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PRO-CLIMATE INITIATIVES OF SELECTED ENTERPRISES IN POLAND

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ABSTRACT: Action aimed to combat climate change and its consequences is number 13 among the 17 Sustainable Development Goals (SDGs): an urgent call for action announced by the UN in 2015 and highlighting the fundamental challenges to be faced by the modern world over the next 15 years. The SDGs are arousing a keen interest of the business sector. This is true also in Poland. Climate action is taken not only by large multinationals, which have become aware that degradation of the environment is now hampering development, but also by startups that are exerting an increasingly positive social impact and whose number has been growing rapidly worldwide. The article intends to assess selected cases of climate action taken by businesses in Poland. For this purpose, three parallel studies will be carried out of economic establishments based on a critical web research analysis.

KEY WORDS: climate change, business, startup, strategy

Introduction

In the October 2018 special report by the IPCC, 91 scientists from 40 countries proposed to lower the safe limit for global warming from 2°C to 1.5°C based on more than 6,000 scientific publications. At the same time, they stressed that the increase in the global average temperature by the end of the century by 1.5°C above pre-industrial levels would have much graver consequences than originally expected. To limit global warming by 2050, humanity will have had to slash greenhouse gas emissions to net zero (compared with 2010), which means that transformative systemic change is mandatory on a large scale and in all areas of life (IPCC, 2018).

The conclusions from the report seem to be getting through to the society, especially to young people, as demonstrated by the School Strikes 4 Climate Action. Their climax was 15 March 2019 when 1.6 million teenagers in 133 countries decided to dodge classes and took to the streets with banners. The mastermind of Skolstrejk för klimatet, Greta Thunberg, said at the World Economic Forum in Davos in January 2019, “I don’t want you to be hopeful. I want you to panic. I want you to feel the fear I feel every day. And then I want you to act. I want you to act as you would in a crisis. I want you to act as if our house is on fire. Because it is” (Thunberg, 2019).

“Take urgent action to combat climate change and its impacts” is no. 13 out of 17 Sustainable Development Goals (SDGs) contained in Agenda 2030 adopted by the United Nations in 2015. The same goal has been recognised by 454 experts from around the world assessing progress on the SDGs for GlobeScan and Sustainability (2019, p. 5, 15, 18) as requiring the most urgent action; what is more, compared with the previous study in 2017, the proportion of experts saying progress on Climate Action is poor has increased dramatically. Meanwhile, the private sector is seen by them as making the poorest contribution to the promotion of sustainable development.

The diversified private sector (from micro-enterprises through cooperatives to multinationals) was considered one of the partners to Agenda 2030. It was noted that the sector must act to reverse unsustainable consumption and production models, including in developing countries (UN, 2015, p. 9, 12, 14). Although it is the largest companies that are in a position to combat climate change in the first place (they also bear the greatest responsibility), ultimate success will not be possible without a strong contribution of MSMEs. Among micro-enterprises, there are also the so-called positive impact startups. Through their ICT-driven core business, they are contributing to resolving local and global problems and are creating the maximum positive impact on the implementation of sustainable development (Rok, 2019, p. 13, 17-20).

Business interest in the SDGs has grown quickly. A study by KPMG (2017, p. 30-31, 39, 49-50) covering 250 of Fortune 500 largest multinationals and 4,900 local companies from 49 countries earning the biggest revenue reveals that 43% of multinational and 39% of local companies refer to the SDGs in their non-financial reports. At the same time, however, 52% of multinationals and 72% of local companies fail to acknowledge climate risk in their annual reports. Although a growing number of corporations (58% in 2015 in 67% in 2017) sets and discloses targets to cut their carbon emissions (the same 50% of local companies), most of them do not relate their own reduction targets to the national, regional, or global climate goals. However, goal no. 13 is one of three SDGs that attracts the most companies' attention (prioritized by 55% or more companies) (KPMG, 2018, p. 6).

