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**Social Responsibility of Organizations.
CSR 1.0, CSR 2.0 and what's next?**



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Introduction

The presented volume of the Research Papers, devoted to the social responsibility of organizations, refers to the Visser's concept of CSR 1.0 and CSR 2.0. The concept does not concern so much the computer science categories but the progress and need to redefine its role in society. It is worth emphasizing that the CSR transition has different features depending on a company and country. It is a complex and diverse process, both from the perspective of time and space.

Within the framework of scientific discussion held on the CSR transition, several key areas of changes are pointed out. Firstly, early CSR understanding, often identifying it with philanthropy, slowly gives way to partnership relations and cooperation based on good communication between a company and a community. Secondly, the initiatives now should not be a minimalist response to social and environmental stakeholders' expectations but should be initiated by company's initiatives included in strategic plans and well-thought-out investments. Thirdly, the actions marked by image aspects and "produced" by PR departments will no longer constitute a credible motives confirmation for taking pro-social initiatives by a company. Enterprises will be judged on actual credible initiatives in the area of environment, society and ethics. Fourthly, a specialization (although still valid) will be gradually replaced by performances integrated into core companies' operations. Fifthly, the effects of pro-social activity of enterprises, being visible as a form of a product or service, should not be any longer a niche project, but should be directed to a wide audience. In other words – it is about converting the "nice-to-have" product to the "must-have" one. Sixthly, the expansion of the CSR concept from the local initiatives to the global venture will allow a more culturally diverse and internationally applied concept.

Summing up the transition from CSR 1.0 to CSR 2.0, it is important to mention the five principles that constitute the new approach: *creativity*, *scalability*, *responsiveness*, *glocality* and *circularity*. It is worth noting that the content presented and discussed by the Authors of the Research Papers, directly or indirectly relates to the above-mentioned principles. For example, the issues discussed by J. Szumniak-Samolej, K. Bachnik and M. Andrejczuk refer to the principle of *creativity*. The *scalability* principle corresponds with the issues mentioned by D. Teneta-Skwiercz, E. Jastrzębska, N. Saadi and A. Skrzypek, J. Kroik and J. Skonieczny, M. Roszkowska-Menkes as well. The next principle – *responsiveness* – can be visible in the papers written by G. Aniszewska, W. Husztrak, D. Teneta-Skwiercz, K. Bachnik, E. Jastrzębska and J. Szumniak-Samolej. The core idea of *glocality* principle is represented in the papers of K. Bachnik, E. Jastrzębska, D. Teneta-Skwiercz, J. Szumniak-Samolej. The last principle – *circularity* – is visible in K. Bachnik's and J. Szumniak-Samolej's paper.

In response to upcoming changes and parallel emerging questions “what’s next?,” I present with pleasure the Research Papers of Wrocław University of Economics, which not only describe current problems connected with the CSR concept, but also point out the new perspective and directions of CSR.

At this point, I would like to address my thanks to the reviewers of the Research Papers, whose efforts in the form of comments and suggestions expressed in the reviews contribute also a special part to the CSR discussion held on the pages of the current volume.

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REPORTING OF NON-FINANCIAL INFORMATION AS A STAKEHOLDER ENGAGEMENT METHOD

RAPORTOWANIE DANYCH POZAFINANSOWYCH JAKO SPOSÓB ANGAŻOWANIA INTERESARIUSZY

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Summary: Corporate social responsibility emerged on the basis of the stakeholders theory and was finally authorized by norm ISO26000, establishing that an organization's responsibility is such behaviour which, amongst others, takes into account stakeholders expectations. One of the basic tools of communication with stakeholders (and getting of their expectations) is reporting non-financial information. The purpose of this article is to analyse and evaluate non-financial information reporting (including accessible standards in this area) carried out from the aspect of stakeholder engagement practices. It was conducted based on a critical analysis of literature on this subject and web research. On its basis specific stages of non-financial reporting were diagnosed (evolution from the social and environmental through the sustainability reporting to the integrated) and the increasing role of stakeholders in this process (from passive recipients to active participants).

Keywords: non-financial information reporting, stakeholders, GRI, AA1000, ISO26000.

Streszczenie: Społeczna odpowiedzialność biznesu narodziła się na gruncie teorii interesariuszy, co ostatecznie usankcjonowała norma ISO26000, wskazując, że odpowiedzialność organizacji to takie zachowanie, które m.in. uwzględnia oczekiwania interesariuszy. Jednym z podstawowych narzędzi komunikowania się z interesariuszami (i poznawania ich oczekiwań) jest raportowanie danych pozafinansowych. Celem artykułu jest analiza i ocena raportowania danych pozafinansowych (w tym dostępnych w tym zakresie standardów) dokonana z punktu widzenia praktyki angażowania interesariuszy. Została ona przeprowadzona na podstawie krytycznej analizy literatury przedmiotu i *web research*. Na jej podstawie zdiagnozowano poszczególne etapy raportowania pozafinansowego (ewolucja od społecznego i środowiskowego poprzez zrównoważone do zintegrowanego) oraz rosnącą rolę interesariuszy w tym procesie (od biernych odbiorców do aktywnych uczestników).

Słowa kluczowe: raportowanie danych pozafinansowych, interesariusze, GRI, AA1000, ISO26000.

1. Introduction

The growing trend to report non-financial information in recent years¹ has its origin in economic, social, and legislative changes since the expectations from companies as entities, whose responsibility should increase in proportion to the increasing role and significance which they play in the contemporary world, are growing. These expectations are all the greater, the more the possibilities of rectifying the failures of the market by the state decrease due to progressing globalization processes.

