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ESG REPORTING BY COMMERCIAL BANKS IN POLAND AS PART OF SUPPORTING SUSTAINABLE ECONOMIC DEVELOPMENT – A CASE STUDY OF BANK MILLENNIUM AND SANTANDER BANK POLSKA

ABSTRACT

The purpose of the article. The purpose of the article is to analyze ESG reporting in the banking sector based on the example of Bank Millennium and Santander Bank Polska SA. The study focuses on the activities undertaken by banks in the environmental, social, and governance dimensions and on the role of ESG reporting in increasing transparency and supporting sustainable development principles in the financial sector.

Methodology. The study was conducted using the case study method. The analysis was based on annual reports and sustainability reports of Bank Millennium and Santander Bank Polska SA for the years 2024–2025. The research covered ESG-related activities in three dimensions: environmental, social, and corporate governance.

Results of the research. The results indicate that the analyzed banks are systematically developing ESG-related activities and integrating sustainability issues into their business operations. The study shows that ESG reporting contributes to increasing the transparency of the financial sector and supports the transformation of the economy towards a more sustainable development model.

Keywords: ESG reporting, banking sector, sustainable development, corporate governance, sustainability reporting

JEL Class: G21, Q56, M14, M48



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Received: 07.05.2026 Accepted: 05.06.2026 Available online: 30.06.2026

Funding information: Not applicable. **Conflicts of interests:** None. **Ethical considerations:** Authors assures of no violations of publication ethics and take full responsibility for the content of the publication.

Introduction

In a knowledge-based economy, intangible assets and non-financial factors such as customer satisfaction, good relations with employees, business partners, suppliers, service recipients, and the local community are becoming increasingly important in creating value for organizations. Contemporary companies are increasingly assessed in terms of their ESG¹ performance, which results from growing public awareness of the effects of climate change, social inequality, and corporate governance standards. Consequently, there is a growing demand for reliable data and assessments of companies in terms of ESG. Companies that score highly in this area are perceived as more attractive to investors interested in sustainable development, particularly in the SME sector. This type of reporting serves as a tool to support the building of an environmentally friendly image for the organization. Its main purpose is to provide stakeholders with reliable and credible information on the nature of the company's activities, the scale of their impact on the environment, and the methods used to minimize any negative impacts.

Financial institutions, which cooperate with the business sector in many areas, have been moving towards a more sustainable development model in recent years, including through the development of financial offers and tools aimed at businesses, in particular the small and medium-sized enterprise (SME) sector. In a business context, sustainable development encompasses processes and activities that enable a company to remain solvent in the long term – all of these activities are partly the domain of financial institutions.

The aim of this paper is to analyze sustainable development management in the banking sector, with particular emphasis on Bank Millennium and Santander Bank Polska S.A. in 2024–2025. Two research hypotheses are formulated:

H1: Commercial banks in Poland systematically develop ESG-related activities and integrate sustainability principles into their core operations.

H2: ESG activities undertaken by the analyzed banks contribute to increased transparency and support the transformation towards a more sustainable economy.

The analysis focuses on three ESG dimensions – environmental, social, and corporate governance – which form the foundation of the contemporary approach to responsible and long-term financial activity in the context of its impact on the SME sector.

Literature review

The products offered by banks are one of the key sources of external financing in the economy, so they play an important role in filling the investment gap and supporting the transition to a more sustainable economy. They do this by offering appropriate financial tools, products, and services.

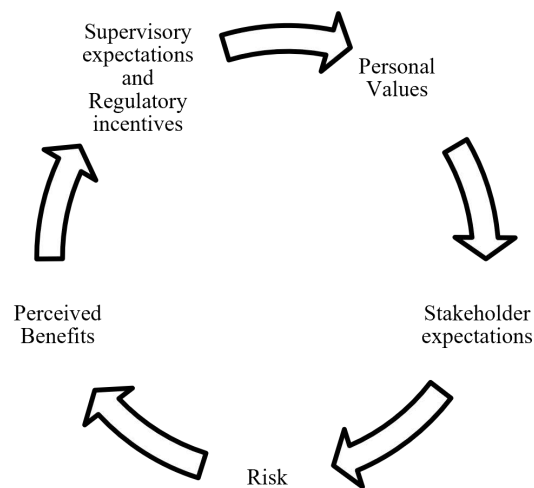
¹ Environmental, Social, and Governance.

Sustainable banking products and services enable the accumulation and use of customer savings and the channeling of investments into projects that support the Sustainable Development Goals. The funds accumulated through such products are used to finance activities that meet the sustainability criteria in accordance with the EU Taxonomy. The key features of these products are practicality, transparency, and comprehensibility. Customers should be able to verify what goals their deposited funds support and to what extent the investment products they purchase contribute to financing sustainable activities (Kulińska & Sadłocha, 2022).

