

**Krajišnik Nedeljko\***

<https://orcid.org/0000-0002-2284-0698>

**Barjaktarević Dragana\*\***

<https://orcid.org/0000-0003-4427-2019>

**Kovačević Tijana\*\*\***

<https://orcid.org/0000-0003-3555-6335>

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## APPLICATION OF ESG STANDARDS IN LABOR RELATIONS IN THE REPUBLIC OF SERBIA

**ABSTRACT:** ESG standards (*Environmental, Social and Governance*) represent a modern concept of sustainable and responsible business, which is increasingly reflected in labor relations throughout Europe, including in the Republic of Serbia. Although Serbia still does not have a single law or strategy that would systematically regulate the ESG obligations of business entities, labor legislation contains most elements of the social dimension of ESG, while certain segments of the governance (G) and environmental (E) components are reflected indirectly through other regulatory areas. In this regard, domestic labor law demonstrates a high degree of normative readiness for the integration of modern ESG principles, particularly in the areas of occupational safety and health, prohibition of discrimination, trade union rights, and transparency. The aim of this paper is to provide a comprehensive analysis of the existing legislative framework of the Republic of Serbia relevant to the application of ESG standards in labor

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\*LLD, Assistant Professor, “Union – Nikola Tesla” University, Faculty of Business Studies and Law, Belgrade, Serbia, e-mail: nedeljko.krajsnik@fbsp.edu.rs

\*\*LLD, Associate Professor, “Union – Nikola Tesla” University, Faculty of Business Studies and Law, Belgrade, Serbia, e-mail: dragana.barjaktarevic@fbsp.edu.rs

\*\*\*LLD, Assistant Professor, “Union – Nikola Tesla” University, Faculty of Business Studies and Law, Belgrade, Serbia, e-mail: tijana.kovacevic@fbsp.edu.rs



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relations. Special attention is devoted to the review of judicial practice, which significantly contributes to the operationalisation of ESG principles, especially in cases of discrimination, workplace harassment, violations of occupational safety and health regulations, abuse of corporate powers, and whistleblower protection. The paper also discusses the indirect influence of European regulations, primarily the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD), which, although not formally binding on Serbia, have a significant impact through the operations of foreign investors and affiliated companies. It is concluded that expectations regarding ESG standards in labor relations will inevitably increase, and that it is necessary to further strengthen institutional capacities, improve labor inspection oversight, and develop corporate policies that promote a sustainable working environment.

**Keywords:** *labor relations, sustainable business models, labor rights, worker protection.*

## 1. Introduction

The concept of ESG standards<sup>1</sup> (Environmental, Social, Governance) represents a framework for evaluating and managing sustainable business operations of companies. ESG standards integrate environmental, social and governance factors into business strategies, with each of the three pillars: (E) environmental protection, (S) social responsibility and (G) corporate governance, having its own specific function and importance.

**E – Environmental** (environmental protection) is a component focuses on the impact of business on the environment and natural resources. It includes the management of emissions, energy and resource use, waste and the implementation of sustainable practices in supply chains.

**S – Social** (social responsibility) is a component that encompasses all aspects all aspects of a responsible attitude towards employees, the community and society. In the context of labor law, this means protection of workers' rights, promotion of equal opportunities, safe and healthy working conditions and social dialogue. The social dimension of ESG standards directly affects

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<sup>1</sup> Although the term “ESG standards” is used, there is actually no universal ESG standard in the true sense of the word, but there are several criteria and methodologies that serve to define this term.

the quality of working relationships, and the long-term sustainability of the company.

**G – Governance** (corporate governance): This dimension refers to the way the company is managed, decision-making transparency and management responsibility. It includes ethical business, establishment of clear procedures, compliance with legal and regulatory obligations, protection of whistleblowers, as well as control and supervision mechanisms within the company.

All three components of the ESG standard together form an integrated approach to sustainable business, where environmental and social responsibility go hand in hand with responsible management, and their effect is also reflected in the quality of working relationships, strengthening the company's reputation and attracting investments (Tuškan-Sjauš, Šimunić & Čičak, 2024).

In the Republic of Serbia, although there is no special law regulating ESG, many elements of these standards are already normatively regulated through a set of labor law and special laws. Through the current process of joining the EU and attracting foreign investments, employers are increasingly harmonizing their practices with European rules, especially in terms of reporting, risk assessment in supply chains and human resource management. So, ESG principles become not only a recommendation, but also a strategic necessity.

