

# REVIEW OF PREPARATIONS FOR CSRD – AN EXAMINATION OF THE HIDDEN COMPLEXITY OF SUSTAINABILITY REPORTS AT HUNGARIAN PUBLIC INTEREST ENTITIES BASED ON INTERVIEWS

## A CSRD-RE VALÓ FELKÉSZÜLÉS ÁTTEKINTÉSE – A FENNTARTHATÓSÁGI JELENTÉSEK REJTETT ÖSSZETETTSÉGÉNEK VIZSGÁLATA A MAGYAR KÖZÉRDEKLŐDÉSRE SZÁMOT TARTÓ SZERVEZETEKNEÉL INTERJÚK ALAPJÁN

This study investigates the organisational preparedness and challenges Hungarian public interest entities (PIEs) face when implementing the Corporate Sustainability Reporting Directive (CSRD). This paper addresses a novel and relevant aspect of corporate sustainability, providing one of the first systematic, interview-based insights into an area of growing regulatory concern with limited empirical knowledge in the European Union's evolving sustainability landscape. Through semi-structured interviews conducted with sustainability leaders from eleven companies, this study reveals that regulatory alignment is enhancing reporting transparency, yet transitioning to externally assured non-financial data poses a substantial challenge. Interviewees repeatedly pointed to the assurance process as the forthcoming milestone and one of the most intricate aspects of sustainability reporting. This research suggests that fragmented data systems and rapidly changing reporting standards further impose difficulties for compliance with reporting, which demands greater accuracy, transparency, and methodological rigour. The empirical results offer valuable insights for both practitioners and policymakers.

**Keywords:** qualitative interview, sustainability reporting, Public Interest Entities, Hungary, CSRD

E tanulmány a magyar közérdeklődésre számot tartó gazdálkodók felkészültségét és a Vállalati Fenntarthatósági Jelentéstételi Irányelvhez (CSRD) való alkalmazkodás során felmerülő kihívásokat vizsgálja. A kutatás a vállalati fenntarthatóság egy újszerű és releváns aspektusával foglalkozik, és az egyik első mélyreható, interjúkon alapuló tanulmányt nyújtja egy olyan területről, amely egyre növekvő szabályozási aggodalomra ad okot, és amelyről korlátozott empirikus ismeretek állnak rendelkezésre az Európai Unió fejlődő fenntarthatósági környezetében. Tizenegy fenntarthatósági vezetővel folytatott félig strukturált interjú alapján feltártuk, hogy bár a szabályozói megfelelés növeli a fenntarthatósági jelentések átláthatóságát, a külső bizonyossággal alátámasztott fenntarthatósági adatokra történő áttérés jelentős új kihívást a vállalatok számára. A tanúsítási folyamatot egy következő mérföldkőként azonosították a vállalatok, mint a fenntarthatósági jelentéskészítés egyik legösszetettebb eleme. Eredményeink alapján a széttagolt adatrendszerek és a folyamatosan változó beszámolási követelmények tovább nehezítik a megfelelést, amely a pontosság, az átláthatóság és a módszertani szigor fokozott követelményeket támaszt.

**Kulcsszavak:** kvalitatív interjú, fenntarthatósági jelentéstétel, közérdeklődésre számot tartó szervezetek, Magyarország, CSRD

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Over the past two decades, sustainability reports have become one of the most important measures for linking corporate performance to broader social and environmental performance. Global challenges such as climate change, biodiversity loss, and social inequality have heightened expectations that companies should be accountable not only to their shareholders but also to a broader range of stakeholders (Jain & Tripathi, 2023). Against this background, the Corporate Sustainability Reporting Directive (CSRD) represents a paradigm shift in corporate reporting and accountability, mandating standardized, externally assured, and sustainability-related disclosures useful for economic decision-making across the European Union (EU). The shift toward comprehensive, standardized, and assured sustainability reporting is pivotal to the European Union's sustainability agenda. CSRD expands the scope and rigor of required disclosures, placing significant new demands on companies (European Commission, 2022). Understanding how organisations prepare and navigate these changes is essential for policymakers and practitioners aiming to promote sustainability and transparency in corporate practices.

Although the EU's objectives are ambitious in improving transparency, comparability, and reliability, there is still growing concern that the transposition and implementation of the CSRD is underestimated. Hungarian Public Interest Entities<sup>1</sup> (PIEs), due to their scale, regulatory exposure, and public visibility, offer a critical lens for identifying these implementation barriers.

Despite apparent regulatory urgency, little is known about the organisational preparedness and practical obstacles these entities face during CSRD alignment.

This research addresses this gap by leveraging semi-structured interviews with ESG and sustainability leaders across eleven Hungarian Public Interest Entities. It sheds light on organisational and operational challenges that remain invisible in formal disclosures, such as problems with data transfer between departments, human resource constraints, and strategic uncertainty. This study is timely to inform policymakers, companies, and other decision-makers about the on-the-ground realities of sustainability reporting. The primary goal of this research is to critically examine the perception and reality of the challenges Hungarian companies face in preparing for compliance with the Corporate Sustainability Reporting Directive (IAASA, n.d.).

In short, this study aims to go beyond surface-level assessments of technical readiness and uncover deeper, often less visible barriers to effective implementation of CSRD. The research question is therefore:

*What are the key organisational, strategic, and operational challenges Hungarian Public Interest Entities face in preparing for CSRD-compliant sustainability reporting?*

To answer this question, the article is structured as follows. Section 2 reviews the evolving literature on sustainability reporting and regulatory developments. Section 3 outlines the qualitative, interview-based research methodology and sampling procedures. Section 4 presents the empirical findings, structured thematically to examine the current state of sustainability reporting, key organisational and strategic challenges, the integration of ESG considerations into governance, and comparative insights between local and multinational entities. This project contributes empirical, qualitative insights to the broader academic and policy discourse on sustainability regulation, particularly in CSRD post-transition economies. Section 5 discusses the implications of these findings for policy and practice, while Section 6 concludes with recommendations and future research directions. This study seeks to inform both scholarly understanding and regulatory development by capturing grounded, practitioner-level perspectives.

## Literature review

The growing emphasis on corporate accountability, along with rising stakeholder expectations and a changing regulatory environment, has significantly increased the importance of sustainability reporting. As a consequence, organisations are under greater pressure than ever to transparently communicate their environmental, social, and governance impacts (Papafioratos & Fragidis, 2025). This paradigm shift shows that people are beginning to recognize that business and social well-being are connected, and it challenges the standard idea that companies should only focus on creating value by making money for their shareholders (Yu et al., 2020). The increase in the number of sustainability reports can be explained by several factors, including growing pressure from stakeholders, regulatory requirements, and growing awareness of business risks and opportunities related to environmental, social, and governance issues (Bednárová et al., 2019). Stakeholders are demanding greater transparency and accountability from companies regarding their environmental, social, and governance, non-financial as well as financial performance (Amran & Ooi, 2014). Inadequate management of environmental, social, and governance risks can damage a company's credibility and reputation. Transparency and public disclosure can also help companies build trust with stakeholders,

attract and retain employees, and improve their access to external capital (Oprean-Stan et al., 2020).

