Abstract. Companies are more often publishing publicly available reports to disclose how responsibly they conduct their business. The aim of the research presented in the paper is to compare corporate social responsibility reporting patterns in Poland and in Slovakia, especially the level of CSR reporting as well as the types of these reports. Moreover the authors analyzed development of the CSR concept in both countries. In the study the authors analyzed CSR reports published in 2015. The research included 34 reports from Poland and 18 reports from Slovakia. The results of the study show that more companies in Poland prepare CSR reports than in Slovakia. Additionally, in Poland the development of the CSR concept is progressing faster and is more comprehensive. However, further education, raising of awareness and development of specific instruments that support practice of CSR reporting is still necessary in both analyzed countries.

Keywords: GRI, UN Global Compact, CSR disclosure, sustainability reporting, non-financial reporting, CSR report
1. Introduction

Disclosing data about corporate social responsibility (CSR) practices is an important component of increasing companies’ transparency, especially today, when expectations of investors, customers, business partners and the general public are rising.

More than half of CSR reporting companies in the world (51%) include information on CSR in their annual financial reports. The purpose of CSR reporting is to provide information to external and internal stakeholders about economic, environmental and social results achieved by an organization during a specified period of time. Companies are increasingly publishing publicly available reports to disclose how they responsibly conduct their business. These reports are published under a wide variety of names, such as sustainability reports, sustainable development reports and CSR reports. CSR reports differ not only in terms of titles but also in many other aspects. CSR reports can be available in hard copy, in PDF format or in any other online version via a company’s website. Some reporters prepare short publications containing several pages and some are publishing long reports consisting of more than 100 pages. We can also distinguish different types of these reports for example a separate CSR report, annual report expanded by a CSR section or an integrated report. Some companies develop CSR reports according to a globally recognized frameworks, guidelines (GRI, UN GC) and others prepare them according their own methodology. Some reporters decide to have their CSR data verified by an independent body, some choose to not do so.

Empirical research related to the CSR reporting practices in Poland and in Slovakia are sporadic and fragmented. Thus, scientific problem may be introduced by the question: How companies in two neighboring countries disclose their CSR information? The aim of this

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1 Jonek-Kowalska I.: CSR jako nośnik wartości przedsiębiorstw górniczych, [w:] Kuzior A. (red.): Wartości etyczne, racjonalność i jakość jako wyznaczniki zrównoważonego rozwoju i społecznego zaangażowania organizacji. Śląskie Centrum Etyki Biznesu i Zrównoważonego Rozwoju, Zabrze 2016, s. 48-59.
6 KPMG: op.cit.
Comparative Analysis of CSR Reporting

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s of CSR Reporting…

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research is to compare corporate social responsibility reporting patterns in Poland and in Slovakia. Trying to achieve the goal of the research three tasks have been set: 1) what is the level of CSR reporting, 2) what kind of companies are preparing such reports and 3) what type of reports are prepared in these two countries.

Methods of research applied in this paper are the comparative analysis of scientific literature on the subject and its logical generalization as well as content analysis of CSR reports published by companies in Poland and in Slovakia.

The rest of the paper is structured as follows. The next section provides an overview of CSR reporting literature, with a particular emphasis on studies focusing on the comparison analysis of CSR reporting in different countries. This is followed by a section dedicated to methodology used in the research process. The research findings are then presented including an overview of CSR concept implementation as well as CSR reporting practices in both countries. The paper ends with conclusions and recommendations for further research.

2. Literature review

CSR reporting is getting increased attention from the business as well as the academic community. According to results of an international survey 95% of the 250 largest global companies currently report on CSR aspects. Accounting fraud scandals, corruption, environmental disasters from recent years result in increased pressure from different stakeholder groups to improve transparency of business activities and consequently to report on CSR performance.

A corporate social responsibility report aims to show how business activity affects systems (social, environmental and economic) from its close and distant environment.