The aim of this work is to provide a comprehensive insight into the current level of integration of ESG principles into labor relations and identify key challenges and perspectives for further development through the analysis of the normative framework of the Republic of Serbia and its compliance with European Union (EU) standards and legislation, and through court practice.

## **2. Normative framework of the republic of Serbia relevant to ESG**

### ***2.1. Constitutional basis***

The Constitution of the Republic of Serbia contains provisions that are directly related to the “S” and “G” components of ESG, including the right to dignity and safe working conditions, prohibition of discrimination, the right to organize a trade union, the right to fair working conditions and the ban on the employment of persons under the age of 15 (Constitution of the Republic of Serbia, 2006, Arts. 55, 60 and 66).

These norms represent the constitutional framework for the elaboration and further development of ESG principles in the field of labour relations. Based on these framework provisions, each of the above-mentioned rights and obligations is defined in more detail by separate laws.

## 2.2. Labor Law

Labor Law (2005) is the basic regulation governing labour relations explicitly prohibits discrimination in employment relationships (Krstinić & Stefanović, 2025, p. 59). represents the central legal framework through which significant ESG elements—particularly those related to social protection and corporate governance—are already incorporated, namely:

**Dignity of the employee** – The law stipulates that the employer must respect the personal dignity and integrity of the employee (Arts. 12, 21–23). This includes the prohibition of any form of psychological or physical abuse, mobbing, abusive behavior or belittling of employees (Petrevska, Grujić & Pešević, 2023).

**Equal employment conditions** – The law clearly prohibits discrimination based on sex, age, disability, religion, nationality or any other personal characteristic (Arts. 18–20). Employers must provide equal opportunity for employment, promotion, training and benefits (Berber, Slavić & Leković, 2019). This provision corresponds directly to the “S” component of the ESG standard.

**The right to safe and healthy working conditions** – The Labor Law (2005) in combination with the Law on Occupational Safety and Health obliges employers to assess all risks in the workplace and to take measures to protect workers (Labor Law, 2005, Art. 15; Law on Occupational Safety and Health, 2023, Arts. 15–18). This includes providing adequate protective equipment, educating workers on safe work practices, proper maintenance of work areas and equipment, and monitoring the state of safety (Fenwick, Kalula & Landau, (2010). This area is particularly important for ESG because it represents the “S” component – preserving the health and life of employees.

**Social dialogue** – The Labor Law (2005) guarantees employees the right to establish and join trade unions, as well as the right to participate in collective bargaining as a key mechanism of social dialogue (Arts. 6, 8). Social dialogue is key to ESG, as it allows employees to directly participate in the creation of sustainable and more responsible policies within the company.

### ***2.3. Law on Occupational Safety and Health***

The Law on Occupational Safety and Health (2023) is a key regulation for the implementation of ESG standards in employee life and health protection. Its application includes all employers and workers, regardless of the form of ownership or sector of activity. The law prescribes the following obligations and rights:

**Risk assessment and management** – The employer is obliged to identify, assess and continuously monitor all risks to the safety and health of workers. This includes analysis of work tasks, work environment and processes (Arts. 9–11, 13).

**Education and training of workers** – The employer must organize regular training of employees on safe performance of work, proper use of equipment and procedures in emergency situations (Arts. 9, 16–18). Education is necessary so that workers recognize the dangers and apply preventive measures, which strengthens the awareness of the safety culture in the company.

**Liability of the employer** – Non-compliance with the provisions of the law leads to the liability of the employer and can be the basis for compensation of damages to the employee (Arts. 9, 33–34). Judicial practice in Serbia confirms that the employer’s responsibility can be determined even when the injury was caused by the negligence of the employee, if the employer did not fulfill the obligations stipulated by the law.

### ***2.4. Law on prevention of abuse at work***

The Law on Prevention of Abuse at Work (2010) regulates the protection of the dignity of employees and the prevention of mobbing and psychological pressure in the workplace. This law is directly related to the ESG principle “S”, as it promotes a safe and inclusive work environment. Key provisions include:

**Definition and forms of abuse** – The law defines abuse at work as continuous or repeated negative actions that threaten the dignity, honor, integrity or professional development of an employee (Arts. 6–8). This includes verbal or physical abuse, isolation, unfounded criticism or withholding of information.

