

ANALYSIS AND EVALUATION OF THE DESCRIPTION OF BUSINESS MODELS IN THE ANNUAL REPORTS OF SAMPLE COMPANIES

Agnieszka OCIEPA-KUBICKA

Czestochowa University of Technology, Entrepreneurship Center; a.ociepa-kubicka@pcz.pl,
ORCID: 0000-0002-1736-1844

Purpose: The primary goal of this study is to analyze the scope and form of business model descriptions presented in the reports of six companies. An attempt was made to compare the readability and clarity of the business model descriptions in the reports studied.

Design/Methodology/Approach: The analysis was based on literature studies and data obtained from the analysis of the annual reports of the selected companies.

Findings Analysis of business model disclosures in 2024 reports indicates that surveyed companies are committed to compliance and are disclosing information about their business models. However, there are differences in the presentation and format of data, length, and scope of disclosures regarding business model elements. Business model reports include a common section presented by all surveyed companies, such as company description, stakeholder orientation, and value proposition. This is generally a lengthy chapter, divided into subsections with different names depending on the report, making it difficult to find and compare business model descriptions. Information regarding business models in the analyzed reports is difficult to compare between entities. Some companies described business models in great detail but did not include drawings or charts, which hinders their quick readability. It is also more difficult to assess the completeness of the information descriptions with complex tables. Disclosures about business models scattered across various chapters of very comprehensive reports, coupled with the lack of appropriate graphical presentation, make it difficult for the reader to find essential information describing the organization's business model.

Practical implications: Analysis and monitoring of information contained in annual reports/reports on companies' business models will enable better management of specific areas within companies.

Originality/value: ESG reporting according to the standards applicable for 2024 was a significant challenge for companies. Describing business models in integrated reporting according to CSRD standards is a new phenomenon, which justifies conducting research.

Keywords: business models, companies, annual reports.

Category of the paper: Case study.

Introduction

Well-thought-out, developed business models bring a number of benefits to companies, such as increased efficiency, better adaptation to market changes, ease of scaling, and easier investment acquisition. The concept of a business model is not clearly defined in the literature (Snihur, Markman, 2023; Szopinski et al., 2022; Snihur et al., 2025). This is because a company's business model must be closely linked to the specific nature of the company's operations. It is linked to the company's strategy and defines how to effectively manage the company to achieve market success. Business models are analyzed and presented in various ways in scientific publications. Many researchers have conducted research on business models, primarily in the fields of design and management (Baden-Fuller, Mangematin, 2013; Battistella, 2012; Vedovato, 2016). The need to describe the business model in reports is required by the Corporate Sustainability Reporting Directive (CSRD) on corporate sustainability reporting (Directive 2022/24646). Information about business models in reports has been deemed relevant and important for potential investors and stakeholders to analyze a company's operations. Sharing experiences in integrating social and environmental factors into daily business activities fosters credibility and market transparency.

The CSRD introduced new reporting standards that require companies to adopt greater transparency and a comprehensive approach to ESG (E-environmental, S-social responsibility, G-corporate governance). Large financial and insurance companies, as well as public entities already required to prepare non-financial reports under Directive (EU) 2014/95 of the European Parliament and of the Council of 22 October 2014, were required to submit CSRD reports for 2024.

ESG reporting according to the 2024 standards posed a significant new challenge for companies. Presenting comprehensive information on the environment, social well-being, and corporate governance, as well as describing business models in accordance with the new procedure, was often a difficult task for companies. This creates room for reflection and analysis, and therefore research in this area is advisable and justified.

This article presents information on the description of business models in reports based on legal regulations and analyzes the presentation and transparency of business model information in the ESG reports of six companies for 2024.

Guidelines developed on the basis of EU directives and Polish regulations on ESG reporting require, among other things, the preparation of a description of the company's business model and strategy of the company in relation to material sustainability issues (ESG Reporting Guidelines, 2024).

