and sustainability advisory services.
Risk perspective	ESG risks are systemic and interact with financial risks.	ESG treated as transversal risk affecting credit, market, and operational risk.
Climate transition risk	Emphasis on forward-looking assessment of environmental transition.	Clients' decarbonization progress integrated into credit risk evaluation.

Dimension	Theoretical ESG frameworks	Slovak banking sector practice
Implementation depth	Fully integrated ESG embedded across decision systems.	Strategic and governance integration is strong; operational modelling is still developing.
Key limitation	Theoretical models assume full quantification of ESG risks.	Difficulty in translating environmental risks into automated pricing and risk models.

5.2 The Implementation gap

While theoretical alignment is evident at the institutional level, a clear "implementation gap" emerges in banks' interactions with the broader real economy. A marked discrepancy exists between the highly developed internal ESG strategies of banks and the actual readiness of their corporate clients. Within financial institutions, ESG governance is well established: ESG key performance indicators (KPIs) are linked to board remuneration, specialized ESG committees monitor progress, and significant resources are allocated to preparing Corporate Sustainability Reporting Directive (CSRD) disclosures. In addition, banks leverage the expertise of their international parent companies to build internal capabilities and align with global frameworks such as the Net Zero Banking Alliance.

Outside the banking sector, however, conditions differ substantially. The most critical aspect of this implementation gap is the lack of consistent, structured, and high-quality ESG data in the Slovak market. Effective ESG integration into credit risk management depends on primary data from borrowers, including carbon footprints, energy efficiency metrics, and supply chain exposure. Yet many corporate clients lack the knowledge, capacity, or willingness to collect and disclose such information. As a result, banks often rely on industry-average proxy data to estimate financed emissions and risk exposures. While this approach provides a temporary solution, it introduces significant uncertainty into risk models and limits the precision of ESG integration in credit decisions. Industry estimates suggest that it may take at least five years for the market to mature sufficiently to provide reliable and standardized ESG data.

This gap is further reinforced by the socio-political context of the Slovak market. The findings indicate that ESG is still widely perceived among domestic firms as a bureaucratic obligation rather than a strategic opportunity. This perception is reinforced by limited systemic support and relatively weak political emphasis on the green transition. Consequently, banks often assume an educational role. They cannot impose strict ESG requirements immediately, as doing so or excluding non-compliant clients would risk driving them to competitors without achieving real environmental progress.

To address this challenge, banks adopt a pragmatic transitional approach. Rather than relying solely on exclusionary policies, they use green and transition financing to support carbon-intensive clients that demonstrate credible willingness to transform. By linking financing conditions to the achievement of defined sustainability targets, banks maintain commercial viability while gradually encouraging the real economy toward higher ESG standards. This approach highlights that, although a significant implementation gap persists, banks are actively using their position within the financial system to help close it over time.

6. Conclusion and Practical Recommendations

The integration of ESG factors into the banking sector has fundamentally moved beyond its original role as a regulatory compliance requirement. This study shows that financial institutions in the Slovak market now regard ESG as an essential pillar of long-term strategic planning, risk management, and corporate identity. Banks are actively adapting their core operations to facilitate the transition toward a low-carbon, sustainable economy, recognizing that financing this transformation also creates significant business opportunities. By embedding ESG into credit evaluation and treating environmental and social vulnerabilities as transversal risks that amplify traditional credit, market, and operational risks, banks are reshaping how corporate viability and collateral are assessed.

However, the practical application of these frameworks remains uneven, largely due to a persistent implementation gap between the high internal readiness of banks and the limited preparedness of the broader corporate sector. The most significant barrier is the lack of consistent, standardized, and high-quality ESG data from corporate clients, which often forces banks to rely on proxy estimates and introduces uncertainty into risk models. Despite these challenges, banks are adopting a pragmatic approach. Rather than withdrawing financing from carbon-intensive industries, they increasingly use green financing and ESG-linked loans to encourage and monitor clients' transition toward sustainability.

6.1 Recommendations for Practice

As synthesized in Table 4, the following recommendations offer a structured framework for large undertakings to navigate the complexities of CSRD implementation. These guidelines emphasize that successful integration requires moving beyond mere regulatory compliance toward deep operational and strategic alignment across all core business functions.

Table 4: Recommendations for Practice

Recommendation	Description	Operational Focus
Early Preparation	Start data infrastructure and reporting systems at least 12 months before deadlines.	System setup & data collection
Cross-Departmental Integration	Ensure coordinated cooperation across Finance, HR, Risk, and IT.	Governance & internal alignment
Strategic Transparency	Avoid greenwashing by ensuring external communication reflects only verified practices.	Credibility & audit-readiness
Tool for Self-Reflection	Use CSRD reporting to identify operational weaknesses and improve resource efficiency.	Strategy & competitive advantage
Proactive Resilience	Treat ESG as a long-term strategic commitment regardless of short-term regulatory shifts.	Risk management & adaptability

6.2 Research Limitations

Although this study provides valuable empirical insights, it has limitations. The qualitative analysis is based on a localized sample of three major banking institutions operating in Slovakia. While the core mechanisms of ESG integration are broadly applicable, specific socio-political conditions and the pace of implementation may not be fully generalizable to other countries or sectors. Future research should include comparative, cross-sectoral analyses to better understand ESG implementation dynamics across different industries.

