

## W KIERUNKU UMIEDZYNARODOWIENIA / TOWARDS INTERNATIONALIZATION

### Employee-related disclosures in non-financial reports. Evidence from Poland

#### Ujawnienia dotyczące pracowników w raportach niefinansowych. Przykład z Polski

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#### Abstract

**Purpose:** The article assesses the scope of employee-related disclosures in sustainability reports in Poland between 2017 and 2020.

**Methodology/approach:** The research study covered 80 non-financial reports of the companies included in the WIG20 index. The employee-related disclosures were divided into four categories, and 24 non-financial metrics were analysed. The first stage of the research involved a quantitative analysis of selected non-financial metrics. The second analysed the rate of changes in disclosing employee-related information.

**Findings:** From 2017 to 2020, the scope of employee-related disclosures in non-financial reports in Poland increased. Therefore, the transposition of Directive 2014/95/EU to the Polish legal system has had a positive effect on employee-related disclosures in non-financial reports, even though the observed change is evolutionary rather than revolutionary.

**Research limitations/implications:** The sample comprised only 20 companies and selected non-financial metrics; therefore, the results cannot be generalised.

**Originality/value:** The study fits into the current trend of research conducted in the area of sustainability reporting. Using statistical indexes, the development of employee-related disclosures in non-financial reports in Poland after 2017 is assessed.


**Keywords:** non-financial reports, employee-related disclosures, GRI Standards, Corporate Social Responsibility (CSR), companies from WIG20.

#### Streszczenie

**Cel:** Głównym celem artykułu jest ocena zakresu ujawnień pracowniczych w raportach zrównoważonego rozwoju w Polsce w latach 2017–2020.

**Metodyka/podejście:** Badaniem objęto 80 raportów niefinansowych spółek wchodzących w skład indeksu WIG20. Ujawnienia pracownicze zostały podzielone na cztery kategorie,

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do których przyporządkowano łącznie 24 mierniki niefinansowe. Pierwszy etap badań polegał na przeprowadzeniu analizy ilościowej przyjętych do badania mierników. Drugi zaś miał na celu analizę dynamiki zmian w ujawnianiu informacji w obszarze pracowniczym.

**Wyniki:** Przeprowadzone badanie empiryczne wskazuje, że od 2017 do 2020 roku zakres ujawnień pracowniczych w raportach niefinansowych w Polsce zwiększył się. Należy zatem uznać, że transpozycja dyrektywy 2014/95/EU do polskiego porządku prawnego wpłynęła pozytywnie na zakres prezentowanych w raportach niefinansowych ujawnień pracowniczych, choć zaobserwowana zmiana ma charakter ewolucyjny a nie rewolucyjny

**Ograniczenia/implikacje:** Próba badawcza składała się z 20 spółek i wybranych mierników niefinansowych, dlatego uzyskanych wyników nie można uogólniać na całą populację.

**Oryginalność/wartość:** Artykuł wpisuje się w aktualny trend badań prowadzonych w obszarze raportowania zrównoważonego rozwoju. Przy wykorzystaniu indeksów statystycznych oceniono dynamikę rozwoju ujawnień pracowniczych w raportach niefinansowych w Polsce po 2017 roku.

**Słowa kluczowe:** raporty niefinansowe, ujawnienia pracownicze, Standardy GRI, społeczna odpowiedzialność przedsiębiorstwa, spółki z WIG20.

## Introduction

Reporting employees' non-financial information has become one of the global challenges of a modern enterprise (Di Vaio et al., 2020). Employment diversity, relations with employees, and occupational health and safety are only some of the major disclosure areas. Reporting this information makes it possible to educate employees, increase work efficiency and loyalty-building, or create employer branding (Rubik, Szydelko, 2016).

Along with the development of the legal framework regarding non-financial reporting and the growing experience of the reporting companies, the scope of disclosed information should be increasing. This is confirmed by, among others, Onoja et al. (2021), Lippai-Makra et al. (2022) and Mazzotta et al. (2020). However, in the literature on the subject, there are numerous publications refuting this assumption. The authors claim they did not notice any improvement in non-financial reporting following the transposition of Directive 2014/95/EU (e.g. Costa, Agostini, 2016; Kent, Zunker, 2017; Aureli et al., 2020; García-Benau et al., 2022). These two contradicting views motivated the author of this paper to investigate the scope of non-financial disclosures in Poland.

There are many valuable studies on non-financial disclosures in Poland (e.g., Szadzińska et al., 2018; Krasodomska, Zarzycka, 2020; Krasodomska et al., 2020). While the environment and governmental disclosures are widely described both in the literature and in professional studies, social disclosures, especially employee-related ones, are still relatively new to scientific research in Poland.

