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SOCIAL CAPITAL AND ITS REPORTING – CASE STUDY OF SELECTED POLISH COMPANIES LISTED ON THE WARSAW STOCK EXCHANGE

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Purpose: Drawing attention to the increasing role of non-financial information, including this referring to social capital, in the process of complex company evaluation and verifying assumptions that socially responsible companies enhance the supportive activities of their employees directed at building social capital within the organization, and present valuable information about such activity in their non-financial reports.
Design/methodology/approach: In order to verify the above assumptions, the study was conducted on a random sample of 6 companies engaged in industrial activities, companies listed on the Warsaw Stock Exchange, and included in the WIG-ESG index. An analysis and evaluation were based on the annual reports for 2022, as well as the content published on the websites.
Findings: For companies to present achievements in building social capital measures enabling comparisons would be necessary as well as tools supporting their introduction. So far such needs have not been explicitly addressed and remain unnoticed.
Research limitations/implications: Limitations refer to poorly addressed enhancement of employees' initiative to show real engagement rather than triggered by management obliged to report non-financial information. Implications involve the necessity to design measures capable of demonstrating the effectiveness of strategies employed by companies reporting numerous activities aimed at building social capital. Research would be useful to verify how the activities affect civic engagement.
Practical implications: Reports on non-financial information should include activities that are undertaken following employees' initiative. They should also show interest in proving their effectiveness and contribution to long-term core organizational values development.
Social implications: The article should impact society by addressing relevant issues of CSR (non-financial) reporting in its social dimension. It indicates gaps and deficiencies in the way of designing social policies by companies and points directions that may lead to better understanding of the role of individual employees who should be empowered and accountable in the process of building social capital. Such changes could enable authentic and long-lasting civic engagement that can benefit individuals and society as a whole.

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Originality/value: The article approaches non-financial reporting from a different perspective. While presenting the advantages of the new standards visible in numerous activities undertaken by firms, it identifies areas of improvement to ensure this sort of reporting can genuinely strengthen social capital and civic engagement. It is addressed to companies and other decision-makers to indicate how reporting should evolve and what are its missing elements.

Keywords: social capital, non-financial reporting, social engagement.

Category of the paper: case study, general review.

1. Introduction

The nature of human behaviour which is at the center of attention of social sciences and today's business has been found to be driven not only by one's individual profit/benefit either based on rational premises or spontaneous psychological factors but also the values and interests of the whole community. Control over one's own resources can be forsaken for the benefit of an integrated community such as a nation or a local community. For homo sociologicus, it is the social group that dominates the individual, and evaluations are based on feelings, either positive or negative, and individual perceptions.

An opposing view of an individual as homo oeconomicus implies rational decisions – so as a professional, he should strive for maximization of profit, and as a consumer for maximization of utility. As homo sociologicus, he should ensure his actions follow common values and aim at the benefit of the group and the whole community. This approach has been addressed in company CSR activities and more specifically in the pursuit of ways to stimulate civic engagement.

However, this should not only be reflected in involvement in initiatives that benefit the environment but also such activities that result in the development and support of the community the employees form. Moreover, it should be emphasized that employees' social engagement aimed at supporting their well-being is realised within the framework of formal and informal structures. Examples of the latter are, among others, associations or other organizations, such as trade unions, whose activities are regulated in Polish law. While the study of the activity of informal labor groups is quite difficult, since there is no official information in the area, the activity of formal groups is subject to numerous information obligations. Therefore, it is possible to evaluate them, as well as to determine their impact on the creation of a community of values, and thus on the creation of social capital, understood according to the definition of E. Coks as "a set of social processes occurring between groups of individuals leading to the development of networks, norms, trust, processes, the measure of which is satisfaction".