The article intends to assess the instances of climate action taken by selected businesses in Poland. The following research questions are posed:

- Do the largest companies and at the same time corporate social responsibility (CSR) leaders in Poland, having a major impact on their immediate setting, acknowledge the problem of climate change at the strategic corporate level?
- What climate action – best practice do Poland-based companies take?
- Do the Polish startups acknowledge the climate problem?

An overview of the literature

In Poland, studies on companies' initiatives in the area of CSR and sustainable development are conducted by both research centres and companies themselves (mainly ones offering consulting services), not infrequently as part of cross-sectoral cooperation. It is worth noting that, according to ISO 26000, social responsibility focuses on the organisation and its responsibility towards the society and the environment; the ultimate goal of the concept is to maximise the company's contribution to sustainable development (PKN, 2012, p. 21). In practice, both terms are often used interchangeably. For example, Rojek-Nowosielska (2017) investigated the degree of implementation of the idea of CSR in Poland-based enterprises. She pursued the CSR Continuum model and looked into such organisational areas as: employees, customers, suppliers, natural environment and local community. Also, Sikacz (2019) performed an assessment of the ESG factors (Environmental, Social Responsibility, Corporate Governance) of Central European companies listed in social responsibility indexes (including in the Polish Respect Index) based on data from the ASSET4 database. Bachnik (2017) looked into the implementation of sustainable development and CSR in SMEs, while Wysocki

(2019) focused on the matters of strategic ecologisation of manufacturing businesses.

The assessment of CSR is also carried out as part of various rankings. Since 2009, the Ranking of Responsible Companies (Pol. ROF) by Koźmiński Business Hub has been looking at companies in such categories as: responsible business management, sustainable development policy, positive impact management, selected responsibility indicators. However, the ranking does not offer detailed results in individual categories. Similarly, only aggregate results are published for the Listki CSR ranking held by the *Polityka* weekly (2019) since 2012. It assesses companies in such areas as: corporate governance, human rights, staff policies, environmental protection, customer care, business integrity, and community involvement. Since 2016, the best practice in the pursuit of the SDGs has also been rewarded. Still, no research is being conducted in Poland on whether and how businesses respond to the challenges posed by goal 13 of the SDGs.

Research methods

The assessment of pro-climate initiative by selected enterprises in Poland was carried out in May 2019 through three parallel studies.

First, corporate strategic documents were analysed of selected Poland-based enterprises in terms of addressing the challenges of climate change. The studied entities were categorised as “large companies” according to the Rzeczpospolita 500 ranking of 2018 and simultaneously ranked among CSR leaders according to the ROF (2018) (Koźmiński Business Hub, 2018). The analysis covered their business and functional strategies (i.e. CSR and sustainable development) published on their websites (polish websites, if possible, unless redirected to global services) or in non-financial reports (because often the information about strategies is included in such reports and not published on websites). The strategies were assessed for direct (literal) or indirect (by references to sustainable development) mentions of climate issues. For companies had found that incorporation of the relevant climate-sensitive content in their strategy papers allows them to coordinate their pro-climate action in a more effective manner (by enhancing the synergy effect) and integrate it better with the regular corporate operations. With strategies in place, pro-climate initiatives are not diffused, unscheduled or mutually exclusive and their effectiveness is improving. The study embraced 44 CSR leaders in Poland (out of 70 included in the ROF) that were also included in the Rzeczpospolita 500 list.

Second, a critical analysis was carried out of 115 best practices (from the record-breaking 1,549) submitted by companies to the Responsible Business Forum (Pol. FOB) report, Responsible Business in Poland. Best Practice 2018, under goal 13 of the SDGs regarding climate action (FOB, 2019), to identify what pro-climate action is taken by companies that is worth copying.

Third, the author attempted to identify Polish startups contributing to the combating of or adapting to climate change, based on the database of Polish positive impact startups collated by Koźmiński Business Hub and published in April 2019 (Koźmiński Business Hub, 2019) and a web research analysis. The study aimed to assess whether the climate change issue is acknowledged by Polish startups.