From the perspective of stakeholders and society, companies are responsible for the disclosures they publish in their sustainability report, but also for those it does not. The object of this study is the non-financial reports in Poland and the scope of employee-related disclosures found there. In terms of time, the dividing line for this study is 2016 – when Directive 2014/95/EU<sup>1</sup> was transposed to the

<sup>1</sup> Directive 2014/95/EU is also called the Non-Financial Reporting Directive (NFRD).

Polish legal system. As a result, major public interest entities are now required to disclose comprehensive non-financial information. As a result of the Accounting Act amendment, the first non-financial reports were made for the year 2017. Many companies found this to be a considerable organisational and financial challenge. What is the situation like today? Since 2017, has the scope of employee-related disclosures in non-financial reports increased, decreased, or remained stable? Has the implementation of the NFRD affected the scope of the disclosures? This article attempts to answer these research questions.

The aim of this article is to assess the scope of employee-related disclosures in sustainability reports in Poland between 2017 and 2020. The research study covered the non-financial reports of companies included in the WIG20 index as of 31 December of each examined year. A total of 80 non-financial reports were analysed. In addition to an in-depth analysis of secondary data in the form of non-financial reports, the following research methods were applied: a literature review, descriptive statistics, and induction and synthesis.

The study fits into the current trend of research in the area of sustainability reporting. Using statistical indexes, the dynamics of the development of employee-related disclosures in non-financial reports in Poland after 2017 were assessed. The results confirmed that the transposition of the Directive 2014/95/EU into the Polish legal system had a positive impact on the scope of the disclosures presented. The results may interest both academic circles and the examined entities.

This article consists of four parts. The first part is a review of the domestic and international literature on the subject of non-financial reporting regarding employee issues. The second part discusses the empirical research methodology, while the third part presents the research results and analyses the scope of changes in employee-related disclosures. The article ends with conclusions.

## 1. The literature review

The concept of employee-related disclosure reporting as a part of social issues first appeared at the end of the 1980s, and since then, it has been the subject of numerous scientific studies (e.g., Belkaoui, Karpik, 1989; Patten, 1991; Hackston, Milne, 1996; Mathews, 1997). Subsequent years brought many valuable studies in which the authors focused primarily on the nature and context of reporting employee issues, its determinants, and the scientific theories applied.

Accounting studies that relate sustainability reporting to the positive approach apply to research mainly within systemically oriented theories, including legitimacy theory, stakeholder theory, signal theory, institutional theory, and decision usefulness theory (Zyznarska-Dworczak, 2018). A complex overview of the current state of employee-related disclosures is presented by Monteiro et al. (2021). Using a bibliometric review, they focused on employee-related disclosures published from 2000 to 2019 in journals indexed on the Web of Science. The thematic scope of the examined publications made it possible to identify the three main research currents: (1) the extent, quality, and drivers of human

resource disclosures, (2) occupational health and safety disclosures, human rights disclosures, and employee-related disclosures as a legitimisation tool, and (3) diversity reporting.

In the first group of publications, the researchers analysed the quantity and/or quality of human resource disclosures in non-financial reports and identified the internal and external factors that determine the level of employee-related disclosures, mainly from the stakeholder perspective (e.g., Tejedó-Romero, de Araujo, 2016; Alvarez, 2015). The associations between the level of disclosure and, e.g., company size, ownership structure, and corporate strategy, were presented by Rahman et al. (2017) and Oliveira et al. (2006). The papers falling within the second group analysed information on occupational safety and health issues (e.g. policies aimed at achieving a good and safe working environment, employee well-being, accidents, and injury rates), as well as human rights (e.g., employment conditions and social protection) in the context of legitimacy (e.g., Kent, Zunker, 2013; Li et al., 2018) and signal theories (Mathuva, 2015). The third group of publications related to diversity and equal opportunities in the employee area (e.g., the employment of women, minorities, and the gender pay gap). The studies largely investigated gender reporting practices (e.g., Furlotti et al., 2019; Hossain et al., 2016). Summing up all the studies analysed by Monteiro et al. (2021), in each of the three thematic groups, they found that the overall level of employee-related disclosure was low, with an increasing or irregular trend over time.

For this article, the theory of stakeholders and legitimations are especially helpful for justifying the sustainability of non-financial reporting development (Zyznarska-Dworczak, 2018). On the one hand, by disclosing non-financial information about employees, enterprises strengthen their relationships with stakeholders. On the other hand, these disclosures can be treated as a legitimisation tool. In this context, it is very useful to look at the literature review and empirical studies results from the perspective of the experiences of different countries.