The purpose of this article is to study the increasing role of non-financial information, including this referring to social capital, in the process of complex company evaluation. It was assumed that socially responsible companies enhance the supportive activities of their employees directed at building social capital within the organization, and present valuable information about such activity in their non-financial reports. In order to verify the assumptions, the study was conducted on a random sample of 6 companies listed on the Warsaw Stock Exchange and included in the WIG-ESG index. The selection followed the ranking of companies and resulted in focusing on companies located both highest in the index (highest weight) and lowest (lowest weight).

An analysis and evaluation were based on the annual reports for 2022, as well as the content published on the websites. The material is organized around non-financial reports of the selected companies to compare and contrast the way of presentation as well as activities within the scope of those recognized as having the potential to support social capital building in the company context. The main feature of its novel approach is addressing ways to understand the dichotomy between tangible activities and their expected profound long-term results such as building intangible social capital. It was established the focal point should be evaluating if and how the existing indices reflect the intensity of efforts made to boost civic engagement.

2. Social engagement vs. social capital

Corporate language seems to fail to distinguish the two terms: social engagement and civic engagement. While the former is widely used in the context of CSR activities and represents a commitment to socially valid issues of different nature (environmental protection, eco-friendliness, support of disadvantaged groups and individuals, demonstrating care), the latter implies empowerment of individuals as citizens, their awareness and trust in agency based on their knowledge of institutions, operations and processes. In companies, civic engagement can be strengthened by empowerment, vested decision-making, and accountability. Understood as such, civic engagement will be derivative of numerous environmental factors, including long and rich democratic traditions, strong public institutions, and specific modes of management and leadership.

The following elements comprise Civic engagement: action (active participation in activities), commitment (readiness to act) deriving from the system of values or call of duty, skills (ability to act), and social cohesion incorporated in trust, reciprocity, and bonds.

Rasborg (2017) claims long-lasting traditional dedication to family life has been transformed toward an individualized, anonymous, and mobile society. Similarly, loyalty towards an employer typical of job-for-life holders who belonged to older generations (Traditional, Boomers, or even Xers) has been replaced by combined careers, flexible employment contracts, and career changes. Such an environment does not favour stability which is needed to develop ties and establish close relationships and constitutes the foundation for engagement and activity for the benefit of the community. Only those individuals who identify with the community will demonstrate an active stance in social structures. Through civic engagement, individuals can build strong networks based on collective, shared values, trust, and relationships. In this context, civic engagement has the potential to prevent the loss of social structures (Levine et al., 2018). Local communities and workplaces are complex systems of various functionalities, norms, and interactions as opposed to anonymous social systems created by mobile and unstable societies of today.

Only when built from the very beginning, and based on profound knowledge can such engagement be effective, intense, and ongoing. Later on in a professional career, an active stance can be naturally taken if supported by encouragement, empowerment, motivation, and role models in leadership and management.

From the company's perspective, it is particularly important to address the issue of social capital. As Z. Mockałło underlines, ongoing research "points to the links between social capital and the well-being and development of societies, social groups and eventually, workplaces and employees (Mockałło, 2015). The value of social capital is built by mutual social relations and the trust of individuals. This capital is a resource that enables the achievement of diverse benefits, both individual and group, in social, private, or professional life (Mockałło, 2015), including benefits for the company.

R. Putnam, one of the authors of the concept of social capital, emphasizes the relationship between social capital and the organizational characteristics of society, where he includes trust, norms and ties that increase the efficiency of society while facilitating the coordination of activities. As the author comments, "spontaneous cooperation is facilitated by social capital" (Zarycki, 2004).

For P. Bordieu (1985, p. 248) and S. Coleman (1990, pp. 300-321), social capital is an important element among the intangible assets of an enterprise and a necessary complement to social networks and norms of reciprocation. Formal and informal norms and values shared by group members constitute the value that depends on members’ readiness to give up the individual good for the good of the group. The elements of social capital include trust, loyalty, reciprocation, solidarity, fairness, responsibility, and reliability.