Results of the research

The analysis of business CSR and sustainable development strategies/policies of 44 largest companies and CSR leaders in Poland first demonstrated that companies still had a problem in communicating with stakeholders, which is surprising considering that transparency is one of the fundamental principles of the CSR concept. Among the studied companies, 12 did not disclose anything of their business strategy on their websites. At the same time, when presenting some company-relevant information, the analysed companies often assumed in advance who might be most interested in them (e.g. by publishing their business strategy in the Investor Relations section).

Out of 32 companies providing their business strategy online, 17 did not make any references to climate change in the document, and 14 did so but indirectly (by mentioning an objective/initiative to reduce CO₂ emissions, RES development or ecology). Only one company, BASF Polska, highlighted the challenges of climate change in its business strategy.

BASF, whose mission says, "We create chemistry for a sustainable future," considered sustainability as one of the six strategic action areas (BASF, 2019b). The essential part of their strategy is climate protection. The enterprise aspires to be CO₂-neutral by 2030 through effective carbon management and reducing emissions along the value chain (BASF, 2019a).

Among the 44 analysed companies, 29 made their social responsibility/sustainable development strategy/policy available on their website or in non-financial reports. In 15 of those documents, there were no mentions of climate change, and 11 alluded to the problem indirectly (mostly by including an objective/initiative to improve energy efficiency or reduce greenhouse

gas emissions). Only three companies acknowledged the combating of climate change as one of their key objectives.

At BNP Paribas (2019b), the natural environment is one of the four pillars of responsibility embedded in their CSR Strategy. In each of the three dimensions of its environmental responsibility, the bank defines commitments related to combating climate change, e.g. by adopting the objective of reducing CO₂ emissions (by 25% per employee before 2020) or by financing RES projects (Bank BNP Paribas, 2019a).

One of the priorities of the Corporate Social Responsibility Strategy of Santander Bank Polska 2019-2021 is to co-fund climate-oriented projects and initiatives (Santander Bank Polska, 2019b). Commitments to keep down the negative impact on the environment are found in the Santander Bank Polska’s Policy on Sustainable Development (CSR), supplemented by the Santander Bank Polska’s Policy on Climate Change, the latter of which puts forward actions and initiatives that are likely to alleviate the effects of climate change, such as, for example, the control of consumption of resources and emissions in all bank’s facilities (Santander Bank Polska, 2019a).

Environmental responsibility of Żywiec Zdrój is aligned with the Natura strategy of the Danone Group; one of its five key objectives is the prevention of climate change, which Żywiec Zdrój (2012, p. 38) strives to achieve by reducing its carbon footprint.

The quantitative results of the first study are shown in figure 1.

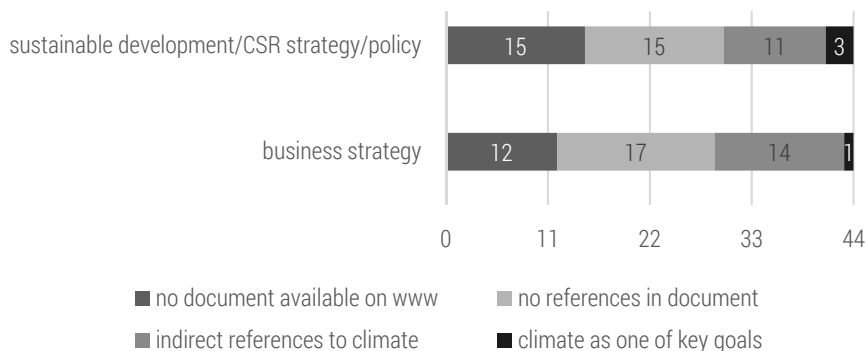


Figure 1. Strategic documents with climate action references of 44 largest CSR leaders in Poland

Source: author’s own work based on completed research.

