

## Jadwiga Adameczyk

Cracow University of Economics

e-mail: [jadwiga.adameczyk@uek.krakow.pl](mailto:jadwiga.adameczyk@uek.krakow.pl)

ORCID: 0000-0003-2333-5025

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## THE QUALITY OF NON-FINANCIAL INFORMATION IN THE PERSPECTIVE OF DATA DISCLOSURE

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## JAKOŚĆ INFORMACJI NIEFINANSOWYCH W PERSPEKTYWIE JAWNOŚCI DANYCH

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DOI: 10.15611/pn.2019.10.11

JEL Classification: Q56

**Summary:** Information is a source of knowledge in enterprise management, therefore its importance increases in today's competitive environment. High-quality and timely information reduces uncertainty and risk of decision-making, hence the great interest of stakeholders in access to information. The purpose of the article is to interpret the concept of the quality, as it relates to non-financial information, and to assess the quality of the information in terms of enterprise data disclosure. The object of research is the quality of non-financial information disclosed in corporate social reports, which depends on many factors, e.g. the choice of reporting standard and the type of business. The research shows that GRI Standards covers the broadest and most detailed range of non-financial information. Assessment of the reports demonstrates that the quality of non-financial information is also affected by the application of additional industry standards, which take into account the specificity of the enterprise.

**Keywords:** non-financial information, quality, transparency, enterprise, reporting.

**Streszczenie:** Znaczenie informacji wzrasta z powodu rosnącej konkurencji, w której informacja jest źródłem wiedzy w zarządzaniu przedsiębiorstwem. Dobra jakościowo informacja, uzyskana we właściwym czasie zmniejsza niepewność i ryzyko decyzji. Wynika z tego duże zainteresowanie interesariuszy dostępem do informacji. Cele artykułu stanowią interpretacja pojęcia jakości w odniesieniu do informacji niefinansowych oraz ocena ich jakości w kontekście jawności danych przedsiębiorstw. Obiektem badań jest jakość informacji niefinansowych ujawnianych w raportach społecznych przedsiębiorstw. Jakość informacji ujawnianych przez przedsiębiorstwa zależy od wielu czynników, m.in. od wyboru standardu raportowania oraz od rodzaju prowadzonej działalności. Z przeprowadzonych badań wynika, że GRI Standards obejmuje najszerszy i najbardziej szczegółowy zakres informacji niefinansowych. Ocena raportów pozwala stwierdzić, że na jakość informacji niefinansowych wpływa również stosowanie dodatkowych branżowych norm uwzględniających specyfikę przedsiębiorstwa.

**Słowa kluczowe:** informacje niefinansowe, jakość, ujawnianie, przedsiębiorstwo, raportowanie.

## 1. Introduction

Until now, financial statements have been the basic source of information on the activities of enterprises, their situation and development prospects. However, the growing expectations of stakeholders regarding corporate transparency also force the disclosure of non-financial information. This serves to increase the competitive advantage and the investment attractiveness of large enterprises and includes measuring and presenting information, as well as accountability for business performance towards internal and external stakeholders. The enterprises disclose the information not only due to obligation, but to communicate with stakeholders in a more modern way.

The interest of enterprises in disclosing non-financial information results from social, legislative and market changes. Expectations towards them are increasing due to the growing scale of operations and the need for their transparency. Reputation and trust are as important as the financial results of enterprises. The credibility and usefulness of the disclosed non-financial results depend on the scope and applied reporting principles as well as the quality of information contained therein.

The purpose of the article is to interpret the concept of the quality, as it relates to non-financial information, and to assess the quality of the information in terms of enterprise data disclosure. The object of research is the quality of non-financial information disclosed in corporate social reports. To achieve the purpose of the work, literature analysis and desk research of non-financial information obtained from social reports of enterprises were carried out. The research covered corporate social reports submitted in the Competition for the Best Social Report in 2019, organised by the Responsible Business Forum.

## 2. Interpretation of the essence of the quality of non-financial information

The concept of information can be defined from different points of view. The most common is the cybernetic approach, offering the common understanding of information as a certain message passed on from the sender to the receiver [Sej-Kolasa 2002]. Each factor that lowers the degree of ignorance about the studied phenomenon is information.

