

Dyczkowska, Joanna; Krasodomska, Joanna; Michalak, Jan

## Article

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## CSR in Poland: Institutional context, legal framework and voluntary initiatives

Joanna Dyczkowska<sup>a,1</sup>, Joanna Krasodomska<sup>b,2</sup>  
and Jan Michalak<sup>c,3</sup>

<sup>a</sup> *Wroclaw University of Economics, Poland*

<sup>b</sup> *Cracow University of Economics, Poland*

<sup>c</sup> *Lodz University, Poland*

**Abstract:** The paper explores the level of CSR development in Poland and focuses on the roles of stakeholders actively involved in fostering the CSR concept in the country. The stakeholders include: (1) regulators (*Ministry of Finance, Ministry of Economy, the Warsaw Stock Exchange and Polish Accounting Standards Committee*); (2) NGOs (*Responsible Business Forum and CSR Info*); (3) media (*Gazeta Prawna, Forbes, Manager magazine and Polityka* journals); (4) business organizations (mainly subsidiaries of multinational companies and large enterprises partially state-owned) and (5) the Big 4 audit firms (*Deloitte, KPMG, PwC*). In order to delineate their efforts as regards promotion of CSR activities we use institutional-stakeholder approach. In the paper we characterize the social and political legacy of Poland – the country that has been changing its socioeconomic system for the last 25 years. We also scrutinize Polish accounting regulations and guidelines, which have built a legal framework for CSR disclosures. Our study also draws attention to the role of the Stock Exchange, the Ministry of Economy, and the Polish Agency of Entrepreneurship Development in promoting CSR-related actions. In order to explain media involvement we analyze the criteria of CSR rankings and awards and results of the companies. Finally, we outline the activities undertaken by NGOs in Poland and summarize research projects conducted by audit firms. The results of our study suggest that Polish business organizations still face many challenges in terms of CSR implementation. The main problems derive from misperception of CSR concept and unclear impacts

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<sup>1</sup> *Corresponding author (1):* Department of Costing, Management Accounting and Control, Wroclaw University of Economics; Komandorska Str. 118/120, 53-345 Wroclaw; e-mail: joanna.dyczkowska@ue.wroc.pl

<sup>2</sup> *Author (2):* Department of Financial Accounting, Cracow University of Economics; Rakowicka Str. 27, 31-510 Cracow; tel. (+48) 12 29 35 646; e-mail: joanna.krasodomska@uek.krakow.pl

<sup>3</sup> *Author (3):* Department of Management Accounting, Lodz University, Matejki Str. 21/23, 90-237 Lodz, e-mail: jmichal@uni.lodz.pl

of CSR adoption on business. A notable finding which emerged is that CSR evolution in Poland is in progress which calls for a need for further educational and promotional initiatives directed particularly at SMEs.

**Keywords:** CSR, institutional context, legal framework, Poland, stakeholders,

**JEL codes:** K22, M14, M21

## **1. Introduction**

The CSR development in Poland has been conditioned by the certain historical and economic impacts which caused that the importance of sustainable economy started to increase significantly later than in Western Countries (PwC, FOB, The Ministry of Economy, 2015). The aftermath of World War II which brought damage, destruction and imposition of Communism ideology with its Soviet-style control over the economy and social life of the country did not favour a development of social responsibility. Poland as many other Central European countries was functioning in a system where the profit-oriented sector was reduced to a necessary minimum, because private entrepreneurship and profit-seeking were rejected as questioning the political and economic principles of the state. In centrally planned system there was no place for CSR understood in the sense of Western capitalist economies.

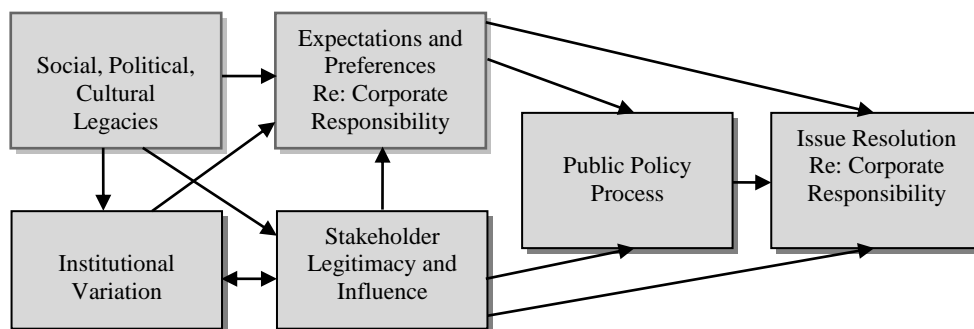
Actually, after the change of the socioeconomic system the first actions were aimed at establishing free market institutions. Those times, most companies were oriented on capital accumulation and market position maintenance instead of CSR promotion. In fact, a dynamic evolution of CSR idea in Poland reached the period of 2006-2007 which has been connected with an intensive influx of foreign investors (Gruszevska & Wakuluk 2012). Free market economy and accompanying competition stimulated interest in being socially responsible. However, still some rules, routines and actions comprising CSR development and disclosure are not well founded and sometimes superficial.

In 2010 the World Business Council for Sustainable Development issued a document<sup>1</sup> which inspired Polish institutions, including the Ministry of Economy, the Responsible Business Forum (RBF) and PwC to prepare a sustainable development vision for Polish business organizations. The new “2050 Vision” stressed the needs of supplementing the existing governmental strategic documents with business perspective and building collaboration in-between public, business and non-governmental sectors towards sustainable development. The latter induced the necessity of effective CSR results’ dissemination. When confronted with the

literature there are several theories which support CSR disclosure development and related changes, including: legitimacy theory (Guthrie & Parker 1989), agency theory (Ness & Mirza 1991), stakeholder theory (Roberts 1992) and institutional theory (Brammer *et al.*, 2012). The last two will be used to explain the state of art of CSR disclosure in Poland.

In general, the existing theories refer to four main stakeholder groups which influence reporting scope and quality, including: reports' preparers, reports' users, regulators (standard setters and stock exchanges authorities) and auditors. The process of reconciling the interests of the said groups shapes both disclosure framework and frequency as well as verification procedures. It must be stated, however, that in case of CSR reporting stakeholder groups are wider since they cover NGOs, employees, customers and media. Therefore, Ruf *et al.* (2001) remarks a direct link between stakeholder theory and CSR and perceives the latter as a tool directed at "meeting the demands of multiple stakeholders". Furthermore, a level of corporate social performance may be regarded as a measure of a quality of stakeholder relations (Waddock & Graves 1997).

Institutional theory deliberates on the forms that business entities adopt and explains why organizations are becoming more homogeneous within an organizational field (DiMaggio & Powell 1983). Furthermore, the theory perceives companies as open systems which may change in response to social and institutional processes in their environment. Campbell (2007) claims that corporate behaviour in the CSR area depends on economic factors and is influenced by several institutional conditions. In general institutional impact reflects in development of public and private regulations, presence of non-governmental and other independent organizations which monitor corporate behaviour and existence of institutionalized norms regarding appropriate corporate behaviour. Doh and Guay (2006) based on stakeholder and institutional theories and referring to corporate responsibility idea developed a common theoretical approach. They proposed a stylized model of institutions, stakeholders and corporate responsibility.



**Figure 1. Stylized model of institutions, stakeholders and responsibility**

(Source: Adapted from Doh and Guay (2006))

That model has much in common with the situation in Poland where political and economic legacy left an imprint on corporate responsibility area which, in fact, was substantially neglected. Only a change in institutional approach, extension of the number stakeholders involved in the CSR promotion (such as NGOs, media) and effective dialog between interest groups highlighted the expectations and preferences. Consequently, re-orientation towards CSR idea propelled public policy process which various signs were presented in the main body of this paper.

This extensive research paper aims to shed light on CSR development in Poland in the last decade and delineates a substantial role of different stakeholders involved in promoting CSR activities. The structure of the paper is organized as follows. Firstly, we analyse Polish accounting regulations and guidelines which have built a legal framework for diffusion of knowledge on CSR activities. Secondly, we elaborate on a role of Stock Exchange, the Ministry of Economy, the Polish Agency of Entrepreneurship Development in promoting CSR-related actions. Thirdly, we scrutinize principles of CSR rankings and awards and refer to results obtained by business organizations. Finally, we deliberate on research projects conducted by Big4 consulting institutions. In conclusion we summarize the problems undertaken in the paper and present our views on the future research possibilities.

## **2. Overview of Polish accounting regulations and guidelines in the context of CSR disclosure issues**

Development and enforcement of public policies including laws and guidelines in most cases are the direct and most important factors influencing scope and level of CSR disclosures. In Poland, implementation of the CSR concept into the corporate practice and reporting is to a large extent voluntary. As far as the international CSR standards are concerned, the Global Reporting Initiative (GRI) Guidelines are more and more common, but the total number of reports prepared in accordance with them is still very low<sup>2</sup>.

Accounting issues of the majority of Polish companies are regulated by the Accounting Act of 29 September 1994 (OJ of 2013, no 0, item. 330). Due to Poland's membership in the European Union and the adoption of Regulation 1606/2002 of the European Parliament and the Council, issuers of securities admitted to public trading and banks are obliged to apply IFRS in their consolidated financial statements. Other entities may choose to apply IFRS voluntarily.

In Poland, like in other European countries, there also operates the Accounting Standards Committee (ASC). The Accounting Standards Committee has been acting under the auspices the Ministry of Finance since 2002 (Komitet Standardów

Rachunkowości, 2014). It issues National Accounting Standards (NAS) - recommendations which are not legally binding. The Committee's members are experts in accounting who represent accounting regulatory bodies (the Ministry of Finance, the Ministry of State Treasury, the National Bank of Poland, and the Banking Supervision Commission), major professional organizations (Accountants Association in Poland and the National Chamber of Statutory Auditors) as well as academics and representatives of auditing companies. Up to now, 9 standards have been issued and subsequent ones are being developed.

## **2.1 The Accounting Act**

The CSR issues are included both in the Accounting Act and in the NAS. They refer to the information content of the management commentary. In accordance with article 49.2 of the Accounting Act, management commentary should contain material information on the entity's property and financial standing, including an assessment of the performance, as well as a description of any risk factors and threats. This information may refer to: events having material influence on the entity's activity which occurred both during the financial year and after its end, until the approval of the financial statements, the entity's expected development, major achievements in research and development, current and anticipated financial standing, as well as corporate governance.

Art. 49.3 stipulates that "the management commentary should also cover - insofar as this is relevant to the assessment of the situation of the entity - financial and non-financial performance indicators, including information on environmental issues and employment, as well as additional explanations of the disclosures made in the financial statements".

This provision was introduced by the Accounting Act of 30 April 2004 changing the Accounting Act (OJ of 2004, no 145; item. 1535) and was due to the incorporation of the conclusions contained in the Directive 2003/51/EC of the European Parliament and of the Council of 18 June 2003 amending Directives 78/660/EEC, 83/349/EEC, 86/635/EEC and 91/674/EEC on the annual and consolidated accounts of certain types of companies, banks and other financial institutions and insurance companies (the so-called Account Modernization Directive)<sup>3</sup>.

## **2.2 Polish National Accounting Standard No. 9**

Management commentary is the subject of NAS No. 9, published in June 2014 (Krajowy Standard Rachunkowości nr 9, 2014). The purpose of the standard is to assist companies in the preparation of the management commentary which will meet the users' expectations and to promote the best practices in this regard.

In accordance with NAS 9 (art. 5.9), management commentary should include all the information required by the Accounting Act; it can also refer to the additional information disclosed in other reports published by the entity. If an entity issues several descriptive reports containing additional disclosures (for example, a report on the impact on the environment, a report on corporate social responsibility), it is not appropriate to make reference to such documents in order to provide the information which was intentionally omitted in management commentary. However, such reports may constitute separate parts of the management commentary, as well as be repeated in the entity's separate publications.