Legal regulations and guidelines indicate the need to include a description of the model and value chain in reporting, but they do not clearly outline the scope and form of the description. This is primarily due to the ambiguous definition of a business model and the varying

specificities of companies. The research presented in this article is a pilot study due to the fact that companies submitted reports according to CSRD standards for the first time for 2024. The primary goal of the research is to analyze the scope and form of the description of business models presented in the reports of the six companies studied. An attempt was also made to compare the readability and clarity of the description of business models in the reports examined. A hypothesis was put forward: There are difficulties in the comparability of business model descriptions in the annual reports of companies from 2024. The analysis was based on literature studies on the discussed topic and on data obtained from analyses of the annual reports of selected companies. Based on the literature, the regulations regarding reporting according to CSRD were analyzed, with particular emphasis on the requirements for describing business models. Six companies were selected for the study. Business model description in integrated reporting is a new phenomenon, which justifies conducting the research.

Defining the scope and form of business model description in reporting is crucial for entities to reliably comply with their reporting obligations. Analyzing and monitoring information contained in annual reports on enterprises' business models allows for better management of specific areas within companies. The information, analyses, and comparisons presented in this article fill a research gap related to the implementation of new regulations. It should be emphasized that continued and expanded research will be necessary in the coming years. The need for continued research stems primarily from planned and already developed changes in reporting. On February 26, 2025, the European Commission presented the first package of simplifications in the area of sustainable development, the so-called Omnibus I. The changes introduced by the EU Council and the European Parliament will still require implementation into national law. The issue of disclosing information regarding business models in reports is also constantly debated and ambiguous.

Literature review

The concept of a business model, as interpreted in the literature, is very broad. According to Gajda, "the lack of consensus regarding the interpretation of the term 'business model' stems, among other things, from the varying contexts in which the term is used" (Gajda, 2014). Osterwalder et al. (2005) point out that there are three frameworks within which the concept of a business model can be understood:

- an abstract concept capable of describing the entire real-world business,
- a scheme classifying various types of businesses with similar characteristics,
- a conceptualization of a specific, real-world business model.

The following definitions, understood by various authors, can be found in the literature: (Gajdzik et al., Brzóska, 2009; Afuah, 20024; Grabowska, 2019; Kardas, 2016):

- Architecture for the flow of products, services, and information, including a description of various business activities and their roles.
- A unique configuration of strategy, processes, technology, and corporate governance over an organization.
- A description of the roles and relationships between consumers, customers, allies, and suppliers, identifying the flows of products, information, and cash, as well as the main benefits for participants in the structure.
- A multi-component object that simplifies business operations by describing the logic of creating value for customers and capturing some of that value by the enterprise.

The attempt to define and standardize the concept of a business model was undertaken at a time of growing interest in non – financial information in organizational reporting.

The International Federation of Accountants (IFAC) defined a business model as the way an organization accepts inputs and generates value for stakeholders. It encompasses an organization's goals, revenue streams, strategy, business operations, and other functions. It also defines how the value expected by its owners, value for customers, or other key stakeholders is created.

Despite the varying definitions formulated by many authors over the years, common elements can be identified, such as the concept of value proposition (Lanzolla, Markides, 2021; Shepherd et al., 2023; Doligarski, 2013) (Table 1).

Table 1.
Various definitions of the concept of a business model

Various definitions of the concept of a business model	Source
A business model is the essence of managing transactions in such a way as to create value by exploiting business opportunities.	Amit, R., Zott, C. (2010). Business model design. An Activity System Perspective. <i>LongRange Planning</i> , vol. 22, p. 217.
A business model is a description of how resources are combined and transformed to generate value for stakeholders and how the enterprise will be rewarded by stakeholders in return for the value delivered to them.	Margretta, J. (2002). Why Business Models Matter? <i>Harvard Business Review</i> , vol. 80, p. 87.
A business model is the logic of how a business creates and delivers value to customers.	Teece, D.J. (2010). Business Models, Business Strategy and Innovation. <i>Long Range Planning</i> , vol. 43, p. 173.
A business model is a company's value proposition for specific customer groups and a company architecture that demonstrates the generation of profitable and sustainable revenue streams.	Osterwalder, A., Pigneur, Y. (2012). <i>Tworzenie modeli biznesowych. Podręcznik wizjonera</i> . Gliwice: Helion (Onepress), p. 2.
A business model is an indication of how a company identifies and creates value for customers and captures some of that value in the form of revenue.	Casadesus-Masanell, R., Ricart, J.E. (2010). From Strategy to Business Models and onto Tactics. <i>Long Range Planning</i> , vol. 22, p. 196.

