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Socially Responsible Investments in Financial Statements of Polish Public Companies

*Marzena Remlein**

Abstract:

Socially responsible investments are one of the most dynamically developing segments of investments and socially responsible investing plays an ever growing role in the world's financial markets. Poland is in the infancy stage of development of socially responsible investments.

Socially responsible investing is a decision-making process concerning the allocation of free financial resources, where the investor aims at maximisation of profit and minimisation of risk on one part, and includes the socio-ethical and environmental-ecological considerations on the other.

The aim of the paper is to assess the valuation methods and the scope of information on socially responsible investments presented in financial statements of Polish public companies. Assessment of the market of socially responsible investments in Poland according to the European classification of strategies for investing socially responsibly is also purposeful.

The paper presents the results of empirical research of valuation and disclosure of SRI in financial statements of Polish public companies.

Key words: Socially Responsible Investments; SRI; Respect Index; Investments Property; Financial Investments.

JEL classification: M40, M41, M49.

1 Introduction

The concept of socially responsible investing (SRI) relates to the need of inclusion, in the investment process, of not just the economic criteria, but also ethical values, social or environmental interests, and building dialogue with stakeholders. Investing that follows the SRI concept is such that aims at profit maximisation and at the same time includes ESG factors. Socially responsible investing is a decision-making process concerning the allocation of free financial resources, where the investor aims at maximisation of profit and minimisation of risk on one part, and includes the socio-ethical and environmental-ecological considerations on the other.

The consequence of growing importance of social and ecological aspects of economic activities is increased interest and requirements concerning reporting, i.e. a set of reports that includes information pertaining both to the financial and

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non-financial aspects. The financial statement, the final product of accountancy, is the source of financial information while the non-financial information is presented in separate reports. This means that just sections of the image of the respective fields of activity are presented. The attempt of interlinking the financial and non-financial sources of information on the business activities was attempted in the new reporting concept, named “integrated reporting” (Remlein, 2015, p. 150).

The Directive 2014/95/EU of the European Parliament of 22 October 2014 amending the Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups is regarded the most significant EU legislative initiative in the field of disclosure of environmental, social and corporate governance information. Provisions of the Directive oblige large European undertakings to disclose environmental, social, labour, human rights and prevention of corruption and bribery information. These undertakings are also obliged to disclose their diversity policies applied to their various administrative, management and supervisory bodies. The regulations of the Directive were introduced by all member states, including Poland, and came in force on 1 January, 2017.

In Poland, the requirement for presentation of non-financial information relating to the concept of socially responsible business practices was introduced by the new accountancy act. According to regulations of this act, the so called “public trust units” are obliged to present, in their statement of activities, a separate item entitled “Declaration of non-financial information” (Act of 15 December 2016, amending the Accountancy Act).

The Polish market of socially responsible investments is still in its infancy stage. The value of Polish socially responsible investments accounts for just 0.05% of the European SRI market. Even with that exiguous share of Poland, it is well worth noting that Poland as the sole country of the Central and Eastern Europe was included in the Eurosif study already in 2010.

The research problem is limited to investigation of Polish SRI market and scope and valuation of the information on SRI disclosed in financial statements.

The aim of the paper is to assess the valuation methods and the scope of information on socially responsible investments presented in financial statements of Polish public companies. Assessment of the market of socially responsible investments in Poland according to the European classification of strategies for investing socially responsibly is also purposeful.

The paper presents the results of empirical research of valuation and disclosure of SRI in financial statements of Polish public companies.

2 Literature Review

Socially responsible investments became an alternative to traditional forms of investments. SRI forms a sort of inv. philosophy that links both the financial and non-financial criteria (Sparkes 2002, p.22). Kinder, Lydenberg and Domini (1994) have a similar opinion, stressing inclusion of social or ethical criteria in the process of investment decision-making. Investors who choose to allocate their free pecuniary assets in this type of investments value the social and environmental questions as more, or at least equally important as economic profits.