**Obligations of the employer** – The employer is obliged to establish procedures for reporting abuse, to investigate any complaint and to take appropriate measures to protect the victim (Arts. 9–11, 13).

**Employee Protection and Sanctions** – Employees who report abuse must not suffer consequences for their report (Law on the Prevention of Abuse at Work, 2010, Arts. 13–15, 23–25).

### ***2.5. Law on the Protection of Whistleblowers***

This law, which is recent and represents serious progress in the field of regulation and protection of whistleblowers, contains a very important segment of the “G” component of ESG – transparency, the fight against corruption and the protection of workers who report illegalities. The law prescribes the rights of employees who report irregularities, including the prohibition of retaliation, dismissal or other adverse consequences (Law on the Protection of Whistleblowers, 2014). The employer is obliged to establish internal channels for reporting irregularities and to ensure the confidentiality of the whistleblower’s identity.

All of this represents the basic corpus of ESG standards in the field of labor relations and the protection of workers’ rights, they have long been an integral part of the law, so from that point of view we can say that in the Republic of Serbia we have long adopted the foundations for ESG standards, we just need to consistently apply them in practice.

## **3. Compliance of Serbian legislation with ESG regulation of the EU**

Although the Republic of Serbia is not formally obliged to apply European Union law prior to accession, the accession process itself presupposes the gradual harmonization of national legislation with EU legal standards. In this context, certain EU directives already exert an indirect normative influence on the Serbian legal and economic framework, particularly in the fields of corporate sustainability reporting, supply chain due diligence, occupational safety and health, and equality and non-discrimination (Directive (EU) 2022/2464; Directive (EU) 2024/1760).

The integration of ESG standards into business operations in the Republic of Serbia therefore represents not only an issue of domestic regulatory policy or voluntary corporate social responsibility, but also a process closely connected to European and international regulatory developments. In recent years, the European Union has established a comprehensive regulatory framework for sustainable business practices, covering all dimensions of ESG, with a particular emphasis on environmental protection, social responsibility, and

corporate governance. These standards are already being applied by large multinational companies operating in Serbia, which in turn significantly affects domestic companies involved as suppliers or business partners within European value chains.

One of the key EU instruments in the field of ESG regulation is the **Corporate Sustainability Reporting Directive (CSRD)**, which introduces enhanced obligations for companies to disclose transparent, comparable, and reliable information on the environmental and social impacts of their activities, as well as on governance structures, risk management systems, and internal control mechanisms (Directive (EU) 2022/2464). Although Serbia is not an EU Member State, the practical relevance of the CSRD for Serbian companies is evident, particularly for those operating on the EU market or cooperating with European investors and business partners (Đurić & Škrbić, 2024). The gradual adoption of CSRD-related standards encourages the development of internal mechanisms for monitoring and reporting ESG indicators and contributes to greater transparency, accountability, and trust among investors, employees, and the wider public.

In addition to reporting obligations, the EU has further strengthened the ESG framework through the **Corporate Sustainability Due Diligence Directive (CSDDD)**, which establishes binding standards for responsible corporate conduct throughout global supply chains, with a specific focus on the protection of human rights and the environment (Directive (EU) 2024/1760). From the perspective of the Republic of Serbia, this directive represents both a regulatory challenge and a strategic opportunity. Serbian companies involved in international supply chains are increasingly required to align their business practices with due diligence obligations, including the prevention of discrimination, abuse, unsafe working conditions, and other unethical practices (Vuković, 2025). At the same time, the implementation of CSDDD principles may contribute to improving internal compliance systems, strengthening risk management, and enhancing the overall sustainability and competitiveness of Serbian businesses in the European market.

Also, at this point it is important to mention Regulation (EU) 2020/852 (“Regulation on Taxonomy”), which stipulates that certain large companies should publicly publish information on how and to what extent their activities are related to environmentally sustainable economic activities. This should certainly be implemented in Serbian legislation, but also in practice. (Kovačević, 2025).