According to systems theory and cybernetics, the essence of information can be considered in three aspects [Młynarski 1979]:

- Quantitative, denoting the number of symbols, or signals, necessary to carry it out.
- Semantic, expressed in the content of information by means of symbols or by assigning them a specific meaning.
- Evaluative, indicating its usefulness in a given activity.

Most authors believe that the elements of information are data [Oleński 1997; Sej-Kolasa 2002]. The concept of information refers to data (measures or descriptions of objects, events) that are unknown to their receivers, and may reduce their uncertainty when making decisions [Dobija (ed.) 2005]. The data is not ordered, processed and combined according to the receiver's goals, while information is data ordered according to specific criteria. Information is the meaning that is assigned to data so that it is understandable to the receiver. However, data can be a numerical representation of information.

Information can be considered in both a broad and narrow sense. In information theory, the quantity and quality of information are important. Since information is important in the communication process, it should have a quantitative and qualitative dimension. It is the user who determines how much information they need for it to become knowledge [Arvidsson 2011]. Due to the context in which the information is communicated, there are situations of its shortage or excess. Hence the question of optimum information in the communication processes [Czekaj 2000].

From the point of view of communication, the importance of information as a measurable quantity is important. This is associated with the quantitative aspect of information in relation to changes in the status quo, which reduces or eliminates the receiver's uncertainty [Alshikhi, Abdullah 2018]. In external communication, information, both quantitative and qualitative, is most often less formal and less structured, with a lesser degree of control available. The quality of information results from its usefulness for decision-making purposes, otherwise it is worthless [Gabrusewicz 2016].

The pragmatic aspect of the usefulness of information consists of content and meaning as well as the forms and means of communication [Sej-Kolasa 2002]. The value of information in use should be understood as a set of measurable and additive parameters that characterize the usefulness of information for the purpose of achieving the goal of its user (recipient). The quality of information is related to the quality of decisions made by the information user [Azemi, Zaidi, Hussin 2017].

Information can be treated as an intangible asset that can be measured in terms of quantity and quality. Out of the set of quality definitions, M. Sej-Kolasa distinguishes two interpretations: [Sej-Kolasa 2002]:

- comparative (evaluative),
- descriptive.

In the comparative interpretation, the concept of quality is combined with the category of usability, i.e. the requirements of the recipient, consumer or user. In the latter interpretation (descriptive), quality is treated as a set of functional features. There is no single meaning of the concept of information quality. Each interpretation points to a different aspect of information. By evaluating (in the comparative sense), there is better and worse information, or other thematic areas. Quality of information can be seen from the point of view of its content and value for the recipient, or the quality of the form of information transfer, and its method. This means that the

quality of non-financial information is its content and value to stakeholders, as well as the form of disclosure of this information. The basic tool for disclosing non-financial information is reporting [Gazdar 2007]. On the one hand, the quality of non-financial information depends on the choice of reporting standard, and on the other, the scope and value of the information disclosed to stakeholders.

In management sciences, this most often refers to the concept of economic information understood as data on economic processes and phenomena, which highlights its role in the decision-making process [Czekaj 2000]. Non-financial information is equally important in modern business management. Non-financial information is data, which has been ordered and processed according to economic, environmental and social criteria to provide the necessary knowledge to the company's stakeholders [Adamczyk 2017]. Its quality should be the basic premise for disclosing non-financial information and it determines many features that should be met.

In the context of information quality, important features are [Sej-Kolasa 2002; Sikacz 2019]:

- Topicality – describing the present state of a certain reality within acceptable limits of error.
- Relevance – offering no unnecessary elements, as from the recipient's point of view.
- Comprehensiveness – meeting the needs of its receivers (users).
- Credibility – offering a defined degree of certainty of its truthfulness.

In addition, the quality of non-financial information is determined by the form of its communication, which should be characterized by [GRI 2016]:

- Accuracy – the information presented should be as precise as possible.
- Comparability – the information should allow comparison against the assumed goals and results from previous years.
- Balance – the information should reflect the positive and negative aspects of the business.
- Transparency – the information should be understandable and clear to stakeholders.