Source: own study based on: Amit, Zott, 2010; Margretta, 2002; Teece, 2010; Osterwalder, Pigneur, 2012; Casadesus-Masanell, Ricart, 2010.

By carefully designing and continuously refining their business model, organizations can adapt to changing market conditions, capitalize on new opportunities, and ultimately achieve long-term success (Schulte, 2013; Seethavaman, 2020; Ritter et al., 2020; Manninen et al., 2018).

It is also worth emphasizing that business model and corporate strategy are two different concepts, often incorrectly used interchangeably. A business model describes and explains how a company operates and how it generates revenue. A business strategy, on the other hand, describes and explains how, where, and for what purpose the business model will be used (Jabłoński, 2019; Oblój, 2002; Zott et al., 2008; Czainska et al., 2021).

Therefore, a lack of clarity in defining a business model can impact, among other things, the description of business models in companies' annual reports.

The CSRD on Corporate Sustainability Reporting (Directive 2022/24646) entered into force in January 2023. The CSRD was transposed into Polish law on 1 January 2025 by the provisions of the Act of 17 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Oversight and certain other acts (Journal of Laws of 2024, item 1863).

It amends the reporting requirements set out in the previously applicable NFRD. It introduces new reporting standards that require companies to take greater transparency and a comprehensive approach to ESG.

The new Corporate Sustainability Reporting Directive introduces new guidelines for companies to report on their activities. On December 16, 2022, the Corporate Sustainability Reporting Directive (CSRD) was published in the Official Journal of the EU. The CSRD replaced Directive 2014/95/EU on the disclosure of non-financial information (Non-Financial Reporting Directive, NFRD).

The CSRD is part of a comprehensive package of legislative changes for the sustainable financing of economic growth, which are intended to help the EU achieve climate neutrality by 2050. The directive introduces mandatory ESG reporting (data on environmental (E), social (S), and corporate governance (G)) for all large companies and large capital groups (including large listed companies), significantly expanding the number of entities required to report. The reporting obligation for 2024 applies to entities meeting the following criteria:

- employing 500 employees,
- net revenues of EUR 40 million or a balance sheet total of EUR 20 million.

One of the key intentions and changes in reporting under the above directive was the introduction of uniform European Sustainability Reporting Standards (ESRS), which specify the data subject to disclosure (Table 2, Table 3).

Table 2.
European Sustainability Reporting Standards-ESRS

EUROPEAN SUSTAINABILITY REPORTING STANDARDS		
ESRS CROSS-SECTIONAL STANDARDS		
ESRS 1 GENERAL REQUIREMENTS		
ESRS 2 GENERAL DISCLOSURES		
ESRS ENVIRONMENT	ESRS SOCIETY	ESRS CORPORATE GOVERNANCE
ESRS E1 Climate Change ESRS E2 Pollution ESRS E3 Water and Marine Resources ESRS E4 Biodiversity and Ecosystems ESRS E5 Resource Use and the Circular Economy	ESRS S1 Own Employees ESRS S2 Employees in the Value Chain ESRS S3 Affected Communities ESRS S4 Consumers and End User	ESRS G1 Running a business

Table 3.
Cross - sectional standards ESRS1 i ESRS 2

ESRS CROSS-SECTIONAL STANDARDS	
ESRS1 GENERAL REQUIREMENTS	ESRS 2 GENERAL DISCLOSURES
General recommendations and principles for creating reports Using rules Structure of standards Basic concepts Significance testing	Mandatory indicators for: General (GR) Strategy (SBM) Governance (GOV) Impact, Risk, and Opportunity Management (IRO)

Source: own work based on <https://www.gov.pl/web/finanse/europejskie-standardy-sprawozdawczosci-zrownowazonego-rozwoju-przyjete2>, 2.10.2025.

The new reporting requirements will be implemented at different times for different groups of enterprises. Reports under the new rules will be published by entities already reporting in 2025 for the 2024 financial year, by other large entities for the 2025 financial year, and listed SMEs will submit their first reports for the 2026 financial year according to separate, simplified standards, which EFRAG will develop in 2023.

The descriptions of business models under the CSRD are intended to ensure the comparability and reliability of disclosed data. This information will be subject to mandatory verification.

