

IMPLEMENTING SUSTAINABLE STRATEGIES: A CASE STUDY ANALYSIS OF THE SLOVENIAN BUSINESS ENVIRONMENT

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Abstract: *A sustainable business strategy integrates economic, environmental, and social considerations into core operations, aiming for long-term value creation for both the organization and its stakeholders, while ensuring resource conservation. This paper examines the implementation of sustainable business strategies and compliance with European Sustainability Reporting Standards (ESRS) within the Slovenian business environment. It analyzes their content and strategic importance, particularly concerning evolving EU regulations. Employing a methodology that combines a review of relevant literature, analysis of the ESRS, and case study analysis of the Slovenian business environment the research investigates the current state of sustainability practices in Slovenia. The study examines a public initiative to boost Slovenian enterprises' international competitiveness via sustainable business transformation. Case studies showcase best practices in sustainable strategy implementation, emphasizing their critical role in maintaining competitiveness. Supported by national programs like SPIRIT Slovenia and the GZS Sustainability Chains, Slovenian companies are increasingly adopting these practices, reflecting global trends and leveraging local opportunities.*

Keywords: *sustainable business strategy, ESRS, sustainability practices, Slovenian companies.*

1 INTRODUCTION

Sustainability means meeting present needs without jeopardizing those of future generations. It's about balancing economic growth, environmental responsibility, and social well-being. Beyond ethical considerations, sustainability drives value by fostering efficiency, attracting new customers, and creating competitive advantage (etoso, 2025).

The European Union (EU) is prioritizing the shift to a circular economy and sustainability, as demonstrated by the European Green Deal and the 2020 New Circular Economy Action Plan. This focus on circularity is now integrated into EU policies and funding mechanisms for 2021-2027, including cohesion policies, pre-accession policies, and the Connecting Europe Facility. The core principle of a circular economy is to replace the traditional linear model of production, consumption, and disposal with a system that maximizes product lifespan and minimizes waste of materials and energy. The shift to circular economy means a shift towards sustainability (Jaspers, 2022, pp. 5-6).

Consequently, the principles of the circular economy and sustainable development, originating from the EU's decision-making level and subsequently influencing national,

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regional, and municipal policies, are now inexorably permeating business systems, compelling them to operate within and adhere to these evolving frameworks.

A sustainable business strategy integrates economic, environmental, and social considerations into core operations, aiming for long-term value creation for both the organization and its stakeholders, while ensuring resource conservation (PeopleThriver, 2025).

Sustainable strategy development relies on both enabling contextual factors and motivating drivers. These create opportunities for success and incentivize businesses to adopt new sustainable approaches (Long, 2019). The global capitalist system and its markets generate sustainability issues like inequality, exploitation, and environmental problems. However, they also offer opportunities for sustainable strategies: for example, industrialization causes environmental damage and inefficient production leads to waste. The undervaluation and finite nature of natural resources also present opportunities for sustainable strategies through more accurate pricing, new products, and sustainable resource management. Local community control can promote sustainable use and local benefits. Finally, the lack of perfect information in markets leads to uninformed consumer choices, creating opportunities for sustainable strategies that address this knowledge gap (Long, 2019).

By establishing a prioritized framework, a sustainability strategy guides investment and performance, while simultaneously engaging internal and external stakeholders in corporate responsibility efforts (Hardyment, 2015, pp. 2).

1. 1 Different Approaches to Defining Sustainable Business Strategies

Sustainable business strategies aim for positive environmental and/or social impact alongside shareholder benefits, with leaders increasingly recognizing their role in addressing global challenges and driving firm success. The triple bottom line framework measures success beyond profit, considering a company's impact on people and the planet (Harvard Business School Online, 2020). This "three P's" (see Table 1) approach encourages businesses to integrate sustainable practices to benefit society and environment while remaining profitable.

Table 1. *Three P's of the Triple Bottom Line*

Profit	The financial return an organization generates for shareholders.
People	An organization's commitment to positively impacting society.
Planet	An organization's effect on the environment.

Source: Harvard Business School Online, 2020.