Ensuring the quality of non-financial information requires an optimal range of reliable information on the economic, environmental and social effects of business operations that is understandable and valuable to stakeholders. However, these goals are not always met. The reasons for the lack of credibility of information lie in the following factors [Sej-Kolasa 2002]:

- Intentional, i.e. purposeful misevaluation that is inconsistent with the facts.
- Methodological, i.e. unintended erroneous definition or determination of the quality of information.
- Technological, resulting from inaccuracy of measurements, or from information processing errors.

The process of disclosing non-financial information is being constantly improved, facilitated by the latest initiatives and the growing expectations of the stakeholders, which makes social reporting more and more popular.

### 3. Initiatives to disclose non-financial information

The main purpose of accounting is to measure economic values in order to provide information to internal and external recipients. These issues are governed by statutory provisions regarding the implementation of the informative, analytical and control function of accounting [Dobija 1999]. The latest amendment to the Polish Accounting Act extends the scope of information disclosure, which falls within the broader understanding of business liability.<sup>1</sup> The information should be available in due time to persons or institutions interested in the business activity conducted by the enterprise.

According to the Accounting Act, the annual report on the company's operations should include key non-financial performance indicators relevant to the assessment of the company's results and business condition related to the entity's operations, as well as information on human resource and environmental issues [Act of 15 December 2016].

Under the Act [of 15 December 2016], a company is required to disclose non-financial information provided it is a liability company with:

- average annual employment of 500 people,
- PLN 85 million of total end-year assets or PLN 170 million of sales revenue.

The second group of listed companies requires including non-financial information in a separate part of the annual statement.

Non-financial information should be disclosed to such an extent as to allow assessment of the company's development, results and business situation, as well as its impact on social, employee, environmental, human rights and anti-corruption issues. The non-financial information presented should be related to the annual financial statement and refer to the values presented within.

It should include a description of the business model, key performance indicators (KPIs), information on social issues, including human and employee rights, and on environmental issues, as well as a description of significant risks in terms of products and external relations [Act of 15 December 2016...].

Pursuant to the Accounting Act, in disclosing non-financial information, companies may apply their own or voluntary, rules, standards and norms. Since reporting on CSR and sustainable development has recently become popular, voluntary initiatives in these areas have been applied in the realization of the statutory obligation for large enterprises to disclose non-financial information. Until now, it was this group of enterprises that dominated in social reporting, which is the basic tool for disclosing non-financial information [Anam, Kacprzak 2011]. In practice, many companies report non-financial results mostly based on the UN Global Compact Program, ISO 26 000 Standard and GRI guidelines (Table 1).

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<sup>1</sup> The Act of 15 December 2016 amending the Accounting Act (Journal of Laws [Dz.U.] of 11.01.2017, item 61) implemented Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014, the amendment of Directive 2013/34/EU, regarding the disclosure of non-financial and diversity information by certain large entities and capital groups.

