



Ministry of Economic Development and Technology  
Republic of Poland

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Study on the awareness of and readiness to implement sustainable growth policies  
in the SME sector in Poland

## REPORT | 2023

Project commissioned by the Ministry of Economic Development and  
Technology

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**ORDERING PARTY OF THE STUDY:**



Ministry of Economic Development and Technology  
Republic of Poland

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**CONDUCTOR OF THE STUDY:**



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## PREFACE

This report summarises the analytical findings of a research project on the awareness and readiness for implementing sustainable development policies in the SME sector in Poland. The study was conducted between September and December 2023 by the Consulting and Research Lab EDBAD Maciej Mroczek, commissioned by the Ministry of Economic Development and Technology.

## SUSTAINABILITY IN THE SME SECTOR

‘Sustainable business development is a concept where a company’s economic needs are met while ensuring that its decision-makers and employees are mindful of the organisation’s impact on the natural environment and climate, the well-being of employees, local communities, and end consumers.’ This approach assumes that a company contributes at least as much to the economy, environment, and society as it draws from these areas. Although for a long time, sustainable business development was rooted in the concept of Corporate Social Responsibility (CSR), there is now increasing discussion around other concepts such as ESG (Environmental, Social, and Governance), due diligence, greenwashing, and the circular economy<sup>1</sup>.

Consumers are increasingly driven by environmental concerns when making decisions. Consequently, they pay attention to labels with terms like ‘eco’, ‘green,’ or ‘organic’ on products. However, consumers are often unaware of the risk of manipulation, where producers use these labels to encourage purchases without substantiating their claims with concrete pro-environmental actions. The need to translate promises into practice as part of the fight against so-called greenwashing will not only affect international giants but also domestic entrepreneurs across various sectors and scales of operation<sup>2</sup>.

As recent research shows (EY study: *Czy polski biznes jest zrównoważony?* [Is Polish Business Sustainable?]), there is currently a noticeable gap in Poland between the declarations and the actual actions of entrepreneurs when it comes to understanding and implementing sustainable development. As many as 90% of businesses claim that their mission includes ESG aspects, 67% implement them in their daily activities, and 48% have translated their sustainable development strategies into specific areas of business operation. The main motivating factors in these areas are consumer (71%) and business partners (59%) expectations. However, only 17% of the surveyed companies publish ESG reports. Nevertheless, pressure in this area is expected to grow, as 57% of organisations already consider whether their chosen business partner meets sustainability criteria<sup>3</sup>.

<sup>1</sup> New PARP Academy course: ‘Sustainability in SMEs’. Polish Agency for Enterprise Development (PARP), <https://www.parp.gov.pl/component/content/article/85051:nowy-kurs-akademii-parp-zrownowazony-rozwoj-w-msp> [19.12.2023].

<sup>2</sup> Greenwashing – czym jest i jak się przed nim bronić? Analiza zjawiska z perspektywy przedsiębiorców i konsumentów [Greenwashing – what is it and how to defend against it? Analysis of the phenomenon from a business and consumer perspective]. Climate Strategies Poland, <https://climatestrategiespoland.pl/blog/czym-jest-greenwashing-i-jak-sie-przed-nim-bronic-analiza-zawiska-z-perspektywy-przedsiębiorców-i-konsumentów/> [16.01.2022].

<sup>3</sup> EY study: *Czy polski biznes jest zrównoważony? Strategie zrównoważonego rozwoju polskich przedsiębiorstw* [Is Polish business sustainable? Sustainability strategies by Polish companies]. EY Poland, [https://www.ey.com/pl\\_pl/climate-change-sustainability-services/badanie-ey-czy-polski-biznes-jest-zrownowazony](https://www.ey.com/pl_pl/climate-change-sustainability-services/badanie-ey-czy-polski-biznes-jest-zrownowazony) [16.01.2024]

Significant societal and awareness changes in recent years have been accompanied by an increasing amount of legislation imposing sustainable development obligations on a growing corporate segments.

*The importance of sustainability and ESG is rising, driven by global legislative initiatives. In Europe, the primary framework is the European Green Deal strategy. [...] These legislative developments are not occurring in isolation; they are the result of growing awareness among decision-makers, advancements in scientific knowledge, and the consumer demand for sustainable products.*

Anna Gonera, ESG Risk Strategy Expert at Bank Gospodarstwa Krajowego<sup>4</sup>

Micro, small, and medium-sized enterprises (SMEs), which number over 2 million and account for nearly 99% of Polish companies, employ around 100 million people and are responsible for producing nearly half of the national GDP<sup>5</sup>. Their impact on the environment, regardless of their operational scale, is therefore both undeniable and significant. In the long term, ESG issues in the current legal context seem likely to significantly enhance competitiveness and may even become essential for SMEs to remain on the market. ESG's collaboration with large companies within supply chains has already indirectly affected these businesses. To maintain these connections, SMEs will need to comply with ESG standards and oversee reporting and statements matters.

Thus, the transition towards sustainable development will not bypass the Polish SME sector. According to the EU Corporate Sustainability Reporting Directive (CSRD), by 2027, the obligation to report ESG under the European Sustainability Reporting Standards (ESRS) will also extend to small and medium-sized listed companies. It is worth noting that in November 2023, the European Financial Reporting Advisory Group (EFRAG) approved draft voluntary sustainability reporting guidelines for unlisted SMEs (ESRS VSME), and in December 2023, it approved draft ESRS standards for listed SMEs (ESRS LSME). Both drafts were released for public consultation in January 2024<sup>7</sup>.

The significance of SMEs in implementing ESG has also been recognised by the European Commission, which stated that *'citizens as retail investors or consumers and small and medium-sized enterprises (SMEs) are essential for the transformation towards a sustainable model. Many sustainable projects will be small projects developed at the local level, but necessary to support the green recovery of the economy.'*

<sup>4</sup> Cited in: *Zrównowagony rozwój nie taki łatwy. MSP wciąż mają pod górkę* [Sustainability not so easy. SMEs still face headwinds] <https://www.bankier.pl/wiadomosc/zrownowazony-rozwoj-nie-taki-latwy-msp-wciaz-maja-pod-gorke-8626891.html> [16.01.2024].

<sup>5</sup> 2022 *Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce* [2022 Report on the state of the SME sector in Poland]. Polish Agency for Enterprise Development, [https://www.parp.gov.pl/storage/publications/pdf/ROSS\\_2022\\_ost.pdf](https://www.parp.gov.pl/storage/publications/pdf/ROSS_2022_ost.pdf) [16.01.2024].

<sup>6</sup> *Zrównowagony rozwój i wyzwania MŚP* [Sustainability and the challenges for SMEs]. GazetaPrawna.pl, <https://biznes.gazetaprawna.pl/artykuly/9372031,zrownowazony-rozwoj-i-wyzwania-msp.html> [19.01.2024].

<sup>7</sup> [Draft] *Voluntary ESRS for non-listed Small- and Medium-Sized Enterprises – Exposure Draft (VSME ESRS ED)*. <https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FMeeting%20Documents%2F2305101045339288%2F03-02%20EFRAG%20SR%20TEG%20231108%20VSME%20ESRS%20ED%20clean.pdf> [16.01.2024];

[Draft] *European Sustainability Reporting Standard for listed SMEs (LSME ESRS ED)* <https://www.efrag.org/Meetings/2302241039480334/EFrag-SRB-Meeting-13-December-2023> [25.01.2024]; <https://www.efrag.org/News/Public-479/EFrag-public-consultation-on-two-Exposure-Drafts-on-sustainability-r> [25.01.2024].

*The capital markets union and a sustainable finance framework will aim to provide SMEs with more funding opportunities and encourage greater participation by retail investors in capital markets.*<sup>8</sup>

At the same time, there is no doubt that small and medium-sized enterprises face many more barriers on this path than other companies. The green transformation and implementation of circular economy solutions present significant challenges for SMEs, primarily due to the relatively high investment costs compared to direct profits, difficulties in securing ongoing financing, and the lack of adequate human resources and knowledge related to implementing ESG aspects in their operations<sup>9</sup>.

The adoption of circular economy solutions aligned with ESG (Environmental, Social Responsibility, and Corporate Governance issues) principles in companies is largely shaped by legal regulations. Knowledge of these regulations within the SME sector is now crucial to effectively support these companies in implementing and optimising sustainable processes both within the company itself and in its business environment. Managing a business while simultaneously navigating regulatory requirements is a challenge that demands flexibility, continuous improvement, and resource allocation to manage this area effectively, regardless of its complexity and volatility. Therefore, support from regulators, the provision of training tools, and promoting awareness of the benefits of such an approach are vital.<sup>10</sup>

#### RESEARCH PROJECT CHARACTERISTICS

The objective of the study was to gain a deeper understanding of the awareness among companies operating in the SME sector of the changes resulting from regulatory requirements on sustainable development. The study also aimed to assess the readiness to implement these required changes and the level of sophistication of SMEs in adhering to the new regulatory requirements, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD)

The study sought to answer the following questions:

1. Is the company familiar with basic sustainability terminology such as ESG, CSR, Sustainable Development Goals and 2030 Agenda, EU Taxonomy, circular economy, carbon footprint, water footprint, greenwashing, sustainable supply chain, and due diligence?
2. Is the company aware of the direct or indirect impact of sustainability regulations (CSRD, CSDD) on its business operations?
3. Is the company aware of the scope of European Sustainability Reporting Standards?
4. Has the company implemented (or does it plan to implement) actions, strategies, or policies related to sustainability/ESG?

<sup>8</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, *Strategy for Financing the Transition to a Sustainable Economy*. European Commission, <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52021DC0390>. [16.01.2024].

<sup>9</sup> *Zrównoważony rozwój nie taki łatwy. MSP wciąż mają pod górkę* [Sustainability not so easy. SMEs still face headwinds], <https://www.bankier.pl/wiadomosc/Zrownowazony-rozwoj-nie-taki-latwy-MSP-wciaz-maja-pod-gorke-8626891.html> [16.01.2024].

<sup>10</sup> *Zrównoważony rozwój i wyzwania MŚP* [Sustainability and the challenges for SMEs]. GazetaPrawna.pl, <https://biznes.gazetaprawna.pl/artykuly/9372031,zrownowazony-rozwoj-i-wyzwania-msp.html> [19.01.2024].



5. Is the company preparing (or planning to prepare in the future) a sustainability report?
6. What ESG and sustainability issues are currently most important to the company (categorised into environmental, social, and corporate governance aspects)?
7. Why has the company decided to implement measures, policies, or strategies in the field of sustainable development/ESG?
8. Does the company receive enquiries or questionnaires from business partners regarding the consideration of sustainability issues in its operations?
9. Does the company require financial, human resources, educational, or other support to comply with sustainability regulations?
10. Does the company utilise European funds to implement activities related to sustainable development/ESG?

The project employed the following data collection methods and techniques:

#### Desk research



The desk research involved analysing both raw data sources and existing studies, including legislative acts related to the legal, institutional, and social context, statistical data, and selected documents, reports, and scientific publications.

#### Computer-Assisted Telephone Interviewing (CATI)



The CATI survey employed [quota sampling](#), which considered the size of the company, its industry and sector of activity, the main section of the Polish Classification of Activities (PKD), and the predominant business model (B2B or B2C) in which the company operated. The survey was conducted on a representative sample of [1,300 micro, small, and medium-sized enterprises](#).

#### Telephone In-Depth Interviews (TDI)



TDI interviews were not intended to be representative, but rather aimed to gather insights from individuals with relevant experiences, competencies, and opinions. The study employed [purposive sampling](#), focusing on the most important subgroups of the population, differentiated by socio-demographic characteristics and business profile. Interviews were conducted with representatives from [110 medium-sized enterprises operating in Poland](#).

## STUDY RESULTS

The following chapter presents the results of the research conducted within the project. The content provided synthesised information gathered from representatives of the SME sector in Poland through:

- a questionnaire survey administered to a representative quota sample of 1,300 micro, small, and medium-sized enterprises;
- in-depth telephone interviews conducted with representatives of 110 medium-sized enterprises operating in Poland.

The survey findings have been organised into five chapters, each addressing a different thematic area:

1. The level of identification of sustainability issues.
2. Knowledge of the legal conditions for sustainable development.
3. Sustainability actions, strategies, and policies.
4. Sustainability in business relationships.
5. Support in adapting its operations to sustainability legislation.

### 1. THE LEVEL OF IDENTIFICATION OF SUSTAINABILITY ISSUES

The initial questions in the survey aimed to determine the extent to which the concept of sustainable development is recognised within the SME sector in Poland. One of the topics explored was the familiarity with key sustainability terms.

