The (un)sustainable ESG commandment - "You shall not waste": A Czech case study

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Abstract: *Regarding Environmental, Social and Governance (ESG) regulations, the Delegated Regulation 2023/2772 brought European sustainability reporting standards (ESRS), to be used by a growing pool of European businesses. By embracing ESG and meticulously following ESRS, European businesses should actively participate in the pro-sustainability multistakeholder model. It is highly relevant to study the effectiveness, efficiency and legitimacy of this mechanism. Methodologically, this can be done in three stages: (i) to review ESRS and identify one of the key and intersection values, (ii) to observe the official embracement of ESRS, in particular of this value, by large businesses ranked as ESG leaders and (iii), to focus in a detailed manner on their attitudes to this value as revealed by their websites. "No wasting" is such a value, endorsed by academia, society at large and various law provisions including ESRS E5. However, a case study suggests that large Czech businesses ranked as ESG leaders in 2023, are officially engaged with only some ESRS, and "no-waste" does not apply to them. The complementary explorations of their website suggests that they are not interested in no-wasting and that their ESG is immature. This points to a gap between EU policies and the law's drive for sustainability, consumer protection and general development of the internal single market and European businesses preferences, regarding CSR and ESG. The "You shall not waste" commandment, as set by the EU, is not yet sustainable for a pro-sustainability-oriented EU.*

Keywords: CSR, ESG, ESRS, EU, sustainability, waste.

1 Introduction

Sustainability has millennian roots in the sphere of continental law jurisdictions and rather public law features, while Corporate Social Responsibility (CSR) has centurial roots in the sphere of common law and rather private law features [1][2]. They both address balancing of values in the name of justice [3] and in the context of diminishing resources [4]. Currently, sustainability rests on three pillars (social, environment, economic aka people, planet, profit) [5] is presented by the United Nations (UN) via Sustainable Development Goals (SDGs) as solidarity intra-generational tools for the entire community fighting against poverty [6], while CSR is presented as moved to a higher stage of win-win crating shared values [7-10] across various industries [11]. Ultimately, the principle of sustainable business should appear, while advancing the multi-stakeholder model [12] and observing the interests and needs of all humans and perhaps even all species [13]. The active involvement of all stakeholders, in particular powerful stakeholders providing investments, is needed. Not only the business conduct needs to reflect them and their preferences, but, in the rule of law setting, such as in the EU, businesses need to be transparent about it. Consequently, Environmental, Social and Governance (ESG) means considering environmental issues, social issues and corporate governance while making and carrying investments and conducting business. Considering the importance of ESG and the double materiality principle, the ESG information – regardless whether provided via official ESG and/or CSR reporting or otherwise – needs to be genuine, and boosting the mutual trust in the pro-sustainable activities advanced by the business persons and investors and to boost the ethical dimension is integral for all layers of business endeavors [14].

The primary aim is to achieve a deeper understanding of the ESG in general and its regional perception while focusing on one key value. ESG is broad and entails many aspects, but the unanimous shared preferences of Europeans suggests that one of the key evils to be fought via ESG is wasting. This is disrespectful and against the business judgment rule regarding resource management. Consequently, wasting is not only rejected by academic studies and the society at large, but even by EU law, see rules about the waste hierarchy.

It is highly illustrative to review the background by addressing the roots of ESG (1.1) and the ESG regime in the EU (1.2) and this while using a proper methodology (2.) to engage with a deeper analysis to be performed in three steps: to review ESRS and identify one of the key and intersection values (3.1), (ii) to take advantage of prior selections of leading large ESG businesses in the Czech Republic and to describe their official ESRS focus, in particular with respect to the identified ESRS key and intersection value (3.2) and to engage in an informal and unofficial exploration of their websites to achieve a deeper understanding of their attitudes to this ESRS key and intersection value (3.3). This fully addresses the primary aim as projected into all three mentioned principal objectives (mapping ESRS (E5), formal ranking, and informally assessing their attitude). At the same time, it must be kept in mind that the employment of a Czech case study of Czech large businesses ranked as ESG leaders implies the multi-sectorial regional validity and is a foundation for future longitudinal and multi-jurisdictional studies.