Interesting empirical research on reporting employee-related disclosures in India was carried out by Kansal and Joshi (2015). They investigated the extent of corporate disclosures on human resources in the annual reports of 82 listed Indian companies. Overall, the study demonstrated a low level of employee-related disclosures. Most Indian firms ignored important disclosures such as employee welfare funds, maternity/paternity leave, and holiday benefits. Similar research was carried out in African and Caribbean companies by Bowrin (2018), but the employee-related disclosures were measured using an unweighted 174-item disclosure index. The level of disclosures in the Caribbean and South Africa was relatively low and depended on organisational culture, company size, industry affiliation, national governance environment, and foreign influence.

In Europe, research on employee-related disclosures is very popular. For example, Lekhchine and Meziani (2018) investigated the effect of company characteristics on human resources disclosures in the annual financial reports of French companies. They examined ten companies between 2003 and 2017. Their findings show that company size, age and profitability significantly affect employee-related disclosures. Similar conclusions were drawn by Lippai-Makra et al. (2019), who investigated employee-related disclosures of the largest Czech and

Hungarian listed companies. Other studies were carried out in the United Kingdom. McCracken et al. (2018) analysed the annual reports of the Financial Times Stock Exchange 100 companies. Their findings demonstrated that most of the companies increased employee-related disclosures; however, that tendency was not universal.

In the case of Polish listed companies, there is not much empirical research in the area of employee-related disclosure. Very interesting research results were presented by Bryl and Truskolaski (2017), who compared employee-related disclosure practices in Poland and Germany. The sample consisted of WIG30 and DAX entities. Because of the different levels of economic development, the Polish companies fared worse than the German ones in terms of all the analysed items. Another comparison was made by Dumitru et al. (2017). They investigated the quality of non-financial disclosures in Poland and Romania. They demonstrated that the overall disclosure score was higher for Romania, which supported the importance of regulations to strengthen the spread and quality of Directive 2014/95/EU. A very original approach to assessing the comparability of social claims, including employee-related disclosures, was presented by Czaja-Cieszyńska et al. (2021). To assess the comparability of social disclosure, they developed their own index. However, none of these publications shows how the scope of reporting employee-related disclosures changed in Poland after the transposition of the NFRD. This article fills this research gap.

## 2. Methods

The study covered the non-financial reports of Polish listed companies in the WIG20 index between 2017 and 2020. The sample selection was deliberate and resulted from the desire to research the 20 largest (in terms of market capitalisation) listed companies in Poland. The list of entities is presented in Table 1. In each of the four analysed years, the list of companies is slightly different, as it reflects the WIG20 index that was current as of 31 December each year. The empirical study analysed the content of secondary data of the surveyed companies taken from their websites. A total of 80 non-financial reports were analysed, of which 76 had been developed using the GRI Standards.

**Table 1.** List of WIG20 companies, as of the end of December of each year

No.	Company name	Company ticker	Sector	2017	2018	2019	2020
1.	POLSKI KONCERN NAFTOWY ORLEN	PKN	Fuels	x	x	x	x
2.	POWSZECHNA KASA OSZCZĘDNOŚCI BANK POLSKI	PKO	Banks	x	x	x	x
3.	BANK POLSKA KASA OPIEKI	PEO	Banks	x	x	x	x

cont. tab. 1

No.	Company name	Company ticker	Sector	2017	2018	2019	2020
4.	POWSZECHNY ZAKŁAD UBEZPIECZEŃ	PZU	Insurance	x	x	x	x
5.	KGHM POLSKA MIEDŹ	KGH	Mining	x	x	x	x
6.	SANTANDER BANK POLSKA	SPL	Banks	x	x	x	x
7.	PGE POLSKA GRUPA ENERGETYCZNA	PGE	Energy	x	x	x	x
8.	POLSKIE GÓRNICtwo NAFTOWE I GAZOWNICTWO	PGN	Fuels	x	x	x	x
9.	LPP	LPP	Clothing	x	x	x	x
10.	CYFROWY POLSAT	CPS	Telecommunications	x	x	x	x
11.	CCC	CCC	Clothing	x	x	x	x
12.	mBANK	MBK	Banks	x	x	x	
13.	ALIOR BANK	ALR	Banks	x	x	x	x
14.	ORANGE POLSKA	OPL	Telecommunications	x	x	x	x
15.	GRUPA LOTOS	LTS	Fuels	x	x	x	x
16.	TAURON POLSKA ENERGIA	TPE	Energy	x	x	x	x
17.	JASTRZEBSKA SPÓLKA WĘGLOWA	JSW	Mining	x	x	x	x
18.	EURO CASH	EUR	Groceries	x	x		
19.	ASSECO POLAND	ACP	IT	x			
20.	ENERGA	ENG	Energy	x	x		
21.	CD PROJEKT	CDR	Gaming		x	x	x
22.	PLAY COMMUNICATIONS	PLY	Telecommunications			x	x
23.	DINO POLSKA	DNP	Groceries			x	x
24.	ALLEGRO.EU	ALE	e-trade				x
Total:				20	20	20	20

Source: own elaboration based on the non-financial reports of individual companies available on their websites.