Respondents were first asked whether certain terms were known within their companies. The individual terms were identified (combined 'rather yes' and 'definitely yes' responses) at best by just over half of the respondents:

- carbon footprint: recognised by 56% of respondents;
- due diligence: recognised by 51% of respondents;
- water footprint: recognised by 49% of respondents
- sustainable supply chain: recognised by 46% of respondents;
- circular economy: recognised by 44% of respondents;
- ESG (Environmental, Social, and Corporate Governance): recognised by 28% of respondents;
- greenwashing: recognised by 26% of respondents;
- Sustainable Development Goals and 2030 Agenda: recognised by 24% of respondents;
- CSR (Corporate Social Responsibility): recognised by 22% of respondents;
- EU Taxonomy: recognised by 19% of respondents.

## KEY SUSTAINABILITY TERMS (1/3)

### → ESG (Environmental, Social Responsibility, and Corporate Governance)

ESG is a set of standards for operating an environmentally and socially responsible company. It encompasses non-financial factors that enterprises incorporate into their business strategies and report on. ESG issues are typically divided into three main areas: environmental, social responsibility, and corporate governance.

- environmental (E): how a company uses natural resources or impacts the environment through its business activities;
- social (S): how a company affects the people around it — employees, customers, suppliers, local communities, and other stakeholders — and how these groups can influence the company;
- corporate governance (G): the system of internal practices, controls, and procedures that a company implements to manage its business, make effective decisions, ensure compliance with the law, and respond to stakeholder needs.

Source: *Wytyczne do raportowania ESG. Przewodnik dla spółek* [ESG Reporting Guidelines. A Guide for Companies]. GPW, [https://gpw.pl/pub/GPW/ESG/Wytyczne\\_do\\_raportowania\\_ESG.pdf](https://gpw.pl/pub/GPW/ESG/Wytyczne_do_raportowania_ESG.pdf) [19.01.2024].

### → CSR – Corporate Social Responsibility

Corporate Social Responsibility (CSR), also known as corporate responsibility, is a concept by which companies consider social and environmental interests when building strategies, as well as their relationships with various stakeholders. According to the European Commission's 2011 definition, stated in the document "A renewed EU strategy 2011-14 for Corporate Social Responsibility" (COM(2011)681), CSR is "the responsibility of enterprises for their impacts on society". CSR is a management strategy whereby companies take into account social interests, environmental aspects or relations with different stakeholder groups, in particular employees, in their operations.

Source: *Spoleczna odpowiedzialność przedsiębiorstw – CSR – Dialog Społeczny* [Corporate Social Responsibility – CSR – Social Dialogue]. Gov.pl, [www.gov.pl](http://www.gov.pl) [19.12.2023]; *CSR – Spoleczna odpowiedzialność biznesu* [CSR - Corporate Social Responsibility]. PARP, <https://www.parp.gov.pl/component/site/site/csr> [19.01.2024].

### → Sustainable Development Goals and 2030 Agenda

Transforming our world: the 2030 Agenda for Sustainable Development, commonly known as Agenda 2030, is a global development strategy adopted by 193 UN member states as a General Assembly Resolution on 25 September 2015. It outlines a model for sustainable development with the primary goal of eradicating poverty while simultaneously achieving a range of economic, social, and environmental objectives. Each goal is accompanied by specific targets to be achieved by 2030 (169 targets and 231 indicators measuring progress). The 17 goals are divided into five key areas, the so-called 5 P's: people, planet, prosperity, peace, and partnership.

Source: Resolution adopted by the General Assembly on 25 September 2015 'Transforming our world: the 2030 Agenda for Sustainable Development', [www.unic.un.org.pl/files/164/Agenda%202030\\_pl\\_2016\\_ostateczna.pdf](http://www.unic.un.org.pl/files/164/Agenda%202030_pl_2016_ostateczna.pdf) [19.01.2024]; *Sustainable Development Goals*. UN, <https://www.un.org/pl/> [19.01.2024].

### → EU Taxonomy

Taxonomy is the informal term for a recent piece of European Union legislation, namely Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which establishes a framework to facilitate sustainable investment. The purpose of the Taxonomy is to enhance environmental protection by shifting capital from investments that harm the environment to those that are more eco-friendly. The Taxonomy determines whether an economic activity qualifies as environmentally sustainable (for further details, see the box titled 'Key legal determinants of sustainable development').

Source: Maruszkin R., *Czym jest Taksonomia? O nowym prawie UE dotyczącym klasyfikowania działalności gospodarczej jako zrównoważonej środowiskowo* [What is a Taxonomy? On the new EU law on classifying economic activities as environmentally sustainable], PARP Euro Info Bulletin 2021, 7.

Z komentarzem [A3]: Ramka się rozjechała, warto byłoby ją przemodelować graficznie. Inaczej trzeba dokonać zmiany spisu treści

Z komentarzem [A4R3]: Prośba o poprawienie tabelki

## KEY SUSTAINABILITY TERMS (2/3)

### → Circular economy

Circular economy is a production and consumption model that involves sharing, borrowing, reusing, repairing, renewing, and recycling existing materials and products for as long as possible. This approach extends the life cycle of products. In practice, this means minimising waste. When a product's life cycle ends, the raw materials and waste it generates should remain within the economy through recycling. This method contrasts with the traditional linear economic model, which follows a 'take – produce – use – throw away' pattern.

Source: *Circular economy: definition, importance and benefits*. European Parliament, <https://www.europarl.europa.eu/topics/en/article/20151201STO05603/circular-economy- definition- importance-and-benefits> [19.01.2024].

### → Carbon footprint

The carbon footprint of a product (CFP) represents the total amount of carbon dioxide and other greenhouse gases (GHGs) emitted throughout the entire life cycle of a product, including its storage and disposal processes. [...] GHGs (as defined by the Kyoto Protocol) include not only carbon dioxide (CO<sub>2</sub>) but also nitrous oxide (N<sub>2</sub>O), methane (CH<sub>4</sub>), and fluorinated industrial gases such as hydrofluorocarbons (HFCs), sulphur hexafluoride (SF<sub>6</sub>), and perfluorocarbons (PFCs). Carbon footprint serves as an indicator of how much gas is produced by individuals, companies, or countries, as well as by the production and transportation of specific items. Although the carbon footprint accounts for all greenhouse gases, it is often simplified and expressed as an equivalent of tonnes of carbon dioxide (tCO<sub>2</sub>e). The carbon footprint provides insight into the greenhouse gas emissions associated with specific activities, such as a car journey to work or the production of a water bottle. It can be used to quantify the environmental impact of virtually any activity.

Source: Zarczuk J., Klepacki B., *Pojęcie, znaczenie i pomiar śladu węglowego (carbon footprint)* [The concept, meaning and measurement of the carbon footprint], *Economics and Organization of Logistics* 2021, 6(1), 85-95.

### → Water footprint

The water footprint represents the total volume of direct and indirect water consumption by a consumer. It includes the water needed for the production of goods. Direct water consumption involves everyday activities like drinking, bathing, washing, and cooking. Indirect water consumption encompasses all stages of production where water is required. The water footprint includes:

- green water footprint – the volume of rainwater that does not run off the surface (evapotranspiration);
- blue water footprint – the volume of used surface and groundwater (evaporation, transfer, and production);
- grey water footprint – the volume of water required to dilute pollutants to meet applicable water quality standards.

Source: Wróbel-Jędrzejewska M., Steplewska U., Pola E., *Analiza śladu wodnego przykładowych produktów rolno-spożywczych* [Analysis of the Water Footprint of Selected Agri-Food Products], *Postępy Nauki i Technologii Przemysłu Rolno-Spożywczego* 2019, 74(2).

### → Greenwashing

The practice of spreading misinformation to convince consumers that an organisation is acting in an environmentally responsible manner. Greenwashing is misleading consumers by providing information that presents an incorrect or incomplete picture of a company and its products, making them appear environmentally friendly when they are not.

Source: Jakubczak A., *Strategie greenwashing w wybranych sieciach handlowych w Polsce* [Greenwashing strategies in selected retail chains in Poland], *Polityki Europejskie, Finanse i Marketing* 2018, 20(69); *Climate Strategies Poland, Greenwashing – czym jest i jak się przed nim bronić? Analiza zjawiska z perspektywy przedsiębiorców i konsumentów* [Greenwashing – what is it and how to defend against it? Analysis of the phenomenon from the perspective of entrepreneurs and consumers], <https://climatestrategiespoland.pl/blog/czym-jest-greenwashing-i-jak-sie-przed-nim-bronic-analiza-zjawiska-z-perspektywy-przedsiębiorców-i-konsumentów/> [16.01.2024]

Z komentarzem [A5]: Jak wyżej, prosba o poprawienie tabelki

### KEY SUSTAINABILITY TERMS (3/3)

#### → Sustainable supply chain

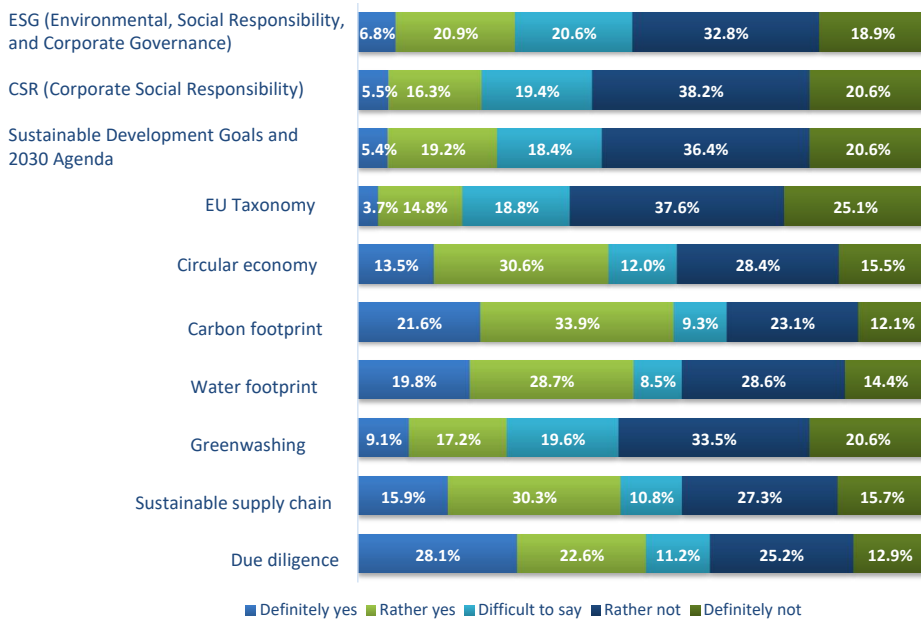
Supply chain sustainability refers to *'managing the impact on the environment, society and the economy, and encouraging good management practices throughout the life cycle of goods and services.'* The supply chain includes the planning, execution, and control of all activities related to the flow of goods (raw material procurement, production, warehousing, distribution, transport, order and returns handling, and waste disposal). The key idea of a sustainable supply chain is to seek opportunities to reduce costs related to holistic environmental protection while implementing intensive environmental protection programmes.

Source: Kołosowski A., Józwiak A., *Zrównoważony łańcuch dostaw* [Sustainable Supply Chain], Systemy Logistyczne Wojsk 2012, 38; Brdulak H. (ed.), *Logistyka przyszłości* [Logistics of the Future], PWE; *Zrównoważony łańcuch dostaw: Twój przewodnik po budowaniu zrównoważonego łańcucha dostaw* [Sustainable Supply Chain: Your Guide to Building a Sustainable Supply Chain]. Fourkites, <https://www.fourkites.com/pl/sustainable-supply-chain/> [19.01.2024]; *Analiza tematyczna „Zrównoważony łańcuch dostaw: trendy i innowacje”* [Thematic Analysis 'Sustainable Supply Chain: Trends and Innovations'], Responsible Business Forum 2013, 3, [https://odpowiedzialnybiznes.pl/wp-content/uploads/2014/04/FOB\\_AnalizaTematyczna\\_3\\_2013\\_%C5%82a%C5%84cuch-dostaw.pdf](https://odpowiedzialnybiznes.pl/wp-content/uploads/2014/04/FOB_AnalizaTematyczna_3_2013_%C5%82a%C5%84cuch-dostaw.pdf) [19.01.2024].

#### → Due diligence

Due diligence is the process through which companies identify, prevent, mitigate, and bear responsibility for their actual and potential impacts. It involves proceeding with proper care, diagnosing risks and considering corrective actions before making decisions. This process includes identifying, preventing, mitigating, and remedying actual and potential risks arising from a company's involvement in activities that directly or indirectly lead to human rights abuses or negatively impact the environment. The concept encompasses the responsibility of businesses to, among other things, identify, prevent, and address adverse impacts on both the environment and human rights throughout the supply chain. Source: OECD, *OECD Guidelines on Due Diligence for Responsible Business Conduct*, European Commission, [https://single-market-economy.ec.europa.eu/sectors/raw-materials/due-diligence-ready/due-diligence-explained\\_en](https://single-market-economy.ec.europa.eu/sectors/raw-materials/due-diligence-ready/due-diligence-explained_en) [16.01.2024].