In response to the growing demand for greater transparency and accountability, the European Union has taken a leading role in advancing sustainability reporting practices. The CSRD introduced by the European Union marks a turning point in the development of sustainability reporting standards, as it gradually requires a wider range of companies to disclose detailed information on their sustainability impact, performance, risks, and opportunities (Taliento & Netti, 2020). This directive aims to enhance the comparability and reliability of sustainability information, enabling investors and other stakeholders to make more informed decisions (Katterbauer et al., 2022).

This new directive is expected to promote transparency and accountability among companies, encouraging them to integrate sustainability factors into their core business strategies (Masud et al., 2018). The shift to comprehensive sustainability reporting, though, is a big deal for a lot of companies, especially small and medium-sized entities, which need to comply with the complexity of new reporting standards and develop the skills needed to collect, analyse, and report sustainability data (Permatasari & Gunawan, 2023). Sustainability reporting provides stakeholders with helpful financial and non-financial information in a more open and reliable manner (Benameur et al., 2023).

Despite the increasing global momentum towards sustainability reporting, substantial research gaps remain in understanding the specific challenges and opportunities faced by companies in different national contexts, particularly in emerging economies such as Hungary. Hegedűs et al. (2023) concluded that Hungarian listed companies show inconsistent and often limited compliance with EU non-financial reporting requirements, which reveals major shortcomings in their preparedness for upcoming stricter sustainability regulations, like the CSRD. Surman and Böcskei (2025) identified divergences in the way Hungarian SMEs interpret sustainability, underlining the differences in strategic and policymakers' orientations. While the EU promotes sustainable investments and non-financial disclosures in terms of sustainability and climate change (Bruno & Lagasio, 2021), the practical implications of these policy measures at the national level need further investigation. Although EU directives set out a common framework for sustainability reporting, their implementation and impact can vary significantly across EU Member States, depending on legal and institutional structures, business culture, and levels of economic development (Torre et al., 2018). This is also supported by the fact that some EU countries have still not fully transposed the CSRD (Accountancy Europe, n.d.). Understanding the localized impacts of ESG mapping could allow cross-country research comparisons (Papafloratos & Fragidis, 2025). Not to mention the firm size in terms of sustainability reporting, as Surman and Böcskei (2023) pointed out that SMEs are under increasing pressure, putting them in a more difficult position, not only in terms of reporting but also in terms of market competition.

There is a temporary suspension of certain CSRD reporting requirements, called the 'Stop the clock' initiative, which presents a complex challenge to the European Union's comprehensive ambitions for sustainability and corporate transparency. While this postponement reduces the immediate pressure on companies struggling with enhanced sustainability reporting, it also calls for a critical examination of the implications for the long-term direction of EU environmental and social governance (Nagy et al., 2025). It could also, unintentionally, slow down the integration of sustainability considerations into core business and investment decisions, undermining the EU's commitment to shift financial resources towards environmentally and socially responsible businesses (Pouille et al., 2024). Delaying action may allow companies to downplay sustainability initiatives, especially if they appear costly or complex, potentially slowing society's transition to a more sustainable economic model (Hamann et al., 2022).

In the meantime, many companies examine sustainability management and publish sustainability reports; however, the primary goal of these efforts remains unclear, indicating a need for the development of a clear strategy (Baumgartner & Ebner-Karestinos, 2010). Leadership commitment is key to successful quality changes, including the introduction of ESG practices, which is a significant step forward for any business. (Kim & Li, 2021). Managers have many roles to play, including articulating a clear vision for the future, continuously improving systems, aligning the organisation, delegating authority, providing adequate training, caring for employees, and ensuring appropriate style and role modelling (Niu et al., 2022).

Companies are increasingly realizing that ESG is not just a fashionable term, but a fundamentally important business requirement that contributes to long-term shareholder value and competitive performance (Lee et al., 2022). Corporate social responsibility and ESG are closely linked, and both reflect responsible business practices by companies (Mariappanadar, 2025). Integrating ESG into corporate operations has numerous benefits, including better risk management, more efficient use of resources, increased employee engagement, and improved corporate reputation (Kim & Li, 2021). The evaluation of ESG indicators is key for investors to make informed investment decisions, especially when looking at non-financial performance factors like corporate governance structures (Ahmad et al., 2023). The integration of ESG criteria is not only a costing exercise but can also represent a competitive advantage for companies (Barbosa et al., 2023).

Current ESG ratings, scores, and reporting mechanisms are inconsistent, non-standardized, and lack transparency and assurance, leading to greenwashing risks, flawed decision-making, and an urgent need for harmonization and regulation (Jámbor & Zánócz, 2023). Mayer and Ducsay (2023) investigated the differences in the methodologies used by the most reputable ESG rating agencies and highlighted the issues associated with historical ESG data from many companies. There is an observable difference in environmental and ESG disclosures between

European and Asian corporations. Therefore, regulatory authorities and policymakers can benefit from the results of studies to formulate comprehensive guidelines and practices for environmental disclosure and sustainability reporting to attain sustainability objectives (Almaqari et al., 2023).

Furthermore, there is a gap in the literature concerning the role of financial information in influencing the quality of non-financial reporting based on sustainable development goals (Nechita et al., 2020). While some studies have explored the relationship between financial performance and sustainability disclosure, more research is needed to examine how economic factors influence the scope, accuracy, and credibility of sustainability information reported by companies. The effect of financial statements on sustainability has to be investigated to determine if the annual financial data and disclosures influence sustainability disclosures.

The lack of research on sustainability reporting practices and CSRD readiness in Hungary represents a significant gap in the literature. It is particularly important given the growing importance of sustainability reporting in attracting investment from abroad and enhancing corporate reputation (Cicchiello et al., 2021). Prior research concentrated on organisational impediments to environmental actions at Hungarian firms (Zilahy, 2003), but more research is needed to examine the scope to which these barriers impact CSRD readiness. This study aims to contribute to filling this gap by providing insights into the current state of sustainability reporting practices in Hungary and the challenges and opportunities faced by companies in preparing for the CSRD.

## Research Design and Methodology

In this article, we show the behind-the-scenes aspects of sustainability reporting to provide a comprehensive view of stakeholders' current experiences, challenges, and perspectives. Between July and September 2024<sup>2</sup>, eleven interviews were conducted to gather insights on non-financial reporting from recent years, focusing on companies previously covered by the Non-Financial Reporting Directive (NFRD). This includes large domestic companies of public interest that are now subject to sustainability reporting requirements under the CSRD starting in 2024. Each interview typically lasted one hour and included 2-3 experts from the respective companies. With the exception of the insurance sector, we successfully included banks and manufacturing/service companies in the review.