In sum, the search of the situation in the EU and in EU policies and law points to the new ESG commandment "you shall not waste", which is appreciated in an immature manner by Czech large businesses which are ranked as the ESG leaders in 2023. This might suggest a gap between EU policies and the law's drive for sustainability, consumer protection and general development of the internal single market and European businesses preferences, regarding CSR and ESG.

1.1 Roots of ESG

ESG means considering environmental issues, social issues and corporate governance while making and carrying investments. Such an investment is to be responsible and with a pro-sustainability impact [15]. Investment decisions have always focused on the likelihood (risk) and amount of return in the financial sense, but almost never on that alone. The reasons for investment have always been heterogeneous and often political and other considerations could even overshadow a simple return calculation. However, a systematic linking and tying of sustainability projected into Corporate Social Responsibility (CSR) to investment has a history of only half of a century and gained genuine attention only during the last decade [16][17].

First, there came the idea that, for the operation of a business, there needs to be considered, more than just a narrow shareholder interest in maximizing their profit stricto senso. With due respect to the conventional Friedman shareholder theory [18], the role and impact of investors as powerful stakeholders became visible and undeniable not just for the mentioned profit maximization, and contributed to the development of the Freeman stakeholder theory [19]. As a matter of fact, both the Friedman shareholder theory and the Freeman stakeholder theory are based upon the recognition of a free and socially embedded individual [20] with ethical awareness [21] and developing its strategies accordingly [22].

Further, around 1984, the early environmental movements had lost momentum, as the wave of the radical social movements broke and rolled them back [23]. Later on, both the ecological and social critiques of economic development began to interweave with economic development [24] and so the social dimension became, clearly, a sister dimension to the economic dimension and environmental dimensions of sustainability [25]. Recently, an even more open approach argues for the consideration of not only human generations, but, as well, other species and nature and society in their entirety [26]. At the same time, pragmatic calculations regarding the ESG index and indices offer various hierarchies – placing the environmental index before governance index [27], making the readjustment based on risk v government policies dynamics [28], etc. Some studies even point to the (allegedly) not conclusive [29] or even negative ESG–performance link [30]

This leads to the discussion about the consideration, ranking (prioritizing) and information, i.e., about the ESG and ESG effects [31] as well as the ESG regime and reporting. The market self-regulation has attained some results, but progressively it became clear that a systemic regime projected in the law and policies was needed. Consequently, over ten years ago, not only the COM(2010) 2020 Final Communication from the Commission: EUROPE 2020 A strategy for smart, sustainable and inclusive growth from 3 March 2010 (Europe 2020) was presented and then commenced the work on UN General Assembly Resolution A/RES/71/1 Agenda for Sustainable development 2030 from 25 September 2015 (Agenda 2030), but the modern ESG regime in the EU began to take on shape and to create the first standardized sustainability framework [32]

1.2 The ESG regime in the EU

Arguably, crises accelerate pre-existing trends and offer opportunities for changes [33][34]. Certainly, crises from 2007-2011 have seriously impacted the EU policy and law scenery and re-casted the perspective about the responsibility, sustainability, involvement of shareholders and stakeholders [35] and the multi-stakeholder model as well as national particularities [36]. Trends launched one decade ago, due to the Enron downfall and the emergence of the Sarbanes–Oxley Act, took on new dynamics while the need of sustainability and the insufficiency of ESG market self-regulation became obvious. The EU has engaged in a myriad of pro-sustainability endeavors, including materializing Europe 2020 and working together with the UN in placing the Agenda 2030 and setting new EU rules about corporate governance and both financial and non-financial reporting [37] and CSR [1][2].