Figure 1. Knowledge of terms related to sustainable development.



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The recognition of sustainability terms among respondents was insufficient, with terms falling into two distinct groups. The first group comprises terms known by roughly half of the respondents. The highest level of familiarity within this group was with ‘carbon footprint’ (55.5%), followed by ‘due diligence’ (50.7%), ‘water footprint’ (48.5%), ‘sustainable supply chain’ (46.2%), and ‘circular economy’ (44.1%). The second group includes terms that were recognised by only one in four or five company representatives surveyed: ‘ESG’ (environmental, social responsibility, corporate governance) – (27.7%); ‘greenwashing’ (26.3%); ‘Sustainable Development Goals and 2030 Agenda’ (24.6%); ‘CSR’ (corporate social responsibility) (21.8%); and ‘EU Taxonomy’ (18.8%).

It is worth noting that the sustainability terms most easily identified by SME company representatives appear to be those with easily recognisable Polish-language equivalents. The understanding of these terms may not only be learned in a formal context and associated with official definitions within the issue but also understood intuitively. Additionally, these terms are more frequently encountered in media narratives on various topics (e.g., ecology, economy), which respondents may have been exposed to outside of business contexts. In contrast, English-language terms and acronyms, as well as specific document names (such as ‘2030 Agenda’ and ‘EU Taxonomy’), are less frequently recognised.

The familiarity with sustainability terms is closely linked to the importance placed on these issues within the company. Nearly half (47.3%) of the company representatives surveyed believe that sustainability is an important issue in their business operations, while one in three (33.2%) do not share this view. Meanwhile, one in five respondents (19.5%) were uncertain, answering ‘difficult to say’. The level of familiarity with sustainability-related terms correlates with the perceived importance of sustainability within the company — the more important sustainability is considered, the more frequently respondents recognise and attribute significance to

these terms.

Figure 2. Is sustainability important in your company's business activities?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The analysis of responses distribution according to enterprise characteristics indicates that sustainability issues gain significance as the enterprise size increases (medium-sized companies are much more likely to identify sustainability as important, whereas micro-companies are the least likely to do so). Additionally, sustainability is deemed more significant in industrial companies compared to those in other sectors. On the contrary, companies in the construction industry are most likely to consider sustainability unimportant. The importance of sustainability in a company's business activities also correlates with the scope of its operations — it is most frequently regarded as important by companies with an international reach and least often by local companies.

Table 1. Is sustainability important in your company's business activities?

– distribution of responses

		Definitely yes	Rather yes	Difficult to say	Rather not	Definitely not
<b>Company size</b>	Microenterprise	16.1%	25.7%	22.3%	28.1%	7.8%
	Small enterprise	20.0%	43.1%	10.8%	23.8%	2.3%
	Medium enterprise	25.0%	50.0%	6.8%	15.2%	3.0%
<b>Business profile</b>	Construction	17.7%	20.7%	20.2%	32.0%	9.4%
	Commercial	17.3%	28.6%	19.9%	25.4%	8.8%
	Industrial	20.6%	35.8%	16.7%	19.8%	7.1%
	Services	16.7%	32.1%	19.7%	26.3%	5.2%
<b>Reach</b>	Local	15.0%	20.4%	25.5%	31.1%	8.0%
	Regional	15.2%	32.5%	19.0%	26.5%	6.8%
	Nationwide	22.0%	40.9%	11.2%	21.0%	4.9%
	International – exporter	28.0%	44.0%	8.0%	8.0%	12.0%
	International – importer	16.7%	50.0%	0.0%	33.3%	0.0%
	International – importer & exporter	27.1%	49.1%	8.5%	13.6%	1.7%
<b>TOTAL</b>		<b>17.4%</b>	<b>29.9%</b>	<b>19.5%</b>	<b>26.4%</b>	<b>6.8%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The opinions of participants in the qualitative study (IDI, n = 110) on the importance of sustainability issues in their business activities were diverse and varied. The largest group consisted of those who were either completely unfamiliar with the term 'sustainability' or had encountered it but did not know its meaning. As a result, these interviewees found it considerably difficult to assess sustainability issues within the context of their own business operations.

Some participants mistakenly equated sustainability with the overall development of the company, interpreting it as a harmonious growth process, and when defining it, they listed all activities that, in their view, contribute to the growth of the business. Among the (much smaller) group of medium-sized entrepreneurs who claimed even a superficial understanding of sustainability, opinions were mixed. Some admitted that sustainability had no real significance in their company's activities (either due to the nature of their operations or a lack of interest from management), while others indicated that sustainability principles were integrated into the company's strategy and mission.

Among the relatively few entrepreneurs who correctly identified the essence of sustainability, the majority had only a superficial understanding and most commonly associated it with pro-environmental actions and solutions. Comprehensive definitions that correctly highlighted various aspects of sustainability were rare, typically provided by individuals who were deeply engaged with the topic.

*'I certainly don't know the full answer, because in the case of larger companies, larger plants, sustainable development encompasses many aspects. I understand the term (...) as a combination of various factors; probably the best term I know is the English ESG, which stands for ecology, society, and governance. Essentially, it's about the development of a company not solely focused on maximising profits and turnover but also on minimising its impact on society, maximising pro-environmental activities, and addressing social and human concerns, (...) such as equal opportunities, equality of rights, and consideration for people with different needs and backgrounds, among other things.'*

The importance of sustainability for some interviewees is highlighted by the need, as expressed by one respondent more deeply involved in sustainability issues, to embed sustainability goals within the company's policy, mission, and strategy. This consistency, they noted, significantly enables and facilitates the effective implementation of these ideas in the company's operations.

*'Every business core must operate in line with sustainability goals; strategic objectives are derived from these assumptions — they are embedded into projects and shape company policy and strategy. This is crucial (...). Overall, we advocate aligning the business strategy as closely as possible with the sustainability strategy, ensuring that the goals driving the achievement of these objectives directly stem from our activities.'*

Interestingly, there were cases where companies implemented sustainable development practices without necessarily understanding or defining them as such. These are primarily situations in which solutions typical of sustainability are implemented in a company, arising from a general belief in their validity, but are not defined by the implementing entrepreneurs as sustainable development due to their insufficient knowledge of the term and related theoretical and definitional issues.

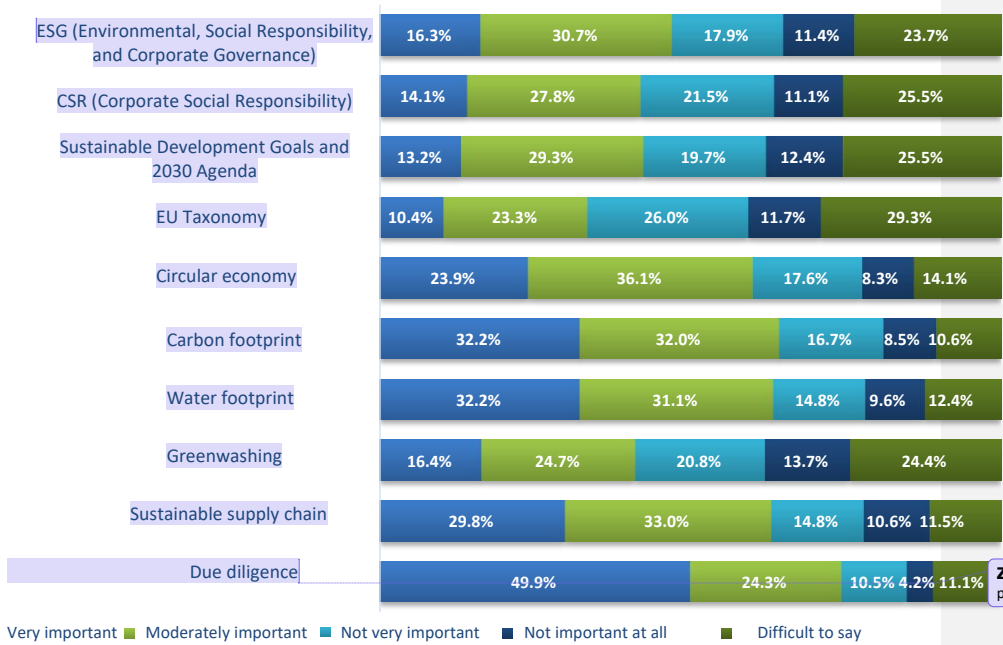
*'I think I understand. (...) A lot of practices in companies are carried out but not explicitly named. Whether we're talking about sustainability or other forms of environmental protection, many companies are implementing these measures without realising that they are already formalised and defined.'*



Entrepreneurs participating in the survey, who indicated that sustainability issues were important to their business operations, were asked to assess the significance of various aspects of sustainability to their company. The areas most frequently identified as important (either very important or moderately important) included terms such as due diligence (74.2%), carbon footprint (64.2%), water footprint (63.3%), sustainable supply chain (62.8%), and circular economy (60%). For these terms, the percentage of respondents indicating they were 'not very important' ranged from 10% to 18%, while 'not important at all' responses ranged from 4% to 11%. These terms were also the ones most frequently recognised by all respondents in the earlier part of the survey.

Again, the highest number of undecided responses ('difficult to say') was recorded for English-language terms and acronyms, which were also the least frequently identified as familiar within the company: EU Taxonomy (29.3%), Sustainable Development Goals and 2030 Agenda (25.5%), CSR (corporate social responsibility) (25.5%), ESG (environmental, social responsibility, corporate governance) (23.7%), and greenwashing (24.4%).

Figure 3. How important are the areas related to the following sustainability terms in your company's business activities?



Z komentarzem [A6]: Prośba o poprawienie tabelki. Tekst powinien być jednolicie sformatowany

Source: Own compilation based on CATI survey, November 2023, n = 615.

Representatives of medium-sized companies who participated in the IDI were also asked about the significance of specific areas of sustainability. The responses once again highlighted that most of the terms mentioned were neither well-known nor correctly identified within their companies. Not only did these topics require additional clarification by the moderators, but they were also not often the subject of well-established opinions among company representatives. However, during the course of the interviews, it sometimes emerged that despite the lack of theoretical knowledge and the ability to define the terms mentioned, the companies were already engaging in relevant activities without recognising their importance in the context of sustainable development

Summarising the reflections of the interviewees, it becomes clear that the vast majority, when discussing specific areas of sustainability, primarily focused on the ecological and environmental aspects. The interviewees most frequently associated sustainability with topics such as waste management, recycling, carbon reduction or zero-emission initiatives, energy-efficient upgrades to company premises, and sourcing energy from alternative sources like photovoltaic panels, solar panels, turbines, and wind farms. They described various environmentally friendly measures that their companies were trying to implement.

*'In our company, the importance lies in the circular economy, meaning no overproduction, introducing subscriptions for equipment instead of just selling it, so that as many people as possible can benefit from the product — extending its life, and, of course, its maintenance.'*

Regarding the specific areas discussed, it was noted that due diligence is seen as important for companies because, by gaining a precise understanding of the company's situation — made possible through the systematic collection of information and insights — it enables them to prepare for different types of business impacts, such as mergers, acquisitions, investments, or different types of partnerships. Having access to a detailed list of the financial, legal, and social arrangements of a potential partner or investment target is relevant. This helps to minimize risk and identify problems before they arise. However, this issue is only sporadically considered by entrepreneurs in the context of building a sustainable supply chain. Although some medium-sized enterprise representatives consciously selected suppliers in line with sustainability principles, but they did not associate these activities with due diligence.

Entrepreneurs condemned marketing activities that resembled greenwashing, and none of the interviewees admitted to engaging in such practices within their companies. At the same time, some expressed concerns that the obligation to report on sustainability might lead other entrepreneurs to engage in superficial activities to comply with imposed standards or to appear environmentally responsible.

At the same time, few respondents mentioned the implementation of corporate governance and corporate social responsibility (CSR) initiatives. Interestingly, companies that consciously incorporated CSR policies into their operations typically had dedicated organisational units for this purpose. However, it is important to note that these were primarily companies that indicated plans to be listed on the stock exchange in the near future, which may have heightened their interest in and awareness of sustainable development.

As the declarations from medium-sized company representatives indicate, the nature of the industry (i.e., the extent to which sustainability impacts it and the degree to which it is subject to various regulations arising from sustainable development) and the awareness of management regarding sustainability are the two main factors directly linked to the increased awareness of employees and the frequency of sustainability-related activities undertaken within the company.