The research was conducted in two phases: first, companies were identified, and the sustainability reporting background was examined. This allowed us to understand how companies have addressed sustainability reporting in recent years. We used this background knowledge to prepare for interviews, having already gained an understanding of the strategic integration of sustainability within the company, the level of reporting, and the involvement of independent external auditors. This study aims to uncover background knowledge that would suggest sustainability

is already integrated to some extent into the strategic processes of companies. We also examined the external assurance dimensions used in companies' most recent ESG/sustainability reports or integrated reports. Due to the novelty of the topic and the recent introduction and continuous changes in legal requirements, our aim was to identify past experiences, present challenges, and future goals that are not yet captured in formal published documents of companies but are only present in the minds of those responsible for ESG (Bowen, 2009). Overall, the study aimed to collect context-specific, detailed, and sufficiently comprehensive data that may not necessarily be revealed in sustainability reports, to frame better current corporate strategies for sustainability transition and legislative preparation.

The methodological approach for this research centres on conducting semi-structured interviews with key individuals within Public Interest Entities. We chose semi-structured interviews to balance between exploring predefined topics and allowing for flexibility in exploring emerging topics, thereby ensuring a comprehensive understanding of the research topic (Sharma & Choubey, 2021). The companies interviewed are those pre-identified by Opten Ltd. to be under the scope of CSRD (and were those required to prepare non-financial reports by NFRD) and verified by us as falling within the statutory term of large Public Interest Entities in Hungary under the first phase of CSRD regulation. The focus on PIEs is based on the fact that they play a crucial role in the economy, and their awareness of regulatory monitoring and public accountability makes their operational and strategic decisions particularly relevant for academic research (Birt et al., 2017).

This qualitative research design is specifically tailored to gather in-depth insights into the perceptions, experiences, and strategies these entities employ in navigating the dynamic landscape of the Hungarian PIEs (Nawangარი & Sutawijaya, 2019). Triangulation is essential in qualitative research, particularly in interviews, as it enhances the validity and depth of research findings. While respondents often provide valuable insights into their experiences, their stories may be biased, incomplete, or influenced by memory or self-interest. Triangulation mitigates these limitations by supplementing data from semi-structured interviews with data from multiple methodological sources, such as document analysis, observations, and cross-checking by multiple researchers. Document analysis is particularly common, as it enables researchers to acquire extensive contextual knowledge about respondents and their circumstances, thereby improving the accuracy and reliability of data interpretations (Natow R. S., 2020).

These techniques were used throughout the analysis, starting with the formulation of the interview questions: in all cases, we conducted interviews after a preliminary document analysis, which explored the companies' experiences in sustainability reporting based on publicly available information. This allowed us to focus more specifically on the answers to the interview questions when

asking further interpretative questions. We cross-checked the interview transcripts to ensure that both of us had arrived at similar conclusions, and we had each transcript validated by the companies themselves to confirm that what we had understood during the transcription process was indeed what the companies intended. Afterwards, the interviews were analysed and classified, thereby confirming the objectivity of the research findings.

The interview questions were explicitly tailored to the unique situation of each organisation, ensuring that responses were relevant and detailed, and truly reflected the organisations' current role in sustainability reporting (Adeoye-Olatunde & Olenik, 2021). The interviews followed a clear chronological order, beginning with past experiences and historical background, proceeding to the present, and concluding with hopes, opportunities, and plans for future growth. This timeline was intentionally created to illustrate how the organisation's sustainability efforts have evolved and changed over time, and to provide an idea of how these initiatives have developed and are expected to grow in the future (Longhurst, 2009).

Table 1  
Structure of the interview questions

Group of questions	Purpose of questions
<i>General characteristics of the company (2 questions)</i>	Getting to know the companies, exploring their activities, identifying industry specifics
<i>Reporting practices in previous years (4 questions)</i>	Exploring the extent to which reports comply with domestic non-financial reporting practices, and whether there are any related risks or challenges.
<i>The current relevance of sustainability reporting in the company's operations (4 questions)</i>	Exploring the role sustainability has been given in corporate life and how it is reflected in corporate operations and strategy
<i>Complying with the requirements of the Corporate Sustainability Reporting Directive (4 questions)</i>	The challenges and opportunities companies have found in CSRD and assurance processes.
<i>Future perspectives and improvements (2 questions)</i>	Further plans to integrate sustainability into business activities and advice for companies that are just starting or have not yet prepared their own sustainability reports

Source: authors, based on interview data

In addition to the chronological dimension, we also grouped the interview questions thematically, moving from general, broad questions to more specific, company-focused topics (Table 1). The open-ended questions created a comfortable and open atmosphere for respondents, encouraging them to share their opinions honestly and experiences freely, while the semi-structured questions ensured that key areas of concern were thoroughly addressed (McIntosh & Morse, 2015). It also provided rich

and detailed insights into the specific sustainability challenges and opportunities faced by companies (Lozano et al., 2018). The use of this type of interview allowed us to systematically explore sustainability practices while providing flexibility to explore new topics and individual experiences in greater depth (Adeoye-Olatunde & Olenik, 2021).

The clear, time-based structure of finalized interview scripts was particularly useful when examining organisational functioning, institutional changes, and adaptation to rules, as it allowed respondents to share their experiences based on their insights (Tureta et al., 2021). This approach enabled a consistent understanding of the evolution over time of organisations' responses to sustainability challenges and opportunities (Adeoye-Olatunde & Olenik, 2021). The iterative nature of qualitative research allowed for the modification of interview questions as preliminary data analysis provided further insight, making it more efficient to elicit the necessary information (DiCicco-Bloom & Crabtree, 2006). Following these principles, this study has gathered comprehensive and rich data that provide a solid basis for understanding the challenges associated with corporate sustainability efforts.

The interview participants (*online Appendix 1*) were selected based on a targeted sampling strategy, aiming at individuals in leadership positions or those directly involved in sustainability decision-making processes at the selected public interest banks and corporations. This approach made sure that the people in the sample had the knowledge and experience to give valuable insights into the research and interview questions. It should also be noted that the planned interviews began with the involvement of all relevant Hungarian Public Interest Entities in the scope of CSRD, and the sample was then formed based on their feedback, depending on whether we received positive feedback for conducting the interviews. The interviews were conducted in the participants' native language, Hungarian, to ensure clear and sophisticated communication (Pratihari & Uzma, 2019).

After data collection, we aimed to transcribe the interviews as completely as possible. The transcripts were reviewed by both authors, and the combined versions were subjected to rigorous qualitative data analysis using NVivo, a software programme specializing in qualitative data management and analysis. Table 5 in online Appendix 1 shows the steps involved in data collection, processing, and analysis. This study employs a thematic coding method, in which the interview transcripts were systematically analysed to find patterns, topics, and concepts that kept coming up in relation to the research questions. The coding process was iterative, allowing for refining and expanding the coding system as new topics were identified in the data. The actual codes were generated from the existing literature and the research question (Loganathan et al., 2022). In addition, reflexivity throughout the research process was applied, critically examining assumptions, biases, and perspectives to minimize the impact on data analysis and interpretation.