In the following table, we will show the key EU ESG directives and their implementation in the legislation of the Republic of Serbia:

**Table 1:** Compliance of legislation in Serbia with EU directives

<b>EU directive / standard</b>	<b>Description / area</b>	<b>Corresponding regulation in the Republic of Serbia</b>	<b>Note</b>
CSRD – Corporate Sustainability Reporting Directive	It requires companies to report on the impact of business operations on the environment, society and corporate governance	Law on Accounting + Rulebook on Non-Financial Reporting	Partially implemented – Serbia still does not have a fully binding law on ESG reporting, but companies are encouraged to be transparent and good practices
CSDDD – Directive on Due Diligence in Supply Chains	It prescribes the responsibility of companies for the protection of human rights and the environment in supply chains	Labor Law, Law on Prohibition of Discrimination, Law on Environmental Protection	Partially implemented – there are national regulations covering human rights and environmental protection, but implementation in supply chains is still limited
EU guidelines for reducing emissions and energy efficiency	They set standards for reducing environmental impact	Law on Environmental Protection	Partially implemented – national regulations on energy and environmental protection cover part of the EU requirements, but full harmonization has not yet been achieved
EU guidelines on corporate governance and whistleblower protection	They set the standards of ethical management, transparency and protection of those who report irregularities	Whistleblower Protection Act + Business Companies Act	They enable the “G” component of ESG through risk control, ethical business and responsible management – implemented in Serbia

**Source:** Author’s research

In addition to EU regulations on corporate sustainability reporting and supply chain due diligence, European Union law contains a comprehensive set of directives governing occupational health and safety, which represent an important element of the social dimension of ESG standards. These regulations aim to ensure a high level of protection of workers and to harmonize safety standards across EU Member States.

The central instrument in this field is Council Directive 89/391/EEC (the “Framework Directive”), which establishes the fundamental obligations of employers to assess occupational risks, introduce preventive and protective measures, and provide employees with adequate information and training on health and safety at work.

Building on the principles of the Framework Directive, a number of specific directives regulate particular risks and working conditions. Directive 2009/104/EC prescribes minimum requirements for the safe use of work equipment, while Directive 98/24/EC focuses on the protection of workers from risks related to exposure to chemical agents. Additional directives address ergonomic risks, manual handling of loads, work with display screen equipment, as well as protection against hazardous factors such as noise, vibration, and biological and chemical agents.

Taken together, these directives clearly define employer responsibilities with regard to risk assessment and management, the organization of preventive measures, employee training, the provision and use of appropriate equipment and protective measures, as well as record-keeping and reporting of occupational injuries and diseases. Their close connection with ESG standards is particularly evident in the “S” component, which recognizes employee health and safety as a key factor of socially responsible and sustainable business (Waas, 2021).

Beyond occupational safety and health, EU law also encompasses broader ESG-related standards and guidelines, including those concerning the reduction of greenhouse gas emissions, energy efficiency, equal opportunities and whistleblower protection (World Services Group [WSG], 2025). Compliance with these standards requires companies to improve internal work procedures, strengthen monitoring mechanisms, develop policies for the protection of employee rights, and establish systems for regular non-financial reporting (Pachmann & Tomas, 2024).

Although EU directives formally incorporate occupational health and safety, employee protection and other social standards into the regulatory framework relevant for ESG, their practical effectiveness largely depends on the extent to which these norms are internalized within corporate governance

and business strategies. ESG standards imply a shift from a purely compliance-based approach toward proactive risk management, transparency and social responsibility integrated into decision-making processes. In legal systems such as that of the Republic of Serbia, regulation in this field still predominantly operates in a reactive manner, focusing on sanctioning violations rather than on the systematic prevention of social and labor-related risks.

In the context of the Republic of Serbia, this gap between normative alignment and substantive ESG integration becomes particularly evident, given the limited capacities of supervisory authorities, the need for continuous education of employers and employees, and the development of effective ESG reporting systems. Nevertheless, companies that proactively align their operations with ESG principles may enhance their competitiveness, attract foreign investment and improve their public reputation, thereby creating a functional link between domestic legislation and European regulatory expectations (Sychenko, 2023).

The following table shows the compliance of Serbian legislation with the basic EU directives on occupational health and safety (OHS):

**Table 2:** Compliance of legislation in Serbia with EU directives on OHS

<b>EU directive / standard</b>	<b>Description / area</b>	<b>Corresponding regulation in the Republic of Serbia</b>	<b>Note</b>
Directive 89/391/EEZ – Framework directive on occupational health and safety (OHS)	Basic obligations of the employer: risk assessment, information and training of workers, consultation and supervision	Law on Safety and Health at Work	Partially implemented – The OSH Law covers the basic obligations of employers, but supervision and uniform application of standards are not yet fully developed
Directive 2009/104/EC – Safety and health requirements for work equipment	Protection of workers when using work equipment	Law on occupational safety and health + Rulebook on machinery and equipment	Partially implemented – machinery and equipment regulations exist, but the application of technical standards varies between industries