*'We are in the railways industry, so it's a topic that's constantly being discussed in our company.'*

At the same time, there was a concern that the equal implementation of regulations and the introduction of standards and rules across all industries, to the same extent and at the same time, would not be justified and could lead to the creation of superficial solutions that offer no real benefits. The requirement for reporting itself is seen as highly burdensome by businesses, particularly by entrepreneurs who believe that there is little connection between their activities and sustainability.

*'Sometimes it feels like we're forcing innovation. I'd prefer rapid development over sustainable development. (...) When it's a purely technical project, and I'm forced to fill out declarations, it feels pointless. These are just boxes that need to be filled in, but does anything really change once they're completed?'*

The diversity of industries (and, as a result, differences in the environmental impact they generate and their ability to implement sustainable solutions) was also cited as a reason why some companies do not engage in sustainable development practices (which are still mainly associated with pro-environmental measures). This was particularly evident among interviewees from the service industry<sup>11</sup>, who felt that sustainability didn't directly apply to their companies. In their view, the requirements and regulations should mainly focus on industrial and manufacturing companies.

*'(...) We use negligible amounts [ed.: we produce negligible amounts of pollution] — these are purely technical projects, our entire device weighs a kilogram — what impact does such a kilogram have on the environment? None. It's just something being added by force.'*

At the same time, it was the entrepreneurs from service companies who highlighted various activities they undertake which, in their opinion, have a real (though globally insignificant due to the scale of impact) connection to the implementation of sustainable development goals. The most important of these include:

- Energy saving, such as external co-location of server services.
- Paper saving, for example, by not printing catalogues and opting for digital versions, and using electronic document circulation.
- Recovery and reuse of packaging.
- Remote working, which helps reduce carbon footprint by eliminating the need to commute.
- Increasing employment opportunities for groups at risk of exclusion, including women and people with disabilities.
- Democratic decision-making.
- Company transparency.
- Activities for local communities, such as the *Szlachetna Paczka* [Noble Gift] initiative and collections for animal shelters.
- Promoting well-being and work-life balance, for instance, by providing free access to medical and sports services and psychological support for employees.

The solutions mentioned above appear to be significant because their implementation within a company seems independent of the sector, industry, and scale of operation; they are almost cost-free and have a positive impact not only on reducing the company's negative environmental impact (which was the aspect most frequently highlighted by entrepreneurs when discussing sustainable development) but also on the company's day-to-day operations, employee satisfaction, and relationships with the environment and local community.

*'But certainly, issues related to employees, such as well-being and awareness, are important too... issues like gender equality and caring for women, ensuring that the benefits offered to employees help them genuinely feel empowered and cared for by the employer. It's also about considering the immediate environment, meaning the local community. Companies undeniably form the fabric that connects these areas.'*

An interesting theme, mentioned by some interviewees, is the role of the workforce in introducing sustainable development into companies. Some entrepreneurs pointed to a grassroots need from employees themselves — independent of legal requirements — to seek environmentally friendly solutions, even in the absence of top-down company strategies in this area.

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<sup>11</sup>IT, automation and robotics, software developer.

*'(...) We generally do not have this issue formally included in our company policy. We try to introduce solutions ourselves, for example, reusing packaging and rotating it for multiple uses. (...) Our company is still somewhat on the sidelines; we do not yet feel the necessity.'*

## 2. KNOWLEDGE OF THE LEGAL CONDITIONS FOR SUSTAINABLE DEVELOPMENT

Another issue raised in both the questionnaire and the qualitative interviews was the subject of legal standards governing the implementation of sustainable development principles and the level of knowledge regarding selected regulations. This topic is particularly important, as these regulations will soon affect an increasing number of companies operating in the EU, and only a detailed understanding of them and their requirements will ensure a smooth introduction of the new regulations in the companies surveyed.

### KEY LEGAL DETERMINANTS OF SUSTAINABLE DEVELOPMENT (1/3)

- Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy)

This Regulation establishes a general framework for determining whether an economic activity qualifies as environmentally sustainable for the purposes of setting requirements for financial market participants or issuers in relation to financial products or corporate bonds marketed as environmentally sustainable. Businesses or public authorities not covered by Regulation (EU) 2020/852 may also apply it voluntarily. An economic activity qualifies as environmentally sustainable if it cumulatively meets four conditions: it makes a significant contribution to one or more of the six environmental objectives; it does not cause significant harm to any of the environmental objectives; it is carried out in accordance with minimum safeguards; and it meets the technical screening criteria.

The six environmental objectives of the Taxonomy are: climate change mitigation; climate change adaptation; the sustainable use and protection of water and marine resources; the transition to a circular economy; pollution prevention and control; and the protection and restoration of biodiversity and ecosystems. Additionally, an activity qualifies as making a significant contribution to one or more of the above environmental objectives if it directly assists other activities in making a significant contribution, provided it does not lead to dependency on assets that undermine long-term environmental objectives and has significant positive environmental effects.

The Regulation is further detailed through delegated acts, specifying technical screening criteria for certain economic activities: (EU) 2021/2139, (EU) 2022/1214, (EU) 2023/2485, and (EU) 2023/2486.

Source: Maruszkin R., *Czym jest Taksonomia? O nowym prawie UE dotyczącym klasyfikowania działalności gospodarczej jako zrównoważonej środowiskowo* [What is a Taxonomy? On the new EU law on classifying economic activities as environmentally sustainable], PARP Euro Info Bulletin 2021, 7; Stock Exchange Issuers' Association,

*Rozporządzenie w sprawie taksonomii* [Taxonomy Regulation],

<https://seg.org.pl/regulacja/rozporzadzenie-w-sprawie-taksonomii> [16.01.2024; Polish Environmental Management Forum, *Nowe obowiązki prawne dotyczące raportowania w zakresie zrównoważonego rozwoju* [New Legal Obligations for Sustainability Reporting].

- Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR, Sustainable Finance Disclosure Regulation)

This Regulation establishes rules for disclosing information to end-investors regarding the integration of sustainability risks into business operations, the consideration of adverse sustainability impacts, the objectives of sustainable investing, or the promotion of environmental or social aspects in the investment decision-making and advisory process. The aim of the Regulation is to enhance transparency in how financial market participants and financial advisers analyse sustainability risks in their activities. Consequently, it facilitates the consideration of adverse sustainability impacts, the promotion of environmental or social aspects, and sustainable investments by requiring financial market participants and financial advisers to disclose relevant information to end-investors both before concluding contracts and on an ongoing basis when acting as principals to those end-investors (principals).

Source: Górecka M., Średzińska K., *Co oznacza SFDR (Sustainable Finance Disclosure Regulation)?*

*Nowe przepisy dotyczące ujawniania informacji związanych ze zrównoważonym rozwojem w sektorze usług finansowych* [What does SFDR (Sustainable Finance Disclosure Regulation) mean? New regulations for sustainability-related disclosures in the financial services sector]. Deloitte Polska,

<https://www2.deloitte.com/pl/pl/pages/zarzadzania-procesami-i-strategiczne/articles/co-oznacza-SFDR-Sustainable-Finance-Disclosure-Regulation.html> [19.01.2024].

## KEY LEGAL DETERMINANTS OF SUSTAINABLE DEVELOPMENT (2/3)

### → Proposal for Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence

(CSDD, Corporate Sustainability Due Diligence Directive)

The draft Directive on Corporate Due Diligence for Sustainable Development was presented by the European Commission on 23 February 2022. It proposes the introduction of due diligence obligations for certain groups of companies to mitigate the negative effects of their activities on human rights and environmental issues. The Directive:

- Introduces a due diligence obligation concerning human rights and environmental issues for certain groups of enterprises;
- Increases the responsibility and accountability of businesses for the negative impacts of their activities;
- Improves access to remedies for those affected by negative impacts on human rights and environmental matters arising from companies' activities;
- Contains provisions on companies' due diligence obligations for human rights and environmental issues, which will apply to their own activities, the activities of subsidiaries, and the so-called 'chain of activities' — a concept proposed in the 'general approach' as a compromise between the 'value chain' and 'supply chain';
- Additionally, the draft Directive includes provisions regarding liability for breaches of due diligence obligations.

The Directive will apply to companies from EU countries, as well as to companies from outside the EU.

It will primarily apply to the activities of large companies.

Source: *Dyrektywa w sprawie należytej staranności przedsiębiorstw w zakresie zrównoważonego rozwoju* [Directive on corporate due diligence for sustainable development]. Ministry of Development Funds and Regional Policy, <https://www.gov.pl/web/fundusze-regiony/dyrektywa-w-> [19.01.2024]; Polish Environmental Management Forum, *Nowe obowiązki prawne dotyczące raportowania w zakresie zrównoważonego rozwoju* [New Legal Obligations for Sustainability Reporting].

### → Directive of 16 December 2022 on Corporate Sustainability Reporting

(CSRD, Corporate Sustainability Reporting Directive)

The new directive introduces more detailed reporting requirements and mandates that large companies and listed SMEs publish information on sustainability issues, including: environmental rights, social rights, human rights, and corporate governance factors. The updated rules will apply to all large companies and all companies listed on regulated markets, with the exception of microenterprises. These companies will also be responsible for assessing sustainability-related information concerning their subsidiaries. The rules extend to listed SMEs, with consideration given to their specific circumstances. During a transitional period, listed SMEs may benefit from a derogation, exempting them from the Directive's requirements until 2028.

The implementation of the Directive will be staggered over four phases:

- Reporting in 2025 for the financial year 2024 for companies already subject to the Non-Financial Reporting Directive (NFRD);
- Reporting in 2026 for the financial year 2025 for large companies not yet subject to the Non-Financial Reporting Directive;
- Reporting in 2027 for the financial year 2026 for listed SMEs (excluding microenterprises), small and non-complex credit institutions, and captive insurance undertakings;
- Reporting in 2029 for the financial year 2028 for third-country companies, provided they generate more than EUR 150 million in net sales revenue in the EU and have at least one subsidiary or one branch within the EU exceeding certain thresholds.

Source: Polish Environmental Management Forum, *Nowe obowiązki prawne dotyczące raportowania w zakresie zrównoważonego rozwoju* [New Legal Obligations for Sustainability Reporting]; and the Corporate Sustainability Reporting Directive already published. Ministry of Finance, <https://www.gov.pl/web/finanse/dyrektywa-o-sprawozdawczosci-przedsiębiorstw-w-zakresie-zrównoważonego-rozwoju-juz-opublikowana> [19.01.2024]; *Klimat zmian w biznesie. Nadchodzi ESG* [Climate of change in business. ESG is coming]. PARP, <https://www.parp.gov.pl/component/content/article/84886:klimat-zmian-w-biznesie-nadchodzi-esg> [19.01.2024].

Z komentarzem [A7]: Błąd z numerem strony

Z komentarzem [A8R7]: Prośba o dokonanie korekty w numeracji stron dla całego dokumentu

### KEY LEGAL DETERMINANTS OF SUSTAINABLE DEVELOPMENT (3/3)

→ Commission Delegated Regulation of 31 July 2023 adopting European Sustainability Reporting Standards (ESRS, European Sustainability Reporting Standards) On 31 July 2023, the European Commission has adopted a delegated regulation adopting the European Sustainability Reporting Standards (ESRS). It is the first set of 12 universal standards, including:

- 2 cross-cutting standards – ESRS 1 ‘General requirements’ and ESRS 2 ‘General disclosures.’
- 10 thematic standards, including:
  - 5 standards on environmental issues:
    - ESRS E1 ‘Climate change’
    - ESRS E2 ‘Pollution’
    - ESRS E3 ‘Water and marine resources’
    - ESRS E4 ‘Biodiversity and ecosystems’
    - ESRS E5 ‘Resource use and circular economy’
  - 4 standards on social issues:
    - ESRS S1 ‘Workforce’
    - ESRS S2 ‘Workers in the value chain’
    - ESRS S3 ‘Affected communities’
    - ESRS S4 ‘Consumers and end-users’ and
  - 1 standards on governance issues – ESRS G1 ‘Business conduct’

On 22 December 2023, a regulation was published in the Official Journal of the EU on the ESRS – full name: Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. It will be applied as early as 1 January 2024 by entities that are the first to be covered by the new sustainability reporting requirements of the CSRD.

Source: Wytoczne do raportowania ESG. Przewodnik dla spółek [ESG Reporting Guidelines. A Guide for Companies]. GPW, [https://gpw.pl/pub/GPW/ESG/Wytoczne\\_do\\_raportowania\\_ESG.pdf](https://gpw.pl/pub/GPW/ESG/Wytoczne_do_raportowania_ESG.pdf) [19.01.2024]; ESRS – unijne standardy raportowania zagadnień zrównoważonego rozwoju [ESRS – the European Sustainability Reporting Standards]. Polish Association of Listed Companies, <https://seg.org.pl/regulacje/kategorie/pl-raportowanie-esg/pl-esrs> [19.01.2024].