The triple bottom line framework does not position societal and environmental impact as trade-offs against financial profitability. Rather, numerous organizations have demonstrated that a commitment to sustainable business practices can yield tangible financial benefits. Sustainable business strategies not only allow companies to tap into the growing market for sustainable goods but also enhance investor appeal. While the triple bottom line is used internally, Environmental, Social, and Governance (ESG) metrics provide external validation and public accountability for a company's commitment to sustainable practices alongside financial profitability

Many companies dilute their sustainability efforts by tackling too many issues simultaneously, resulting in a lack of focus and minimal impact. That is why (Jay et. al, 2025) introduced the framework of four lenses. The framework empowers leaders to refine their sustainability strategies through four critical lenses: business value, stakeholder influence, scientific data, and organizational purpose (as presented in Table 2).

Table 2. *The Four Lenses Framework*

Lens	Key Questions	Tools
Purpose (<i>What do we stand for?</i>)	<ul style="list-style-type: none"> • What is our purpose, or put another way, why do we exist? • What are the values that drive the way we do business? • - What is our vision: What is the future we want for our company, industry, and world? 	<ul style="list-style-type: none"> • Facilitated dialogues across the organization • Customer value proposition • Mining organizational history
Stakeholder Influence (<i>What are people trying to tell us?</i>)	<ul style="list-style-type: none"> • What do internal stakeholders—employees and close venture partners, for instance—care about? • What do immediate external stakeholders—current and prospective customers, creditors, investors, suppliers, and regulators—care about? • What do other stakeholders—media, NGOs, future talent, thought leaders, industry associations, and even policymakers—care about? • How do we gather their input, and how could we do it more proactively? 	<ul style="list-style-type: none"> • Customer and employee roundtables • Surveys that include ranking or point allocation • AI sentiment analysis
Science and Technology (<i>What does the data tell us about our impact and future?</i>)	<ul style="list-style-type: none"> • Are there planetary boundaries (and ecological thresholds) that our firm is contributing to crossing? • Are there net-positive impacts that our firm is creating? • Are there social needs that are significant in the societies that are critical to our firm? • How will planetary changes affect our business? • What emerging technologies could create opportunities or threats to our impacts and profitability? 	<ul style="list-style-type: none"> • Life-cycle analysis • Living-wage analyses • Climate physical-risk analysis • Technology and reserve modeling
Business Value (<i>What affects our bottom line?</i>)	<ul style="list-style-type: none"> • How do regulations, fees, waste disposal, turnover, and reputation affect our costs? • When and where are customers willing to pay a premium for better business? • What risks do we face for inaction or increased cost? 	<ul style="list-style-type: none"> • Cost/benefit analysis • Risk analysis • Investor research

Source: Jay et. al, 2025.

By analysing issues through these interconnected perspectives (through these Lenses Framework), leaders can identify strategic priorities that align with both internal goals and external pressures, ultimately driving impactful sustainability outcomes (Jay et. al, 2025).

Corporate Citizenship together with Richard Hardymont (Hardymont, 2015, pp. 4-13) prepared a guide that simplifies sustainability strategy development by providing clear steps for creation or revision. It highlights opportunities and risks, and addresses key aspects like buy-in, target setting, and implementation. These steps are presented and explained in Scheme 1.

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Scheme 1. Corporate Citizenship's Steps in Developing a Sustainability Strategy

Step 1: Vision, Mission, Values	Definition	Relevance to sustainability strategy
Vision	The desired end-goal; a picture of the future world that the organization wants to create.	Inspirational and business-relevant language to tie the strategy back to what the company is trying to achieve.
Mission	How the organization plans to deliver its vision – what it does, who it does it for, and sometimes how.	The mission of the company is a critical starting point for strategy as it explains what the business is setting out to do. Whilst financial viability is still fundamental to success, many more companies are articulating a purpose beyond profit.
Values	The guiding principles by which the organization lives and judges its behaviors.	Values should be reflected in the sustainability strategy. The strategy should provide some tangible means by which to bring the values to life.



