
**Intergovernmental Working Group of Experts on International
Standards of Accounting and Reporting
(ISAR)**

**37th SESSION
2 – 6 November 2020**

Wednesday, 4 November 2020

**Agenda item 3. Practical implementation, including
measurement, of core indicators for entity reporting on the
contribution towards the attainment of the Sustainable
Development Goals: Review of case studies**

Presented by

Joanna Krasodomska, Associate Professor,
Financial Accounting Department, Cracow University of
Economics, Poland

Ewelina Zarzycka, Associate Professor, Department of
Accounting, University of Lodz, Poland

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LPP S.A. CASE STUDY ON PRACTICAL IMPLEMENTATION OF CORE INDICATORS FOR ENTITY REPORTING

Joanna Krasodomska



Ewelina Zarzycka



LPP - overview

- Polish **family-owned** company, large Public Interest Entity listed on the WSE, operating in the **garment industry**
- The LPP Group includes: **LPP SA (parent company)**, **4 Polish and 23 foreign subsidiaries** operating in Poland, Central, Eastern and Western Europe, the Balkans and the Middle East
- In 2017 the company adopted *The LPP More Sustainable Development Strategy for 2017–2019* which is supported by 4 pillars: products, employees, environment, and principles

Employment	LPP SA	LPP Retail	The distribution center in Pruszcz Gdański	Foreign subsidiaries	Overall
Employee headcount (as of 31 Dec. 2018)	2,446	10,947	901	10,880	24,174

Revenues and assets 2018 – 2017	2018	2017
Total revenue in USD thousands	2,226,921	1,860,768
Total assets in USD thousands	5,380,880	4,330,828

Motivation for Sustainability

- Part of the Company's **purpose and license to operate**
- Demanded by **customers**
- **Reputation** benefits and management of **risks**
- **Environment** protection
- In line with the **personal beliefs** of the management
- Answering the needs of **society**
- Important to **employees**
- **Operational** efficiencies and **cost savings**
- **Legal** requirements
- **Competition** and **peers** pressures

Production & distribution:



Employees & Environment:



Local Communities & Economic Growth:



Key findings on the core indicators

A.	Recommended indicators	LPP indicators	B.	Recommended indicators	LPP indicators
A.1.	A.1.1. Revenue	Disclosed in line with UNCTAD Guidelines plus 7 other own indicators on revenues	B.1.	B.1.1. Water recycling and reuse	No disclosure
	A.1.2. Value added	Disclosed in FS		B.1.2. Water use efficiency	No disclosure
	A.1.3. Net value added	Disclosed in FS		B.1.3. Water stress	No disclosure
A.2.	A.2.1. Taxes and other payments to the Government	Disclosed in line with UNCTAD Guidelines	B.2.	B. 2.1. Reduction of waste generation	No disclosure
	A.3.1 Green investment	No disclosure		B.2.2. Waste reused, re-manufactured and recycled	Disclosed in line with UNCTAD Guidelines
A.3.	A.3.2. Community investment	Disclosed in line with UNCTAD Guidelines	B.3.	B.2.3. Hazardous waste	No disclosure
	A.3.3. Total expenditures on research and development	No disclosure		B.3.1. Greenhouse gas emissions (scope 1)	Disclosed in line with UNCTAD Guidelines
	A.4	A.4.1. Percentage of local procurement	Disclosed in line with UNCTAD Guidelines	B.4.	B.3.2. Greenhouse gas emissions (scopes 2)
			B.4.1. Ozone-depleting substances and chemicals		No disclosure
				B.5.1. Renewable energy	Disclosed in line with UNCTAD Guidelines
				B.5.2. Energy efficiency	Disclosed in line with UNCTAD Guidelines

C	Recommended indicators	LPP indicators	D	Recommended indicators	LPP indicators
C.1.	C.1.1. Proportion of women in managerial positions	Disclosed in line with UNCTAD Guidelines	D.1.	D.1.1. Number of board meetings and attendance rate	No disclosure
C.2.	C.2.1. Average hours of training per year per employee	Disclosed in line with UNCTAD Guidelines plus other 6 indicators on training		D.1.2. Number and percentage of female board members	Disclosed in line with UNCTAD Guidelines
	C.2.2. Expenditure on employee training per year per employee	No disclosure		D.1.3. Board members by age range	Disclosed in line with UNCTAD Guidelines plus other 5 indicators on training
	C.2.3. Employee wages and benefits as a proportion of revenue, with breakdown by employment type and gender	Disclosed in FS		D.1.4. Number of meetings of audit committee and attendance rate	Disclosed in line with UNCTAD Guidelines
C.3.	C.3.1. Expenditures on employee health and safety as a proportion of revenue	Disclosed in line with UNCTAD Guidelines		D.1.5. Compensation: total compensation per board member (both executive and non-executive directors)	Disclosed in line with UNCTAD Guidelines
	C.3.2. Frequency/incident rates of occupational injuries	Disclosed in line with UNCTAD Guidelines plus other 5 indicators on injuries	D.2.	D. 2.1. Amount of fines paid or payable due to settlements	Disclosed in line with UNCTAD Guidelines
C.4.	C.4.1. Percentage of employees covered by collective agreements	Disclosed in line with UNCTAD Guidelines		D.2.2. Average number of hours of training on anti-corruption	Disclosed in line with UNCTAD Guidelines

Key findings on the core indicators disclosure

- LPP uses **GRI guidelines** as the main reporting framework of sustainability-related information and focuses on the application of the standards at the highest level.
- The choice of indicators used by the company depends on **their usefulness for the managing purposes** as the selected indicators enhance the understanding of the rational use of resources.
- Some indicators used in the company sustainability reporting are also reported to **the National Statistics Office** that collects data on the private sector contribution to the SDGs implementation.
- The main challenges relate to the **practical implementation** of the corporate sustainability strategies, the need to quite **precisely measure certain indicators** (e.g., CO2 emissions in %) and the risk of the **lack of sufficient data to do that**.
- Indicators disclosure requires **consistency of financial and non-financial reporting** and their integration through the incorporation of the information used for the preparation of the sustainability report into the accounting books.

**THANK YOU FOR YOUR ATTENTION!
DZIĘKUJEMY**

Ewelina Zarzycka

ewelina.zarzycka@uni.lodz.pl

Joanna Krasodomska

joanna.krasodomska@uek.krakow.pl