

TrainERGY project

Good practice – reporting activities implemented by GóraŹdŹe S.A.

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1 Introduction

1.1 Good practice definition

Good practice is a method or technique that has been generally accepted as superior to any alternatives. It has been proven to work well and produce good results¹.

1.2 Good practice criteria

The following set of criteria will help you to determine whether a practice is a 'good practice':

- **Effective and successful**
A good practice has proven its strategic relevance as the most effective way to achieve a specific objective; it has been successfully adopted and has had a positive impact on individuals and/or communities.
- **Environmentally, economically and socially sustainable**
A good practice meets current needs, in particular the essential ones of the world's poorest, without compromising the ability to address future needs.
- **Technically feasible**
Technical feasibility is the basis of a good practice. It must be easy to learn and implement.
- **Inherently participatory**
Participatory approaches are essential, as they support a joint sense of ownership of decisions and actions.
- **Replicable and adaptable**
A good practice should have the potential for replication and should therefore be adaptable to similar objectives in varying situations.
- **Reducing disaster/crisis risks, if applicable**
A good practice contributes to disaster/crisis risk reduction for resilience.

¹ Nash, J. and Ehrenfeld, J., (1997), "Codes of environmental management practice: assessing their potential as a tool for change." Annual Review of Energy and the Environment 22, pp. 487-535; Bretschneider, S., Marc-Aurele, F.J., Jr., and Wu, J. (2005), "Best Practices" Research: A methodological guide for the perplexed, Journal of Public Administration Research and Theory, (15) 2, pp. 307-323.

2 Good practice description

Góraźdze S.A. is obliged for creating financial reports, still, the financial aspect is not the only one discussed. All the issued reports are written in Polish. The main aim of Góraźdze S.A. reports is to provide an important information for the shareholders. This is one of the ways of showing company's performance and improve corporate image and its market value. The sustainability reports should provide the information for stakeholders in the environmental, economical and social area following the requirements of presenting all positive and negative (so reliable) information, in a clear understandable way, useful for stakeholders and periodically.

2.1 Objective

The main aim of the document is presentation of the best practices, sourced from the Polish enterprise in the area of reporting. The area of the good practice are solutions for green performance improvement.

Góraźdze Cement operates a cement plant located at Góraźdze near Opole in southwest Poland, as well as a grinding plant near Katowice. The company produces a broad range of cements, both bulk and bagged, from Portland cement to various kinds of cement with slag and fly ash additives.

Góraźdze is HeidelbergCement's largest, most modern cement plant in Europe. In 2011, the clinker capacity was expanded to 3.6 million tonnes per year. In 2012, the capacity expansion project at the cement plant in Góraźdze was completed with commissioning of a new cement mill. The new mill is the largest ball mill in Europe, and has a capacity of 1.0 million tonnes per year. Its cement capacity in Poland totals 6 million tonnes.

HeidelbergCement's aggregates business in Poland operates under the brand name Góraźdze Kruszywa. 19 plants located in southwest and northeast Poland supply the market with various kinds of gravel and sand. Góraźdze Beton operates 61 ready-mixed concrete plants located in areas with dynamic construction sectors and potential for economic growth.

2.2 Introduction

This Report is a first report prepared by Góraźdze Group in accordance with the Global Reporting Initiative (GRI) guidelines. It includes data for companies: Góraźdze Cement S.A., Góraźdze Kruszywa Sp. z o.o. and Góraźdze Beton Sp. z o.o.

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The good practice may be implemented not only to the companies which are working in the area of cement and lime industry, but also for those which hope to improve their performance, also in the field of green solutions.

Monitoring activities should be (and are) applied for at least a year to be able to create a report. They are issued yearly, at the basis of international standards.

There are still no detailed regulations which determine the obligation and scope of reporting activities, especially in the context of its presentation and publication for interest groups. The implementation of the tool is possible in any case, when communication of company's performance is needed for image creation.

The main aim of reporting implementation is creation of possibilities for improvement of company's communication and building favourable image within the interest groups.

2.3 Actors and Stakeholders

The direct target groups are the companies which may start reporting. The indirect target groups of the good practice implementation may be all the stakeholders interested in the company's situation and activities.

The users of the good practice are the companies. Their size, scope of activities and profile are irrelevant for implementation itself. The only elements that need to be adjusted are: the scope of reports created and the variety of measures used and published in the report. The profile of stakeholders may be changing while the subsequent reports are being created.

The main actors are companies responsible for good practice implementation. The stakeholders groups are being defined while the measures are defined and conducted.