Step 2 Identifying the issues that matter	<p>Materiality means identifying and understanding what issues are significant to the business, and its stakeholders, and prioritizing them for action. No business can address all the issues that all stakeholders are interested in. A rigorous process of identifying issues for inclusion in the strategy is therefore an essential starting point. A standard materiality matrix is illustrated to show how the issues are typically mapped.</p>	
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Step 3 Prioritizing effectively	<p>Simply identifying the most important issues is not enough for a strategy. A good strategy involves deciding which issues to really focus on, and uniting the elements into a framework for setting targets.</p>
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Step 4 Targets and KPIs	Target / Goal: What you are trying to achieve <i>Key characteristics of good targets:</i> <ul style="list-style-type: none"> • Meaningful – targets should set out measurable improvements in performance (the change in a KPI) over a specified time period (e.g. we will reduce carbon emissions by x% over the next z years). • Material – targets should be clearly linked to the key strategic goals and impact areas of the business. • Complete – targets should cover the most important social, environmental and economic impacts of the business. • Consistent – targets should remain relatively consistent over time, so internal and external stakeholders can assess how performance is changing year-on-year. • Ambitious – companies should set targets that move beyond business as usual. 	Key Performance Indicator (KPI): Quantifiable measure used to monitor and evaluate performance towards a target/goal <i>Key characteristics of good KPIs:</i> <ul style="list-style-type: none"> • Accessible – performance measures should be easily understood and interpreted by all stakeholders. • Relevant – measures should make sense for business managers. They should tie into existing data collection systems and reflect other business performance measures. • Responsive – KPIs should reflect the major concerns of key stakeholders that are considered to be relevant by the business. • Comparable – KPIs should reflect measures that are recognized and significant to the industry in which a company operates.
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Step 5 Implementation	A sustainability strategy is only as successful as its delivery. It is too easy to overlook the implementation stage when designing a strategy. But putting plans in place to deliver on the programs and targets before the strategy is launched can help to maximize performance in the years ahead.
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Source: Hardyment, 2015.

Developing a sustainability strategy allows businesses to assess progress, reassess risks and opportunities, and create a unique framework for focused, authentic action that differentiates them. This framework also streamlines reporting and communication and fostering meaningful stakeholder dialogue. Effective sustainability strategies can drive innovation for growth, establish market leadership and competitive advantage, enhance risk resilience, strengthen reputation and brand, yield cost savings, and motivate employees (Hardyment, 2015, pp. 13).

1. 2 European Sustainability Reporting Standards

Under EU law, larger companies must publicly disclose how social and environmental issues affect their business (risks and opportunities), and how their operations impact people and the environment. This transparency, part of the European Green Deal, helps investors, NGOs, consumers, and other stakeholders assess a company's sustainability performance (European Commission, Finance, 2025).

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Starting in January 2024, the European Sustainability Reporting Standards (ESRS), mandated by the Corporate Sustainability Reporting Directive (CSRD), are transforming sustainability reporting in Europe. The first companies have applied these new rules to their 2024 financial year, with reports published in 2025. These 12 standards aim to standardize and improve the transparency of environmental, social, and governance (ESG) reporting, bringing it to the level of financial reporting. This initiative requires in-scope companies to disclose their ESG impacts, risks, and opportunities, driving greater accountability and a more sustainable marketplace (PlanA, n.d., b).

Reporting under the CSRD follows the European Sustainability Reporting Standards (ESRS). These standards are drafted by EFRAG (formerly the European Financial Reporting Advisory Group), an independent multi-stakeholder body (European Commission, Finance, 2025).

The CSRD significantly expands sustainability reporting requirements compared to the Non-Financial Reporting Directive (NFRD), which previously only applied to companies with more than 500 employees. Currently, the CSRD mandates reporting for all large companies exceeding at least two of these thresholds: 250 employees, €50 million turnover, or €25 million in total assets. Additionally, all listed companies (except micro-enterprises) are now required to report. This will encompass around 50,000 EU companies, accounting for 75% of the EU's total turnover. In the future, the CSRD will also apply to non-EU companies with substantial EU operations (€150 million+ net turnover within the EU) (PlanA, n.d., a).

