

Corporate Social Responsibility Reporting^{*}

Katarzyna Hys, Liliana Hawrysz

The Opole University of Technology, Opole, Poland

The appearance of the idea of Corporate Social Responsibility (CSR) is a consequence of the works introduced by international organizations in order to establish the rules of sustainable development. Accordingly¹, we assume a collective responsibility to advance and strengthen the interdependent and mutually reinforcing pillars of sustainable development—economic development, social development, and environmental protection—at local, national, regional, and global levels. CSR is a concept according to organizations, generally on a voluntary basis, pursues a policy which takes into account social, environmental, and local business. Otherwise, the World Business Council for Sustainable Development (WBCSD) defined CSR as²: the commitment of business to contribute to sustainable economic development, working with employees, their families, the local community, and society at large to improve their quality of life. The publication will deal with the issues of CSR in Poland and in the world (selected issues) as well as the manner of reporting, with particular emphasis on the standards of the Global Reporting Initiative (GRI). The level of social reporting in the world and in Poland will be reviewed and analyzed on the example of registry reports. The authors through the study of literature and analysis of available empirical data presented in the world and national reports have made a preliminary analysis of reporting state in Poland. One has defined questions about the state of reporting in Poland in comparison to other countries in the world, the type of used reports and reporting standards. On the basis of analysis of the results, it was found that the level of reporting in Poland was very low. Works on reporting are mainly run by companies that operate in international markets that recognized in the CSR the arguments, which multiply their value compared with competing companies. For the other companies, the issue of CSR reporting is not well known. The issues of CSR should therefore be developed dynamically in Poland—and in this matter there is much to be done.

Keywords: Corporate Social Responsibility (CSR), GRI standard, reporting in Poland

Introduction

The idea of sustainable development and Corporate Social Responsibility (CSR) spreads throughout the world. Observation of global changes and trends in social responsibility issues allows to define thesis that these concepts in the life of many societies not only play an increasingly important role, but also become a part of tradition and determinant of culture.

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Katarzyna Hys, Ph.D., Doctor of social science (economics), Department of Production Engineering and Logistics, The Opole University of Technology.

Liliana Hawrysz, Ph.D., Doctor of social science (economics), Department of Economy and Management, The Opole University of Technology.

Correspondence concerning this article should be addressed to Ph.D. K. Hys, 75 Ozimska St., 45-370 Opole, Poland. E-mail: k.hys@po.opole.pl; l.hawrysz@po.opole.pl.

¹ Report of the world summit on sustainable development Johannesburg, South Africa (p. 1), August 26-September 4, 2002.

² World Business Council for Sustainable Development (WBCSD) (Retrieved December 20, 2011, from <http://www.wbcd.ch>).

In fact, there are no areas in which applying of the social responsibility concept is impossible. There are only challenges and obstacles (Anam, 2011a). An attention also should be paid to another issue. There are many different motives why the organizations apply the concept of sustainable development and social responsibility. Within the organization there are managers, who looking for the sources of competitive advantage, are ready to create new standards, new needs, or, by application of different concepts, to seek for advantage in places which are not the objects of observation and analysis of the other competitors (they look where no one else does).

Sustainable Development—A Base of Social Responsibility

It seems that, like everything, future generations will be those, who evaluate contribution and efforts bore at present in favour of sustainable development. Through the concept of sustainable development we mean such development, in which needs of present generation can be met without diminishing the chances of future generations to meet their needs (Brundtland, 1987).

The fact that the problem of evolution of the civilization perceived in the category of distant perspective has become the subject of interest to global organizations in a global scale, means that such a level of development has been reached, in which more attention is paid to the world of future generations. So we have a phase of realizations of needs at the level of transcendence (Maslow, 1943, 1954)³.

The process of globalization, the evolution of civilization, the increase of prosperity, and raise of people's awareness change their perception of their existence, as also change expectations towards environment, including the role, function, and responsibilities of companies.

Stakeholders, defined as individual people and groups of people, inside and outside the organization, who are interested in the results of their operations (Bielski, 2004), turned their expectations towards greater transparency of the organization. They expect that the duty of each organization is to inform about its activities in a broad aspects, including economic, ecological, legal, and social activities, which is the foundation of the concept of the CSR.