Study of the subject literature allowed us to come to the conclusion that the socially responsible investment is a relatively new concept that still evolves and could not be defined unanimously. In the majority of works on socially responsible investments, attention is brought to the need of inclusion of not just the financial conditions, but also the social and environmental factors in the investment process. Selected SRI definitions are presented in Table 1.

Tab. 1 SRI definitions

Author / Institution	Definition
The European Sustainable Investment Forum (Eurosif)	general concept including sustainable, ethical or responsible investments that link financial objectives of the investor with its care for social, environmental and corporate order issues
The International Finance Corporation (IFC)	“sustainable investing” integrates the ESG factors in analyses concerning the selection of companies and in application of corporate laws, believing that these factors can beneficially influence the long-term efficiency of risk management
M. Mansley	an element of financial analysis, concentrating on social, environmental and ethical issues during decision-making, management and realisation of an investment
L. Dziawgo	for investors the criteria for corporate social responsibility become as important as the economic criteria
J. Sandberg, C. Juravle, T. M. Hedesstrom, I. Hamilton	SRI includes investments that integrate social, ethical, environmental and corporate orders in the investment process
W. Rogowski, A. Ulianiuk	an investment strategy that targets not only the achievement of particular economic profits, but also social and environmental effects.
M. J Munoz–Torres, M. A. Fernandez–Izquierdo, M. R. Balaguer–Franch	investments that link financial objectives with social values

Source: Author’s work based on: European SRI Study, 2010; www.ifc.org; Mansley, 2000; Dziawgo, 2010; Sandberg, Juravle, Hedesstrom, Hamilton, 2009; Rogowski and Ulianiuk, 2012; Munoz–Torres, Fernandez–Izquierdo, Balaguer–Franch, 2004.

The definitions of socially responsible investing quoted above broaden the notion of investment that was applied in the past. Up until recently, only the cause-and-effect connection between investment expenditure and its effects was investigated in the form of economic profits (return on capital). In the case of socially responsible investment, the investor also profits from the financial outcome of the invested capital, but it has further non-financial profits that can bring financial results in longer time perspective. Socially responsible investors select companies that keep high ethical standards and observe sustainable development principles in their activities.

Empirical research in the field of Corporate Social Responsibility concerns analysis of the content of reports and information published by companies. The first such studies were carried out by D. R. Beresford in 1973 and later repeated in 1975 and 1976. Similar studies were carried out by Abbot and Monsen in 1979 and Anderson and Frankle in 1980. Since 2005, Deloitte has been researching the annual reports of companies listed on the London Stock Exchange, which relate to the presentation of CSR information.

In Poland, research on the presentation of non-financial information was conducted by Świdarska (2010, 2011), Samelak (2013), Krasodomska (2014). However, these studies concerned all disclosures related to CSR. There are no studies on the disclosure of information about SRI. Research in this area refers to the measurement of efficiency (profitability) SRI (Jedynak, 2011; Czerwonka, 2013; Statman and Glushov, 2009). Research results suggest that SRI rates are higher or at least as effective compared to traditional investments. Therefore, companies that want investors to put their capital into their businesses should show in their financial statements that they have SRI.

3 Data and Methodology

The research problem comes down to investigating the Polish market for socially responsible investments and their presentation in financial statements.

The source of data for research of SRI were:

- the report by European Sustainable Investment Forum,
- the consolidated financial statements of Polish companies listed at the Warsaw Stock Exchange – Respect Index.

Respect Index is the first index of responsible companies in Central and Eastern Europe introduced on the GPW Warsaw Stock Exchange in 2009. The main goal of the project is to promote the highest standards of responsible management.

According to adopted principles, Respect Index includes only stocks from the GPW Main Market. The basis for selection of companies to the index is research

consisting of three stages. The basis for the first two stages are widely available information whereas the third stage involves direct participation of interested companies in the project (Respect Index, 2018).