If other external factors, such as social conditions or issues related to the environment, are relevant for the assessment of the entity's operation and condition, they are discussed in the management commentary (6.12). In the case of certain entities, it is necessary to present in management commentary the company's performance in different areas of development: economic (financial), environmental (impact on the natural environment) and social. In particular, it is useful to provide information on issues related to the entity's corporate social responsibility and the protection of the environment (e.g. information about the management of resources and natural components, the impact on the environment, pro-ecological initiatives, environmental charges and other costs of environmental protection, social activities including a description of the entity's social campaigns and policy in this respect (6.31).

NAS 9 also draws attention to the presentation of information in the management commentary in the form of measures. In accordance with article 5.16., when selecting the measures, the entity may use their sets developed by various Polish or international institutions or organizations. The use of such measures makes it easier to compare the entity's results as well as to interpret and evaluate them. As an example, NAS 9 points to the GRI Guidelines.

### **2.3 The Directive 2014/95/EU**

As discussed above, Polish accounting regulations do refer to the CSR concept but they stress that CSR disclosures are required only insofar as they are relevant to the assessment of the situation of the company, and guidelines (NAS 9) are non-obligatory. An important change in the way Polish accountants and auditors perceive the CSR concept was introduced last year with the adoption of the Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large companies and groups<sup>4</sup>.

The new Directive introduces changes resulting in the extension of the scope of non-financial information required to be disclosed in the management

commentary<sup>5</sup> so that it includes minimum relevant information concerning at least environmental issues, social and labor issues, respect for human rights and anti-corruption and bribery matters (the so called reporting on corporate social responsibility-CSR). Member States are obliged to implement the provisions of the Directive in national law by December 6, 2016, while national regulations, taking into account these provisions are to be applied by entities indicated in the Directive in the financial year commencing on 1 January 2017, or during the calendar year 2017. Predicted alterations in Polish national legislation due to the Directive incorporation will involve changes in art. 49 of the Accounting Act.

The disclosure will be made in the form of e.g. a brief description of the business model of the entity, a description of the policies pursued by the company in relation to environmental, social and employee matters, respect for human rights, procedures to counteract corruption and bribery and their outcomes, risks and risk management related to those matters and non-financial key performance indicators (KPI). Entities which are subject to the Directive are big public interest entities that meet the following criteria: the average number of 500 employees, total assets of more than 20 million EUR, or net sales of more than 40 million EUR. In providing this information, companies may rely on various frameworks (their own, national, European or international). The companies subject to the above regulations will be obliged to act on the “comply or explain” principle<sup>6</sup>.

In the course of work on the Directive, Poland achieved the intended negotiation objective which was the satisfactory limitation of the range of entities subject to the mandatory reporting of non-financial information (originally, according to the proposal of the European Commission, all other large companies which do not have the status of public interest entities were to be covered by the Directive). For this reason, the Polish Ministry of Finance does not intend to make entities other than the largest public interest companies comply with the new requirements for reporting non-financial information. This approach corresponds with the actions of the Government aimed at improving the conditions for businesses to operate and reducing excessive administrative burdens, e.g. in the area of reporting. It should also be noted that Poland was the only Member State to decide at the beginning of the legislative process that the Directive was not the most appropriate tool for popularizing the CSR concept (Szewc & Abec 2014).

It should be added, that in contrary to the above statement, there are Polish academia representatives, who are in favor of the above changes in accounting regulations. For example, according to Potocki (2015, p. 259), the only way to accelerate the CSR development in Poland is to “introduce minimum legal requirements that would regulate corporate responsibility practices.” This view is shared by Paliwoda-Matiolańska (2015). Chojnacka (2014b) stresses the necessity to include the CSR disclosure issues in the accounting regulations. According to Chojnacka (2014a) and Krasodomska (2015), more standardized approach to the



management commentary content would be beneficial in terms of its transparency and value for users.

### **3. Stock exchange's, governmental and other initiatives**

#### **3.1. Involvement of the Warsaw Stock Exchange (WSE) in CSR promotion**

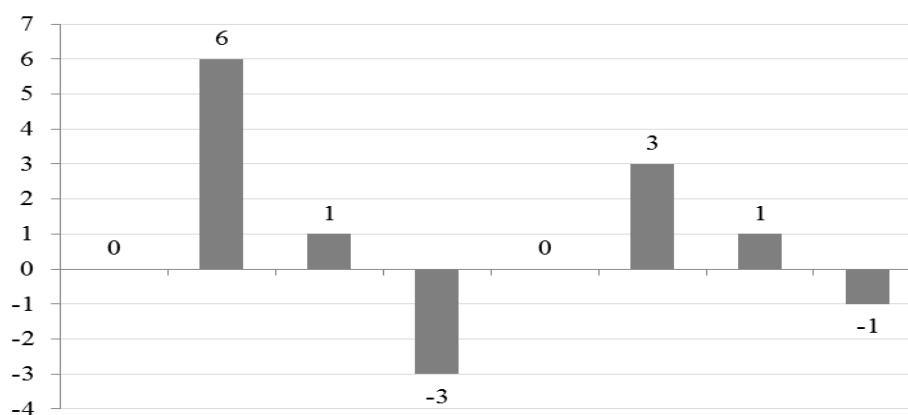
Warsaw Stock Exchange is an influential stakeholder which promotes CSR idea and disclosure among Polish stock issuers. One of the most important and publicized projects in this area was establishment of the RESPECT index covering a portfolio of listed companies which adopted CSR standards. The objective of the project, conducted jointly WSE with Kulczyk Investment company, Deloitte and Forbes Magazine was to promote the highest standards of management within social, environmental and economic context. The name of the RESPECT index derives from the values which determine CSR maturity level. The said values cover: (R)esponsibility, (E)cology, (S)ustainability, (P)articipation, (E)nvironment, (C)ommunity and (T)ransparency where the first letters construct the name of the index. The RESPECT Index is an income-based measure which means that it considers incomes from dividends and pre-emptive rights. It may be compared to its counterparts in other countries, including: Domini 400 Social Index (DS 400 Index), the Calvert Social Index (Calvert Index), the Citizens Index, Dow Jones Sustainability Index (DJ Sustainability Index-US), FTSE4Good.

The RESPECT index was published in November 2009 for the first time and comprised of 16 companies<sup>7</sup>. Every six months the index is revised. The last (ninth) revision took place on December 2015 (GPW 2015b). Changes of RESPECT Index composition were presented in the table 1.

The RESPECT index includes stock issuers that were positively evaluated by the Project Partner – Deloitte - during third phase of audit study aiming at appointment of these companies which were characterised by the highest CSR maturity level. Thus, the number of companies included in the RESPECT index is variable. The weights of particular companies in the index are established based on a number of shares in any type of trading reduced by a number of shares introduced into trade. Interestingly, a share of major stock issuers in the index is limited to 25% if there are only 20 entities which constitute the index and to 10% when the number of entities exceeds 20 objects. The composition of the respect index remained quite stable in terms of number and list of companies. For example companies Azoty, Bank Handlowy, Elbudowa, ING BSK, KGHM, Lotos, PKN Orlen, TP SA (then Orange) were present in all editions and some more: Bogdanka, Budimeck, Milenium were include in 7 or 8 editions.

**Table 1. RESPECT index – changes in the number of companies**

Nov '09 I ed.	Jan '11 II ed.	Jul '11 III ed.	Jan '12 IV ed.	Jul '12 V ed.	Jan '13 VI ed.	Dec '13 VII ed.	Dec '14 VIII ed.	Dec '15 IX ed.
Number of companies in the next editions of RESPECT index (								
16	16	22	23	20	20	23	24	23
Changes in the number of companies in RESPECT index (t/t-1)								



The companies which are eager to join the RESPECT index are expected to have high trading liquidity, comply with corporate governance standards and maintain high quality of relationships with stakeholders. Another key point is a lack of sanctions imposed by WSE and the Polish Financial Supervision Authority. The development of the RESPECT index composition is a three-stage process. The first stage relies on selection of stock issuers with the highest trading liquidity. In practice, these are companies included in WIG20, mWIG40 and sWIG80 indices. The second stage which is carried out by the WSE and the Polish Association of Listed Companies focuses on examination of disclosure quality both in financial reports as well as on corporate websites. Assessment of corporate website is based on two criteria, including: information capacity and timeliness. In order to fulfil the first criterion in a sufficient way a stock issuer is supposed to present on its corporate website primarily the following aspects (GPW 2016c):

- basic corporate documents, including corporate articles of association
- the full names of the members of its management board and supervisory board and the professional CVs of the members of these bodies,
- a chart showing the division of duties and responsibilities among members of the management board,
- the current structure of shareholders,
- current and periodic reports, prospectuses and information memoranda with annexes, published by the company at least in the last 5 years,

- dates of corporate events leading to the acquisition or limitation of shareholder rights, dates of financial reports' publication and other events relevant to investors within a timeframe which will enable investors to make investment decisions,
- information on strategy and financial results,
- selected financial data for the last 5 years in a format that will enable to process such data;
- information about the planned dividend and the dividend paid out by the company in the last 5 financial years,
- financial projections, if the company has decided to publish them, published at least in the last 5 years, including information about their implementation,
- a statement on the company's compliance with the corporate governance recommendations and principles,
- information on diversity policy applicable to the governing bodies and key managers.

We present only selected aspects, therefore the bullet list is not complete. The full disclosure requirements can be found in a recently revised document "Best Practices for GPW Listed Companies 2016". The second criterion - timeliness – reflects promptness in disclosing relevant information on the website and answering to inquiries addressed by the existing or potential investors.

The third stage consists in self-evaluation. It is based on results of a questionnaire distributed among companies selected in the first and the second stage of the study. The results are subsequently verified by Deloitte. The structure of a questionnaire covers topics related with environment protection, social welfare and economic aspects (Table 2). The self-evaluation survey has evolved gradually over the last editions. During that time the questionnaire changed its structure, some questions were adjusted considering the sector type (industry, finance and services), some other were added (as for instance the questions concerning managing diversity in the workplace).

The results of last self-evaluation survey (from the ninth edition of RESPECT index) proved that stock issuers strove to improve their social and environmental impact. Firstly, all companies identified and documented their impact on the environment whereas more than half of them identified indirect effect as well. Almost all examined entities (96%) set targets to reduce or not increase the degree of fuel and energy consumption. Most of companies surveyed satisfaction and engagement of employees (87%) and included obligatory ethical, social or environmental clauses in their contracts (70%) whereas more than one third executed audit of such clauses. Moreover, 43% of stock issuers introduced environmental, ethical or social criteria of in the process of vendor selection.