Banks perform roles related to capital allocation and savings accumulation, performing functions such as deposit-taking, lending, and clearing. Due to these tasks, they should meet standards characteristic of public trust institutions, which entails imposing specific obligations on them in the area of social responsibility (Barczyk, 2019). Since the 1990s, domestic commercial banks have been undertaking various initiatives for the benefit of society and the environment, but their motivations and degree of involvement vary. The main reasons why banks have started to include social and environmental aspects in their management strategies are regulatory compliance and concern for their reputation and brand image (Gajdka et al., 2023).

Figure 1

Banks' motivations for including sustainable finance information in their strategies



Source: Own study based on: Gajdka et al. (2023).

Legal regulations concerning sustainable development have been evolving for nearly thirty years, and their full implementation is expected in 2025–2026. In the banking sector, they focus on issues related to reporting and disclosure, adapting operational strategies, and ESG risk management. At the same time, the responsibility of management staff in this area is growing. ESG

requirements are becoming a key factor in development and competitiveness, not only in Europe but also in global markets (Kosztowniak, 2026). In the European Union, there are regulations in force concerning ESG disclosure reporting by organizations, including financial institutions. These are set out in Directive 2014/95/EU (NFRD – *Non-Financial Reporting Directive*), which amended the earlier Directive 2013/34/EU. It requires large public-interest entities with more than 500 employees to publish non-financial information covering environmental, social, human rights, and anti-corruption issues. In Poland, these provisions were introduced into the Accounting Act at the end of 2016, and reporting in accordance with the new requirements began in 2017 (Zabawa & Łosiewicz-Dniestrzańska, 2023). In 2019, the NFRD was improved by *the Sustainable Finance Disclosures Regulation* (SFDR, 2019/2088) by financial market participants and Regulation PE and Council 2020/852/EU, the so-called Taxonomy (Kosztowniak, 2026). In turn, in 2024, the NFRD was replaced by the CSRD (*Corporate Sustainability Reporting Directive*), which extends the scope of reporting and introduces mandatory data verification by independent entities. The first reports compliant with the new directive will appear in 2025 and will cover information for 2024. In addition, the SFDR requires financial market participants to disclose the impact of investment decisions on sustainable development, ESG risk management strategies, and remuneration policies in this context (Zabawa & Łosiewicz-Dniestrzańska, 2023).

Banking, an important pillar of the financial sector, plays a significant role in the sustainable development of enterprises. Sustainable development is one of the most important trends in recent years, which is why investors feel a strong need to ensure conditions for responsible investment. This is possible through the analysis of corporate social responsibility principles, corporate governance structures, and environmental issues implemented by financial institutions when making investment decisions (Ersoy et al., 2022). Reporting on sustainability issues aims to meet the needs of stakeholders by providing information on the impact of a financial institution's activities on its environment, thus enabling the assessment of the effects of its actions.

ESG factors directly affect the operational, financial, and investment activities of companies and banks. Business partners and contractors expect companies to define their ESG and sustainable development goals and strategies, because the manner, scope, and effects of incorporating ESG factors into a company's activities have a positive impact on business development and cooperation with stakeholders (Osicka et al., 2023). Environmental factors (E) relate to how a financial institution's activities use natural resources and affect the environment. They include aspects such as the impact of greenhouse gas emissions on climate change, climate risk and opportunity management, energy, water, and other resource consumption, pollution and waste control, and the impact on biodiversity and the natural environment. Social factors (S) relate to how a financial institution affects the multistakeholder around it, including employees, customers,

suppliers, local communities, and other stakeholders. Social factors also include working conditions and health and safety in the workplace. Corporate governance (G) aspects, on the other hand, covers the internal practices, control mechanisms, and procedures that a financial institution uses to manage its activities, make effective decisions, comply with the law, and meet the needs of its stakeholders (Warsaw Stock Exchange, 2023).

Methods

The article uses the case study method, which allows for an in-depth analysis of selected entities in their actual operating context. The subject of the analysis are two financial institutions, namely Bank Millennium S.A. and Santander Bank Polska S.A. These institutions were selected due to their significant position in the banking market and the availability of detailed reports on their activities and ESG reporting.

The primary research method was the analysis of annual reports and sustainability reports published by the analyzed banks, including strategic documents in which the banks set out their priority objectives for the coming years. In particular, the “Management Board Report on the Activities of Bank Millennium S.A. and the Bank Millennium S.A. Capital Group” for 2024 and 2025 and the “Management Board Report on the Activities of the Santander Bank Polska S.A. Capital Group” for 2024 and 2025, which contain statements on sustainable development prepared in accordance with applicable non-financial reporting standards.

The analysis of the reports focused on identifying the banks’ activities in three main ESG areas: environmental (E), social (S), and corporate governance (G). Based on the content of the reports, key initiatives and activities undertaken by the banks in the years analyzed were identified. Subsequently, a comparative analysis was carried out to identify similarities and differences in the approach to implementing ESG strategies in both institutions. The results of the analysis were presented in the form of tabular summaries covering the banks' activities in specific ESG areas in 2024–2025. This approach enabled a transparent comparison of the scope and directions of development of the activities undertaken by the analyzed financial institutions in the area of sustainable development. In this context, the conclusions obtained were related to the development goals in the area of sustainable development of the SME sector in the coming years.

