„Zeszyty Teoretyczne Rachunkowości”
tom 93 (149), 2017, s. 61–78

Stowarzyszenie Księgowych
w Polsce

Value creation disclosure in CSR reports – evidence from Poland

*JUSTYNA FIJAŁKOWSKA *, MAŁGORZATA MACUDA ***

Abstract

Nowadays, many companies are involved in the idea of corporate social responsibility (CSR) and they perceive it as a source of value creation. But the question arises if companies measure and report the value created via CSR engagement or whether they present mainly descriptive information concerning their actions and activities within CSR. The aim of this paper is to present what the CSR reporting practices in Poland are concerning value creation measurement and disclosure. The theoretical concept of value creation via CSR activities is analyzed and confronted with a practical disclosure in all the CSR reports published by Polish companies in the years 2013-2015. To achieve the research aim, a literature review, content analysis of source documents (CSR reports), synthesis, and the deductive method were used. In the paper, the descriptive approach to accounting is applied.

Keywords: value creation, value measurement, corporate social responsibility, CSR reporting, Poland.

Streszczenie

Ujawnienia dotyczące tworzenia wartości w raportach społecznej odpowiedzialności – wyniki badań z Polski

Wiele przedsiębiorstw angażuje się obecnie w ideę społecznej odpowiedzialności przedsiębiorstw (z ang. *corporate social responsibility* – CSR) i postrzega ją jako źródło tworzenia wartości. Celem artykułu jest ukazanie praktyk raportowania CSR w Polsce dotyczących ujawniania wytworzonej wartości i jej pomiaru. Autorzy analizują koncepcję tworzenia wartości przedsiębiorstwa poprzez działania z zakresu CSR, a następnie konfrontują teorię z praktyką, czyli ich ujawnieniami w raportach CSR polskich przedsiębiorstw opublikowanych w latach 2013–2015. Aby osiągnąć ten cel wykorzystano następujące metody badawcze: przegląd literatury, analizę treści dokumentów źródłowych (raportów CSR), syntezę i dedukcję. W artykule zastosowano deskryptywne podejście do rachunkowości.

Słowa kluczowe: tworzenie wartości, pomiar wartości, społeczna odpowiedzialność przedsiębiorstw, raportowanie CSR, Polska.

* Justyna Fijałkowska, PhD, University of Lodz, Faculty of Economics and Sociology, Department of Accounting and Finance of SMEs, justyna.fijalkowska@uni.lodz.pl

** Małgorzata Macuda, PhD, Poznań University of Economics and Business, Department of Accounting, malgorzata.macuda@ue.poznan.pl

ISSN 1641-4381 *print* / ISSN 2391-677X *online*

http://www.ztr.skwp.pl
DOI: 10.5604/01.3001.0010.3189

Introduction

The issue of corporate social responsibility (CSR) lies within the scope of interest of various fields of social science and practice, including the science and practice of accounting. Numerous research works stress how accounting, particularly in terms of corporate reporting, is closely connected to the idea of CSR (Macuda, Matuszak, and Różańska, 2015, p. 115). Currently, many companies are required to conduct business realizing not only economic but also social and ecological objectives. The scope of responsibility for a business's actions is significantly expanded. Thus, it is becoming more and more frequent for companies to take into account social and environmental goals, in addition to their economic goals. Therefore, companies are involved in the concept of corporate social responsibility and they perceive it as a source of competitive advantage and value creation. Moreover, as organizations increasingly invest in CSR, it has become critical to correctly analyze the effects of those endeavors. In order to manage the value created by CSR-sensitive companies, it is necessary to measure it and then properly communicate it. Management theorists and practitioners agree that if you cannot measure it, you cannot manage it (Kaplan and Norton, 1992). „Business leaders should be able to rely on a coherent set of metrics to assess and prioritize the goals of different stakeholders – the ultimate beneficiaries of CSR programs – and to regularly evaluate progress made by the company in pursuing those goals" (Lemon et al., 2011, p. 1). Therefore, the effectiveness of CSR involvement should be evaluated (the practice needs tools of CSR involvement evaluation) and its impact on the company's value creation should be proved. Additionally, the effects of the measurement should be communicated and a place to communicate it should be a CSR report.

Under the new directive of the European Parliament 2014/95/EU (Directive 2014/95/EU), applicable as of 2017, regarding large undertakings which are public-interest entities, about 6000 companies in the European Union will have to expand the scope of the non-financial information disclosed, concerning e.g. their social and environmental activities. At the same time, the latest research results (Cho et al., 2015) indicate that social reporting nowadays is not able to provide information relevant to the valuation of the company and is motivated primarily by the need of the legitimacy of activities. Companies change the number and the type of measures disclosed (Waniak-Michalak, 2017, p. 129). There are problems with the comparability of CSR reports, both in time and with other companies, mainly concerning the narrative form they have, there being too much information included, and the changeable format of the reports (Koczar, 2013, p. 61). The quality of CSR reporting is low and therefore stakeholders rarely use the information that they contain (Krasodomska and Cho, 2017, p. 2). Therefore, it is not perceived positively by investors – theoretically, the principal recipients of business reports. Accounting as the basis of the enterprise information system should meet the new challenges posed by the constantly changing economic reality, and certainly the measurement of the CSR effectiveness is such a challenge in today's business conditions.