Daub\textsuperscript{19} says a CSR report must contain quantitative and qualitative information on economic, ecological and social effectiveness. In addition, a good report should reflect the overall strategy and objectives of the company, address issues and topics that are relevant to the company and its participants and provide information about its results, not bypassing the uncomfortable topics\textsuperscript{20}. One of the most popular standards for reporting non-financial data, recognized by companies around the world, are the guidelines of the Global Reporting Initiative (GRI). Over three quarters (78 percent) of global N100 companies now refer to the GRI in their corporate responsibility report\textsuperscript{21}. Reporting guidelines developed by the GRI allow building a reporting system on sustainable development and creating a report with quantified and comparable data\textsuperscript{22}. The main feature of the GRI guidelines is the flexibility and the possibility to use them by various organizations, regardless of their size, industry or location. Another popular initiative aimed at reporting CSR data is the United Nations Global Compact (UN GC) initiative. The Global Compact is a global network of organizations declaring cooperation and development within the 10 principles of responsibility in areas such as of human rights, labour standards, the environment and anti-corruption. Business GC signatories are obliged to publish an annual report of their progress in implementation of this initiative (called Communication on Progress).

We can observe many differences among published CSR reports\textsuperscript{23,24,25}. Not all reporting companies decide to use the aforementioned guidelines, therefore, inter alia, CSR reports vary considerably. Some studies on CSR reporting have shown that the country of origin influences the level of this kind of reporting\textsuperscript{26,27,28}. A study of Bonsón and Bednárová\textsuperscript{29} showed that there are country, sector or listing in the Dow Jones Sustainability Index (DJSI)

\begin{thebibliography}{99}
\bibitem{KPMG1} KPMG: International Survey of Corporate Responsibility Reporting 2008…, op.cit.
\bibitem{KPMG2} KPMG: The KPMG Survey of Corporate Responsibility Reporting 2013…, op.cit.
\bibitem{Eccles} Eccles R.G., Krzus M.P., Ribot S.: op. cit.
\end{thebibliography}
influence on the extent of sustainability reporting. Freundlieb and Teuteberg\textsuperscript{30} claim that stakeholders in different countries have different requirements and expectations regarding CSR reporting\textsuperscript{31,32}. Companies are affected by their stakeholders and report on CSR differently\textsuperscript{33}. Furthermore, studies conducted by different authors show that sustainability reports vary widely even within a country\textsuperscript{34,35,36,37,38}. We can also find a very detailed review of studies on responsibility reporting carried out by Fifka\textsuperscript{39}. He examined whether research approaches with regard to responsibility reporting differ across countries or regions. Some studies also suggest that there are country-specific differences in the extent of CSR reporting\textsuperscript{40,41,42}. The country creates a context in which the company has to legitimize its activities. This specific context may embed different aspects such as governance systems and regulation\textsuperscript{43}, employment protection and labour conditions\textsuperscript{44}, environmental protection regulations\textsuperscript{45} and others.

Summarizing, in the European Union, we can find different approaches to sustainability reporting\textsuperscript{46,47} and therefore this article tries to contribute to the debate on patterns of current patterns of current


\textsuperscript{35} Daub C.-H.: op.cit.


\textsuperscript{38} Vormedal I., Ruud A.: op.cit.

\textsuperscript{39} Fifka M.S.: op.cit.

\textsuperscript{40} Asif M., Searcy C., dos Santos P., Kensah D.: op.cit.


CSR practices, especially in countries which have undergone a transition from a centrally planned to a market economy.

3. Methodology

In this study the authors analysed CSR reports published in Poland and in Slovakia in 2015. These reports were obtained from an international database corporateregister.com, Polish library of CSR reports\(^{48}\) and from the Business Leaders Forum\(^{49}\), an association of companies who pledge to become leaders in asserting principles of corporate responsibility in Slovakia. It was identified 37 reports published in Poland and 27 reports published in Slovakia. The premise of the study was analysis of company practices of CSR reporting in a particular country and for this reason we excluded from the study global reports, sector reports, and reports which contain only general statements about CSR activities. Six reports (from Slovakia) in spite of their entry in the database were not found. Therefore after a preliminary analysis of the collected reports (N = 64), we have included 34 reports from Poland and 18 reports from Slovakia for further study. For each of the qualified report we identified: (1) type, (2) format, (3) language, (4) length (5) whether it was prepared in accordance with Global Reporting Initiative guidelines (GRI), (6) whether the data contained in the report was independently verified and (7) whether the reporting company is a signatory of the declaration of the United Nations Global Compact initiative. Additionally, we analyzed the types of the reporting companies. We assumed that level of CSR reporting is derived from development of the CSR concept. Therefore first we analyzed this process in both countries.