Today, companies function in a complex and rapidly changing reality. Whether they achieve permanent success depends on the positive relations which they build with their stakeholders, that is, persons or groups who have an interest in any decisions whatsoever or activities of organizations.² In turn, these relations depend to a large extent on how transparent and responsible a company will be.

One of the basic tools which increase the transparency and dialogue with stakeholders is reporting of non-financial information, involving disclosing information to stakeholders about economic, social and environmental impacts of the organization. More and more often attention is paid to the role which stakeholders themselves have to play in this process.

The purpose of this article is the analysis and evaluation of reporting of non-financial information (including the evolution of this phenomenon and the standards existing in this area) carried out from the aspect of stakeholder engagement practices. It was conducted based on a critical analysis of literature on the subject and web research.

2. Evolution of the reporting of non-financial information

Reporting of non-financial information has undergone an evolution similar to the concept of corporate social responsibility itself (CSR). Just as CSR was initially associated solely with the social aspects of business, often also associated only with charity work, so social issues were the area that reporting financial information was first supplemented and expanded to include.³ The first examples of social reporting appeared in Holland (in the 1960s) and in France (legal requirement introduced in 1977).⁴ Social reporting focused on presenting the company as a corporate citizen,

¹ The concept of reporting non-financial data is used interchangeably with concepts such as sustainability reporting, CSR (corporate social responsibility) reporting, ESG (E – environment, S – social, G – governance) reporting, or social reporting. This article tries to stress the difference between the specific periods to show the evolution of the reporting of non-financial information.

² PKN, *Norma PN-ISO 26000. Wytyczne dotyczące społecznej odpowiedzialności*, Warszawa 2012, p. 16.

³ P. Hąbek, R. Wolniak, *Ewolucja w raportowaniu danych pozafinansowych przedsiębiorstw*, 2013, www.woiz.polsl.pl/znwoiz/projekt/H%20B9bek%20TNOIK%202013.pdf (date of access: 07.10.2015), p. 292.

⁴ GRI, *Carrots and Sticks – Promoting Transparency and Sustainability. An Update on Trends in Voluntary and Mandatory Approaches to Sustainability Reporting*, 2010, www.globalreporting.org/resource/library/Carrots-And-Sticks-Promoting-Transparency-And-Sustainability.pdf (date of access: 07.10.2015), p. 6.

neighbour, undertaking a variety of activities to improve the sense of well-being of the environment in which it functions. It had a very differentiated structure as there were no guidelines in this area. One example of such a report in Poland was published by Provident (2008).

The environmental protection debate was simultaneously taking place in the sustainable development (eco-development) trend and therefore environmental reporting, most frequently undertaken by companies from sectors cumbersome to the environment, appeared around 10 years later (1980/90s).⁵ According to the EMAS regulation, the environmental, directed at stakeholders, report (referred to as an environmental statement in the EMAS regulation) should include a description of the organization and its activity, how it impacts the environment and the effects of its environmental activity.⁶ One of the first environmental reports in North America was the Monsanto report (1991), in Europe it was the Norsk Hydro (1989),⁷ and in Poland – the Arctic Paper (2001).⁸

Since the 1990s, however, the social and environmental reporting tendencies are integrated in sustainability reporting (similarly to the joining of both standpoints in the contemporary understanding of CSR), which, combined with the development of the corporate social responsibility concept, is often referred to as CSR reporting. According to the Global Reporting Initiative (GRI) – the most well-known organization which creates guidelines for reporting of non-financial information – sustainability reporting involves organizations providing stakeholders with information about economic, environmental and social impacts of its everyday activities, and also the organization's values and its governance model, demonstrating the link between an organization's strategy and its contribution to a sustainable global economy.⁹ In Poland the first social responsibility report (not in accordance with GRI guidelines but only GRI referenced) was published by PKN Orlen (2003).

Integrated reporting is becoming a new trend in corporate reporting, which shows how the strategy, governance, performance and prospects in the context of an organization's external environment lead to creation of values (for all stakeholders)

⁵ P. Cerin, Communication on corporate environmental reports, *Corporate Social Responsibility and Environmental Management* 2002, vol. 9, p. 48.

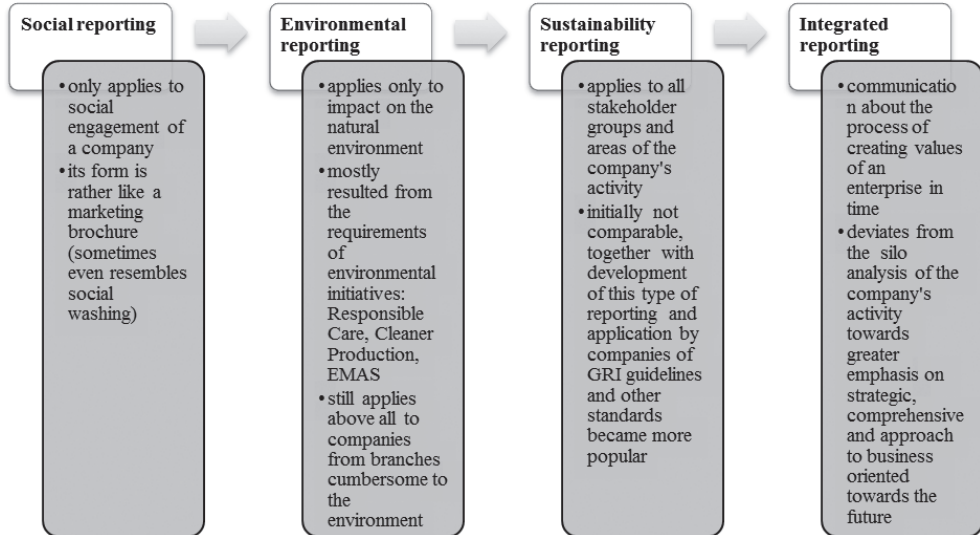
⁶ Rozporządzenie Parlamentu Europejskiego i Rady (WE) nr 1221/2009 z dnia 25 listopada 2009 r. w sprawie dobrowolnego udziału organizacji w systemie ek zarządzenia i audytu we wspólnocie (EMAS), uchylające rozporządzenie (WE) nr 761/2001 oraz decyzje Komisji 2001/681/WE i 2006/193/WE, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:342:0001:0045:PL:PDF> (date of access: 07.10.2015).