Results

ESG Strategy and Approach to Sustainable Development at Bank Millennium – Main Areas of Environmental, Social, and Corporate Governance Activities

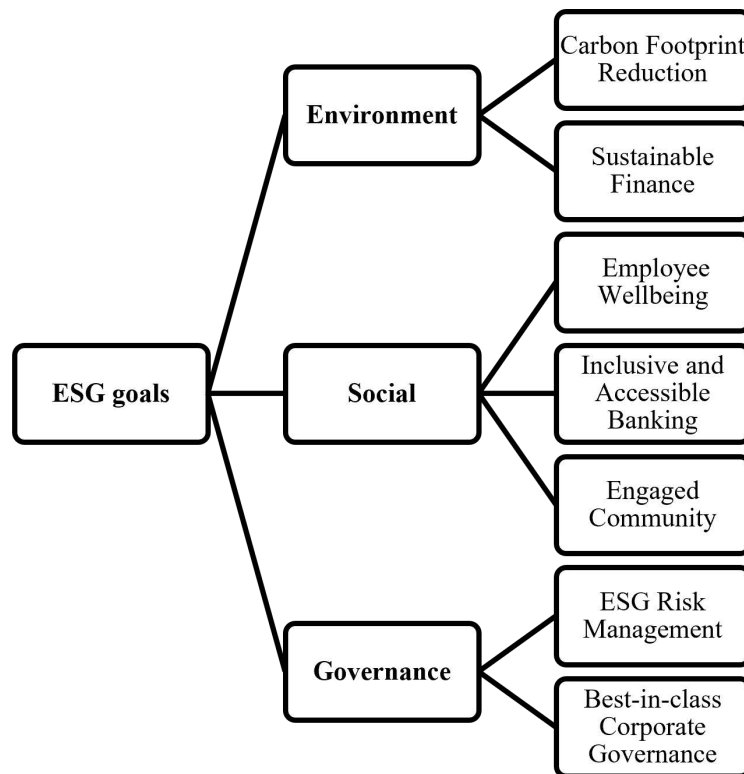
Bank Millennium was established in 1989 as one of the first private banks in Poland, starting its operations under the name *Bank Inicjatyw Gospodarczych BIG SA*. In 1990, after its first public

offering, it became a private bank, initially focusing on corporate clients. The Bank Millennium Group pursues an effective and transparent Sustainable Development Policy, which sets out the key principles for supporting sustainable development. It includes activities aimed at reducing environmental impact, combating corruption and bribery, building social value, and strengthening relations with local communities. The policy also emphasizes the protection of human rights, the promotion of diversity, the prevention of exclusion, the consideration of environmental and social factors in management, and cooperation with suppliers. In addition, the Bank offers sustainable financial products that support decarbonization goals and building a more equitable society (Bank Millennium, 2026b).

On October 28, 2024, the Bank announced a new strategy for the Bank and the Bank Millennium Group for 2025–2028, called “*Strategy 2028 – Value and Growth.*” It is based on innovation and dynamic growth. In this strategy, the Bank emphasizes the important role of sustainable development in its operations, guided by its principles and mindful of their positive impact on the economy, the environment, and society. As part of its strategy, Bank Millennium has also defined ESG goals covering three key areas: *environment, society, and governance* (Bank Millennium, 2024b).

Figure 2

Bank Millennium’s ESG goals based on the 2025–2028 Strategy



Source: Own study based on the Bank Millennium, 2024.

As part of the implemented strategy, Bank Millennium plans to implement a number of measures aimed at achieving its strategic goals. In the area of sustainable development, initiatives are planned to increase energy and water efficiency in branches and measures to increase the share of zero-emission vehicles. The bank intends to maintain 100% of its electricity from renewable sources and to adopt a comprehensive transformation plan. An important element of these measures is to provide financing for the energy transition for companies and to develop expertise in public programs and green projects. In addition, the Bank plans to maintain its policy of not financing the coal sector and coal-based energy, while expanding its range of green products.

As part of building ESG awareness, Millenium Bank will continue its educational initiatives aimed at customers. The bank intends to develop a transparent remuneration policy and take measures to reduce the gender pay gap. An important aspect of the strategy is promoting a culture of continuous learning and implementing initiatives that support employee well-being. The organization also strives to strengthen a culture of diversity, equality, and inclusiveness, as well as to increase the accessibility of services and education for customers. An important goal of the ESG strategy is to promote regular savings and investments, provide dedicated solutions for young customers, and develop financial education programs. The bank also plans to develop financing programs and educational initiatives for micro and small businesses, as well as to continue developing the employee volunteer program implemented by the Bank Millennium Foundation. It also plans to maintain its position as the Ambassador of Culture in Poland. In terms of ESG risk management, it plans to further improve risk assessment and its integration into the credit process. The bank intends to implement ESG risk measures, monitor its exposure to climate risk, and develop a methodology for conducting climate stress tests along with scenario analysis. In addition, it intends to take actions supporting the transformation plan through effective ESG risk management. The bank also commits to the timely implementation of new regulations and the adaptation of internal processes to the applicable requirements. An important element of the strategy is the continuous review and application of current ESG regulations, the development of data management in this area, and the implementation of comprehensive initiatives to build ESG awareness (Bank Millennium, 2024).