→ Non-Financial Reporting Directive (i.e.: Directive 2014/95/EU of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups; NFRD; Nonfinancial Disclosure Reporting Directive)

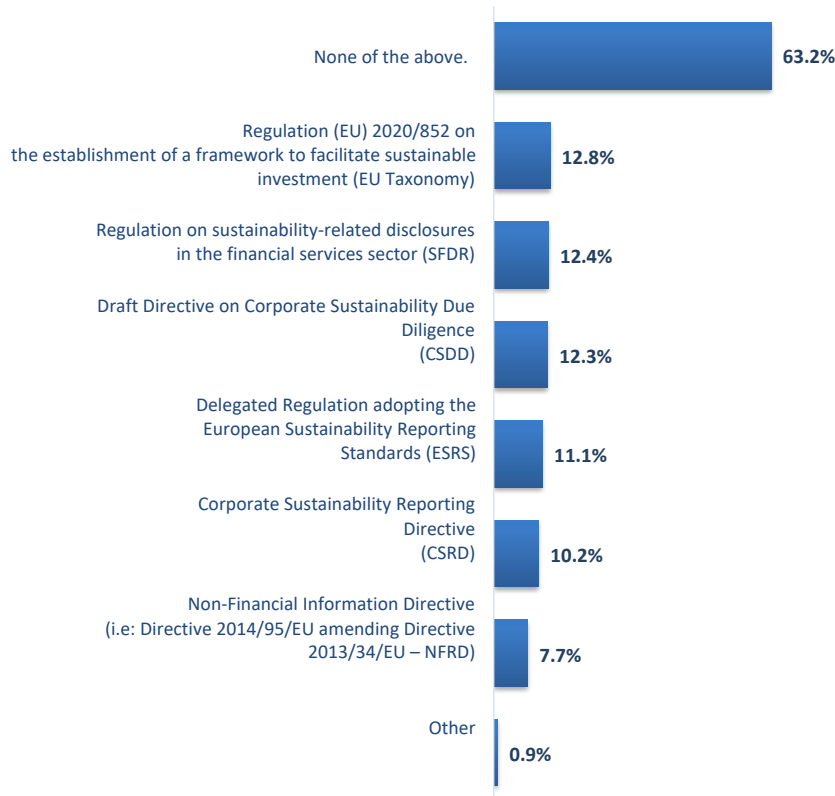
The objective of this Directive is to increase the relevance, consistency, and comparability of information disclosed by certain large undertakings and groups across the Union. It stipulates that, from January 2017 onwards, selected companies classified as public interest undertakings are required to include in their management reports non-financial statements on environmental, social, and employee matters, respect for human rights, and anti-corruption and bribery efforts. The Directive addresses the issue of disclosure of non-financial information by undertakings, taking into account their diversity while ensuring a sufficient level of comparability to meet the needs of investors and other stakeholders as well as the need to provide consumers with easy access to information on the impact of businesses on society. It establishes a minimum legal requirement as regards the extent of the information that should be made available to the public and authorities by undertakings across the Union.

Source: Piñacik J., *Raportowanie społecznej odpowiedzialności w kontekście dyrektywy Unii Europejskiej o ujawnianiu informacji niefinansowych* [Social responsibility reporting in the context of the European Union Directive on disclosure of non-financial information]. Zarządzanie i Finanse. Journal of Management and Finance 2017, 15(2).

Meanwhile, 63.2% of respondents are unaware of any of the regulations mentioned in the survey, with an average of one in ten respondents identifying each of them – ranging from 7.7% for NFRD (Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large

undertakings and groups) to 12.8% for EU Taxonomy (Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment).

Figure 4. Which of those sustainability provisions are you familiar with?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The IDI interviewees mostly claimed to be familiar with the regulations but were unable to name the documents applicable to their companies or those related to the implementation of EU sustainable development regulations or directives. They most frequently referred to regulations regarding waste management, battery disposal, recycling of glass, plastic, and non-ferrous metals, as well as new packaging production requirements.

The exact content of the regulations is often not well-known, but they are generally associated with external EU guidelines related to ecology, the rational use of resources, and waste management.



Among those who claimed to be up-to-date with the changing regulations, almost all were individuals whose industry required them to stay informed due to the nature of their business.

*'I know the ones that concern me. For example, I know that there is now a Soil Directive (Directive on soil protection) on clean soils in the European Union until 2055, if I'm not mistaken, and that's the only one (...) that affects me.'*

*'I can't name them by their numbers. I've read some of them because we participate in these processes on the client's side thanks to our software (...), but it's not like I can list the regulation numbers.'*

Only a few respondents demonstrated familiarity with and implementation of the regulations within the scope mentioned in the question or beyond. Entrepreneurs mentioned, among other things: ISO 14001 certification<sup>12</sup>, mandatory reporting on waste management, and sector-specific directives concerning European transit networks: TEN-T (charging electric and hydrogen vehicles). Regulations on carbon footprint reporting (both within the company and the need for its calculation by suppliers, as well as the GHG Protocol), the 2050 zero-emissions strategy, CSRD, CSDD, as well as ESG indicators and the 2030 Agenda were also mentioned.

The respondents approached these legal requirements with caution. Many had not yet directly encountered them and believed they did not apply to their companies or were just beginning the process of implementing them. For a large portion of the entrepreneurs, while they identified the regulations correctly, they were not clear. The interviewees also pointed out that, in their opinion, a significant number of EU directives had not yet been translated, the available translations might be subject to the authors' interpretation, and there was a lack of comprehensive support in their efforts to implement them independently. Another issue is the complex, inaccessible, and incomprehensible language in which the legal texts are written, which in practice significantly hinders the understanding and implementation of these regulations in business operations.

*'We don't need to worry about this challenge yet, as our organisation is not yet covered by the reporting obligation. We fall into that group, so to speak, starting from 2025.'*

*'That's why we're at the beginning of the road – most of it is unclear (...). The problem also lies in the interpretation of the rules. The authors of the procedures do not support those who implement them, as they should.'*

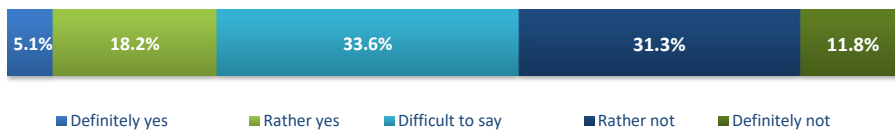
At the same time, among representatives of medium-sized enterprises, there were also unfavourable opinions, criticising the sustainability standards. These were mainly motivated, on the one hand, by a general reluctance of some entrepreneurs to comply with external regulations and, on the other hand, by the belief that the issues covered by the said regulations did not concern the business activity of the entrepreneur.

According to the representatives of the SME sector who participated in the survey, sustainability legislation (CSRD, CSDD) does not affect their business for 43.1% of those surveyed (31.3% 'rather not' and 11.8% 'definitely not'). Only a quarter see such an impact (23.3%, including 18.2% 'rather yes' and 5.1% 'definitely yes'). At the same time, more than a third of respondents (33.6%) have no opinion – presumably because they do not know enough about these regulations to assess their relevance to their business activities.

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<sup>12</sup> ISO 14001 certification is a process that confirms that an organisation operates in a sustainable and environmentally friendly manner, in accordance with the international standard for environmental management systems. The ISO 14001 standard is universal and can be applied to different industries and types of organisations.

Figure 5. In your opinion, does sustainability legislation (including CSRD, CSDD) impact your company's business directly or indirectly?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The analysis of the distribution of responses according to business characteristics shows that representatives of microenterprises and companies operating on a local scale are the least convinced of the direct or indirect impact of sustainability legislation (including CSRD, CSDD) on their business activities. The impact is felt most by medium-sized companies operating in the industrial sector and those engaged in export activities.

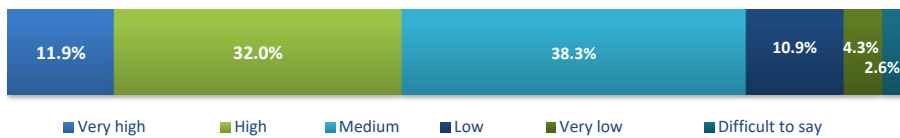
Table 2. In your opinion, does sustainability legislation (including CSRD, CSDD) impact your company's business directly or indirectly? – distribution of responses

		Definitely yes	Rather yes	Difficult to say	Rather not	Definitely not
<b>Company size</b>	Microenterprise	3.5%	12.6%	37.6%	32.9%	13.4%
	Small enterprise	10.8%	35.4%	15.4%	31.5%	6.9%
	Medium enterprise	12.1%	45.5%	19.7%	18.9%	3.8%
<b>Business profile</b>	Construction	3.4%	17.2%	26.1%	39.4%	13.9%
	Commercial	4.8%	23.5%	30.5%	24.3%	16.9%
	Industrial	10.4%	34.9%	23.8%	24.6%	6.3%
	Services	4.7%	13.4%	38.8%	32.9%	10.2%
<b>Reach</b>	Local	2.0%	9.9%	40.5%	34.5%	13.1%
	Regional	6.0%	22.0%	29.2%	31.8%	11.0%
	Nationwide	8.7%	25.6%	26.9%	28.0%	10.8%
	International – exporter	4.0%	32.0%	24.0%	24.0%	16.0%
	International – importer	0.0%	16.7%	33.3%	50.0%	0.0%
	International – importer & exporter	13.5%	39.0%	27.1%	13.6%	6.8%
<b>TOTAL</b>		<b>5.1%</b>	<b>18.2%</b>	<b>33.6%</b>	<b>31.3%</b>	<b>11.8%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Respondents who indicated that sustainability legislation did have an impact on their company most often stated that the influence was medium (38.3% of respondents) or high (32.0%). One in ten respondents said it was very high (11.9%) or low (10.9%).

Figure 6. How would you rate this impact?



Source: Own compilation based on CATI survey, November 2023, n = 303.

In contrast, when assessing the impact of sustainability legislation on their businesses, the representatives of medium-sized enterprises who participated in the qualitative interviews most often stated that they did not see any impact on their current activities. Interestingly, among the entrepreneurs who made such statements, two distinct groups can be identified. On the one hand, there were entrepreneurs who did not deal with sustainability issues at all in their business activities. On the other hand, there those who, due to personal beliefs, the mission and vision of the company, and a high level of awareness, implement sustainability principles, regardless of legal rules and requirements. This dichotomy is also recognised by the entrepreneurs themselves.

*'Polish entrepreneurs fall into two categories – those who do it because they have to, as they are obliged by the regulations, and unfortunately, this is the majority of businesses; and those who take certain actions to gain a market advantage. If I were to indicate the percentage distribution of these businesses, unfortunately, the Pareto principle applies here, meaning 80% do it because they have to, and 20% because they want to.'*

*'All activities that are part of sustainable development stem from the CEO's decision, have an economic basis or arise from the nature of the business (e.g., food production – high OHS standards, sanitation).'*

Interestingly, representatives of the second group of entrepreneurs believe that legislation that imposes certain standards and solutions actually hinder the implementation of sustainable development ideas within companies. This is because the high level of bureaucracy involved in their implementation imposes numerous additional obligations on companies connected with the need for regular reporting.

Despite the dominant narrative of a lack of regulatory impact on business activities, some respondents in the IDIs perceived a direct impact of legislation on their business activities, particularly in the scope and speed of adapting their operations to national and EU requirements.

*'We have until 2030 to replace old brake components with new, quieter, and more eco-friendly ones. This has a real impact on the company. Any regulations limiting emission standards, etc., for the railway sector, have an impact and involve large expenditure and the need to comply if we don't want to pay regulatory fines.'*

This impact can also be indirect. Changing legal rules and business practices in international markets affect Polish entrepreneurs engaged in, for example, international trade, while the evolving narrative and prevailing values alter the market, as well as customer needs and expectations, introducing sustainability issues into them.