## Results

In the next section, the analysis of results structured into three thematic areas is presented, which in many cases correspond to and supplement the literature review.

### Experiences from prior years

A set of frequently recurring challenges and lessons is presented in Table 2 as the ‘greatest common denominators’. The purpose of the non-financial reports is to present the company’s sustainability achievements, challenges, and changes and to meet the information needs of capital market participants, shareholders, investors, and analysts. Banking and industry interviews have consistently highlighted that aggregating sustainability data has become a complex, multi-level challenge. Entities need to gather data from countries with diverse regulatory environments, while covering an increasingly broad range of topics, including customer ESG profiles and Scope 3 emissions. Group-level compliance requires further coordination with foreign-owned companies, while the scope of supervisory reporting, particularly to the MNB and the EBA, has been constantly expanding. Collecting sustainability data is a significant challenge, particularly when information must be gathered from various parts of the company and external partners, which necessitates substantial coordination and effective internal communication across different countries. Interviewees emphasized that reliable and consistent data require long-term, coordinated work across multiple departments, with several data collection cycles per year.

In several interviews, company executives emphasized that the strategic importance of sustainability reports should not be underestimated; they have become key documents for credibility, capital market confidence, and regulatory compliance. Large companies publish reports with increasing amounts of data every year and are also investing more energy in internal communication so that employees understand both the workload involved in preparing the reports and their value in terms of reputation. All of this resonated with the idea that, according to company executives, a culture of sustainability can only be built through gradual, consistent mindset changes. Several respondents literally stated that *‘the mindset must be shaped continuously, step by step and consistently’* – internal training, thematic campaigns, and external partnerships can therefore become the drivers of change. CIB Bank Nyrt. said that *‘Integrating data collection and analysis into the corporate management system is a huge challenge, and this goes hand in hand with continuously developing our employees’ knowledge so that they can deal with sustainability issues in a professional way’*. This learning curve is not just about knowledge transfer, but also about transforming the logic of decision-making and risk management. According to the research subjects, the most critical limiting factor for sustainability transformation is human and financial capacity. Many companies indicated that a lack of expertise and dedicated working hours hinders the development of ESG data collection, especially

among smaller actors. Even large Public Interest Entities require several years of resource allocation to build control systems and auditable databases. The time-consuming nature of organisational preparation means that it is advisable to secure extra capacity during the planning phase. Continuous compliance with regulatory requirements is therefore not a one-off exercise, but a long-term, resource-intensive corporate programme. Richter Gedeon Nyrt. concluded that *‘Sustainability information is generally collected from a variety of sources, which can make it difficult to harmonize and synthesize the data. Therefore, it is advisable to allocate adequate human resources and systems from the outset’*. Entities without an international parent company have to build everything from the ground up, while working under constant time pressure alongside their core activities.

Some of the interviews highlighted the rapidly changing EU-level rules (CSRD, ESRS, EU Taxonomy, SFDR, CSDDD) and Hungarian ESG laws as a concern. Companies were not only tasked with ‘translating’ and interpreting legal texts, but also with incorporating more than 1,100 new data reporting indicators under the CSRD and developing a double materiality assessment methodology. As a result, sustainability reporting has become a separate, cross-functional project at many companies.

Table 2  
Summary of prior years’ experiences of companies preparing non-financial reports

<b>Developing data collection and integration process</b>	Collecting sustainability data is a significant challenge, especially when information needs to be gathered from different parts of the company and external partners, which requires significant coordination and effective internal communication.
<b>Understanding the importance of reporting</b>	Don’t underestimate the value of sustainability reports. They present a significant and often overlooked challenge that is worth bringing to the attention of your colleagues.
<b>Resources and time allocation</b>	Reporting is ‘extra work’ that needs to be treated as a separate project. It can take up to 1.5-2 years of preparation and can be done more efficiently with serious IT support.
<b>Interpretation of regulations and other requirements</b>	Interpreting and adapting to new regulatory requirements is a time-consuming task for almost all companies during the first reporting period and changing data collection practices requires continuous updating.
<b>Quality over quantity</b>	Rather than focusing on the quantity of sustainability measures, prioritizing quality can yield better results.

Source: authors, based on interview data

Experienced preparers also pointed out that excessive data volumes can reduce the comprehensibility of reports. The market and investors prefer well-structured, visually supported content rather than an accumulation of indicators;

therefore, companies are increasingly highlighting relevant indicators and presenting them in an easy-to-understand way using infographics. Also, the polarization of commitment level has an impact on data availability and quality, which means companies have experienced varying degrees of engagement to sustainability among corporate leaders and experts, particularly within the supply chain.

**Impact on corporate decision-making**

Integrating sustainability data into corporate governance goes hand in hand with continuous training for employees, so it is essential for companies to put emphasis on both internal and external training. In addition, most interviewees are aware that, as the first to be involved, they play an exemplary role in sustainability reporting. They mentioned that they do workshops and other educational content to help their internal and external stakeholders understand ESG. OTP Bank Nyrt. is one of the pioneers in this area, as they mentioned, *‘In addition to complying with legal requirements, OTP Bank produces sustainability materials that are easier to understand and more accessible to stakeholders’*.

Due to the approximately 1,100 indicators in the CSRD, the double materiality analysis, and the rapidly changing set of expectations, dedicated, cross-functional teams are needed instead of a single *‘all-purpose’* ESG expert. There is often a lack of knowledge on the advisory side, while companies have to deal with complex financial and operational details. Several respondents also emphasized the role of IT and resource development in supporting sustainability goals *‘at all levels’*. Due to the labour-intensive nature of manual data collection, several companies are already working on developing automated platforms for digital data automation. Magyar Telekom stated that most ESG data comes from outside the ESG team, and coordination success depends on aligning numerous data owners and audit-ready processes within the group, emphasizing the importance of expert roles in data management and reporting governance. MOL Nyrt. also formalise these tasks into a dedicated ESG coordination team that manages the entire reporting process: *‘We have a separate ESG coordination team that manages the entire reporting process and is able to think strategically in collaboration with individual managers’*. Raiffeisen Bank, meanwhile, treats preparation for CSRD as a separate project, carrying it out through cross-functional teams and, where necessary, forwarding it to ESG experts for in-depth review. This points to specialization of roles rather than expecting a single professional to know everything. In addition, several market participants aim for the EU Taxonomy to serve as a common language, K&H Bank Zrt. referred to as a *‘golden standard’* for investors and other stakeholders, reducing the risk of greenwashing through clear definitions. This includes standardizing ESG metrics and ensuring they are closely aligned with financial performance so that reports provide truly comparable, decision-supporting information.