The GRI Standards are currently the most popular system for non-financial reporting in the world and comprise nearly 700 pages. For this article, the standard of key importance is GRI 400, i.e. social disclosures (Table 2).

**Table 2.** GRI Standards 2021 – the document structure

Structure		Breakdown	Description
Part I	GRI Universal Standards	GRI 1: Foundation	Requirements and principles for using the GRI Standards
		GRI 2: General Disclosures	Disclosures about the reporting organisation
		GRI 3: Material Topics	Disclosures and guidance about the organisation's material topics
Part II	GRI Sector Standards	GRI 11, GRI 12, GRI 13, ...	Provide information for organisations about their likely material topics.
Part III	GRI Topic Standards	GRI 200: Economic Standards	Disclosures that the organisation uses to report information about its impacts in relation to particular topics.
		GRI 300: Environmental Standards	
		GRI 400: Social standards	
Number of pages:			691

Source: own elaboration based on GRI Standards – Consolidated Set of GRI Sustainability Reporting Standards, GSSB (2021).

The disclosures in GRI 400 are divided into 19 categories, from GRI 401 to GRI 419, and each category contains several to more than a dozen non-financial metrics. In total, there are over 70. As the research pertains to employee-related disclosures only, the other categories are not considered in this study. The list of the individual categories divided into typical employee-related (GRI 401-GRI 409) and other (GRI 410-GRI 419) disclosures is presented in Table 3.

**Table 3.** GRI 400: Social standards – division of typical employee-related and other disclosures

GRI 400: Social standards	
I. Typical employee-related disclosures	II. Other disclosures
GRI 401: Employment	GRI 410: Security practices
GRI 402: Labour/Management relations	GRI 411: Rights of indigenous peoples
GRI 403: Occupational health and safety	GRI 412: Human rights assessment
GRI 404: Training and education	GRI 413: Local communities,
GRI 405: Diversity and equal opportunity	GRI 414: Supplier social assessment
GRI 406: Non-discrimination	GRI 415: Public policy
GRI 407: Freedom of association and collective bargaining	GRI 416: Customer health and safety
GRI 408: Child labour	GRI 417: Marketing and labelling
GRI 409: Forced or compulsory labour	GRI 418: Customer privacy
	GRI 419: Socioeconomic compliance

Source: own elaboration based on GRI Standards – Consolidated Set of GRI Sustainability Reporting Standards, GSSB (2021).

Within the typical employee-related disclosures (GRI 401-GRI 409), some categories, like forced or compulsory labour, child labour, and respect for the rights of indigenous peoples, are irrelevant to the Polish economic practice; therefore, they were deliberately omitted. Finally, the employee-related disclosures were divided into four categories: (I) Employment, (II) Occupational Health & Safety, (III) Training and Education, and (IV) Diversity and Equal Opportunity. Each category was assigned up to seven of the most popular non-financial metrics that characterise employee-related disclosures (Table 4), totalling 24.

**Table 4.** List of employee-related non-financial metrics adopted for the assessment

Category	Index	Non-financial metrics
I. Employment	401-1-1	Total number of new employee hires, by age group and gender
	401-1-2	Total number and rate of employee turnover, by age group and gender
	401-2-1	Benefits which are standard for full-time employees of the organisation.
	401-3-2	Total number of employees that took parental leave, by gender
	401-3-3	Total number of employees that returned to work after parental leave ended, by gender
	401-3-4	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.
	401-3-5	Return to work and retention rates of employees that took parental leave, by gender.
II. Occupational health and safety	403-1-1	A statement of whether an occupational health and safety management system has been implemented, and based on which standards/guidelines.
	403-4-1	A description of the processes for worker participation in the development, implementation, and evaluation of the OHS management system, and providing information to workers in that respect.
	403-4-2	A description of responsibilities of any joint management-worker health and safety committees, meeting frequency, decision-making authority.
	403-5-1	A description of any OHS training provided to workers, including generic training as well as training on specific work-related hazards.
	403-6-2	A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks.