⁷ M. Brophy, R. Starkey, Environmental reporting, [in:] R. Welford (ed.), *Corporate Environmental Management 1. System and Strategies*, Second Edition, Earthscan, 2013, p. 176.

⁸ E. Jastrzębska, P. Legutko-Kobus, Wdrażanie systemów zarządzania środowiskowego a kryzys, [in:] Z. Strzelecki, P. Legutko-Kobus (eds.), *Oblicza współczesnego kryzysu a polskie regiony*, MRR, Warszawa 2010, pp. 300–327.

⁹ GRI, *About Sustainability Reporting. What Is Sustainability Reporting?*, 2015, www.global-reporting.org/information/sustainability-reporting/Pages/default.aspx (date of access: 07.10.2015).

in the short, medium and long term.¹⁰ This approach (focusing on the creation of a future value) ensures that this type of reporting is directed primarily to investors. According to the data found at www.globalreporting.org, one of the first integrated reports was compiled by the Burberry Group (2003),¹¹ in Poland – Lotos Group (2010). The Republic of South Africa is the first and only country in the world which in 2010 introduced an integrated reporting duty.¹²



Note: Social washing – information disseminated by the company to show its social engagement, and which can mislead readers as to the scale and degree of the company's involvement; M. Panek-Owsiańska, *Esej o sztuce raportowania*, [in:] N. Ćwik (ed.), *Wspólna odpowiedzialność. Rola raportowania społecznego*, FOB, 2013, p. 108.

Figure 1. Comparison of the most important characteristics of various types of non-financial information reporting

Source: own study.

Non-financial information reporting, therefore, means disclosures to external and internal stakeholders on an organization's impacts (both positive and negative) on the economy, environment and society. It is emphasized that this type of reporting which

¹⁰ IIRC, *The International Integrated Reporting Framework*, 2013, <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf> (date of access: 07.10.2015), p. 7.

¹¹ Presently the database <http://database.globalreporting.org/> contains 29,006 reports, 3,286 of which are integrated (date of access: 9.10.2015).

¹² R. Sroka, A. Grzymisławski, A. Kustra, *Raportowanie danych pozafinansowych. Przewodnik dla przedsiębiorstw*, 2013, www.mg.gov.pl/files/upload/7904/pmp_MG_raportowanie%20integrowane_A4_EMISJA_press.pdf (date of access: 07.10.2015), p. 43.

has been developed is a continuous and dynamic process, requiring dialogue with the environment and not only limited to a once-off compilation of a report which is left to “sit on a shelf.”

Figure 1 shows the most important characteristics of the types of reporting discussed.

It is not only the area of non-financial accountability but also its form which has evolved. Initially, social and environmental reports were synthetic works, one of the numerous publications which companies compiled. Sustainability reports, which were an additional supplement to the annual financial reports, became separate works only with time, initially being published in the paper form, and now more commonly only in the electronic one, e.g. in the interactive form (Schenker) or as audiobooks (Danone). At this point, it is worth noting that the challenge in the future will be real time reporting, with the aid of modern technology (e.g. XLBR),¹³ where each stakeholder can himself/herself select the information from that published by a company which he/she is interested in, thus creating a personalized report. Figure 2 shows the evolution of non-financial information reporting.

The development of the reporting of non-financial information is backed up by internationally recognized standards containing guidelines on quantification of statistical information and standardization of the information on quality conveyed, so that results can be compared and increase the reliability of a report. The most important include EMAS standard, Global Compact Communication on Progress (GC COP), GRI guidelines, ISO26000 norm, series AA1000 norms.

EMAS, as the only one out of all of the above mentioned standards, applies to the system of environmental management; however, unlike another environmental norm, ISO14001 (on which it is based), it sets much stricter requirements both as regards relations with the environment and with other stakeholders, acknowledging the annual environmental reporting as obligatory.¹⁴ Up to December 2014 3,341 organizations compiled EMAS environmental statements.¹⁵ Presently in Poland 48 organizations prepare such reports.¹⁶

After it had been in operation for three years, in order to promote responsibility, transparency and constant advancement in organizations, as part of this initiative, Global Compact in 2003 imposed on corporate signatories a duty of annual disclosure

¹³ XBRL (*eXtensible Business Reporting Language*) – open, free of charge, international, electronic and interactive standard of description of business and economic data, simplifying electronic transfer of information between various systems of many institutions; R. Sroka, A. Grzymisławski, A. Kustra, *Raportowanie danych pozafinansowych...*, *op. cit.*, p. 47.

¹⁴ Rozporządzenie Parlamentu Europejskiego i Rady (WE) nr 1221/2009..., *op. cit.*

¹⁵ European Commission, *Evolution of organizations and sites*, 2014, http://ec.europa.eu/environment/emas/pictures/Stats/2014-12_Overview_of_the_take-up_of_EMAS_across_the_years.jpg (date of access: 07.10.2015).