Sustainability reporting extends beyond simple data collection, and it integrates sustainability metrics into

strategic planning, risk management, pricing, and overall corporate governance. Companies are increasingly recognizing that the expectations of customers, investors, and financiers often go beyond legal requirements. In banking, ESG scores are integrated into credit assessments, and low scores can *‘induce reputational or credit risk’*. In production companies, customer demands in the supply chain often require higher sustainability standards than mandated by law. With CSRD requirements, companies can expect external pressure to intensify, so transparency in sustainability reporting will not only be a compliance requirement but will also become critical to reputation and competitiveness. Several banks confirmed that open data reporting improves reputation and market position. Because these are profit-driven companies and major contributors to the economy, it is essential to contribute to increasing competitiveness or staying competitive. A recurring issue in interviews was that these growing external pressures are driving cultural change within organisations, from a traditional, *‘stability first’* top-down compliance approach focused on risk avoidance to a more participatory, bottom-up culture.

Based on the interviews, sustainability considerations have to be deeply embedded in strategic business decision-making, as these reports are not merely communication products but essential tools for risk management, product development, and governance systems. CIB Bank, for example, reported that following the NFRD and later the CSRD, the *‘sustainability report has become a real strategic tool that is integrated into all areas of the bank’s operations’*. Similarly, their publication’s analysis highlights that the synergistic exploitation of sustainability and social responsibility dimensions will be a prerequisite for competitiveness in the future (CIB Bank Zrt., n.d.). The summarised results can be found in *Table 3*.

Table 3

**Summary of impact on corporate decision-making**

<b>Employee education</b>	Developing employee expertise is a key element in improving corporate sustainability performance. This affects and requires almost all areas of a company.
<b>Developing specific roles</b>	There is no such thing as a <i>‘one-size-fits-all’</i> expert. It is unrealistic to expect someone to handle operational details while also having a wide range of knowledge: still, the sustainability experts must have a broad range of skills.
<b>Golden standards for transparent communication</b>	The aim is for the EU taxonomy to become a generally understandable and clear gold standard for all stakeholders.
<b>Thinking beyond regulatory compliance</b>	It is not enough for companies to comply with regulatory requirements; they must also consider the growing sustainability demands of their customer base.
<b>Enhanced strategic integration</b>	Corporate sustainability practices should not only be an integral part of strategy but also strengthen market competitiveness.

Source: authors, based on interview data

### Tips, best practices, and business opportunities

Five areas were identified for future development, as well as best practices for companies that are not yet preparing sustainability reports, and the summarised results can be found in *Table 4*. The logic is as follows: ‘leadership – communication – culture – process – technology’. Based on the interviews, sustainability reports can turn into a real competitive advantage if they are backed by years of persistent commitment from management. Waberer’s, for example, highlights nearly a decade of gradual development, in which reporting has become ‘*an integral part of everyday operations*’ and the auditor is involved from the very beginning of the process. Some banks similarly emphasize that management is creating a culture ‘*step by step and consistently*’, because without a long-term vision, regulatory compliance alone does not create reputation or market advantages.

A common goal for the future is that sustainability reports should honestly present the results achieved and areas for improvement. Waberer’s specifically mentions the confidence-building effect of ‘transparent communication’, while Richter considers it a strategic priority that all employees understand and spread the company’s ESG messages. According to the banks, credible, well-structured external communication also improves access to funding and investor acceptance.

Several interviews revealed that a breakthrough in sustainability can be achieved not only through top-down management, but also by involving committed employees. Some companies’ long-term plans include ‘empowering enthusiastic colleagues to take the lead’ because this enables rapid adaptation and innovation. Respondents identified internal awareness, achieved through training, company-wide environmental or social campaigns, and podcasts, as a potential competitive advantage. Companies preparing their first CSRD report should involve key areas and external partners as early as possible. Waberer’s and K&H also emphasize early consultation with auditors to develop evidence and documentation systems together. MBH Bank and Magyar Telekom, on the other hand, warn that coordinating diverse internal data sources, standardizing definitions, and timing will be particularly resource-intensive in the first round.

Interviewees also suggest that companies start sustainability reporting gradually, developing their approach step by step while keeping their practices and sustainability goals aligned. This allows for continuous improvement without overburdening resources at the start. It is essential to balance sustainability initiatives with core business activities, as overly ambitious goals can give the impression that core business activities are secondary. Raiffeisen Bank Zrt. thinks that ‘*The key to success lies in adaptation and commitment to meeting CSRD guidelines and sustainability goals*’.

The key to the future is an automated, auditable data platform: K&H is already working on digitizing data to reduce the number of manual errors. CIB Bank has long-term plans to integrate the IT support needed for ESEF tagging and double materiality reporting, while OTP’s

in-house platform simplifies group-level data collection. As we can see, the interviews highlight that IT developments are essential for future quality and business expansion. They summarised their progress in sustainability reporting with ‘*However, this process is only the tip of the iceberg, as the real challenge lies in how to benchmark the data and integrate it into business operations to create real value for the bank*’. – K&H Bank Zrt.

Table 4

#### Summary of future targets and best practices for other companies

<b>Step-by-step long-term management commitment</b>	The benefit of the sustainability report lies not in the report itself, but in the years of dedicated work that have gone into it, which translates into market strength.
<b>Clear corporate communication</b>	Sustainability performance must be presented and areas for improvement acknowledged through honest and transparent communication.
<b>Bottom-up initiatives for a sustainable corporate culture</b>	Success can also come through bottom-up initiatives and motivation, enabling quick adaptation to economic changes and creating a real competitive advantage from sustainability reporting.
<b>Internal coordination processes</b>	Starting the reporting process early and coordinating work with other departments leads to better results.
<b>Technology – IT support establishment</b>	Integrating long-term IT support to improve the quality and scope of sustainability reports, in line with processes and regulatory requirements.

Source: authors, based on interview data

### Discussion

Based on interviews with eleven large Hungarian Public Interest Entities participating in the research, the most important experiences and challenges related to the introduction of CSRD can be clearly outlined. Focusing on PIEs is necessary because, compared to other companies, PIEs are subject to higher expectations and more rigorous legal obligations in terms of corporate transparency. In addition, these companies are the first to be involved in sustainability reporting and will remain so in the coming period. Examining PIEs’ responses to CSRD provides early indicators of systemic challenges and practical solutions that may be relevant for other types of organisations as reporting obligations expand. Furthermore, the complexity and diversity of the challenges faced by PIEs makes the models developed for PIEs highly informative for both regulators and other firms seeking to navigate an evolving sustainability landscape.