Stage 1 – the goal of the first stage of the research is to select companies' stocks being characterised by high liquidity – it was assumed that the line-up of Respect Index may only consist of stocks in portfolios of the following indexes: WIG20, mWIG40 and sWIG80.

Stage 2 – the assessment concerns companies' policies on corporate governance, information governance and investor's relations.

Stage 3 – it is the assessment of companies' maturity for CSR based on questionnaires filled in by the companies whose questionnaires are verified by the Project Partner – Deloitte.

Within of the empirical research, annual financial statements for the financial year 2016 were analysed for 28 companies listed on the Respect Index (as of December 31, 2017). Due to the fact that 8 of these companies are financial institutions, 20 listed companies have qualified for the final research. The reason is the different format of financial statements and the lack of data comparability. Table 2 presents the companies listed at the WSE – Respect Index included in the research.

Tab. 2 Companies listed at the WSE– Respect Index (December 31, 2017)

No.	Name of company	Symbol	Type of activity
1.	AGORA	AGO	MEDIA
2.	APATOR	APT	ELECTROMECHANICAL INDUSTRY
3.	BOGDANKA	LWB	RAW MATERIAL INDUSTRY
4.	BOS	BOS	FINANCIAL INSTITUTION
5.	BUDIMEX	BDX	ARCHITECTURE
6.	BZWBK	BZW	FINANCIAL INSTITUTION
7.	ELBUDOWA	ELB	ARCHITECTURE/BUILDINGS
8.	ENERGA	ENG	ENERGY PRODUCTION
9.	FORTE	FTE	WOOD INDUSTRY
10.	GPW	GPW	CAPITAL MARKET
11.	GRUPA AZOTY	ATT	CHEMICAL INDUSTRY
12.	HANDLOWY	BHW	FINANCIAL INSTITUTION
13.	INGBSK	ING	FINANCIAL INSTITUTION
14.	INTER CARS	CAR	WHOLESALE TRADE
15.	JSW	JSW	RAW MATERIAL INDUSTRY
16.	KGHM	KGH	RAW MATERIAL INDUSTRY
17.	KOGENERACJA	KGN	ENERGY PRODUCTION
18.	LOTOS	LTS	FUEL INDUSTRY
19.	MBANK	MBK	FINANCIAL INSTITUTION
20.	MILLENNIUM	MIL	FINANCIAL INSTITUTION

No.	Name of company	Symbol	Type of activity
21.	ORANGE PL	OPL	TELECOMMUNICATION
22.	PCC ROKITA	PCR	CHEMICAL INDUSTRY
23.	PEKAO	PEO	FINANCIAL INSTITUTION
24.	PGE	PGE	ENERGY PRODUCTION
25.	PGNIG	PGN	FUEL INDUSTRY
26.	PZU	PZU	INSURANCE
27.	TAURON PE	TPE	ENERGY PRODUCTION
28.	TRAKCJA	TRK	ARCHITECTURE/BUILDINGS

Source: Author's work based on WSE – Respect Index.

The method used in the study is content analysis referred to as a research technique for the goal, a systematic and quantitative description of the obvious content of communication (Berelson, 1952; Duriau, Reger and Pfarrer, 2007). In addition, financial analysis methods were also used. The study used classification of the SRI strategies proposed by Eurosif in 2012 (European SRI Study 2012).

4 Results and Discussion

4.1 Polish market of SRI

According to data of the Eurosif European SRI Study 2016 report, the 2015 Polish market of socially responsible investments is estimated at 12.1 billion Euro, and the European market in total is estimated at 22 trillion Euro. The value of socially responsible investments in Poland and Europe divided into investment strategies is presented in Table 3.

Tab. 3 Socially responsible investments in Poland and Europe (2015)

SRI Strategy	Poland		Europe	
	million Euro	% share	million Euro	% share
Themed investments	3 762	31.22	145 249	0.63
Best-in-class investments	2 717	22.54	493 375	2.16
Exclusions from investment universe	2 769	22.98	10 150 595	44.34
Norms-based screening	2769	22.98	5 087 774	22.23
Integration of ESG factors in financial analysis	0	0.00	2 646 346	11.56
Engagement of shareholders in ESG matters	0	0.00	4 270 045	18.65
Impact Investing	34	0.28	98 329	0.43
Total	12 051	100.00	22 891 713	100.00

Source: Author's work based on European SRI Study 2016.