Table 1. The basic scope of non-financial information disclosure standards

The Accounting Act	The UN Global Compact Program	ISO 26 000 Standard	GRI Standard
<p>A brief description of the business model</p> <p>Key non-financial performance indicators</p> <p>Description of policies and their implementation regarding:</p> <ul style="list-style-type: none"> <li>• social issues,</li> <li>• human resource issues,</li> <li>• environmental issues,</li> <li>• human rights issues,</li> <li>• anti-corruption issues.</li> </ul> <p>Description of diligence procedures for implementing the above policies</p> <p>Description of significant operational risks in the areas covered by disclosures, in particular in the field of products and relations with business environment, including contractors</p>	<p>Information on how to implement the premises and principles of the UN Compliance with 10 principles in the following areas:</p> <p>Human rights</p> <ol style="list-style-type: none"> <li>1. Respecting and supporting human rights adopted by the international community</li> <li>2. Elimination of all human rights violations by the company</li> </ol> <p>Work standards</p> <ol style="list-style-type: none"> <li>3. Respect for freedom of association</li> <li>4. Abolition of all forms of forced labor</li> <li>5. Abolition of child labor</li> <li>6. Counteracting discrimination in employment</li> <li>7. Preventive approach to environmental protection</li> <li>8. Promoting environmental responsibility</li> <li>9. The use and development of environmentally friendly technologies</li> <li>10. Counteracting all forms of corruption, including extortion and bribery</li> </ol>	<p>Identification of key areas and CSR problems</p> <p>List of activities for sustainable development and social well-being</p> <p>Key areas:</p> <ol style="list-style-type: none"> <li>1. Management – implementation of management systems, structures and processes</li> <li>2. Human rights – to life, freedom, work, education, health</li> <li>3. Human resources – in the work process, in health and safety conditions and in employees' professional development</li> <li>4. Environment – preventing pollution, reducing the consumption of raw materials and energy, preventing climate change</li> <li>5. Business practices – with contractors, suppliers, public administration and competitors</li> <li>6. Pro-consumer practices – fairness regarding products and services, contracts, information and marketing</li> <li>7. Social involvement – education, development of the local community, creation of wealth</li> </ol>	<p>Profile indicators:(general): strategy and analysis, profile of the organization aspects and boundaries, stakeholder involvement, profile of the report organizational order, ethics.</p> <p>Thematic indicators:</p> <ol style="list-style-type: none"> <li>1. Economic (economic results, market presence, indirect economic impact)</li> <li>2. Environmental (raw and essential materials, energy, water, biodiversity, sewage, waste, products, services, etc.)</li> <li>3. Social</li> <li>3.1. Working practices and decent work, employment, employee-management relationships</li> <li>3.2. Society (local communities, preventing corruption, social policy, compliance, etc.)</li> <li>3.3. Product liability (customer health and safety, product labeling, marketing communication, etc.)</li> </ol>

Source: own study based on [Act of December 15, 2016...; Internet 1; Internet 2; Internet 3].

The Global Compact Program contains a catalogue of best practices based on the ten universal principles drawn from the Declaration of Human Rights, the Charter of Fundamental Rights of the International Labour Organization, as well as the recommendations of Agenda 21. An enterprise's acceptance of the Global Compact principles is voluntary and requires a report on the implementation and realization of the Global Compact principles as a prerequisite to join the programme. The report should contain information on the basic results of operations in the areas of human rights, labour standards, the environment and corruption, as well as data on the current and future impact of the enterprise on the environment, compared to the historical results.

A wide range of reporting on social responsibility is included in the ISO 26000 guide, which points to seven areas: organizational order, human rights, labour relations, environment, good business practices, pro-consumer activities and social involvement.

The ISO 26000 standard encourages organizations to disclose non-financial information to a greater extent than stated in the applicable legal standards by formulating mutually dependent principles to be applied consistently in politics, decision-making and activities [Sokołowska 2013].

However, the most popular standard is the guidelines of the Global Reporting Initiative (GRI). Their basic premise is transparency in terms of economic, social and environmental effects as a fundamental component of effective relations with stakeholders, as well as of investment decisions and other market behaviour [Dilling 2010].

The issues within the GRI report are organized into two categories:

- Disclosure on Management Approach.
- General Standard Disclosure and Specific Standard Disclosure.

The general characteristic presents a standardized view on general information from an organizational perspective. Thematic indicators relate to the main issues of the report and offer over 80 universal performance indicators, which are expanded to include sectoral indicators.

GRI Standards, the latest issue of GRI, available from 7/1/2018, includes two levels of reporting: core or comprehensive level, according to the specific nature of the organization [GRI 2018]. The General Standard includes: the Foundation (GRI 101), General Disclosers (GRI 102), Management Approach (GRI 103). The Disclosers include: Economics Standards (GRI 201, 202 etc.), Environmental Standards (GRI 301, 302 etc.), Social Standards (GRI 401, 402 etc.). Each application of the standards, or parts thereof, requires informing the GRI, documenting the process of selecting the reporting area and describing the method for defining report content and stakeholder participation in the reporting process. However, a declaration regarding the application level is not required, and is not subject to audit.