In the history of world's development of requirements for corporate social responsibility, great importance had national and later international standards for creating reports on the behaviours of the organizations. In 1960s of the 20th century, Netherlands and France had introduced requirements for entrepreneurs about domestic policy concerning employees. In 1980s, investment funds in the USA and Great Britain began to analyze companies in terms of their socially responsible behaviours. In 1990s, the idea of social report developed dynamically. A striking event was *the UN Conference on Environment and Development*, commonly known as the *Earth Summit in Rio de Janeiro*, Brazil in 1992. In 2002, during the *Earth Summit* the declaration for sustainable development had been accepted. It stated that "we accept collective responsibility for making further progress in the interdependent and mutually reinforcing pillars of sustainable development—economic development, social development, and environmental protection—and their strengthening at local, national, regional, and global level" (Rok, 2004).

³ The needs of transcendence are the highest level in the hierarchy of human needs, these are the spiritual demands. This is such a state, in which more important than one's own needs are the needs of other beings. Completely different issue is what level of evolution is represented by the individual members of society, since everybody is at a different stage of development. This means that there are people, who realize needs on the basic level (e.g., physiological, safety) and other, who realize needs on the higher level (cognitive, aesthetic, and transcendence).

Reporting the Corporate Social Responsibility Including GRI Standard

These events and many other initiatives⁴ have led to the formulation and further development of uniform rules (voluntary guidelines for the use) of reports' implementation, covering the issues of sustainable development in the form of corporate social responsibility (business, government, NGOs, non-profit organizations, and others).

In 2000, the first version⁵ of worldwide Global Reporting Initiative (GRI) standard had been developed. Its primary goal is to provide guidance for reporting results of taken by the organization actions in terms of sustainable development. GRI standard is a tool supporting the reporting process in organizations, for which it is strict but also universal: methodology, process of creating reports, and set of indicators that enable presentation of results gained by given organizations. In the world knowledge of interdisciplinary (allowing for analysis and presentation of activities including environmental, social, and economic aspects) GRI standard grows continuously, evidence of which is observed the increase of GRI use in the organizations, for reporting their activities (see Figure 1).

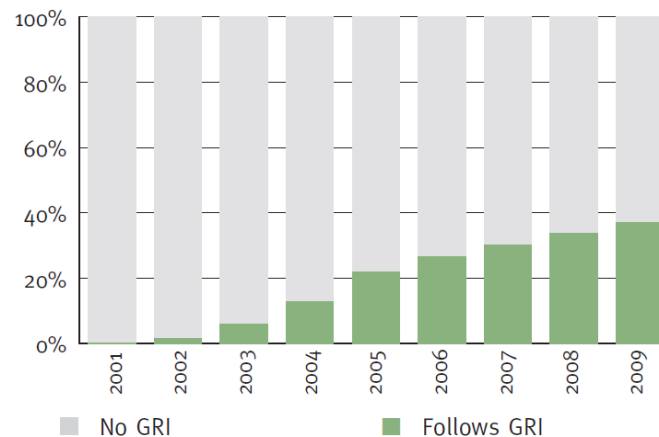


Figure 1. Uptake of GRI framework per year. Source: The CR reporting awards'10—Global winners & reporting trends, April 2010, CRRA (p. 6).

One of the first in the world practical applications of the GRI standard in reporting various aspects of organizations' activities was recorded in 1999. In 2009, the level of GRI standard use reached value close to 40% and the trend maintained upward tendency. Therefore it can be anticipated that the importance of reporting with maintaining the GRI standard, which is gaining another masses of supporters, will continue to grow (see Figure 2).

⁴ (1) The first UN Conference on "the Human Environment" in 1972 in Stockholm, human rights to healthy environment have been identified; (2) World Commission on Environment and Development established by the UN in 1983, publishes the report "Our Common Future" in 1987; (3) In 1991, Business Council for Sustainable Development established by the International Chamber of Commerce (ICC) prepared the Business Charter for sustainable development; (4) UN Conference on "Environment and Development" or the Earth Summit in Rio de Janeiro in 1992; (5) Adoption of a new approach for sustainable development by the European Union under the "Fifth Action Programme for the Environment" in 1993; and (6) In 2002, Earth Summit in Johannesburg adopted a declaration on sustainable development.

