

Chapter 11

Sustainability Reporting in the Construction Industry: Evidence from Poland

Paweł Szalacha

Certified Auditor
Finance Director of PORR SA
e-mail: pawel.szalacha@wp.pl
ORCID: 0000-0001-8386-6093

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Sustainability reporting is a journey, not a destination.

John Elkington

The construction industry has unique challenges when it comes to sustainability performance. Construction activities have several negative impacts on society and the planet itself. These include carbon emissions, pollution (noise, air, water quality), and waste generation (Sev, 2009). The construction sector is responsible for significant environmental impacts, primarily through its wide use of natural resources (including water, minerals, and timber), energy consumption, greenhouse gas (GHG) emissions, as well as waste generation (including construction debris, packaging and demolition waste).

The construction industry also has a significant social impact, primarily through its employment practices and its impact on local communities. Unlike in most other economic sectors, the issue of employee health and safety is of vital importance during construction activity. Over the years, employees, clients, owners (investors), local communities, regulators, environmental organisations

and other stakeholders of construction companies have been increasingly interested in their environmental footprint, social impact and governance practices. There is observed increased pressure on construction companies to broaden their accountability beyond economic performance for shareholders to sustainability performance for all stakeholders (Pagell & Gobeli, 2009).

The notions of 'sustainable development' and 'sustainability' are often used interchangeably. The World Commission on Environment and Development defined sustainable development as *meeting the needs of the present without compromising the ability of future generations to meet their own needs* (Jones, Shan, & Goodrum, 2010, p. 6). Organisational sustainability extends the principles of sustainable development to the level of organisations. From this perspective, an organisation is considered sustainable if a certain level of performance is attained in all three dimensions of sustainability (i.e., social, economic, and environmental). Thus organisational sustainability is about finding the balance between these three main aspects of sustainability. Sustainable development at an organisational level is described using a triple bottom line that divides performance into economic, environmental and social dimensions (Topfer, 2000). The International Institute for Sustainable Development interpreted corporate sustainability as *adopting business strategies and activities that meet the needs of the enterprise and its stakeholders while protecting, sustaining and enhancing the human and natural resources that will be needed in the future* (World Business Council for Sustainable Development [WCSBD], 2002, p. 14).

Following the famous quote, *What gets measured, gets managed*, the company needs first to appropriately measure and report its sustainable performance in order to be able to manage it. Sustainability reporting can encourage companies to improve their performance in the economic, ecological and social aspects. It enables stakeholders better understand companies' environmental and social impacts and holds them accountable for their actions.

The mission statement of the Global Reporting Initiative (GRI) (i.e., provider of the world's most widely used sustainability disclosure standards) can be paraphrased in the following way: sustainability reporting creates the global common language for organisations to report their impacts. Such reporting enables informed dialogue and decision-making around those impacts (GRI, 2023).

The World Business Council for Sustainable Development (WBCSD) describes sustainability reporting as *public reports by companies to provide internal and external stakeholders with a picture of corporate position and activities on economic, environmental and social dimensions* (Jones et al., 2010, p. 7). The essence of sustainability reporting is to disclose the company's commitments and achievements towards all aspects of sustainability from the perspectives of both internal and external stakeholders (Zuo, Zillante, Wilson, Davidson, & Pullen, 2012). Vormedal

and Ruud (2009) highlighted that the sustainability reporting practice is mainly driven by perceived benefits, such as the long-term success of the business due to improved communication between stakeholders. Some benefits of sustainability reporting summarised by KPMG include (KPMG, 2008):

- demonstrating transparency,
- enhancing reputation,
- improving regulatory compliance,
- establishing competitive position and market differentiation,
- and attracting long-term capital and favourable financing conditions.

The purpose of this chapter is to present reporting requirements about construction industry-specific sustainable action fields like environmental impact, social impact, governance and promotion of sustainable building practices. On this background, the chapter aims to evaluate the comprehensiveness and transparency of the sustainability reporting of leading Polish construction companies.

