

Social responsibility and environmental reporting in the practice of Polish companies

La responsabilidad social y la información medioambiental en la práctica de las empresas polacas

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Abstract



The article presents the area of corporate social responsibility reporting as based on the practice in Poland; special stress is put on the environmental reporting in the context of corporate social responsibilities.

Resumen



El artículo presenta el área de la información sobre la responsabilidad social de las empresas basada en la práctica en Polonia; se hace especial hincapié en la información medioambiental en el contexto de las responsabilidades sociales de las empresas.

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The concept of corporate social responsibility is relatively new. Still more recent are formal regulatory requirements requesting corporations to publish regular reports covering this area in a standardized way. In case of European Union a directive published by the European Parliament in April 2014 created a formal framework and a set of suggested as well as compulsory requirements for the area of corporate reporting gradually in all countries of European Union. Other term used for this kind of reporting is “company reports on non-financial issues included in periodical financial reporting” which is summarized in an acronym ESG (where E = environment; S = social; G = governance).

In earlier days corporate social responsibility was a relatively imprecise concept proposed either by non-governmental organizations and their activists or by individuals from the academic circles. Public relations considerations and some marketing policies made companies willing to introduce elements of the concept of social responsibility in their reports and briefings intended for the use of mass media and corporate contacts with the “common man” and society. Finally sections on corporate social responsibility started to be included in company reports and found their place there.

Environmental issues as well as labour relations and family values were the first areas to be included in such reports on a regular basis. By doing this companies intended to improve their public image and to present themselves as socially responsible and seriously taking care of environmental issues, especially after great environmental catastrophes. The question of a role of a corporation within local communities and business relations with them or influence of their businesses on the local communities were other important areas of the reports. At that time all this reporting was voluntary and not regulated by state supervisory authorities. The ideas of “sustainable development” and “ethical investment” as well as related public discussions and campaigns were also important stimuli for the advancement of corporate social responsibility awareness and reporting.

In case of Poland the first stage of corporate social responsibility reporting – which had started in the nineties long before the publication of the directive of the European Parliament – had a purely voluntary character. This means that the corporations did not have any duty or obligations

to include any sections on corporate social responsibility in their yearly reports. At the same time there was a strong expectations that the companies would explain at least in general terms why they decided not to include “non-financial sections” in their reports. Experts and observers hoped however that the social and market pressure would make the majority of the bigger companies, especially the ones from the socially and environmentally sensitive areas, to include such sections in their reporting.

The year 2008 was a breakthrough: the first company report devoted exclusively to corporate social responsibility has been published by a Polish company. Five years later, in 2013, there were over one hundred such company reports published. The qualitative advance of the reports as well as their completeness and presentation formulae were even much bigger than the quantitative one.

Next stage in corporate social responsibility reporting in Poland will be achieved when the reports for 2017 of Polish big companies are available. This is so because the financial year 2017 is the first year for which big Polish companies are formally obliged to present sections on “non-financial issues” in their yearly reports required by the authorities and supervisors. It is required that the companies present at least brief comments on their business model, labour relations, social issues, human rights, anticorruption actions and environmental issues relevant to their operations. Relevant policies and procedures, risk issues as well as relevant measures and indicators need to be presented, too. Financial penalties can be prescribed by the authorities if mistakes or inadequacies or misrepresentations in the “non-financial” reporting are discovered or revealed.

A joint study by EY, Polish Association of Stock Issuers and consulting and research company GES shows that non-financial reporting is still inadequate and incomplete among bigger Polish companies.

In the environmental area the findings of the study based on data available by October 2017, that is before publishing final reports for the whole 2017, are as follows:

- 8.6 percent of polled companies are prepared to report on environmental issues by presenting their policies or strategies on corporate social responsibility only;

- 19.7 percent of polled companies reveal data on use of water resources;
- 32.9 percent of polled companies reveal data on the energy consumption;
- 21.4 percent of polled companies reveal data on the emission of greenhouse gases.

Situation in other reporting areas, social issues included, is not any better:

- 19.3 percent of polled companies published their policies on social issues but without any additional data or comment;
- 10 percent of polled companies carry out consultations on the local level with the local population;
- 5 percent of polled companies publish information on the possibilities of presenting complaints by local communities;
- 5 percent of polled companies inform about local initiatives carried out in the area of their operations;
- 17.9 percent of polled companies reveal information on the observation of human rights and workers' rights;
- 23.6 percent of polled companies present any information on their antidiscrimination policies;
- 12.1 percent of polled companies reveal information on the average wage in the company
- 72.9 percent of polled companies declare that they do not tolerate corruption but only 15 percent present their anticorruption policies; analyses on the risk of corruption practically are neither presented or made.

A very separate and specific topic in the area of corporate social responsibility reporting is how to numerically process the data, how to construct measures and indica-

tors and how to present them. Some of the processes, activities or areas are simply difficult to measure in a standardized way. Methodologies are also incomplete, data difficult to gather or there is lack of historical reference. As a result it is often difficult to measure results or differentiate between results (meaning effects or outputs) and expenditure or other resources (inputs) employed in areas of corporate social responsibilities of companies.

It needs to be noted and stressed that in the field of environmental protection and measuring the environmental results of commercial activities the situation looks much better. Relatively well developed environmental standards, methodologies, measures and indicators in common use allow for presenting activities and actions of companies in this field in a very precise and concrete ways. As a result the parts of company reports on corporate social responsibility dealing with environmental issues are usually much more advanced methodologically and much more informative about the environmental impact of their commercial operations. At the same time the general benefit to the society is straightforward and easier to achieve and evaluate than in many other fields of corporate social responsibilities.

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