As a thesis, the Authors assume that in order to manage the value created in CSR business it is necessary to measure it and – for outside users – properly communicate it. The effectiveness of CSR involvement should be evaluated in order to put the theoretical knowledge on the processes of value creation into practice in the process of rational decision making within different dimensions of business management. The practice needs tools of CSR involvement evaluation. CSR reporting is always more openly interrelated and included in the field of interest of accounting, e.g., thanks to the Directive (2014/95/EU) and its implementation in the Act on Accounting, it has become the subject of growing interest of the National Chamber of Statutory Auditors in Poland, which openly promotes the idea of CSR reporting and its audit. Therefore, it should be expected that these kinds of reports are not going to only tell a story but they will be a concrete source of measured values and numerical data on inputs, costs, effects, performance measures, and measures of value created thanks to CSR involvement. Therefore, the aim of this paper is to present the CSR reporting practices in Poland concerning CSR value creation measurement and disclosure. The content of CSR reports is analyzed from the point of view of the information on value created by CSR engagement. We check if the companies which report on CSR include data on the value created via CSR engagement in their reports. The Authors analyze if the CSR reports include practical tools that measure the effectiveness of corporate community involvement (CCI), which is one of the key areas of CSR, or any other measurement tools that could evaluate the CSR value created.

The sample comprises all the CSR reports that were published in Poland in the period 2013–2015. The source of data is the online library „raportyspoleczne.pl", which comprises 98 reports for the analyzed period of the three last editions: 2014 (31 reports from 2013), 2015 (37 reports from 2014), and 2016 (30 reports from 2015). The content analysis method and the deductive method have been applied in order to examine the CSR practices disclosed in these reports. While presenting the theoretical concept of creating a company's value (which is still evolving) through CSR, a literature analysis was used. In the paper, the descriptive approach to accounting is applied. The Authors base this research on information accessible to outside users, thus, they examine companies' practices that are disclosed and could be used by present or potential investors.

The paper is organized as follows: the first part presents the different concepts of creating value of companies involved in CSR activities, including the methods of their measurement, with a discussion of the difficulties of the CSR value measurement process. The second part includes an analysis of CSR reporting practices in Poland (a content analysis of 98 reports) concerning the disclosure of the CSR activities' effectiveness measurement and the value concerning CSR created by the companies.

1. The theoretical concept of value creation and CSR

In Porter's opinion (1985), a company's value creation is one of the ways through which wealth can be created. The concept of creating company value is constantly evolving due to globalization, changing business realities and, accordingly, changing business models, as well as the widely expanded idea of sustainability[1]. Nowadays, companies are increasingly interested and involved in the concept of corporate social responsibility (CSR) and they perceive it as a source of competitive advantage and value creation. Waniak-Michalak and Michalak (2013, p. 44) underline that value is created through CSR activities for various groups of stakeholders and that existing research shows that value is created mainly for two main stakeholder groups: employees and customers. A sustainable company (a socially responsible company) is one that contributes to sustainable development by simultaneously delivering economic, social, and environmental benefits – the so-called triple bottom line (Elkington, 1994). Undoubtedly, companies are forced to re-engineer their business strategies according to rising expectations for social and environmental performance in order to pursue economic performance and be competitive.

Therefore, a company's value is created by the economic value added (measured in terms of generated profit), the market value added (giving a competitive advantage), the social value added (expressing concern for employees and the local community), and the ecological value added (reflecting the care of the environment (Adamczyk, 2009, p. 140)). In this context, the promotion of ideas and models that enhance social and environmental learning is needed. Within the remit of CSR, companies could create wealth – by creating value in the eyes of shareholders and stakeholders – to be perceived as being socially responsible, which would impact their business gains and reputation management (Nwagbara and Reid, 2013, p. 16). Previously, the value for stakeholders was marginalized by companies. However, all groups of stakeholders (investors, customers, suppliers, managers and employees, creditors, central and local authorities, as well as society in general) care about the growth of the company's value, because they participate not only in its creation, but also in its consumption. A sustainable company is one that not only takes into account the existence of these groups, but also tries to meet their needs and provide them with value (Masztalerz, 2014, pp. 67-69). Nowadays, the notion of a company's sustainable value, which occurs only when the created value is positive simultaneously for shareholders and stakeholders, is proposed (Laszlo, 2008, p. 26). Table 1 presents different concepts (theories) related to company value creation.

[1] The concepts of CSR and sustainability are strictly related and have common assumptions (Hediger, 2008). The relationship between CSR and sustainability is underlined in the definition published by the International Organization for Standardization, stating that „Social responsibility is the responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that contributes to sustainable development (..)" (ISO, 26000). Also, the European Union, indicating the relationship between these two concepts issued a Communication called: „Corporate Social Responsibility: A business contribution to Sustainable Development" (EU, 2002). CSR is widely understood as an obligation of entrepreneurs to contribute to sustainable socio-economic development (IBLF, 2003). Sustainable development can be treated as a superior idea and it is considered that the implementation of the CSR concept contributes to the enactment of sustainability (Gołaszewska-Kaczan, 2009, p. 143; Dołęgowski, 2005, p. 433). For more on the links between CSR and the sustainable development concept, see e.g. Pirnea et al. (2011).

Table 1. Concepts (theories) related to company value creation

Stakeholder approach	Freeman (1984)	The idea that all stakeholders, defined widely (as any group or individual who is affected by or can affect the achievement of an organization's objectives), are equally important. Companies should actively explore their relationships with all stakeholders and the need to understand the concerns of shareholders, employees, customers, suppliers, competitors, chartered auditors, the local community, regulators, the government and public opinion in order to develop objectives and business strategies that stakeholders would support. This support is necessary for the long-term success of the company. It is a never-ending task of integrating multiple relationships and multiple objectives, which has an impact on the company's value creation.
Value chain (Value for the customer)	Porter (1985)	An activity-based theory of the company which assumes that interrelated activities are what create value for customers. This value is a source of competitive advantage in all areas of the company's operation.
Shareholder value	Rappaport (1986)	According to the concept of creating value for shareholders, the ultimate test of business strategy, and also the only reliable measure, is whether it creates economic value for shareholders. Managers should use appropriate practical tools needed to generate the highest possible return. Functioning in the conditions of a highly competitive global economy, it is not enough to stay in business, it is more important to remain at the forefront of companies achieving success. Rappaport suggested seven drivers within a business that can be managed to create company value (improvements in these value drivers lead to an increase in shareholder value): a growth in sales; an increase in the operating profit margin; a reduction in the cash tax rate; a reduction in the working capital investment; a reduction in the fixed asset investment; a reduction in the weighted average cost of capital; and an increase in the competitive advantage period.
Triple bottom line	Elkington (1994)	A sustainable enterprise is one that contributes to sustainable development, while providing economic, social and environmental benefits.
Sustainable value	Hart (1997)	The main component is the ecological value, envisaging the development of a business strategy, taking into account three factors threatening the natural environment: population, affluence (which is a proxy for consumption), and technology. The company's pursuit of sustainable development (a sustainable vision of the company) is done by product stewardship, clean technology, and preventing pollution. Hart notes a direct link between the social challenges of global sustainable development and the creation of shareholder value. Building a sustainable business strategy,