The CSRD expands sustainability reporting obligations to more companies and demands a higher level of detail than the NFRD. Beyond previous requirements, companies must now provide in-depth reports on segments described in Table 3.

Table 3. *Corporate Sustainability Reporting Directive – Reporting Topics*

Reporting topic	Description
Environmental protection measures	Businesses must disclose specific initiatives to reduce their environmental footprint, including resource conservation and pollution prevention strategies.
Social responsibility and treatment of employees	This includes everything from employee health and safety protocols to employee benefits and company culture.
Respect for human rights	Companies must discuss their policies on human rights and how they ensure these rights are not violated within their operations.
Anti-corruption and bribery measures	Businesses must explain their strategies to prevent corruption and bribery, including corporate governance measures and ethics training programs.
Diversity on company boards	The CSRD requires companies to provide a detailed breakdown of the diversity of their board members, focusing on aspects such as gender, age, and nationality.

Source: PlanA, n.d., a.

These standards comprehensively address environmental, social, and governance issues, such as climate change, biodiversity, and human rights. Designed to inform investors about companies' sustainability impact, they also ensure high interoperability with global standards (International Sustainability Standards Board - ISSB, Global Reporting Initiative - GRI) to minimize redundant reporting for businesses. The International Sustainability

Standards Board (ISSB) and the European Commission services, together with EFRAG (organization, that serves the European public interest in financial and sustainability reporting), have worked together during the development of the European Sustainability Reporting Standards (ESRS) and the IFRS Sustainability Disclosure Standards (ISSB Standards) to achieve a high degree of alignment of the respective standards, with a specific focus on climate-related reporting (EFRAG & IFRS, n.d., pp 2-3).

2 METHODOLOGIES

The initial chapters provided background on sustainability and sustainable business strategies through desk research. Subsequent chapters employed a combination of scientific methods, including abstraction, concretization, generalization, specialization, qualitative research (observations, case study), analysis, and synthesis, to determine relevant knowledge and its application to the Slovenian business environment. The research specifically investigated companies' approaches to developing sustainability strategies, the tools they use, and the resulting business advantages, particularly concerning the complexities of sustainability practices and their impact on competitive advantage.

The organizations for the analysis were selected based on the following criteria:

- Recognition in the field of sustainable development: Organizations publicly recognized for their activities and efforts in the field of sustainability were selected. This was determined based on data from the agency SPIRIT Slovenija (Slovenian Agency for the Promotion of Entrepreneurship, Innovation, Development, Investment and Tourism) and the results of online searches (review of company websites, sustainability reports, media publications, etc.).
- Diversity of industries: Organizations from various economic sectors in Slovenia were intentionally selected to gain a broader insight into the diversity of approaches to sustainable strategies.
- Availability of public information: Organizations with sufficient publicly available information regarding their sustainable strategies and practices were prioritized for the analysis.
- Online search results: Targeted online searches using keywords related to sustainability and the names of the selected organizations were conducted to gather relevant information about their strategies, sustainability reports, projects, and achievements.

The analysis of the collected data was conducted using the content analysis method, through which key themes, patterns, and best practices in the field of sustainable strategy implementation in the Slovenian business environment were identified.

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Slovenia, as a member state of the European Union, actively aligns its national sustainable development strategies and policies with the overarching EU Green Deal and related directives. The Slovenian government translates these EU guidelines into national frameworks, often prioritizing areas such as the transition to a low-carbon circular economy, biodiversity conservation, and resource efficiency, as outlined in national development plans and legislative acts. For example, The Slovenian Development Strategy 2030, also includes sustainable development goals in order to implement the global development plan set out in