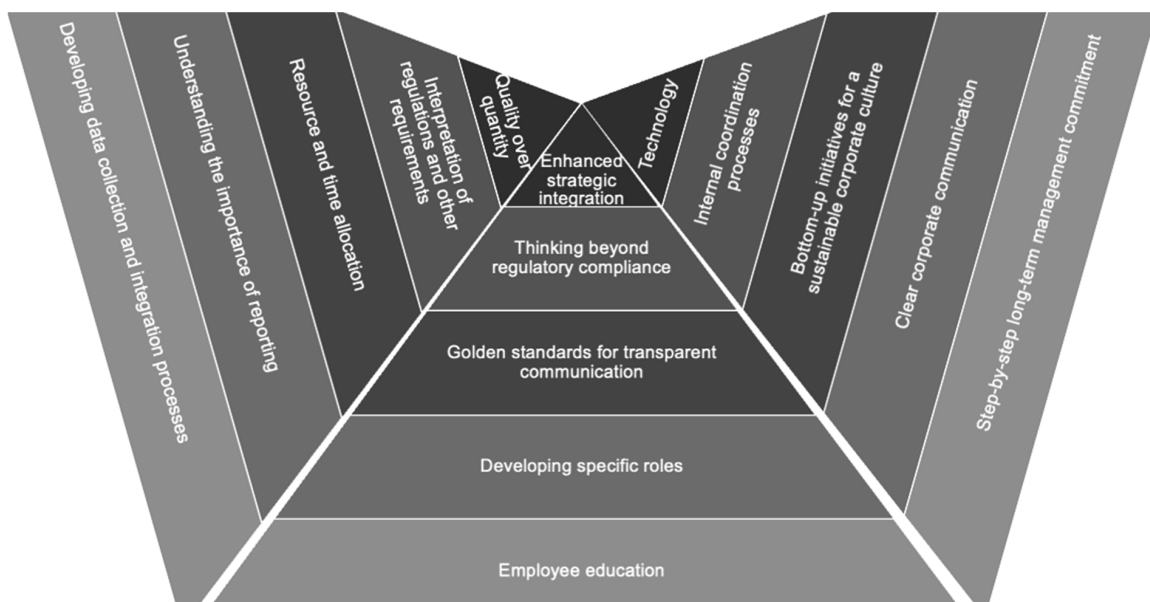
*Figure 1* presents the hierarchical clustering of the main thematic areas identified during the analysis of Hungarian PIEs for CSRD compliance. The left-hand side of the figure illustrates the challenges arising from past reporting practices, the centre of the figure shows

the current challenges and reporting difficulties faced by companies, while on the right-hand side, future-oriented issues are highlighted. This structure visually summarises the CSRD transition, as Hungarian PIEs not only have to overcome long-standing structural barriers but also adapt to the unique new requirements of the directive. This evolution reflects the argument of Katterbauer et al. (2022) that regulatory changes in transition economies bring existing operational constraints to the front. This complements the findings of Hegedűs et al. (2023), who argue that while inconsistent compliance is widespread in Hungary, the CSRD accelerates and enhances both previous and newly emerging challenges. Companies that had already prepared reports, whether with GRI standards or other frameworks, had a significant advantage. This is consistent with the Western European findings of Baumgartner and Ebner-Karestinos (2010). However, it differs from the literature that considers regulation to be a linear driver of change; therefore, a comprehensive and long-term strategic approach is still lacking in many cases.

The CSRD outlines new reporting requirements, accompanied by strict and tight deadlines for disclosure, which will be validated by an independent auditor. Companies recognized that independent assurance of sustainability reports is becoming a mandatory regulatory requirement under the CSRD, rather than an optional practice, which significantly increases the complexity of reporting processes. This aligns with OTP's approach: *'In our reporting processes, we place great emphasis on the role of independent external assurance, which adds further trust and credibility to our published reports'*. The development of transparent and standardized data reporting is also of paramount importance. Data collection, particularly for Scope 3 emissions and supply chain data, presents a significant organisational and technological challenge. According to companies, IT system development and early coordination are needed to address these challenges. Based on the interviews, it also became clear that the success of preparations for CSRD depends largely on honest, quality-focused communication. Instead of dis-

Figure 1

Thematic clusters of Hungarian PIEs' CSRD compliance challenges in the past, present, and future



Source: authors, based on interview data

In line with our findings, PIEs are moving away from a 'stability first' compliance model towards a stakeholder-driven, bottom-up adaptation model. Compliance with EU and international regulations is a foundational step, but interviewees strongly recommended that companies should not wait until requirements become mandatory for them; if they can, they should start voluntary, proactive compliance processes to better manage the complexity of the transition and strategies. These qualitative data support the idea put forward by Lee et al. (2022) that leadership and culture are key factors in ESG maturity. Amran & Ooi also stated that stakeholder expectations often push companies much further than legal requirements would do, demanding deeper integration and innovative approaches to sustainability.

torting data or greenwashing, transparency and openly presenting areas for improvement can build trust in the long term and provide a competitive advantage.

Figure 2 summarises the most important findings from the interviews for developing corporate sustainability. The increased demand for continuous education of ESG professionals and closer cooperation between universities and companies will be essential to maintaining high professional standards in sustainability. The crucial role of continuous professional training, improving internal knowledge sharing, and transparent communication is closely aligned with the points highlighted by Niu et al. (2022) and Kim & Li (2021), who emphasize capacity building and organisational learning as critical factors for

ESG development. It is worth noting that the figure treats strategic data integration, transparent and reliable data systems, and regulatory compliance as equal to cultural and educational priorities – a subtle point that has rarely been highlighted in previous Western European or global studies, but which the respondents placed great emphasis on due to Hungary’s recent rapid regulatory changes. This visualization, therefore, not only shows the interconnection of human and technical factors but also the explicitly holistic approach that is necessary for the successful implementation of CSRD after the transition period.

Figure 2 Key findings from Hungarian PIEs on corporate sustainability development



Source: authors, based on interview data

The relief of immediate reporting obligations through the ‘Stop the clock’ proposal may inadvertently signal a weaker commitment to corporate sustainability in the EU, which could lead to scepticism among stakeholders about the ambition and credibility of the EU’s sustainability programme (European Council, n.d.). This supposed uncertainty may undermine the effectiveness of sustainability reports as a mechanism for promoting changes in corporate behaviour and strengthening environmental responsibility. The Directive’s impact extends far beyond mere compliance requirements, shaping companies’ overall approach to sustainability (Torre et al., 2018). The question of whether the ‘Stop the clock’ directive weakens previous EU regulatory objectives requires further detailed analysis.

Reporting challenges are not stand-alone findings but are widely confirmed by the research of Bednárová et al. (2019) and Oprean-Stan et al. (2020), who also document the complexity of ESG data integration in Central and Eastern European countries. According to interviewed companies, the real benefit of sustainability reporting lies not in the document itself, but in the years of internal work, structured process organisation, and education that underpin it. This research provides a significant empirical insight by being the first known study to systematically

explore the challenges Hungarian Public Interest Entities face in implementing the CSRD through qualitative interviews. By gathering in-depth, firsthand perspectives from ESG professionals and corporate leaders, the study captures subtle barriers that are often absent from formal documentation or public reporting. The study also holds strong practical relevance by supporting corporate ESG professionals and auditors in identifying internal challenges to high-quality reporting. These results can help companies improve their reporting practices and prepare more effectively for regulatory monitoring, ultimately enhancing transparency and accountability.