In order to achieve this purpose, there was carried out a systematic review of the literature and legal regulations relating to construction industry-specific sustainability reporting. The theoretical part was followed by empirical research, which was aimed at examining the sustainability reporting of leading Polish construction companies listed on the Warsaw Stock Exchange (WSE). The objectives of the research are:

- reviewing Polish construction firms' annual and sustainability reports,
- conducting a content analysis of their sustainability reports and comparing it against the international benchmark. For the benchmark, there was chosen Swedish company Skanska which is widely recognised for its achievements in sustainable performance (lately awarded with the title of 'Europe Climate Leader 2022').

11.1. Sustainable Development Goals of the Construction Industry

In 2015, the 193 United Nations member states agreed on the 2030 Agenda for sustainable development, marking a global milestone in the field of sustainability and sustainable development (United Nations [UN], 2015). The 2030 Agenda included 17 goals for sustainable development (SDGs), dedicating equal attention to the environmental, social and economic dimensions of sustainability (Diaz-Sarachaga, Jato-Espino, & Castro-Fresno, 2018). The construction industry holds great potential and responsibility for contributing to the realisation of the 2030 Agenda. About 40% of energy use and one-third of GHG emissions worldwide is related to the building environment, which entails increasing attention to sustainable development within the construction industry (Nielsen, Jensen, Larsen, & Nissen, 2016).

Construction project delivery and its management could be recognised as sustainable if social, economic and environmental considerations are integrated into the project delivery processes, standards and practices (Silvius, 2017). The construction has enormous social, economic and environmental impacts during the design and building process. It can play a critical role towards the achievement of the SDGs as the industry builds tomorrow's world (Bioregional Development Group [BDG], 2019).

The critical role of the construction industry in achieving SDGs was confirmed in many studies (Fei et al., 2021). The construction industry should collaborate with government agencies, industry peers and policymakers to integrate SDGs into long-term business strategies and work towards their realisation. The achievement of SDGs by construction companies and their reporting is gaining increasing attention from many stakeholder groups related to the construction sector, such as:

- employees and social partners (trade unions),
- owners (investors, stock exchange), banks,
- clients, business partners, key suppliers, subcontractors, central and local government administration,
- society (local communities, technical and professional organisations),
- environmental organisations,
- public opinion.

Stakeholders are keen on companies' performance on such construction sustainable action fields like environmental impact (i.e., use of natural resources, energy consumption, GHG emissions, waste management), social impact (i.e., employment practices, occupational health and safety (OHS), impact on local communities), governance and promotion of sustainable building practices. Pressure from stakeholders to publish sustainability performance information is often perceived as a main driving force for sustainability performance evaluation in industrial enterprises.

11.2. Sustainability Reporting Standards, Frameworks and Guidelines

Currently, there are available and used worldwide various sustainability reporting standards. The 2022 KPMG Survey of Sustainability Reporting concluded that the GRI Standards are the world's most widely used, adopted by 73% of the largest 250 global companies and by 68% of a wider sample of 5800 businesses around the world. The survey findings indicated five major trends in sustainability reporting (KPMG, 2022):

1) sustainability reporting grows incrementally with movement towards the use of standards framed by stakeholder materiality assessments,

- 2) increased reporting on climate-related risks and carbon reduction targets, in line with TCFD (Task Force on Climate-related Financial Disclosures),
- 3) growing awareness of biodiversity risks,
- 4) UN SDG reporting prioritises quantity over quality,
- 5) climate risk reporting leads, followed by social and governance risks.

GRI Standards are prepared and issued by Global Reporting Initiative. This is a non-profit organisation which was founded in Boston (USA) in 1997 following public outcry over the environmental damage of the Exxon Valdez oil spill. The aim was to create the first accountability mechanism to ensure companies adhere to responsible environmental conduct principles, which was then broadened to include social, economic and governance issues.