the UN's 2030 Sustainable Development Agenda (2030 Agenda) (Government Office for Development and European Cohesion Policy, 2017). These national strategies then inform regional development priorities, which are frequently supported by various EU funding mechanisms, including the European Regional Development Fund, the Cohesion Fund, and specific programs dedicated to green transition and innovation. This financial support enables regions to implement projects aligned with EU and national sustainability goals, such as developing green infrastructure, promoting sustainable mobility, and supporting the adoption of circular economy practices at the local level. Lazar (2024) highlighted the progress in understanding and funding sustainable development and the circular economy through different EU funds and schemes. EU funding opportunities offer municipalities and regions a way to partially finance their green transitions. Consequently, Slovenian companies operating within these regions are influenced by these developments through new regulations, incentives for sustainable practices, and evolving market demands driven by the broader green transition. Furthermore, EU directives like the Corporate Sustainability Reporting Directive (CSRD) directly mandate sustainability reporting for a significant number of Slovenian companies, pushing them towards greater transparency and integration of sustainable practices into their core operations, thereby reflecting the top-down influence of EU policy and funding on the Slovenian business environment.

3. 1 Slovenian Business Environment and Sustainability

The green, sustainable, and circular development of the economy is both a trend and a necessity for maintaining long-term international competitiveness. The transition to a low-carbon circular economy in Slovenia is among its strategic development priorities. Slovenia will achieve this goal by promoting innovation, new business models, digital transformation, the efficient use of raw materials by closing material and energy flows, and adaptation to climate change (GZS, 2022).

With growing awareness of the environmental, social, and economic impacts of business operations, a rising number of Slovenian companies are focusing on sustainable practices, and this is how it reflects on Slovenia business environment based on the studies done by the portal Električna prihodnost (Električna prihodnost, 2023):

- *Regulatory Framework:* In recent years, Slovenia has adopted numerous laws and strategies promoting sustainable development. The European Union, of which Slovenia is a member, also dictates many guidelines and requirements in the field of sustainability, which influence the operations of companies in the country.
- *Green Economic Orientation:* Slovenia is recognized for its natural resources and biodiversity. Many companies are leveraging this natural heritage by promoting sustainable practices, green technologies, and ecological products.
- *Certificates and Labels:* Numerous Slovenian companies are obtaining international certifications such as ISO 14001 (environmental management) or EMAS (Eco-Management and Audit Scheme). These certifications help companies establish sustainable practices and communicate with stakeholders.

- *Stakeholder Engagement*: Sustainability efforts are reflected not only in internal company practices but also in interactions with customers, suppliers, local communities, and other stakeholders.
- *Sustainability Reporting*: An increasing number of Slovenian companies are publishing sustainability reports, where they transparently communicate about their environmental, social, and economic impacts.
- *Education and Training*: Successful implementation of sustainable practices requires continuous education and training of employees. Many companies and organizations in Slovenia organize seminars, workshops, and other events focusing on sustainability and corporate social responsibility.
- *Partnerships and Collaboration*: Slovenia has an active network of organizations, associations, and institutions that promote sustainable development. Companies often collaborate with them for knowledge exchange, joint projects, and initiatives.
- *Innovations for Sustainability*: Many Slovenian companies are investing in research and development to find new, more sustainable solutions, whether in the field of production, services, or technologies.

Many Slovenian companies have consciously decided to overhaul their business operations and integrate sustainability aspects into every segment of their processes. Naturally, companies are approaching this in various ways. The majority have addressed it in only one segment, primarily at the development-product level, often driven by customer requirements or positioning within global value chains. However, only a smaller proportion of companies have adopted a comprehensive or strategic approach (Obrtno podjetniška zbornica Slovenije, 2021).

3. 2 Sustainable Business Transformation in Slovenian SMEs: An Analysis of a Public Support Initiative

The study we conducted, examines a public call aimed at enhancing the international competitiveness and export intensity of Slovenian enterprises through the implementation of sustainable business strategic transformation. SPIRIT Slovenija, the public agency, actively began introducing comprehensive and strategically oriented sustainable business practices as early as the beginning of 2016 with a two-year pilot project titled *Establishing Sustainable Business Strategies and Business Models in Practice*. Nine Slovenian companies, selected through a public call, participated in the project, becoming the first to embark on the path of strategic sustainable transformation: M Sora, trgovina in proizvodnja d.d., Lumar IG d.o.o., Iskraemeco, merjenje in upravljanje energije d.d., Hotel Sava Rogaška d.o.o., Engrotuš podjetje za trgovino d.o.o, Anton Blaj d.o.o., Sij d.d., Steklarna Rogaška d.o.o., Talum d.d. (Rejc Buhovac, et. al, 2019).