¹⁶ GDOŚ, *Lista rejestru EMAS*, 2015, <http://emas.gdos.gov.pl/lista-rejestru-emas> (date of access: 07.10.2015).

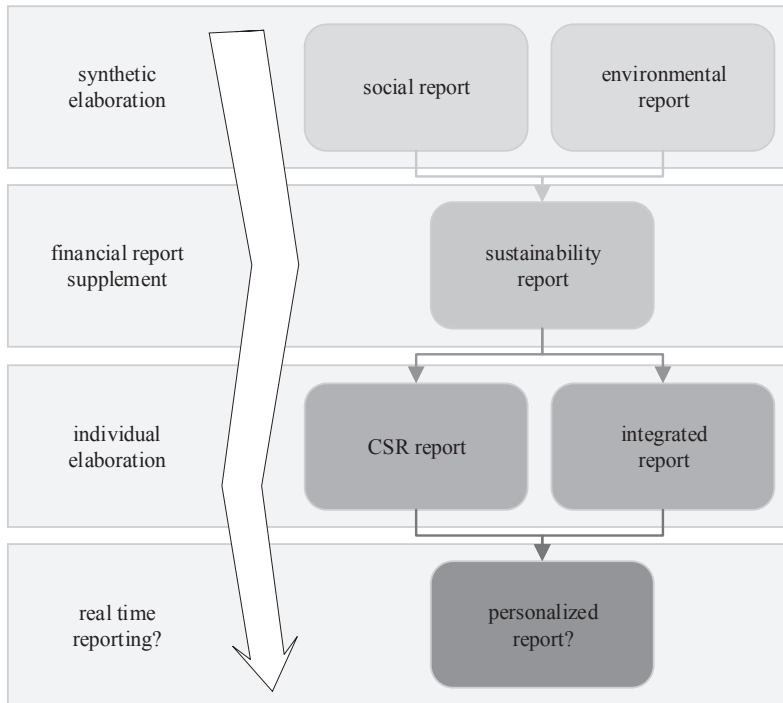


Figure 2. Evolution of the scope and form of non-financial information reporting

Source: own study.

to stakeholders of the progress in the introduction of 10 Global Compact principles into the strategy and activity, i.e. COP.¹⁷ Presently 8,375 companies (from 162 countries) have compiled 33,437 COPs; in Poland: 55 companies and 160 COPs.¹⁸

The GRI guidelines demarcate a common framework for sustainability reporting (based on 10 principles – the basis for reporting and general and specific standard disclosures including indicators), providing stakeholders with information about the impact of the organization, enabling governance, monitoring and evaluation of activities undertaken in this area.¹⁹ Currently in the <http://database.globalreporting.org/> database there are 23,879 GRI reports (including 109 from Poland).²⁰

¹⁷ UN Global Compact, *UN Global Compact Policy on Communicating Progress*, 2013, www.unglobalcompact.org/docs/communication_on_progress/COP_Policy.pdf (date of access: 07.10.2015).

¹⁸ UN Global Compact, *Our Participants*, 2015, www.unglobalcompact.org/what-is-gc/participants (date of access: 09.10.2015).

¹⁹ GRI, *GRI G4 Sustainability Reporting Guidelines. Reporting Principles and Standard Disclosures*, 2015, www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf (date of access: 07.10.2015).

²⁰ As at 9.10.2015.

As a standard resulting from a worldwide consensus, ISO26000 defines the commonly accepted requirements as regards CSR – from the definition and principles, through the key areas and issues, to the guidelines on the introduction of corporate social responsibility in an organization. It is not a typical technical norm, but a complex and universal handbook, based on the corporate social responsibility standards already in use.²¹

Out of all the standards presented, the “family” of norms AA1000 is the one which stands out, comprising three standards, devoted uniquely to the governance process of relations with stakeholders.²² The pioneer of the dialogue with stakeholders according to series AA1000 in Poland was British American Tobacco (2003); presently this process has been conducted by nine firms in Poland.²³

When analysing the evolution of the presented standards (all of them are periodically reviewed and updated by a wide group of stakeholders), it is clear that they are gradually increasing the role and significance of stakeholders in the reporting process on the sustainable development issue. The reporting process is a communications tool with stakeholders allowing an organization to become aware of their expectations and know how to satisfy them, which later is transposed into strategies and corporate activity. This way, positive relations are built up with stakeholders, managing risk (for the success of a business depends on the level of stakeholders’ satisfaction).

3. Reporting of non-financial information and stakeholders

The commonly recognized norm ISO26000 not only mentions stakeholders in the definition of social responsibility, but also takes into account their expectation as one of the seven basic principles of social responsibility. Moreover, identification of and engagement with stakeholders is indicated as one of the two fundamental practices of social responsibility. According to this norm, stakeholder engagement consists of activities undertaken to create opportunities for dialogue between the organization and at least one or more of its stakeholders, with the aim of providing an informed basis for organization’s decisions.²⁴

In the most recent GRI G4 guidelines, the stakeholder inclusiveness principle was transferred to first position out of four principles for defining report content in order to emphasize its significance and priority compared to the remaining principles and the whole process. For it is key stakeholders, together with the organization, who should identify the most important economic, social and environmental issues,

²¹ PKN, *Norma PN-ISO 26000...*, *op. cit.*

²² CSRinfo, *Standardy AA1000. Narzędzie społecznej odpowiedzialności organizacji. Przewodnik dla biznesu*, 2011, www.accountability.org/images/content/4/6/469.pdf (date of access: 07.10.2015).