The limitations of the research primarily concern the relatively small sample size, although it was carefully selected in terms of depth and quality, as well as the context-dependent nature of the findings. Future research could be extended to comparative studies in other EU Member States or specific industry analyses, longitudinal studies to monitor ongoing adjustments and adaptations, and quantitative analyses to validate the qualitative findings presented. Overall, although regulation suspension temporarily eases the immediate reporting pressure, companies should not let up on their sustainability efforts. As MOL Nyrt. concisely stated: *‘Being sustainable is now a moral responsibility’*. Companies must therefore stay focused on promoting sustainable strategies and transparent reporting, ensuring that short-term regulatory adjustments don’t hinder long-term sustainable development and the integration of environmental and social considerations into their core business.

## Conclusion

This study is one of the first to present a qualitative, interview-based insight into the specific challenges and responses of Hungarian organisations during the initial implementation of the CSRD. This systematic study of Hungarian Public Interest Entities’ CSRD preparation offers insights distinct from SMEs or Western EU cases but contains knowledge that can be applied generally. Drawing from the insights shared by the interviewed companies, it is evident that sustainability reporting has evolved significantly, driven particularly by regulatory pressures. By capturing the experiences of practitioners in a post-transition EU economy, this research fills a critical gap in the European sustainability reporting literature. Even though the companies highlighted that the sustainability report reflects long-term commitment, the value of the sustainability report lies not in the report itself, but in the years of dedicated work that went into it, making it a source of market strength and a model of best practice. One of the main influencing factors is corporate structure, which is given for companies, since a company with a foreign parent company faces different problems than one that wants to build its own sustainability reporting system independently at the domestic level.

In contrast to previous studies focusing on technical compliance, our results reveal the hidden complexity, organisational learning processes, and the importance of

certainty in CSRD compliance. The value of this study lies in the practical guidance it provides, supporting both policymakers and business practitioners with evidence-based recommendations drawn from real-world business experience. The most important point that emerged from the interviews is that, although many organisations have made significant progress in their sustainability strategies and data reporting processes, auditing sustainability data is the next major milestone for them – and perhaps the most challenging element – in terms of compliance. However, the path to reliable assurance presents several challenges. These include ensuring accurate, complete, and consistent data collection, maintaining reliable methodologies, and establishing transparent processes that meet strict auditing standards. The interviewees noted that assured ESG data enables higher accountability and transparency, as it necessitates deeper internal coordination, thorough documentation, and increased cooperation among various parts of the organisation. It can also be argued that integrating sustainability considerations into business and strategic activities has been directly or indirectly influenced by the NFRD and other domestic requirements. With the introduction of the CSRD, this trend is further strengthening among companies.

Consistent handling and interpretation of definitions is a common problem among companies, which is a particularly complex task. In addition, tracking changes in data from year to year and developing a data collection structure can also be challenging, especially for larger companies and corporate groups that often engage in diverse activities. Data collection is further complicated by the dual logic of banks, which means that they not only have to produce their own sustainability data but also consider the sustainability data of their customers in order to optimize their internal operating processes. Therefore, it is vital that companies develop transparent and consistent reporting systems that allow them to operate more effectively and accountably. However, the reliability and usefulness of these reports are currently limited, despite companies' commitment to providing accurate information.

Reporting and assurance require patience, time, and the involvement of experts from various fields, as well as the support of accounting colleagues. Most interviewed banks and companies have placed great emphasis on the timely preparation of the necessary reporting processes and data collection tasks, as well as on the double materiality assessment introduced as part of the new directive, which changes reporting practices. Although it is essential for all companies to strengthen their credibility in the external assurance process, they are aware that this requires a significant investment of resources on their part, as they have to deal with large amounts of new data and assurance under new systems, and even with completely new methods. Companies consider the first few years as a learning process, as the new regulations also pose challenges for auditors and require preparation.

It is good advice for companies to start preparing for CSRD early and educate their employees – even on a

voluntary basis – so that they can set up their data collection systems in a thoughtful manner and have enough time to collect data and select the right people to carry out the relevant tasks. The current regulatory changes also allow time and space for this, with the 'Stop the clock' mechanism. The extensive experience and best practices presented by the featured Hungarian companies can support other domestic organisations as they navigate this transition, fulfilling one of the central aims of this publication.

Beyond these practical implications, this research enhances theoretical understanding of how institutions in emerging EU member states may respond to the complexity of regulatory requirements. By highlighting the importance of organisational culture, institutional maturity, and policy framing, this study also offers valuable insights for policymakers at both the European and national levels. These findings provide constructive feedback to refine sustainability reporting frameworks further, ensuring that future regulations balance ambition with practical feasibility in various economic contexts.

Ongoing regulatory changes – particularly those introduced by the Omnibus proposal – underscore the continued relevance of these empirical results, and their usefulness in helping business leaders and policymakers prepare for a dynamic regulatory environment. Future research can be built upon these findings through longitudinal studies that track the development of compliance and assurance practices over time. Comparative research with other Central and Eastern European countries can deepen the understanding of region-specific challenges. Additionally, investigating the long-term effects of regulatory adjustments, such as the 'Stop the Clock' initiative, on organisational commitment to sustainability will provide further practical and theoretical insights. Finally, broader quantitative studies may also be needed to validate the patterns observed and to assess the effectiveness of emerging best practices within sustainability leadership.

## Notes

1 According to Hungarian Law (Act LXXXV of 2015), Public Interest Entities include: (1) companies issuing securities admitted to trading on a regulated market (i.e. listed companies), (2) credit institutions (with exceptions for the Hungarian National Bank (MNB), Hungarian Development Bank (MFB) and Hungarian Export-Import Bank (Exim Bank), which, while not credit institutions, may have PIE status due to listed bonds), (3) insurance companies (excluding small insurers and mutual insurance associations), and (4) investment firms.

2 The information contained in this study for each company can be found in the ESG Kőrökép 2024 report, which was published based on our interviews in 2024 following approval by the companies (Ásványi et al., 2024).