Since 2006, Bank Millennium has published an annual social report presenting key aspects of the bank's impact on sustainable economic, social, and environmental development. The document addresses the most important stakeholder groups, including customers, employees, shareholders, business partners, society, and the natural environment. Since 2011, the scope of information and structure of the report have been in line with GRI standards, ensuring transparency and comprehensiveness in reporting the bank's activities for sustainable development (Bank Millennium, 2026a). In 2025, Millennium Bank prepared its first sustainability report in accordance with ESRS standards, implemented under the CSRD directive (ESG Trends, 2025). The document serves as

a non-financial report in accordance with Article 49b of the Accounting Act and contains a summary of the Group's activities in the area of sustainable development, covering economic, social, and environmental aspects. The Bank Millennium Group has a “*Bank Millennium Group Environmental Policy*” in place, which defines three main areas of pro-environmental activity:

- the Bank’s own pro-environmental activities – striving to minimize its impact on the environment through effective resource management, monitoring energy, water and fuel consumption, and implementing environmentally friendly operational solutions;
- environmentally friendly products and responsible financing – offering products that support environmental goals, financing projects related to renewable energy sources;
- environmental education – conducting activities to raise environmental awareness among employees, customers, and partners (Bank Millennium, 2024).

Issues related to climate change, social change, and corporate governance have been embedded in the Bank Millennium Group’s business strategy for years. As part of the Bank’s strategy for 2025–2028, a number of initiatives have been planned to further strengthen the effectiveness of these areas in supporting sustainable development.

Table 1

Environmental, social, and corporate governance issues in Bank Millennium’s ESG reports for 2024 and 2025

Activities	2024	2025
Environmental Activities		
Purchase of energy from renewable sources	Obtaining 100% of electricity from renewable sources	Continuing efforts to reduce emissions and increase the share of low-carbon energy in the bank’s operations
Installation of renewable energy sources	The photovoltaic installation in Gdańsk produced 22.64 mwh of electricity	The photovoltaic installation in Gdańsk produced 21.68 mwh of electricity, which reduced the demand for energy from the grid
Energy-efficient buildings and lighting	The bank’s headquarters are equipped with building management systems that support energy consumption optimization; all headquarters offices are equipped with LED lighting	More than 15,000 light fixtures in the head office have been replaced with energy-efficient LED lighting, which has contributed to a reduction in electricity consumption
Optimization of building systems	The operating time of installations was optimized by changing the operating parameters of lighting, ventilation, and air conditioning	The optimization of ventilation, air conditioning, and lighting systems has been continued by adjusting schedules and operating parameters
Energy efficiency of branches	Energy-efficient LED banners and systems for controlling their operating time are used in branches; restrictions on the operation of air conditioning have been introduced	The LED lighting replacement program covered 230 bank branches, and energy-efficient LED banners with automatic operating time control are used in the branches

Activities	2024	2025
Rational energy management	Air conditioning in the head office is set to 21°C and does not operate outside working hours; educational activities on rational energy consumption were conducted	Measures to reduce energy consumption in the bank's infrastructure were continued, including through the modernization of systems and management of technical installations
Reduction of energy consumption in IT systems	Server virtualization has made it possible to reduce the number of devices in the data center and limit energy consumption	Server virtualization was continued, which reduced energy demand and the load on cooling systems
Low-carbon mobility	Limits on the use of individual means of transport were introduced, and the use of remote communication was promoted	The vehicle fleet was modernized by replacing gasoline-powered vehicles with hybrid and electric cars, and rail travel and online meetings were promoted
Eco-friendly employee mobility	Bicycle parking and sanitary facilities for employees were made available at the bank's headquarters	Continued activities supporting the use of bicycle transport and reducing emissions related to commuting
Support for reducing emissions among customers	The range of financing options for sustainable development projects was expanded	A carbon footprint calculator for businesses was made available, and the range of green investment financing products was expanded
Social Activities		
Working conditions and employee safety	Measures were implemented to ensure safe and stable working conditions and to monitor employee satisfaction levels	Measures to improve working conditions and programs supporting employee well-being were continued
Employee skills development	Training programs and activities supporting the professional development of employees were implemented	The development of training and competency programs for bank employees was continued
Equality and diversity	Measures were implemented to support equal treatment of employees and diversity in the workplace	The diversity policy and activities supporting equal opportunities in employment were continued
Employee volunteering	Employee involvement in social initiatives and projects supporting local communities	The "Our People" employee volunteer program was implemented, supporting social and environmental projects
Financial education for customers	Educational initiatives on financial management and responsible use of financial services were implemented	Educational activities and tools supporting customers in making informed financial decisions were developed
Support for local communities	Engagement in social activities and projects supporting the development of local communities	Social initiatives and projects supporting the development of local communities were continued
Corporate Governance		
Management structure	A management system was implemented, comprising the management board and supervisory board, responsible for overseeing strategy implementation and risk management	The management system based on cooperation between the management board and the supervisory board and supervision of the implementation of the strategy and ESG activities was continued
Risk management	A risk management system was introduced, covering the identification, assessment, and monitoring of financial and non-financial risks	The risk management system was developed, including the integration of ESG factors into risk management and business decision-making processes
ESG risk management	Work began on developing an environmental and social risk management system for the bank's operations	The ESG risk management framework and ESG indicator monitoring were developed
Internal control system	An internal control system covering internal audit, compliance, and risk management was introduced	The development of the internal control system and monitoring of the bank's compliance with regulations and standards on ESG continued