EU directive / standard	Description / area	Corresponding regulation in the Republic of Serbia	Note
Directive 98/24/EC – Chemical substances	Protection against chemicals and dangerous substances	Law on Protection at Work with Chemicals and Rulebook on Classification, Packaging and Labeling of Hazardous Substances	Implemented – regulations on chemicals exist (increased monitoring required)
Directive on ergonomics and weight loading	Physical work and stress	Rulebooks on ergonomics and physical workload of workers	Applied – national regulations cover basic requirements

Source: Author’s research

The overview of EU occupational health and safety directives and their corresponding regulations in the Republic of Serbia indicates a moderate level of alignment, with most key requirements formally transposed into national legislation. However, the analysis also shows that practical implementation and effective supervision remain uneven, particularly in the areas of general employer obligations and the application of technical standards across different industries.

#### 4. Case law in the republic of Serbia relevant to ESG standards<sup>2</sup>

Judicial practice in the Republic of Serbia provides practical insight into the implementation of ESG principles in labor relations, especially in the areas of employee rights protection, occupational safety, anti-discrimination and whistleblower protection (Supreme Court of the Republic of Serbia, 2025).

What is interesting to note is that the judicial practice in the Republic of Serbia shows that, although domestic courts do not use the terminology “ESG”, they nevertheless regularly resolve disputes that are substantively directly related to ESG components – especially in the area of employee protection (S), occupational safety (E and S), and reporting of irregularities (G).

<sup>2</sup> Judgments and legal positions were reviewed based on publicly available decisions published on the official website of the Supreme Court of the Republic of Serbia (ex Supreme Court of Cassation of the Republic of Serbia).

#### **4.1. Protection against harassment at work (mobbing) – S component of the ESG standard**

Judicial practice of the Supreme Court of the Republic of Serbia has significantly contributed to clarifying the legal concept of abuse at work. In one of its decisions<sup>3</sup>, the Court confirmed that systematic and repeated negative treatment of an employee, which causes measurable adverse consequences for the employee's professional status or mental health, constitutes abuse at work.

The Court emphasized the employer's obligation to actively prevent such behavior and to ensure effective mechanisms for employee protection (Judgment of the Supreme Court, Rev2 4445/2022).

At the same time, the Court has consistently held that not every unpleasant, strict or inadequate work-related measure amounts to mobbing.<sup>4</sup> Abuse exists only where long-term, unjustified and harmful conduct exceeds the limits of normal work situations (Judgment of the Supreme Court, Rev2 1878/2023).

Furthermore, in assessing mobbing claims<sup>5</sup>, courts apply a demanding evidentiary standard, based on a combined evaluation of objective circumstances and the subjective experiences of employees, with particular attention given to medical and other relevant documentation (Judgment of the Supreme Court, Rev2 1299/2023).

#### **4.2. Protection of whistleblowers – G component of the ESG standard**

Judicial practice concerning the protection of whistleblowers further illustrates the growing importance of the social and governance dimensions of ESG standards in Serbian labor law. In one of its decisions<sup>6</sup>, the Supreme Court emphasized the obligation of employers to establish confidential and effective internal channels for reporting irregularities. The Court clarified that whistleblower protection is activated only when the statutory requirements prescribed by the Law on the Protection of Whistleblowers are met (Judgment of the Supreme Court, Rev-uz 4/2022).

In another decision<sup>7</sup>, the Court provided a detailed interpretation of the concept of a "harmful act," highlighting that retaliation against a whistleblower may take

<sup>3</sup> Judgment of the Supreme Court of the Republic of Serbia, Rev2 4445/2022 of 22. August 2023.

<sup>4</sup> Judgment of the Supreme Court of the Republic of Serbia, Rev2 1878/2023 of 23. May 2023.

<sup>5</sup> Judgment of the Supreme Court of the Republic of Serbia, Rev2 1299/2023 of 17. May 2023.

<sup>6</sup> Judgment of the Supreme Court of the Republic of Serbia, Rev-uz 4/2022 of 14. June 2023.