The arrival of the European Commission of Ursula von der Leyen has accelerated this development and this fully in compliance with its Political Guidelines for the next European Commission 2019-2024: A Union that strives for more. My agenda for Europe (Political Guidelines) and its six headline ambitions aka priorities, in particular the European Green Deal. These Political Guidelines were presented on 16 July, 2019, by her, as the designated candidate to members of the European Parliament and manifestly reflect the three pillars sustainability command in the light of the Agenda 2023, with its SDGs, see Table 1 below:

Table 1

Political Guidelines – six Headline Ambitions for Europe in 2019-24

	Headline Ambition
A1	A European Green Deal
A2	An economy that works for people
A3	A Europe fit for the digital age
A4	Protecting our European way of life
A5	A stronger Europe in the world
A6	A new push for European democracy

New crises and challenges came and Ursula von der Leyen and her European Commission demonstrated ostensibly and firmly that they would stick with the Political Guidelines and that the sustainability, including related reporting and involving of all stakeholders, is at the center of its endeavors despite the Covid pandemic [38] and the War in Ukraine [39]. However, for businesses, it might be challenging to carry further this enthusiam and mission [40][41] and this especially considering the half hearted support by stakeholders [42][43]

Consequently, now we can speak about a genuine ESG regime in the EU which is backed by key strategies and policies and enforceable as a part of law and built-in compliance with the primary EU law (TEU, TFEU, Charter). This including by a set of instruments from the secondary EU law and entailing various branches and fields, such as competition protection, consumer protection, environment protection, etc. as demonstratively presented by Table 2.

Table 2

Secondary EU consumer and environment protection law with ESG impact

Consumer protection	Unfair Contract Terms Directive	Council Directive 93/13/EEC of 5 April 1993 on unfair terms in consumer contracts
	Price Indication Directive	Directive 98/6/EC of 16 February 1998 on consumer protection in the indication of the prices of products offered to consumers
	UCPD	Directive 2005/29/EC of 11 May 2005 concerning unfair business-to-consumer commercial practices in the internal market
	Advertising Directive	Directive 2006/114/EC of 12 December 2006 Concerning Misleading and Comparative Advertising
	Consumer Rights Directive	Directive 2011/83/EU of 25 October 2011 on consumer rights
Environment protection	Waste Directive	Directive 2008/98/EC of 19 November 2008 on waste – Art. 4 Waste hierarchy: (a) prevention; (b) preparing for re-use; (c) recycling; (d) other recovery, e.g., energy recovery; and (e) disposal.
	Minimum Climate Transition Regulation	Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (1,5 °C scenario)
	European Climate Law	Regulation (EU) 2021/1119 of 30 June 2021 establishing the framework for achieving climate neutrality

However, the most important of these secondary EU law instruments are the Regulations and Directives related directly to ESG and ESG reporting, as summarized in Table 3, below.

Table 3

Secondary EU law related to ESG and ESG reporting

CRR	Regulation (EU) No 575/2013 of l of 26 June 2013 on prudential requirements for credit institutions and investment firms (Capital requirements directive – CRR)	CRR aims to strengthen the prudential requirements of banks in the EU by requiring them to keep sufficient capital, loss-absorbing liabilities and liquid assets.
Accounting Directive	Directive 2013/34/EU of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings	Accounting Directive ensures the clarity and comparability of financial statements, other than international financial reporting standards (IFRS).
NFDR	Directive 2014/95/EU of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups	NFDR applies to certain large companies (500 employees) …performance indicators, social and employee aspects; respect for human rights; anti-corruption and bribery issues (Art.19a to Accounting Directive)
SFDR	Regulation (EU) 2019/2088 of 27 November 2019 on sustainability-related disclosures in the financial services sector	SFDR makes a distinction between outside-in sustainability risks (devaluating investment) and adverse impacts on sustainability factors.
Taxonomy Regulation	Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment-environmental objectives: (a) climate change mitigation (b) climate change adaptation (c) the sustainable use and protection of water and marine resources (d) the transition to a circular economy (e) pollution prevention and control; (f) the protection and restoration of biodiversity and ecosystems	Taxonomy Regulation aims to inform investors on whether an economic activity is environmentally sustainable by setting common EU-wide criteria - it contributes substantially to one or more of the six environmental objectives set out in the regulation and does not significantly harm any of them.
	Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions	Disclosure of key metrics and overview of risk-weighted exposure amounts. Disclosure of risk management objectives and policies (CRR)
	Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risk	Adding Art. 18a Disclosure of environmental, social and governance risks - ESG risks (CRR)
CSRD	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	New Art. 19a sustainability Reporting. Art. 29b Sustainability Reporting Standards – delegation to Commission. Transposition 2024-2025-2026…
ESRS Regulation	Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards	The sustainability reporting standards that undertakings are to use for carrying out their sustainability reporting in accordance with Articles 19a and 29a of Directive 2013/34/EU / CSRD are set out in Annexes I and II of this Regulation.