*'We would want to do it anyway because we see changes in export markets. For example, in the Netherlands, which is a pioneer of environmental changes and quickly introduces profitable solutions (...). And this affects us quite destructively, but ultimately, we grow. We have to keep up with them if we want to stay on track.'*

*'We feel it in various aspects. (...) The EU Directives aimed at improving the overall energy balance and carbon footprint, or those related to sustainability, also impact our operations because the market profile is changing slightly, and so are the things that customers are looking for.'*

There were very different assessments of the impact of legislation on the implementation of sustainable development in Polish companies. Depending on the worldview of the entrepreneurs, their personal commitment to the issue and the level of their company's progress in implementing sustainable solutions, the impact on business activities could be perceived as either positive or negative. Among the opinions expressed, the following points stand out:

- Limitations arising from the nature of top-down (often internationally established) legal regulations, which, on the one hand, do not account for the individualised character and needs of the enterprise, and on the other, impose burdens related to the reporting obligation:

*'It seems to me that the more the external environment interferes with a company, the worse the company develops. Every company has its own specificity, made up of people, and people are not uniform. Not everyone behaves or acts fairly. Adding extra factors or reporting requirements will only encourage those who are already cheating in this area to continue to cheat, while we do more harm to those who are actually taking these issues seriously.'*

*'Imposing something through regulations is not good, and where possible, people should be given freedom. Like us – even without the legislation, we would still do what's right, but I understand that not everyone feels this way.'*

- The lack of readiness of local entrepreneurs to implement the solutions required by law, which means that they are not implemented effectively, many measures are superficial, and the solutions themselves become a significant burden for entrepreneurs:

*'I think in many areas we blindly adapt to some EU Directives, for which we are not really ready, and which actually make life harder rather than bringing tangible results in line with their objectives.'*

- The regulatory nature of precise, top-down regulations, which serve as a sort of instruction or guide for companies and guarantee that each of them maintains minimum standards:

*'I think it's positive because there are simply specific guidelines that every manufacturer should meet, aimed at ensuring the safety of the end-user. For me, this is great because it provides a kind of roadmap (...). This is a good thing and positively impacts the development of the company.'*

*'We won't report just out of obligation, but because we want to. I see it as a tool that will help us stay on this path rather than stray from it.'*

- The perception of legislation as a consequence of broader, positive changes observed internationally :

*'We try to follow these Directives and implement them as a standard. The world around us is changing significantly, and we want to be part of this positive change, which we hope is now being observed in the EU.'*

The attitude of some representatives of medium-sized companies towards the sustainability legislation can be described as ambivalent – they evaluate them both positively and negatively in different aspects. Respondents acknowledge the positive impact of legislation in terms of promoting the ideology, combined with the negative impact on businesses due to the perceived need to incur costs associated with adapting to these regulations.

*'In terms of workload and obligations, it's negative; ideologically, it's positive. We understand the direction of the necessary changes, but it depends on who is evaluating it and when.'*

*'From a human point of view – the impact is positive. From an employee's perspective, from the inside, all these regulations have a huge cost – I think most companies see the cost first. (...) As a citizen, I think it's going in a very good direction and I'm enthusiastic about it.'*

*'We are not blind. It's a necessity. The impact is positive, and although it may be inconvenient for the entrepreneur, sometimes you have to enforce things through legislation.'*

The greatest difficulties in implementing the solutions and actions stipulated by the legislation can be identified as follows:

- Excessive bureaucracy associated with their implementation and reporting within companies:

*'They have directly harmed us, the nerves we lose filling in forms, there are so many other things, I have to fill in documents (...) there is more bureaucracy (...) this red tape is suffocating entrepreneurs.'*

*'All their ideas are outrageous: you need a PhD in economics to fill it in correctly. I'm supposed to be a psychic and a fortune-teller (...), predicting how much I'll sell globally in five years – I don't even know if I'll sell anything, maybe the competition will introduce something and kill my business.'*

*'Personally, I think the general direction is good, but I have serious doubts whether regulating it through laws is the right way to encourage entrepreneurs to follow these guidelines. The guidelines are good, but the laws make them more of a barrier. It's not an incentive, more like a whip on the entrepreneur. I think it would be much better to simplify these regulations as much as possible and replace obligations with potential benefits, such as tax reductions and so on.'*

- Lack of adequate preparation and support in the process of implementing new legislation in business operations:

*'I have a negative view of the way Polish companies have been enabled to adapt. I don't feel that there is any support for Polish companies that have suddenly found themselves facing a wall of requirements without having been given the competences to build the capacity to meet them.'*

*'The first few years when companies shifted to ESG – the difference in reporting is huge, it's completely different. You have to be precise with a lot of things and explain why you're not doing this or that.'*

- The high cost of implementing the solutions and actions required by the legislation, which involves both additional workload and financial resources, as well as the need to hire new specialists or train the staff assigned to these tasks:

*'As we can see from general observation and from our daily work, it certainly requires financial input and definitely additional work, which in fact needs to be implemented in order for such actions to take place and be carried out. It will also require a lot of additional work on our part (...) It is a matter of involving the right people who will be able to produce such a report. We're thinking ESG here. (...) It will require, well, maybe not huge changes, but still changes resulting from the fact that it will no longer be driven just by our internal sense of wanting to develop sustainably, but it will involve specific metrics that we will be forced to introduce and specifically report on. Secondly, we need to be aware that we are doing this for a reason.'*

At the same time, given the potential challenges and negative perceptions surrounding the implementation of top-down legislation and the burden of this process, some interviewees view 'coercion' as the only effective means to change the mindset of certain Polish entrepreneurs, because these individuals may only be motivated to adopt changes through external pressure.

*'Unfortunately, given our mentality, it would be mishandled (...), with the emission of harmful substances into the air, because someone could, for example, burn not only cartons but also plastics and so on. So it's good that this exists.'*

*'I think there is no other way than enforcement.'*

The survey also reveals that half of the companies surveyed are currently unfamiliar with the extent of the European Sustainability Reporting Standards (ESRS). With another 30.1% of SMEs stating they were unsure whether their company was informed about the scope of these standards. Only a fifth (20.4%) of respondents believed their company was knowledgeable about the issue. It is important to point out the short time between the publication of these standards and the survey, along with a general lack of interest in sustainable development issues within companies, as indicated by many respondents in the qualitative survey (and presumably also by those interviewed in the quantitative survey).

**Z komentarzem [A9]:** W wersji polskiej jest to jedno zdanie, a podział na dwa wpływa negatywnie na spójność.

**Z komentarzem [A10R9]:** Prośba o połączenie akapitu

Figure 7. Is your company familiar with the scope of the European Sustainability Reporting Standards (presented by the EC in a delegated act of 31 July 2023)?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Analysis of the distribution of responses by enterprise characteristics again leads to similar conclusions. Awareness of the ESRS is by far lowest among micro and locally operating enterprises. While awareness of the scope of ESRS increases with company size and is highest among medium-sized enterprises, the highest percentage of respondents confirming their awareness of the ESRS coverage was observed among companies operating beyond the local level, but exclusively within the country. In terms of company profile, awareness of the ESRS is highest among industrial companies, with lower and relatively similar levels of awareness in other sectors.

Table 3. Is your company familiar with the scope of the European Sustainability Reporting Standards (presented by the EC in a delegated act of 31 July 2023)? – distribution of responses

		Definitely yes	Rather yes	Difficult to say	Rather not	Definitely not
<b>Company size</b>	Microenterprise	2.3%	12.2%	33.7%	39.9%	11.9%
	Small enterprise	6.2%	33.1%	12.3%	33.8%	14.6%
	Medium enterprise	8.3%	39.4%	20.5%	22.0%	9.8%
<b>Business profile</b>	Construction	2.0%	16.3%	30.0%	46.3%	5.4%
	Commercial	2.2%	18.4%	29.4%	34.2%	15.8%
	Industrial	7.9%	26.2%	28.6%	27.0%	10.3%
	Services	3.3%	15.2%	30.7%	38.1%	12.7%
<b>Reach</b>	Local	1.5%	10.0%	39.9%	39.1%	9.5%
	Regional	2.1%	21.7%	26.5%	38.7%	11.0%
	Nationwide	5.9%	23.4%	16.1%	37.1%	17.5%
	International – exporter	4.0%	16.0%	20.0%	32.0%	28.0%
	International – importer	0.0%	16.7%	33.3%	33.3%	16.7%
	International – importer & exporter	15.3%	30.5%	27.1%	18.6%	8.5%
<b>TOTAL</b>		<b>3.3%</b>	<b>17.1%</b>	<b>30.1%</b>	<b>37.5%</b>	<b>12.0%</b>

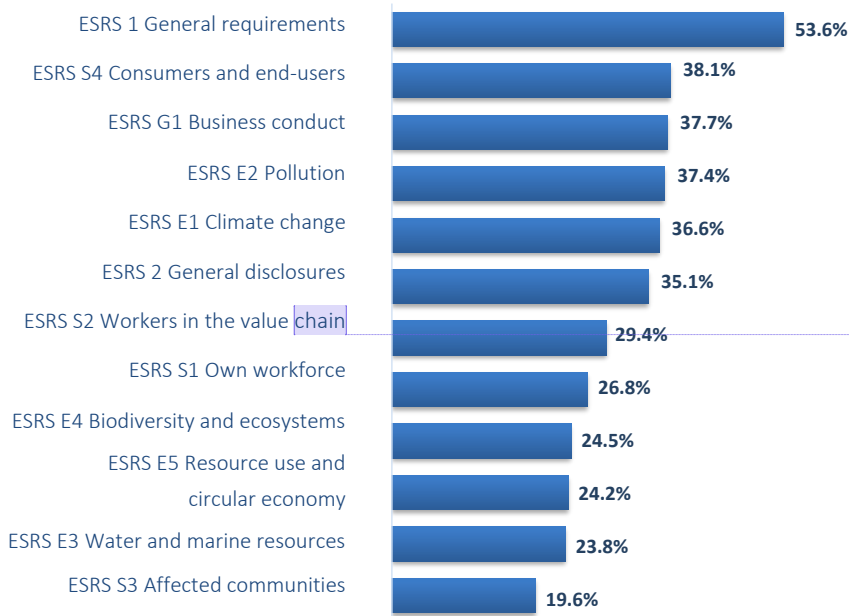
Source: Own compilation based on CATI survey, November 2023, n = 1,300.

In the next question, the respondents were asked to assess whether certain elements of the ESRS currently apply or will apply to their business in the coming years. Understandably, the most frequently indicated category (by 53.6% of respondents) was ‘general requirements.’ The next group – standards identified by at least one in three SME representatives in the survey – included:

- Consumers and end-users – 38.1% of respondents;
- Business conduct – 37.7% of respondents;
- Pollution – 37.4% of respondents;
- Climate change – 36.6% of respondents;
- General disclosures – 35.1% of respondents.

The least frequently indicated response by the respondents was ‘Affected communities’ – 20% of respondents.

Figure 8. In your opinion, which elements of the European Sustainability Reporting Standards might currently or in the coming years (in a few years) concern your company?



Z komentarzem [A11]: Prośba o zrównanie tekstu w tabelce

Source: Own compilation based on CATI survey, November 2023, n = 265.

### 3. SUSTAINABILITY ACTIONS, STRATEGIES, AND POLICIES

The vast majority of medium-sized enterprises whose representatives participated in the IDIs do not employ a person specifically responsible for sustainability. In the few cases where such a person is employed, it is usually a function of the CSR department, but more often it is the owners, CEOs and senior management, or members

of staff from innovation and development departments (if there are any in the company), who deal with sustainability issues as an additional responsibility – part of their wider duties.

**Z komentarzem [A12]:** Prośba o połączenie części zdania z całym akapitem

Some of the companies surveyed choose to outsource formal and legal issues to lawyers or external firms, while others distribute tasks among their own staff. For example, waste management may be delegated to administrative managers or quality control departments, and recyclable materials to purchasing departments. Some tasks are delegated to human resources, health and safety at work, marketing, and ISO standards staff.

*'We also have a contract and outsource some services. One of the reasons is that legislation changes so quickly. (...) We have outsourced environmental protection, and the company makes corrections for us on what needs to be changed, reports and so on.'*

*'We don't have a separate position. The responsibility is quite scattered – there are people in-house who monitor the use of raw materials, people who deal with the disposal of production waste, the development and innovation department, and the project department that develops concepts – action strategies. It is all controlled by the management. It's difficult to say clearly who is responsible in the company (...) everybody, a little bit.'*

*'In many companies, there is no marketing department, or they are one-person departments where one person buys gadgets, does advertising in magazines, online, and also has extra tasks thrown at them. Probably the same person – as you know, marketing is responsible for everything in every company – will now probably be in charge of implementing these types of programmes.'*

Only a few respondents from companies with a CSR department and a dedicated staff member (usually a one-person unit working closely with management) are aware that they are in the clear minority.

*'We have a team. 10 people. An ESG team. Tasks, training, implementation of policies and principles for each segment, preparation of regulations to be applied in the company. Working on a zero report. These are people from different departments.'*

*'I am the face of the company for just transition – the Technological Innovation Office.'*

A small number of interviewees are already considering the need to hire a specialist to help the company with reporting, risk assessment, indicator analysis and to assist the company with previously unfamiliar tasks.

*'Obviously we're going to do all of this internally, but we're definitely going to need an analytical person who can move from everything we have to analysing these indicators, so this will certainly mean that we need to bring in someone with those specific skills, because this is not just a slice of the corporate social responsibility pie; we're moving into a completely new, broader area.'*

Companies with seasonal work are particularly challenged by the prospect of hiring full-time employees to implement sustainability initiatives, as the high financial expectations of such specialists are disproportionate to the company's capabilities.