According to the standards introduced by the CSRD Directive, information about the business model has been structured and recorded in the section "Strategies and Business Model":

- 2-SBM 1 Strategy, Business Model, and Value Chain.
- 2-SBM 2 Interests and Opinions of Stakeholders.
- 2-SBM 3 Significant Impacts, Risks, and Opportunities, and Their Interrelationships with the Strategy and Business Model.

The implementation of the Act into national law necessitated the introduction of an amendment to the Accounting Act in 2024. The previous version of the Accounting Act only mentions "The statement on non-financial information shall include at least:" "a concise description of the entity's business model.

The amended Accounting Act introduces a new Chapter 6c, "Sustainability Reporting", which is a key part of the implementation of Directive 2022/2464 (CSRD) regarding the provisions on preparing sustainability reporting.

According to the Accounting Act, companies should include the following information related to their business model in their reports:

- Information on the entity's key intangible resources.
- An explanation of how the entity's business model depends substantially on such key intangible resources.
- An explanation of how intangible resources constitute a source of value creation for the entity. Key intangible resources are understood as resources without physical substance on which the entity's business model depends and which constitute a source of value creation for the entity.

In addition, information about the business model should appear in a separate section of the activity report containing information necessary to understand the entity's impact on sustainability issues and to understand how sustainability issues affect the entity's development, performance, and situation, hereinafter referred to as "sustainability reporting". This section should include, among other things, information on a concise description of the entity's business model and business strategy, including a description of:

- a. the resilience of the entity's business model and business strategy to risks related to sustainability issues,
- b. opportunities for the entity related to sustainability issues,
- c. the entity's plans, including implementation actions and related financial and investment plans, to ensure that the entity's business model and business strategy take into account:
 - the transition to a sustainable economy,
 - limiting global warming to 1.5°C,
- d. how the entity's business model and business strategy consider the needs of the entity's stakeholders and the entity's impact on sustainable development issues.

It is essential that the business model is presented in an accurate and transparent manner in annual reports. This influences the perception of the company by various stakeholders in the following aspects (Abdelkafi, 2013; Pedersen, 2018; Massa, 2024):

- enables understanding of how the company's operations impact the environment, society, and corporate governance,
- enables identification of risks and opportunities related to the company's impact on sustainable development,
- increases transparency and allows stakeholders to assess the company's commitment to sustainable development,
- builds trust and gains a competitive advantage,
- helps companies define goals and measure progress in environmental, social, and governance areas.

According to the guidelines, the scope of information that should be included in a business model report is limited to presenting:

- business model and value chain,
- business sector(s),
- key products and services offered,
- operating markets,
- key value creation factors.

According to the guidelines, companies should also disclose how sustainability issues are integrated into their strategy, business model, and financial planning. Companies can demonstrate their priorities and the direction they are heading. Implementing proper ESG reporting according to the above regulations and guidelines has become a significant challenge for companies. On the one hand, companies see a number of benefits, but on the other, reporting creates bureaucratic difficulties. Complex regulations and a lack of consistency and clear reporting guidelines have necessitated investment in consultations and training. Specialized firms have been established to support companies in reporting.

Recognizing the challenges of reporting under the current CSRD Directive, on February 26, 2025, the European Commission presented the first simplification package in the area of sustainable development, the so-called Omnibus I. Its goal is to reduce the administrative burden on businesses in the European Union. The package includes two draft directives. One, the so-called "stop-the-clock" directive, postpones deadlines. The second draft contains substantive changes aimed at simplifying the requirements for businesses.

Implementing ESG reporting not only fulfills legal obligations, but also offers a range of benefits for businesses. Companies that adhere to non-financial reporting principles gain a competitive advantage, improved access to financing, and greater stakeholder trust. The investors increasingly analyze various indicators before making business decisions, so transparency in this area can positively impact a company's market perception. A responsible approach to the environment and society helps minimize legal and operational risks.

Methods

The Corporate Sustainability Reporting Directive (CSRD) (Directive 2022/24646) introduced new reporting standards for the description of business models in annual reports. For the first time, large financial and insurance companies, as well as public entities already required to prepare non-financial reports in accordance with the NFRD, were required to submit reports for 2024. The study examined six annual reports for 2024. The study involved analyzing the content of these companies' annual reports and examining the scope and form of information disclosed regarding the business model. The study employed comparative analysis and

deductive reasoning methods. The article draws on literature studies, analyzes legal regulations, and cites research findings from Polish and international authors on topics related to business models.