4. CSR in Poland

Since 1989 Poland has been going through a fast transformation from a communist regime to a democracy and from a central planned economy to a market economy. Therefore, the crucial players, from the perspective of CSR development, (i.e. the private sector as well as civil society) are relatively young when compared to developed Western European countries\(^{50}\).

The first organization that promotes and supports the development of CSR in Poland was established in 2000 year – Responsible Business Forum. Today, there are many more

organizations in Poland that deal with CSR issues, for example: Academy for the Development of Philanthropy in Poland, Center for Business Ethics, The Foundation Corporate Social Responsibility Institute, the Foundation Center CSR.pl. In 2009 the Prime Minister appointed an inter-ministerial team for corporate social responsibility issues. In the same year, on the Warsaw Stock Exchange (WSE), an index of socially responsible companies was established, the so called Respect Index. It was the first index of this kind in the region of Central and Eastern Europe. Its first edition listed 16 responsible companies. Currently, the Respect Index includes 23 companies.

Companies in Poland more and more often implement voluntary international standards such as UN Global Compact (185 signatory organizations), SA 8000, AA1000, GRI, ISO 26000, OECD Guidelines for Multinationals. Furthermore, there are a number of codes in Poland developed by Polish business associations and industries, for example The Best Practices of WSE Listed Companies, the Ethical Code of Employees developed by PKKP and the ‘Lewiatan’ or principles of good banking practice adopted by the Polish Bank Association\(^51\). Summarising, these events are the proofs that CSR has become an important topic in Poland and the concept is gradually transforming. A study of Rok et al.\(^52\) outlines five stages of CSR concept development in Poland:

1) Silence and complete lack of interest (1997-1999),
2) Opposition (2000-2002),
3) Growing interest (2003-2004),
4) Projects involving various areas of companies’ operations (2004-2005),
5) Linking CSR with other strategies such as communication and marketing (2006-2007).

Today we see the next phase where companies try to integrate CSR with their business strategy\(^53,54,55\).

Another proof of CSR development in Poland is a growing number of reporting companies. Since 2007 there has been established a competition for the best CSR report. The main objective of the competition is to draw attention to the importance of non-financial reporting and to indicate good practices in this area. Recent translation into Polish of GRI Sustainability Reporting Guidelines and increased awareness contribute also to broader disclosure of CSR data. In 2011 three times more CSR reports were published than in 2007.

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\(^{53}\) Anam L., op. cit.


The total number of published reports and increase in the share of reports prepared in accordance with the GRI guidelines, influence the quality of disclosed data in these reports.

5. CSR in Slovakia

Baseline study on CSR reported that Slovakia has undergone a difficult transition from a centrally planned to a market economy. The Slovak government made progress in 2001 in macroeconomic stabilization and structural reform, but this came at a cost of increased unemployment. In the last few years, the penetration of foreign direct investment (FDI) has been high, with business investment particularly in the export-oriented manufacturing sector becoming the prime engine of capacity and output growth. Overall, macroeconomic developments are currently favorable in Slovakia with robust growth, the decline of unemployment and easing inflation. Slovakia became a member of the European Union in May 2004 and adopted the Euro in January 2009.

The idea of corporate social responsibility began to spread to Slovakia along with the arrival of multinational corporations in the nineties of the 20th century. Slovakia has been building awareness of corporate social responsibility from the mid-nineties through several NGOs. The most important are the Center for Philanthropy PANET, Integra Foundation, Pontis Foundation and the Institute for Economic and Social Reforms (INEKO). In 2004, the Pontis Foundation created an informal association Business Leaders Forum, which brings together companies subscribing to the principles of CSR in Slovakia. Its aim is to motivate and inspire companies operating in Slovakia to be socially responsible by raising awareness and providing the necessary know-how.

A study by the World Bank found that most companies in Slovakia consider shareholder, customers and employees, top management and a board of directors to be their key stakeholders. Only very few companies think of local communities as stakeholders. The same study established that most companies understand “socially responsible activities” as addressing stakeholders’ concerns and ethical conduct. Companies are also concerned about transparency in operations and compliance with existing regulations. Employee health protection plans are the norm in Slovakia. On the other hand, even though a small majority of

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60 World Bank: op.cit.
Slovak companies implement core labour standards adopted by the International Labour Organisation (ILO), there is still a lack of awareness and low implementation percentages amongst small and medium companies. Many companies undertake various environmental projects and in order to implement these projects, most companies collaborate with a number of institutions. Activities providing education and information on environmental issues (e.g., school programs, community meetings, internal training, etc.) are relatively popular.