According to F. Fukuyama (1997, p. 20) obligations, expectations and trust depend on the cultural heritage of a society and as such are strictly connected and interconnected with social capital. Social relations in business are based on human capital and its elements, and social norms are needed for social interaction to take place.

J. Czapiński (2007, p. 264), who asserts that social capital is the key factor in building economic capital, sees its modern functions as much more far-reaching, i.e. as contributing to social integration and inclusion.

According to Rok (2014) approach to leadership in contemporary companies should address all staff members to integrate them around common goals and desirable values to follow the increasing expectations of all stakeholders, not only financial ones. Leadership to be sustainable demands alignment at the citizenship stage with implemented sustainability principles to business strategy, competencies of a leader boosted in the area of engaging employees to meet the abovementioned principles.

3. Social networks and their influence on engagement

On corporate grounds, human capital management is becoming increasingly important. It is commonly understood that, as a key intangible resource, it increases the chance of success. At the same time, success is currently viewed from the perspective of the role sustainable development and achievement of non-financial goals, including the widely understood social aspect play in the achievement of optimal financial results. It should be emphasized that social activity is associated with the creation of an atmosphere conducive to building a competitive advantage. Socially active companies, often taking on tasks traditionally attributed to state-owned institutions, increase confidence in their activities, not only the pro-social ones. Initiatives conducive to increasing the efficiency of the company by strengthening social involvement are therefore a tool to support the sustainable development of the organization.

As a result, the creation of a social network in an enterprise has a positive impact on its operation. Having engaged staff means a lot of considerable benefits from the corporate perspective, such as an ability to identify with the company goals, achieve better results, efficiency and loyalty that translate into improved staff retention.

The social networks that are the building blocks of social capital can be divided into bridging capital and bonding capital (Moskałło, 2015).

Bridging capital is formed by ties between individuals with 'diverse characteristics' (Moskałło 2015) while bonding capital allows for networks of ties to be formed by individuals who are 'homogeneous in terms of socioeconomic data' (Moskałło, 2015). The fundamental difference between the aforementioned capitals stems from the motives for creating networks of connections. In the case of bridging capital, it is the pursuit of excellence. The determinant for the creation of bonding capital, on the other hand, is the need for security. Ties typical for trade unions seem to be, for example, created to ensure the economic security of workers with similar socio-economic characteristics. They are formed to protect the interests of their members and so act in the interest of the group, which is often contrasted with the interests of the employer. On the other hand, it should be emphasised that these organisations care about the well-being of employees which is a key factor in ensuring the long-term development of the organisation. It is assumed that associations, NGOs, citizens' communities, local governments, and therefore also trade unions, are the pillars of civic society (Gliński et al., 2002).

The work environment, however, is mainly the space where bridging capital is created and developed. This capital promotes the well-being of employees and thus benefits the organisation as a whole. Well-cooperating employees are a source of inspiration and active engagement for the wider society. Organisations with strong networks between people of different characteristics provide examples of a high level of engagement in actions taken for other groups. They include both ad hoc actions, employee volunteering and activities typically undertaken within the framework of permanent structures established by companies, such as foundations. It is participation in such actions and campaigns that strengthens bonds critical for boosting the social capital of the employees involved. At the same time, the literature distinguishes two forms of employee engagement - traditional and operational, which involve the employee's engagement in the socially responsible operation of the company (Mirvis, 2012).

4. Social capital in the context of non-financial reporting

Today, concepts that view and evaluate the activities of companies from the perspective of their social impact are increasingly articulated. This approach emphasises the diversity of stakeholders, thus challenging agency theory, which focuses on protecting the interests of the principal and the need to reduce the information asymmetry between him and the agent. Confirmation of the above thesis is provided by, among other things, the significant changes observed in the reporting of information on the activities of an enterprise. The form of a company's communication with its environment has been evolving over recent years, forced by significant social changes.