Table 1. Concepts (theories) related to company value creation (*cont.*)

		expressed in the concept of environmental awareness, was accompanied by shape-framing relationships with customers, suppliers, other companies, and other stakeholders.
Blended value	Emerson (2000)	According to this concept, all companies have within them both a social and a financial/economic value, regardless of their legal status (for-profit or non-profit), thus, they create blended value. This value can be positive or negative. This concept refers to investments, return on investment, and the company's value on the socially integrated capital market (Integrated Social Capital Market). It draws attention to the fact that the creation of wealth or social changes are possible, but the problem is to create company value which simultaneously provides economic and social benefits to investors, investees, and society. There are social costs and economic costs, and each should be tracked. However, the interaction and trade-off between the two do not take place in a smooth line, one operating in a directly inverse relationship to the other. Emerson states that the coming years will witness an increasing number of funds and investment pools created with the direct intent of providing capital to investees on the basis of both social and financial performance. The goal of the investment will be to maximize social value, while at the same time, the intent will be to maximize economic value to achieve an appropriate blend of social and economic value creation. These investments will be assessed on the basis of a Blended ROI.
Sustainable shareholder value	Hart and Milstein (2003)	The company needs to directly link its sustainability to the creation of shareholder value, which means identifying strategies and practices that contribute to a more sustainable world and which at the same time drive shareholder value. The key dimensions of shareholder value are the following: (1) innovation and repositioning, (2) cost and risk reduction – both within the internal dimension, (3) growth path and trajectory, and (4) reputation and legitimacy – within the external dimension. The company needs to manage today's business while simultaneously creating tomorrow's technology and markets – realizing short-term results while also generating expectations for future growth. Hart and Milstein encourage companies to engage in interaction and dialogue with external stakeholders but they do not mention creating value for them. Companies might also develop solutions to social and environmental problems for the future.
Sustainable value	Laszlo (2005, 2008a, 2008c)	The sustainability value occurs only when it is created simultaneously for all stakeholders (shareholders and other stakeholders) – when it includes economic, social, and environmental value. When value is transferred from stakeholders to shareholders, the

Table 1. Concepts (theories) related to company value creation (*cont.*)

		stakeholders represent a risk to the future of the company. When value is transferred from shareholders to stakeholders, the company incurs a fiduciary liability to its shareholders. In both situation, Laszlo speaks about value transfer. When value is destroyed for both sides, this represent an unsustainable value (loss. Laszlo proposes six levels (six types of sustainability-related business projects) which can be a source of company value: (1) risk mitigation and compliance-oriented management of risks, (2) process cost reduction, (3) product differentiation to meet new customers' needs for social and environmental attributes, (4) penetrating new markets and developing new businesses based on sustainability, (5) enhancing corporate reputation and image and (6) business context – changing the industry „rules of the game".

Source: authors' own elaboration based on Freeman (1984), Porter (1985), Rappaport (1986), Elkington (1994), Hart (1997), Emerson (2000), Hart and Milstein (2003), Laszlo (2005, 2008a, 2008c)

Taking into account the challenges of modern management, the growing popularity of the CSR concept in Poland, and the growing need for companies to take responsibility for their decisions and the resulting actions, studies in the area of measurement, recording, processing, and reporting with regard to CSR should be intensified (Macuda, Matuszak and Różańska, 2015, p. 120). Following on from Table 1, in the Authors' opinion, special attention should be focused on the practical aspects of value creation and value measurement concerning CSR activities. The literature study shows that the theory is in place, however, the next step necessary is the analysis of the pragmatic realism of business activities in the field of the measurement of the value created via CSR activities.

2. The measurement of CSR value

There is no best way to measure CSR (Wolfe and Aupperle, 1991) because it is a complex, multi-dimensional phenomenon affecting both the company and the wide range of stakeholders. To a great extent, it is based on intangibles and/or it creates intangibles, and accounting has struggled with the challenge of measuring and reporting intangibles for a long time (Jarugowa and Fijałkowska, 2002; Dobija, 2005; Fijałkowska, 2005). CSR covers a huge number of different activities, which impedes the comparability of the data disclosed in the reports. The difficulty in establishing a clear connection between CSR involvement, on the one hand, and growth, productivity, the company's value creation, and competitive advantage on the other, may have to do with the complexity of the CSR concept. There are many variables that influence a company's value creation, thus, it is difficult to isolate effectively the impact of effects related to CSR activities. Any company should create value – financial and non-financial benefits – for their shareholders and stakeholders. Each group, however, may have different (and sometimes conflicting) expectations and targets concerning these benefits. Another limitation is the time discrepancy between costs/investments and the results of the CSR initiatives. The benefits of CSR appear in the long term and are difficult to grasp (Porter and Kramer, 2007). Therefore, CSR performance measurement is non-objective and unambiguous (Marcinkowska, 2010). An additional problem is the risk factor and uncertainty of the goals achievements. Quantification of the projected benefits concerning CSR activities can be very difficult. CSR involvement is largely related to improving the quality of employees' work, increasing their satisfaction and loyalty, taking care of the environment, monuments, and works of art, and protecting human life. All these values are very difficult to quantify and compare from period to period, but they do create a value.