As fast as ESG started to gain importance and to be part of the EU law, there have also appeared various ESG misuses and abuses, such as the infamous greenwashing [44][45]. The EU has reacted with a set of EU law instruments, such as the SFDR [41] and Taxonomy Regulation [47] and with the support of semi-private and private initiatives trying to support and reward a genuine pro-sustainable, pro-CSR and pro-value behavior [48][49]. Generally, the linear economy should turn into the circular economy [50] taking advantage of innovations and boosting the EU competitiveness [51][52] and value orientation. Via the CSRD, gradually more and more European businesses must prepare and publish their non-financial reports with pre-set ESG information, see ESRS Regulation, which is a distinctively holistic legal instrument for a more robust and comparable disclosure regarding the sustainability performance [32]. However, there is currently a lack of evidence as what the standards are and how prepared companies are to comply with the ESRS. Through an analysis of secondary sources for 20 EU companies, this study therefore aimed to identify the preparedness of EU-based companies. Results indicate that there is substantial variation in preparedness; larger firms exhibit higher levels of alignment with the ESRS, whereas small and medium-sized enterprises (SMEs) struggle with resource limitations and insufficient external support. This timely and unique study contributes novel insights into the variable preparedness of companies transitioning to new, EU-wide compliance standards and the factors involved in large-scale implementation. Such insights provide direct implications for regional-level policy implementation.

At the same time, there are more and more competitions and award mechanisms to show appreciation for businesses going above and beyond the required ESG minimum. In order to tie both ends together and make the entire system synergetic, ESG competition and award winners should be models in performing activities and disseminating information about them, as suggested by the EU law, in particular the ESRS Regulation. However, is this true? A proper methodology needs to be selected in order to engage with this assessment while taking inspiration from prior studies assessing the overlap of CSR reporting by awarded CSR leaders and their self-presentation via their own websites [53]

2 Methodology

The main purpose of this paper is to achieve a deeper understanding, a (lack of) synergy and dynamics between one of the key and intersection values of ESRS and the flagship ESG endeavors by ESG leaders from the EU. Due to its inherent nature and features, an analysis and assessment of ESG is rather an ephemeral task with subjective features, and lacking an axiomatic pre-disposition to classic mathematical and statistical processing. The selection of the sample (data) and of the processing tools (methods) is neither obvious nor well-established, but still has the potential to provide sufficiently robust data [53][54]. This purpose implies three goals requiring three steps, aka stages, and each of them requires a different data source and processing:

(i) To review ESRS and identify one of the key and intersection values

(ii) To take advantage of the prior selection of leading large ESG businesses in the Czech Republic and describe their official ESRS focus, in particular with respect to the identified ESRS key and intersection value

(iii) To engage in an informal and unofficial exploration of their websites to achieve a deeper understanding of their attitude to this ESRS key and intersection value.

First, wasting is rejected not only by academic studies and the society at large, but even by a set of EU law branches. Interestingly, indices from the EU consumer protection law as well as other branches and disciplines, as well as from the ESRS Regulation, need to be considered in order to find a common denominator in the form of a shared intersection key value, perhaps even a virtue and the worse evil. Such an ESRS commandment needs to be not only located but as well interpreted in a teleological manner. The key source should be Eur-Lex, and the key approach holistic and multidisciplinary and the exploration comparative and critical. The content analysis needs to be contextual and open to Socratic questioning and glossing, as well as field observations.