²³ E. Jastrzębska, P. Legutko-Kobus, Rola i działania biznesu na rzecz budowania kapitału społecznego w Polsce, *Mazowsze Studia Regionalne* 2014, no. 15, pp. 49–75.

²⁴ PKN, *Norma PN-ISO 26000...*, *op. cit.*, p. 16.

which should be broached during the reporting process and set out in a report (in relation to the second principle – sustainability context, and the third – materiality). If the superior principle is not applied, the reporting process is superficial and does not fulfil its objective.²⁵

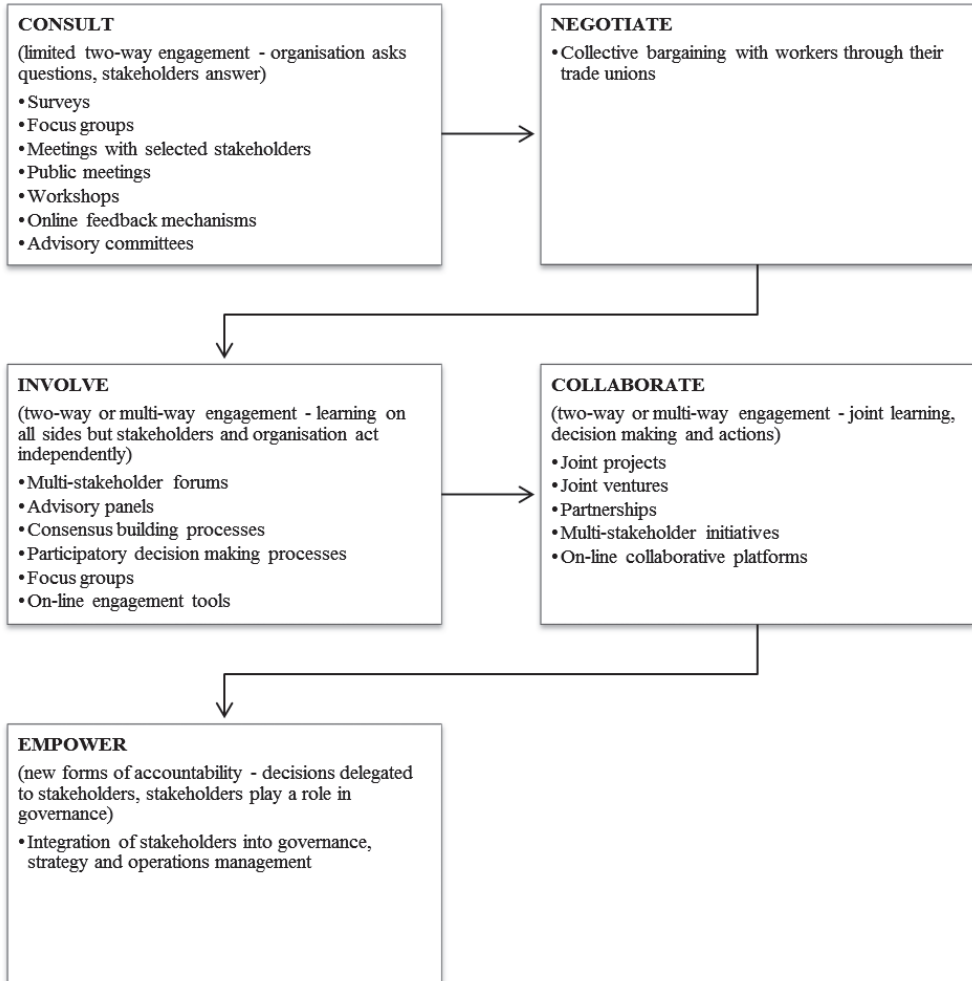


Figure 3. Level of stakeholder engagement and associated engagement methods according to norm AA1000SES

Source: AccountAbility, *AA1000 Stakeholder Engagement Standard. Revision for Public Comment (2015)*, 2015, www.accountability.org/images/content/7/9/792/AA1000SES%20Revision%20for%20Public%20Comment-%20June%202015.pdf (date of access: 07.10.2015), p. 27.

²⁵ L. Anam, Angażowanie interesariuszy, [in:] N. Ćwik (ed.), *Wspólna odpowiedzialność. Rola raportowania społecznego*, FOB, 2013, pp. 76, 78–79.

As already mentioned, the series AA1000 norms are entirely devoted to stakeholders engagement issues. AA1000APS defines three common principles for management of relations with stakeholders, including the foundation principle of inclusivity, that is, the need to introduce a continuous stakeholders engagement process in the whole organization, ensuring stakeholders involvement in creating and achieving a responsible and strategic response to the challenge of sustainable development and also cooperation with stakeholders at all levels, including management of the organization. The two remaining principles are materiality (determining the adequateness and significance of given issues for the organization and its stakeholders) and responsiveness (to issues raised by the stakeholders).²⁶ The second of the series – AA1000SES – is a typical superior standard which is a tool demonstrating how to conduct the process of stakeholder engagement in the form of dialogue according to the three aforementioned principles.²⁷ For the certified AA1000AS makes possible the verification of the quality of the report prepared on the basis of this dialogue (with a description of the expectations notified by the stakeholders during this process and the obligations undertaken by the company in response).²⁸ It is worth noting that AA1000SES distinguishes several levels of stakeholder engagement and associated engagement methods (see Figure 3).