⁵ GRI is a non-profit organization, based on the cooperation of a group of stakeholders, established in 1997 in Boston in the USA by the organization CERES and United Nations Environment Programme (UNEP). In 2002, GRI moved its headquarters to Amsterdam, where, at present, is its Secretariat. The first version of guidelines for the GRI standard was released in 2000, next versions appeared in 2002 (G2), 2006 (G3), and 2011 (G3.1).

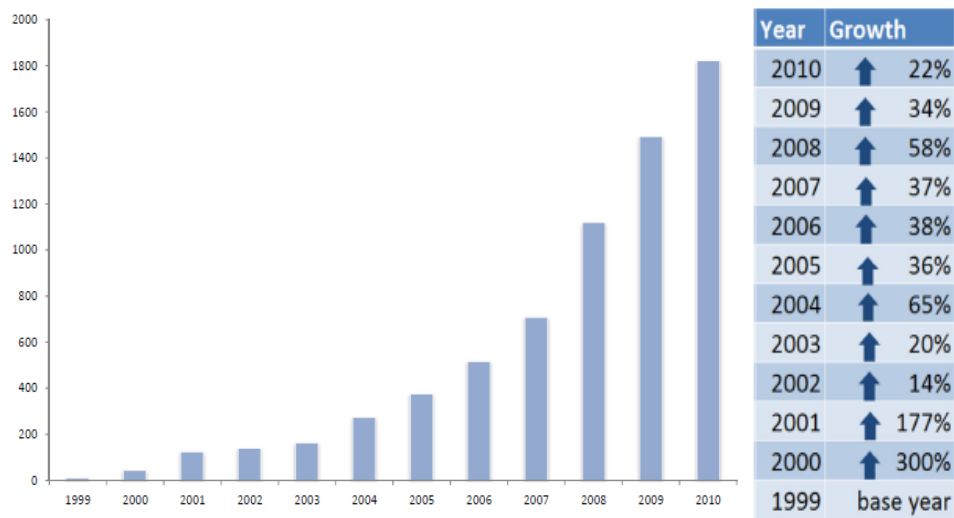


Figure 2. GRI reports 1999-2010. Source: A new phase: the growth of sustainability reporting, GRI's year in review, November 2010 (p. 7).

Figure 2 presents a quantitative increase in the number of social reports implemented in organizations through the GRI standard in the world. Record-breaking increase was recorded in year 2000 (300%). In subsequent years, also, though with less dynamics, a continuous increase of the publication of social reports using GRI standard can be observed.

Reports published by organizations vary in character (they are obligatory or not), encompass various areas of activities and business activities. The most common types of reports being developed by organizations are those including aspects:

- Social/Community;
- Philanthropy;
- Integrated (Annual Financial & Non-Financial);
- Sustainability (Environment/Social/Economic);
- Corporate Responsibility (EHS/Community/Social);
- Environment, Health & Safety & Community;
- Environment & Social;
- Environment, Health & Safety;
- Environment;
- Other (usually standards developed by companies individually, according to needs).

The dynamics used for the various types of reports is shown in Figure 3. In considered period, from 1992 to 2009, the most dynamically had changed the number of issued environmental reports. The numbers of reports are including environmental aspects underwent reduction to 20% in 2009 from the dominative role (ca 80%) at the beginning of considered period. The numbers of such reports underwent reduction in favour of reports covering reporting in a more complex, and then as a result of development—integrated way. Including and describing aspects of occupational safety, health, social aspects collective responsibility, economic, and non-economic conditions, up to forms focused on philanthropic activities and CSR.