The results presented in the table above allow us to see that there are four significant SRI strategies in Poland. The largest interest (31.22%) is in themed investments, that is, investments concentrating on sustainable development. The negative selection (exclusion from the investment universe) and norm-based screening came second (22.98%) among the SRI strategies applied in Poland. The “best in class” strategy was the third most significant strategy in Poland (22.54%). The share of the remaining strategies is low (impact investing – 0.28%) or non-existent in the Polish investment market. Whereas in Europe the most popular investment strategy is the negative selection (44.34%), followed by the norm-based screening (22.23%) and engagement of shareholders in ESG matters (18.65%).

Furthermore, the dynamics of recent socially responsible investment demonstrates that ever more frequently investors apply the social and environmental factors apart from the criterion of efficiency of invested capital (Table 4).

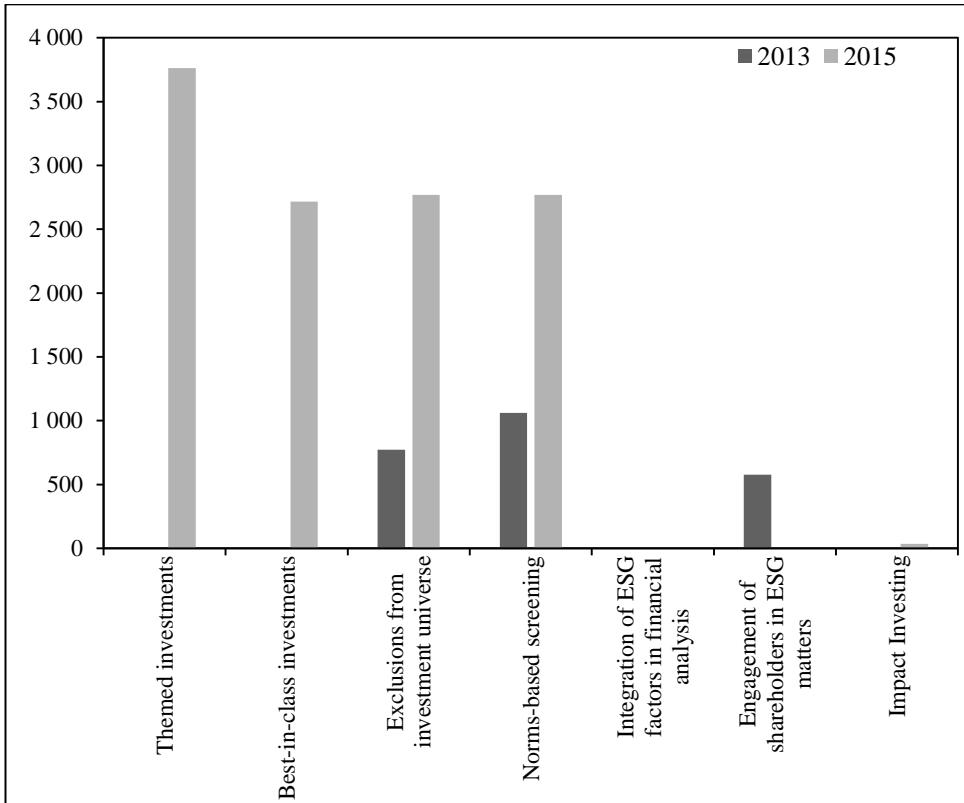
Tab. 4 Strategies for socially responsible investments in Poland (million Euro)

SRI Strategy	2013	2015	Dynamics (%)
Themed investments	0	3 762	-
Best-in-class investments	3	2 717	90 567
Exclusions from investment universe	773	2 769	358
Norms-based screening	1 060	2 769	261
Integration of ESG factors in financial analysis	0	0	-
Engagement of shareholders in ESG matters	578	0	0
Impact Investing	0	34	-
Total	2 414	12 051	499.21

Source: Author’s work based on European SRI Study 2014 and 2016.