2.4 Methodological approach

The procedures of reporting implantation consist of a following steps:

- a. Defining required resources for reporting implementation
- b. Trainings for change management and company preparation
- c. Defining the goals and principles of the reporting
- d. Defining the categories and aspects of reporting (company's activity, stakeholders expectations, choosing of crucial aspects)
- e. Selection of general standard disclosures
- f. Collecting all the data required for report creation
- g. Elaboration the content of report

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- h. Verification of the report (internal and/or external)
- i. Commutation of the report and gathering feedback ²

The main and best-known methodology for reporting activities is GRI reporting methodology, however many companies prepare reports according to their own standards. Basically, it's not important if the company uses particular methodology but if the company reports information that is required and understood by stakeholders. Its most important advantage is international context and recognisability. In order to assess the report quality following requirements must be fulfilled:

- The report should reflect positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance.
- The organization should select, compile and report information consistently. The reported information should be presented in a manner that enables stakeholders to analyse changes in the organization's performance over time, and that could support analysis relative to other organizations.
- The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization's performance.
- The organization should make information available in a manner that is understandable and accessible to stakeholders using the report
- The organization should gather, record, compile, analyse and disclose information and processes used in the preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information³.

2.5 Validation

Company preparing the report conducts the communication session with stakeholders in order to find out their requirements. The group of stakeholders included: governmental units, representative of science and education, culture, organisations supporting sector, clients and suppliers. Then the survey among employees is done to indicate all aspects that should be disclosed. At the end the workshop with managers of the company had place. After publication of the report the company keeps in touch with all stakeholders and assigns a manager that is responsible for collecting all remarks for the report.

2.6 Results/outputs

Reporting activities are the tools of the utmost importance for companies, especially the big ones. The reports may be the tool for image building, which happens in parallel to improvement of effectiveness and efficiency of the processes. The reporting activities can also result with: building relations with stakeholder through meeting their information requirements. It may also be the basis for certificates acquiring or award winning.

² GRI4 Sustainability Reporting Guidelines, <https://www.globalreporting.org/resourcelibrary/GRI4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>, p. 90, access: 19.05.2017

³ GRI4 Sustainability Reporting Guidelines, <https://www.globalreporting.org/resourcelibrary/GRI4-Part1-Reporting-Principles-and-Standard-Disclosures.pdf>, p. 16-18, access: 19.05.2017

2.7 Impact

The companies are mainly motivated by a possibility of shaping good corporate image. Nevertheless, this is not the only result of reporting. This (in a narrow meaning) gives a chance for individual performance improvement and at the same time – opens the possibilities for a positive impact on the environment as such.

2.8 Success factors

The main element for distinguishing the good practice is the uniqueness of the company profile and its awareness in the field of reporting. The company is obliged for financial reporting, still the other elements of it, including: social, employment and environmental elements are the additional ones. One of the main signs of the success may be rewards for the best reports of sustainable reporting and high position in CSR reports' rankings. The example may be Social reports competition organized by Forum Odpowiedzialnego Biznesu (Responsible Business Forum), Deloitte, PwC, CSR Consulting, and SGS. The company GóraŹdŹe S.A. with its first report won in 2016 the prize of the best debut.

2.9 Constraints

The biggest constraint in reporting in particular areas may be a lack or unavailability of the information. Difficulties in measurement itself or lack of competences of the employees may be also another important issue. Lack of calibration of the equipment, influencing the data quality can also restrain companies from reporting implementation.

The greatest trap is presentation of the data which might be considered the company's secret, especially in the context of process improvement. The best way for report building is to base on the checked and deeply tested methodology, implemented before. The company should disclose the information that is expected by stakeholders, not all the information which might be gathered.

For GóraŹdŹe the most important constraints were:

- lack of possibility to measure and report level of CO₂ emission resulting from products transport and employees
- the protection of particular information crucial for the industry- GóraŹdŹe can't reveal sensitive data concerning production (patents) and economical aspects
- in the GóraŹdŹe Group there is no integrated reporting concerning environment, so separate companies may run their own methodology of calculation. A part of information was not presented in the report because of unavailability of data in some companies.

2.10 Lessons learned

The key messages and lessons learned:

- a. The report gives the holistic view of companies' achievements
- b. The sustainability report can distinguish the company among its competitors

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- c. Improved company's image and rewards for good reporting

2.11 Sustainability

Reporting may be sustainably while presenting the complex and holistic view on the company performance, including the indicators like: technological, social, economic and environmental, product related etc. The costs of reporting include total evaluation costs, preparation of the reports themselves and auditing costs.