The second analysis covered 115 best climate practices submitted to the FOB report, Responsible Business in Poland. Best Practice 2018. The analysis exposed invariably low awareness of goal 13 of the SDGs. Although the num-

ber of practices related to climate change had increased (13 in 2016 and 41 in 2017), they made up no more than 7.4% of the total. Second, it was found that action taken by the studied companies in this area were quite similar. Most often companies become committed to combating climate change by educating their personnel (via websites, online portals, training or loyalty programmes promoting vehicle-free commuting by bicycle or public transport) and the general public (e.g. through classes and workshops for children, social campaigns, contests). Frequently, companies decided to plant trees, invest in RES, install solar or LED technology, maintain an eco-friendly or hybrid vehicle fleet and conduct training in eco-driving, collect e-waste and exhausted batteries, or implement green office initiatives. Among other examples of best practice, there were: the use of carpooling applications, the use of heat recovery devices, the purchase of green energy, customer service e-offices, including e-invoices (FOB, 2019).

In the third study, a critical analysis of 359 Polish positive impact startups revealed no more than 27 startups addressing climate change challenges. They were most often active in the ecological construction and green infrastructure segment, electromobility and car sharing but also providing services of air quality measurement and air pollution containment, air purification, small architecture (e.g. urban benches), green bus stops, or recycling. Some noteworthy startup initiatives are: DEGRUM designing bus stops with a green roof and walls and a filtered ventilation system; Earth Hearth designing and building wooden-frame houses filled with straw cubes and covered by clay plaster; SEEDIA designing and making benches with bicycle racks, with a solar charging functionality to offer mobile device charging and Wi-Fi connectivity; Ecobean making briquettes from coffee waste. An interesting startup is also Ronzo, which is not listed in the said database, making natural products from cricket meal.

Conclusions

When browsing non-financial reports and strategic documents of Poland-based enterprises, more and more references can be found not only to sustainable development but also directly to the SDGs. Businesses attempt to focus their activities around the implementation of specific SDGs that are aligned with their operations. Still, many companies seem to overlook this challenge and approach sustainable development as a functional strategy (programme, policy) and not as a way to reinvent their business. Meanwhile, by mere incorporation of climate change in the fundamental development strategy, a company can make sure that all its pro-climate effort will be uni-

form and will make the difference in the long run. Diffused and uncoordinated action is likely to lead to rebound effects that can even produce extremely undesirable effects (e.g. surging greenhouse emissions).

SDGs are intertwined: measures to combat or adapt to climate change can also be taken under goals 7 – to ensure access to affordable, reliable, sustainable and modern energy for all, goal 11 – to make cities and human settlements inclusive, safe, resilient and sustainable or goal 12 aimed to ensure sustainable consumption and production patterns. Climate change, however, is such a serious global threat that any action aimed to counter it should be anything but ad hoc or accidental.

The conducted studies have demonstrated that the analysed enterprises tend to go for isolated and non-recurrent climate initiatives rather than undertaking coordinated and comprehensive climate action, let alone embedding it into their regular business strategies. Among the studied companies, only one decided to include the issues of climate change in its corporate strategy, and only three made references to it in their Corporate Social Responsibility or sustainable development strategies/policies. The initiatives pursued by the studied businesses for the combating of or adaptation to climate change (mostly also the business models of the studied startups) were intended more as a way to evolve existing manufacturing and consumption models towards more sustainable ones rather than launching an in-depth transformation and systemic change, which the authors of the IPCC report had highlighted.

It is worth noting, however, that more and more initiatives are surfacing to galvanize businesses into implementing the SDGs. One of the most leading strategic tool is the SDG Compass, developed by GRI, the UN Global Compact and WBCSD to provide guidance for companies on how they can align their strategies as well as measuring and managing their contribution to the realisation of the SDGs (GRI et al., 2015). GRI and UN Global Compact (2018) drew up a practical guidance which outlines a three-step process to embed the SDGs in existing business and reporting processes. The WBCSD's SDG Business Hub platform presents best practice of the largest enterprises that lead the way in sustainable development and alignment of their business models with the SDGs. Through the ISAR group, UNCTAD (2018) proposed a list of a limited number of core SDG indicators for reporting entities. In Poland, the first set of SDGs indicators for business (named Impact Barometer) was being designed by CSR Consulting in liaison with the Central Statistical Office. It seems to be a promising strategy in helping enterprises understand the erroneous nature MacNamara's fallacy that what cannot be easily measured does not really exist.

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