Currently, GRI provides the world's most widely used sustainability reporting standards which cover topics that range from biodiversity to tax, waste to emissions, diversity and equality to health and safety. As such, GRI reporting is the enabler for transparency and dialogue between companies and their stakeholders. As GRI announces on its webpage, for over 25 years, they have developed and delivered the global practice for how organisations communicate and demonstrate accountability for their impacts on the environment, economy and people. The GRI Standards enable any organisation – large or small, private or public – to understand and report on their impacts on the economy, environment and people in a comparable and credible way, thereby increasing transparency on their contribution to sustainable development. In addition to companies, the Standards are highly relevant to many stakeholders – including investors, policymakers, capital markets, and civil society (GRI, n.d.).

The GRI Standards are designed as a modular system comprising three series of standards, i.e.:

- three GRI Universal Standards – always relevant,
- GRI Sector Standards – relevant only if applicable to the sector in which reporting company operates,
- GRI Topic Standards – to be applied if materiality assessment indicates that a certain topic is material (relevant) for reporting the company's activity.

So far, GRI has not issued a separate sector standard for the construction industry. However, this sector is already on the list of prioritised sectors for which sector standard is planned to be developed.

Very important for sustainability reporting is the Task Force on Climate-related Financial Disclosures (TCFD). This is a framework established by the Financial Stability Board (FSB) to help companies disclose the financial risks and opportunities associated with climate change. The TCFD framework provides companies with guidelines on how to disclose climate-related information in their financial reporting, including information on governance, strategy, risk management, and metrics and targets.

As already indicated by authors in the chapter 1, European Union has also implemented several regulations regarding sustainability reporting for companies operating within its member states. One of the most important regulations is the EU Non-Financial Reporting Directive (NFRD) (Directive 2014/95/EU). It requires large companies to disclose information on how – and to what extent – their operations are associated with environmentally sustainable economic activities. Disclosure should be done with respect to sustainability areas: environment, social and employee issues, human rights and bribery and corruption. It should cover relevant policies, risk management processes and KPIs and the description of the company business model.

In recent years, the European Commission has adopted new strategies and regulations to address climate and broader sustainability risks and opportunities. They include the revision of the NFRD as well as the introduction of the EU Taxonomy Regulation and the Sustainable Finance Disclosure Regulation (SFDR). The first two have a direct implication for the companies' sustainability reporting obligations. The SFDR targets financial market participants.

The NFRD will be replaced by the Corporate Sustainability Reporting Directive (CSRD). According to the CSRD, affected companies will be legally required to report according to European Sustainability Reporting Standards (ESRS). CSRD and ESRS as a new framework for reporting on sustainable performance are thoroughly presented and discussed by Authors in chapter 2. The CSRD is aimed at bringing sustainability reporting up to the same standard as financial reporting, increasing corporate accountability as Europe strives to meet the central objective of the European Green Deal, becoming the world's first climate-neutral economy by 2050.

While the CSRD is a Directive that will require companies to report extensively on their sustainability, the ESRS are a set of standards that supplement the CSRD relating to environmental, social and governance matters that lay out in detail how companies will be required to collect data and issue reports using a double materiality reporting standard, i.e., reporting simultaneously on matters that are financially material in influencing business value and environmentally and socially material; i.e., relating to the environment and people. The CSRD, ESRS, their introduction process as well as type and number of companies which will be affected by new regulations are described in more detail by authors in chapter 1.

11.3. Reporting in Skanska Construction Company: Case Study of European Leader in Sustainability Performance and Reporting

In order to identify and ensure which key sustainability areas are supposed to be reported by the construction companies, it is worth benchmarking them against Europe's leaders in sustainability performance and reporting. Such a leader is Skanska construction company.

Skanska's experience in sustainability reporting spans 25 years. It started in 1997 by disclosing information about its environmental impact in the form of dedicated 'environmental reports' that evolved into 'sustainability reports' covering environmental, social and corporate governance aspects, published between 2002 and 2018. Since 2019 sustainability has been reported jointly with Skanska's annual results in the company's Annual and sustainability report, reflecting its strategic importance (Skanska, 2022b).