Activities	2024	2025
Ethics and corporate responsibility	A code of ethics and procedures for preventing abuse and conflicts of interest were applied	The application of ethical principles was continued and mechanisms for reporting irregularities were developed
Transparency and reporting	Financial reports and sustainability reports were published in accordance with applicable reporting standards	Reporting in accordance with ESRS standards was continued and the scope of ESG disclosures was increased

Source: Own study based on: Bank Millennium, 2025, 2026a.

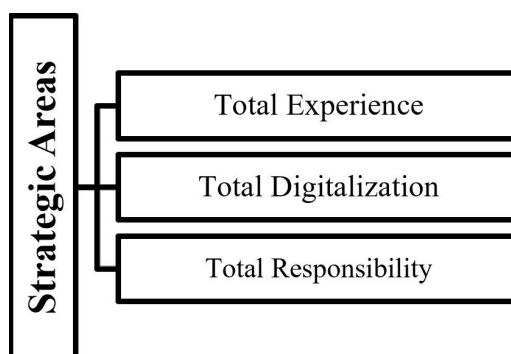
As part of its strategic approach, Bank Millennium has implemented and planned climate change mitigation initiatives that do not entail significant financial expenditure. These initiatives are primarily operational in nature and are embedded within existing processes. Separately, Bank Millennium integrates sustainable financing activities into its core lending operations and therefore does not require substantial additional investment or incremental operating costs. In addition, the Bank has committed a dedicated allocation of PLN 5 billion to support new sustainable financing initiatives over the period 2025–2028 (Bank Millennium 2024).

ESG Strategy and Approach to Sustainable Development at Santander Bank Polska – Main Areas of Environmental, Social, and Corporate Governance Activities

Santander Bank Polska is one of the leading financial groups and the largest privately-owned bank in Poland. It provides comprehensive financial services to individual customers, micro-enterprises, small and medium-sized companies, as well as domestic and international corporations. Santander Bank Polska offers its customers a wide range of financial products tailored to the needs of different customer groups. The bank divides its offer into five segments: Individual Customers, Private Banking, Small Businesses, and Large Businesses and Corporations.

Figure 3

Santander Bank Polska’s strategy for 2024–2026



Source: Bank Millennium, 2024, p. 23.

Santander Bank Polska's ESG strategy for 2024–2026 is based on the assumption that people, both customers and employees, are the key factor in development. The bank aims to support them in achieving everyday success by building long-lasting and trust-based relationships. The strategy consists of three pillars. The first pillar of the strategy, "*Total Experience*," focuses on building a positive image of the bank as the one that is close to people and creates an emotional bond with customers by caring for their needs and comfort in using the services. The second pillar, "*Total Digitalization*," reflects the growing role of digital channels in customer relations. Santander invests in modern technologies, develops innovative solutions, and streamlines processes to enable customers to access services in a convenient and efficient manner. At the same time, the bank strives to create simple and intuitive tools for its employees, which translates into higher quality of service and organizational efficiency. The last pillar, "*Total Responsibility*," emphasizes the importance of sustainable development and a responsible approach to business. The bank also declares that ethical conduct, care for the environment, and involvement in local communities are an integral part of its business model. The bank makes informed decisions, taking into account the long-term consequences of its actions for both customers and future generations (Erste Group Bank AG, 2024).

The bank emphasizes that its goal is to create value for all stakeholders including customers, employees, shareholders, local communities, and the natural environment. The Santander Group's ESG goals can be divided into three main areas:

Environmental (E);

Social (S);

Corporate Governance (G) (Erste Group Bank AG, 2024).

Santander Bank Polska pursues a strategy based on a stable sustainable development model, which prioritizes balance between environmental, social, and corporate governance (ESG) aspects. The bank consistently strives to achieve climate neutrality by 2050, develops green financing, and supports customers and businesses in the energy transition process. At the same time, it conducts activities aimed at financial education and building a diverse and friendly work environment, which is confirmed by the Great Place to Work certificate. A key element of the strategy is social and environmental responsibility, confirmed by the ISO 14001 certificate and compliance with international ESG standards and the UN Sustainable Development Goals (SDGs). By integrating its business activities with the principles of responsibility, the Santander community is strengthening its market position while creating long-term value for customers, employees, shareholders, and local communities (Erste Group Bank AG, 2024).