SPIRIT Slovenija afterwards prepared a handbook *Sustainable Business Strategies and Sustainable Business Models in Slovenian Practice* based on the experiences from the national pilot project mentioned above, which was implemented in the years 2016-2017 and in which the before-mentioned 9 Slovenian companies have participated in (Rejc Buhovac, et. al, 2019). It was also created based on the experiences that the authors of this handbook gained in collaboration with leading global corporations in the field of sustainable business, such as Nike,

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P&G, The Home Depot, Nissan North America, Patagonia, and others. The manual offers: (I) precise explanations of concepts, (II) answers to questions, why sustainable business is beneficial to business, (III) the central part of the manual provides instructions on how to implement sustainable business into strategic and operational processes effectively, (IV) it also explains, how companies can benefit from the help of an external expert in implementing the process of sustainable corporate transformation.

Additionally, the indicated handbook advises on steps for Slovenian companies to follow for sustainable transformation (Rejc Buhovac, et. al, 2019):

- *Selection of strategic team members*, where the key challenges are:
 - identifying the key experts and opinion leaders who are open to the changes required by sustainable business practices;
 - engaging participants to willingly cooperate;
 - ensuring the entire team works openly and with commitment, despite potential disagreements due to different perspectives;
 - achieving consensus.
- *Identification of sustainable business opportunities*, where the key challenges are:
 - including representatives of all key stakeholders in the sample of participants (survey respondents, interviewees);
 - many sustainable business opportunities are hidden behind the guise of sustainability risks.
- *Analysis of the existing business strategy and business model*, where the key challenges are:
 - to openly and critically identify gaps or weaknesses in the company;
 - to recognize the interconnectedness of the company's units and their interdependence when they influence these gaps and weaknesses.
- *Writing the vision*, where the key challenges are:
 - to reach an agreement on what the company should look like in the target year;
 - to include all essential sustainability challenges and their related risks, and to anticipate innovative solutions and target states.
- *Developing a sustainable business strategy*, where the key challenges are:
 - to select the right priorities;
 - to map out the sustainable business strategy as a logical series of hypotheses about cause-and-effect relationships, which also include stakeholder responses.
- *Defining indicators for strategic control and their target values*, where the key challenges are:
 - to define indicators that can be easily supported by information systems;
 - to anticipate which methods will allow for the efficient collection of new data needed to calculate the indicators;
 - to set meaningful target values (considering the variability of the environment and the company's capabilities).

- *Developing a plan of projects and measures that support the implementation of the strategy*, where the key challenges are:
 - to find the most suitable organizational solution to support sustainable business practices;
 - to find the most appropriate way to motivate employees to strive for the realization of the sustainable business strategy;
 - to appoint a colleague who can take on the tasks of project management – a coordinator of strategic activities and those participating in them.
- *Preparation of a new business model*, where the key challenges are:
 - to identify all the areas where the business model has changed;
 - to know how to document and emphasize its sustainable elements.
- *Monitoring the implementation of the sustainable business strategy*, where the key challenges are:
 - to consistently monitor progress; not to allow operational, day-to-day challenges to hinder regular monitoring and strategy review;
 - to insist that all those responsible for strategic activities participate in progress reporting.
- *Communicating sustainable and business performance*, where the key challenges are:
 - to prepare engaging yet credible content for the sustainability report;
 - to ensure regular, truly frequent communication.