Data from Table 4 show that compared to 2013, the value of socially responsible investments in Poland grew in 2015 by 399.21% reaching the total value of 12 051 million Euro. The largest changes are observed in the “best-in-class investments” group, where a growth of 2 714 million Euro was recorded (that is by 90 467%). This growth in value was also observed in the screening-based investments – negative selection (i.e. exclusion from investment universe) – 258%, and the norms-based screening – 161%.

Fig. 1 Comparison of socially responsible investments in Poland in 2013 and 2015



Source: Author's work based on European SRI Study 2014 and 2016.

What is worth noting is that in 2015, there were investments in “themed investments” and “impact investing” that saw no investment activities in previous years. The sole decrease was recorded for the group of “engagement of shareholders in ESG matters” investments.

4.2 Valuation of investments

A preliminary analysis of consolidated financial statements of the analysed companies enables to state that the following are the object of investing free cash in the long term:

- investments in other companies' stocks: 14 companies, i.e. 70% of the analysed group,
- other financial investments: 13 companies, i.e. 65% of the analysed group,
- investments in real estate: 10 companies, i.e. 50% of the analysed group.

While none of the analysed companies has investments in intangible assets, two of the analysed companies did not have long-term investments at all.

The value and investments valuation methods¹ are presented in Table 5.

The value share of individual types of investments in the total investment value is shown in Table 6.

The share of investments in the value of companies' assets was diversified throughout the analysed years. The biggest share of investments in 2015 was recorded at KGHM (22.81%), whereas the smallest at PGE (0.09%). However, it should be noted that the biggest share at KGHM are investments in other companies' stocks (90.79%). On the other hand, the biggest share of investments in assets in 2016 was recorded at FORTE (19.68%), whereas the smallest at JSW (0.20%).

By analysing the 2016 data, it can be stated that in most cases (12 out of 18 investing companies) investors invest their free cash in other companies' stocks.

In order to answer the question whether or not investments in companies' stocks may be considered socially responsible investments, the type of activity of these companies should be analysed. When analysing the case of KGHM, it can be concluded that it has investments in shares of 60 other companies. The activities of these companies are very diverse: for example, scientific research (KGHM Cuprum sp. z o.o.), R&D (CBI sp. Z o. o.) and health resorts (e.g. Uzdrowiska Kłodzkie S.A.). This proves that KGHM implements the CSR strategy as well as the SRI concept.

¹ fv- fair value, hc – historical cost, eqm – equity method.

Tab. 5 The value and investments valuation methods (PLN '000)