Until recently, periodic reports predominated whose main element was the financial statement and the management report on the company's activity allowing for the assessment of the company's efficiency from the perspective of generated profit and growth in its value. Limited interest was shown in the dependence of these values on environmental and social activities. Now, such statements need to be enriched with non-financial information that addresses the company's impact on the wider environment, both internal and external (Walińska, 2015). Thus, they are aligned with the increasingly widespread conviction that the possibility of making rational decisions, including investment decisions, is determined by the possibility of confronting financial with non-financial information (Balzinska, 2018).

Thanks to the obligations to publish non-financial information introduced into the Polish legal system, there has also been a gradual reduction of the information gap in this area (Walińska, 2015).

Thus, as a result of the transposition of Directive 2014/95/EU of the European Parliament and of the Council on the disclosure of non-financial and diversity information by certain large undertakings and groups, reporting of non-financial information has been a part of the system since the beginning of 2018 (Tylec, 2018). Following the directive, the Accounting Act in Poland was amended (Dz.U. 2017, item 61). The obligation to disclose non-financial data applied to reports prepared already for 2017 (Krasodomska, 2017, Rubik, 2018). At the same time, the issue of non-financial reporting was regulated by the Ordinance of the Minister of Finance of 25 May 2016 amending the Ordinance on current and periodic information provided by issuers of securities and the conditions to recognise the information required by the laws of a non-member state as equivalent (Dz.U. 2016, item 860).

Even before the introduction of the above-mentioned regulations, there was a need to expand reporting to include non-financial information understood as: "facts, descriptions, materials, opinions of non-monetary nature, essentially describing the entity's business model and the variables that make it up, such as the entity's policies on the environment, society, human rights, employees and corruption" (Zyznarska-Dworczak, 2016, p. 218). An important role in the development of non-financial reporting was played by the concept of corporate social responsibility, mentioned before, which originated in American business (Tylec, 2018). Some business entities were already preparing voluntary corporate social responsibility - CSR reports before the above-mentioned regulations were introduced into the Polish legal system.

The reported non-financial information had a varied form (Macuda, Matuszak, Różańska, 2015) which significantly limited the comparability of data and contributed to the decreased value of the information in published reports. On the other hand, due to the remarkable development of the culture of social engagement, the need to verify a company's activities not only in terms of the financial result it generates but also social impact factors was becoming increasingly evident in the public debate. While upon initiation of reporting on CSR activities the legitimacy of creating reports and publishing information on such activities was often denied, currently, with the intensive development of social movements aimed at protecting the wider environment, including the working environment, such an attitude is increasingly rare.

With the introduction of successive EU regulations that affect the content of national regulations, there is a growing interest among companies in presenting information on their commitment to social projects (Rubik, 2018). When developing non-financial reports, companies use reporting standards. The most relevant ones include (Macuda et al., 2015):

- OECD guidelines aimed at multinational entities (OECG, 2011).
- ISO26000 providing guidance on how companies can act in a socially responsible manner (Discovering ISO, 2014).
- GRI standards providing guidance, formulating basic reporting principles and a set of non-financial indicators (GRI.G4, 2016).

However, "vague" regulations obliging companies to report non-financial information confused both the form and content of non-financial reports (Jelska, 2023). Their limited comparability (Szadziewska et al., 2023) and, consequently, reduced informational value provided a stimulus for the search for new solutions aimed at increasing the informational value of published communications presenting the company's role as an entity supporting and implementing social initiatives.

On 16 December 2022, the Corporate Sustainability Reporting Directive (so-called CSRD) was published in the Official Journal of the EU. It represents a further attempt to structure the regulation on non-financial reporting, making it responsive to the information needs of the market and increasing the comparability of information given by different entities (Świderska, Krysik, 2023). According to the regulation, large companies will be obliged to prepare an ESG report according to the new standards in 2024. Implementing the provisions of the directive will be a major challenge for the companies.