Second, a Czech case study of Czech large businesses ranked as ESG leaders in 2023 needs to be performed while taking advantage of data collected and processed by the Association of social responsibility (ASA) which is already, for one decade, the largest sustainability, ESG and SDGs initiative in the Czech Republic, see https://www.spolecenskaodpovednost.cz/en/ In cooperation with Forbes and Visa, annually the ASA makes an ESG ranking of large Czech businesses. Dr. Tyll, the academic director of CEMS from the School of Economics, is responsible for the methodology and ranking while focusing on whether ESG reports are detail-oriented, duly prepared, transparent and communication friendly. For 2023, the ASA published a list of ten Czech large businesses with the highest ESG score calculated based on the ESG scoring and ranking, pursuant to the ASA, see https://forbes.cz/podnikate-ferove-esg-rating-znovu-hodnotil-zodpovednost-ceskych-firem/. In addition, the ASA publishes, for each of these top ten ESG businesses, information about key ESG and ESRS data and factors. Therefore, while building upon the 1st state, the literate interpretation of ASA data and their confrontation with ESRS exploration and identification key values, even commandments, reveals either an overlap or gap.

And third, this Czech case study is to be complemented by the analysis of internal unofficial ESG posting via the websites belonging to these top ten businesses. The source of the information are the internal domains of these businesses and their mining and processing is done while using a simplified two-rounds manual Delphi approach to focus on the standpoint and attitude of these top ten businesses about the mentioned key value, even commandment, in order to re-adjust and better understand the mentioned overlap and gap. Such a holistic and Delphi assessment of websites needs to take advantage of a Likert style scale scoring and coding system, while using the evaluation scale is based on previous research [55]. A professional panel consisted of three experts who have a strong background in law and economics and have been providing assessments in the field of ESG assessment, based on Internet resources – two males and one female (RKM, DR, LM) was used. This professional panel explored, extracted and analyzed data about these ten businesses in May 2024 and scored and classified the information while using the three-level Likert scale [56] while engaging in an advanced content analysis [57]. Regarding the description, they included direct and added explanatory notes, while the scoring was a result of two rounds of a manual Delphi panel scoring done by the professional panel following the conventional guidelines (0 absent, + weak, declaratory, no measurable, ++ strong, specific, measurable, +++ deep, genuine, measurable and verifiable commitment).

The collected data was placed in comparative tables and in a chart allowing for comparison, juxtaposition and causality exploration [58] with self-induced corrections [59]. This critical and contextual content analysis, with predominantly qualitative features [60], permitted an empirical field observation, critical glossing [61] and Socratic questioning [62].

3 Results and Discussion

3.1 Mapping the ESRS Regulation and focusing on ESRS E5

The ESG regime in the EU is built pursuant to the EU strategies and policies, such as the Political Guidelines, and upon instruments from various branches and disciplines of the EU law, such as competition law, corporate law, accounting-auditing-reporting, environment protection, consumer protection, etc. In particular, the CSRD amended the Accounting Directive, which was previously updated by the NFRD. CSR not only modified the famous Art. 19a and progressively increased the pool of the subjects, but, in addition, opened the venue to the delegated regulation bringing the ESRS, i.e., ESRS Regulation. Therefore, the ESG and ESG reporting are compulsory for an exponential growing pool of European businesses, are transformed from an illusory proclamation into a real, content specific and controllable duty and standardized.

The ESRS Regulation sets out standards to be used in accordance with Art. 19a and Art. 29a of the Accounting Directive, as updated, and lists them in Annex I, while in Annex II are only acronyms and abbreviations. Consequently, for the identification of a key intersection value, it is necessary about the structure of the ESRS Regulation, see Table 4 below.