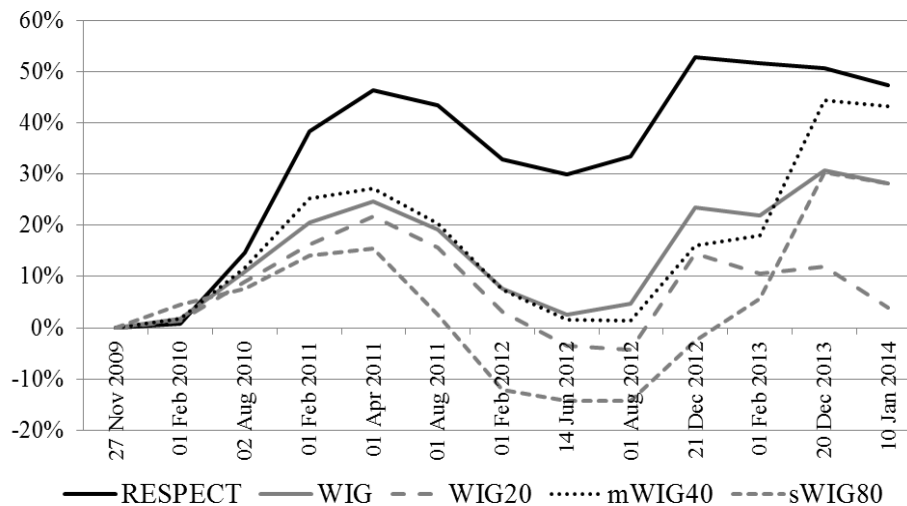
**Table 2. Framework of self-evaluation survey**

<b>Environment protection</b>	<b>Social welfare</b>	<b>Economic aspects</b>
<ul style="list-style-type: none"> <li>▪ material (direct or indirect) environmental impact of the business,</li> <li>▪ environmental management system,</li> <li>▪ environmental policy actions,</li> <li>▪ effective consumption of raw materials, water, fuel and energy,</li> <li>▪ monitoring of climate impact,</li> <li>▪ waste segregation and biodiversity preservation</li> <li>▪ impact of products on environment</li> </ul>	<ul style="list-style-type: none"> <li>▪ health and safety at work,</li> <li>▪ HR policy, performance assessment, employee satisfaction surveys</li> <li>▪ scope of social benefits, forms of employment, trainings, violations of employees rights</li> <li>▪ rules on relations with suppliers, formalized expectations towards suppliers, overdue receivables and deadlines for payments,</li> <li>▪ dialogue with stakeholders, publication of CSR reports and its content</li> </ul>	<ul style="list-style-type: none"> <li>▪ general strategy and corporate responsibility strategy, code of conduct,</li> <li>▪ approach to risk management and internal control and audit</li> <li>▪ provision of information on products and services</li> <li>▪ actions to enhance positive impact on society</li> <li>▪ rules concerning advertising, PR activities, complaint handling,</li> <li>▪ policies and procedures on personal data protection,</li> <li>▪ unethical or anti-competition activities.</li> </ul>

(Source: Adapted from GPW (2016b))

The inclusion in the RESPECT Index depends on external CSR reporting quality. Three fourth (74%) of companies included in the index prepared reports based on the GRI guidelines, and more than half (52%) submitted them to independent verification. Almost two-third of examined entities (61%) developed and implemented comprehensive CSR strategies. The majority of stock issuers conducted other actions CSR area: 61% appointed ethics coordinator or committee; 60% introduced policies and procedures for risk management, 87% presented a comprehensive overview of the key elements of the internal control of and risk management systems.

Figure 2 shows that the RESPECT index outperformed WIG 20 (See: Fig. 2) whereas the study of Bartkowiak and Janik (2013) provides evidence that in the period 2.01.2010 – 28.12.2012 the RESPECT index performed better than main WSE index WIG 20 TR and similar SRI indices: CEERIUS and VONIX from Vienna Stock Exchange in terms of profitability and effectiveness measured by average return rate and modified Sharp ratio.



**Figure 2. The cumulative return rates of RESPECT and WIG indices**  
(Source: Adapted from <http://gielodwyradar.pl/respect-indeks-wysokie-wymagania-wysokie-stop-y-zwrotu/>)

In 2013 WSE started initiatives towards systematizing activities in CSR area, which ultimately resulted in the creation of a CSR strategy for itself (GPW, 2016a). The creation of a CSR strategy was preceded by a definition of stakeholder map. In the same year WSE created and implemented a strategy of social responsibility. The said strategy was based on four pillars which included activities for market, education and environment as well as relations with employees (GPW, 2016a). The next phase was to extend the existing CSR strategy for all companies in WSE Capital Group. In 2015 common strategy was finally developed both for the WSE and its subsidiaries: BondSpot and TGE. It reconciled a mission of the WSE Group respecting business environment interests on the basis of dialogue and cooperation with stakeholders of the Group.

In the next section we elaborate on initiatives that have been undertaken to promote CSR concept by the Polish Ministry of Economy since 2009.

### 3.2 Initiatives of the Ministry of Economy<sup>8</sup>

In order to develop highly advanced model of institutional support the government should build a sturdy bridge between business and society. In 2009 the Polish Prime Minister established the Group for CSR Issues. First of all, the Group was expected to propose solutions enabling coordination of CSR actions of administrative governing bodies. Secondly, the Group was supposed to recognise CSR good practices in other countries and benefit from their experience. Finally, based on proven experience the Group was to create conditions for effective

communication and fruitful dialogue between all stakeholders involved in the process of CSR promotion. Furthermore, four working teams were set up in order to assist the Group, including: the working team on CSR promotion system, the working team on responsible investment, the working team on CSR education and the working team on sustainable consumption.

In August 2013 the Prime Minister issued a decree cancelling the Group for CSR Issues. However, in July 2014 the Minister of Economy established the new Group for Socially Responsible Enterprises, which consisted of four working teams dealing with: social innovations, sustainable production and consumption, renewable energy sources and energetic effectiveness, and CSR for SMEs. It is worth concentrating more on the last topic. Based on different reports concerning the SMEs sector Gasiński and Piskalski (2009) identified four dominant areas of employees<sup>9</sup>, customers<sup>10</sup>, environmental protection<sup>11</sup> and local communities<sup>12</sup> where SMEs applied sustainability practices to the largest extent. Despite SMEs' level of activity within those areas, the final effects followed *2050 Vision* only to a limited extent (*2050 Vision*<sup>13</sup>). Therefore, the Ministry of Economy made efforts to recognise such CSR investment areas for SMEs which would be fully consistent with the vision and correspond to available financial sources (See Table 3).

**Table 3. Financial support to Polish SMEs within CSR promotion**

Program	Framework	Remarks
<b>Financial support for investments</b>		
“Intelligent Development” COP <sup>14</sup>	1. Investments in R&D infrastructure 2. Innovations in SMEs 3. Capital support to newly created SMEs 4. Support to implementing results of R&D works by SMEs	Eligible costs include:
“Eastern Poland” COP	1. Implementation of product or process innovations 2. Development of an enterprise 3. Implementation of IT systems	1) investments in fixed tangible and intangible assets 2) two-year remunerations for persons employed in a project
Regional Operational Program	1. Support to creating and extending advanced abilities within product and service development 2. Investment in tangible and intangible assets which serve producing or upgrading research infrastructure	
<b>Financial support for environmental projects</b>		
National Fund for Environmental Protection and Water Management	1. Energy-saving investment in SMEs	30-95% of eligible costs, which include investment costs indispensable for environmental effect, are to be covered.

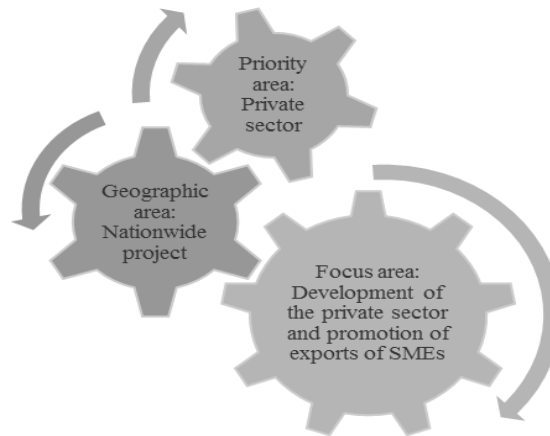
Program	Framework	Remarks
Financial support for soft projects		
“Knowledge, education, development” OP <sup>15</sup>	1. Gender equality 2. Employment of people with disabilities 3. Increasing particular competences	50-70% of eligible costs are to be reimbursed; projects are directed at employees 50+
Regional Operational Program	1. Ensuring equal access to long-life learning 2. Extending knowledge, increasing competences and skills of employees and promoting flexible educational paths 3. Career counselling and competence confirmation	
Financial support for R&D projects		
Regional Operational Program	1. Promotion of investments in R&D 2. Development of relations and synergies between enterprises and R&D centres 3. Support to technological research, pilot production lines etc.	100% of eligible costs, which include remunerations, subcontractors’ fees and expenses on intangible assets, are to be covered.

(Source: Adapted from Deloitte (2015))

In order to make the *2050 Vision* real the Ministry of Economy as a patron of that project cooperated with PwC (project leader) and RBF (project partner) on a organizational level. However, the extent of the cooperation was larger since 150 representatives of various organizations were asked to expressed their opinions in the consultation phase of the project (PwC, FOB and The Ministry of Economy 2015). A support of the Polish Agency of Entrepreneurship Development is one of the several examples of such a fruitful cooperation and active involvement in CSR promotion. It is presented in the next section.

### 3.3 Actions of the Polish Agency of Entrepreneurship Development

The Polish Agency of Entrepreneurship Development has been conducting the project directed at the enhancement of regional competitiveness through CSR within the Swiss-Polish Cooperation Programme. The project has been developed as a response to the need of propagating CSR in SMEs, Marshal’s Offices and Centres of Service for Investors and Exporters. Figure 3 presents three areas which are covered by the project.



**Figure 3. Framework of the project directed at improving regional competitiveness in Poland through CSR**

*(Source: Adapted from PARP (2016))*

The objectives of the project are threefold. Firstly, the aim is to build the competences of representatives of the Marshal's Offices, the Centres of Service for Investors and Exporters and SMEs within CSR concept through educational and promotional activities, including trainings and information meetings. Secondly, the project intends to provide financial assistance to pilot initiatives of SMEs targeted at implementing CSR activities in at least one of the following areas: environment protection, relations with employees or social involvement. Thirdly, results of the implemented pilot projects and related good practices are to be published and disseminated.

### **3.4 "CSR Info" research study on institutional support**

After several years of promoting CSR idea in large companies an attention is now paid to a role of institutional support to this concept in SMEs. It should be underlined that although SMEs are getting more and more socially and environmentally aware they still do not benefit fully from CSR concept in the context of building competitive advantage and long-term sustainable development (The Ministry of Economy, The Group for CSR Issues, 2011). Therefore, remarkably growing number of bottom-up business initiatives of SMEs towards CSR development induced the Ministry of Economy to initiate the research study aiming at a recognition of institutional models of CSR promotion on the international level. The main purpose was to identify an existing situation in Poland in reference to recognized CSR supporting initiatives in selected 14 countries<sup>16</sup>.



The research study was conducted by an educational and advisory organization CSR Info. It contributed to an identification of four institutional models of CSR promotion, including (CSR Info, 2011):

- the observer's model (Brazil, Hungary, RPA),
- the patron's model (India, Italy, Spain),
- the promoter's model (Germany, France, Sweden),
- the partner's model (Canada, Belgium, Denmark, Netherlands, UK).

**Table 4. Maturity of governmental involvement in CSR promotion**

Institutional models of CSR promotion	Observer	Patron	Promoter	Partner
<b>Social instruments</b>				
Educational activities <sup>17</sup>	×	✓	✓	✓
Support to social initiatives <sup>18</sup>	✓	✓	✓	✓
Information campaigns <sup>19</sup>	✓	×	✓	✓
Awards and contests <sup>20</sup>	✓	✓	✓	✓
Information resources <sup>21</sup>	×	✓	✓	✓
Partnerships <sup>22</sup>	×	✓	✓	✓
Projects <sup>23</sup>	×	×	✓	✓
Benchmarks <sup>24</sup>	×	×	×	✓
<b>Economic instruments</b>				
Tax incentives <sup>25</sup>	✓	×	✓	✓
Financial support	×	✓	✓	✓
<b>Regulatory instruments</b>				
Regulations	✓	✓	✓	✓
Codes of conduct or soft law	✓	✓	✓	✓
Certificates and standards	✓	✓	✓	✓

(Source: Adapted from CSR Info (2011))

The observer's model represents the least advanced phase of institutional support which is deprived of CSR leader within governing bodies and where the burden of accountability for CSR promotion rests on business partners. This model is characterized by a lack of adequate coordination of CSR actions. Moreover, both domestic policy and CSR strategy or plan do not exist in this type of the institutional model. There are only some regulations within CSR topic which relate to particular areas covering labor or environmental legislations etc.

Likewise, the existence of the patron's model does not implicate that governing bodies develop formal CSR policy or strategy. Nonetheless, more soft law which refers exclusively to CSR aspect is fostered within the model. There are also a dominant governing unit and more than one ministry involved in promoting CSR idea. They are supported by advisory bodies or institutions constituted together with stakeholders. A government may initiate a formal dialog with stakeholders which in fact may not have a long-term impact. Interestingly, a government does not determine policies of involving regions in promoting CSR, however local authorities very often take responsibilities for those actions.