5. Support of social engagement in reports of selected companies

This article attempts to evaluate companies' social capital-building activities in the employee group on the basis of published non-financial information. The research was based on non-financial information reports of selected companies listed on the Warsaw Stock Exchange, with attention focused on reports for 2022. Information published by the companies on the websites was also analyzed. Selected companies listed in the WIG-ESG* index were included in the group of entities of the study (Table 1). The characteristics of the index, which takes into account social issues, including labor issues being an element of non-financial reporting, justify the choice of the research sample listed in Table 1. The research sample was limited only to companies with manufacturing and trading activities, located both highest in the mentioned index (highest weight) and lowest (lowest weight).

Published as of September 3, 2019, the WIG-ESG Index replaced the RESPECT Index that existed since 2009, includes all companies listed on the main stock market belonging to the WIG20 and WIG40 indexes, meeting the stock exchange guidelines included in the DPSN2021 document on corporate governance, information governance and investor relations, concerning the ESG (Environmental, Social, Governance) area tab. 1. In addition to assessing the level of application of the Good Practices, the index also takes into account the performance of companies in the ESG ranking prepared by the independent research agency Sustainalytics. In addition, capitalization and share trading value are taken into account in the index. The scoring of companies here is carried out based on information posted by them on their websites. The inclusion of a company in the WIG - ESG group does not depend, as in the case of the previously functioning Respect index, on filling out an appropriate questionnaire.

Below is an evaluation of the position of the analyzed companies in the WIG-ESG index, in the ranking prepared based on the level of implementation of the DPSN 2021 and in the summary prepared according to the criterion of the level of ESG risk.

Based on the review of information provided by selected companies on their websites and in published periodic reports on social activity in 2022, an attempt was made to identify activities aimed at supporting the construction of social capital of employees. An analysis was carried out of information on sample networks in the form of support for the process of building bridging capital and bonding capital.

Table 1 presents the companies listed within the WIG-ESG index, with the order being in accordance with the weight of the respective company in the WIG-ESG index (Company 1 – the highest weight, Company 6 - the lowest weight). Also indicated is the sector to which the company is assigned by the classification used in the DPSN 2021 scanner, as well as information on the significant participation of the State Treasury (directly or indirectly) in the company's shareholding.

Table 1.
Companies included in the survey sample

	Sector (classification of DPSN2021-GPW scanner	Significant direct or indirect State Treasury shareholding
Company 1	Energy	Yes
Company 2	Apparel and cosmetics	No
Company 3	Mining	Yes
Company 4	Energy	Yes
Company 5	Mining	Yes
Company 6	Electronics	No

Source: own study based on https://www.gpw.pl/dpsn-skaner.

Based on the data made available in the DPSN2021 scanner, Table 3 presents the level of good practices applied by the analyzed entities -companies listed on the WSE (comply indicator - the level of respect for the principles), the implementation of which was the primary criterion for evaluating companies in the RESPECT Index from 2009 to 2020.

Table 2.
Implementation of DPSN2021 comply rate

No.	Company	Comply ratio	Used	Not used	NA	sector (classification of DPSN2021-GPW scanner
1	Company 2	100%	100%	0%	0%	Apparel and cosmetics
2	Company 5	94%	94%	6%	0%	Mining
3	Company 3	92%	92%	8%	0%	Mining
4	Company 4	89%	89%	11%	0%	Energy
5	Company 1	84%	84%	16%	0%	Energy
6	Company 6	68%	68%	32%	0%	Electronics

Source: own study based on https://www.gpw.pl/dpsn-skaner.

The analysis confirmed that the weight of companies in the WIG-ESG index is not directly dependent on the level of DPSN2021 realization. Company 1 – with the highest weight in the WIG-ESG Index - shows a relatively low DPSN2021 realization rate (84%). This is influenced by the principle introduced with the launch of the WIG-ESG Index of a broader spectrum of factors considered in assessing the social aspects of companies' performance. The realization of DPSN2021 is now only one of the criteria taken into account to determine the weight of a company in the WIG-ESG Index.