It would seem obvious that the process of inclusion (engagement) of stakeholders should commence with the identification and selection of key groups of stakeholders (by mapping out stakeholders and analysing their influence). This is essential in every company which is introducing CSR, as in the relations with its stakeholders the company defines the extent and nature of its responsibility (as it is answerable to them for the consequences of its decisions and actions). The organization should above all inform all identified stakeholders of its CSR results. The organization has available a variety of tools for this (website, social media, telephone and email contacts, press materials, newsletters, records of reports, training sessions, company newsletters), and the CSR report itself is only one of these. It would seem that identifying and informing are two fundamental levels that allow building relations with stakeholders to commence. More advanced stages of stakeholder engagement in the organization's activity require more advanced forms of their involvement.

The CSR standards discussed in the article set various requirements in the issue of stakeholder engagement. In Table 1 showing the comparative analysis the expanded structure of levels of engagement according to AA1000SES was not used. The presented standards, related to corporate social responsibility and its reporting, do

²⁶ AccountAbility, *Standard AA1000 Zasady Odpowiedzialności 2008*, 2011, www.accountability.org/images/content/4/6/467.pdf (date of access: 07.10.2015).

²⁷ AccountAbility, *AA1000 Stakeholder Engagement Standard...*, *op. cit.*

²⁸ AccountAbility, *Standard AA1000 Weryfikacja 2008*, 2011, www.accountability.org/images/content/4/6/468.pdf (date of access: 07.10.2015).

Table 1. Selected reporting standards of non-financial information and stakeholders' engagement levels

Standard	Identification	Informing	Consulting	Active cooperation
1	2	3	4	5
EMAS	<i>No direct reference.</i>	EMAS requires supply of information on the effects of environmental activity.	EMAS requires open dialogue to be conducted with society and other interested parties including local community and clients regarding the impact of their activity, products and services on the environment. This dialogue is to identify issues of interest to society and other interested parties.	EMAS requires active engagement of the organization's employees for continual improvement of the impact of the organization's activity on the environment.
Global Compact COP	Advanced COP* requires development of the process for identifying key stakeholders.	Each COP should be directly communicated to stakeholders and therefore universally accessible. Advanced COP should be easily accessible to all interested parties and actively distributed to all key stakeholders.	Advanced COP should describe the effects of regular consultations with key stakeholders on the CSR strategies, goals and policies of CSR regarding human rights, labour, environment and anti-corruption.	Within one of the additional requirements taken into consideration in compiling the Advanced COP (Corporate Sustainability Governance and Leadership) the mechanisms of stakeholder engagement by the organization should be described by the organization (including a list of stakeholders groups engaged). When compiling the Advanced COP, one should consider whether the accuracy and completeness of information in the COP was assessed by a credible third party, including by multiple stakeholders e.g. whether they took an active part in reviewing the company's performance, whether channels were established to engage with employees and other stakeholders to hear their ideas and address their concerns, and protect "whistle-blowers."

1	2	3	4	5
<p>GRI G4**</p>	<p>According to the stakeholder inclusiveness principle, each reporting organization should identify its stakeholders. The G4-25 indicator applies to the basis for identification and selection of stakeholders with whom to engage.</p>	<p>The stakeholder inclusiveness principle also means that it is necessary to explain in the GRI report how the organization responded to their reasonable expectations and interests (and documenting the whole process). Also the principle of materiality requires stakeholder inclusion in the process of identifying sustainable development issues, which must be included in the GRI report.</p> <p>The G4-18 indicator applies to the process of defining report content (which requires stakeholder inclusiveness), G4-24 – a list of stakeholder groups engaged by the organization, G4-26 – the organization’s approach to stakeholder engagement, including frequency of engagement according to type and stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process, G4-27 – key topics and concerns raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. The G4-38 indicator applies to the composition of the highest governance body and its committees by e.g. stakeholder representation and G4-40 – stakeholder participation in the nomination and selection processes for the highest governance body and its committees.</p> <p>The economic, environmental and social indicators apply to the organization’s results, including actions connected with selected stakeholder groups (e.g. clients), and not practices of stakeholder engagement as such. The level of advancement of the form of stakeholder inclusion within the GRI guidelines which have been set out depends on the organization.</p>		
		<p>The appropriate GRI reporting principles are to ensure that stakeholders receive the material, complete, balanced, comparable, accurate, timely, transparent and reliable information on the economic, social and ecological impact of the organization.</p>	<p>The G4-37 indicator applies to processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics and G4-45 – use of stakeholder consultation to support the highest governance body’s identification and management of economic, environmental and social impacts, risks, and opportunities.</p>	<p>The G4-33 indicator applies to external assurance for the report, within which an organization may convene a stakeholder panel to review its overall approach to sustainability reporting or provide advice on the content of its sustainability report.</p>

Table 1, cd.

1	2	3	4	5
ISO26000	<p>The principle of transparency recommends disclosure of information regarding criteria and procedures used for identification, selection and inclusion of stakeholders. The principle of respect for stakeholder interests recommends assessment and taking into account various possibilities for stakeholders relating to contact and engagement.</p> <p>Identification of and engagement with its stakeholders is the second of two fundamental practices of social responsibility indicated in ISO26000. Engagement may take many forms (official and unofficial): individual meetings, conferences, workshops, public speeches, round table discussions, advisory committees, regular or organized information and consultation procedures, collective negotiations or internet forum. ISO26000 recommends that engagement of stakeholders should be interactive and be prepared using a reliable and proper process which is based on the inclusion of key stakeholders. In the engagement of stakeholders the organization should not favour any particular group. The ISO26000 guidelines recommend that the report on social responsibility of an organization should describe how and when the stakeholders were engaged in the reporting.</p> <p>Just as in the case of GRI G4, ISO26000 guidelines regarding social responsibility core subjects apply to acts connected with selected groups of stakeholders (e.g. local community), and not practices of stakeholder engagement as such. The degree of advancement of the form of stakeholder engagement it chooses in the guidelines mentioned is up to the organization.</p>			
	<p>The principle of respect for stakeholder interests recommends their identification.</p> <p>The first fundamental practice of social responsibility, an organization's recognition of its social responsibility, is also connected with identifying stakeholders of an organization.</p>	<p>ISO26000 guidelines emphasize the significance of communication in inclusion of stakeholders and engaging them in dialogue.</p>	<p><i>No direct reference.</i></p>	<p>The ISO26000 guidelines recommend that the structures and decision making processes of an organization enable two-way communication to be established with stakeholders and involve stakeholders in the process of identification and prioritization of key areas of the CSR, issues which an organization should take into consideration in its decisions and activities. Engagement of stakeholders may be based on their inclusion in verification of CSR reports and periodic reviews or other methods of monitoring the results of the organization's activities.</p>