No	Name of company	Investment Property			Investments in Companies' Stocks			Other Financial Investments			Total assets	
		2016	2015	Val.	2016	2015	Val.	2016	2015	Val.	2016	2015
1.	AGORA	-	-	x	21 417	19 938	eqm	83	98	fv	1 569 382	1 610 213
2.	APATOR	1 419	1 633	fv	2 776	2 569	eqm	143	2	fv	846 721	794 267
3.	BOGDANKA	47 511	19 006	hc	-	-	x	-	-	x	3 800 289	3 644 024
4.	BUDIMEX	25 581	63410	hc	43427	45 762	eqm	9 396	9 247	fv	5 593 665	4 713 364
5.	ELBUDOWA	-	-	x	22 069	14 364	eqm	4 616	10 527	fv	910 933	897 827
6.	ENERGA	-	-	x	390 000	-	eqm	166 000	60 000	fv	18 731 000	18 456 000
7.	FORTE	72 946	71 660	fv	-	-	x	158 061	505	fv	1 173 986	738 350
8.	GPW	-	-	x	197 231	188 570	eqm	288	282	fv	1 157 848	1 073 099
9.	GR. AZOTY	59 504	52 204	hc	112 935	111 095	eqm	13 182	16 717	fv	11 051 920	10 495 074
10.	INT. CARS	24 103	24685	fv	1 921	810	eqm	301	301	fv	3 040 077	2 506 364
11.	JSW	22 400	23 000	hc	1 200	1 400	eqm	-	-	x	11 519 600	11 812 200
12.	KGHM	-	-	x	2 002 000	6 858 000	hc	813 000	696 000	fv	30 100 000	33 120 000
13.	KOGENERA	16 776	17 554	hc	-	-	x	-	-	x	2 286 566	2 256 509
14.	LOTOS	-	-	x	98 087	70 745	eqm	-	-	x	19 326 309	19 169 332
15.	ORANGEPL	-	-	x	-	-	x	-	-	x	22 588 000	21 652 000
16.	PCCROKITA	-	-	x	-	-	x	-	-	x	1 441 885	1 268 765
17.	PGE	27 000	30 000	hc	402 000	8 000	eqm	37 000	15 000	fv	67 474 000	61 296 000
18.	PGNIG	-	-	x	1 229 000	840 000	eqm	-	-	x	49 672 000	48 292 000
19.	TAURON PE	-	-	x	461 348	418 127	eqm	227 140	211 215	fv	33 456 894	32 071 433
20.	TRAKCJA	21 226	21 976	fv	-	14 140	eqm	46 527	45 589	fv	1 396 733	1 306 357

Source: Author's work based on consolidated financial statements.

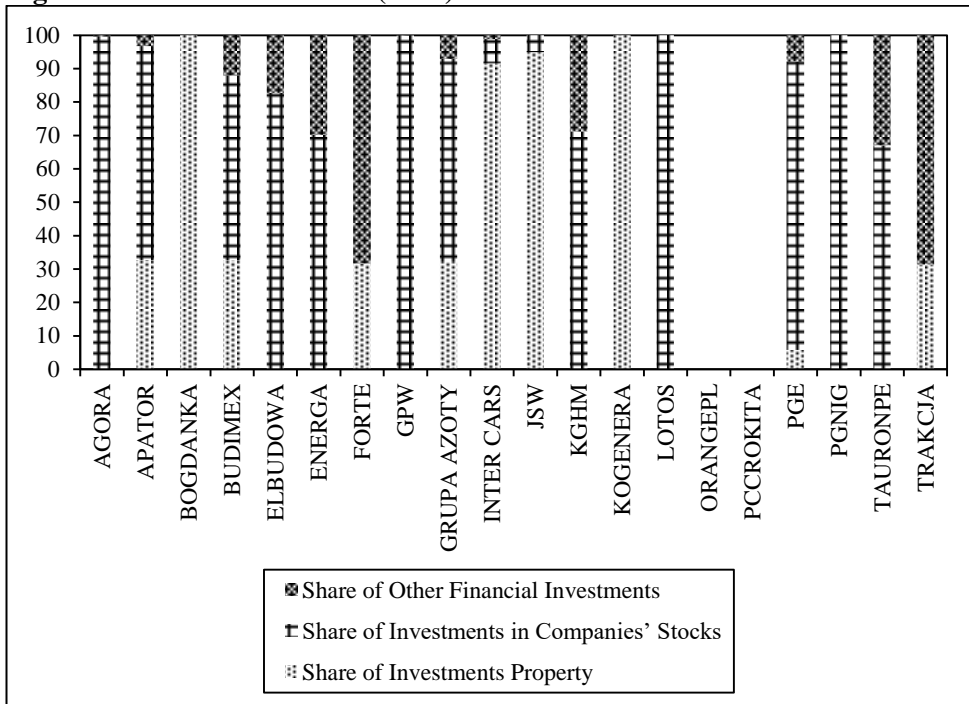
Note: fv – fair value, hc – historical cost, eqm – equity method.