The promoter's model is characterised by concerted actions of a leading governing unit and related ministries. In contrast to the previous two institutional models a government develops CSR policy, strategy or plan of actions to be introduced. Moreover, a government initiates long-term partnerships with stakeholders which take an institutionalised form. The results of a dialog with stakeholders constitute a basis for development of a CSR policy, a strategy or a plan of actions. A government brings particular regions into CSR actions and responds to invitations from business and social organizations in a focused manner. An international perspective, a supply chain and a development assistance are those issues which gain on importance in the promoter's model.

The partner's model is the final, most advanced phase of institutional succour, where a leading governing unit and related ministries are supported by advisory bodies and CSR promotion centres. A government is an active participant of those assemblies. Likewise, a dialog with stakeholders contributes to a development of CSR policy, a strategy or a plan of actions in the partner's model. However, in contrast to the promoter's model a government has wide experience in implementing a CSR policy, a strategy or a plan of actions. It should be noted that a government makes constructive efforts towards creating frameworks for the other stakeholders. As a result of excellent coordination of CSR promotion the endeavours of governmental, business and social actors are integrated and therefore allow to benefit from synergy.

The recognition of the institutional models of CSR promotion enabled to determine a progress of the Polish government in this area. It was stated that Poland might be classified as a country with the patron's model, however, with an opportunity of gradual progress to more advanced promotion models (The Ministry of Economy, The Group for CSR Issues, 2011). For sure, the constitutional legitimacy for sustainable development actions<sup>26</sup> may be considered as the evidence that such a progress is possible. Nevertheless, still much has to be done, in particular by promoting CSR in SMEs sector.

## **4. CSR rankings and awards**

### **4.1 General Ranking of Responsible Firms**

Since 2007 a Polish magazine - „*Gazeta Prawna*” - has been publishing a list of responsible firms. The ranking was fostered by the Responsible Business Forum— a Polish non-governmental organization promoting sustainable development and a responsible approach to business. The ranking of responsible firms is based on a survey which is directed both at companies placed at the well-known ranking “500 list” published by “*Rzeczpospolita*” magazine and other selected large enterprises which conduct their business in Poland. Presently, the survey includes several

dozen, closed-ended and single choice test questions covering five sections of CSR activities, including: responsible leadership, social involvement, communication with stakeholders, social innovativeness and accountable management. A detailed content of the survey is not disclosed to the public, however the organizer of the ranking admits that each year the questions are changed slightly in order to adjust them to current market conditions, to remarks provided by participants of the survey or to a character of activities of the majority of companies which took part in the said survey. With this approach the survey reflects the state of the art within CSR activities better, however, it does not allow making clear comparisons over the years. Therefore, it is suggested to compare changes in a position of a company in the final ranking each year rather scores obtained in each separate assessment section. Although, principles of the ranking do not determine how many points a company is assigned for each valid response, it is said that it may collect 600 points in total. The “accountable management” section has the highest weight of 33,33% equivalent to 200 points. The other examined areas account for 100 points each (16,66%). The ranking is presented as a whole and in sectoral breakdowns<sup>27</sup>. The latter enable to track differences in CSR activities induced by sectoral affiliation. Following results the ranking the organizer appoints leaders in the general as well as in sectoral classifications. Moreover, entities which collect more than 70% of total points are honoured (Gazeta Prawna, 2015b)

The short story of the rankings of responsible firms witnessed a methodology being revised several times. There were changes both in a structure of the survey and in evaluation methods. The first ranking was developed in 2007. The survey consisted of 48 questions and covered five categories. The first referred to general issues such as disclosure of information on management and supervisory boards and certificates or awards assigned to the respondents. The next two categories reflected ways of communication with clients and business partners. The fourth one referred to attitudes towards employees, while the last category revealed a character of social activities developed by respondents.

The survey provided evidence that Polish companies were at a very early stage with their CSR awareness towards accountable and transparent business in 2007. Consequently, the organizer of the survey decided that CSR activities of Polish companies would be monitored in the following years (Manager Magazin, 2007). Thus the survey was repeated again in 2008, however its structure was extended to 60 questions distributed evenly within five revised categories (see table 1). Moreover, a way of quantifying answers altered, since in the first edition companies could collect 2880 points in total and categories were weighted unevenly, whereas in 2008 each category had the same importance and companies could score only 180 points in total.

According to the report supplementing the second edition of the ranking the majority of respondents perceived CSR as individual activities directed primarily at charitable actions (Manager Magazin, 2008). Consequently, a necessity to make enterprises aware that CSR included a broader range of activities, covering relations with business partners, clients and employees, appeared. Moreover, the organizer noticed problems related to the acquisition of reliable information for the survey caused by a lack of time or ignorance of persons responsible for CSR activities<sup>28</sup>. Another reasons of refusals to share information on CSR activities included alleged confidentiality of corporate data or an anxiety about data being validated by a consulting company.

In 2009-2010 the structure of the survey was revised once more. Although, the number of questions did not change in comparison to the previous year, the points were distributed evenly within six revised categories, one of which referred to a new topic of “ecological accountability” (see table 5).

**Table 5. The story of the rankings of Polish responsible firms**

Year	Examined areas (no of points*)	Top 3 places (position, sector, %**)
2007	General category (480) Contacts with clients (660) Contacts with business partners (660) Attitude to employees (660) Social activities (420) In total (2880)	Ranking of 50 entities <i>BP Polska</i> (1st, Oil, energy & mining industry, 87%) <i>Toyota Motor Poland</i> (2nd, Transport, service & trade sector, 86%) <i>Telekomunikacja Polska</i> (3rd, Telecommunication sector, 82%)
2008	Strategy (36) Relations with clients (36) Relations with business partners (36) Relations with employees (36) Social involvement (36) In total (180)	Ranking of 38 entities <b><i>Danone</i> (1st, Consumer goods, 99%)</b> <i>ABB</i> (2nd, Industrial & chemical production, 96%) <i>BP</i> (2nd, Oil, energy & mining industry, 96%) <b><i>Kompania Piwowarska</i> (2nd, Consumer goods, 96%)</b>
2009	Foundations of social responsibility (100) Relations with clients (100) Relations with business partners (100)	Ranking of 65 entities <b><i>Kompania Piwowarska</i> (1st, Consumer goods, 94%)</b> <b><i>Danone</i> (2nd, Consumer goods, 93%)</b> <i>Toyota Motor Poland</i> (3rd, Industrial production, 92%)
2010	Relations with employees (100) Ecological accountability (100) Social involvement (100) In total (600)	Ranking of 70 entities <b><i>Danone</i> (1st, Consumer goods, 95%)</b> <b><i>Kompania Piwowarska</i> (2nd, Consumer goods, 90%)</b> <i>Procter &amp; Gamble</i> (3rd, Consumer goods, 89%)

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Year	Examined areas (no of points*)	Top 3 places (position, sector, %**)
2011	Responsible leadership (100) Social involvement (100) Communication with stakeholders (100) Social innovativeness (100) Accountable management (200) In total (600)	Ranking of 66 entities <b>Danone (1st, Consumer goods, 98%)</b> <i>DB Schenker</i> (2nd, Transport, service & trade sector, 90%) <i>Telekomunikacja Polska</i> (3rd, Telecommunication sector, 87%)
2012		Ranking of 62 entities <i>Nutricia</i> (1st, Consumer goods, 94%) <i>Schenker</i> (2nd, Transport, service & trade sector, 92%) <b>Danone (3rd, Consumer goods, 91%)</b> <b>Kompania Piwowarska (3rd, Consumer goods, 91%)</b>
2013		Ranking of 66 entities <i>GlaxoSmithKline</i> (1st, Pharmaceuticals & healthcare, 97%) <b>Kompania Piwowarska (2nd, Consumer goods, 96%)</b> <i>Nutricia</i> (3rd, Consumer goods, 92%)
2014		Ranking of 66 entities <i>DB Schenker Logistics</i> (1st, Transport, service & trade sector, 98%) <i>GlaxoSmithKline</i> (2nd, Pharmaceuticals & healthcare, 97%) <b>Kompania Piwowarska (2nd, Consumer goods, 97%)</b> <i>Orange Polska</i> (3rd, Telecommunication sector, 93%)
2015		Ranking of 74 entities <i>DB Schenker Logistics</i> (1st, Transport, service & trade sector, 96%) <i>Orange Polska</i> (2nd, Telecommunication sector, 95%) <i>Polpharma</i> (3rd, Pharmaceuticals & healthcare, 97%)

Remarks: \* maximum number of points to be collected, \*\* percent of maximum number of points to be collected; **Company name (position, sector, %)** – entities which appeared more than three times within top three over nine years.

(Source: Adapted from Manager Magazin (2007; 2008); Gazeta Prawna (2009; 2010; 2011; 2012; 2013; 2014; 2015a)

Following suggestions of respondents from previous editions the organizer made efforts to simplify the questionnaire. Nevertheless, some respondents complained about too complex answer options which did not correspond with a situation in their companies. The organizer of the survey remarked that some potential respondents refused to participate in the ranking for fear of finding themselves at

the bottom of the list (IV Ranking of responsible firms, 2010) and suggested that lower ratings could harm position of CSR specialists. In 2011 the structure of the survey was reorganized and included five categories. The categories are valid until now, although a number of questions within the questionnaire has been changing slightly over last five years.

The overall study of the ranking shows that 62 entities on average took part in the survey each year. It is worth noticing that there were two companies – *Danone* and *Kompania Piwowska* - which appeared at least five times in top three places of the ranking. Interestingly, the two companies represent a sector of consumer goods and were awarded main prizes for the best social reports (*Danone* in 2007 and 2010 editions of the contest, and *Kompania Piwowska* in 2012 edition of the contest<sup>29</sup>).

The sectoral study indicated that the majority of leaders in responsible leadership belonged to the sector of consumer goods (See table 6). There was only one company from pharmaceutical and healthcare industry – *GlaxoSmithKline (GSK)* – which achieved a position of a leader in each category at least once during the 3-years period. Interestingly, there was no entity from such sectors as: oil, energy & mining; industry & chemical production; telecommunication, technology, media & entertainment; transport, service & trade which topped the ranking with regard to the accountable management. Only three companies could be proud of being leaders in terms of accountable management, however only once.

The analysis of an average number of points collected in particular sectors shows that mean values deviated considerably from maximum level in some cases, as for example in the sector of industry & chemical production where social involvement was rated below 50% of total points to be acquired. The other remark is that pharmaceutical and healthcare industry prevailed in terms of social innovativeness which should not surprise, since most of activities of that sector is based on innovations.

In order to deepen the sectoral study we conducted a statistical analysis. We checked whether there existed statistically valid differences between sectors in each category in the period of 2013-2015. We decided to analyse the last three years due to recency and a similar structure of the survey. In order to compare sectors a number of points achieved by each entity in each category was taken into consideration. We used non-parametrical Kruskal-Wallis test in order to validate possible divergences (See Table 7).