Results

This article primarily analyzed and assessed the readability and clarity of the business model descriptions in the reports of six companies. Table 4 summarizes the chapters/subchapters containing information about business models, based on the reports' tables of contents. The paper addresses the clarity of the model data presentation in the analyzed reports.

Table 4.

Information about the business model in the annual reports of selected companies

Unit	Names of the report chapters/subchapters containing information on business models	Notes on presenting business models in reports
Dino Polska	DINO Polska and Capital Group Operations (Development Strategy). ESRS 2 (SBM-1) – Strategy, Business Model, and Value Chain. ESRS 2 (SBM-2) – Stakeholder Interests and Opinions. ESRS 2 (SBM-3) – Significant Impacts, Risks, and Opportunities and Their Interrelationships with Strategy and Business Model. KPIs – Operating Expenditures. ESRS G1 (G1-1) Business Conduct Policies and Organizational Culture.	The report's table of contents lacks a dedicated chapter or subchapter titled "business model". Information regarding the model appears primarily in one of the last chapters, "Sustainability Reporting", primarily in the subsection "General Information". Although the term "business model" is cited 10 times in the report, one must search for information scattered throughout the report to find its description.
GK LPP SA	Management Board Report on the Activities of the LPP SA Capital Group. Financial Resource Management. Risk Management. General Disclosures (Business Model). Information on Social Issues. Revenues and Expenses. Management of Impacts, Risks, and Opportunities. E1 Climate Change. E4 Biodiversity and Ecosystems.	In the report's table of contents, information about the business model is presented in the "business model" subsection at the beginning of the report, but a description of the model is also included later in the report. The model description is continued in the middle of the report, in the sustainability chapter, primarily in the general disclosures subsection. This can be confusing for stakeholders, as they may overlook some of the business model information based solely on the chapter title where the term "business model" appears.

Cont. table 4.

Grupa Orlen	<p>General Information. ORLEN Group Business Model. Management: Identification and Assessment of Significant Risks and Opportunities, and Internal Controls for Sustainable Development. Biodiversity and Ecosystems. Resource Use and the Circular Economy. ORLEN Group Employees. People Working in the Value Chain. Affected Communities. Key Intangible Resources. Climate Change. Consumers and End Users.</p>	<p>In the report's table of contents, information about the business model is presented in the first section of the report, "Business Model and Organization of the Orlen Group". Further information regarding the model description is included in the middle section of the report, in the chapter on sustainable development, primarily in the subsection "general information". This can be confusing for stakeholders, as they may overlook the business model information based solely on the chapter title where the term "business model" appears.</p>
PGE Polska Grupa Energetyczna S.A.	<p>PGE Group's Business Development Prospects. [SBM-1] Strategy, Business Model, and Value Chain. [SBM-2] Stakeholder Interests and Opinions. [SBM-3] Significant Impacts, Risks, and Opportunities, and Their Interrelationships with the Strategy and Business Model. People Performing Work in the Value Chain. Business Characteristics. Climate Change. Biodiversity and Ecosystems. Information on Social Issues.</p>	<p>In the report's table of contents, information about the business model is presented in the first section of the report. The information regarding the model description is continued in the middle of the report in the chapter on sustainability, where a distinct subsection appears: "Strategy, business model, and value chain". Information regarding the business model description is contained in two different sections of the table of contents, but the subsections concerning the model are clearly titled, allowing for quick access to basic information regarding the model description. The term "business model" is cited in the text 33 times.</p>
Cyfrowy Polsat S.A.	<p>Our Business. Strategy, Model, and Value Chain. Significant Risk Impacts and Opportunities and Their Interrelationships with the Strategy and Business Model. Description of Processes for Identifying and Assessing Climate-Related Significant Risk Impacts and Opportunities. Employees in the Value Chain. Application of Accounting Principles. Professional Judgment, Accounting Estimates, and Assumptions. Significant Risk Factors and Threats. Climate Change.</p>	<p>The report's table of contents lacks a distinct chapter/subchapter titled "business model". Information regarding the model appears in one of the last chapters, primarily in the "General Information" subsection. It includes information on the business model strategy and value chain. To find a description of the business model, one must search for information scattered throughout the report. Although the term "business model" is cited 33 times in the report.</p>

Cont. table 4.