GRI guidelines specify the scope of disclosed information, as well as requirements regarding their quality, determining [GRI 2016]:



- principles of quality assurance and proper presentation of information,
- principles for assessing the quality of issues and indicators that should be disclosed in the report.

Ensuring the quality of reporting non-financial results requires adhering to the principles of: balance, comparability, accuracy, timeliness, clarity and credibility. In turn, in determining the quality of issues and indicators, the following principles are used: significance, involvement of stakeholders and the context of sustainable development. In determining the significance of non-financial information, both internal factors, e.g. mission, strategy, and external factors, i.e. the organisation's impact on stakeholders and the environment, are taken into account. In assessing the quality of non-financial information, issues identified by stakeholders or broader social expectations towards sustainable development goals are of significant importance [Martinez-Ferro, Garcia-Sanches, Cuadrado-Bellesteros 2015]. In order to use the GRI Standards one must adhere to these principles of quality assurance with respect to the issues and content of non-financial information in the context of sustainable development and the appropriate form of presentation and participation of stakeholders in the reporting process.

#### **4. Assessment of the quality of non-financial information disclosed by enterprises**

In Poland the number of companies that disclose non-financial information has grown since 2007. The research included companies that took part in the 13th edition of the 2019 Best Social Report competition. In a group of 45 social reports, 23 organizations applied GRI Standards, the remaining applied ISO 26 000 and even less applied the Global Compact. Among the enterprises using the GRI, there are 21 enterprises representing the following industries: mining (2), raw materials and fuel (1), metallurgy (1), energy (3), machinery (1), construction and civil engineering (3), food (2), clothing (1), commerce (2), recycling (1) hospitality (1), catering (1), IT (1) and transport (1) (Table 2). These are mostly large enterprises that have had comply with the statutory obligation to disclose non-financial information since 2017. These companies have previous experience in disclosing non-financial information as they have voluntarily done previously.

The scope of disclosure of non-financial information according to GRI standards is comprehensive and balanced; it includes information on General Disclosers (GRI 102) and Management Approach (GRI 103). In addition, a wide range of non-financial information concerns economic (201, etc.), environmental (301, etc.), social (401, etc.) objectives and takes into account the context of sustainable development. In disclosing information on economic, environmental and social areas within the GRI, enterprises may use additional information included in other standards, e.g. ISO14001, ISO 9001, and AA 1000, which are subject to certification.



**Table 2.** Basic non-financial information disclosed in corporate social reports

Company	Area and type of disclosed indicators			
	general	economic	environmental	social
AmRest Holding	102, 103	201, 202	301, 302, 303, 305, 306	401, 403, 404, 405, 413
ArcelorMittal Poland	102, 103	201, 202, 203, 204, 205	301, 303, 305, 306, 307	401, 403, 404, 413
Benefit Systems SA	102, 103	205	302, 307	404, 405
Budimex	102, 103	201, 202	301, 302, 304, 305, 306, 307, 308	401, 402, 403, 406, 407, 408, 409, 412, 413, 414, 415, 416, 417
Carlsberg Polska	102, 103	201, 203, 205	301, 302, 303, 304, 305, 306, 307	401, 402, 403, 404, 405, 413, 415, 414, 415, 416, 417, 419
CCC SA	102, 103	201, 202, 203, 204, 205, 206	301, 302, 303, 305, 306, 307	401, 403, 404, 405, 406, 412, 416, 417, 419
Famur SA	102, 103	201, 205, 206	301, 302, 303, 305, 306, 307	401, 403, 404, 405, 406, 407, 408, 409, 419
Enea Group	102, 103	202, 203	301, 302, 306, 307	401, 403, 404, 412
Energia Group	102, 103	201, 203, 205	301, 302, 303, 304, 305, 306	401, 402, 403, 404, 405, 413, 414, 417, 418, 419
Raben Group	101, 102, 103	205, 206	302, 305, 308	401, 403, 404, 414, 418
KGHM Polska Miedz SA	102, 103	201, 202, 203, 204, 205	301, 302, 303, 305, 306, 307	401, 403, 404, 407
Kompania Piwowarska SA	101, 102, 103	201, 205, 206	302, 303, 305	403, 404, 405, 406, 413, 416, 417
Lefarge	102, 103	203	302, 303, 304, 305, 307	402, 404
LPP	102, 103	203	302, 305, 306, 308	401, 403, 404, 405, 406, 413, 414
LW Bogdanka SA	102, 103	201, 202, 204, 203, 205	302, 303, 304, 305, 306, 307, 308	401, 402, 403, 404, 405, 406, 407, 408, 409, 411, 413, 414, 415, 419
Orbis SA	102	205, 206	302, 303, 305, 307, 308	401, 403, 404, 405, 406, 413, 414, 415, 416, 417, 419
Pekabex SA	102	203	301, 302, 303, 307	401, 403, 404, 405
PGE	102	203, 205	303, 304, 305, 306, 307	401, 403, 404, 405, 412
PKN Orlen SA	101, 102, 103	201, 203, 204, 205	301, 302, 303, 304, 305, 306, 307, 308	401, 403, 404, 405, 414, 416, 417, 418
TIM SA	102, 103	202, 203	302, 306	401, 416
VIVE Group	102, 103	201	302, 306, 307	401, 404