<sup>7</sup> Judgment of the Supreme Court of Cassation of the Republic of Serbia, Rev-uz 5/2020 of 09. December 2020.

various forms, ranging from dismissal to more subtle measures such as workplace pressure or unfavorable changes in working conditions. This decision is important as it confirms a broad scope of legal protection afforded to whistleblowers under Serbian law (Judgment of the Supreme Court of Cassation, Rev-uz 5/2020).

### ***4.3. Occupational safety and health (OHS) – E and S component of ESG***

In addition to civil and labor disputes, Serbian judicial practice has also addressed serious breaches of occupational safety and health regulations within criminal proceedings. In one decision<sup>8</sup>, the Supreme Court of Cassation held that grave violations of employers' obligations in the field of occupational safety and health may constitute grounds for criminal liability, particularly where a causal link is established between the employer's negligence and the resulting injury or workplace accident. The Court emphasized the importance of expert evidence in determining such causation (Judgment of the Supreme Court of Cassation, Kzz 787/2021).

In a more recent decision<sup>9</sup>, the Court adopted an even stricter approach, stressing that failure to implement legally prescribed protective measures represents a serious violation of occupational safety and health regulations. The Court expressly stated that economic or organizational reasons cannot justify the neglect of safety obligations and that responsible persons may incur individual criminal liability for such conduct (Judgment of the Supreme Court, Kzz 289/2025).

### ***4.4. Concluding considerations of case law in the ESG context***

A review of judicial practice clearly indicates that domestic courts, although they do not explicitly use the term "ESG", apply regulations from labor law, occupational safety and whistleblower protection in case of labor disputes, which are substantively in the spirit of ESG principles. This means that ESG principles are already unofficially but actually integrated into labor law practice, through decisions that protect the dignity of employees, ensure safety and health at work, and guarantee the protection of those who report irregularities.

Also, judicial practice shows that when deciding, the courts value the factors of "social responsibility" and "responsible management" as relevant for assessing

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<sup>8</sup> Judgment of the Supreme Court of Cassation of the Republic of Serbia, Kzz 787/2021 of 07. September 2021.

<sup>9</sup> Judgment of the Supreme Court of the Republic of Serbia, Kzz 289/2025 of 11. March 2025.

the legality of business – which confirms that ESG standards are not just an abstract ideal, but have concrete legal effects and can be subject to judicial supervision.

From an ESG perspective, such judicial protection remains predominantly individual and *ex post* in nature, focusing on the correction of violations after they have occurred rather than on preventive mechanisms embedded in corporate governance. This confirms that, despite the substantive alignment of judicial reasoning with ESG values, the Serbian legal system still relies primarily on judicial intervention instead of systematic internal risk management and proactive social responsibility of employers. Consequently, case law currently serves more as a corrective instrument than as a driver of comprehensive ESG integration.

However, the analysis also points to limitations: the number of final rulings directly applying ESG-relevant institutes (mobbing, whistleblowers, OHS violations) is relatively modest, and many disputes end in dismissal of claims – indicating that practice is uniform, but that the burden of proof often rests with employees. This means that for the true affirmation of ESG standards in Serbia, the mere existence of norms is not enough — a stronger awareness of workers, better application of laws and more active inspection and judicial supervision is also necessary.

In this sense, judicial practice – with all its shortcomings – is an important indicator that ESG standards are slowly (but realistically) being introduced into labor relations, and that it is possible through the law to protect workers and promote responsible business. As such, it provides a solid basis for further development, but also warns that further development depends on strengthening institutional, procedural and cultural assumptions.

## **5. Possible directions for improving ESG standards (De Lege Ferenda)**

Based on the analysis of the existing legal framework, EU regulatory trends and domestic judicial practice, it can be concluded that ESG standards in the Republic of Serbia are normatively present, but insufficiently systematized and unevenly implemented. The following recommendations do not represent exhaustive legislative solutions, but rather possible directions for strengthening the practical application of ESG principles. Their purpose is to bridge the gap between formal legal protection and effective and responsible corporate governance.

- 1. Normative harmonization with the EU ESG framework** – consideration should be given to adopting a special legal act or amending existing labor law regulations to systematize ESG-related obligations.

2. **Strengthening inspection supervision**, particularly in the field of occupational safety and health, to ensure more consistent enforcement of existing norms.
3. **Digitization of internal procedures**, aimed at increasing transparency and traceability of data on working conditions and labor relations.
4. **Gradual introduction of non-financial reporting obligations** for medium and large companies, in line with EU standards and market expectations.
5. **Strengthening employee participation in decision-making**, especially through social dialogue and internal consultation mechanisms.
6. **Continuous education of employers and HR professionals** on ESG standards and their relevance for sustainable labor relations.