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## Appendix 1

Table 5

## The process of data analysis

Data collection	
Preparation	Understanding the sustainability regulatory environment.
	Identify a research gap on the need for in-depth insights into the development of sustainability reporting systems in companies.
	Definition of the research objective and methodology.
Conducting interviews	Mapping the scope of companies potentially involved in sustainability reporting.
	Contacting companies directly and indirectly to conduct interviews.
	Schedule online/offline appointments, with interview questions sent in advance.
	Conducting semi-structured in-depth interviews in about one hour
	Preparing and summarising transcripts.
	Sending transcripts back to the company for validation, making any necessary additions.
Data processing	
Before interviews	Literature review, preparation of preliminary notes. Explore corporate sustainability reporting practices using corporate websites and publications.
During interviews	Manual note taking (in a Word document) by the two interviewers.
After interviews	Clarification and collation of the manual notes and summary in a single document.
Data analysis	
Exploring results from interview data	Analysis of aggregated interviews based on merged and reviewed Word documents, with content analysis using NVivo software. Finding similarities and differences according to a preliminary structure of past experiences, present challenges, future plans, and good practices. Following the qualitative analysis, the results were corroborated with external sources, and the inconsistencies found in the analysis were identified and evaluated.

Source: authors, based on interview data

Table 6

## Sample characteristics

Eleven large Public Interest Entities in Hungary, of which	
Bank	7
Production/service company	4
Form of operation	
Zrt.	5
Nyrt.	6
Positions of interviewees	
ESG/Sustainability Expert	at 7 companies
ESG/Sustainability Director	at 2 companies
Capital Market Relations HUB Lead	at 1 company
Head of Strategy and Corporate Governance	at 1 company

Source: authors, based on interview data

Table 6 summarises the information related to the interview subjects, which clearly shows that in nine of the eleven companies, separate managers and departments were established to handle sustainability issues for strategic reasons. In two cases, companies have integrated sustainability into their existing corporate structure.

Table 7

## Summary of the experiences of the companies interviewed regarding sustainability reporting

Interview participants	Entities' experience in sustainability reporting
<b>CIB Bank Zrt.</b>	CIB Bank has been regularly preparing sustainability reports based on international standards in Hungary for more than 20 years and was one of the first banks to publish its sustainability information. Initially, they reported on their sustainability activities in the form of CSR reports, then in the NFRD, and from this year onwards, they plan to publish their reports in the framework of the CSRD. The preparation of sustainability reports is closely aligned with the Bank's business strategy, in particular the measurement and monitoring of the achievement of ESG objectives.
<b>ERSTE Bank Hungary Zrt.</b>	ERSTE Bank Hungary, one of the main operators in the Hungarian banking sector, has been preparing sustainability reports at group-level since 2013. As a member of the ERSTE Group, the Austrian-based company is one of the largest banking groups in Central and Eastern Europe to produce its annual non-financial reports. The domestic bank published its sustainability report in 2021, which did not yet mirror the structure of the parent company report but was a good experience for the company. The bank's disclosure and reporting practices not only comply with local laws and regulations but are also closely aligned with Erste Group's international reporting processes.
<b>K&amp;H Bank Zrt.</b>	K&H Bank has been committed to sustainability reporting since 2006 and has continuously expanded its efforts in this regard over the years. As a member of the KBC Group, it is indirectly considered a listed company through the Belgian Universal Bank. This ultimate parent company is included in the Non-Financial Reporting under the NFRD. In addition, K&H Bank prepares a domestic GRI Sustainability Report covering a wide range of topics in an understandable way. Even though there is currently no external assurance of the domestic report, through KBC, they have already encountered the tasks and challenges related to the assurance of sustainability performance.
<b>Magyar Telekom Nyrt.</b>	Magyar Telekom Nyrt., Hungary's leading telecommunications provider, pays special attention to sustainability, regularly reporting on this since 2002 with Group-wide reports. The sustainability performance report is prepared in accordance with strict international standards to ensure comparability and analysability. In order to ensure credibility and transparency, Magyar Telekom has its report assured annually by an independent external auditor, which also contributes to strengthening the transparency of the company.
<b>MBH Bank Nyrt.</b>	Magyar Bankholding Zrt. (MBH) was established in 2020 through the merger of 3 banking groups (MKB Bank, Budapest Bank, Takarékbank). MKB Bank and Budapest Bank prepared their first sustainability report in 2022, and from 2024, they are preparing a single sustainability report based on GRI standards. Being 100% Hungarian-owned banks, they have no foreign parent company, and their sustainability reports have not been externally assured by an independent third party yet.
<b>MOL Nyrt.</b>	Since 2008, the MOL Group has published an annual integrated report that includes both financial and non-financial performance, which since 2016 has been subject to independent third-party assurance to ensure reliability and credibility. The report also covers MOL's domestic and foreign interests and subsidiaries, refining and petrochemical activities, logistics and R&D, as well as retail, consumer services and waste management.
<b>OTP Bank Nyrt.</b>	OTP Bank Nyrt. has been involved in social and corporate responsibility reporting since 2006 and has been at the forefront of sustainability reporting in the financial sector since 2015, with a strong commitment to ESG practices. These annual publications - produced as an integrated report since 2022 - will enable shareholders and other stakeholders to better understand and gain insight into the bank's performance and operational strategy. By continuously improving and integrating all aspects of its sustainability operations, OTP Bank aims to set an example in the industry, providing a sustainable future for stakeholders and the business.
<b>Raiffeisen Bank Zrt.</b>	Raiffeisen Bank has not yet prepared a separate domestic sustainability report in Hungary but has contributed data on its sustainability and ESG activities to the group-wide report of its parent company, Raiffeisen Bank International (RBI), which has been prepared every year since 2010 by RBI. Both RBI and Raiffeisen Bank Zrt. disclose their reports for the first time in the first quarter of 2024, according to the CSRD guidelines, which brings a significant change in the field of sustainability reporting. In Hungary, the sustainability reporting practices in the banking sector are not yet uniform, which will become more transparent and accountable to users, including rating agencies and investors, with the introduction of the CSRD Directive.

Interview participants	Entities' experience in sustainability reporting
<b>Richter Gedeon Nyrt.</b>	Richter Gedeon Plc. is one of Hungary's leading pharmaceutical companies. The company attaches great importance to sustainability and social responsibility, which is also inherent in the company's core business. The company has published sustainability reports since 2008, providing a comprehensive picture of the environmental, social, and corporate governance performance of Richter and its subsidiaries.
<b>UniCredit Bank Zrt.</b>	UniCredit's first sustainability report was published in 2003, and the Group has been producing integrated reports since 2014. It is important to note that the Hungarian subsidiary does not produce its own sustainability report but reports on its sustainability activities as part of the group-wide integrated report. UniCredit Bank Hungary Zrt. has been reporting on its domestic sustainability performance in its own publication since 2021.
<b>WABERER'S INTERNATIONAL Nyrt.</b>	In recent years, Waberer's has made significant progress in sustainability practices and reporting, committing to environmentally responsible operations and continuously expanding its green services to meet customer needs. Initially starting with a Green Division, they have strengthened their commitment to the environment by establishing an ESG Directorate. The company is now pursuing an integrated sustainability strategy and, since 2021, has published its sustainability goals, which include environmental, social, and governance (ESG) aspects, in line with tightening regulatory requirements and market expectations.

Source: authors, based on interview data