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CSR REPORTING IN FINANCIAL INSTITUTIONS

Abstract

Financial institutions are entities of public interest for which reputation and good image are important considerations. Therefore, reporting of socially responsible actions appears a natural consequence of their public initiatives. As any legal regulations that would make CSR reporting obligatory are absent, not all financial institutions draft such reports, although they are perceived as major sources of information to be used in decision-making processes.

This paper aims to analyse benefits of CSR reporting in light of specialist literature and surveys and to evaluate trends of CSR reporting by financial institutions, with particular reference to standards in place.

Both the literature review and empirical research have helped to verify the following hypotheses:

- *(H1) – communication with stakeholders is the prime reason for compiling CSR reports – this is corroborated by both the review of specialist literature and an empirical survey conducted in 2013 by Ernst&Young and Boston College Center for Corporate Citizenship among members of the Center for Corporate Citizenship and Survey Sampling International (SSI).*
- *(H2) – financial institutions as entities of public interest account for a substantial share of reporting organisations – financial institutions drafting CSR reports submitted to GRI (Global Reporting Initiative) in 2005–2014 have been analysed in this perspective. Numbers and structures of the reports are evaluated with regard to global regions and sizes of financial institutions. To assess importance of a financial institution among reporting entities, numbers of financial institutions compiling CSR reports are analysed in reference to all reporting organisations. Details concerning CSR reports are divided into those drafted in conformity with GRI guidelines and those following other rules and guidelines – this part of the study was designed to examine the extent of standardisation of CSR reports.*

JEL Classification Codes: **M14**, **M41**.

Keywords: corporate social responsibility, reporting, management, financial institutions.

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Introduction

CSR (*Corporate Social Responsibility*) reporting is a major element of communication with stakeholders and meets demand for non-financial reports. Principles of reporting non-financial information are not regulated, however, and the reporting consequently follows a variety of rules and guidelines, which prevents comparability, transparency and evaluation of progress on implementation of CSR ideas. Practice of organisations publishing their CSR actions shows this information is provided via: mass media, financial statements, with random and incomplete CSR information, social reports or integrated reports. Thus, these are highly different practices, due to lack of uniform principles which would regulate CSR reporting globally, continentally or nationally. Enterprises compile CSR reports in accordance with a variety of guidelines, e.g. Global Reporting Initiative (GRI), ISO 26000, Global Compact, Carbon Disclosure Project, etc. The issue of insufficient transparency of non-financial information, caused both by the regulatory gap and by market imperfections, is one of the subjects addressed by research undertaken by the European Commission (Report on Corporate Social Responsibility: promoting society's interest and a route to sustainable and inclusive recovery (2012/2097/INI). Report on Corporate Social Responsibility: accountable, transparent and responsible business behaviour and sustainable growth (2012/2098/INI).

A consequence of that study, as well as a solution to the issue of principles of CSR reporting, is 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 undertakings and groups, applicable to large enterprises of public interest, whose provisions must be introduced by the member states until 6 December 2016 with regard to the business year beginning 1 January 2017 or during the calendar year of 2017.

This paper is aimed at analysing benefits of CSR reporting in the light of specialist literature and surveys and at assessing trends in CSR reporting by financial institutions, in particular concerning the standards in place.

In connection to this objective, the following hypotheses were posited:

1. Communication with stakeholders is the prime reason for compiling CSR reports (H1).
2. Financial institutions as entities of public interest account for a substantial share of reporting undertakings (H2).

To verify hypothesis (H1), specialist literature was reviewed and a survey conducted in 2013 by Ernst&Young and Boston College Center for Corporate Citizenship among members of the Center for Corporate Citizenship and Survey Sampling International (SSI) was employed.

To verify hypothesis (H2), financial institutions drafting CSR reports in 2005–2014 and submitted to GRI (Global Reporting Initiative) have been analysed.

Numbers and structures of the reports are evaluated with regard to global regions and sizes of financial institutions. Principles of classifying organisations according to GRI assumptions are presented in Table 1.