Category	Index	Non-financial metrics
	403-9-1	For all employees: the number and rate of fatalities as a result of work-related injury; the number and rate of high-consequence work-related injuries.
	403-10-3	For all employees: the main types of work-related ill health.
III. Training and Education	404-1-1 2	Average hours of training that the organisation's employees have undertaken, by gender.
	404-1-2 2	Average hours of training that the organisation's employees have undertaken, by employee category.
	404-2-1	Type and scope of programs implemented and assistance provided to upgrade employee skills.
	404-3	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.
IV. Diversity and Equal Opportunities	405-1-1-1	Percentage of individuals within the organisation's governance bodies, by gender.
	405-1-1-2	Percentage of individuals within the organisation's governance bodies, by age group: under 30 years old, 30–50 years old, over 50 years old.
	405-1-2-1	Percentage of employees by gender.
	405-1-2-2	Percentage of employees by age group: under 30 years old, 30-50 years old, over 50 years old.
	405-2-1	Ratio of the basic salary and remuneration of women to men for each employee category.

Source: own elaboration.

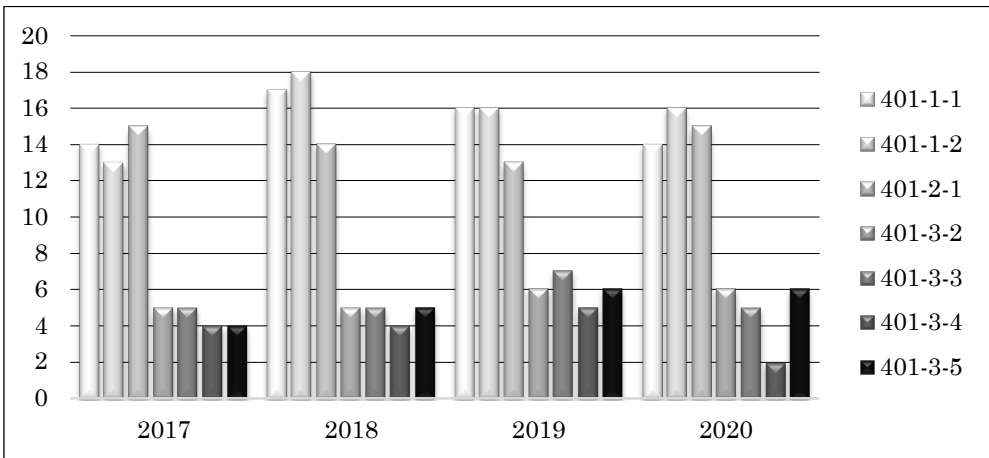
The study was divided into two stages. The first stage involved the quantitative analysis of the non-financial metrics divided into the above specified four categories of disclosures between 2017 and 2020. The findings are presented in Graphs 1–4. The second stage was to answer the question following: “Since 2017, has the scope of employee-related disclosures in non-financial reports increased, decreased, or remained stable?” To that end, the individual fixed-base growth rates were calculated. The base year was 2017, when the first mandatory non-financial reports were published. The results of the second stage of the research study are presented in Tables 5–8.

### 3. Results

The first stage of the research study involved running the quantitative analysis of the employee-related disclosures published in the non-financial reports of the Polish listed companies included in the WIG20 index between 2017 and 2020. The first examined category of employee-related disclosures was: Employment. Within

this group, seven basic quantitative metrics were analysed. Between 2017 and 2020, the most often disclosed information included: Total number of new employee hires, by age group and gender (401-1-1), Total number and rate of employee turnover, by age group and gender (401-1-2), and Benefits which are standard for full-time employees of the organisation (401-2-1). These disclosures were reported by, on average, 15 companies. Most companies (18) published the 401-1-2 metric in 2018. The other information in this category of disclosures pertains to parental leave. The metrics from the 401-3 group were reported by, on average, five companies. Detailed results are presented in Figure 1.

**Figure 1.** Employee-related disclosures in Category I: Employment in non-financial reports, 2017–2020



Key:

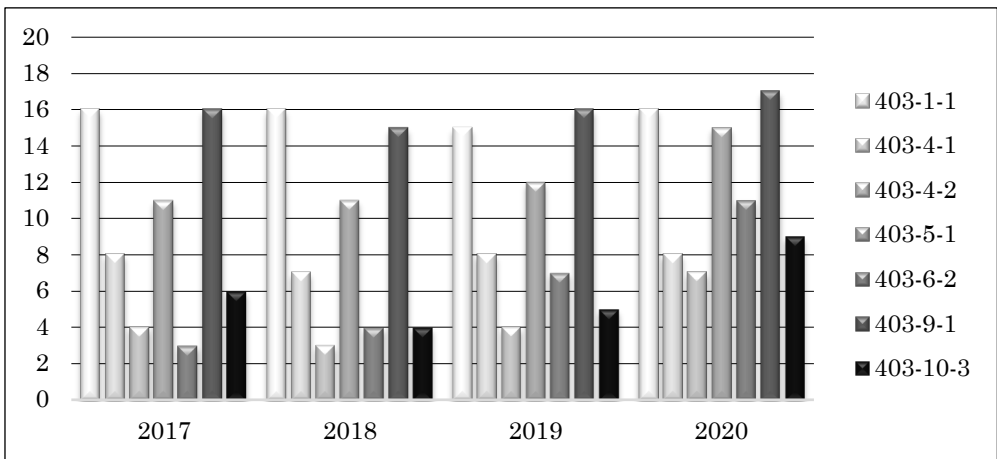
- 401-1-1 Total number of new employee hires, by age group and gender.
- 401-1-2 Total number and rate of employee turnover, by age group and gender.
- 401-2-1 Benefits which are standard for full-time employees of the organisation.
- 401-3-2 Total number of employees that took parental leave, by gender.
- 401-3-3 Total number of employees that returned to work after parental leave ended, by gender.
- 401-3-4 Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender.
- 401-3-5 Return to work and retention rates of employees that took parental leave, by gender.