It seems that the level of social responsibility creates attitudes and awareness of societies towards future taking into consideration next generations. Never before in the history of humanity, had such an extensive

works for the good of humanity, and such a great scale taken place. Reports are only a resultant of the actions revealed by the companies. The change, however, begins in people's minds, which can be influenced by appropriate arguments, for the change of behaviours and habits, creation of new practices that, in the future, might become foundation for activities and further traditions of every society.

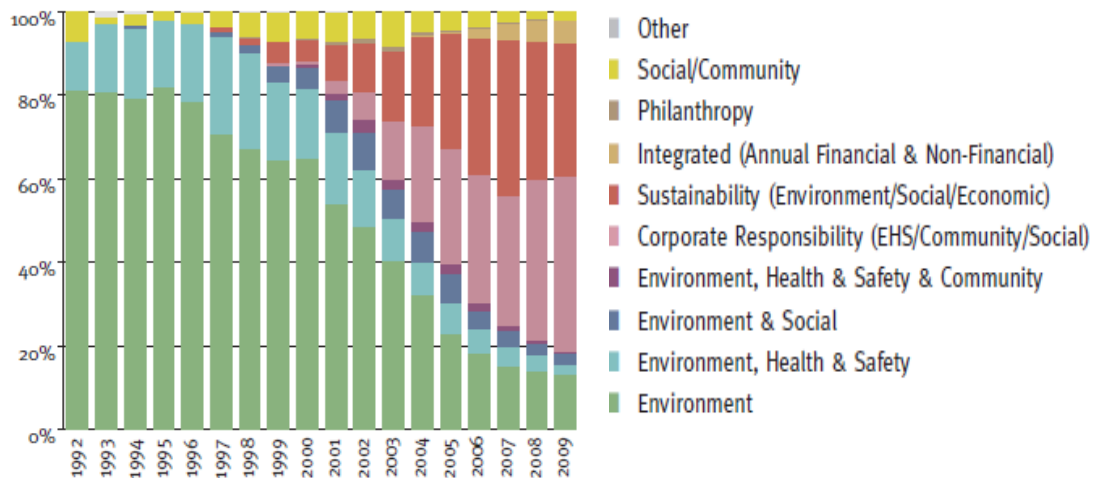


Figure 3. Global report output by “type” and year. Source: The CR reporting awards’10—Global winners & reporting trends, April 2010, CRRRA (p. 5).

To determine reporting of CSR, different terms are used, including: CSR reporting, sustainability reporting, or ESG reporting (environmental, social, and governance). Customarily, however, an expression sustainability reporting is used abroad (Anam, 2011b), while in Poland social reporting, reporting of the sustainable development or CSR reporting is used.

CSR report integrates information on company management, contains financial and non-financial data, including social and environmental issues directly related to its activities. Is an expression of the company's desire towards transparency of its activities and taking responsibility (called accountability) understood as fulfilling the obligation to provide information to stakeholders, to clarify them actions and decisions for which the company is responsible.

The Practice of Corporate Social Responsibility Reporting in Poland

The idea of reporting in Poland in the field of social responsibility does not have a long tradition. It might be said that it recently comes into being, so it is possible to observe the dynamics of its changes and direction of transformation. Reporting of the CSR is not obligatory in Poland, so many companies do not publish such reports; they do not see the need or necessity of gathering information in this range. In Poland in 2010 several publications had been brought out, which described activities, practices, and trends of Polish society development towards responsibility, including the report:

- Responsible Business in Poland. Good practices, FOB.
- CSR reporting in Poland 2010, CSRinfo.
- Social activities of Poles, CBOS.
- Readiness of Poles for cooperation, CBOS.
- Activity of Poles in civic organizations in the years 1998-2010, CBOS.

• Poles about development assistance, Department of Development Cooperation, Ministry of Foreign Affairs.

- Managers 500/Lider CSR, FOB, GoodBrand CEE.
- Responsible consumption among the Poles, Polish Green Network.
- Fair Trade in Poland. The present state and perspectives of development, Polish Consumers Association.

Besides available general or thematic reports, concerning diagnosis, analysis, and prognosis in the range of sustainable development in Poland, companies have possibility of publishing individual reports in the field of CSR. One of the websites, where reports can be registered and published, is a register of Polish reports of CSR running on the portal CSRinfo.org⁶. Moreover, information concerning CSR, provided by international companies in the form of reports, is available on the websites of Global Reporting Initiative or corporateregister.com.