Table 1. Principles of classifying organisations according to GRI assumptions

Size of organisation	Headcount	Revenue	Balance sheet total
SME	Up to 250	Up to € 50 m	Up to € 43m
Large	Above 250	Above € 50m	Above € 43m
MNE	Above 250 (of various nationalities)	Above € 50m	Above € 43m

Source: GRI.

In order to estimate significance of financial institutions among reporting undertakings, numbers of financial institutions compiling CSR reports were compared to all the reporting organisations. Details concerning CSR reports were divided into those drafted in line with GRI guidelines and in line with other principles and guidelines – this part of the study was designed to appraise standardisation of CSR reports.

1. Reasons for compiling CSR reports – review of specialist literature

CSR reporting is part of a strategy of corporate social responsibility that helps to monitor its assumptions, goals and progress on implementation; as such, it appears a key part which provides organisations with a range of benefits as it boosts their credibility, improves relations with the environment and creates an image of an organisation respecting socially responsible actions.

The review of specialist literature shows benefits of CSR reporting can be grouped as follows:

– Meeting of stakeholder needs, a form of communication with stakeholders (Idowu, Towler 2004, Rourke 2004, Idowu, Papasolomon 2007, Birth et al. 2008, Sweeney et al. 2008, Gao 2009, Sutantoputra 2009, Marais 2012).
– Improvement of an enterprise's image and reputation (Porter, Kramer 2007, Sutantoputra 2008, Adams 2008, Vanhamme, Grobben 2009, Muller et al. 2009, Aros, Crowther 2010, Hildebrand et al. 2011).
– Increase of brand value (Brown, Dacin 1997, Rourke 2004, Chomvilailuk, K. Butcher 2010).
– Aid with achievement of goals and realisation of enterprise strategy – an element of strategic management (Jones et al. 2007, Tewari 2011, Pollach 2012, Hinson, Kodua 2012).
– Increase of profitability and minimisation of risk (Rourke 2004, Margolis et. al. 2007, Birth et al. 2008, Plumlee et. al. 2010, Dimson et. al. 2012, Lang et. al.2012).

- Allowing for comparative analysis of CSR (Douglas et.al. 2004, Delbard 2008, Juscius, Sneideriene, Griauslyte 2014).

Specialist literature also offers views that CSR reporting is needless and has no positive impact on image of an undertaking (Jones, Comfort, Hillier 2007, pp. 329–340, Maignam 2001, pp. 57–72, Pelsmacker, Driesen, Rayp 2005, pp. 363–385).

J. Fijałkowska (2015, p. 42) cites certain empirical sources affirming a substantial effect of CSR reports on market behaviour and lists the following benefits of such reporting:

- Acceptance for actions, creation of a positive image and strong reputation of an organisation (Vanhamme, Grobben 2009).
- Improved image of a business in problematic circumstances (Porter, Kramer 2007, Mullerat 2009, Aros, Crowther 2010).
- Strengthening of market standing of a product. brand or an entire business (Brown, Dacin 1997).
- Increase of brand value (KPMG 2008).
- Restoration of trust in an organisation despite occasional slips or failures – the market is quicker to forget and forgive (Ashforth, Gibbs 1990, Suchman 1995).
- Lower risk of losing customer trust in an organisation and its products, even in adverse situations (Coombs, Holladay 1996, Dawar, Pillutla 2000, Dean 2004, Klein, Dawar 2004)

The list of sources cited by J. Fijałkowska, which affirm impact of CSR reports on market behaviour, must be extended with research by:

- M. D. Patten (1990, pp. 575–587) – indicating dependences between socially responsible disclosures and market responses.
- M. Freedmann, A.J. Stagliano (1991, pp. 68–83) – a comparison of investor responses and different scopes of disclosures.
- R. Chomvilailuk, K. Butcher (2010, pp. 397–418) – indicating dependences between CSR and brand value.
- C. Hoffmann, C. Fieseler (2012, pp. 138–155) – indicating effect of non-financial information of enterprise valuation.