However, all these impediments should not in any way restrict efforts relating to the attempt to measure CSR. The effectiveness of CSR activities and the value that is created within the CSR initiatives are important for a company – its internal and external purposes. Internally, this information is crucial for the proper management of business activities and, externally, for more credible, transparent, and comparable communication with all groups of its stakeholders.

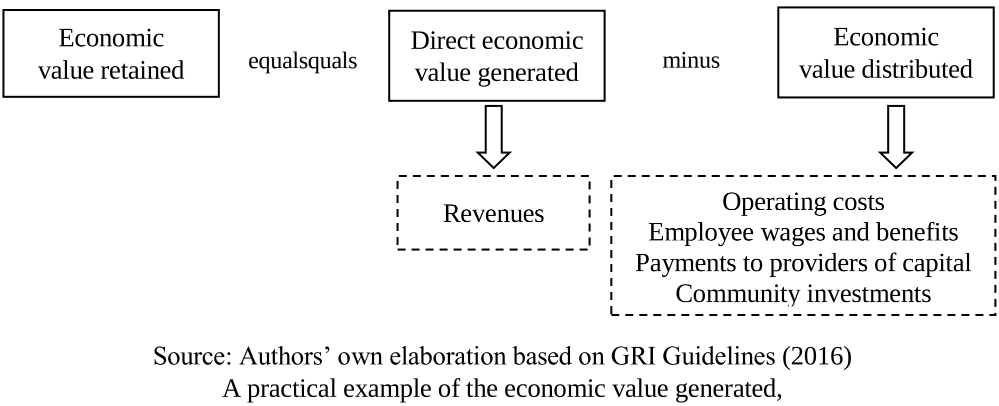
2.1. CSR Value Measurement Tools

There are two main approaches concerning the value measurement created through CSR engagement. The first group embraces tools created by different organizations which measure the effectiveness of CSR activities, like SROI, the LBG Model or the Sustainability Assessment Matrix. SROI (Social Return on Investment) was developed by the New Economic Foundation. It is an analytical tool for measuring and accounting for a broad concept of value, taking into account social, economic, and environmental factors. Developed from traditional cost-benefit analysis, SROI is an approach that is able to capture in monetary form the value of a wide range of outcomes, whether these already have a financial value or not. SROI places a monetary value on outcomes, so that they can be added up and compared with the investment made. The LBG Model, created by Corporate Citizenship and the London Benchmarking Group, is a practical tool to enhance the effectiveness of management actions within CSR by measuring and reporting on these activities. The LBG Model is designed to measure the social commitment of the company and verify both its short-term as well as its long-term impact on its own structures and environment. The LBG Model enables a comprehensive and monetary calculation of the value concerning the social commitment of the company. It aims for a valuation of the inputs, outputs and impacts, and the total costs/expenses incurred by the company in connection with the implementation of CCI, both amounts transferred directly, as well as the time spent on the projects by employees and managers. The Sustainability Assessment Matrix (SAM), developed by SABMILLER, is a tool that can be used to explore the performance of businesses around the world across a company's five shared sustainable development imperatives. For each of the imperatives, SAM measures performance indicators based on measurable outputs – such as water efficiency, carbon emissions, or employee diversity – to assess performance towards 2020 targets. SAM also assesses operations against five levels of performance, which enable the company to measure the maturity of its operations around the world. These include core standards, to which all its businesses are required to adhere.

2.2. The Disclosure of Economic Value Generated

One of the ways of measuring the value concerning CSR is the concept derived from the „Sustainability Reporting Guidelines" developed by the Global Reporting Initiative. Theoretically, throughout the application of this set of guidelines, companies disclose their most critical impacts – be they positive or negative – on the environment, society, and the economy. G4 (the latest version of GRI Guidelines) is designed to be universally applicable to all business entities of all types and sectors across the world, regardless of their size (small, medium, or large). GRI Guidelines comprise the General Standard Disclosure Overview (GSDO) and Specific Standard Disclosure Overview (SSDO). SSDO starts with Economic Performance Standards. The economic dimension applies to the company's impacts on the economic conditions of its stakeholders and on the economic systems at local, national and global levels. It does not focus on the financial condition of the organization. The first Economic Standard, called G4-EC1, is of great importance for the Authors' study from the point of view of value creation and its measurement. It concerns direct economic value generated and distributed**.** Within this standard companies report the direct economic value generated and distributed (EVG&D) on an accruals basis including the basic components for the company's global operations. Value distributed is the value that the company passes to stakeholders and society. Economic value can be transferred as wages/benefits to employees, taxes to the government, donations to NGOs, etc. The G4 EC-1 standard introduces the way calculations should be made (Figure 1).

Figure 1. Economic value retained and economic value distributed calculation



Source: Authors' own elaboration based on GRI Guidelines (2016)
A practical example of the economic value generated, distributed and retained is presented in Table 2

Table 2. Example of calculation of economic value generated, distributed, and retained

Economic value generated (thousands PLN)	
Direct economic value generated	**2,022,074**
Revenue	2,022,074
Economic value distributed	**1,773,565**
Operating costs	844,402
Employee wages and benefits	614,929
Payments to providers of capital	218,946
Payments to government	94,605
Community investments	683
Economic value retained (calculated as economic value generated less economic value distributed)	**248,509**

Source: Integrated Report of Grupa Kapitałowa Lubelski Węgiel Bogdanka S.A. (2015, p. 106)

3. Empirical research

Within this research, all the available CSR reports for the period of 2013-2015 were analyzed. The researched population embraces 98 CSR reports derived from the www.raportyspoleczne.pl website – all the reports from the 2016 (31), 2015 (37) and 2014 (30) editions. The chosen database is the only formalized database related to CSR reports available in Poland at the moment the research was conducted.