Table 4
ESRS Regulation

Art. 1 Subject Matter + Art. 2 Entry in force and application		
ANNEX I ESRS (3-254)		
Cross-cutting standards	ESRS 1	General requirements
	ESRS 2	General disclosure
Topical standards (AR 16)	ESRS E1	Climate Change
	ESRS E2	Pollution
	ESRS E3	Water and marine resources
	ESRS E4	Biodiversity and ecosystems
	ESRS E5	Resource use and circular economy: - Resources inflows, including resource use - Resource outflows related to products and services - Waste
	ESRS S1	Own workforce
	ESRS S2	Workers in the value chain
	ESRS S3	Affected communities
	ESRS S4	Consumers and end-users
	ESRS G1	Business conduct
Sector-specific standards		
Appendix A (24-29) Application Requirements		
Appendix B (30) Qualitative characteristics of information		
Appendix C (31-35) List of phased-in Disclosure Requirements		
Appendix D (36) Structure of ESRS sustainability statement		
Appendix E (37) Flowchart for determining disclosures to be included		
Appendix F (38) Example of structure of ESRS sustainability statement		
Appendix G (39) Example of incorporation by reference		
Annex I ESRS E2 (40-121)		
Annex I ESRS E3 (122-132)		
Annex I ESRS E4 (133- 151)		
Annex I ESRS 5 (152-163)		
Annex I ESRS S1 … S2 …S3 …. S4 ….G1		
ANNEX II (255-284) Acronyms and Glossary of terms		

The entire ESRS Regulations needs to be teleologically interpreted in light of the Political Guidelines and their six headline ambitions as well as the current law, such as the Waste Directive (Art.4 Waste hierarchy) and Taxonomy Regulation (significant harm - six environmental objectives), as well as the law to be, see e.g., proposals regarding consumer protection (Proposal for the Repair Goods Directive, etc.). In this perspective, the below cited provisions of the ESRS Regulation clearly point to the key intersection value of no wasting and ideally, preventing any waste, see Table 5.

Table 5

ESRS Regulation – Annex I ESRS E5 (152-163) + Annex II with respect to waste

ANNEX I ESRS E5 (152-163)	
2. (153) This Standard sets out Disclosure Requirements related to "resource use" and "circular economy" and in particular on:	(a) resource inflows including the circularity of material resource inflows, considering renewable and non-renewable resources; and (b) resource outflows including information on products and materials (c) waste
3. (153) Circular economy means an economic system in which the value of products, materials and other resources in the economy is maintained for as long as possible.	- Reducing the environmental impact of their use, - Minimizing waste and the release of hazardous substances at all stages of their life cycle, including through the application of the **waste hierarchy**.
3. (153) The goal is	To maximize and maintain the value of the technical and biological resources, products and materials by creating a system that allows for durability, optimal use or re-use, refurbishment, remanufacturing, recycling and nutrient cycling
6. (153) Resource use is a major driver of other environmental impacts such as climate change, pollution, water and marine resources and biodiversity.	A circular economy is a system that tends towards sustainable use of resources in extraction, processing, production, consumption and management of waste.
ANNEX II Table 2 Terms	
Circular economy (263)	An economic system in which the value of products, materials and other resources ... is maintained for as long as possible, enhancing their efficient use …, minimizing waste...
The European circular economy principles are (263)	i. usability ii. reusability iii. repairability iv. disassembly v. remanufacturing or refurbishment vi. recycling
Waste hierarchy (282)	Priority order in waste prevention and management: i. prevention ii. preparing for re-use iii. recycling iv. other recovery (e.g., energy recovery) v. disposal

It can be argued that the EU tenor voiced both by the EU policies and EU law is that no wasting is critical for ESG and that ESG leaders should be businesses demonstrating the virtue of waste avoidance by prevention. This can be tested via a case study regarding (alleged) ESG leaders of sufficient sizes from one of the EU member states, e.g., by Czech large businesses ranked as the top ESGs.

3.2 Ten Czech large businesses ranked as the ESG leaders and their ESG focus pursuant to ASA

The Association of Social Responsibility (ASA) is, for over ten years, the largest sustainability and ESG private initiative in the Czech Republic. The ASA has almost 600 members, including a large number of the best-known Czech businesses. Annually, the ASA engages in a multitude of SDG and CSR promoting activities and selects pro-sustainability businesses. Among these activities are CSR and ESG scoring and rankings of Czech large businesses and SMEs. Consequently, for each year, the ASA publishes a list of the top 10 ESG large businesses as assessed by ASA committee using ASA methodology. This manner of selection is well accepted and Czech large businesses enjoy being selected and seeing their profiles listed as “top ESG.” In addition, the ASA offers a partial explanation for its selection and so key ESG values and particular excellence is listed for each of these top ten ESG leaders. The most recent ranking occurred for 2023 and Table 6, below, provides an overview of all top ten ESG leaders (in alphabetical order) with the information about their ESG key value and particular excellence, along with a column with classification glossing.