Analysis of the Polish Register of Reports⁷ on sustainable development and CSR in the space of six years (from 2005 to 2011), helped to gather following information: Number of reports published by organizations, whose headquarters, or other entity (e.g., a factory) located in Poland is constantly growing (see Figure 4).

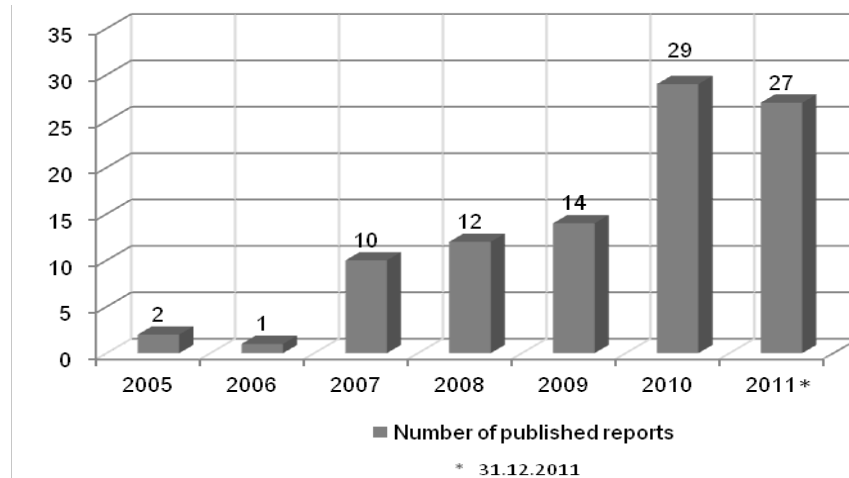


Figure 4. Number of published reports on sustainable development and CSR placed on the portal CSR.org.

Source: Own study based on publication placed in the register of reports on the portal CSRinfo.org.

Obtained results confirm that reporting on sustainable development and corporate social responsibility by Polish entrepreneurs is not conducted on a large scale, although the increasing trend is maintained (see Figure 5).

Obtained results allow to conclude that Polish companies realize sustainable business reports and CSR primarily use reporting standards developed on their own. However, in 2009, an increase of interest in the GRI standard and communication on progress (Global Compact)⁸ can be noticed to the disadvantage of standards, which are guidelines to give organizations.

⁶ CSRinfo.org portal is a communication and educational platform on corporate social responsibility and sustainable business. The portal has been created and is maintained by educational-consulting company CSR.

⁷ The register of sustainable development and social responsibility reports is published by organizations on the portal CSRinfo.org.

⁸ Reporting based on the principles communication on progress, is reflected by progress in implementing by the organization 10 principles of Global Compact. Global Compact is the world's largest initiative for corporate responsibility and sustainable development. It is important that acceding companies are required to report annually.