It should also be noted some research has pointed to the following dependences between CSR reporting and financial results of reporting organisations:

- D.O. Rourke (2004) – growth of investment value, assistance with risk management.
- J.D. Margolis et al. (2007) – increase of goodwill.
- G. Birth et al. (2008) – higher share prices, lower prices of products.
- M. Plumlee et al. (2010) – improved cash flows and financial liquidity.
- E. Dimson et al. (2012) – higher prices of shares in large enterprises.
- K. Lang et al. (2012) – improved cash flows and financial liquidity.

Thus, benefits of CSR reporting can be divided into the following, inter-related groups:

- Market – related to impact of CSR reporting on market behaviour, primarily expressed as improved image of an organisation and stronger market position of a product, brand or an entire organisation.
- Financial – related to impact of CSR reporting on financial results of a reporting organisation, primarily expressed as higher share prices, increased goodwill and improved cash flows and financial liquidity.
- Impact benefits of CSR reporting have on an organisation:
  - Internal benefits – the reporting helps to streamline a range of processes in an enterprise as problems are diagnosed. It also allows for adequate relations between marketing positioning of a brand and its production, which affects evaluation of products and thereby demand, market share and profits of an enterprise.
  - External benefits – the reporting is part of an enterprise's information policies that helps to build reliability of actions and strengthen relations with stakeholders, manage reputational risk and build competitive advantage.

Classification and types of benefits of CSR reporting are summarised in Table 2.

Table 2. Classification and types of benefits of CSR reporting

Type of benefits	Classification criteria			
	Market	Financial	Internal	External
Transparent communication with stakeholders	+			+
Risk management		+	+	+
Competitive advantage	+	+		+
Higher value of brand, product, whole organisation	+	+		+
Improved image and reputation of enterprise. Management of reputation risk	+			+
Increased profitability		+	+	
Lower risk of losing trust in organisation	+			+
Higher share prices		+		+
Improved cash flows		+	+	
Improved financial liquidity		+	+	
Higher value of investments		+	+	+
Streamlining of processes in organisation			+	
Element of information policies	+			+
Rising demand, market share	+		+	+

Source: the author's own compilation.

Analysis of the literature review demonstrates reasons for CSR reporting and the resultant benefits evolved over the time under examination, therefore, it seems reasonable to summarise them in a chronological order (Table 3).

Table 3. Reasons for CSR reporting in chronological order

Year	Author	Reasons for CSR reporting				
		Communication with stakeholders	Improved image and reputation of enterprise	Increased brand value	Increased profitability and minimised risk	Other
1990	M.D. Patten	+	+			
1990	B.E. Ashforth, B.W. Gibbs	+	+			
1991	M. Freedman, A.J. Stagliano	+	+			
1996	W.T. Coombs, S.J. Holladay		+		+	
1997	T.J. Brown, P.A. Dacin		+	+		
2004	S.O.Idowu, B.A. Towler	+				
2004	O. Rourke	+		+	+	
2004	A.Douglas, J.Doris, J.Brian					+
2006	M.E. Porter, M.R. Kramer	+	+			
2007	J.D. Margolis, J.P. Walsh, H.A. Elfenbein	+	+			+
2007	S.O.Idowu, I.Papasolomon	+				
2007	J.D.Margolis, H.A. Elfenbein, J.P.Walsh				+	
2007	P.Jones, D.Comfort, D.Hillier					+
2007	M.E. Porter, M.R. Kramer		+			
2008	G. Birth, L.Illia, F.Laurati, A. Zanparini	+			+	
2008	O.Delbard					+
2008	L.Sweeney, J. Coughlan	+				
2008	C.Adams		+			
2009	Y.Gao	+				
2009	A.W.Sutantoputra	+	+			
2009	J.Vanhamme, B.Grobben		+			
2009	R. Mullerat		+			
2010	R. Chomvilailuk, K. Butcher			+		
2010	M.Plumlee, D.Brown, R.M.Hayes, R.S.Marshall				+	+
2010	G.Aros, D.Crowther		+			
2011	D.Hildebrand, S.Sen, C.B.Bhattacharrya		+			
2011	R.Tewari					+
2012	M.Marais	+				
2012	E.Dimson, O.Karakas, X.Li				+	
2012	M.Lang, K.V.Lins, M.Maffett				+	
2012	I.Pollach					+
2012	R.E.Hinson, P.Kodua					+
2012	C. Hoffmann, C. Fieseler				+	+
2014	V.Juscius, A.Sneideriene, R.Griauslyte		+			+

Source: the author's own compilation.