Table 6

ESGR rating 2023 – Top large 10 and their ESG focus

Large CZ business	ESG Focus pursuant to ASA	Comments
Albert	Emission + carbon footprint Innovations to protect environment Food donation	Grocery provider focusing on innovations to save energy and reduce the carbon footprint. It fights against food waste via donations (to be given to low-income people or animals or to be used in composting)
Coca-Cola	All three ESG areas (in detail) Emissions Water management (saving) Reduction of waste per each produced item Investment in innovations No gender discrimination Women to management (from 33% moving to 50%) Same salaries for men and women	International beverage producer focusing on innovations, no discrimination and waste avoidance
ČEZ	All three ESG areas Transparent communication Low Emissions, Climate neutrality Women to management (30%) Minorities, handicaps, 50+ Value chains	Top Energy provider focusing on environment protection and on employment without discrimination
ČSOB	Low Emission + Decarbonization Value chains and “no business with subject against sustainability” Same career opportunities Gender pay-gap elimination	Bank committed to environment protection and fight against gender discrimination and requiring the same from its partners
Hyundai	Carbon neutrality by 2040 Environment monitoring Social standards Transparent management Value chain	Korean car producer focusing on ESG and requiring it strictly from its suppliers and partners
KB	Carbon neutrality by 2050 Against gender discrimination Even rewarding Increase involvement of women Supporting working mothers Value chain	Bank committed to environment protection and fight against gender discrimination with an active support of working mothers and returning from leave
Letiště Praha	Carbon footprint	Czech Airport engaging in environment protection and pro-

	Grants and other support to assist others in ESG activities Open communication Value chain	actively helping others in this arena, e.g., by providing grants support or sending specialists or interacting with students
Moneta	All three ESG areas Carbon step, Code of Ethics Diversity + inclusion Reduction of salary differences for all, LGBTQ Value chain	Bank fighting against discrimination and even salary differences between top and low rank employees
Veolia	Emissions reduction Alternative to coal Heat from waste water Water management Innovations Grants inducing others to ESG activities (from all three areas)	Water provider determined to protect the environment by reducing emissions, moving away from coal and avoiding water waste, using sewage water to produce heat. Offers grants to support waste avoidance, water management, launching business, senior life conditions
Vodafone	Transparent publication Firm Culture Transformation of society Women to management (40%) Code of Ethics Value chains	Communication provider focusing on transparency and transformation

The ASA scoring, ranking and ESG focus explanations for 2023 offers four propositions. Firstly, all selected top large businesses address, at least formalistically, all three ESG areas and reflect almost all ESRS. Secondly, their preferences and genuine engagement vary significantly. Thirdly, along with the carbon footprints and emissions, the most discussed ESG issues are the management under-representation of women (some of them set as a threshold of 30% or 33% while others go for 40% or even 50%) and the gender salary gap. Fourthly, only for the minority of these top large businesses is the waste avoidance along with the circular economy a relevant topic. Only three of them (Albert, Coca-Cola and Veolia) are genuinely interested in, committed to it and evangelizing it to others.

3.3 The attitude of Czech large businesses ranked as the ESG leaders to “no wasting” pursuant to their own websites

Since the ASA selection of the top Czech large businesses as the ESG leaders with the ESG focus leads to a very heterogenous attitude to the ESRS E5, namely waste hierarchy and circular economy, and even to suggestions about the prevailing lack of interest, it is highly relevant to complement the ASA study by the authors’ own study of their websites. Indeed, the exploration of their websites is the obvious primary source of data about their commitment and marketing preferences. Table 7, below, summarizes the findings about each of these ten businesses and highlights it by both a description and scoring. The description includes direct quotes along with explanatory notes, while the scoring is a result of two rounds of a manual

Delphi panel scoring done by the professional panel authors following the conventional guidelines (0 absent, + weak, declaratory, no measurable, ++ strong, specific, measurable, +++ deep, genuine, measurable and verifiable commitment).