* In 2011 three levels of advancement of COP (Active, Advanced and Learner) were introduced.

**The GRI G4 guidelines offer two options to an organization in order to prepare its sustainability report “in accordance” with the Guidelines: the Core option and the Comprehensive option. These options reflect the compliance of the organization’s sustainability report with the Guidelines. The Comprehensive option builds on the Core option by requiring additional Standard Disclosures. The G4-37, G4-38, G4-40, G4-45 indicators should be reported only for the Comprehensive option.

Source: own compilation on the basis of: GRI, *GRI G4 Sustainability Reporting Guidelines. Implementation Manual*, 2015, www.globalreporting.org/resourcelibrary/GRIG4-Part2-Implementation-Manual.pdf (date of access: 07.10.2015); GRI, *GRI G4 Sustainability Reporting Guidelines. Reporting Principles and Standard Disclosures*, 2015, www.globalreporting.org/resourcelibrary/GRIG4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf (date of access: 07.10.2015); L. Anam, *Angażowanie interesariuszy...*, *op. cit.*, p. 77; UN Global Compact, *UN Global Compact Policy on Communicating Progress*, 2013, www.unglobalcompact.org/docs/communication_on_progress/COP_Policy.pdf (date of access: 07.10.2015); UN Global Compact, *GC Advanced COP Self-Assessment*, 2013, www.unglobalcompact.org/docs/communication_on_progress/GC_Advanced_COP_selfassessment.pdf (date of access: 07.10.2015); PKN, *Norma PN-ISO 26000...*, *op. cit.*; Rozporządzenie Parlamentu Europejskiego i Rady (WE) nr 1221/2009..., *op. cit.*

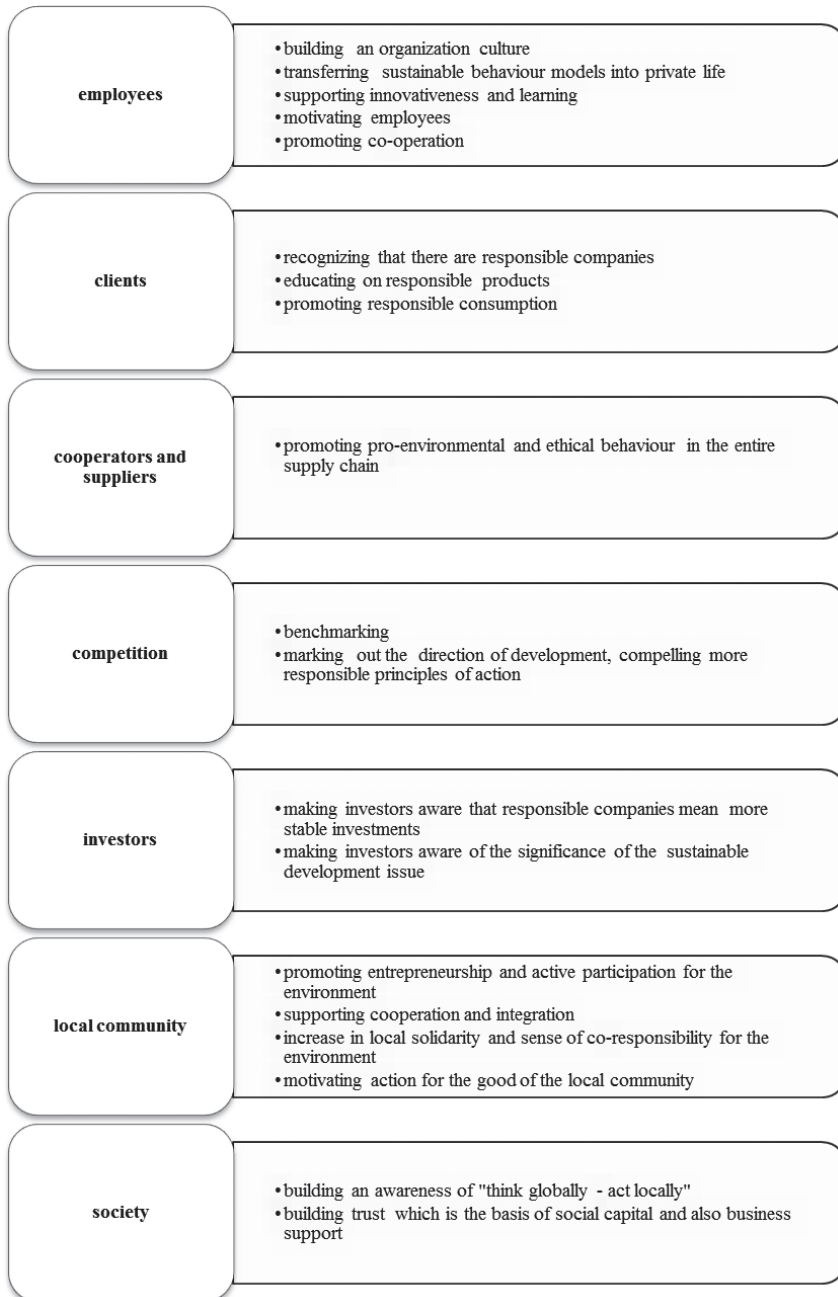


Figure 4. Effect of the reporting process of non-financial information on the responsible attitudes of selected groups of stakeholders