Even though the SGS Polska research (2014) underlines that 66% of the 500 biggest companies in Poland disclose information concerning their corporate social responsibility activities on their websites, the companies preparing CSR reports in Poland are still relatively few. In the database used in this research, there were only 11 reports in 2007, and over 30 per year in recent years. Altogether, more than 200 reports can be found there. Therefore, the Authors cautiously conclude that companies in Poland are trying to adapt to the changing conditions, and they are more and more often engaged in CSR activities and report it, hence the number of CSR reports increased but it still refers to a small group of business entities in Poland.

From the analysis conducted, it turns out that the diversity of published documents is high, both in terms of the volume and what the content of these reports is. The focus was placed mainly on the issue of value measurement and disclosure concerning the CSR activities of the companies reporting on CSR. Usually, in the first words of the reports, companies underline that sustainable development is an integral part of their business strategy. They describe the activities undertaken in order to improve the working conditions of their employees and to protect the environment, as well as to realize social initiatives for the local community. The companies are probably aware that the activities within the framework of CSR contribute to the positive image and good reputation of the company, fostering customer and supplier loyalty, thereby creating a competitive advantage and increasing the value of the company – which was indicated by the academics mentioned in the research reviewed in the first part of this work.

From the results of the empirical research conducted, it may be concluded that all the analyzed companies describe their CSR activities and actions, but the vast majority of them do not measure or give information about the impact, value, or monetary effects of their CSR activities. The analyzed reports are mainly narrative and include mostly descriptions of activities in a qualitative form. This kind of information is highly difficult to judge, control, and compare. It can be also easily manipulated and „colored" to attract and impress the reader. According to results of the analysis, few Polish companies have introduced measurement tools when reporting some fields of their CSR engagement. These measures (formalized measurement tools) were found only in 11 reports (see Table 3).

Table 3. Disclosure of CSR/CCI formalized tools of measurement by Polish companies in 2013–2015 (edition of reports 2014–2016)

Edition	Company	Method	Comments
2016	Kompania Piwowarska	Sustainability Assesment Matrix	The declaration that the SAM tool is used, with no numerical data disclosed.
2015	Tesco	LBG	Very broad information on CCI involvement; LBG pyramid and LBG matrix included as well as impact and short-term and long-term benefits of any program.
	Coca-Cola	LBG	Only total involvement in social activity presented, the company also disclosed the data concerning the average cost of one CSR action and the number of people involved.
	Castorama	No method mentioned	The company underlines that it monitors the effectiveness of the SR activities, however, does not publish any data on that.
2014	Polpharma	LBG	Showed a pyramid of LBG without disclosing expenditures, but it included effects and benefits in the short term as well as long term. No LBG matrix included.
	Kompania Piwowarska	LBG SROI	Did not disclose either pyramid nor matrix of LBG, but it declared the use of the LBG method to evaluate CCI involvement and showed it in monetary terms. It also published short- and long-term effects of CCI.

Table 3. Disclosure of CSR/CCI formalized tools of measurement by Polish companies in 2013–2015 (edition of reports 2014–2016) (*cont.*)

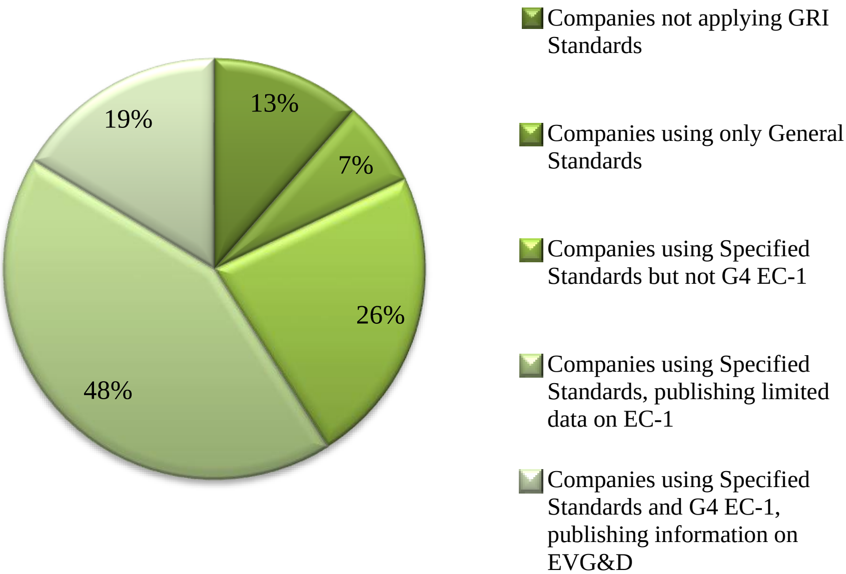
Edition	Company	Method	Comments
	Orange	LBG	LBG matrix presented for all CCI programs with detailed descriptions of all the dimensions of the matrix. No LBG pyramid disclosed.
	Provident Polska	LBG	Both LBG pyramid and matrix presented for all the CCI programs.
	Enea	No method mentioned	Disclosed in monetary terms all the expenditure concerning CCI and benefits/effects of CCI in short-term and long-term.
	Bank Zachodni WBK	No method mentioned	Disclosed in monetary terms all the expenditure concerning CCI and benefits/effects of CCI in short-term and long-term. The company declared that the key challenge for the future is the disclosure of the direct and indirect impact of the company's CSR actions in monetary terms (not realized in future CSR reports editions).
	Bank BGŻ	No method mentioned	No disclosure but explicit declaration that the company will focus on the measurement of the effectiveness of its CSR activities in the future.

Source: authors' own elaboration

Few companies used a formalized method of CSR/CCI involvement measurement. The rest of the companies disclosed only descriptive information concerning their CSR activities. Usually, companies present random numerical data on the number of programs introduced, the number of employees involved, the number of volunteers, etc. As shown in Table 4, with the passage of time there are fewer companies using any measurement method, so the reports become more descriptive and less comparable. Moreover, the fact that there is no continuity in the disclosing practices of CSR engagement measures was noticed.