Skanska's achievements in sustainability are publicly recognised. One of the latest confirmations is the appearance on the list of Europe Climate Leaders 2022. The list has been published by the *Financial Times* newspaper and Statista data insight firm since 2021. The list for 2022 presents over 400 European companies that have achieved the greatest reduction in their core GHG emissions intensity over a five-year period. The listed companies were selected following a rigorous review of data from 4,000 organisations and actions they are taking to reduce emissions. In the sector 'Construction & Building Materials', there are only a few construction companies on the list of Europe Climate Leaders 2022. One of them is Skanska (Financial Times, 2022).

In its *Annual and sustainability report 2022*, Skanska (2022b) reported several environmental and social topics which are assessed as material for its sustainability performance. The company refers both to the GRI standards as well as to SDGs. When looking from the GRI Topic Standards perspective, Skanska is reporting the following material topics: **GRI 302** – Energy; **GRI 305** – Emissions; **GRI 205** – Anti-Corruption; **GRI 206** – Anti-Competitive Behaviour; **GRI 306** – Waste; **GRI 308** – Supplier environmental assessment; **GRI 403** – Occupational Health and Safety; **GRI 405** – Diversity and Equal Opportunity; **GRI 406** – Non-Discrimination; **GRI 409** – Forced or Compulsory Labour; **GRI 414** – Supplier Social Assessment and Skanska's own disclosure – Value of Certified Commercial Buildings.

When looking from the SDGs perspective, Skanska reports the following goals which are critical for its construction activity: **SDG 8** – Decent Work and Economic Growth; **SDG 13** – Climate Action; **SDG 5** – Gender Equality; **SDG 11** – Sustainable Cities and Communities; **SDG 12** – Responsible Consumption and Production; **SDG 16** – Peace, Justice and Financial Institutions, and **SDG 9** – Industry, Innovation and Infrastructure.

And last but not least, it is worth underlining that 2022 Skanska AB's greenhouse gas, health and safety, energy and waste reporting (based on GRI Disclosures) was subject to voluntarily limited assurance procedures performed by the authorised public auditor – Ernst & Young (Skanska, 2022b).

11.4. Sustainability Reporting in Poland: Legal Regulations, Guidelines and Recommendations from the Perspective of the Construction Sector

Sustainability reporting in Poland is not a novel concept. Many Polish companies have been publishing sustainability reports for many years. The transposition of the Non-Financial Reporting Directive (NFRD) into the Polish Accounting Act in 2017 was a tipping point for sustainability reporting in Poland and had a positive impact on the availability of ESG data published by companies.

According to § 49b of the Accounting Act (Ustawa z dnia 29 września 1994), large public interest entities (not only those listed on the WSE) that have more than 500 employees and meet at least one of two specific criteria related to the total balance sheet and net turnover are required to disclose following material ESG information as part of their annual reporting:

- business model,
- key non-financial performance indicators of effectiveness,
- policies in non-financial areas and their results,
- due diligence procedures,
- significant non-financial risks and how they are managed.

Companies have the option to disclose required sustainability information as:

- a part of the annual management report about the company's activity, or
- a stand-alone annual non-financial information statement – in this case, the statement can also be in the form of a sustainability report, or
- an integrated report which combines financial and sustainability reporting in a single document.

As regulated in § 49b point 8 of the Accounting Act, Polish companies can use any sustainability reporting standards (own developed, Polish, EU, or international). It has only to inform which standards it applied. The non-financial information is not subject to either any obligatory audit or any external assurance procedures.

The majority of Polish companies are reporting in line with the GRI standards. But it is worth highlighting that following the introduction of the NFRD, a local reporting standard – the Non-financial Information Standard (SIN, 2017) – was developed to help companies fulfil reporting instituted by the NFRD.