Tab. 6 Share of investments (%)

No.	Name of company	Share of Investments in Total Assets		Share of Investments Property in Total Investments		Share of Investments in Companies' Stocks in Total Investments		Share of Other Financial Investments in Total Investments	
		2016	2015	2016	2015	2016	2015	2016	2015
1.	AGORA	1.37	1.24	-	-	99.61	99.51	0.39	0.49
2.	APATOR	0.51	0.53	32.71	38.84	63.99	61.11	3.30	0.05
3.	BOGDANKA	1.25	0.52	100.00	100.00	-	-	-	-
4.	BUDIMEX	1.40	2.51	32.63	53.55	55.39	38.64	11.98	7.81
5.	ELBUDOWA	2.93	2.77	-	-	82.70	57.71	17.30	42.29
6.	ENERGA	2.97	0.33	-	-	70.14	-	29.86	100.00
7.	FORTE	19.68	9.77	31.58	99.30	-	-	68.42	0.70
8.	GPW	17.06	17.60	-	-	99.85	99.85	0.15	0.15
9.	GRUPA AZOTY	1.68	1.72	32.06	29.00	60.84	61.71	7.10	9.29
10.	INTER CARS	0.87	1.03	91.56	95.69	7.30	3.14	1.14	1.17
11.	JSW	0.20	0.21	94.92	94.26	5.08	5.74	-	-
12.	KGHM	9.35	22.81	-	-	71.12	90.79	28.88	9.21
13.	KOGENERACJA	0.73	0.78	100.00	100.00	-	-	-	-
14.	LOTOS	0.51	0.37	-	-	100.00	100.00	-	-
15.	ORANGEPL	-	-	-	-	-	-	-	-
16.	PCC ROKITA	-	-	-	-	-	-	-	-
17.	PGE	0.69	0.09	5.79	56.60	86.27	15.09	7.94	28.30
18.	PGNIG	2.47	1.74	-	-	100.00	100.00	-	-
19.	TAURON PE	2.06	1.96	-	-	67.01	66.44	32.99	33.56
20.	TRAKCJA	4.85	6.25	31.33	26.90	-	17.31	68.67	55.80

Source: Author's work based on consolidated financial statements.

Fig. 2 Investment Structure (2016)



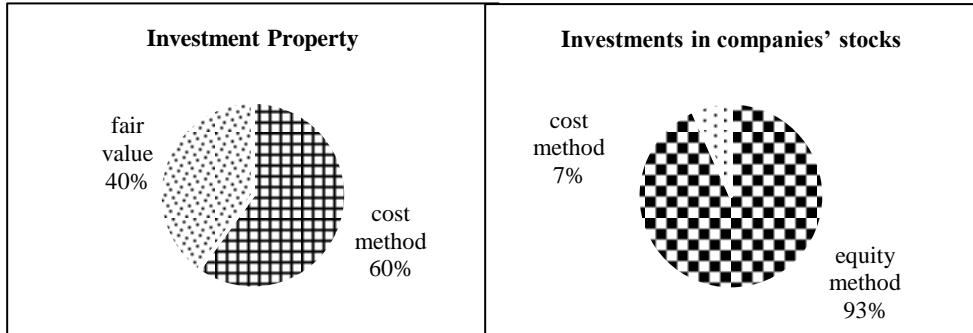
Source: Author's work based on Table 6.

Depending on a type of investments, companies estimate these according to the principles adopted within accounting policy (Fig. 3):

- investments in real estate are estimated according to:
 - historical cost (60%),
 - fair value (40%),
- investments in other companies' stocks – equity method (93.3%),
- other financial investments – fair value (100%).

Historical costs determine the valuation of investment properties by the analysed companies, although IAS 40 prefers the FV model because the valuation based on historical cost was and is widely used due to its simplicity, verifiability of the carried out measurement and continuity of measurement principles.

Fig. 3 Investment valuation methods



Source: Author's work based on Table 5.