Source: own study based on [Raporty społeczne].

**Table 3.** The scope and level of disclosure of non-financial information in social reports

Standard number and name	Arcelemittal Poland	Budimex	Carlsberg Polska	CCC SA	Famur SA	Enea Group	Energia Group	KGHM Polska Miedz SA	Kompania Piwowarska SA	Lefarge	LPP	LW Bogdanka SA	Pekabex SA	PGE	PKN Orlen SA	TIM SA	VIVE Group	
Universal Standards																		
GRI 101. Foundation (containing Standard Interpretation)	-	-	-	-	-	-	-	-	+	-	-	-	-	-	+	-	-	-
GRI 102. General Disclosures	+	+	+	+	+	+	+	+	+	+	+	+	+	-	+	+	+	+
GRI 103. Management Approach	+	+	+	+	+	+	+	+	+	-	+	+	+	+/-	+	+	+	+
Economic Standards																		
GRI 201. Economic Performance	+	+	+	+	+	+	+	+	+	+/-	-	+	+/-	-	+	+/-	-	-
GRI 202. Market Presence	+	+	-	+	-	-	-	+	-	-	-	+	+/-	-	+/-	+	+	+
GRI 203. Indirect Economic Impact	+	-	+	+	-	+/-	+	+	-	+	+	+	+	+	+	+/-	-	-
GRI 204. Procurement Practices	+	-	-	+	-	-	-	+	+/-	-	-	+	-	-	+	-	-	-
GRI 205. Anti-corruption	+	-	+	+	+	-	+	+	+	-	-	+/-	-	+	+/-	-	-	-
GRI 206. Anti-competitive Behaviour	-	-	-	+	+	-	-	+/-	+	-	-	-	-	-	-	-	-	-
Environmental Standards																		
GRI 301. Materials	+	+	+	+	+	+	+	+	-	-	-	-	+	-	+	-	-	-
GRI 302. Energy	+/-	+	+	+	+	+	+	+	+	+	+	+	+	-	+	+	+	+
GRI 303. Water and Effluents	+	-	+	+	+	+/-	+	+	+	+	-	+	+	+	+	-	-	-
GRI 304. Biodiversity	-	+	+	-	-	-	+	-	-	+	-	+	-	+	+	-	-	-
GRI 305. Emissions	+	+	+	+	+	-	+	+	+	+	+	+	-	+	+	-	-	-
GRI 306. Effluents and Waste	+	+	+	+	+	+	+	+	+/-	-	+	+	-	+	+	+	+	+
GRI 307. Environmental Compliance	+	+	+	+	+	+	+	+	-	+	-	+	+	+	+	+/-	+	+
GRI 308. Supplier Environmental Assessment	-	+	-	-	-	-	-	+/-	-	-	+	+	-	+/-	+	-	-	-