Table 3.
Level of ESG risk in selected companies

ESG risk level (1 – lowest, 6 – highest)	Company	sector (classification of DPSN2021-GPW scanner
1	Company 2	Apparel and cosmetics
2	Company 6	Electronics
3	Company 1	Energy
4	Company 5	Mining
5	Company 3	Mining
6	Company 4	Energy

Source: own study based on https://www.gpw.pl/dpsn-skaner and https://www.sustainalytics.com/esg-rating

In Table 3, the companies are arranged according to the level of ESG risk (1 – the lowest risk, 6 – the highest risk), understood as risks related to environmental, social and organizational factors that may affect the financial situation or hinder the operation of the company. The level of risk was determined here using, among other things, information made available by the research agency Sustainalytics [www]. Based on the research, it was found that company 1 with the highest weight in the WIG-ESG index among the analyzed companies showed a relatively high level of ESG risk with a relatively low level of comply factor. On the other hand, company 6 with the lowest weight in the WIG-ESG among the analyzed companies was ranked second and shows a lower level of risk compared to companies 1, 5, 3 and 4 and at the same time, the lowest comply factor in the analyzed group.

The analysis showed that the evaluation of the social aspects of the companies studied, in addition to the WIG-ESG ranking, which, due to the capitalization criterion, favors large companies, should also be made taking into account the company's position in the rankings prepared based on the other two criteria.

A review of the information reported by the selected companies for 2022 confirmed that all of them are fulfilling their disclosure obligations to publish non-financial information, but report the information in different ways. Companies with direct or indirect participation of the State Treasury (sector: mining and energy) use similar rules for reporting non-financial information. The non-financial information they publish can be found in the company's management report in the statements on non-financial information and in the integrated report. Company 2, located in the apparel and cosmetics group – with 100% private equity participation – prepared a separate comprehensive non-financial report – the Sustainability Report and refrained from the presentation of statements on non-financial information in the company's management report. Company 6 (also with 100% private capital participation) presented non-financial information only in the management report as part of the statements on non-financial information. All companies present either an integrated report or a separate non-financial report in accordance with GRI standards. However, the integrated reports presented by companies 1, 3, 4 and 5 are significantly different in form and use individualized graphics. The solutions and visualizations used, while interesting, can be a handicap that limits the informational value. In addition, despite the application of the same reporting standards, this diversity limits the comparability of published data. The sustainability report prepared by Company 2 is a separate element of the annual report. It is a clear source of detailed information on the social aspects of a company operating in the area of clothing and cosmetics.

Table 4.
Reporting of non-financial information - standards and form

	Non-financial reporting in management report on the company's activities 2022	**Integrated report**	**Separate non-financial report**	**GRI standards**	**Sector (classification of DPSN2021-GPW scanner**
Company 1	yes	yes	no	yes	Energy
Company 2	no	no	yes	yes	Apparel and cosmetics
Company 3	yes	yes	no	yes	Mining
Company 4	yes	yes	no	yes	Energy
Company 5	yes	yes	no	yes	Mining
Company 6	yes	no	no	no	Electronics

Source: own study based on companies reports.

The variety of forms of non-financial data presentation described above makes it difficult to search for information on the company's activities related to building employees' social capital. The content presented here provides a broader or narrower description of the implemented activities but does not allow us to assess their impact on the real involvement and strength of social ties among employees. Based on the analysis carried out, it was found that the basic forms of building and strengthening the social attitudes of employees are employee voluntarism, various arrangements for the social environment, including NGOs, the exercise of the right of association in particular trade unions and the activities of foundations. At the same time, the so-called corporate foundations operate in all surveyed SOEs. This form of integration of employees, around activities for the benefit of society is not used by either company 6, showing a limited scope of reporting non-financial information, or company 2 reporting extensively on its social activity in a separate report and undertaking numerous activities in support of employees and the environment.