## **6. Conclusion**

Although the Republic of Serbia does not have a single legal act regulating ESG standards, a significant part of these principles is already contained in its labor law system. Through the Labor Law, the Law on Safety and Health at Work, the Law on Prohibition of Discrimination, the Law on Prevention of Abuse at Work and other regulations, Serbia has laid a solid foundation for the social component of ESG.

However, challenges still exist with uneven implementation, insufficient reporting, weak social dialogue and lack of obligation to integrate ESG into business strategies. This indicates that the Serbian approach to ESG-related labor standards is still predominantly compliance-oriented, rather than based on a strategic integration of social responsibility into corporate governance. Future trends, including investor demands, EU regulation and market expectations, show that ESG standards will become not only a recommendation, but also a practical necessity.

In that sense, the identified gaps in implementation and governance justify the need for targeted normative, institutional and organizational measures aimed at strengthening the practical application of ESG standards in labor relations

That is why it is necessary to systematically approach their development, strengthening and implementation, because sustainable labor relations are a key factor in the long-term competitiveness of employers and the quality of worker protection in the Republic of Serbia.

### **Conflict of Interest**

The authors declare no conflict of interest.

### **Author Contributions**

Conceptualization, N.K.; formal analysis, N.K. and D.B.; investigation, N.K. and T.K.; methodology, N.K.; validation, N.K. and D.B.; visualization, T.K.; writing – original draft, N.K. and D.B.; writing – review & editing, D.B. and T.K. All authors have read and agreed to the published version of the manuscript.

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### ***Krajišnik Nedeljko***

Univerzitet „Union – Nikola Tesla“, Fakultet za poslovne studije i pravo, Beograd, Srbija

### ***Dragana Barjaktarević***

Univerzitet „Union – Nikola Tesla“, Fakultet za poslovne studije i pravo, Beograd, Srbija

### ***Tijana Kovačević***

Univerzitet „Union – Nikola Tesla“, Fakultet za poslovne studije i pravo, Beograd, Srbija

## **PRIMENA ESG STANDARDA U RADNIM ODNOSIMA U REPUBLICI SRBIJI**

**APSTRAKT:** ESG standardi (*Environmental, Social, Governance*) predstavljaju savremeni koncept održivog i odgovornog poslovanja, koji se sve više ogleda u radnim odnosima širom Evrope, pa i u Republici

Srbiji. Iako Srbija još uvek nema jedinstven zakon ili strategiju koja bi sistematski regulisala ESG obaveze privrednih subjekata, radnopravno zakonodavstvo sadrži većinu elemenata socijalne dimenzije ESG-a, dok se određeni segmenti komponente upravljanja (G) i zaštite životne sredine (E) ogledaju indirektno kroz druge regulatorne oblasti. U tom smislu, domaće radno pravo pokazuje visok stepen normativne spremnosti za integraciju savremenih ESG principa, posebno u oblastima bezbednosti i zdravlja na radu, zabrane diskriminacije, sindikalnih prava i transparentnosti. Cilj ovog rada je da pruži sveobuhvatnu analizu postojećeg zakonodavnog okvira Republike Srbije koji je relevantan za primenu ESG standarda u radnim odnosima. Posebna pažnja posvećena je pregledu sudske prakse koja značajno doprinosi operacionalizaciji ESG principa, posebno u slučajevima diskriminacije, mobinga, kršenja bezbednosti i zdravlja na radu, zloupotrebe korporativnih ovlašćenja i zaštite uzbunjivača. U radu se takođe razmatra indirektni uticaj evropskih propisa, pre svega Direktive o korporativnom izveštavanju o održivosti (CSRD) i Direktive o dužnoj pažnji u lancu snabdevanja (CSDDD), koje, iako formalno nisu obavezujuće za Srbiju, imaju snažan efekat kroz poslovanje stranih investitora i povezanih kompanija. Zaključuje se da će se očekivanja u vezi sa ESG standardima u radnim odnosima neminovno povećavati, te da je potrebno dalje jačati institucionalne kapacitete, unapređivati inspekcijski nadzor i razvijati korporativne politike koje promovišu održivo radno okruženje.

**Ključne reči:** radni odnosi, održivi poslovni modeli, radna prava, zaštita radnika.

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