Additionally, the WSE issued its own ESG Reporting Guidelines. The purpose of these guidelines is to help companies listed on the WSE enhance their ESG reporting practices. These are not new guidelines, and they do not replace legal

obligations, nor do they introduce new indicators. It is a roadmap based on international references such as the NFRD, the SFDR, and the Taxonomy Regulation at the EU level, and the TCFD recommendations at the global level (Warsaw Stock Exchange/European Bank for Reconstruction and Development [WSE/EBRD], 2021, p. 8). The Guidelines propose a two-step approach to the ESG metrics and indicators selection process consisting of minimum disclosures and additional sector-specific disclosures. They provide sector-specific disclosures only for a few sector groups. Construction seems to be allocated to a sector group called 'Industrials'. For this, there are following indicators prescribed divided into two groups:

1) **Minimum disclosure:**

- a) environmental: GHG emissions, energy consumption, climate risks and opportunities,
- b) social: board diversity, gender pay gap, employee turnover, freedom of association and collective bargaining,
- c) corporate governance: board composition, business ethics standards, anti-corruption policy, whistle-blower mechanism.

2) **Additional sector-specific disclosures:**

- a) environmental: emissions intensity, emissions management, water consumption, water management, biodiversity impacts, waste management,
- b) social: employee health and safety,
- c) corporate governance: N/A.

When elaborating on sustainability in the construction business in Poland, it has to be stressed that the biggest Polish construction industry organisations and associations are involved in promoting sustainability practices on a constant basis. It is worth mentioning two of them:

- **The Polish Association of Construction Industry Employees:** It represents companies employing ca 50.000 employees and recommends its members and other construction companies incorporate sustainable development into their business activities. The Association also encourages the use of sustainable construction principles that take into account social, environmental, and economic issues. (<https://pzpb.com.pl>)
- **Agreement for Construction Safety:** It brings together the largest general contractors working in Poland. The members of the said organisations work together to improve work safety (OHS) on construction sites in Poland and build a culture of safety among employees, members of the Agreement, clients as well as government and local government institutions. (<https://www.porozumieniedlabezpieczenstwa.pl>)

11.5. Design of the Empirical Study

The empirical study aimed to examine the content of the sustainability reporting of the Polish construction companies listed on the WSE. For the content analysis, there were selected entities which are among the largest 15 construction companies in terms of their turnover for the year 2021, according to Deloitte's yearly publication *Polish construction companies in 2022* (Deloitte, 2022). The following nine companies fulfilled the selection criteria: Budimex, Erbud, Mirbud, Polimex Mostostal, Unibep, PKB Pekabex, Trakcja, Mostostal Warszawa and Dekpol.

The study was based on their latest available annual sustainability reports. It consisted of three consecutive steps:

1) general review of companies' sustainability reporting, i.e.:

- reporting format used,
- sustainability reporting standards used,
- additional sustainability-relevant information provided in their reporting, i.e.:
 - table of compliance with the TCFD recommendations,
 - info about turnover, Capex, Opex eligible for the EU Taxonomy,
 - any voluntary audit procedures on sustainability reporting,

2) scope of companies' GRI disclosures in comparison to Skanska's sustainability reporting for 2022 taken as a disclosure benchmark for the construction industry,

3) for two key GRI Topic Standards for the construction industry – i.e., 305 Emissions and 403 Occupational Health and Safety there was additionally analysed which detailed information was reported (according to GRI indicators of each of these two GRI standards).

11.6. Discussion of the Research Findings

Polish construction companies are using various sustainability reporting formats. The majority of them are preparing it as a 'Statement on non-financial information' or as an 'Integrated report'. The vast majority of examined Polish construction companies (i.e., eight out of nine companies) prepared their sustainability reports based on the GRI Standards (Table 11.1). This is a similar approach as observed worldwide in the 2022 KPMG survey.

Providing information about compliance with the TCFD recommendations was rather rare. Only 2 out of 9 companies presented it. Significantly more entities (i.e., five out of nine) reported data required for 2022 by the EU Taxonomy (i.e., info about turnover, Capex, and Opex eligible for the EU Taxonomy).

For the time being, the sustainability reporting of Polish construction companies is generally not verified externally. Only one company (i.e., Erbud) reported that part of its reporting was subject to an assurance procedure.