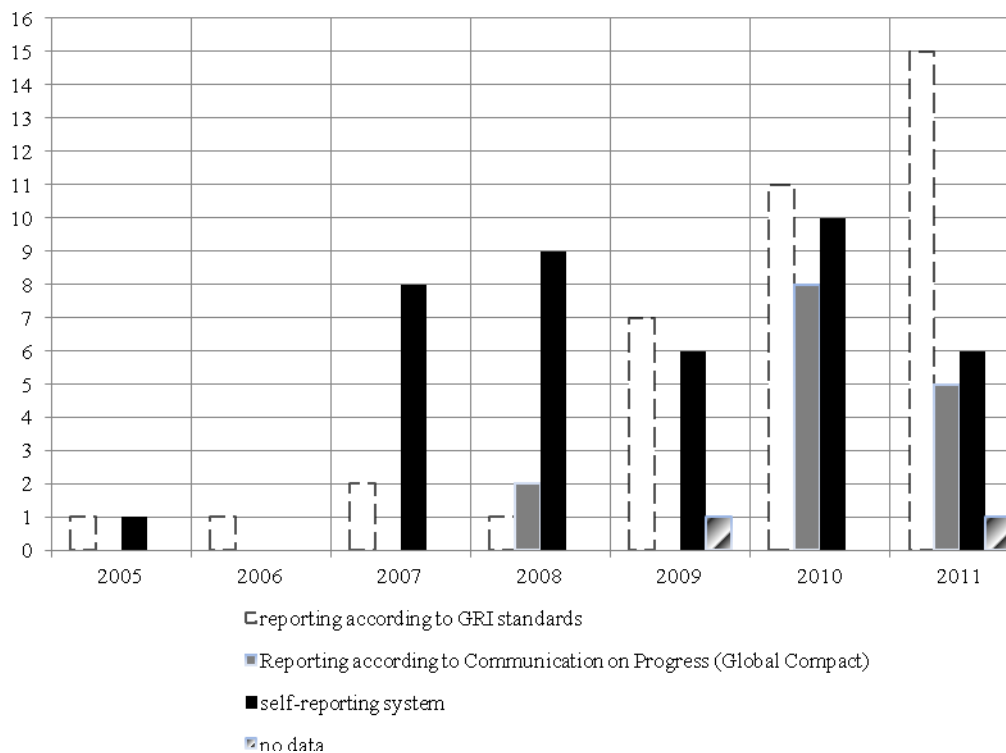


Figure 5. Types of standards used in reporting sustainable business and CSR. Source: own study.

Interesting is the fact that companies publishing reports use different nomenclatures for the type of issued report. Applied descriptions:

- social report;
- environmental report;
- ecological report;
- CSR report;
- social responsibility report;
- sustainable development report;
- report for the Global Compact;
- a review of activities report;
- a responsible business report;
- a social commitment report.

The statistical depictions of terms used for the reports are presented in Table 1. The vast majority of companies use the term “CSR Report” (54%). Then companies use the term “social report” and “report for the Global Compact” (13%). Below 10%, in the scale of published reports, companies use other terms.

In overall numbers, without a division into type of reporting standard, most reports had been published by organizations in 2010 (31%). Analyzing the number of published reports from previous years, in 2011, an increase was expected. Yet, the number was lower by 3 percentage points. However, it is necessary to be aware that companies have continuous access to the reports portal and it is likely that during early months of the next year, entries will be completed, which will change the total numbers of reports presented in 2011. Data for 2011 have been presented for current review.

Table 1

Indication of Reports' Types

	2005	2006	2007	2008	2009	2010	2011*	Number of published reports	Number of published reports (%)
CSR report	1	1	9	7	9	13	11	51	54
social report					2	5	5	12	13
report for the Global Compact				2		6	4	12	13
ecological report				3	2		1	6	6
a review of activities report	1		1		1	1		4	4
environmental report						2	1	3	3
social responsibility report						1	2	3	3
sustainable development report							2	2	2
a responsible business report							1	1	1
a social commitment report						1		1	1
Number of published reports by year	2	1	10	12	14	29	27	95	100
Number of published reports by year (%)	2	1	11	13	15	31	28	2	100

* 31.12.2011

Note. Source: own study; *: Own research.

In comparison to the dynamic changes in the issues of sustainable development and CSR, taking place in the world (see Figure 6), Poland is on the threshold of changes. It is expected that the development of values of sustainable development and social responsibility will grow rapidly, according to the trends that are described in particular countries and continents (see Figure 7). This means not only many challenges and opportunities, but also a lot of resistance and threats are encountered for the companies.