Insights from practice confirm the weaknesses and strengths that companies face during the sustainable transformation of their operations. Building on the exceptional results and impacts achieved by the aforementioned pilot project, an additional public call was open for Slovenian companies aiming at enhancing the international competitiveness and export intensity of Slovenian small and medium-sized enterprises (SMEs) through the implementation of sustainable business strategic transformation. The primary objective of the initiative was to facilitate the adoption of sustainable practices and the development of new business models within these enterprises. This was pursued through two key activities: (I) the engagement of at least 60 SMEs in a strategic transformation process, leading to the formulation of sustainable business strategies, novel business models, and proposals for implementation projects; and (II) the provision of financial support for a minimum of 60 implementation projects demonstrably contributing to the realization of the aforementioned sustainable business strategies. This intervention, conducted between 2019 and 2021, represents a targeted effort to integrate sustainability principles into the core operations of Slovenian SMEs to bolster their global market position (SPIRIT Slovenija, 2019). Key insights of the intervention reveal that successful strategic sustainability transformation hinges on mature awareness, and motivated leadership capable of addressing identified weaknesses. While awareness of sustainable business needs varies, its direct link to financial improvement is often poorly understood. Companies tend to under address their weaknesses, which become critical in crises. Tailoring the transformation process to each company (considering its specifics) and broadly engaging employees are vital for building trust and commitment. Many SMEs lack long-term strategies and defined KPIs, hindering monitoring and timely action. Establishing clear, fact-based indicators can drive improvement and accountability. Crucially, rapidly detecting changes and

risks is increasingly important for proactive action and future success (Obrtno podjetniška zbornica Slovenije, 2021).

3. 3 Slovenian Practices and Sustainable strategies

The Chamber of Commerce and Industry of Slovenia (Gospodarska zbornica Slovenije – GZS) introduced the Sustainability Chains (Tranjostne verige), a platform and community dedicated to connecting, educating, and empowering Slovenian companies on their journey of sustainable transformation. They recognized that sustainability is a path they build together with employees, partners, companies, institutions, and individuals – united by the vision of creating a fair, responsible, and green future. The experiences and challenges in establishing sustainable strategies for individual companies included in this community/platform are listed as examples of good practices below (GZS, 2025):

- *Adria Mobil* already developed its first sustainability strategy in 2020. In 2021, they calculated the company's carbon footprint. In 2023, they updated their sustainability goals, and in 2024, they also began sustainability reporting.
- *Iskraemeco* has a holistic approach to sustainable development, which is increasingly embedded in the company's strategy, values, and culture. They strive for complete transparency in their operations and conduct. Since 2024, they have also had a working group within the company with a responsible person for sustainable development.
- Corporate social responsibility, ecological efforts, and the sustainable orientation of the company are also part of the business strategy of *Unichem*. They also invest heavily in the education of employees and the wider society through their *Gaia* magazine.
- *SID Bank* promotes the financing of sustainable projects and companies through its *SID zelen* (SID Green) program. Insurance is provided through the EIF guarantee scheme. *SID Bank* is also transitioning to sustainability reporting in accordance with CSRD for its 2025 reporting. It is also aligning its requirements for companies' ESG data with the disclosure requirements of the CSRD directive and ESRS standards.

A good case example in the field of sustainable operation of companies in Slovenia is the *Talum Group* (Talum, n.d.). The sustainable development of the Talum Group is based on increasing the scope and complexity of products and services, improving productivity and efficiency, and ensuring the highest quality with an emphasis on environmental protection and efficient energy use, health and safety at work, fair treatment of employees, information security, risk management, and the code of business conduct within the Talum Group. The Talum Group has adopted a Sustainable Development Policy of the Talum Group, which covers the aforementioned areas, together with set goals, in accordance with which it also operates. The Sustainable Development Policy has been in effect since June 1, 2023, and defines the foundations of operation in the areas of quality, working conditions and human rights, which include respect for human rights, the right to equal opportunities and treatment of employees, the prohibition of child and forced labor, the limitation of working hours, and the right to freedom of association and collective bargaining. An effective occupational health and safety system, an efficient environmental and energy management system are established, where they are particularly committed to mitigating and adapting to climate change, preserving

biodiversity, and the use and consumption of natural resources and energy. They care for the quality of air, soil, and groundwater, and in waste management, they follow the waste management hierarchy. They are committed to the responsible sourcing of input materials, especially critical minerals from conflict zones. They operate in accordance with the adopted business code of conduct, effectively manage risks, and with the established information security system (TISAX), we protect confidential data and information from unauthorized access, use, disclosure, alteration, or destruction. They also prepare a Sustainable Development Report of the Talum Group (available online for 2022 and 2023) (Talum, n.d.).