Table 11.1. Summary of companies' sustainability reporting

Company	Format of sustainability reporting	Standards used	TCFD compliance	EU Taxonomy	Subject to voluntary, external audit
Budimex	Integrated Report 2021	GRI Core	YES	NO	NO
Erbud	Integrated Report 2022	GRI Core	NO	YES	Partly, assurance procedure on selected info
Mirbud	Statement on Non-Financial Information 2021	GRI Core	NO	NO	NO
Polimex Mostostal	Statement on Non-Financial Information 2021	GRI Comprehensive & ESG Reporting Guidelines of Warsaw Stock Exchange	NO	NO	NO
Unibep	Sustainability Report 2021	GRI Core	YES	YES	NO
PKB Pekabex	Integrated Report 2021	GRI Core	NO	NO	NO
Trakcja	Non-Financial information statement as a part of the Annual Management Report for 2021	not explained	NO	YES	NO
Mostostal Warszawa	Statement on Non-Financial Information 2021	GRI Core	NO	YES	NO
Dekpol	Statement on Non-Financial Information 2022	GRI Core	NO	YES	No

Source: own presentation.

As a second research step, there was examined the disclosure scope of Polish companies' sustainability performance according to individual GRI Topic Standards reported by them. These were classified by them as material. The GRI disclosures were verified against the GRI Index included in each report.

The scope of the GRI Topic Standards was compared to those areas which were reported by Skanska in its sustainability report for 2022. The aim of the benchmark was to assure how similar was their scope of sustainability reporting

as compared to Europe's leading construction company which is widely recognised for its achievement in sustainability performance.

The analysis of GRI Topic Standards reported by Polish entities shows that they are generally the same as the 11 sustainability action fields reported by Skanska (Table 11.2).

Table 11.2. Scope of sustainability reporting evaluated versus GRI Topic Standards

GRI Disclosure (Topic Standards)	Skanska	Budimex	Erbud	Mirbud	Polimex Mostostal	Unibep	Pekabex	Mostostal	Dekpol
200 ECONOMIC									
205 Anti-Corruption	✓	✓	-	✓	✓	✓	✓	-	✓
206 Anti-Competitive Behaviour	✓	✓	-	✓	✓	-	-	-	-
201 Economic performance	-	✓	✓		✓	✓	-	-	-
202 Market presence	-	✓	-	✓	-	✓	-	-	-
203 indirect economic impact	-	-	✓	✓	✓	✓	✓	-	-
207 Taxes	-	-	-	-	✓	-	-	-	-
300 ENVIRONMENTAL									
302 Energy	✓	✓	✓	✓	✓	✓	✓	✓	✓
305 Emissions	✓	✓	✓	✓	✓	✓	✓	✓	✓
306 Waste	✓	✓	-	✓	✓	✓	✓	✓	✓
308 Supplier environmental assessment	✓	-	-	✓	-	✓	-	-	✓
301 Materials	-	-	-	✓	✓	✓	✓	✓	-
303 Water and sewage	-	✓	-	✓	✓	✓	✓	✓	✓
304 Biodiversity	-	-	-	✓	-	✓	✓	-	✓
307 Environmental compliance					✓	✓	✓	-	-
Own indicator 'Unibep' – prioritisation of projects in energy efficient & sustainable construction	-	-	-	-	-	✓	-	-	-
400 SOCIAL									
403 Occupational Health and Safety	✓	✓	✓	✓	✓	✓	✓	✓	✓
405 Diversity and Equal Opportunity	✓	✓	-	-	✓	✓	✓	✓	✓
406 Non-discrimination	✓	✓	-	-	-	✓	✓	-	✓
409 Forced or compulsory labour	✓	-	-	-	-	-	-	-	-
414 Supplier social assessment	✓	-	-	✓	-	-	✓	-	✓
401 Employment	-	✓	-	✓	✓	✓	✓	✓	✓
404 Training and education	-	✓	-	-	✓	✓	-	✓	✓
411 Rights of indigenous people	-	✓	-	-	-	-	-	-	-
413 Local communities	-	✓	-	-	-	-	-	✓	-

Source: own presentation.