4.3 Presentation and disclosure of SRI in financial statements

According to the Polish accounting law regulations (Accounting Act), investments are presented in the company's balance sheet divided into the long- and short-term components. Furthermore, companies are obliged to subdivide the investments based on their nature, i.e. investments in real estate, investments in intangible assets and financial investments. Moreover, in the balance sheet, the division of investments being realised within a group of companies is presented. Within the balance sheet, there is no information on which of the investments realised by the company are socially responsible investments. In order to assess the scope of disclosures concerning SRI, an analysis of the content of management commentary of the analysed companies was carried out.

The structure of management commentary is not regulated in terms of law, therefore companies present information on their investment achievements in any form and content.

Results of the analysis of contents of management commentary are presented in Table 7.

Tab. 7 Content analysis of management commentary about SRI (2016)

No.	Name of company	Description or numerical data	Information about investments:		Disclosure about SRI
			Financial investments	Fixed assets & Intangible assets	
1.	AGORA	D	+	FA + IA	-
2.	APATOR	D+N	-	FA + IA	-
3.	BOGDANKA	D+N	-	FA + IA	-
4.	BUDIMEX	-	-	-	-
5.	ELBUDOWA	D+N	-	FA + IA	-
6.	ENERGA	-	-	-	-

No.	Name of company	Description or numerical data	Information about investments:		Disclosure about SRI
			Financial investments	Fixed assets & Intangible assets	
7.	FORTE	D+N	+	-	-
8.	GPW	-	-	-	-
9.	GR. AZOTY	D+N	+	-	-
10.	INTER CARS	N	+	-	-
11.	JSW	D+N	+	-	-
12.	KGHM	D+N	+	+	-
13.	KOGENERA	D	+	-	-
14.	LOTOS	D+N	+	+	-
15.	ORANGE PL	D+N	-	+	-
16.	PCC ROKITA	D	-	+	-
17.	PGE	-	-	-	-
18.	PGNIG	N	-	+	-
19.	TAURON PE	-	-	-	-
20.	TRAKCJA	D+N	+	+	-

Source: Author's work based on management commentary.

The analysis of the content of management commentary enables to draw the following conclusions:

- the information content of the reports on investment activity is diversified, which hinders comparability between companies,
- descriptive information prevails, and the number of numeric data is limited,
- the scope of information relating to investments includes also investment outlays for fixed assets and intangible assets,
- disclosures concerning socially responsible investments are not presented in the reports on activity of the analysed companies.

5 Conclusion

Socially responsible investments are one of the most dynamically developing segments of investments and socially responsible investing plays an ever growing role in the world's financial markets. Poland is in the infancy stage of development of socially responsible investments.

The analysis of financial statements of the Polish Respect Index stock exchange companies listed on the GPW Warsaw Stock Exchange allows to draw the following conclusions:

- investments are presented in financial statements according to the Polish accounting law and IFRS, therefore investments in the balance sheet are presented divided into long- and short-term components taking into account the particular type of investment (tangible, financial),

- methods used in the estimation process are different, however, the following ones prevail:
 - historical cost – in the case of an estimate of investments in real estate,
 - equity method – in the case of an estimate of investments in other companies' stocks,
 - fair value – for other financial investments.
- no information in the balance sheet concerning socially responsible investments,
- the scope and content of presentation of information about investments in management commentary are diversified, information is mostly descriptive, so their comparison cannot be made,
- in management commentary, a wider material scope of investments is presented since companies also rate investment outlays for fixed assets and intangible assets among investments,
- disclosures concerning socially responsible investments are not presented in the reports on activity of the analysed companies.

As it appears from the Eurosif report, the role and value of SRI in Poland are increasing, whereas it appears that financial reporting does not keep up with the business practice because it does not present information concerning SRI. So the author of this paper perceives the need to undertake research aiming at formulating the concept of financial statements referring to socially responsible investments, either in the form of a separate element of financial statements or in the form of an explanatory note to the 'Investments' item in the balance sheet.

This fact is gaining particular significance in the face of the social reporting obligation introduced under the Directive 2014/95/EU of the European Parliament.

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