In the years 2005-2006 Čiernaقارة٠١ carried out research that focused on identification of basic parameters and knowledge about CSR in Slovakia. According to the study 40% of respondents were familiar with the term “social responsibility”. According to the respondents, the most important corporate social responsibility activities were those that closely related to internal dimension of corporate social responsibility, i.e. how businesses communicate with their employees and what is their overall behaviour in business. The most frequently mentioned socially responsible activity of enterprises is training of staff (indicated by around half of the respondents). Ubrežiová et al.62 processed a monograph about Corporate Social Responsibility in Slovak Republic within the context of internationalization of business. The aim was to identify factors that influence CSR in a competitive environment. In conclusion, research found that Slovak companies are increasingly inclined to respect moral requirements and to integrate social behaviour when this allows them to increase their economic profit and to improve their market position. However, respect for moral demands of daily activities in the market are not considered as competitive advantage.

According to a GRI database the first registered reports appeared in Slovakia in 2006 and 2007. An increase in the number of CSR reports was recorded in 2008 and continued until 2013, when it recorded the highest number of CSR reports prepared in accordance with the GRI guidelines. After 2013, this kind of reporting has been stagnating or declined. Stable companies have continued disclosing their CSR data and have permanently included CSR into their corporate culture. Today the use of the GRI guidelines by companies in Slovakia is minimal. It could mean that companies in Slovakia prefer to use their own structure of CSR reports.

6. CSR reports comparison

The level of companies’ disclosures varies across studied countries. Table 1 summarizes the number of reports from Poland and Slovakia, the number of active enterprises in selected countries (based on business demography data from Eurostat) and calculates an index of

published reports per million enterprises. We have obtained a higher value of the indicator for Poland. It means that more companies decide to prepare a CSR report in Poland than in Slovakia.

### Table 1

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of CSR reports</th>
<th>No. of active enterprises</th>
<th>No. of CSR reports per million enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>34</td>
<td>432,745</td>
<td>78.57</td>
</tr>
<tr>
<td>Slovakia</td>
<td>18</td>
<td>398,895</td>
<td>45.12</td>
</tr>
</tbody>
</table>


The structure of reporting companies in both countries is very similar (see table 2). Almost all of analysed reports were published by large companies. The largest number of reports in the sample was issued by listed companies. State-owned companies have the smallest share in the sample (represented only by one company from Slovakia). The reporters in the sample came from different sectors (see table 3). Most of them were from electricity, gas, steam and air conditioning supply sector, followed by manufacturing, financial and insurance sector in Poland while in Slovakia by wholesale and retail trade sector and also financial and insurance sector. Other sectors were represented at a level below 12%. All sectors in the study were classified according to the NACE rev. 2 nomenclature.

### Table 2

<table>
<thead>
<tr>
<th>Company size</th>
<th>Company type</th>
</tr>
</thead>
<tbody>
<tr>
<td>large</td>
<td>medium</td>
</tr>
<tr>
<td>Poland</td>
<td>91%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>94%</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

### Table 3

<table>
<thead>
<tr>
<th>Company Sector</th>
<th>Poland</th>
<th>Slovakia</th>
</tr>
</thead>
<tbody>
<tr>
<td>J – Information and Communication</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>B – Mining and Quarrying</td>
<td>9%</td>
<td>11%</td>
</tr>
<tr>
<td>C – Manufacturing</td>
<td>18%</td>
<td>11%</td>
</tr>
<tr>
<td>D – Electricity, Gas, Steam and Air Conditioning Supply</td>
<td>24%</td>
<td>22%</td>
</tr>
<tr>
<td>G – Wholesale and Retail; Repair of Motor Vehicles and Motorcycles</td>
<td>12%</td>
<td>22%</td>
</tr>
<tr>
<td>K – Financial and Insurance Activities</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>M – Professional, Scientific and Technical Activities</td>
<td>9%</td>
<td>5%</td>
</tr>
<tr>
<td>H – Transportation and Storage</td>
<td>6%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

When comparing types of CSR reports prepared in Poland and in Slovakia we can notice significant differences. In Poland, separate CSR reports are the dominated type (82%) of reports. The overwhelming form of reports prepared in Slovakia are annual reports with a CSR section (56%). Integrated reports (the most demanding form of a report, financial and
non-financial report in one) has been developed by 18% of Polish reporters and by 6% of reporters from Slovakia.