*'There is no way to maintain such a person with seasonal work – these are high-class specialists, and I have a hard time finding a waiter or technical worker.'*

Such work, according to respondents, involves high salaries that, exceeding the average company wage, present a real barrier to expanding the workforce with ESG specialists.

*'They have high financial expectations... I don't have spare funds (...) we are reducing employment in unprofitable areas – no one can assure us that going green will bring us money in the near future.'*

At the same time, acquiring experienced specialists willing to take up employment is not easy for companies, making outsourcing these tasks to external firms an important alternative.



*'The complexity of the legislation is such that companies either have to employ people who are very good at producing extensive documentation in a typically short timeframe, or outsource it.'*

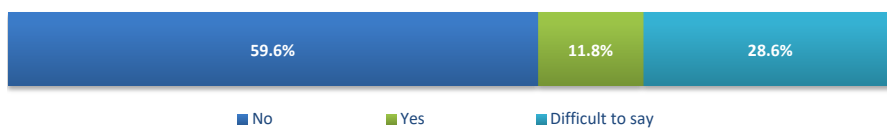
*'I think an officer from an external company, if available, would be more efficient and better for us as a company than hiring someone who... Of course, there are exceptions, like in our case, where hiring an employee really gave us a boost. But let's face it, not every company can afford that. Besides, there are only so many such people (...) because you need not only certain social skills, but also professional experience, and there are relatively few such people on the market.'*

When discussing actions, strategies, and policies related to sustainability/ESG already in place, the IDI respondents most frequently mentioned adjustments in waste management, ISO (International Organisation for Standardisation) certification and reducing energy intensity. Some respondents stated that they are constantly monitoring technological changes in order to gradually implement them in their operations. Other measures taken by the medium-sized companies surveyed include:

- Developing less resource-intensive production methods and technologies and promoting these solutions to customers;
- Implementing solutions within the company that ensure equality and well-being for employees, involving all levels of staff in a participatory management model;
- Promoting the idea of sustainability to customers and collaborators, and conducting information and education activities for employees;
- Collecting and analysing data on current operations and the company, which is necessary to build a sustainable development strategy;
- Reclamation activities to reuse assets, such as the transfer of post-mining assets to companies active in supporting local communities;
- Renewable energy solutions: photovoltaic installations, thermal energy storage, or innovative uses (with claims of being first in Poland and Europe) such as utilizing water flow to generate energy.

The survey results show that only 11.8% of the companies surveyed have so far implemented sustainability/ESG actions, strategies, or policies. 59.6% of companies have not yet incorporated ESG into their operations, and one-third of respondents said they did not know or found it difficult to say whether it had been implemented in their company.

Figure 9. Have sustainability/ESG actions, strategies, or policies been implemented in your company to date?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Among the companies that have implemented some kind of sustainability/ESG actions, strategies, or policies in their operations were mainly medium-sized companies and, although less frequently, small, industrial companies and companies with a national and international reach. It is also important to note the exceptionally high proportion of reply 'difficult to say', which, depending on the group, was given by 2/3 to almost 59.6% of the respondents.

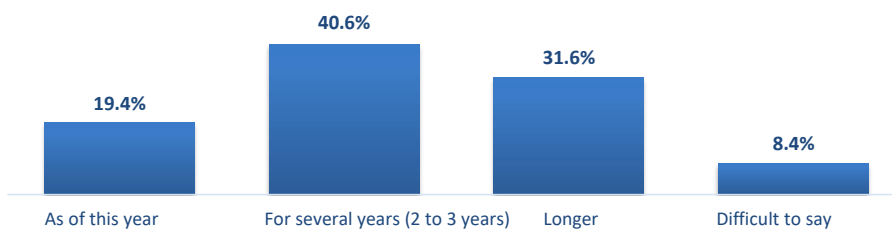
Table 4. Have sustainability/ESG actions, strategies, or policies been implemented in your company to date? – distribution of responses

		Yes	No	Difficult to say
<b>Company size</b>	Microenterprise	7.5%	28.0%	64.5%
	Small enterprise	26.2%	26.2%	47.6%
	Medium enterprise	31.7%	35.6%	32.5%
<b>Business profile</b>	Construction	8.9%	36.9%	54.2%
	Commercial	13.6%	29.8%	56.6%
	Industrial	24.6%	29.4%	46.0%
	Services	9.7%	25.6%	64.7%
<b>Reach</b>	Local	4.3%	26.5%	69.2%
	Regional	14.0%	29.5%	56.5%
	Nationwide	18.5%	31.1%	50.4%
	International – exporter	16.0%	40.0%	44.0%
	International – importer	16.7%	33.3%	50.0%
	International – importer & exporter	40.7%	27.1%	32.2%
<b>TOTAL</b>		<b>11.8%</b>	<b>28.6%</b>	<b>59.6%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

When asked how long the company has been addressing this issue, representatives of companies who declared that sustainability actions, strategies, and policies have been implemented at their company indicated: 40.6% – 2 to 3 years; 31.6% – more than 3 years.

Figure 10. Since when has your company been addressing this issue in its actions/strategies/policies?



Source: Own compilation based on CATI survey, November 2023, n = 155.

Among the main reasons why companies decided to implement sustainability actions/strategies/policies, the most frequently cited was the desire to take specific action for sustainability, mentioned by 60.6% of respondents. Almost half of respondents (46.5%) said this was due to customer and stakeholder expectations, and one in three respondents (36.1%) cited supplier/partner/insurer expectations.

Figure 11. Why has your company decided to implement sustainability actions/strategies/policies?



Source: Own compilation based on CATI survey, November 2023, n = 155.

Representatives of medium-sized enterprises, when justifying the implementation of ESG in IDI interviews, also pointed to similar motivations. Among the reasons stemming from the operation of their businesses, the following stand out:

- financial motives – the most common reason for implementing the concept of sustainability was financial considerations, including both cost savings, such as the desire to minimise water and electricity consumption, and as a means to facilitate access to external funding, including EU funds:

*'I won't hide the fact that certain actions are driven by the significant increase in energy prices, which also affects all entrepreneurs.'*

*'In applications for EU grants for product development, these were things that were part of the programme that the company applied for last year, and some of it was related to this.'*

- ideological motives – for some interviewees, sustainability was also personally significant and directly connected to the company's strategy and mission. In such cases, ESG often went beyond just environmental concerns and included taking care of social issues and often corporate governance matters as well:

*'We are introducing ESG elements, not because of the influence of paperwork, but because of non-legislative issues such as savings, the desire to care for the environment and our personal beliefs.'*

In addition to internal company motives, there are also external motivations that drive the implementation of ESG, including:

- expectations from business partners – the desire to collaborate with large, often international companies that emphasize sustainability in their business partners is becoming increasingly important in motivating local entrepreneurs to adopt sustainability principles:

*'Only companies that meet and can implement such legislation and ensure compliance among their employees stand a chance with these big industry players. (...) These large companies we work with will not hire a firm like Joe's and Co., for whom these regulations don't matter or who mostly don't have such regulations.' These large clients are not only concerned with pricing but also with ensuring that their subcontractors do not cause any significant issues. Social considerations are increasingly factored into the decision-making process by major companies.'*

*'On the other hand, we recognise that, especially when considering international, overseas institutions that provide services, it is simply a necessity. It is our responsibility to ensure that everything interlocks and correlates within the broader plan.'*

*'We adapted relatively quickly compared to other entrepreneurs in the industry because we have significant export activity. These exporting companies imposed obligations on us earlier — especially when we began working with Norwegian countries and Scandinavia.'*

- customer expectations – IDI interviewees noted a generational shift among customers and partners, which often serves as an additional motivation to strive for the achievement of sustainability goals:

*'This change is also driven by customers, particularly as we increasingly deal with younger generations — those in their 20s and 30s, including Generation Z and Alpha, as well as older generations, including silvers. Additionally, there are fascinating behavioural observations about how different these people are, how they evolve, and what distinct needs they have. Interestingly, many people just over 60 have very progressive views and are aware of climate change. Overall, we notice a growing need not just to change the way we communicate, but to implement real, tangible actions.'*

*'It's an EU requirement. Customers are beginning to demand it. It's a pan-European trend.'*

According to respondents, the pandemic and the resulting broad social changes — including a revaluation of lifestyles, thinking, and business operations — acted as a significant accelerator for the development of social awareness regarding sustainability.

*'When we talk about large investments that have the power to bring about positive change, I think it all started around 2019. It's as if, around the time of the pandemic, life changed somewhat, prompting us to reassess what the trade fair business should look like. While we had to address many different aspects, in the end, it became clear that while our business is indeed very important, there are also other surrounding factors that matter just as much.'*

*'When the pandemic hit, and we had to rely more on online contact, it made us rethink the function of meetings, how important they really are, and how we should be taking care of people in this new context.'*

For some interviewees, changes in the international business environment that affected the entire market also contributed to the genuine implementation of sustainable development in their day-to-day operations. Representatives of medium-sized companies pointed to key factors such as Poland's accession to the EU, the need to implement ISO certifications, the desire to export products and services outside of Poland, and the need to build competitiveness against other domestic and foreign brands. As a result of these changing conditions, new trends, and image-related motives, significant shifts in worldview and company operations occurred in parallel.

*'This has to be incorporated if you want to be competitive and well perceived — this sustainability.'*

*'Introducing information about the new guidelines is my job, to communicate to the CEOs that there is something like this, and we should move in this direction as a company aiming for an international presence, especially since we have many orders from the European Union.'*

*'We mainly participate in a lot of research projects, so there's a necessary awareness of sustainability, and compliance with it. These are competitive requirements.'*

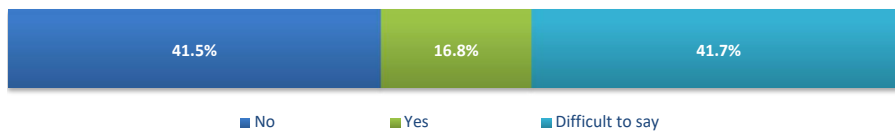
*'The environmental ISO and responsibility to customers have been documented for 5 or 6 years now, and we wanted to do something for ourselves and our customers to show that we are aware and following environmental rules — although we weren't required to. When implementing new products, we began to take an interest in this around 2021. This was influenced by following market trends and observing how Western manufacturers handle product aging and dismantling fractions — it's a growing awareness and just keeping an eye on the market.'*

An additional motivation for medium-sized entrepreneurs to implement sustainability strategies was the opportunity to observe larger companies already taking mandatory sustainability measures.

*'I often used the SEG [ed. – Polish Association of Listed Companies] webinars, where they develop regulations for other companies. This started to evolve, and I watched what my wife, who works for a large Polish bank listed on the stock exchange, was doing in terms of ESG. So, to put it simply, I observed and learned what I needed to do to stay one step ahead of others.'*

The CATI surveys reveal that only 16.8% of the companies surveyed intend to address sustainability/ESG issues in their actions, strategies, or policies in the near future. The remaining companies either do not have such plans (41.5%) or the respondents were uncertain about their company's stance (41.7%).

Figure 12. Does your company plan to address these issues in its actions/strategies/policies in the near future?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Most medium-sized enterprises, industrial companies, and national and international exporters plan to address sustainability/ESG issues in their actions, strategies, or policies in the near future. In contrast, local companies, construction firms, and microenterprises are the least likely to have such plans. It is also worth noting, once again, the very high percentage of 'difficult to say' responses, which may suggest that this issue is not only absent from the companies' immediate plans but has also not been a subject of analysis in the surveyed companies.

Table 5. Does your company plan to address these issues in its actions/strategies/policies in the near future? – distribution of responses

		Yes	No	Difficult to say
<b>Company size</b>	Microenterprise	13.2%	44.4%	42.4%
	Small enterprise	26.2%	40.0%	33.8%
	Medium enterprise	35.6%	20.5%	43.9%
<b>Profile</b>	Construction	11.3%	46.3%	42.4%
	Commercial	14.3%	36.8%	48.9%
	Industrial	32.5%	33.3%	34.2%
	Services	16.5%	43.5%	40.0%
<b>Reach</b>	Local	9.8%	44.6%	45.6%
	Regional	14.6%	40.8%	44.6%
	Nationwide	27.2%	39.9%	32.9%
	International – exporter	24.0%	40.0%	36.0%
	International – importer	16.7%	16.7%	66.6%
	International – importer & exporter	44.1%	27.1%	28.8%
<b>TOTAL</b>		<b>16.8%</b>	<b>41.7%</b>	<b>41.5%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

In the survey, representatives of companies in the SME sector were asked whether they were currently preparing or planning to prepare a sustainability data report in the near future. More than half (51.8%) of respondents indicated that they were not or were unlikely to do so, while nearly one in three (29.9%) had no concrete plans or were unsure, as indicated by the 'difficult to say' response. Only a small proportion, less than one in five companies (18.3%), reported plans to engage in such activities (5.3% answered 'yes'; 13.0% answered 'rather yes').