In detail, it looks as follows:

- almost all Polish examined entities reported on 4 GRI Standards: **302** Energy, **305** Emissions, **306** Waste and **403** Occupational Health and Safety,
- majority of them (at least 4 out of 9) reported on 2 GRI Standards: **205** Anti-Corruption, **405** Diversity and Equal Opportunity,
- at least 1 Polish entity reported on 4 GRI Standards: **206** Anti-Competitive Behaviour, **308** Supplier Environmental Assessment, **406** Non-Discrimination and **414** Supplier Social Assessment
- no Polish entity reported on GRI Standard: **409** Forced or Compulsory Labour (but in fact, this area seems to be not relevant for the Polish market at all).

It can be concluded that areas for improvement where Polish entities should focus in future on more comprehensive analysis and reporting are supplier assessment (both from environmental and social points of view) as well as non-discrimination issues.

It is worth noting that the conducted research showed that there were subjects which were not reported by Skanska but which were treated by the majority of Polish entities as material topics. To such topics belong 203 – Indirect Economic Impact, 301 – Materials, 303 – Water and Sewage, 401 – Employment, and 404 – Training and Education.

As a final step in the analysis, companies' reporting on two key GRI Topic Standards for the construction industry (305 – Emissions, and 403 – Occupational Health and Safety) was reviewed in a more detailed way. There was examined how many and which GRI indicators (available within both GRI standards) were reported by Polish entities in comparison to Skanska company.

The results presented in Table 11.3 show that Skanska was ahead in terms of disclosing details about GHG emissions. The Swedish company reported details about all 5 key GRI indicators relating to this topic, whereas only 2 Polish entities (Budimex and Unibep) were close to this comprehensive disclosure providing information on four key GRI indicators. The rest of the Polish companies usually reported on two indicators only (i.e., scope 1 and scope 2 of GHG emissions). It is worth underlining that almost none of the Polish companies (except for Unibep) was able to report about other than energy indirect GHG emissions (scope 3).

It indicates that Polish construction companies' sustainability reporting on emissions is still less comprehensive as compared to the benchmark (especially in relation to reporting on Scope 3 GHG emissions).

The GRI standard on OHS was quite comprehensively reported by eight examined Polish entities, i.e., two of them (Budimex and Unibep) reported all required indicators, four out of them reported the significant majority of indicators (at least seven), whereas the remaining two entities had less extensive reporting on OHS issues (Erbud and Mostostal Warszawa), but they declared the importance of this topic. In the OHS area, there were no significant differences between Skanska and examined Polish construction companies (Table 11.4).

Table 11.3. Detailed disclosure for GRI 305 Emissions (on GRI indicator level)

GRI Disclosure (Topic Standards) Emissions	Skanska	Budimex	Erbud	Mirbud	Polimex Mostostal	Unibep	PKB Pekabex	Mostostal	Dekpol
305-1 Direct (Scope 1) GHG emissions	☑	☑	☑	☑	☑	☑	☑	☑	☑
305-2 Energy indirect (Scope 2) GHG emissions	☑	☑	☑	☑	☑	☑	-	☑	-
305-3 Other indirect (Scope 3) GHG emissions	☑	-	-	-	-	☑	-	-	-
305-4 GHG emissions intensity	☑	☑	-	-	-	☑	-	-	-
305-5 Reduction of GHG emissions	☑	☑	☑	-	-	-	-	-	-

Source: own presentation.