The year 2024 was a turning point in ESG reporting by Santander Bank Polska. For the first time, a consolidated sustainability statement was prepared in accordance with the requirements of

Directive (EU) 2022/2464 (CSRD) of the European Parliament and of the Council and based on the European Sustainability Reporting Standards (ESRS). Unlike the 2023 report, the 2024 publication covers the entire Santander Bank Polska Capital Group, consolidating data from all subsidiaries. It includes a full double materiality analysis, examining both the impact of the Group’s activities on the environment and society, as well as the ESG risks and opportunities for the Bank’s business model. In addition, ESG reporting has been closely integrated with financial reporting, which means that the sustainability statement is an integral part of the Capital Group’s financial statements. Procedures for identifying, assessing, and monitoring ESG-related risks and opportunities have also been implemented in accordance with the guidelines of the *European Financial Reporting Advisory Group* (EFRAG). The change in reporting has increased the transparency, scope, and quality of non-financial data, and has also allowed for deeper integration of ESG issues into the Bank’s business model and financial reporting (Santander Bank Polska, 2024).

Table 2

Environmental, social, and corporate governance issues in Santander Bank Polska’s ESG reports for 2024 and 2025

Activities	2024	2025
Environmental Activities		
Management of environmental impact in financial activities	Taking environmental factors into account in investment analysis and financial decisions, through analysis of, among other things, customers’ environmental management strategies, climate impact, use of natural resources, and pollution prevention	Continued consideration of environmental factors in investment analysis and in risk management and financial decision-making processes relating to assets and clients
Development of sustainable financing and green products	Introduction of investment funds classified as products compliant with Articles 8 and 9 of the SFDR, supporting environmental objectives and sustainable investments, into the product portfolio	Increase in the share of ESG funds’ net assets in the total assets of investment funds managed by the Bank from 4.4% to 5.38%
Financing of environmental projects	Implementation of a sustainable finance classification system covering, among other things, green bonds and green loans for environmental projects	An increase in green financing in line with the internal sustainable financing and investment classification system was recorded
ESG data management and reporting system	A sustainability report was prepared in accordance with the European ESRS reporting standards introduced by the CSRD directive	The ESG data collection and processing system was developed, creating a central data repository and procedures for quality control of data reported in the area of sustainable development
Strategic approach to sustainable development	Environmental measures were implemented as part of the ESG strategy and responsible banking covering climate and environmental issues	The implementation of the “responsible banking and sustainable development policy” was continued, defining the bank’s approach to environmental and climate issues

Activities	2024	2025
Social Activities		
Equality and anti-discrimination in the workplace	The principles of equal treatment, anti-discrimination and ensuring appropriate employment conditions set out in organizational policies, including the “responsible banking and sustainable development policy” and the “respect and dignity policy,” were implemented	The principles of respect for individuality and equal treatment of employees have been implemented, which is part of many of the bank’s organizational policies, including the diversity and organizational culture policy
Diversity and inclusiveness in the organization	Measures were taken to promote equality and diversity, as well as to monitor indicators relating to the proportion of women in management positions and the level of the pay gap	Initiatives supporting a culture of diversity and inclusiveness were implemented, including employee networks, diversity ambassadors, educational activities, and partnerships with social organizations
Employee competence development and training	Employee development was supported through activities related to improving qualifications and developing professional competencies	Continued activities for the professional development of employees through training and initiatives supporting the improvement of qualifications
Equal pay and remuneration policy	The pay equality index and other indicators of pay equality and female representation in the organization were monitored	Implemented the principles of equal pay for work of equal value and monitored indicators of the pay gap and gender pay differences
Impact on local communities	Corporate social responsibility (CSR) activities were carried out targeting local communities in Poland	CSR activities aimed at having a positive impact on communities and monitoring the potential social impact of funded projects were continued
Corporate Governance		
Role of management and supervisory bodies	The supervisory board exercises ongoing supervision over the bank’s activities and receives regular reports on its operations, risk levels, and the achievement of strategic objectives	The Management Board is responsible, among other things, for managing the bank’s affairs, implementing its strategy, preparing business and financial plans, and implementing and supervising corporate governance principles
Remuneration system for management and supervisory bodies	The rules for remunerating members of the management board and supervisory board are set out in separate remuneration policies adopted by the general meeting, and their implementation is supervised by the supervisory board	The remuneration policy sets out the rules for determining fixed and variable remuneration and is consistent with the bank's strategy and risk management
Linking remuneration to ESG performance	The variable remuneration of management board members and key managers depends on the assessment of their performance and the achievement of financial and non-financial objectives	The remuneration system is linked to the achievement of sustainable development goals, and ESG is one of the factors taken into account when determining bonuses for management
Internal control and risk management system	The bank has a risk management system in place covering, among other things, credit, market, operational, legal, and ESG risks	The development of the risk management system was continued, covering, among others, financial, operational, and sustainable development risks
Prevention of corruption and irregularities in operations	Cases of contract termination due to corruption or bribery violations were monitored – none occurred during the reporting period	The corporate governance system includes policies and procedures for business conduct and the prevention of corruption and abuse

Source: Own study based on: Santander Bank Polska S.A., 2026, pp. 137–313; Santander Bank Polska S.A., 2025, pp. 152–328.