The review of literature concerning benefits of CSR reporting shows information requirements of stakeholders were the prime reason for the reporting indicated at the initial development stages of the process of non-financial information disclosure. Improved image and reputation of enterprises, creation of brand value, as well as enhancing profitability and minimisation of risk began to be cited in time. CSR reports became major sources of information for broadly-defined stakeholders, serving purposes of enterprise management and generation of benefits like improvement of financial performance, which is corroborated with research by J.D. Margolis et. al. (2007), pointing to dependences between environmental reporting and goodwill; studies by E. Dimson et. al. (2012) mentioning higher share prices of large enterprises employing CSR; research of M. Plumlee et. al. (2010) indicating improvement of cash flows in enterprises which have implemented CSR; of K. Lang et. al. (2012) underlining relationships between CSR and financial liquidity of enterprises. The need began to be stressed to standardise CSR reports with a view to assuring their comparability.

2. Causes of CSR reporting in the opinion of entrepreneurs

A survey of reasons for CSR reporting has been conducted by EY and Boston College Center for Corporate Citizenship. It involved 579 respondents, including 391 working for organisations compiling CSR reports and 188 employees of organisations not drafting such reports.

Causes of CSR reporting in the opinion of entrepreneurs are shown in Table 4.

Table 4. Reasons for drafting CSR reports (%)

Reasons for drafting CSR reports	By size of enterprise		By type of enterprise		By type of business					
	Annual revenue below $ 5m	Annual revenue above $ 5m	Public	Private	FI	H	I	M	P	U
Transparent communication with stakeholders	79	59	79	60	69	56	73	83	81	89
Risk management	48	33	39	49	41	29	42	40	41	52
Needs of stakeholders	46	25	38	29	22	8	38	45	27	38
Competitive advantage	67	59	57	52	58	46	66	53	59	37
Brand/ reputation	4	–	2	1	5	–	3	1	–	8
Corporate culture	6	7	7	8	12	5	10	6	5	5
Other	11	8	13	5	–	–	–	–	–	–
I don't know	4	6	7	8	–	–	–	–	–	–

FI – Finance and insurance; H – Healthcare and social work; I – Information technology; M – Manufacturing; P – Professional scientific and technical services; U – Mining.

Source: the author's own compilation on the basis of: EY and Boston College Center for Corporate Citizenship (2013).

Analysis of the reasons for CSR reporting demonstrates:

- Transparent communication is the prime reason. indicated by all the undertakings surveyed, evidence that the reporting is a key part of enterprise information policies and is mainly perceived as part of information.
- The undertakings queried see the reporting as a key part of risk management, which contributes to more efficient enterprise operations (internal benefits), to reliability with stakeholders and to competitive advantage (external benefits).
- CSR reporting is not perceived as a marketing tool that would contribute to brand building (4% of large enterprises and 5% of finance and insurance undertakings). It should be expected this consideration will gain more appreciation in time.
- Some entities are not convinced CSR reporting is reasonable (4% of large and 6% of smaller undertakings, 7% public and 8% private entities). This shows that lack of compulsory reporting undermines its sense; besides, the undertakings surveyed use other forms of communication with their stakeholders and regard them as sufficient.

It is also interesting to analyse reasons for which CSR reports are not drafted by 30% of the entities (Table 5).

Table 5. Reasons for not drafting CSR reports (%)

Reasons for not drafting CSR reports	Public	Private
Nobody needs such information	26	45
Impossibility of preparing CSR reports	51	18
CSR reports are compiled, but not published	19	29
This information is proprietary	6	18

Source: the author's own compilation on the basis of: EY and Boston College Center for Corporate Citizenship (2013).

The examination shows 51% of public and 18% of private undertakings that do not report point to lack of sources to base such reporting on – clear evidence of the need for a clear definition of principles for their compilation, or reporting standards. 45% of private and 26% of public entities that fail to report indicate lack of stakeholders' interest as the cause – proof they do not understand the idea of CSR and significance of the associated information policies. These enterprises are not aware of the potential benefits to be derived from CSR reporting.