According to the Global Reporting Initiative (GRI) guidelines 85% of reports from Poland in contrast to Slovakia, 11%, were prepared in accordance with these guidelines. Also more reports from Poland than from Slovakia were independently verified (see table 4). All Polish reports subjected to an external audit were prepared in accordance with the aforementioned GRI guidelines.

The signatories of the UN Global Compact initiative constituted 41% of reporting companies from Poland and 11% reporters from Slovakia. In the group of Polish companies which participate in the Global Compact initiative almost all reports were prepared in accordance with the GRI guidelines (93%).

Average length of a separate CSR report was 64 pages for reports from Poland and 41 pages for Slovak reports (see table 5).

### Table 4

<table>
<thead>
<tr>
<th>Country</th>
<th>Report type</th>
<th>Reports prepared in accordance with GRI Guidelines</th>
<th>Reports with external verification</th>
<th>Signatory to the UN Global Compact</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Separate</td>
<td>Annual with CSR section</td>
<td>Integrated</td>
<td>85%</td>
</tr>
<tr>
<td>Poland</td>
<td>82%</td>
<td>-</td>
<td>18%</td>
<td></td>
</tr>
<tr>
<td>Slovakia</td>
<td>38%</td>
<td>56%</td>
<td>6%</td>
<td></td>
</tr>
</tbody>
</table>

Source: Own elaboration.

### Table 5

<table>
<thead>
<tr>
<th>CSR Report</th>
<th>Format</th>
<th>Language</th>
<th>Average length (pdf, separate CSR report)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PDF</td>
<td>Interactive on-line</td>
<td>Native</td>
</tr>
<tr>
<td>Poland</td>
<td>62%</td>
<td>38%</td>
<td>65%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>89%</td>
<td>11%</td>
<td>39%</td>
</tr>
</tbody>
</table>

Source: Own elaboration.

Most studied reports were available in PDF format, downloadable from a website of the entity which prepares the report. It is worth noting that almost 40% of reports from Poland were in the form of an interactive on-line report (11% of Slovak reports), where the reader can choose interesting content and can create individual reports tailored to his/her needs. In the Polish sample 65% of the reports were written in mother tongue, 35% were in two languages (Polish/English) and none of them were prepared only in English. In Slovakia 39% of the reports were dedicated to native readers, the same amount were prepared only in English (mostly subsidiaries of big multinational companies) and 22% of the reports were in two languages (Slovak/English).
7. Conclusions

The purpose of this paper is to compare corporate social responsibility reporting patterns in Poland and in Slovakia. Both of these countries are situated in Central and Eastern Europe and have gone through transition from a centrally planned to a market economy. Development of the CSR concept in both countries is still in progress, however it seems to be faster and more comprehensive in Poland than in Slovakia. A confirmation of this may be the fact that more companies prepare CSR reports in Poland than in Slovakia. The calculated CSR reporting level indicator (number of CSR reports per million enterprises) for Poland is 78.57 while for Slovakia is 45.12. In both countries CSR reporting practices are the domain of large enterprises, in particular, those that are subsidiaries of large multinationals. A positive and noticeable fact is that a high percentage of reports are prepared in accordance with international guidelines of the Global Reporting Initiative but this phenomenon is noticeable only among reports from Poland. Also, more reporting companies from Poland than from Slovakia decide to undergo independent verification of data disclosed in CSR reports. Becoming a member of the UN Global Compact Initiative is more popular among Polish reporters, too. Reports from Poland are more extensive and more of them are prepared in their mother tongue, which makes them more accessible to native stakeholders. Despite apparent development of CSR practices in both analysed countries, further education, raising of awareness, and development of specific instruments to support the process of CSR reporting are still required.

The authors realize that the topic of the study is multidimensional and can provide a basis for further in-depth research. There are many opportunities for future research. For example further research could focus on the influences of national politics, cultural and educational systems on CSR reporting practices. It also could be interesting to take into consideration requirements from different stakeholders in the analysed countries.

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43. GRI’s Sustainability Disclosure Database, http://database.globalreporting.org/