Santander Bank Polska S.A. (2026). Management Board Report on the Activities of the Santander Bank Polska S.A. Capital Group in 2025 (including the report on the activities of Santander Bank Polska S.A.). Santander Bank Polska S.A. pp. 137–313; Santander Bank Polska S.A. (2025). Management Board Report on the Activities of the Santander Bank Polska S.A. Capital Group in 2024 (including the report on the activities of Santander Bank Polska S.A.). Santander Bank Polska S.A. pp. 152–328.

Santander Bank Polska’s ESG reports for 2024–2025 show consistent implementation of its sustainable development and business ethics strategy. The bank effectively combines care for its employees, customers, and communities with high standards of corporate governance, risk management, and anti-corruption. The report for 2025 presents a more comprehensive and transparent approach than in 2023 and 2024. Progress is visible in the inclusion of ESG criteria in decision-making processes and daily operations, which indicates the increasing maturity of the sustainable development strategy within the Capital Group.

Discussion

An analysis of banks’ annual reports and sustainability statements indicates that one of the important areas of their activity is supporting the transformation of the economy towards a more sustainable development model. A comparative analysis of ESG activities presented in the tables for Bank Millennium and Santander Bank Polska indicates significant continuity of initiatives undertaken in the analyzed period 2024–2025. Both institutions continue to pursue environmental activities aimed at reducing the impact of banking activities on the environment and improving the energy efficiency of infrastructure.

Table 3

Millenium Bank – current initiatives and new initiatives in the ESG report in the analyzed years

Similarities	Differences
Continuation of environmental activities; in the years analyzed, the Bank implemented initiatives aimed at reducing energy consumption and the impact of its activities on the environment, including the optimization of building systems and increasing the energy efficiency of its branches	Expansion of technological activities in 2025 – server virtualization and modernization of the vehicle fleet by increasing the share of hybrid and electric vehicles
Energy efficiency of infrastructure; in the years analyzed, activities related to the modernization of lighting and energy consumption management in the Bank’s buildings and branches were carried out	New customer support tools were implemented in 2025, i.e., the bank provided companies with a carbon footprint calculator to analyze greenhouse gas emissions
Actions for low-carbon mobility; in both 2024 and 2025, the bank promoted the reduction of transport-related emissions and the development of more environmentally friendly forms of employee mobility	Development of green financing in 2025 – the scope of activities supporting the financing of pro-environmental investments and climate transformation of customers was increased

Similarities	Differences
The bank's social policy – in the years analyzed, activities aimed at employee development, equality and diversity, and building a safe working environment were continued	Greater employee involvement in environmental initiatives in 2025. Employee volunteer programs and educational activities related to environmental protection were developed
Corporate governance and ESG management; in the years analyzed, the bank applied a management system based on cooperation between the Management Board and the Supervisory Board and developed ESG risk management mechanisms	Development of climate risk management in 2025. As part of the 2028 Strategy, a system for monitoring ESG indicators and activities related to climate transformation was developed

Source: Own study based on tables concerning environmental, social, and corporate governance issues in Bank Millennium, 2024, 2025.

In the case of Bank Millennium, activities in the three areas above focused primarily on optimizing the operation of building systems, modernizing lighting, and managing energy consumption in the bank's branches. A similar continuity can be seen at Santander Bank Polska, where environmental factors were taken into account in investment analysis and financial decision-making processes in both years, and activities related to the financing of low-carbon projects and energy transition were carried out.

Table 4

Santander Bank Polska – current initiatives and new initiatives in the ESG report in the years analyzed

Similarities	Differences
Consideration of environmental factors in financial activities; in the years analyzed, the bank took environmental factors into account in its investment analysis and financial decision-making processes	Development of sustainable financing in 2025. The share of ESG fund assets in the net assets of investment funds managed by Santander TFI increased
Actions in the field of energy transition and financing of environmental projects; in the years analyzed, the bank carried out activities related to the financing of low-carbon projects and energy transition	Increased financing of low-carbon projects in 2025. There was an increase in financing for projects related to renewable energy sources, energy efficiency, and low-carbon transport
The bank's social policy; in the years analyzed, the bank implemented activities related to equal treatment of employees, anti-discrimination, and supporting employee development through training and development initiatives	Expansion of diversity and inclusion activities in 2025. Employee initiatives supporting a culture of diversity and educational and partnership activities in this area were developed
Corporate governance and supervision system in the years analyzed, a management system based on cooperation between the Management Board and the Supervisory Board and supervision of strategy implementation and risk levels was in place	Development of the ESG risk management system in 2025. The development of a risk management system that also covers risks related to sustainable development was continued
Remuneration policy for management bodies; in the years under review, the remuneration of members of the Management Board and Supervisory Board was regulated by remuneration policies adopted by the relevant bodies of the Bank	Stronger link between remuneration and ESG objectives in 2025. The bonus system took into account the achievement of sustainable development objectives when assessing the performance of management

Source: Own study based on tables on environmental, social, and corporate governance issues in Santander Bank, 2025, 2026.