Generally speaking, introduction of obligatory CSR reporting and definition of its standards would foster the idea of CSR and improve information policies of enterprises to make them comparable and comprehensible.

3. CSR reporting by financial institutions in 2005–2014

This part of the study is intended to verify the hypothesis (H2), stating financial institutions as entities of public interest account for a substantial share of reporting undertakings. To this end, numbers and structures are analysed of financial institutions compiling CSR reports submitted to GRI (Global Reporting Initiative) in 2005–2014 and divided into reports drafted in conformity with GRI guidelines and those following other standards.

The following were studied in particular:

- Numbers and structures of CSR reports by financial institutions per size (Tables 6 and 7).
- Numbers and structures of CSR reports by financial institutions per global regions (Tables 8 and 9).
- Share of financial institutions in CSR reporting globally (Table 10).
- Share of financial institutions in CSR reporting in Poland (Table 11).

This research demonstrates:

- Large undertakings, i.e. those employing more than 250, with revenue above € 50m and balance sheet totals above € 43m as classified by GRI, constitute the largest group among financial institutions submitting CSR reports. Their share tended to decline in the period examined, particularly among financial institutions reporting as per GRI standards (in 2005 – 77.8%, including 74.6% as per GRI; in 2014 – 73%, including 14.35% as per GRI) – Table 6 and 7.
- A growth trend is notable among MNE, that is, employing more than 250 (of various nationalities) with revenue above € 50m and balance sheet totals above € 43m as classified by GRI (in 2005 – 17.76%, including 17.76% as per GRI; in 2014 – 22.28%, including 14.82% as per GRI) – Table 6 and 7.
- Small and medium-sized financial institutions, namely, employing fewer than 250, with revenue below € 50m and balance sheet totals below € 43m as classified by GRI, account for approximately 6% of all reporting financial institutions in the entire period of the study (in 2005 – 4.77%, including 4.77% as per GRI; in 2014 – 6.71%, including 5.77% as per GRI) – Table 6 and 7.
- Analysis of reporting principles indicates a shrinking proportion of reports drafted as per GRI standards (in 2005 – 96.83%, in 2014 – 79.25%), combined with growing importance of other reporting guidelines and standards – Table 7.
- European financial institutions most frequently compile CSR reports, though a clear declining trend can be noted (in 2005 – 66.67%, including 66.67% as per GRI; in 2014 – 37.17%, including 30.42% as per GRI) – Table 8 and 9.
- Numbers of Asian financial institutions reporting on CSR have been growing distinctly (in 2005 – 1.59%, including 1.59% as per GRI; in 2014 – 25.43%, including 20.59% as per GRI), and so have numbers of institutions from Latin America (in 2005 – 4.76%, including 4.76% as per GRI; in 2014 – 15.91%, including 14.82% as per GRI) – Table 8 and 9.

Table 6. Numbers of CSR reports by financial institutions in 2005–2014 per size.

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Large – as per GRI standards	376	346	287	265	219	149	127	95	71	47
Large – as per other standards	92	86	76	68	22	18	8	6	3	2
MNE – as per GRI standards	95	91	72	62	46	43	33	21	15	11
MNE – as per other standards	35	32	22	24	4	4	3	2	0	0
SME – as per GRI standards	37	35	29	23	18	11	10	5	4	3
SME – as per other standards	6	9	4	9	2	1	0	1	0	0
All financial institutions – as per GRI standards	508	472	388	350	283	203	170	121	90	61
All financial institutions – as per other standards	133	127	102	101	28	23	11	9	3	2

Source: the author's own compilation on the basis of GRI data.