**Table 6. Average number of points collected in sectors in 2013-2015 /  
Leaders of the sectors within particular categories**

Sector / Years	Number of companies			Average number of points ('13/'14/'15)				
	'13	'14	'15	Responsible leadership (100)	Social involvement (100)	Communication with stakeholders (100)	Social innovativeness (100)	Accountable management (200)
Banking, finance & insurance	9	12	11	74/72/78	72/72/71	73/70/78	72/71/77	144/141/147
Consumer goods	11	12	12	88/85/72	64/66/58	71/71/69	71/81/78	167/161/167
Pharmaceuticals & healthcare	3	4	4	77/84/70	74/74/61	59/76/78	81/89/73	151/167/174
Oil, energy & mining	13	10	12	84/79/75	53/62/55	72/81/83	62/83/81	130/138/137
Industry & chemical production	16	15	20	66/68/62	44/49/43	50/53/66	61/71/70	126/140/154
Telecommunication, technology, media & entertainment	5	4	6	60/73/45	62/72/43	68/80/58	47/76/61	131/141/128
Transport, service & trade	9	9	9	77/82/63	55/56/41	58/68/62	62/81/67	140/144/148
Sector / Years	'13	'14	'15	Leaders*				
Banking, finance & insurance	1	4	6	(1) Bank Zachodni WBK; (2) Provident Polska; (3) ING Bank Śląski	(1) Bank Zachodni WBK; (2) Bank Gospodarstwa Krajowego	(1) Provident Polska; (2) PZU	(1) Bank Millennium	(1) Bank Handlowy w Warszawie
Consumer goods	10	10	7	(1) Danone; (2) Nutricia; (3) Grupa Żywiec; (4) Carlsberg Polska;	-	(1) Danone; (2) Kompania Piwowarska; (3) Grupa Żywiec	(1) Danone; (2) Nutricia; (3) Kompania Piwowarska; (4) Grupa Żywiec	(1) Nutricia

Sector / Years	Number of companies			Average number of points ('13/'14/'15)				
	'13	'14	'15	Responsible leadership (100)	Social involvement (100)	Communication with stakeholders (100)	Social innovativeness (100)	Accountable management (200)
				(5) Diageo Polska; (6) Kompania Piwowarska; (7) Procter & Gamble Polska; (8) Coca-Cola HBC Polska				
Pharmaceuticals & healthcare	3	6	3	(1) GSK; (2) Polpharma	(1) GSK	(1) GSK; (2) Polpharma	(1) GSK; (2) Polpharma	(1) GSK
Oil, energy & mining	6	7	10	(1) EDF Polska; (2) Fortum Power and Heat Polska; (3) Grupa Lotos; (4) PGNiG; (5) PKN Orlen; (6) Grupa Energa	(1) PKN Orlen	(1) Grupa Lotos; (2) Tauron Polska Energia; (3) OGP Gaz-System; (4) EDF Polska; (5) PKN Orlen	(1) Grupa Lotos; (2) PKN Orlen; (3) Fortum Power and Heat Polska; (4) Tauron Polska Energia; (5) KGHM	-
Industry & chemical production	2	1	4	(1) Cemex Polska; (2) Sitech; (3) Volkswagen Poznań	(1) Toyota Motor Manufacturing Poland	(1) Cemex Polska; (2) Grupa Azoty	(1) Toyota Motor Manufacturing Poland	-
Telecommunication, technology, media & entertainment	1	2	4	(1) Orange Polska	(1) Orange Polska	(1) Orange Polska	(1) Orange Polska	-
Transport, service & trade	2	4	3	(1) DB Schenker Logistics; (2) Tesco Polska	-	(1) DB Schenker Logistics;	(1) DB Schenker Logistics; (2) Grupa Raben	-

Remarks: \* Some companies appeared more than once as the leaders within particular categories over three years. The leaders are these entities which obtained maximal number of scores.

(Source: Adapted from Manager Magazin (2007; 2008); Gazeta Prawna (2009; 2010; 2011; 2012; 2013; 2014; 2015a)



The analysis proved statistically significant differences between sectors only in some categories. In 2013 divergences were the most visible and occurred in most of the examined categories, including: responsible leadership, social involvement, accountable management and total responsibility. In 2014 the sectors differed statistically in terms of communication with stakeholders. The accountable management was a distinct category which differentiated companies from different sectors both in 2013 and 2015. Interestingly, the sector of consumer goods and pharmaceutical & healthcare industry were placed at the top in accountable management against telecommunication which ranked at the bottom in those two years.

**Table 7. Sectoral differences in terms of criteria of responsible firms' ranking**

Sector	Number of entities '13/'14/'15	2013		2014		2015	
		Sum of ranks	Mean rank	Sum of ranks	Mean rank	Sum of ranks	Mean rank
RESPONSIBLE LEADERSHIP							
Banking, finance & insurance	9/12/11	282,5	31,4	367,5	30,6	520,5	47,3
Consumer goods	11/12/12	506,5	46,0	495,0	41,3	500,0	41,7
Pharmaceuticals & healthcare	3/4/4	102,0	34,0	160,0	40,0	159,5	39,9
Oil, energy & mining	13/10/12	509,5	39,2	350,5	35,1	530,5	44,2
Industry & chemical production	16/15/20	389,0	24,3	373,0	24,9	625,5	31,3
Telecommunication, techn., media & entertainment	5/4/6	88,5	17,7	128,0	32,0	127,0	21,2
Transport, service & trade	9/9/9	333,0	37,0	337,0	37,4	312,0	34,7
Kruskal-Wallis test H:		(6, N=66)=13.4 p=0.04		(6, N=66)=6.3 p=0.39		(6, N=74)=9.3 p=0.16	
SOCIAL INVOLVEMENT							
Banking, finance & insurance	9/12/11	409,0	45,4	518,5	43,2	566,0	51,5
Consumer goods	11/12/12	427,0	38,8	428,0	35,7	508,0	42,3
Pharmaceuticals & healthcare	3/4/4	138,5	46,2	173,5	43,4	172,5	43,1
Oil, energy & mining	13/10/12	394,5	30,3	314,5	31,5	472,0	39,3
Industry & chemical production	16/15/20	368,0	23,0	350,0	23,3	615,5	30,8
Telecommunication, techn., media & entertainment	5/4/6	189,0	37,8	175,5	43,9	180,0	30,0
Transport, service & trade	9/9/9	285,0	31,7	251,0	27,9	261,0	29,0
Kruskal-Wallis test H:		(6, N=66)=11.1 p=0.08		(6, N=66)=10.6 p=0.11		(6, N=74)=9.7 p=0.14	
COMMUNICATION WITH STAKEHOLDERS							
Banking, finance &	9/12/11	364,0	40,4	425,5	35,5	482,0	43,8

## Accounting and Management Information Systems

Sector	Number of entities '13/'14/'15	2013		2014		2015	
		Sum of ranks	Mean rank	Sum of ranks	Mean rank	Sum of ranks	Mean rank
insurance							
Consumer goods	11/12/12	435,5	39,6	426,0	35,5	452,5	37,7
Pharmaceuticals & healthcare	3/4/4	95,5	31,8	161,0	40,3	181,0	45,3
Oil, energy & mining	13/10/12	518,5	39,9	436,5	43,7	575,5	48,0
Industry & chemical production	16/15/20	350,5	21,9	299,5	20,0	661,5	33,1
Telecommunication, techn., media & entertainment	5/4/6	176,0	35,2	169,5	42,4	159,0	26,5
Transport, service & trade	9/9/9	271,0	30,1	293,0	32,6	263,5	29,3
Kruskal-Wallis test H:		(6, N=66)=9.9 p=0.13		(6, N=66)=11.9 p=0.06		(6, N=74)=8.1 p=0.23	
ACCOUNTABLE MANAGEMENT							
Banking, finance & insurance	9/12/11	310,0	34,4	353,0	29,4	369,5	33,6
Consumer goods	11/12/12	545,5	49,6	532,0	44,3	614,0	51,2
Pharmaceuticals & healthcare	3/4/4	116,0	38,7	190,5	47,6	225,5	56,4
Oil, energy & mining	13/10/12	347,0	26,7	274,5	27,5	292,0	24,3
Industry & chemical production	16/15/20	447,5	28,0	429,5	28,6	761,0	38,1
Telecommunication, techn., media & entertainment	5/4/6	131,0	26,2	115,0	28,8	125,5	20,9
Transport, service & trade	9/9/9	314,0	34,9	316,5	35,2	387,5	43,1
Kruskal-Wallis test H:		(6, N=66)=11.7 p=0.07		(6, N=66) =8.8 p=0.18		(6, N=74)=16.9 p=0.01	
TOTAL RESPONSIBILITY							
Banking, finance & insurance	9/12/11	363,0	40,3	415,5	34,6	493,5	44,9
Consumer goods	11/12/12	518,0	47,1	486,5	40,5	539,0	44,9
Pharmaceuticals & healthcare	3/4/4	126,0	42,0	187,5	46,9	187,0	46,8
Oil, energy & mining	13/10/12	385,0	29,6	351,5	35,2	487,5	40,6
Industry & chemical production	16/15/20	361,0	22,6	339,5	22,6	627,5	31,4
Telecommunication, techn., media & entertainment	5/4/6	135,0	27,0	136,0	34,0	138,0	23,0
Transport, service & trade	9/9/9	323,0	35,9	294,5	32,7	302,5	33,6
Kruskal-Wallis test H:		(6, N=66)=13.7 p=0.03		(6, N=66)=8.5 p=0.20		(6, N=74)=8.4 p=0.21	

(Source: Adapted from Gazeta Prawna (2013; 2014; 2015))

The analysis of the mean ranks regarding total responsibility indicated that the sector of consumer goods and pharmaceutical & healthcare industry prevailed also in a total breakdown for three subsequent years. These results may be explained by the fact that the sector of consumer goods consisted largely of international companies with subsidiaries in Poland such as *Coca-Cola HBC Polska*, *Danone*, *Nutricia*, *Procter & Gamble*, *Unilever Polska*, *Carlsberg Polska*. The subsidiaries of international companies could have adopted CSR earlier than national companies what may speak for higher mean ranks. Moreover, pharmaceutical & healthcare industry which spends huge sums on basic research and clinical studies in order to provide effective solutions in treatment of diseases is expected to behave socially and ethically responsible. That is essential not only from the viewpoint of investors but also of the society, including patients who are awaiting for innovative therapies or medicines for a long time.

## **4.2 Other CSR Rankings and Awards**

### *4.2.1 Mini ranking of socially responsible firms*

A mini ranking of socially responsible firms was published for the first time in 2011. The ranking was dedicated to debutants in the CSR area. They were asked to fill in only one of five sections of the survey directed to large firms taking part in the general ranking of responsible firms. Only three companies took part in the first 2011 edition, whereas the second and third ones attracted ten companies which were asked to fill in a new simplified survey composed of 20 questions covering CSR aspects. Interestingly, three out of ten companies from the mini ranking 2012 took part in the general ranking of responsible firms a year later, which convinced the organizer that the efforts paid off, at least in some cases. It should be mentioned, though, that a significant number of companies gave up and appeared only once in the mini ranking. In 2015 the organizer revised the structure of the survey and decreased the number of questions. It did not extend the number of participants though. Both a size as well as a structure of the examined group turned out to be volatile as it may happen in case of voluntary initiatives.

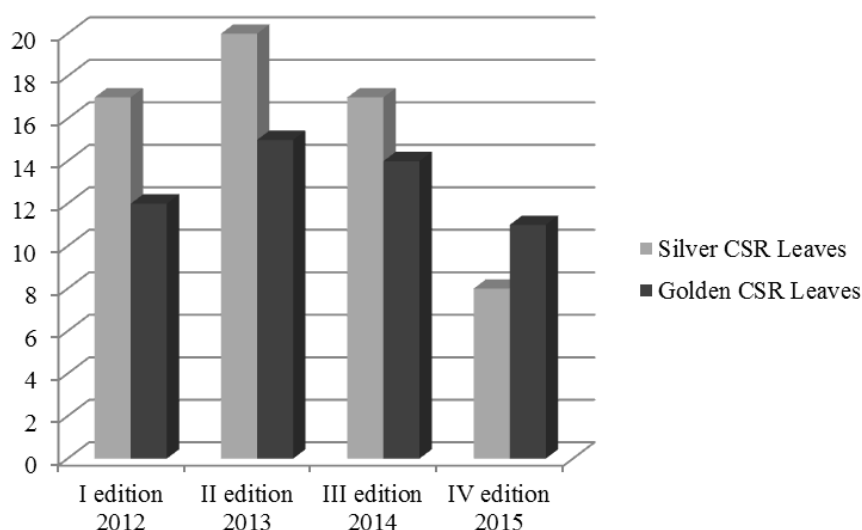
### *4.2.2 “CSR Leaves” awards*

Since 2012 „Polityka” magazine has awarded “CSR Leaves” to over 600 Polish companies which followed the idea of social responsibility determined by ISO 26000 guidelines. 52 entities achieved the most prominent prize of golden “CSR Leaf”. This special prize is granted to a company which concentrates strongly on implementation of ISO 26000 guidelines and makes this effort a part of its business strategy and relations with stakeholders. It is assumed that the company awarded with golden “CSR Leaf” applies international CSR standards and refers to the best local and global practices. Moreover, such company is expected to develop ethical

management system and publish a document which defines a code of business conduct and high standards of HRM. The most prominent prize induces cyclical disclosure of responsible activities in non-financial or integrated reports.