Tauron Polska Energia	Implementation of Strategic Investments. TAURON Capital Group Management Principles. Corporate Governance Statement. Remuneration Policy for Management Board and Supervisory Board Members. Other Important Information and Events. General Information (Sustainability Reporting). Tauron Group Business Model. Climate Change. Water. Biodiversity and Ecosystems. Affected Communities. Consumers and End Users. Significant Risk Impacts and Opportunities. Tauron Group Value Chain. Recent Stakeholders of the Tauron Group. Analysis of the Financial and Asset Situation of Tauron Polska Energia S.A. Remuneration Policy for Management Board and Supervisory Board Members. Pollution. Social Responsibility.	The main information regarding the description of the model is included in the chapter on sustainable development, where the subsection "TAURON Group business model" appears.
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Analysis of the reports indicates that two companies, DINO and Polsat, did not include a chapter title in their table of contents that clearly suggested a description of the business model. Information regarding the business model description was presented primarily in the Sustainable Development (General Information) chapter. Although the term "business model" is cited repeatedly in these reports, finding a description of the business model requires searching for information scattered throughout the report. The scope of information regarding business models is broad but scattered throughout the reports, making analysis and comparison between companies difficult. Certain similarities in format and layout can be observed in the cases of LPP and Orlen, where basic information about the business model appears in two different sections of the report.

Both reports begin with a "Business Model" chapter, but business model information is also included in the sustainability chapter, primarily under the "General Information" subsection. The scope of information on models is broad, and the term "business model" is cited repeatedly throughout the report.

The clarity and readability of comprehensive reports are influenced by the graphical presentation of information. The use of figures and charts in the text facilitates readability and facilitates comparisons. Clarity of communication in comprehensive reporting should be a priority. With this in mind, Table 5 presents the format in which information about the business model was presented in the reports reviewed.

Table 5.

The form of disclosure of information about the business model in the annual reports of companies

Name of the entity preparing the report for 2024.	Form of disclosure of information about the business model				
	Narration	Table	Drawing/diagram	Chart	Infographic
Dino Polska	X				
GK LPP SA	X		X		X
ORLEN	X	X	X	X	
PGE Polskie Grupy Energetycznej S.A.	X	X		X	
Cyfrowy Polsat S.A.	X	X			
Tauron Polska Energia	X	X	X		X

Analyzing the information regarding the business model description in reports (Table 5), it can be seen that when describing their business model, companies most often choose a descriptive/narrative format and present data in the form of single tables. Companies are less likely to use charts, drawings, or infographics to present their business model. If they do appear in reports, they do so sporadically and individually. In many cases, a format such as an infographic would certainly be more readable. Reports present a wealth of information, so diagrams and graphics would certainly be attractive to potential stakeholders.

Discussion

The concept of a business model is not a unified concept in the literature. Researchers analyze and present business models from various perspectives, emphasizing its various elements (Afuah, 2024; Grabowska, 2019; Kardas, 2016). A well-developed and properly described business model is the foundation of a company's success. Therefore, it is crucial that it be presented clearly and legibly in companies' annual reports. Analyzing business models in annual reports can help new companies build a stable business model that will prove effective in challenging situations (Lanzolla, Markides, 2021; Shepherd et al., 2023; Kawacki, 2020). The most structured and clearly presented business model descriptions were found in the Tauron report, where the main information regarding the model description is contained in the chapter on sustainability, under the subsection "TAURON Group Business Model". In all reports, some information about the business model is included in the chapter on sustainability, in accordance with regulations. However, this is generally a lengthy chapter, divided into subsections with different names depending on the report, making finding and comparing business model descriptions difficult.