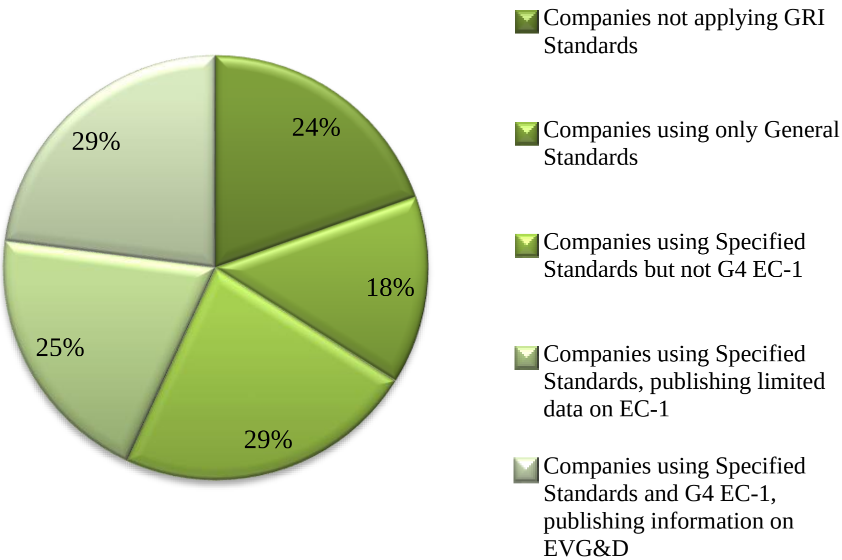
For the next step in the analysis, the Authors focused on the disclosure of economic value generated and economic value distributed as the approach to the CSR value measurement. Within the 98 companies researched, 76 used GRI Guidelines, which accounts for more than 77% of the whole analyzed companies. However, only 21 companies explicitly used the formula and presented results to calculate Economic Value Generated and Distributed (EVG&D). It is worth highlighting that this measure was mentioned by an additional 20 companies, stating that they disclosed some information on the EC-1 Specific Standard, however, the data provided was not enough to calculate EVG&D. Detailed information concerning the percentage of companies that do not apply GRI Standards, companies using only General Standards, companies using Specific Standards of GRI but without the calculation of EC-1, as well as those that calculate and publish the EVG&D results is presented in the Figures 2, 3 and 4.

Figure 2. 2014 Edition



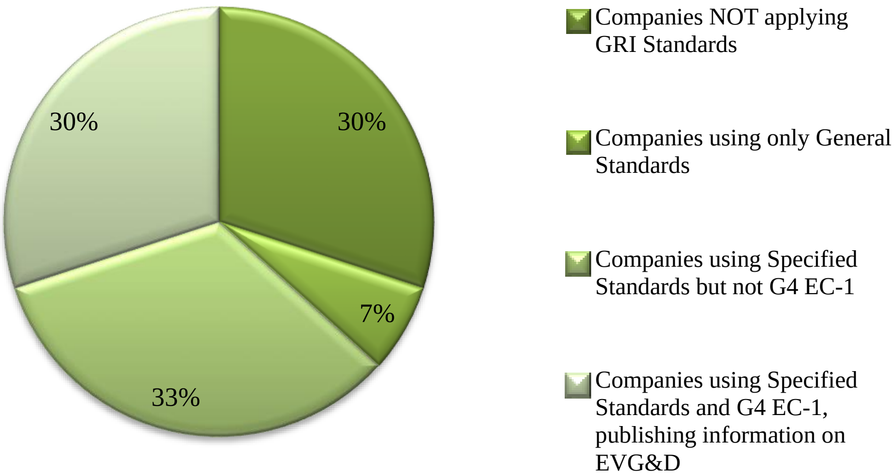
Source: author's own elaboration

Figure 3. 2015 Edition



Source: author's own elaboration

Figure 4. 2016 Edition



Source: author's own elaboration

Detailed information concerning data published by all the companies in the analyzed sample related to Economic Value Generated, Economic Value Distributed, and Economic Value Retained in all the three editions is presented in Table 4.

Table 4. EVG&D in the analyzed sample, 2014–2016 editions (in thousands PLN)

EDITION	No.	COMPANY	Economic Value Generated	Economic Value Distributed	Economic Value Retained
2014	1	ANG	22664	21853	810
	2	AUTOSTRADY E.	144485	177796	-33311
	3	BOGANKA	1910934	1555254	355680
	4	BUDIMEX	4995573	4663930	331643
	5	BZWBK	4662705	3982579	680126
	6	CEMEX	972815	938722	34092
	7	ENERGA	12024500	11801300	223200
	8	PGE	31261853	28805029	2456824
	9	LNG	19395	42778	-23383
2015	1	ANG	22620	22400	220
	2	BZWBK	5056893	4827600	229293
	3	BOGDANKA	2022074	1773565	248509
	4	BUDIMEX	5018218	4777810	240408
	5	CEMEX	985011	959553	25458

Table 4. EVG&D in the analyzed sample, 2014-2016 editions (in thousands PLN) (*cont.*)

EDITION	No.	COMPANY	Economic Value Generated	Economic Value Distributed	Economic Value Retained
	6	ENERGA	11071500	10448600	622900
	7	PGE	30082888	27224882	2858006
	8	PROVIDENT	1603000	1170481	432519
	9	LNG	19395	72165	-52770
	10	PGNIG	34304000	36158536	-1854536
2016	1	ANG	31631	31110	521
	2	BZWBK	5058	4627	431
	3	BOGDANKA	1894312	2205704	-311392
	4	BUDIMEX	5202201	4875921	326280
	5	EDF	4750000	5896000	-1146000
	6	ENERGA	11213000	10946000	267000
	7	PROVIDENT	154400	957665	-803265

Source: authors' own elaboration

Within this research period, it was possible to collect 26 company-year observations, stating explicitly in their CSR reporting the total values created, distributed and retained. All together more than 169 billion PLN was distributed by the companies that decided to share this information with the users of their CSR reports. All this money may be understood as the contribution of these companies to their environment – to their suppliers, employees, local communities, the state, and to the natural environment. Of course, this amount has a strong relationship with the scope and size of the operation of each company. However, it can be easily calculated, monitored, analyzed, and compared in time and between companies. Therefore, it gives an important indication on the CSR involvement and the value that is created. Together with the appropriate tools concerning value measurement stated above, the EVG&D calculation and disclosure could improve the analysis and evaluation of companies' CSR involvement and become an important indicator of value creation which helps the in decision making processes both of the internal and external users of CSR reports.