It should be noted that four editions of “CSR Leaves” attracted about 800 companies. The survey which supported decisions on granting awards consisted of seven sections, including: management and corporate governance, human rights, workplace and employee development, natural environment protection, fair business practices, consumers and market, social involvement and contribution to development of local society. Each section comprised key question(s) which are followed by several answers options (See Polityka, 2014). When a respondent gave affirmative answers to the key question(s)<sup>30</sup> they moved to supplementary statements and chose appropriate option(s). A questionnaire of the fourth edition included a new question on key challenges within a sustainable development area.

Figure 4 presents statistics concerning “CSR Leaves” competition. Since 2013 a number of companies awarded with golden and silver “CSR Leaves” have started to decrease due to increasingly demanding assessment criteria. Delloite – the partner of that contest - admitted that the assessment criteria were tightened since the organizer intended to inspire companies to be involved in changing a way how they did their business so far.



**Figure 4. Golden and silver “CSR Leaves” awards**

(Source: Adapted from Rudzki and Palczewska (2015), Rudzki and Pichola (2014))

The goal was to promote an actual social approach to running a business and to stimulate companies to share their experience with others. Consequently, the results of the latest competition pointed out tendency towards strategic and

managerial stabilization within social responsibility, although only 30% of the respondents confirmed that they disclosed non-financial information in a form of a structured report based on recognized international standards (Rudzki & Palczewska, 2015).

#### *4.2.3 "Social Reports" Contest*

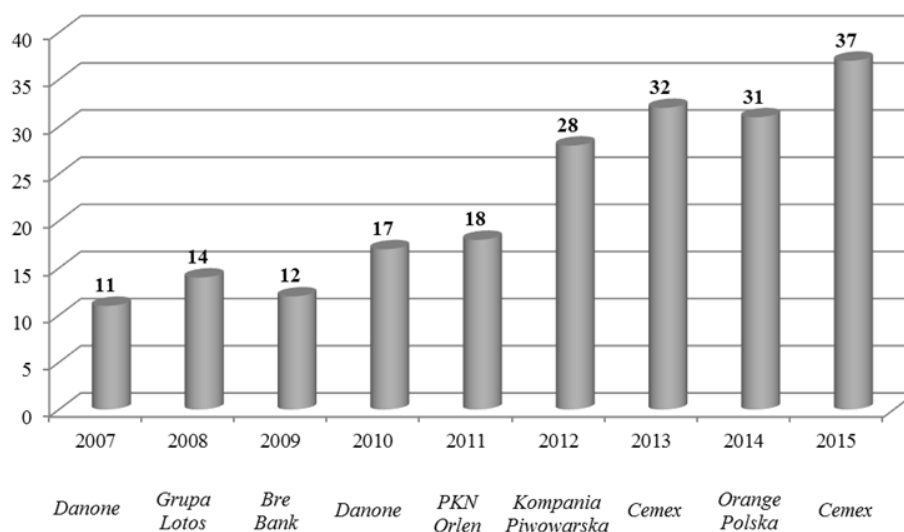
The contest of the best social report organized by RBF, Deloitte and SGS has a similar tradition as the ranking of responsible firms. The first results of the contest were announced in 2007. Since then each year a new edition was conducted and resulted in assignments of prominent awards by various communities including independent experts, the Ministry of Economy, journalists and Internet users, recognised as potential stakeholders.

Social reports were evaluated respecting three criteria: completeness, reliability and communication, weighted as 40%, 40% and 20% respectively. It should be noted that social reports which are considered in the contest may include: sustainable development reports, CSR reports, environmental reports or community involvement reports. Completeness of a social report means that it delineates; (1) major impacts of business activities on sustainable development and key stakeholders<sup>31</sup>, (2) CSR strategy<sup>32</sup>, (3) corporate profile and its business context, (4) general information on reports and reporting process. Reliability of a social report is guaranteed when the following elements are effectively introduced: (1) management processes<sup>33</sup>, (2) stakeholders involvement<sup>34</sup>, (3) plans, actions and related results<sup>35</sup>, (4) performance indicators and measures<sup>36</sup>, (5) internal audit processes, (6) independent external verification of information included in a social report. The last criterion draws attention to a communicative function of a report. Therefore, a logical structure, comprehensiveness, conciseness and transparency of a social report are evaluated. Moreover, it is assessed whether a social report has attractive visualisations, applies ecological solutions while publishing its final printed version and if it is easily accessible to potential readers (FOB 2015a).

The reports are assessed by a board which consists of independent experts in the fields of economics, environmental protection, social issues and social responsibility of the business. The evaluation procedure is composed of two stages. Firstly, each member of the board assesses social reports submitted to the contest individually in terms of the said criteria, afterwards the partial results are collected and presented in front of the entire panel which makes the final choice of the best social report.

Figure 5 presents the results of the contests in the period of 2007-2015. It worth noticing that the number of participants has increased slowly since 2007 up to 2011 with an exception of 2009. There was a considerable growth (about 55%) in the

number of firms participating in the contest in 2012. It is difficult to state what was a reason of the growth evidently, however, it has to be admitted that the Ministry of Economy has started to award companies with their own prize within the contest since 2011 whereas journalist have been involved in the contest since 2012. This breakthrough might awake natural interest from enterprises to be the followers or adopters of a new CSR idea.



**Figure 5. Statistics of the “Social Reports” contest and the winners**  
(Source: Adapted from FOB (2015a))

Figure 5 indicates that the companies which stood on the podium with the most prominent award represented various sectors, including: consumer goods (*Danone* (2007, 2010); *Kompania Piwowarska* (2012)); oil, energy & mining (*Grupa Lotos* (2008), *PKN Orlen* (2011)); banking, finance & insurance (*BRE Bank* (2009)); telecommunication, technology, media & entertainment (*Orange Polska* (2014)); industry and chemical production (*Cemex* (2013, 2015)).

## 5 Big 4 Initiatives

Likewise in other countries, the biggest audit companies in Poland are involved in studies and research projects concerning the CSR development, often in cooperation with other public or private institutions. Some selected research projects whose participants or main authors were Deloitte, KMPG and PwC are presented in table 8 and briefly discussed below<sup>37</sup>.

**Table 8. Selected CSR research projects undertaken in Poland by the Big 4**

<b>Firm</b>	<b>Collaborator (year of publication)</b>	<b>Report</b>	<b>Respondents</b>	<b>Research aim</b>
<b>Deloitte<sup>38</sup></b>	Warsaw Stock Exchange (WSE) (2012)	<i>Investment decisions and corporate social responsibility (2011)</i> <i>Investment decisions and responsible business</i>	More than 120 representatives of institutional investors (in each study)	To assess the influence of factors related to the environment, society and governance (ESG) on investment decisions
	Responsible Business Forum (RBF), Partner in Business Strategies (PBS) (2015)	<i>CSR managers</i>	133 male and female CSR managers working in Poland	To obtain the respondents' opinions on the CSR achievements during the past 15 years, and on the prospects for its development in Poland in the nearest future.
<b>KPMG<sup>39</sup></b>	Responsible Business Forum (RBF) (2014)	<i>Corporate social responsibility: facts and opinions. CSR through the eyes of large and medium-sized companies in Poland</i>	101 medium, large and very large enterprises	To confront the opinions of top executives and employees responsible for CSR on this issue with the activities their employers (companies) actually undertake
	Scandinavian-Polish Chamber of Commerce (SPCC) (2015)	<i>The development of human and social capital. Good practices of Nordic companies in the area of corporate social responsibility</i>	32 Scandinavian companies operating in Poland and 55 companies with a predominance of Polish capital of approximately the same size.	To verify whether there are differences in the perception of CSR practices between Scandinavian and Polish companies

Firm	Collaborator (year of publication)	Report	Respondents	Research aim
PWC <sup>40</sup>	MillwardBrown SMG/ KRC (2011)	<i>Assessment of the implementation level of corporate social responsibility standards</i>	850 companies operating in Poland and 400 companies - beneficiaries of selected activities within the EU Operational Programme Innovative Economy	To evaluate the implementation of the CSR concept by companies operating in Poland.
EY <sup>41</sup>	-	-	-	-

It is worth noting that two of the above mentioned research projects were conducted in collaboration with the Responsible Business Forum (RBF). It is the largest and longest operating (15 years) non-governmental organization in Poland. Forum co-operates with international organizations, such as: CSR Europe, World Business Council for Sustainable Development, Global Reporting Initiative, Business in the Community, and CSR 360 Global Partner Network. RBF is also involved in the work of the Panel on Corporate Social Responsibility operating at the Ministry of Economy. The organization is also one of the main partners to the Polish Vision 2050 developed in response to the global initiative „Vision 2050. The new agenda for Sustainable Development” put forward by the World Business Council for Sustainable Development (Responsible Business Forum 2016).

### 5.1 Deloitte's CSR research projects

It is worth noting that within Deloitte's organizational structure there operates the Sustainability Consulting Central Europe Team which consists of 15 experts who conduct projects and provide training for almost 200 customers in 17 countries of Central and Eastern Europe. Team leader is a Polish woman, Irena Pichola.

The Sustainability Consulting Central Europe Team deals with a number of issues such as: measuring, managing and reporting the organization's impact on economic, social and natural environment, improving energy efficiency, engaging stakeholders in the decision-making process in the organization, building the relationship with the client, integrated thinking and reporting, ethics management, as well as fostering loyalty and trust of customers through responsible sales (Deloitte, 2015a).



Two studies concerning the CSR concept carried out by Deloitte deserve special attention. They were executed in 2011 and 2012, in cooperation with the Warsaw Stock Exchange (WSE). The respondents were representatives of the institutional investors making transactions on the WSE. The research results were published in two reports entitled: "Investment decisions and corporate social responsibility" (Deloitte Poland, 2011) and "Investment decisions and responsible business" (Deloitte Poland, 2012; GPW 2012).

The subject of both studies was the influence of factors related to the environment, society and governance (ESG) on investment decisions. Both in 2011 and 2012, a group consisting of more than 120 professional participants of the capital market was invited to fill in an on-line survey, which comprised 16 questions. The response return was at the level of 1/3. In both years, the most numerous group of respondents were representatives of brokerage houses. The results of the research demonstrated that:

- most respondents (78% in 2012, 62.5% in 2011) acknowledged that there was a positive correlation between the responsible approach to doing business and financial performance,
- the respondents noted the impact of CSR on lowering the business risk; in 2012, 65% stated that the company whose strategy included the ESG criteria might be regarded by investors as an entity with lower risk level, and thus higher investing attractiveness (40% in 2011),
- only 26% of the respondents stated that they were aware of the existence in Poland of ethical funds which invested the assets in line with the SRI (Socially Responsible Investment) notion (22.5% in 2011),
- 94% of the respondents heard about the RESPECT Index, which was established on the WSE and included socially responsible companies (82.5% in 2011).
- 81% of the respondents admitted to not analyzing the composition of the RESPECT Index (in 2011, 70% of investors were unable to determine which companies were included in the RESPECT Index).
- 61% of respondents declared that they did not take into account ESG factors while making investment decisions (72.5% in 2011),
- according to the investors, in 2012, it was the awareness of the customers and the pressure executed by them that had the greatest impact on addressing ESG issues in the decision-making processes; in comparison to the year 2011, the legislative factor's role diminished.

The results of both studies show that there was a noticeable increase in the knowledge about CSR and an improvement in the investors' willingness to consider the concept in the decision making processes in the year 2012 as compared to the previous year. However, the authors of the research stressed that Poland was way behind Western Europe and the United States markets in terms of

including the ESG factors in investment decisions. That is why, according to Deloitte, further, more active promotional and educational activities in this regard are required.

Another important research project conducted by Deloitte in Poland was the study "The CSR Managers" carried out in the Jubilee year of 15- year Partnership for CSR in Poland (FOB 2015b; FOB, Deloitte, PBS, 2015). The study made reference to the research carried out in 2003 entitled "Managers 500 and responsible business. Knowledge – attitudes – practice" (FOB, Bank Światowy, Akademia Rozwoju Filantropii, 2003) and 2010: "CSR in Poland. Manager 500, Leader CSR" (FOB, GoodBrand & Company Polska, 2010).