Table 11.4. Detailed disclosure for GRI 403 Occupational Health and Safety (on GRI indicator level)

GRI Disclosure (Topic Standards) Occupational Health and Safety	Skanska	Budimex	Erbud	Mirbud	Polimex Mostostal	Unibep	PKB Pekabex	Mostostal	Dekpol
403-1 Occupational health and safety management system	☑	☑	-	☑	☑	☑	☑	☑	☑
403-2 Hazard identification, risk assessment and incident investigation	☑	☑	-	☑	☑	☑	☑	-	☑
403-3 Occupational health services	☑	☑	-	☑	☑	☑	-	-	☑
403-4 Worker participation, consultation and communication on occupational health and safety	☑	☑	-	-	☑	☑	-	-	☑
403-5 Worker training on occupational health and safety	☑	☑	-	☑	☑	☑	☑	☑	☑
403-6 Promotion of worker health	☑	☑	-	☑	☑	☑	-	☑	☑
403-7 Prevention and mitigation of occupational health and safety impacts directly related to business relationships	☑	☑	-	☑	-	☑	☑	-	☑
403-8 Workers covered by an occupational health and safety management system	☑	☑	-	-	☑	☑	☑	-	-
403-9 Work-related injuries	☑	☑	☑	☑	☑	☑	☑	☑	☑

Source: own presentation.

Such good results in reporting OHS issues are the result of intensive campaigns and activities carried out in recent years by Polish construction industry organisations and associations, which were focused on improving workplace safety on construction sites in Poland. As an example, it can be mentioned the so-called Safety Week, which is organised every year by the Agreement for Construction Safety and features OHS training and a special promotional campaign. Each year

tens of thousands of employees in construction companies and subcontractors take part in it. Safety Week, in a practical way, builds a culture of safety among employees, companies' management, clients, etc.

11.7. Conclusions

The research found that leading Polish-listed construction companies are already quite well-advanced with sustainability reporting. The comprehensiveness and transparency of their sustainability reporting are already on quite a satisfactory level, despite the fact that there are still some areas for improvement.

Disclosure of Polish construction entities is generally based on the GRI sustainability reporting standards, which reflect the trends observed worldwide. Quite a number of examined entities are already reporting data required by the EU Taxonomy. Disclosure about compliance with the TCFD recommendations is rarely done. A voluntary audit of sustainable reporting is – as a rule – not performed.

Polish construction companies have been assessing material for their activity generally the same issues as in Skanska in its sustainability reports (chosen in the study as a benchmark for the Polish construction industry). Still, not all sustainability aspects are reported in Poland with the same level of detail. There were identified some areas for improvement, which relate mainly to supplier assessment (both from the environmental and social point of view) reporting on non-discrimination issues as well as more detailed reporting on GHG emissions (especially scope 3 GHG emissions). However, there are also observed areas where in the past, there was much pressure put for improvement (e.g., OHG) and where it is reported now on a quite detailed level (similar to benchmark). This confirms the initial chapter statement that sustainability reporting should be treated rather as the constant process of improvements ('journey') and not as the once-finished activity ('destination').

This study has some limitations. The conducted empirical research was based on the selective choice of test sample, limited analysed period and discretionary selection of Skanska as the benchmark company in sustainability performance and reporting in the construction industry. The first limitation of the research is that for the content analysis of sustainability reporting there were selected only biggest entities and these which are listed on the WSE. The analysis is not covering remaining Polish biggest, but non-public companies as well as smaller construction companies which were outside 15 largest entities in 2021. As financial and non-financial reporting of such entities is subject – as a rule – to less rigorous legal requirements, their sustainability reporting might be less detailed than these taken to the research sample which may have an impact on some conclusions of the study. Secondly, the analysis of the sustainability reporting was limited only

to latest available documents – and mainly to those prepared for the year 2022. Thirdly, there are also some other European construction companies which have noticeable sustainability achievements. Consequently, the selection of Skanska as the benchmark for this study must be of discretionary nature to some extent. Nonetheless, these limitations can be converted into strengths when the test sample would be extended and include also non-public as well as smaller construction companies as well as the research period would cover sustainability reporting for more than one year.

At the end it is worth to mention that further progress in the sustainability reporting of Polish companies is expected in the near future. The significant triggers for positive changes are increasing awareness of the importance of this topic as well as legal changes, especially transposition into Polish legislation of the CSRD and the ESRS.

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