Acknowledgements

This research was supported by the Grant Agency of Comenius University under Grant No. UK/1259/2026.

Ethics Declaration: The research involved interviews with human participants. Participation was voluntary, and informed consent was obtained from all interviewees prior to data collection. The data were processed in accordance with ethical standards, ensuring anonymity and confidentiality.

AI Declaration: Generative AI tools were used during the preparation of this paper solely for supportive purposes. Specifically, they were used for outlining the paper's structure, summarizing academic sources, refining language and style, and assisting with the formatting of tables.

References

Bruno, M. and Lagasio, V. (2021) 'An overview of the European policies on ESG in the banking sector', Sustainability, 13(22), 12641. Available at: https://doi.org/10.3390/su132212641.

Cabaleiro-Cerviño, G. and Mendi, P. (2024) 'ESG-driven innovation strategy and firm performance', Eurasian Business Review, 14(1), pp. 137–185. Available at: https://doi.org/10.1007/s40821-024-00254-x.

Corporate Sustainability Due Diligence Directive (2026) Important 2026 development regarding the Corporate Sustainability Due Diligence Directive. Available at: https://www.corporate-sustainability-due-diligence-directive.com/.

EFRAG (2025) ESRS Workstreams. European Financial Reporting Advisory Group. Available at: https://www.efrag.org/en/sustainability-reporting/esrs-workstreams.

European Banking Authority (2022) EBA Roadmap on Sustainable Finance. Paris: European Banking Authority. Available at: https://www.eba.europa.eu/sites/default/files/document_library/Publications/Reports/2022/ESG%20roadmap/1045378/EBA%20Roadmap%20on%20Sustainable%20Finance.pdf.

European Central Bank (2020) Guide on climate-related and environmental risks: Supervisory expectations relating to risk management and disclosure. Frankfurt am Main: European Central Bank. Available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.202011finalguideonclimaterelatedandenvironmentalrisks~58213f6564.en.pdf.

European Commission (2023) Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU as regards sustainability reporting standards. Official Journal of the European Union, L300, 22 November. Available at: https://eur-lex.europa.eu/eli/reg_del/2023/2772/oj/eng.

European Commission (2025) Corporate sustainability reporting. Available at: https://finance.ec.europa.eu/capital-markets-union-and-financial-markets/company-reporting-and-auditing/company-reporting/corporate-sustainability-reporting_en.

European Parliament (2022) Sustainable economy: Parliament adopts new reporting rules for multinationals. Available at: https://www.europarl.europa.eu/news/en/press-room/20221107IPR49611/sustainable-economy-parliament-adopts-new-reporting-rules-for-multinationals.

European Union (2022) Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting. Official Journal of the European Union, L 322, 16 December, pp. 15–80. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464.

European Union (2024) Regulation (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859. Official Journal of the European Union, L 2024/1760, 5 July. Available at: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L_202401760.

Hirsch, S. and Heichl, V. (2025) 'Informative Value of Non-Financial Reports: Analyzing the Impact of Disclosure Format and Auditing', Journal of Corporate Accounting & Finance, pp. 1–3.

Krantz, T. (2024) The history of Environmental, Social, and Governance (ESG). IBM, 8 February. Available at: https://www.ibm.com/think/topics/environmental-social-and-governance-history.

Ministry of Investments, Regional Development and Informatization of the Slovak Republic (2020) Vision and Strategy of Slovakia's Development until 2030. Bratislava: MIRRI SR. Available at: https://mirri.gov.sk/wp-content/uploads/2021/01/Slovensko-2030.pdf.

Myrén, A. (2025) Sustainability reporting under CSRD: Opportunities and barriers with supply chain data collection. pp. 12–13.

National Council of the Slovak Republic (2024) Act No. 105/2024 Coll., amending and supplementing Act No. 431/2002 Coll. on Accounting and certain other acts as amended. Collection of Laws of the Slovak Republic.

Oliver Yébenes, M. (2024) 'Climate change, ESG criteria and recent regulation: Challenges and opportunities', Eurasian Economic Review, 14(1), pp. 87–120. Available at: https://doi.org/10.1007/s40822-023-00248-9.

Operato, L. et al. (2025) 'Navigating CSRD reporting: turning compliance into sustainable development with science-based metrics', Environmental Development, 53, 101138. Available at: https://doi.org/10.1016/j.envdev.2024.101138.

Pathak, N. (2024) 'The Genesis of ESG: Tracing the Historical Roots', in Building a Sustainable Future: Roadmap for India's Progress & Prosperity. pp. 121–122.

S&P Global Ratings (2023) ESG Credit Indicator Report Card: EMEA Banks. Available at: https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/12085396.