Source: own elaboration.

In Category II: Occupational Health and Safety, more than half of the companies published a statement on whether an occupational health and safety management system has been implemented, presented a list of occupational health and safety training provided to workers, and disclosed the number and rate of fatalities as a result of a work-related injury, as well as the number and

rate of high-consequence work-related injuries. The disclosures described in 403-4-2 (duties of management–worker health and safety committees) and 403-5-1 (description of any occupational health and safety training provided to workers) are reported increasingly often. In 2017, they were reported by 4 and 11 companies, respectively. In 2020, the numbers were 7 and 15, respectively. In 2017, a description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks was disclosed by a mere three companies. However, in 2020, it was reported by 11. Detailed results are presented in Figure 2.

**Figure 2.** Employee-related disclosures in Category II: Occupational health and safety in non-financial reports, 2017–2020



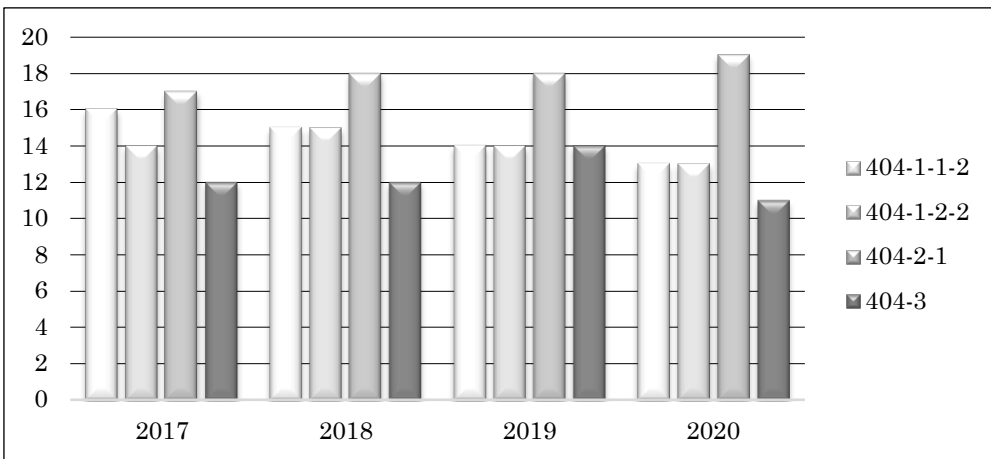
**Key:**

- 403-1-1 A statement of whether an occupational health and safety management system has been implemented, and based on which standards/guidelines.
- 403-4-1 A description of the processes for worker participation in the development, implementation, and evaluation of the OHS management system, and providing information to workers in that respect.
- 403-4-2 A description of responsibilities of any joint management–worker health and safety committees, meeting frequency, decision-making authority.
- 403-5-1 A description of any OHS training provided to workers, including generic training as well as training on specific work-related hazards.
- 403-6-2 A description of any voluntary health promotion services and programs offered to workers to address major non-work-related health risks.
- 403-9-1 For all employees: the number and rate of fatalities as a result of work-related injury; the number and rate of high-consequence work-related injuries.
- 403-10-3 For all employees: the main types of work-related ill health.

Source: own elaboration.

The third category of disclosures comprises Training and Education. Four metrics were assigned to this group, all of which enjoyed great popularity among the surveyed companies. More than half of all the reports for the analysed period contained a full set of disclosures in this category. The most often reported metric was 404-2-1: Type and scope of training programs implemented. In 2017, it was reported by 17 companies, and 19 in 2020. A slight downward trend was shown by metric 404-1-1-2: Average hours of training that the organisation's employees have undertaken, by gender. In 2017, this metric was reported by 16 companies, and in 2020, by only 13. Detailed results are presented in Figure 3.

**Figure 3.** Employee-related disclosures in Category III: Employee Training and Education in non-financial reports, 2017–2020



Key:

404-1-1-2 Average hours of training that the organisation's employees have undertaken, by gender.