Table 7. Structure of CSR reports by financial institutions in 2005–2014 per size (%)

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Large – as per GRI standards	58.66	57.76	58.57	58.76	70.42	65.92	70.20	73.08	76.34	74.60
Large – as per other standards	14.35	14.36	15.51	15.08	7.07	7.96	4.42	4.62	3.23	3.17
MNE – as per GRI standards	14.82	15.19	14.69	13.75	14.79	19.04	18.23	16.15	16.13	17.76
MNE – as per other standards	5.46	5.35	4.49	5.32	1.29	1.77	1.66	1.54	0.00	0.00
SME – as per GRI standards	5.77	5.84	5.92	5.10	5.79	4.87	5.52	3.85	4.30	4.77
SME – as per other standards	0.94	1.50	0.82	2.00	0.64	0.44	0.00	0.76	0.00	0.00
All financial institutions – as per GRI standards	79.25	78.80	79.18	77.60	91.00	89.82	93.92	93.08	96.77	96.83
All financial institutions – as per other standards	20.75	21.20	20.82	22.40	9.00	10.18	6.08	6.92	3.23	3.17

Source: the author's own compilation on the basis of GRI data.

Table 8. Numbers of CSR reports by financial institutions in 2005–2014 by global regions

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Africa – as per GRI standards	28	25	26	26	12	13	12	6	7	6
Africa – as per other standards	28	29	26	39	3	1	0	0	0	0
Asia – as per GRI standards	132	120	79	71	52	35	19	13	5	1
Asia – as per other standards	31	26	26	19	7	7	4	2	0	0
Europe – as per GRI standards	195	183	164	159	136	104	96	74	54	42
Europe – as per other standards	42	31	20	20	12	11	4	3	1	0
Latin America – as per GRI standards	95	91	72	51	48	23	16	10	6	3
Latin America – as per other standards	7	8	11	8	2	2	1	2	1	0

Table 8. Continued.

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
North America – as per GRI standards	42	38	36	31	24	18	19	10	9	4
North America – as per other standards	20	26	15	13	2	2	2	2	1	1
Oceania – as per GRI standards	16	15	11	12	11	10	8	8	9	6
Oceania – as per other standards	5	7	4	2	2	0	0	0	0	0
All financial institutions – as per GRI standards	508	472	388	350	283	203	170	121	90	61
All financial institutions – as per other standards	133	127	102	101	28	23	11	9	3	2

Source: the author's own compilation on the basis of GRI data.

Table 9. Structure of CSR reports by financial institutions in 2005–2014 by global regions (%)

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Africa – as per GRI standards	4.37	4.17	5.31	5.76	3.86	5.75	6.63	4.62	7.53	9.52
Africa – as per other standards	4.37	4.84	5.31	8.65	0.96	0.44	0.00	0.00	0.00	0.00
Asia – as per GRI standards	20.59	20.03	16.12	15.74	16.73	15.49	10.50	10.00	5.38	1.59
Asia – as per other standards	4.84	4.35	5.31	4.22	2.25	3.10	2.21	1.54	0.00	0.00
Europe – as per GRI standards	30.42	30.55	33.47	35.25	43.73	46.02	53.04	56.92	58.06	66.67
Europe – as per other standards	6.55	5.18	4.08	4.43	3.86	4.87	2.21	2.31	1.08	0.00
Latin America – as per GRI standards	14.82	15.19	14.70	11.31	15.43	10.18	8.84	7.69	6.45	4.76
Latin America – as per other standards	1.09	1.33	2.24	1.77	0.64	0.88	0.55	1.54	1.08	0.00
North America – as per GRI standards	6.55	6.34	7.34	6.87	7.72	7.96	10.50	7.69	9.67	6.35
North America – as per other standards	3.12	4.35	3.06	2.88	0.64	0.88	1.10	1.54	1.08	1.59
Oceania – as per GRI standards	2.50	2.50	2.24	2.67	3.54	4.43	4.42	6.15	9.67	9.52
Oceania – as per other standards	0.78	1.18	0.82	0.45	0.64	0.00	0.00	0.00	0.00	0.00
All financial institutions – as per GRI standards	79.25	78.80	79.18	77.60	91.00	89.82	93.92	93.08	96.77	96.83
All financial institutions – as per other standards	20.75	21.20	20.82	22.40	9.00	10.18	6.08	6.92	3.23	3.17

Source: the author's own compilation on the basis of GRI data.

Shares of financial institutions in the overall numbers of reporting undertakings globally ranged around 25% in the entire period analysed, with the exception of 2009, where it reached 29.19%, which could be explicated by the financial crisis and the urge for financial institutions to show they are socially responsible. This means financial institutions are a significant group among entities compiling CSR reports – Table 10.