Companies refer to the guidelines from the SBM 1, SBM 2, and SBM 3 standards when presenting information about business models, complying with the provisions of the European Sustainability Reporting Standards. However, a lack of uniformity in the naming of the sections

or subsections in which business model information is presented has been identified. This complicates finding model descriptions in comprehensive reports and hinders the comparison of business model information in annual reports. The concept of a business model rarely appears directly in the tables of contents of the company reports we reviewed. In some reports, the term is not included in the table of contents, making it difficult to locate information regarding the business model. Although the concept of a business model is frequently cited in various sections of the reports, it should be emphasized that understanding a business model requires detailed knowledge of the elements and concepts related to the business model and familiarization with the entire comprehensive reports. In the reports we analyzed, we found rather poor visualization of business model descriptions. One company included a model description in its report without using any graphical representations. Analyses also indicate that most of the large organizations are reluctant to disclose too much information about their business models. This may be due to, among other reasons, fear of competition or lack of understanding of what a business model should consist of. They also presented such conclusions in their research (Inakshi et al., 2023). The presented research may initiate further research that will allow for a broader analysis of the manner and form of presenting information on business models in companies' annual reports.

Summary

Describing business models in companies' annual reports is currently a legal requirement. Reports prepared according to the CSRD were intended to ensure, among other things, comparability, readability, and credibility of disclosed data. It should be emphasized that a business model affects many areas of an entity's operations, often hindering a clear compilation of information in reports. This article primarily analyzed and assessed the readability and clarity of the business model descriptions in the reports of six companies. An analysis of the business model provisions in the 2024 reports indicates that the audited companies strive to comply with regulations and disclose information about their own business models. However, there are differences in the presentation and format of data, the length, and the scope of disclosures regarding the elements that make up the business model. The business model reports include a common section presented by all audited companies, such as a company description, stakeholder information, and value proposition. In all the reports of the audited companies, some information about the business model is included in the chapter on sustainable development, in accordance with the provisions of the Accounting Act. This is generally a lengthy chapter, divided into subsections with different names depending on the report, making it difficult to find and compare business model descriptions. It is also noted that business model data is also presented in other sections of the report concerning

environmental and social issues. This demonstrates an increasing understanding among entrepreneurs that a business model connects with many areas within a company, and that creating a successful business model requires analysis of multiple areas. However, due to the dispersion of information about business models in the analyzed reports of the companies for 2024, they are difficult to compare across entities. Some companies described their business models in great detail but did not include drawings or charts, which hindered their quick readability. It is also more difficult to assess the completeness of the information in the case of extensive descriptions or descriptions with complex tables. Graphical reports are generally more readable and understandable, and drawings and charts support the message. Visualizing disclosures allows for a quicker assessment of the validity of the described content and allows for easy comparisons with other entities. Model disclosures scattered across various chapters of very extensive reports, lacking appropriate graphical formats, make it difficult for the reader to find important information describing the organization's business model.

The author believes that the reasons for the diversity, difficulty in readability and comparability of reports, and the dispersion of business model descriptions, stem primarily from:

- the lack of a unified, well-established, and transparent definition of the business model itself,
- the broad concept of a business model, which affects many areas of an entity's operations, making it difficult to organize and clearly summarize information,
- complex regulations and a lack of clear, simple reporting guidelines,
- entrepreneurs' lack of comprehensive knowledge of the form, quality, need, and scope of business model disclosure in reports.

Based on the presented research and literature review, the author believes there is a need to:

- define the concept, scope, and form of presenting a business model in reporting,
- streamline and simplify reporting requirements,
- analyze the possibility of creating a standard reporting template that would present the scope and form of describing business models in annual reports,
- further train entrepreneurs on the importance of accurate and clear business model disclosure in periodic reports.
- disclose business models in reports.

Given the challenges of reporting under the principles, on February 26, 2025, the European Commission presented a simplification package in the area of sustainable development, the so-called Omnibus I, and the changes introduced will require implementation into national legal systems. It is crucial that the regulations on presenting models in reports are transparent and standardized for companies, to the extent possible. It is crucial that companies present their business models reliably and accurately in their reports. On the one hand, efforts should be made to reduce certain reporting burdens on companies, while maintaining due diligence in presenting business models.

Presenting a business model is a crucial issue, posing a new and difficult challenge for reporting. The research presented in this article indicates the need for further work to determine the best form, method, scope, and quality of business model disclosures and their usefulness for stakeholders. Work is ongoing to improve the reporting of business model data, and this topic will be the subject of future research. The presented research may initiate further research that will allow for a broader analysis of the manner and form of presenting information on business models in companies' annual reports.

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