Source: own study.

not analyse the question of stakeholders' engagement in such depth, focusing more on fundamental and general issues in this area.²⁹ In Table 1 four levels of stakeholders' engagement were identified, to which the analysed standards refer: identification, informing, consulting and active cooperation. The analysis of the standards under discussion as to requirements regarding stakeholder engagement was limited to direct reference to the practices of stakeholder engagement, which appear in the text of individual standards.

According to the solutions to date, reporting of non-financial information does not entail merely preparing a report of which stakeholders who have been identified earlier will be informed (one-way communication). The reporting should also include stakeholders in this process – from consultation (two-way communication) to active cooperation (symmetrical communication), signifying joint decision making.³⁰ Together with the development of reporting the role of stakeholders expands in this process – initially they were only passive recipients of reports, now they are becoming active participants in the reporting process. Stakeholder engagement in the reporting process means joint participation and joint decision making, which entails joint responsibility.³¹ Commencing two-way communication with stakeholders becomes an undertaking to conduct a continual reporting process, as – once stakeholders are involved – they get accustomed to taking part and active participation. In this way, a properly conducted reporting process through education, engagement, and increasing the stakeholder's role in the governance of the organization structures their active participation and social competence, reinforcing the building of social capital and a citizens society. Including stakeholders in the organization's activity can help them to adopt responsible attitudes. The influence of the reporting process of non-financial information on the responsible attitudes of selected groups of stakeholders is set out in Figure 4.

4. Conclusion

As established in CSRinfo research (2011), some of the companies reporting in Poland go no further than identifying stakeholders (whilst it is only the next level of stakeholder engagement from which a company and its environment benefit).³² In turn, KPMG research (2013), evaluating the quality of CSR reporting of the top 250 companies listed in the Fortune Global 500 ranking, showed that only 53% of them

²⁹ Table 1 does not show series AA1000 norms; as they are entirely devoted to the subject of stakeholder engagement, their description would be too detailed and copious.

³⁰ IKM, 2013, *Partycypacja społeczna. Materiały z 2. szkolenia z cyklu Akademia Active Citizens*, 23–24 marca 2013 r., www.ikm.gda.pl/wp-content/uploads/2014/02/partycypacja_spoleczna_materiały.pdf (date of access: 07.10.2015).

³¹ B. Szczęsna-Makuch, *Raportowanie społeczne – komunikacja z interesariuszami*, [in:] N. Ćwik (ed.), *Wspólna odpowiedzialność. Rola raportowania społecznego*, FOB, 2013, p. 70.

³² L. Anam, *Angażowanie interesariuszy...*, *op. cit.*, p. 78.

identified and set out their process of stakeholder involvement in their CSR reports.³³ From the aforementioned research, one concludes that companies do not altogether understand the purpose of a properly conducted reporting process (i.e. stakeholder engagement).

Meanwhile, it is the stakeholders that should decide how reporting should be formulated (it should be conducted for them), and not just because the organization wants to produce reports – it should not be a matter of reporting for reporting's sake, but to tailor it both to the needs of providers and recipients.³⁴ Therefore, it is worth bearing in mind that there is no rationale in reporting without dialogue³⁵ (and here, it is not a matter only of a wide range of distribution of produced reports).

It is often emphasized that reporting brings reporting organizations many advantages. Continuous dialogue with stakeholders leads to permanent improvement not only of a report as a publication but primarily the processes it contains.³⁶ Reporting helps organizations to set their goals, measure the impact of action undertaken, manage change so that their activity becomes more sustainable and responsible, and also that they become more transparent, which reinforces the trust of the environment in them. Phil Knight, the founder and president of Nike, noted as early as 2004 that: "Just producing this report proved to us that the value of reporting goes far beyond transparency. It becomes a tool for improving both our management of business and in giving us clues about what we need to do next."³⁷

The development of correct reporting, where both sides will learn from each other, and thereby create a common value, becomes all the more important.

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³³ KPMG, *The KPMG Survey of Corporate Responsibility Reporting 2013*, 2013, www.kpmg.com/PL/pl/services/Advisory/Ryzyko-i-zgodnosc/Zrownowazony-rozwoj/Documents/The-KPMG-Survey-of-Corporate-Responsibility-Reporting-2013.pdf (date of access: 07.10.2015), pp. 38–39.

³⁴ J. Dymowski, Raporty społeczne a perspektywa inwestorów, [in:] N. Ćwik (ed.), *Wspólna odpowiedzialność. Rola raportowania społecznego*, FOB, 2013, p. 53.

³⁵ N. Ćwik, Proces raportowania – krok po kroku, [in:] N. Ćwik (ed.), *Wspólna odpowiedzialność. Rola raportowania społecznego*, FOB, 2013, p. 63.

³⁶ B. Szczęsna-Makuch B., Raportowanie społeczne..., *op. cit.*, p. 70.

³⁷ Nike, *Corporate Responsibility Report. FY04*, 2005, www.nikeresponsibility.com/report/uploads/files/Nike_FY04_CR_report.pdf (date of access: 07.10.2015), p. 2.

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