The share of financial institutions in the overall numbers of reporting undertakings in Poland fluctuated in the time examined (e.g. 16.67% in 2014, 2012 – 6.67%, 2009 – 20%), due to the fact that few CSR reports are drafted in Poland (in 2005 – 0%, 2014 – 1.19% of all CSR reports globally), as well as low commitment of financial institutions to the process of CSR reporting (in 2014, merely 5 financial institutions filed their CSR reports with GRI). This means financial institutions are a major group among reporting undertakings in Poland and their numbers are bound to rise in future. The current situation is certainly an initial stage in development of CSR reporting in Poland, as evidenced by both the total numbers of CSR reports drafted and the share of financial institutions in the reporting generally – Table 11.

Notably, all CSR reports compiled by financial institutions in Poland have followed GRI guidelines.

Table 10. Share of financial institutions in CSR reporting globally in 2005–2014

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Numbers of CSR reports globally – as per GRI standards	3917	3761	3333	2886	2194	1687	1270	808	576	389
Numbers of CSR reports globally – as per other standards	1201	1005	945	777	239	134	107	89	55	23
Share of financial institutions – as per GRI standards (%)	12.97	12.55	11.64	12.13	12.90	12.03	13.39	14.98	15.63	15.68
Share of financial institutions – as per other standards (%)	11.07	12.64	10.79	13.00	11.72	17.16	10.28	10.11	5.45	8.70

Source: the author's own compilation on the basis of GRI data.

Table 11. Share of financial institutions in CSR reporting in Poland in 2005–2014

Specification	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Numbers of CSR reports in Poland – as per GRI standards	30	26	15	14	11	5	0	2	1	0
Numbers of CSR reports in Poland – as per other standards	5	2	0	0	1	0	0	0	0	0
Share of Poland in global CSR reporting – as per GRI standards (%)	0.77	0.69	0.45	0.49	0.50	0.30	0.00	0.25	0.17	0.00
Share of Poland in global CSR reporting – as per other standards (%)	0.42	0.20	0.00	0.00	0.42	0.00	0.00	0.00	0.00	0.00
Numbers of CSR reports by financial institutions in Poland – as per GRI standards	5	5	1	0	1	1	0	0	0	0
Numbers of CSR reports by financial institutions in Poland – as per other standards	0	0	0	0	0	0	0	0	0	0
Share of financial institutions in CSR reporting in Poland – as per GRI standards (%)	16.67	19.23	6.67	0.00	9.09	20.00	0.00	0.00	0.00	0.00
Share of financial institutions in CSR reporting in Poland – as per other standards (%)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Source: the author's own compilation on the basis of GRI data.

Conclusion

The review of literature and the empirical study of motivations for CSR reporting and trends in reporting of non-financial information have helped to verify the hypotheses:

1. Communication with stakeholders is the prime reason for compiling CSR reports (H1). This is implied by the review of specialist literature, with a majority of authors believing this is the main reason for drafting CSR reports. Those indicating other causes point out this is the prime reason which occurs in combination with other causes.This is reaffirmed by the survey of enterprises compiling CSR reports – this motivation is most commonly indicated by all groups of undertakings queried.
2. Financial institutions as entities of public interest account for a substantial share of reporting organisations (H2).The research shows the share of financial institutions in CSR reporting globally ranged about 25% in 2014. In Poland, financial institutions preparing CSR reports accounted for 16.67% of all the reporting entities in 2014. They can be regarded, therefore, as a major group of CSR reporting undertakings. This should be expected to improve in future as, in accordance with the Directive 2014/95/EU, financial institutions as entities of public interest will be obliged to include non-financial information in their operation disclosures, including information necessary to understand development, performance and position of an undertaking, as well as impact of its operations, concerning environmental, social, respect for human rights, countering bribery and corruption issues as a minimum.

Continuing research should verify principles of reporting by financial institutions, with particular reference to the standards in use, which would help to develop standards specific to the financial sector and thus contribute to improved transparency and comparability of the reports.

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