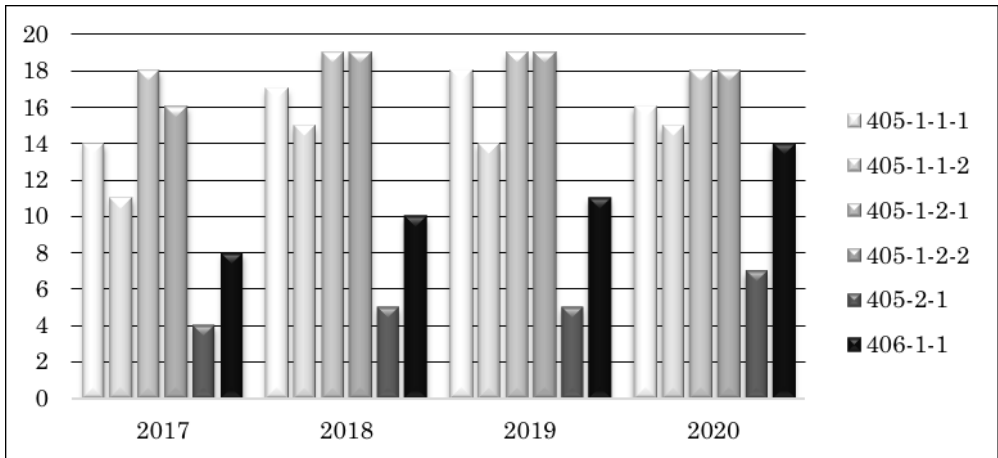
404-1-2-2 Average hours of training that the organisation's employees have undertaken, by employee category.

404-2-1 Type and scope of programs implemented and assistance provided to upgrade employee skills.

404-3 Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.

Source: own elaboration.

The fourth category of disclosures concerns Diversity and Equal Opportunities (Figure 4). An average of 18 companies reported the percentage of employees by gender and age group. Slightly less frequently reported information concerned the percentage of individuals within the organisation's governance bodies (405-1-1-1 and 405-1-1-2). Ratio of the basic salary and remuneration of women to men was reported by, on average, five companies.

**Figure 4.** Employee-related disclosures in Category IV: Diversity and Equal Opportunities in non-financial reports, 2017–2020**Key:**

- 405-1-1-1 Percentage of individuals within the organisation's governance bodies, by gender.
- 405-1-1-2 Percentage of individuals within the organisation's governance bodies, by age group: under 30 years old, 30–50 years old, over 50 years old.
- 405-1-2-1 Percentage of employees by gender.
- 405-1-2-2 Percentage of employees by age group: under 30 years old, 30–50 years old, over 50 years old.
- 405-2-1 Ratio of the basic salary and remuneration of women to men for each employee category.

Source: own elaboration.

The second stage of the research study analysed the rate of changes in disclosing employee-related information between 2017 and 2020 (the base year = 2017). The individual growth rates are presented in Tables 5–8.

**Table 5.** Individual fixed-base growth rates for employee-related disclosures in Category I: Employment in non-financial reports, 2017–2020 (base year = 2017)

Disclosure no.	2018	2019	2020
401-1-1	1.214	1.143	1.000
401-1-2	1.385	1.231	1.231
401-2-1	0.933	0.867	1.000
401-3-2	1.000	1.200	1.200
401-3-3	1.000	1.400	1.000
401-3-4	1.000	1.250	0.500
401-3-5	1.250	1.500	1.500

Source: own elaboration, key as for Graph 1.

**Table 6.** Individual fixed-base growth rates for employee-related disclosures in Category II: Occupational Health and Safety in non-financial reports, 2017–2020 (base year = 2017)

Disclosure no.	2018	2019	2020
403-1-1	1.000	0.938	1.000
403-4-1	0.875	1.000	1.000
403-4-2	0.750	1.000	1.750
403-5-1	1.000	1.091	1.364
403-6-2	1.333	2.333	3.667
403-9-1	0.938	1.000	1.063
403-10-3	0.667	0.833	1.500

Source: own elaboration, key as for Graph 2.

**Table 7.** Individual fixed-base growth rates for employee-related disclosures in Category III: Training and Education in non-financial reports, 2017–2020 (base year = 2017)

Disclosure no.	2018	2019	2020
404-1-1-2	0.938	0.875	0.813
404-1-2-2	1.071	1.000	0.929
404-2-1	1.059	1.059	1.118
404-3	1.000	1.167	0.917

Source: own elaboration, key as for Graph 3.