2.12 Demonstration

The most important examples of good reporting are presented below:

1. The company fulfils the **first GRI requirement for defining the report**: *The organization should identify its stakeholders, and explain how it has responded to their reasonable expectations and interests.*
Identified stakeholders are: governmental units, representative of science and education, culture, organisations supporting sector, clients and suppliers
2. The company fulfils the **second GRI requirement**: The report should present the organization's performance in the wider context of sustainability. The example is the statement: *"We participate in the initiative to promote sustainable development among cement producers- CSI working with World Business Council for Sustainable Development. In the years 2013-2014 HeidelbergCement was co-leader of the organization concentrating on increasing of security standards for employees and global development of certificates for socially responsible companies of cement industry"*
3. The company reports all aspects that are sufficiently important (according to stakeholders)- **third GRI requirement**

The signs of good quality of the report are:

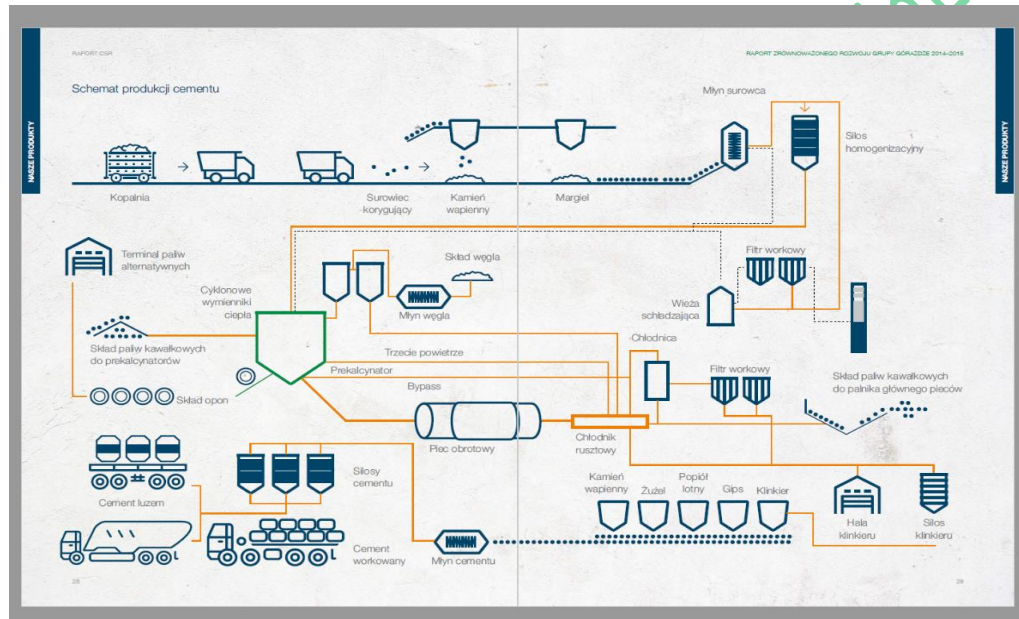
1. The presentation of information is reasonable and appropriate. Górażdże S.A. present for better understanding the most important data aside of the text- the requirement “*The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization’s performance*” fulfilled



2. Comparability of information(data presented for two subsequent years)



3. The organization will report on a regular schedule (every 2 years) so that information will be available in time for stakeholders to make informed decisions
4. The organization presents an information in a manner that is understandable and accessible to stakeholders using the report. The example is the presentation of a production process in order to explain in a better way the specifics of its activity



5. The organization gathered, recorded, compiled, analyzed and disclosed information and processes used in the preparation of a report in a way that they can be subject to examination and that establishes the quality and materiality of the information.

2.13 Related website(s) / resources

Materials that can be indicated as reference to the good practice material.

<http://www.lw.com.pl>, access: 19.05.2017

<https://www.globalreporting.org>, access: 19.05.2017

<http://ec.europa.eu/finance/company-reporting/non-financial-reporting>, access: 19.05.2017

<http://www.accaglobal.com/ie/en/student/exam-support-resources/professional-exams-study-resources/p1/technical-articles/environmental-accounting-and-reporting.html>, access: 19.05.2017

<http://smallbusiness.chron.com/importance-business-reports-55843.html>, access: 19.05.2017



<http://info.esg.adec-innovations.com/blog/bid/363174/The-Importance-of-Sustainability-Reporting>,
access: 19.05.2017

J.Maniora, Non-financial Reporting and Disclosure Regulation, 2016, access: 19.05.2017

L.Songini, A.Pistoni, Sustainability Disclosure: State of the Art and New Directions, Emerald, 2015, access:
19.05.2017

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