In the study conducted in May - August 2015 with 133 participants who were female and male CSR managers working in Poland, nearly 4/5 of the respondents were women, which reflects the strong feminization of the industry. Research was carried out in the form of interviews conducted by the research agency, PBS (Partner in Business Strategies). The main objective of the study was to obtain the respondents' opinions on the CSR achievements during the past 15 years, and on the prospects for its development in Poland in the nearest future.

In the opinion of the managers, the past 15 years revealed CSR to have an impact on the operation of businesses in Poland. 81% of the respondents agreed with this statement. This impact could be seen in e.g. the way the company was organized, an increase in the role of ecology and responsiveness to the needs of society.

According to the respondents, the progress in the CSR implementation was possible mostly due to the international corporations (78%) which transferred international CSR standards while establishing their branches in Poland. The biggest barrier for the CSR development in the past 15 years turned out to be the lack of understanding of the concept by the companies' managers (46%). Respondents also pointed out that the benefits of CSR implementation were not obvious, overemphasis was being put on sponsorship and philanthropy, the idea itself was trivialized and commercialized. CSR managers measured the effects of CSR activities mainly through their own analysis of their own indicators of the corporate strategy implementation, as well as through the evaluation conducted among stakeholders and the monitoring of the media. Respondents identified the effects of the CSR idea implementation on the businesses primarily as a positive impact on employees, benefits for the brand and reputation and gaining customers' trust.

Parallel to the research in Poland, from July to September 2015, Deloitte carried out a survey of CSR managers in 10 countries of Central Europe: Bulgaria, the Czech Republic, Kosovo, Lithuania, Latvia, Romania, Serbia, Slovakia, Slovenia and Hungary (Deloitte Central Europe, 2015). The survey was conducted among

179 CSR practitioners. The conclusions of this regional Deloitte survey were largely consistent with the results of the Polish study “The CSR Managers”. The vast majority of Central European experts, like their Polish colleagues, expected the CSR concept to develop in the years to come. The respondents saw the following factors as the biggest obstacles in the future CSR development: misperception of CSR as a form of sponsorship, lack of incentives from the state administration and businesses' reluctance to invest in CSR initiatives.

Deloitte is also a content related partner of the project “Vision of Sustainable Development for the Polish Business by 2050” (Deloitte, 2015b). The purpose of the Vision 2050 is integration of businesses around the idea of sustainable development, indication of challenges in this area and strengthening the dialogue between the administration and business in order to achieve the development goals for Poland. The Deloitte Sustainability Consulting Central Europe Team gives substantive support to the four working groups established within the Vision 2050 which operate in the following areas: sustainable production and consumption, renewable energy and energy efficiency, innovation and small and medium-sized enterprises. “Polish Business Declaration on Sustainable Development” was developed within the framework of the project as a result of collaboration of Polish companies with the Ministry of Economy, Ministry of Environment and the Responsible Business Forum. It has already been signed by nearly one hundred leading companies operating in Poland.

## **5.2 KPMG's CSR research projects**

Among the various initiatives undertaken by the KPMG Poland, a study concerning CSR conducted in cooperation with the Responsible Business Forum deserves special attention. Its aim was to confront the opinions of top executives and employees responsible for CSR on this issue with the activities their employers (companies) actually undertook (KPMG, 2014). The research was conducted with the use of CATI (Computer Assisted Telephone Interview) method in September 2014. A significant majority of 101 companies participating in the study (in terms of size or revenues) were medium, large and very large enterprises. About a half of the surveyed companies were in 100% Polish (which means that they were not co-funded by foreign capital). People participating in the study were the top executives (CEOs, members of the managements boards and directors) and the lower-ranking employees (especially those responsible for CSR, marketing and communication, PR and media contacts). The respondents assessed very positively a socially responsible organization, which recognized the benefits of conducting business activities in accordance with the CSR concept (98% of large and medium-sized companies stated that the duty of business was to respond to the social and ecological challenges).

As the most important benefits of the implementation of the CSR concept into the corporate practice, the respondents indicated: improved corporate image on the market (52%), greater approval from the environment (36%) and increased contractors' interest (36%). Only 26% pointed to an increase in sales and 23% to reduction in costs. At the same time, 77% of large and medium-sized enterprises believed operating in accordance with the CSR concept to positively affect the corporate financial performance, and according to 71%, the non-financial issues should be reported. However, only half of the investigated companies undertook business activities with the CSR concept in mind. They were mostly very large and large entities co-funded by foreign capital. As the main reasons why CSR projects were not realized, respondents indicated: lack of knowledge or suitably qualified employees (47%), ignorance of the concept (45%), no visible benefits for the business (44%) and lack of sufficient resources or funding (41%).

In 2015, KPMG, in collaboration with the SPCC (Scandinavian-Polish Chamber of Commerce), carried out a study on the CSR activities undertaken by Polish and Scandinavian companies (Skandynawsko-Polska Izba Gospodarcza, KPMG, 2015). The study was conducted with the use of CAWI (Computer-Assisted Web Interview) method in June and July 2015 in two groups of companies: 32 Scandinavian companies operating in Poland and, for comparison, 55 companies with a predominance of Polish capital of approximately the same size. The purpose of the study was to verify whether there were differences in the perception of CSR practices between Scandinavian and Polish companies. The respondents were the representatives of top executives - owners, chairmen, boards members and directors.

According to the results of the study, the Scandinavian companies located in Poland were far more likely to operate in accordance with the CSR concept than Polish (owned or all other) companies. There were also differences in the role of CSR in organizations - the Scandinavian companies declared that CSR was a very important part of their values or strategy far more often than the Polish ones.

71% of Scandinavian companies and 24% of Polish companies stated that CSR concept performed a very important role among the companies values. In both groups of companies a significant percentage of the respondents indicated that they included CSR in their strategies (75% of Scandinavian companies and 69% of Polish companies). Representatives of Polish companies, which did not engage in CSR activities, admitted mostly that the reason for this state of affairs was lack of knowledge and qualified employees, as well as lack of financial resources.

#### **5.4 PwC's CSR research projects**

In 2011, the company PwC and MillwardBrown carried out research for the Polish Agency for Enterprise Development (MillwardBrown SMG/KRC, PWC, 2011)

with a view to evaluating the implementation of the CSR concept by companies operating in Poland. The research was conducted among two groups of companies: a whole sample (850 companies operating in Poland) and a sample of beneficiaries of selected activities within the EU Operational Programme Innovative Economy (OP IE) (400). The study was carried out with the use of CAPI (Computer Assisted Personal Interviewing) method, in-depth interviews with companies, the FGI (focus group interview) with the staff responsible for the implementation of CSR in the company, as well as such methods as workshop and an expert panel.

The results of the study allowed us to conclude that only 1/3 of the nationwide group of respondents was familiar with the term “Corporate Social Responsibility”. In particular, they were representatives of large companies (70% of answers), established over 15 years ago (52%) and operating in foreign markets (59%). In the case of the beneficiaries group, the percentage was higher and equaled 63%. A small proportion of people who declared they were aware of the existence of CSR also declared that they knew the guidance and standards that regulated the implementation of CSR principles in their company.

There was a significant difference between declarations concerning the relevance of the individual issues for the respondents and the actual actions undertaken in these areas. Only 2 out of 3 of companies whose representatives declared familiarity with the CSR concept, conducted activities related with it., Representatives of the companies operating in Poland perceived the labor practices and consumer issues to be particularly important out of the 7 areas of CSR defined by ISO 26 000 standard.

The majority of companies from Poland, regardless of whether they carried out socially responsible activities or not, still noticed benefits of the implementation of CSR (60% in the whole - Polish sample and 79% among OP IE beneficiaries). These benefits were, first of all, an improvement in the company’s image (74%), increased employee motivation (58%), as well as generating incomes (45%). Nearly all company representatives (86% in the whole-Polish group and 90% OP IE beneficiaries) at the same time noticed problems linked with the implementation of CSR principles. For representatives of companies from Poland, these issues were first of all: necessity to incur costs (38%), lack of time (33%), complexity of the whole issue (32%) and lack of awareness and skill (30%). The respondents indicated financial incentives, education and knowledge transfer as major issues dealing with which could be helpful in conducting activities in accordance with the CSR principles.

PWC, in collaboration with Forbes Magazine, also ran a contest each year for companies: “Leaders of sustainable development” (Forbes, PwC 2014). Its IV edition took place in 2014. During the competition, business practices were

evaluated in selected areas in terms of their social or environmental impacts and benefits they bring to the company. According to the assessment results, the benefits indicated most often by companies were related to the company's image and relations with third parties (50 and 43% of answers). In 2014, the participants more often than in previous years pointed out the financial benefits and benefits related to risk management.

While summarizing the above presented initiatives undertaken by Deloitte, KPMG and PwC, it is worth emphasizing the special involvement of the Deloitte company in analyzing and promoting CSR in Poland. It can be confirmed by the research projects conducted by Deloitte Poland, the establishment, under Polish Leadership, of the Sustainability Consulting Central Europe Team, as well as the company's engagement in the project Vision of Sustainable Development for the Polish Business by 2050.

## **5. Conclusion**

The CSR concept encompasses a variety of issues which reflect complex interactions between company, society and environment. Therefore, business activities may not be perceived through the prism of economic categories only, but also in terms of its social and environmental impacts. It has to be noted that the CSR concept emerged in the early 1950s. In those times Bowen (1953) argued that businessmen should be responsible both for financial and social performance. The said concept was revised and refined several times which resulted in adoption of stakeholder approach (Johnson, 1971; Ruf *et al.*, 2001) and institutional framework (Wood, 1991; Doh & Guay 2006) and development of integrated approach (European Commission 2011). The latter put an attention to a necessity of integrating "social, environmental, ethical, human rights and consumer concerns" into "business operations and core strategy" of an organization with a special focus on close collaboration with stakeholders.

Although the CSR concept has evolved in theory, the stage of its development in practice of particular countries has become a consequence of historical, economic, political, educational and cultural factors influencing the companies' and stakeholders' behaviors. In Poland, neither World War II nor the political and economic system that followed has been conducive to its development. The country is still lacking in infrastructure and technology. Taking a long-term perspective is, therefore, extremely difficult, as well as promoting sustainable consumption patterns, and encouraging rational use of natural resources.

According to Paliwoda-Matiolańska (2015: 24), "it is very important to investigate how political-economic institutions in Poland and in other CEE countries influence

CSR practices because it has fundamental implications for our understanding of CSR both as a management tool and as a political phenomenon.” As discussed in the paper, the most crucial projects and initiatives related to CSR practices have been undertaken in Poland for the last 15 years. The authors refer to the most significant of them, making an attempt to provide an overall picture of the CSR development and to present various institutions involved in this process.

The establishment of the Group for Socially Responsible Enterprises by the Polish Prime Minister can be seen as one of the most important governmental initiatives related to the CSR. This paper refers also to the results of the CSRInfo research commissioned by the Ministry of Economy, which made it possible to identify institutional models of CSR promotion in 14 countries. Although, Poland has adopted the patron model a gradual change into more advanced promotion model seems to be viable in the near future.

Undoubtedly, the European Union has taken the forefront in the drive towards embedding CSR into business practice. Joining its structures was an important step for Poland as regards the inclusion of the CSR information in corporate reporting. In 2004, following the Account Modernization Directive, the disclosures concerning CSR appeared in the management commentary. Next significant changes will take place in the nearest future with the putting into practice of the Directive 2014/95/EU requirements. Although Polish government did not perceive the Directive as the most appropriate tool for popularizing the CSR concept, the authors believe that its impact in terms of the CSR inclusion into the scope of interests of the accounting profession and academia cannot be underestimated.