The above comparison of banks' activities in improving environmental, social, and corporate governance issues also shows differences in the directions of ESG activities, mainly in 2025. Santander Bank Polska has seen the development of sustainable financing, which has manifested itself in an increase in the share of ESG fund assets and an increase in financing for projects related to renewable energy sources, energy efficiency, and low-emission transport. At Bank Millennium, on the other hand, the development of environmental activities focused more on technological and operational solutions, such as server virtualization, modernization of the car fleet, and the implementation of tools supporting customers in analyzing their carbon footprint. In the social area, both banks maintained activities related to employee development, promoting equality and diversity, and building a safe working environment. At the same time, in 2025, both institutions expanded the scope of these activities. Santander Bank Polska developed employee initiatives supporting a culture of diversity and inclusiveness, while Bank Millennium increased employee involvement in environmental activities through the development of employee volunteering and educational initiatives. With regard to corporate governance, the analysis indicates the stability of ESG management systems in both banks. Both Santander Bank Polska and Bank Millennium had a management system based on cooperation between the Management Board and the Supervisory Board, and ESG risk management mechanisms were developed. At the same time, further development of these mechanisms can be observed in 2025. Santander Bank Polska strengthened the link between the management remuneration system and the achievement of ESG objectives, while Bank Millennium developed a system for monitoring ESG indicators and climate risk management as part of its strategy.

To sum up, the results of the analysis indicate that both banks implemented ESG activities on a continuous basis during the period under review, developing previously implemented solutions. The differences between the institutions mainly concern the directions of intensification of activities in 2025 – at Santander Bank Polska, greater emphasis was placed on the development of sustainable financing and the integration of ESG objectives with the remuneration system, while at Bank Millennium, activities focused more on technological solutions, customer support tools, and the development of environmental and educational initiatives involving employees.

A limitation of this study is that it relies solely on the analysis of documents, in particular annual reports and sustainability reports published by the banks analyzed. This means that the conclusions are based on information disclosed by the financial institutions themselves. Furthermore, the study covers only two commercial banks operating in Poland and a limited period of analysis (2024–2025), which may limit the possibility of generalizing the results to the entire banking sector.

Conclusions

The analysis of the annual reports and sustainability reports of Bank Millennium and Santander Bank Polska indicates that both banks are actively implementing measures related to the implementation of ESG strategies and are gradually integrating environmental, social, and corporate governance issues into their core business activities. An analysis of documents for the years 2024–2025 shows that activities in these areas are ongoing and form part of the long-term development strategies of both institutions.

In the environmental area, banks are taking measures to reduce the impact of their operations on the environment, increase the energy efficiency of infrastructure, and support the energy transition of the economy through the development of green financing. During the period analyzed, there has been a noticeable increase in initiatives related to the financing of pro-environmental investments and the creation of tools to support companies in reducing emissions and improving energy efficiency.

In the social area, the activities of both banks focus primarily on supporting employee development, promoting diversity and equality in the workplace, and engaging in social and educational initiatives. At the same time, banks are taking measures to raise customer awareness of sustainable development and support enterprises in the process of economic transformation.

In terms of corporate governance, both banks implement policies that increase transparency, accountability, and oversight within the organization. Anti-corruption programs, monitoring compliance with ethical standards, and incorporating ESG criteria into relations with suppliers and business partners are all part of a strategic approach to sustainable development. Corporate governance at both banks is closely linked to environmental and social activities, demonstrating comprehensive ESG integration.

The activities observed in both banks are aligned with global trends in sustainable finance, including responsible investing, climate neutrality, and increasing regulatory expectations across Europe and globally. The findings indicate that Bank Millennium and Santander Bank Polska are consistently advancing their ESG strategies, enhancing transparency, and strengthening the effectiveness of managing environmental, social, and economic impacts. Importantly, the comparative analysis suggests that each bank may benefit from adopting selected practices from one another. For instance, Santander Bank Polska's integration of ESG considerations into executive remuneration represents a more advanced governance mechanism that could be further explored, particularly in assessing its effectiveness in driving ESG performance and accountability.

Based on the research conducted, several recommendations can be formulated for the Polish banking sector. First, banks should continue to expand their range of products and services that support the energy transition of businesses, particularly in the SME sector, which often faces

financial and organizational barriers to implementing solutions aligned with sustainable development goals. Second, it is advisable to further integrate ESG criteria into risk management processes and investment project evaluation systems. Third, banks should strengthen educational initiatives aimed at customers, raising awareness of the benefits of sustainable financing and reducing the negative environmental impact of business activities. The development of tools enabling companies to monitor emissions and assess the effectiveness of pro-environmental measures is also of significant importance. The results of the analysis indicate that the combination of the development of green financial products, customer education, and effective ESG risk management may constitute one of the key factors supporting the transformation of the Polish economy toward a more sustainable development model.

In summary, the findings confirm both research hypotheses, indicating that the analyzed banks systematically develop ESG activities and integrate sustainability principles into their operations, while simultaneously enhancing transparency and supporting the transition towards a more sustainable economy.

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