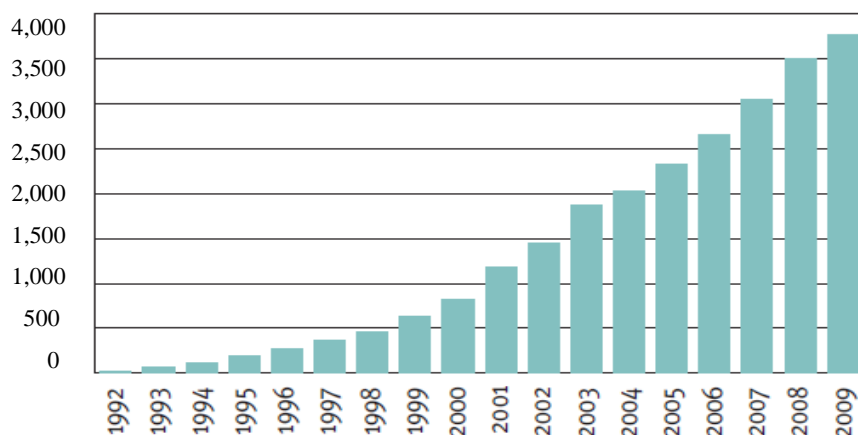


Figure 6. Global report output per year. Source: The CR reporting awards' 10—Global winners & reporting trends, April 2010, CRRA (p. 4).

Numerous studies published over the years allow for the observation of trends in the development of CSR reporting. Since 1992, a number of reports increased permanently. In 2009, nearly 4,000 reports were published and registered in the Corporate Register (reports database).

Analysing the levels of CSR reporting during given years on a given continent (by regions), a visible domination of Europe can be noticed. Nearly half of reports come from this part of the world, which means that

Europe can be considered as a motive power of reporting in the world. Moreover, the constant upward trend can be observed in North and Central America and Asia. In connection with the dissemination of mandatory reporting in regions⁹ (or countries)—rapid increase of the number of reports in other countries is expected.

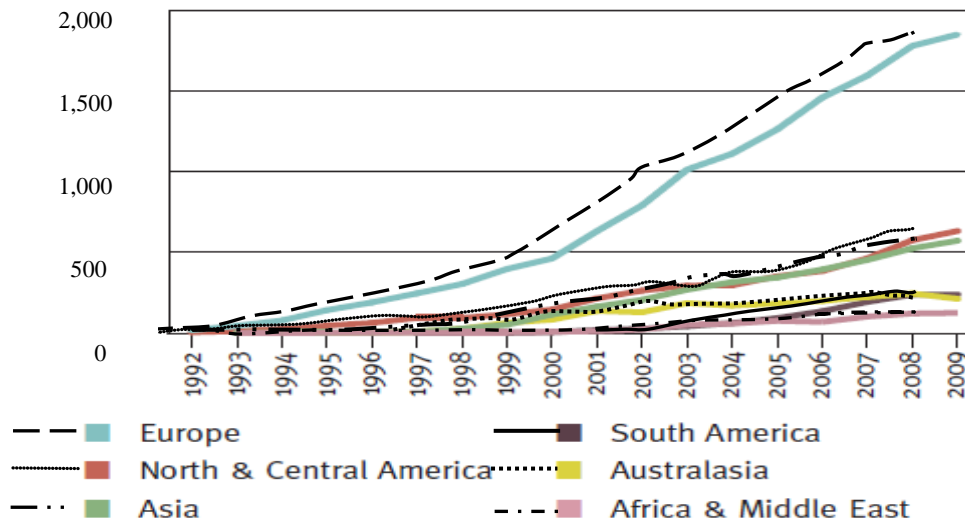


Figure 7. Reporting output by year, by region. Source: The CR reporting awards'10—Global winners & reporting trends, April 2010, CRRRA (p. 4).

Conclusions

Observation of changes and global trends in application and use of the CSR reporting allow to infer that the development of societies will be based on the CSR principles. Societies expect that companies will take into account their needs and expectations. They expect respect for their fundamental needs (though not everywhere and not for all), ethic and moral laws as also taking actions on a large scale in social and ecological areas taking into account all interested parties.

It seems that this development goes in the right direction, however reflection can be raised by the matter if the ideas survive the so-called test of time. Will the declared values be met? Will there be enough arguments to implement the concept of the CSR in real conditions? For ordinary people, motives of use of the Social Responsibility principles are of secondary importance. Of the first rank are noticed and recognized, benefits also observe the values of organization's activities in the meaning of CSR. In a global sense, an interesting motivator of activities for people is improvement of quality of their life, which determines development and progress of societies, and thus enables the evolution and transformation of the enterprise.

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