Table 7

Top large 10 and their attitude to waste based on their own Websites

Top ESG business	Attitude to “no wasting” – qualitative description	Attitude Scoring
Albert	Very pro-active in waste avoidance and collaborating with others, offering exact data about saved and re-used products with numbers of beneficiaries	+++
Coca-Cola	Very pro-active in preventing own waste production	++
ČEZ	Self-interested with very little interest in waste avoidance and not open to help others in this arena, setting various CSR/ESG committees (bureaucracy, paternalistic)	-
ČSOB	Patronizing and over-focusing on gender without any genuine interest in “no wasting”, but very transparent tables	-
Hyundai	Neutral, focus on its own environment and social issues without specifically paying any attention to “no wasting”	0
KB	“No wasting “ not considered, out of date working mother cliches, questionnaires and attempts for harmonization of ESG endeavors with clients	0
Letiště Praha	Very open, communicative and ready to work with others for ESG, but only partially addressing waste avoidance (only fighting against plastics)	+
Moneta	“No wasting” is considered in relation to waste management	+
Veolia	Very proactive in waste avoidance and supporting others to do so	+++
Vodafone	“No wasting” is considered in the context of circular economy	+

The exploration of these businesses own websites regarding “no wasting” reveals that the attitude of Czech large businesses, ranked by the ASA as the ESG leaders, basically matches up with the explanation provided by the ASA. It confirms the presented four propositions and reveals different “no wasting” data only about two businesses (Moneta, Vodafone). Therefore, after this readjustment and recalculation, one can conclude that only 50% of the (alleged) top ESG leaders among Czech large businesses are linking the sustainability and “no wasting”, i.e., they follow ESRS E5 and are developing their own (each of them slightly different) commandment “You shall not waste”. The other half of the (alleged) top ESG leaders among Czech large businesses do not exhibit any particular interest regarding a waste hierarchy and circular economy and instead are pre-occupied with conventional gender employment and salary differences.

4 Conclusions

ESG is an integral part of the business conduct in the EU and a growing pool of European businesses use ESRS to prepare and publish their ESG reports. Nevertheless, the legal framework, for it is rather vague and its’ understanding and application are not obvious. This organically led to the primary exploratory aim as projected into three principal objectives (mapping ESRS (E5), formal ranking and informally assessing their attitude). Therefore, a three-stage exploration was performed. Firstly, the review of the ESRS and related frameworks revealed key law instruments and key and intersection values implied by them, including the ESRS E5 “no wasting”. Secondly, the Czech case study based on the official ESG ranking by the ASA revealed that the (alleged) ESG leaders among large Czech businesses are all pro-ESG but, at the same time, they are very heterogeneous in their ESG focus. Thirdly, the exploration of their own ESG postings on their own websites confirmed the fragmentation and immaturity, in particular regarding “no wasting”. It is hardly sustainable to see how the alleged pro-sustainable large Czech businesses ignore the need of avoiding waste and supporting the circular economy and instead are pre-occupied by conventional gender differences and with randomly selected thresholds of a gender quota representation. This suggests that the ESG maturity in the Czech Republic is rather low, despite the very sustainable and accurate setting of the ESG commandment “You shall not waste” by ESRS E5, as well as other ESRS.

This points to the gap between the EU’s policies and law’s drive for sustainability, consumer protection and development of the internal single market and European businesses preferences regarding CSR and ESG in the light of ESRS. Sadly, at least in the Czech Republic, the commandment of ”You shall not waste”, as set by the EU, is not yet sustainable for the pro-sustainability-oriented EU.

Since the employment of a Czech case study of Czech large businesses ranked as ESG leaders implies the multi-sectorial regional validity, the provided propositions and suggestions are not conclusive. Instead, they should be perceived as building the foundation for future longitudinal and multi-jurisdictional studies, in particular those about various sets of businesses and industries, from comparable and geographically “not remote” EU member states, sharing economic, cultural and political similarities.

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