The results of the studies conducted by Deloitte, KPMG and PwC presented in the paper have made it possible to draw conclusions as to the perception of CSR by investors, CSR managers and executives in Poland. Despite the fact that investors in Poland notice a positive correlation between a responsible approach to doing business and financial results, they tend not to take into account social performance while making investment decisions. They do not analyze the composition of the RESPECT Index and are not familiar with the ethical investment funds operating in Poland. Polish male and female CSR managers discern the impact of this concept on business operations and the related benefits, including positive influence on employees, improvement in the brand’s reputation and increase in customers’ trust. The executives in Polish enterprises also notice the benefits of following the CSR concept (mainly for improving the corporate image), but still they fail to do it effectively on a common basis in practice. According to the research findings, the main barriers of CSR development in Poland are: misperception of this concept still comprehended as sponsorship and philanthropy, inability to see the direct effects for business, as well as lack of qualified staff, poor incentives from the state administration, insufficient time and limited financial resources.

Various rankings, contests and awards (the General Ranking of Responsible Firms, Mini ranking of socially responsible firms, “CSR Leaves” awards, “Social Reports” Contest) carried out in Poland prove that CSR concept is of vital interest to companies and stakeholders. However, it should be noted, that the participants of the above initiatives, which reflected increasing CSR awareness, are mostly large and state-owned companies from such industries as oil and energy, FMCG, banking, and therefore we may get a distorted picture of the situation. There is still a lot to do, especially with regard to SMEs, implementation of the CSR concept into the companies’ strategies and reporting systems. The results of the studies allow the authors to state that CSR evolution in Poland is in progress. The pace of this process will be determined by the abilities of the various stakeholders involved in it, such as: the government, public companies, SMEs, non-governmental institutions, universities, audit companies, to proceed with their actions and to cooperate with one other.

In the light of the above, there seems to be a need for further educational and promotional initiatives related to the CSR concept in Poland. The factor that is likely to facilitate more widespread adoption of the CSR practices in Poland is raising awareness of its importance as part of a company’s performance among students of accounting – and future managers. They constitute a group of individuals who are not only recipients of CSR information disclosed by companies, but also those who will influence its shape in the future as higher level managers. In this vein, it is necessary to include the CSR concept in their education, in particular, in the case of students majoring in finance and accounting. Consequently, incorporation of CSR topics into basic accounting textbooks would also be a good step, as currently it is generally missing.

This paper adds to a relatively small number of studies that present a multi-focus analysis of the CSR concept in Poland. Bearing in mind the complexity of the CSR phenomena, there seems to be plenty of room for further research. The authors believe the most important and needed areas of investigation to be, at present, CSR education in Poland and the usefulness of the CSR disclosures for companies’ stakeholders in general and investors in particular.

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## NOTES

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<sup>1</sup> "Vision 2050. The new agenda for business".

<sup>2</sup> In February 2016, 145 out of 31,960 CSR reports included in the GRI Database were published by companies operating in Poland, and only 8 of them have the highest application level A+ (GRI, 2016).

<sup>3</sup> The Directive states that the management commentary is an important element of financial reporting. The information presented in it should not be restricted to the financial aspects of the company's operation. The scope of the disclosures is expected to be enhanced so as to include, where appropriate, environmental and social aspects necessary for understanding the company's development, performance or position. This is also consistent with Commission Recommendation 2001/453/EC of 30 May 2001 on the recognition, measurement and disclosure of environmental issues in the annual accounts and annual reports of companies.

<sup>4</sup> According to the Directive, public interest entities employing over 500 people will be obliged to disclose in their management commentary information on environmental issues, social and employee matters, respect for human rights, counteracting corruption and bribery, policy of diversity of the composition of the entity's bodies.

<sup>5</sup> Member states using the directive options may allow companies to disclose the information in a separate report instead of a statement about non-financial information within the management commentary.

<sup>6</sup> In the case where the company does not carry out the policy related to one or more of the issues, it will be obligated to disclose that fact and give explanations.

<sup>7</sup> The group of companies which were listed in the first edition of the RESPECT index included the following entities: *Apator SA, Bank BPH SA, Bank Handlowy, Barlinek SA i Barlinek Inwestycje, Elektrobudowa, Ciech SA, Grupa LOTOS SA, Grupa Żywiec SA, ING Bank Śląski, KGHM Polska Miedź SA, Mondi Świecie SA, PKN Orlen SA, PGNiG SA, TP SA, Zakłady Azotowe w Tarnowie-Mościcach SA i Zakłady Magnezytowe "Ropczyce"*.

<sup>8</sup> All initiatives described in this section were developed under the rules of the „Civic Platform” party and by the Ministry of Economy. In October 2015, the right-wing party - „Law and Justice” - which won the parliamentary polls changed the name of the Ministry of Economy into the Ministry of Development. In this paper we use the former name of the Ministry. Moreover, the pace and character of already introduced changes and a completely different approach of the new ruling party to many economic as well as international issues brings a continuation of the previous policies into question.

<sup>9</sup> The most common good practices within employees' area included: organization of team building events, actions towards health & safety and competence trainings.

<sup>10</sup> These actions include a broad range of product warranties, discounts and reasonable prices for customers within sustainable good practices.

<sup>11</sup> The good practices within environmental protection included implementation of environmental management systems, environmental contests, recycling or effective energy exploitation.

- <sup>12</sup> The SMEs actions towards CSR promotion within local communities included sponsorship or patronage, transfer of goods or services as a form of non-financial support or internships for the youth.
- <sup>13</sup> See more in 2050 Vision of sustainable development for Polish business (2015)
- <sup>14</sup> COP stands for Central Operational Program
- <sup>15</sup> OP stands for Operational Program
- <sup>16</sup> The research study included the following countries: Belgium, Brazil, Canada, Denmark, Germany, France, Hungary, India, Italy, Netherlands, RPA, Spain, Sweden and UK.
- <sup>17</sup> Educational activities may take various forms, including: on-line tools aiming at dissemination of CSR information, reporting workshops for enterprises or open seminars prepared jointly with stakeholders.
- <sup>18</sup> Support for social initiatives may be reflected in promotion of CSR research studies, contests as well as business initiatives within social investments. (For instance, the Brazilian government co-operates with the National Confederation of Industry which consists of 27 industrial organizations and supports social investments within their business activities).
- <sup>19</sup> Information campaigns aim at extending public awareness on CSR idea (Training Campaign 2003 of German government may be an example of such an initiative).
- <sup>20</sup> There are a lot of CSR contests and awards worldwide. It is worth mentioning BITC Corporate Responsibility Index (UK), BITC Awards for Excellence (UK), "Egg of Columbus" contest (Netherlands).
- <sup>21</sup> Websites dedicated to CSR topics are the most important source of information in the age of the Internet. There are several examples to be mentioned: ICSR (Italian Centre for Social Responsibility; <http://www.i-csr.org>); German website „CSR Made in Germany” (<http://www.csr-in-deutschland.de>); French website “Portail Tout sur l'environnement” (<http://www.toutsurlenvironnement.fr>).
- <sup>22</sup> Partnerships may result in interesting projects which gain from synergy. CSR-SC (Corporate Social Responsibility-Social Commitment) project developed by the Bocconi University in cooperation with the Ministry of Labour and Social Affairs and Italian Union of Chambers of Commerce (Unioncamere) in 2002 was the outcome of a partnership (Perrini et al., 2006). The project aimed at supporting SMEs in implementation of socially responsible business and creation of voluntary standards of CSR reporting, including self-evaluation and adoption of a complete set of indicators enabling sufficient disclosure of non-financial aspects.
- <sup>23</sup> There are many examples of CSR projects. One of them was initiated by the Federal Ministry for Economic Cooperation and Development (BMZ) in Germany. The project was directed at a promotion of social and ecological standards in developing countries (Ramm et al., 2008)
- <sup>24</sup> Each year the Dutch Ministry of Economic Affairs conducts a Transparency Benchmark which is an annual study of a content and quality of CSR reports of Dutch companies. Enterprises participating in the benchmark may apply for The Crystal prize which is the key award in the area of CSR reporting in the Netherlands (Report Transparency Benchmark, 2015)
- <sup>25</sup> Governments may apply various tax incentives to enterprises which act in a socially responsible way. For example, the UK government introduced Community Investment Tax Relief (CITR) which encourages enterprises to invest in disadvantaged communities (Community Investment Tax Relief Guidance, 2012)
- <sup>26</sup> „The Republic of Poland shall safeguard the independence and integrity of its territory and ensure the freedoms and rights of persons and citizens, the security of the citizens, safeguard the national heritage and shall ensure the protection of the natural environment pursuant to the principles of sustainable development.” (§5 of the Constitution of the Republic of Poland 1997)



- <sup>27</sup> The authors of the ranking grouped companies into seven sectors, including: (1) banking, finance & insurance sector, (2) consumer goods sector, (3) pharmaceuticals & medicine sector, (4) oil, energy & mining industry, (5) industrial & chemical production, (6) telecommunication, technology, media & entertainment sector, (7) transport, service & trade sector.
- <sup>28</sup> In 2008 most of people responsible for CSR were those holding posts in marketing and public relations, whereas separate CSR positions were rarely met.
- <sup>29</sup> For more details on CSR report contests, see section 3 of the paper.
- <sup>30</sup> The set of key questions includes (Polityka, 2014):
- (1) Does an enterprise have an up-to-date, adequate and implemented document (written in Polish) which defines directions, priorities, goals and tasks related to socially responsible or sustainable management? (2) Does an enterprise disclose periodically information on its activities in Poland and their impacts on business, social and the natural environment? Does an enterprise have a special position dedicated to CSR (or sustainable development/ reputation) coordination or management? (*management and corporate governance*)
  - (4) Does an enterprise have a holistic and proactive idea of ethical management? (*human rights*)
  - (5) Does an enterprise have a formal, periodical system of employee assessment where business and development goals are consulted with employees? (*workplace and employee development*)
  - (6) Does an enterprise have an environmental management system which aims at reducing negative impacts of business activities on the natural environment? (*natural environment protection*)
  - (7) Does an enterprise formulate special non-financial requirements (social/environmental/ethical) organized in a code of good practices and communicate them to its business partners? (*honest business practices*)
  - (8) Does an enterprise take actions directed at building transparent and responsible relations with customers? (*consumers and market*)
  - (9) Does an enterprise take actions supporting a development of a local society (such as financial and non-financial support, knowledge sharing) and periodically evaluate them? (*social involvement and contribution to development of local society*)
- <sup>31</sup> It is evaluated whether disclosed information on direct and indirect impacts of business activities is material in the context of economic, environmental and social aspects. The panel checks whether a choice of the reported impacts is justified and whether a range of preventive actions is sufficient. Moreover, it is assessed whether a social report identifies stakeholders and related processes.
- <sup>32</sup> It is evaluated whether CSR strategy is integrated within a business strategy and disclosed in a social report together with strategic goals and business activity measures.
- <sup>33</sup> It is judged whether a social report presents management systems for sustainable development and checked whether top management is involved in the implementation process of that systems.
- <sup>34</sup> The board evaluates stakeholders' influence on business activity, in particular, they check whether stakeholders may formulate feedback and a company respond to their support or criticism in any way.
- <sup>35</sup> It is assessed whether the social report determines plans and obligations for the next reporting period and if it is objective while providing information on actions and related results.
- <sup>36</sup> The panel judges a way of presenting quantitative and qualitative data. It is assessed whether applied indicators enable to monitor major impacts of business activities within economic, environmental and social aspects.
- <sup>37</sup> To the authors' knowledge, EY have not done any research on CSR in Poland in recent years
- <sup>38</sup> Deloitte Poland is among leading companies offering professional consulting services within the framework of the six key areas: audit, tax advisory, marketing advisory, risk management, financial advisory and legal advisory. The Deloitte team working in Polish offices currently comprises more than 1800 professionals from various fields.

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<sup>39</sup> The KPMG Group in Poland is directed by 45 partners and the company currently employs more than 1 200 workers.

<sup>40</sup> In 2010, the PwC company celebrated the 20th anniversary of presence on the Polish market. It currently employs 2 000 professionals and support staff in eight cities.

<sup>41</sup> The company's roots in Poland date back to 1932. It has been operating as EY since 1989. The company employs 1800 workers in 6 offices. On its website, EY offers consulting services on climate change and sustainable growth but it does not publish any reports or research papers dedicated to the development of CSR in Poland.