GRI 401. Employment (containing Standard Interpretation)	Social Standards															
	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 401. Employment (containing Standard Interpretation)	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 402. Labor/Management Relations	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 403. Occupational Health and Safety	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 404. Training and Education	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 405. Diversity and Equal Opportunity	+/-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 406. Non-discrimination	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 407. Freedom of Association and Collective Bargaining	-	+	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 408. Child Labor	-	+	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 409. Forced or Compulsory Labor	-	+	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 410. Security Practices	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 411. Rights of Indigenous Peoples	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 412. Human Rights Assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 413. Local Communities	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 414. Supplier Social Assessment	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 415. Public Policy	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 416. Customer Health and Safety	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 417. Marketing and Labeling	-	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+
GRI 418. Customer Privacy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRI 419. Socioeconomic Compliance	+/-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: own study.

Further research aimed to assess the quality of non-financial information in terms of disclosed information and value for stakeholders. The research included 17 enterprises and excluded four which are service providers (Table 3). General information regarding the enterprise and its performance indicators in economic, environmental and social areas, including human resources, human rights, preventing corruption and bribery, was assessed.

The quality of non-financial information disclosed in social reports is assessed in Table 3, which indicates: (+) information meeting the quality criteria, (−) not meeting or missing the criteria and (+/−) meeting partially.

The quality of non-financial information is determined by its content and its value for stakeholders, reducing their ignorance. The quality of non-financial information is affected by the content of the results disclosed within the areas and groups of indicators mentioned. The scope of general information is too extensive and their amount is very diverse, e.g. GRI 102 contains from five to 79 detailed points. Often this information is reproduced from other stock market reports and prospectuses, e.g. the ESG and Respect. However, according to the principle of materiality, it is not the number of indicators, but their value to stakeholders that determines the quality of non-financial information. Performance indicators in the social area are the most harmonized within the GRI standards.

The best range and level of disclosure of non-financial information is offered by the reports of KGHM Polska Miedź SA, LW Bogdanka SA and PKN Orlen SA. Their scope and level of disclosure of general information is comparable, although too extensive, and environmental information meets the criteria of quality. On the other hand, KGHM Polska Miedź SA presents the best results in the social area, especially in the field of human rights on a global scale. This is undoubtedly related to conducting business outside Poland and to many years of experience in reporting on sustainable development results.

The Energa Group presents a good level of disclosure of non-financial information, especially in the environmental area, which is related to the character of its operations, but also in the social area. Budimex reports non-financial information at a similar level, and is best in the construction and civil engineering industry. A much smaller range and level of non-financial information is revealed by two companies: TIM SA (commerce) and VIVE Group (recycling). In particular, the latter company, operating in the waste utilization industry, provides no information on its impact on the environment and the local community.

## 5. Conclusion

Ensuring high quality non-financial information requires an optimal range of reliable information on the economic, environmental and social effects of business operations that is understandable and valuable to stakeholders. The form of the report, as well as the content and thematic scope of the information, determine the quality of non-

-financial information disclosed by enterprises. Among the standards most often used in reporting is the GRI, which allows the greatest compliance with the principles of quality of non-financial information. In addition, the quality of non-financial information disclosed by enterprises is determined by the type of their business activity, which affects the thematic scope and content of information on environmental and social performance.

However, the range and level of disclosure of non-financial information is very extensive and detailed, making it less transparent. The disclosed non-financial information is often not based on documents, but on the opinions of the report's authors. The inability to verify it, or the selective way of disclosing it causes the information to be incomprehensible for the stakeholders. External verification by an independent auditor would improve the reliability of the disclosed information [Zyznarska-Dworczak 2016].

The quality of non-financial information is also determined by the form of disclosure chosen by the enterprise, which should add value to, and properly present the content of information. Analysis of the reports demonstrates that in many cases "form triumphed over substance", however the quality of non-financial information disclosed in the reports has significantly improved in recent years due to the development of reporting on social responsibility and sustainable development. Enterprises that choose the GRI Standards are obliged to ensure the quality of the disclosed non-financial information. This is a prerequisite for using this form of reporting, and also requires the involvement of stakeholders in the reporting process, as their opinion is increasingly important in business decisions and developing a competitive edge in business.

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