Table 5.
Selected tools for building social capital of employees

	Employee volunteering	Support for NGOs	Trade unions	Foundation
Company 1	yes	yes	yes	yes
Company 2	yes	yes	yes	no
Company 3	yes	yes	yes	yes
Company 4	yes	yes	yes	yes
Company 5	yes	yes	yes	yes
Company 6	no	yes	no	no

Source: own study based on companies reports.

Differences regarding not only the form but also the scope of the reported information can be seen even between companies operating in the same area. For example, Company 3, classified as a mining company, in its statements on non-financial information presented a broad description of activities in the area of employees' rights to associate. It included detailed information on resolving disputes with social representatives, as well as the actions taken to mitigate them. Other companies presented limited information on support for union activities. All of the SOEs, as well as Company 2, described extensively the activity in introducing and supporting employee voluntarism policies. This activity is conducive to the actions described by these companies for the benefit of other social groups. The aforementioned activities are important for both stimulating and strengthening social bridging capital and bonding capital. A kind of "nuisance" that results from unions' existence following current legal regulations in this regard, is accepted and supported in such a way as to balance the interests of employee groups with those of the employer.

However, it should be noted that the activities of the Companies within the area under consideration, have been evaluated by the authors solely based on the information they provide. This limits the possibility of verifying the compliance of the information presented by the companies against reality. To mitigate this risk, according to the new guidelines, non-financial reports will be audited by auditors starting in 2024. This will minimize the risk of presenting false information.

6. Summary

The analyses of the non-financial reports of the selected companies demonstrate activities taken to strengthen social capital. However, there are no measures or indices that could prove this capital was enhanced either by general company commitment or by a specific activity. There is a dichotomy between specific activities of tangible form, purpose and (short-term) effect undertaken and their expected profound long-term benefits such as building intangible social capital. What can be concluded from the analyses is that while the companies are determined to follow the guidelines and be compliant with (changing) regulations they do not make efforts to see the attempts are effective and contribute to developing social capital. There are neither measures to indicate if and how the capital increased as a result of activities undertaken nor evidence proving the reason-result relationship between the scope, content and efficiency of the activities. While they are linked to specific results and a benefit desired (pro-active) stance development, it is not evaluated how effective they are in building social capital in a broad sense and how they build civic engagement. Encouragement to participate in socially-oriented activities can play a part in empowering employees and their readiness to trigger initiatives. Such bottom-up initiative is necessary to mirror authentic engagement. The reports analysed prove a top-bottom initiative is taken to comply with the regulations on the one hand and create a company image relevant for employer branding of a modern caring organisation, on the other hand.

Without creating mechanisms to provide appreciation of individual authentic commitment the development of the culture of social engagement will not be boosted. Regulations on non-financial reporting important for investors and stakeholders seem unable to play an important part in supporting civic engagement in a broad sense.

For companies to present achievements in building social capital measures enabling comparisons would be necessary as well as tools supporting their introduction. So far such needs have not been explicitly addressed and remain unnoticed. The positive influence of non-financial regulation on society is undeniable, however, it seems to lead to changes in parts of the substance rather than the core of an organization.

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Footnotes

[*]Published as of September 3, 2019, the WIG-ESG Index replaced the RESPECT Index that existed since 2009, includes all companies listed on the main stock market belonging to the WIG20 and WIG40 indexes, meeting the stock exchange guidelines included in the DPSN2021 document on corporate governance, information governance and investor relations, concerning the ESG (Environmental, Social, Governance) area. In addition to assessing the level of application of the Good Practices, the index also takes into account the performance of companies in the ESG ranking prepared by the independent research agency Sustainalytics. In addition, capitalization and share trading value are taken into account in the index. The scoring of companies here is carried out on the basis of information posted by them on their websites. Inclusion of a company in the WIG - ESG group does not depend, as in the case of the previously functioning Respect index, on filling out an appropriate questionnaire.