.

Conclusions

One of the primary factors affecting a company's credibility – and at the same time an important challenge for companies nowadays – is a reliable and transparent disclosure on their outcomes and performance (Fijałkowska, 2012). This study confirms that the approaches to the measurement of the value of socially responsible business activities and the impact of CSR involvement are rare in the current reporting practice among Polish companies. The conclusions are as follows:

1. The issue of value creation by the companies involved in CSR activities has a solid theoretical foundation – it has been widely discussed by academics within the finance, accounting, marketing, and strategic management fields. The theoretical part of value creation concerning CSR involvement is therefore in place. There is a strong conviction among researchers that visible CSR activities may affect positively the reputation of the company (reputation is perceived as a key competitive advantage in markets), and a good corporate reputation has a significant potential for value creation.
2. The better the measurement of the value created by CSR-sensitive companies, the smoother the link between the theoretical concept of value creation through CSR engagement and its practical implementation.
3. The theoretical considerations concerning value creation via CSR are highly sophisticated whereas the practice lags far behind; the concept of value measurement and disclosure included in GRI Guidelines – which are commonly used by companies – is very poor and, what is more, as it is contained mainly in the non-obligatory Specified Standards part, it is ignored by companies to a great extent. The research shows that there is very little interconnection between the theoretical CSR value creation definition and the practical understanding of this concept, which is expressed through scarce measurement and poor disclosure practices.
4. For the external perspective, the usefulness of information concerning CSR reporting practices is poor as there are only a few Polish companies applying tools for the measurement of CSR engagement and CSR value created; its costs and effects usually are inaccessible to users as the information contained in reports is mainly descriptive.
5. For the internal perspective, the practice concerning the management of company value created through CSR initiatives is greatly reduced in Poland due to the absence of internal tools concerning its evaluation.
6. There are some attempts of CSR involvement measurement tools being used in practice but they are rare. The concept of value generated, distributed, and retained by companies included in Specific Standards of GRI is used only by some companies even if it could be potentially useful for some evaluation and comparability of CSR activities.
7. The issue of transparent and credible CSR value measurement and reporting is highly important, especially nowadays, due to the new requirements concerning the disclosure of CSR information imposed by the European Commission (EU regulations 2014/95/EU on the disclosure of key non-financial data). However, both the requirements of the mentioned EU regulation as well as the GRI Guidelines are not required as far as numerical, credible, concrete data is concerned, and they do not have much in common with the accounting measurement. If the CSR reporting continues to be mainly rhetoric, it will not play the role of a satisfactory accountability

and credibility source of information on the company's value creation, it will only signify a financial burden for companies that need to prepare and publish reports of a doubtful meaning for their recipients. There is a risk of treating that kind of reports largely as a way to legitimize the actions of companies and as a tool of the marketing game.

References

Adamczyk J. (2009), *Społeczna odpowiedzialność biznesu*, PWE, Warszawa.

Cho C., Michelon G., Patten D., Roberts R. (2015), *CSR disclosure: the more thing change…?*, „Accounting, Auditing & Accountability Journal", 28 (1), pp. 14–35.

Deegan C. (2002), *The legitimizing effect of social and environmental disclosures: a theoretical foundation*, „Accounting, Auditing and Accountability Journal", 15 (2), pp. 282–311.

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, Document 32014L0095, http://data.europa.eu/eli/dir/2014/95/oj (access: 5.07.2016).

Dołęgowski T. (2005), *Od etyki gospodarczej i etyki biznesu do Corporate Social Responsibility i koncepcji rozwoju zrównoważonego*, [in:] H. Brdulak, T. Gołębiowski (red.), *Zrównoważony rozwój przedsiębiorstwa a relacje z interesariuszami*, Oficyna Wydawnicza SGH, Warszawa.

Dymowski J. (2012), *Zmierzyć niemierzalne*, [in:] *Mierzenie efektywności i wpływu społecznego działań CSR*, Forum Odpowiedzialnego Biznesu, Warszawa, pp. 6–13.

Elkington J. (1994), *Towards the sustainable corporation: win-win-win business strategies for sustainable development*, „California Management Review", 36 (2), pp. 90–100.

European Union (2002), *Corporate Social Responsibility: A business contribution to Sustainable Development*, Communication from the Commission, Brussels, 2nd July, COM (2002), 347, http://trade.ec.europa.eu/doclib/docs/2006/february/tradoc_127374.pdf (access: 5.07.2016).

Fijałkowska J. (2005), *Kapitał intelektualny – wybrane zagadnienia rachunkowości w Erze Wiedzy*, „Zeszyty Teoretyczne Rachunkowości", 29, pp. 5–23.

Fijałkowska J. (2012), *Społeczna odpowiedzialność wyzwaniem dla rachunkowości*, „Przedsiębiorczość i Zarządzanie", 13 (1), pp. 141–154.

Gołaszewska-Kaczan U. (2009), *Zaangażowanie społeczne przedsiębiorstwa*, Wydawnictwo Uniwersytetu w Białymstoku, Białystok.

Gray R. (2006), *Social, environmental and sustainability reporting and organizational value creation? Whose value? Whose creation?*, „Accounting, Auditing and Accountability Journal", 19, (6), pp. 793–819.