**Table 8.** Individual fixed-base growth rates for employee-related disclosures in Category IV: Diversity and Equal Opportunities in non-financial reports, 2017–2020 (base year = 2017)

Disclosure no.	2018	2019	2020
405-1-1-1	1.214	1.286	1.143
405-1-1-2	1.364	1.273	1.364
405-1-2-1	1.056	1.056	1.000
405-1-2-2	1.188	1.188	1.125
405-2-1	1.250	1.250	1.750
406-1-1	1.250	1.375	1.750

Source: own elaboration, key as for Graph 4.

In Category I: Employment, only the individual growth rates for metrics 401-2-1 in 2018 and 2019, as well as 401-3-4 in 2020, marked a fall in relation to

the base year. The remaining disclosures demonstrated increases of more than a dozen per cent, or remained stable. In Category II: Occupational Health and Safety, the greatest decreases in disclosures were seen in 2018 (the scope of disclosure decreased in as many as 4 out of 6 metrics), whereas in 2020, the scope of disclosures increased for all the metrics. For example, for metric 403-6-2, the scope of disclosure rose by 266% in relation to the base year. In Category III: Training and Education, the growth rates for 3 out of 4 disclosures decreased in 2020. Only the 404-2-1 metric showed a rise, of 18%, in the scope of disclosures. The last category, Diversity and Equal Opportunities, saw the scope of disclosures for all the metrics increase year on year, from 5% to 75% in relation to the base year. Summing up this part of the research, the findings demonstrate a selective increase in employee-related disclosures.

## Conclusion

Non-financial reporting in Poland is constantly evolving. Before the transposition of the EU Directive, many Polish companies published their non-financial reports voluntarily, to meet their stakeholders' expectations and to legitimise corporate activities. Since 2017, for some, disclosing information on the social, environmental and governance impacts of their activities has been mandatory.

The study covered the Polish major listed companies included in the WIG20 index, where the employee-related disclosures were grouped into four categories: (I) Employment, (II) Occupational Health & Safety, (III) Training and Education, and (IV) Diversity and Equal Opportunities. Even though not all of the non-financial metrics adopted in the study showed the same trend, the findings show that between 2017 and 2020, the scope of disclosures in non-financial reports in Poland increased. This is confirmed by both the quantitative analysis of the non-financial metrics and the analysis of their changes in three out of four categories of disclosure (the exception is Category III: Training and Education).

Therefore, it is possible to state that the transposition of Directive 2014/95/EU to the Polish legal system has had a positive effect on the scope of employee-related disclosures in the non-financial reports, even though the change is evolutionary rather than revolutionary. The scope of employee disclosures is systematically growing, which can be interpreted as meeting stakeholders' expectations and legitimising corporate activities. Czaja-Cieszyńska et al. (2021) reached similar conclusions. Nevertheless, the analysed reports were dominated by verbal descriptions, with a small share of information expressed numerically and/or as a percentage. Consequently, there is much room for improvement, which can be relevant to stakeholders and society. Changes take time, and the pace of change depends on institutional, cultural, and economic conditions.

The positive impact of NFRD on the scope of the presented non-financial information will also be noticed by other researchers, both in Poland and around the world. However, the subject of those studies was non-financial disclosures in general, and not employee-related disclosures. In Poland, similar findings were

obtained by, among others, Matuszak and Róžańska (2021). The Directive had the largest impact on firms with previously low levels of NFD, which led to increased homogeneity of non-financial disclosures across different industries. The sample comprised 134 selected companies (non-financial reporting practices in the two years before and one year after the implementation of the Directive were compared). Similar research studies were carried out by Lippai-Makra et al. (2022). They investigated the non-financial reporting practices of Hungarian-listed public interest entities for 2016–2018 in terms of the required disclosure content based on Directive 2014/95/EU. In their opinion, the scope of disclosures made by the companies from the sample only increased from a low to a medium level. Based on a survey of 223 large companies in Italy, Venturelli et al. (2017) found that the potential contribution of the EU directive to non-financial disclosure was greater than they had expected.

Summing up, employee-related reporting in Poland is still in its initial phase, and further advancement is predicated on legislative changes. Although the implementation of Directive 2014/95/EU has increased the scope of non-financial disclosures, it did not ensure comparability. The lack of a set of mandatory non-financial metrics makes non-financial reports much less useful. In this light, the study may have implications for lawmakers, helping them to lobby for specific changes in EU and/or national regulations.

Finally, the study's limitations must be recognised. Firstly, the sample is very small, comprising only 20 companies. Therefore, the results cannot be generalised. In future research, the analysis should be expanded to include companies from other EU countries. Secondly, the study was based on the non-financial reports for the years 2017–2020, i.e. after the provisions of NFRD became mandatory. A comparative analysis of the scope of employee-related disclosures made by companies prior to and following the transposition of Directive 2014/95/EU may be an inspiration for further studies.

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