Another example of the successful implementation of a sustainable business strategy is the company Menerga. Menerga is a high-tech engineering company that provides energy-efficient air conditioning, ventilation, heating, and cooling solutions. At the end of 2021, the company presented the Sustainable Strategy 2022 – 2025. The strategy outlined activities defined by a broader group of Menerga employees based on the co-creation of a shared company vision for 2025. The Sustainable Business Strategic Transformation preparation program, which resulted in the Sustainable Strategy document, aimed to establish sustainable strategic foundations for business operations and adopt appropriate values that serve as the basis for building true, better company value in new business, social, environmental, and economic situations (Menerga, 2021).

DISCUSSIONS/CONCLUSIONS

To build lasting organizations and thriving communities, leaders must prioritize sustainability today. In an era of heightened transparency, a robust sustainability strategy that integrates employee well-being and environmental responsibility is not just a future trend, but the essential path to enduring prosperity (PeopleThriver, 2025). While businesses have historically contributed to environmental problems, they are also uniquely positioned to drive positive changes through the adoption of sustainable practices.

Adopting sustainable business practices offers numerous benefits, driving internal innovation by prompting a reassessment of operational inefficiencies and material sourcing, potentially leading to cost savings. Investing in renewable resources also improves environmental and supply chain risk management. Furthermore, a strong sustainability program attracts and retains talent, particularly millennials, and expands audience reach by appealing to sustainably minded consumers, ultimately building brand loyalty. Utilizing fewer or more sustainable resources directly reduces production costs. Opting for sustainability can also generate positive publicity, enhance a company's standing in a competitive market by differentiating its brand, and even set industry trends, potentially inspiring broader adoption of sustainable practices (Harvard Business School Online, 2021).

Corporate sustainability in Slovenian companies reflects global trends while also capitalizing on local opportunities and specificities. With the increasing need for sustainable business operations and the commitment to the Sustainable Development Goals, this trend is expected to continue to grow in Slovenia.

As presented herein, a significant number of Slovenian companies have already embarked on their journey towards sustainable business practices and the development of sustainable business strategies. To further facilitate this transition, companies can leverage

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insights from the outcomes of past SPIRIT Slovenija calls for proposals (presented in this paper), utilize available resources such as the aforementioned handbook “Establishing Sustainable Business Strategies and Business Models in Practice”, and engage with initiatives like the GZS Sustainability Chains program, which is empowering Slovenian companies on their journey of sustainable transformation.

Also financing SME projects and investments for reducing environmental impact is important. Two most used financing possibilities for Slovenian companies are (Obrtno podjetniška zbornica Slovenije, 2021):

- *SID Bank* provides financing in the areas of renewable energy sources, efficient energy use, clean transport, pollution prevention and control, and the circular economy, etc.
- *The Eco Fund* offers non-refundable grants and favorable loans to companies planning environmentally friendly investments in areas such as heating and ventilation, insulation and windows, efficient energy use, electricity self-sufficiency, construction or comprehensive renovation of buildings, vehicles and sustainable mobility infrastructure, water, air pollution reduction, waste management and asbestos removal, and initial investments in environmental technologies.

Reconciling economic profit with social and environmental value creation is central to sustainability, requiring a delicate balance often explored in strategy literature through 'win-win' scenarios. While legitimizing sustainability, this focus can limit action by overlooking opportunities where significant social or environmental gains necessitate minor economic trade-offs. Consequently, potentially impactful initiatives with slight economic costs may be deemed illegitimate, hindering substantial societal and environmental improvements (Long, 2019).

Looking ahead, integrating sustainable business strategies is a fundamental imperative for long-term viability and competitive advantage. Future success depends on organizations proactively embedding environmental, social, and governance factors into their core operations, recognizing the interconnectedness of planetary health, societal well-being, and economic prosperity. This requires systemic transformations, fostering innovation in circular economy models, resource efficiency, and equitable value creation, driven by increasing stakeholder demands and the urgency of global challenges.

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