Gray R.H., Owen D.L., Adams C. (1996), *Accounting and accountability, changes and challenges in corporate social and environmental reporting*, Prentice Hall, Hemel Hempstead.

GRI Guidelines, 2016, G4 Sustainability Reporting Guidelines, https://www.globalreporting.org/information/g4/Pages/default.aspx (access: 5.07.2016).

Griffin J.J., Mahon J.F. (1997), *The corporate social performance and corporate financial performance debate*, „Business & Society", 36 (1), pp. 5–31.

Hart S.L. (1997), *Beyond Greening: Strategies for a Sustainable World*, „Harvard Business Review", January–February, pp. 67–76.

Hart S.L., Milstein M.B. (2003), *Creating sustainable value*, „Academy of Management Excecutive, 17 (2), pp. 56–69.

Hediger W. (2008), *Agriculture's Multifunctionality, Sustainability, and Social Responsibility*, [in:] *Conference of the Agricultural Economics Society (AES)*, Royal Agricultural College, http://ageconsearch.umn.edu/bitstream/36854/2/Hediger.pdf (access: 5.07.2016).

Hietbrink J.J., Berens G., Renkom J. (2011), *Corporate Social Responsibility in a Business Purchasing Context: The Role of CSR Type and Supplier Product Share Size*, „Corporate Reputation Review", 13 (4), pp. 284–300.

Integrated Report Grupa Kapitałowa Lubelski Węgiel Bogdanka S.A. 2015, http://ri.lw.com.pl/report-details-MRG?irr_id=1971 (access: 5.07.2016).

International Business Leaders Forum (IBLF), 2003, IBLF Members. http://www.iblf.org/csr/csrwebassist.nsf/content/g1.html (access: 23.05.2015).

ISO 26000, 2010, Guidance Standard on Social Responsibility, International Organization for Standardization's, http://www.cnis.gov.cn/wzgg/201405/P020140512224950899020.pdf (access: 23.05.2015).

Jarugowa A., Fijałkowska J. (2002), *Rachunkowość i zarządzanie kapitałem intelektualnym: koncepcje i praktyka*, ODDK, Gdańsk.

Kaplan R.S., Norton D.P. (1992), *The Balanced Scorecard: Measures that Drive Performance*, „Harvard Business Review", January–February, pp. 71–79.

Krasodomska, J., Cho, C., (2017), *Corporate social responsibility disclosure*, „Sustainability Accounting, Management & Policy Journal", 8 (1), pp. 2–19

Koczar, J., (2013), *Porównywalność informacji w raportach o społecznej odpowiedzialności biznesu*, „Prace naukowe Uniwersytetu we Wrocławiu", 314, pp. 52–62.

Laszlo C. (2008), *Wartość w zrównoważonym rozwoju. Sustainable Value*, „Problemy Ekorozwoju", 3 (2), pp. 25–29.

Lee J., Roh J.J. (2012), *Revisiting corporate reputation and firm performance link*, „Benchmarking: An International Journal", 1, (4/5), pp. 649–664.

Lemon K.N., Robert J.H., Raghubir P., Winer R.S. (2011), *A Stakeholder-Based Approach. Measuring the Effects of Corporate Social Responsibility*, „Directors Notes", 3 (7), pp. 1–13.

Macuda M., Matuszak Ł., Różańska E. (2015), *The concept of CSR in accounting theory and practice in Poland: an empirical study*, „Zeszyty Teoretyczne Rachunkowości", 84 (140), pp. 115–137.

Marcinkowska M. (2010), *Społeczna odpowiedzialność przedsiębiorstw a ich wyniki ekonomiczne – aspekty teoretyczne*, „Przegląd Organizacji", 10, pp. 7–10.

Masztalerz M. (2014), *Wartość dla interesariuszy w zrównoważonym przedsiębiorstwie,* „Studia Oeconomica Posnaniensia", 8 (269), vol. 2, pp. 66–77.

Nwagbara U., Reid P. (2013), *Corporate Social Responsibility (CSR) and Management Trends: Changing Times and Changing Strategies*, „Economic Insights – Trends and Challenges, II (2), pp. 12–19.

Patten D.M. (1991), *Exposure, legitimacy, and social disclosure*, „Journal of Accounting and Public Policy", 10 (4), pp. 297–308.

Pirnea I.C., Olaru M., Moisa C. (2011), *Relationship between corporate social responsibility and social sustainability*, „Economy Transdisciplinarity Cognition", XIV (1), pp. 36–43.

Porter M. (1985), *Competitive Advantage: Creating and Sustaining Superior Performance*, The Free Press, New York.

Porter M., Kramer M.R. (2007), *Strategia a społeczeństwo: społeczna odpowiedzialność biznesu – pożyteczna moda czy nowy element strategii konkurencji*, „Harvard Business Review Polska", 52.

Schields J.R., White L.F. (2004), *The Measurement Gap in Paying for Performance: Actual and Preferred Measures*, „Advances in Management Accounting", 12, pp. 59–83.

SGS Polska, 2014, Indeks BI-NGO 2014, http://www.doradztwocsr.pl/pdf/ULOTKA_BI-NGO_2014.pdf (access: 16.06.2016).

Waniak-Michalak H., (2017), *Porównywalność w czasie informajci o wynikach działalności społecznie odpowiedzialnej firm raportujących według zasad GRI*, „Zeszyty Teoretyczne Rachunkowości", 91 (471), pp. 129–143.

Waniak-Michalak H., Michalak J. (2013), *Customer Value Creation through Corporate Disclosure n Society-oriented Activites. Do CEO's Characterisitcs Influence the Scope of Disclosure?,* „Social Sciences", 3 (81), pp. 43–54.

Wolfe R., Aupperle K. (1991), *Introduction to Corporate Social Performance: Methods for Evaluating an Elusive Contract*, [in:] J.E. Post (ed.), *Research in Corporate Social Performance and Policy*, vol. 12, JAI Press, Greenwich, CT, pp. 265–268.