Figure 13. Is your company preparing (or planning to prepare in the future) a sustainability data report?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

As highlighted above, the vast majority of SME companies neither currently prepare nor have plans to prepare sustainability data reports in the future. The companies more likely to consider such reporting are, once again, medium-sized enterprises, industrial firms, and those operating on a national scale or engaged in export activities. In contrast, the lowest percentages of affirmative responses were found among microenterprises and companies with a local reach

Table 6. Is your company preparing (or planning to prepare in the future) a sustainability data report? – distribution of responses

		Yes	Rather yes	Difficult to say	Rather not	No
<b>Company size</b>	Microenterprise	4.0%	8.7%	30.9%	27.8%	28.6%
	Small enterprise	8.5%	23.8%	23.8%	27.7%	16.2%
	Medium enterprise	12.1%	36.4%	28.0%	15.2%	8.3%
<b>Business profile</b>	Construction	3.0%	13.8%	28.0%	32.5%	22.7%
	Commercial	4.8%	15.1%	27.9%	27.9%	24.3%
	Industrial	8.7%	27.8%	27.0%	26.2%	10.3%
	Services	5.6%	9.3%	31.6%	24.3%	29.2%
<b>Reach</b>	Local	2.4%	6.6%	35.7%	28.4%	26.9%
	Regional	3.6%	14.0%	31.2%	28.9%	22.3%
	Nationwide	10.8%	21.0%	18.9%	22.0%	27.3%
	International – exporter	4.0%	24.0%	20.0%	28.0%	24.0%
	International – importer	16.7%	0.0%	33.3%	33.3%	16.7%
	International – importer & exporter	16.9%	28.8%	20.4%	15.3%	18.6%
<b>TOTAL</b>		<b>5.3%</b>	<b>13.0%</b>	<b>29.9%</b>	<b>26.5%</b>	<b>25.3%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

The majority of representatives from medium-sized companies who participated in the interviews indicated that they would only actively engage in systemic sustainability efforts once such practices become mandatory. Currently, these companies mainly focus on ongoing operations, limiting their actions to what is *'absolutely necessary'*.

A relatively small group of interviewees currently observes some changes towards incorporating sustainability/ESG actions, strategies, and policies within their company and its business environment. However, for them, this shift represents a rather slow change in awareness.

*'I have to say that awareness is growing. As awareness grows, then slowly something will result from it. It doesn't impose itself, that we will do this and that. Slowly, slowly, and it will start to happen on its own.'*

Among the few medium-sized companies taking deliberate steps toward sustainability, the majority of IDI interviewees are focusing on modernising their vehicle fleets, upgrading rolling stock, developing hardware, new technologies, and improving infrastructure.

*'We are thinking about diversifying our business knowing what can happen. We are thinking about building a modern service for modern locomotives. (...) We are definitely thinking about changing the rolling stock. The rolling stock we will be obtaining will certainly already be low-emission, one that will ensure our participation in rail transport for years to come. We have planned to modernise the old locomotives, precisely to change them from old diesel engines. The problem is that we would be happy to do this if someone wanted to finance it.'*

*'Software development for production optimisation, green energy optimisation. More training — a benefit in the form of a training platform for employees, including ESG issues.'*

For many representatives of medium-sized companies, the challenge in the near future is calculating their carbon footprint and taking steps to offset it while investing in green energy.

*'The strategy is not written yet, but we are planning to decarbonise, calculating the carbon footprint for the entire company across all processes. Just calculating the carbon footprint will take us more than a year.'*

*'Carbon footprint. Calculation next year, training a new employee on sustainability. Additional courses and training.'*

*'Part of the carbon footprint will be offset by the number of trees planted, further reducing energy intensity costs, with a 50% reduction in these emissions.'*

Few companies have already taken tangible steps to calculate their carbon footprint. In their view, this is a difficult task and one that requires specialist knowledge.

*'In terms of this kind of preparation that we have done and, above all, this kind of measuring, so to speak, of these things, we started the process of calculating the carbon footprint last year. We started with indicators 1 and 2. Of course, we did this research against the GHG protocol, which is the protocol that is recommended and is simply also the foundation that gives us the basis for later building a decarbonisation strategy and also knowing how to translate these metrics into specific parameters.'*

The drivers for these changes often stem from foreign partners and the pursuit of cost savings. The vast majority of respondents plan to develop the competencies of both managers and employees, as well as customers, through specialised training courses, workshops, webinars, extensive information and education campaigns.

*'As far as the planned changes are concerned, the benchmark for us is actually Scandinavia. We must strive to ensure that our industry — specifically the shipyard I represent — becomes a "green shipyard," conventionally speaking, with a focus on sustainable development. Here, too, there are plans in the first column, B16, which include increasing energy efficiency, improving waste disposal, and enhancing anti-corrosive coatings(...), participation in training.'*

*'We're conducting training to prepare workers and those interested in working on wind turbines, with cyclical training and a pool of trained workers. (...) We're also in discussions with local governments about which sites they would like to take over and whether they can justify the social objectives. (...)*

*There will be installations and buildings handed over to local governments for a just transition.'*

*'Another important piece of this puzzle is education, which we certainly intend to invest in. When it comes to constructing a decarbonisation strategy, we also need to educate our employees, this is obvious, as well as involve our exhibitors, subcontractors, clients, and visitors in the entire process, to ensure these emissions actually come from the whole group. This is a significant process, and even with the best possible plan, we can't achieve 100% success without mutual understanding on the other side about why we're doing this and what our ultimate goals are.'*

Among the surveyed SME companies, only 21.1% consider ESG issues to be important. For the remaining companies, these issues are not deemed important, and one in three respondents did not have a definitive opinion on the matter.

Figure 14. Are ESG and sustainability issues currently important to your business?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Despite the generally limited recognition of the current significance of ESG and sustainability issues within SME companies, medium-sized enterprises, industrial companies, and those with nationwide and export-oriented operations were, once again, the ones most likely to identify these issues as important.

Table 7. Are ESG and sustainability issues currently important to your business? – distribution of responses

		Definitely yes	Rather yes	Difficult to say	Rather not	Definitely not
<b>Company size</b>	Microenterprise	3.5%	10.4%	35.4%	37.5%	13.2%
	Small enterprise	7.7%	30.8%	22.3%	30.0%	9.2%
	Medium enterprise	12.1%	38.6%	23.5%	20.5%	5.3%
<b>Business profile</b>	Construction	4.4%	14.3%	30.0%	41.4%	9.9%
	Commercial	4.0%	15.1%	34.6%	30.5%	15.8%
	Industrial	8.7%	31.0%	28.5%	26.2%	5.6%
	Services	4.4%	12.9%	33.8%	36.5%	12.4%
<b>Reach</b>	Local	2.6%	8.5%	37.2%	39.6%	12.1%
	Regional	4.8%	16.4%	31.8%	34.5%	12.5%
	Nationwide	7.0%	24.5%	27.3%	29.7%	11.5%
	International – exporter	8.0%	20.0%	28.0%	20.0%	24.0%
	International – importer	0.0%	16.7%	33.3%	33.3%	16.7%
	International – importer & exporter	15.3%	30.5%	23.7%	23.7%	6.8%
<b>TOTAL</b>		<b>4.8%</b>	<b>15.3%</b>	<b>32.8%</b>	<b>35.0%</b>	<b>12.1%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

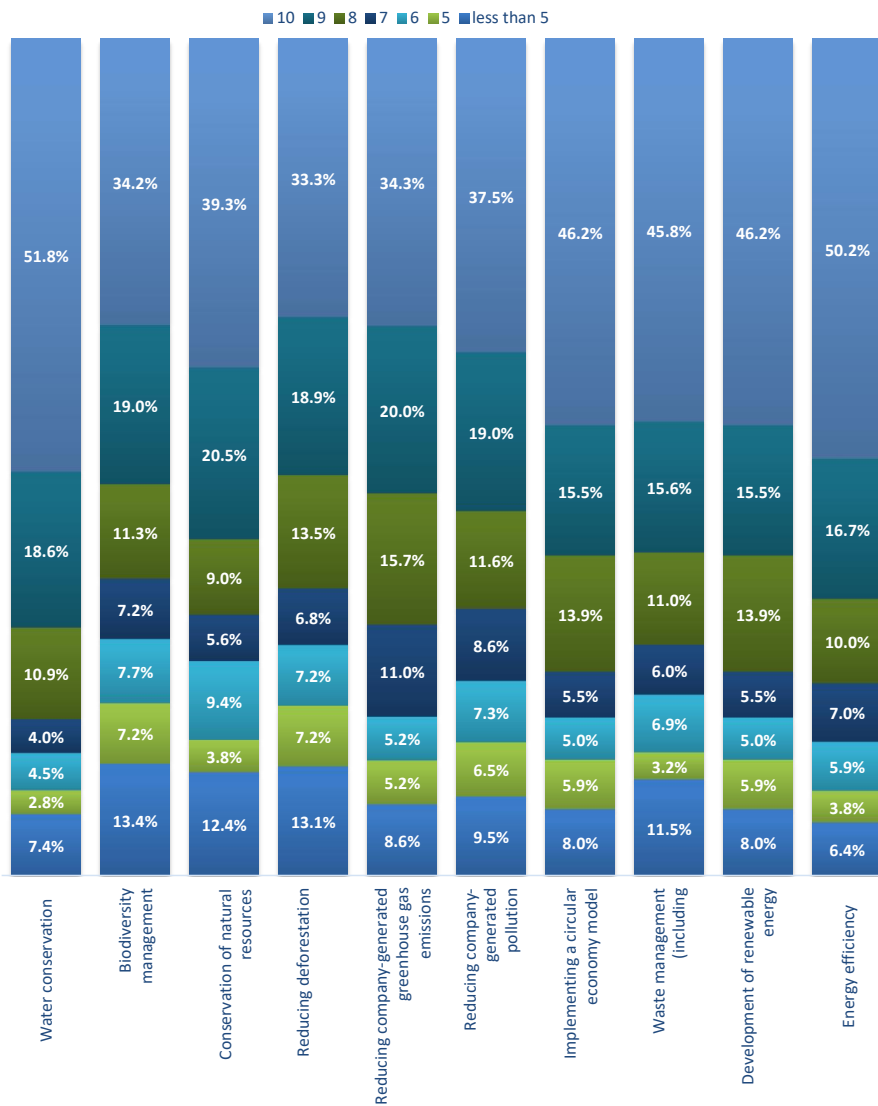


Representatives of the SME sector were also asked in the survey to assess how important specific ESG and sustainability issues are in their company's operations under:

- **Environmental criteria**, concerning the implementation of environmental strategy and policy, environmental management, the discharge of environmental responsibility and care. Respondents who indicated that ESG and sustainability issues are significant to them, when giving the highest rating (of 9 or 10), ranked water conservation as the most important (70.4%), followed by energy efficiency (66.9%). Other key areas included the development of renewable energy sources, waste management, and the implementation of a closed-loop economy (61.7%); protection of natural resources (59.8%); and pollution reduction (56.6%). Of the environmental criteria listed, water conservation and energy efficiency appeared to be the most important.
- **Social criteria**, including relations with stakeholders (suppliers, customers, partners), working conditions, compliance with labour rights and health and safety regulations, quality policies (both in management procedures and product quality), and the company's information policy and transparency. When analysing ESG and sustainability issues under social criteria, working conditions were deemed most important, with 83.7% of respondents giving it the highest rating (9 or 10). Employee relations followed closely (82.2%), then the quality of business relations (76.6%). Additional important areas included workplace equality (75.4%) and the company's contributions to the local community and collaboration with value-aligned suppliers (71.6%).
- **Governance issues and corporate governance criteria**, including aspects such as the company's board structure, respect for shareholder rights, fulfilment of disclosure obligations towards all shareholders, decision-making independence, and governance skills. When analysing ESG and sustainability issues under governance issues and corporate governance criteria, respondents ranked a clear and fair remuneration structure as the most crucial (84.3%), while giving the highest rating of 9 or 10. This was followed by a strong stance against corruption (82.4%) and a commitment to avoid illegal practices while maintaining open and honest tax strategies (77.0%). The use of accurate and transparent accounting methods (74.1%) and an open and clear public engagement policy (74.2%) were also highlighted as significant. Clear remuneration structures and anti-corruption measures were identified as the top governance priorities.

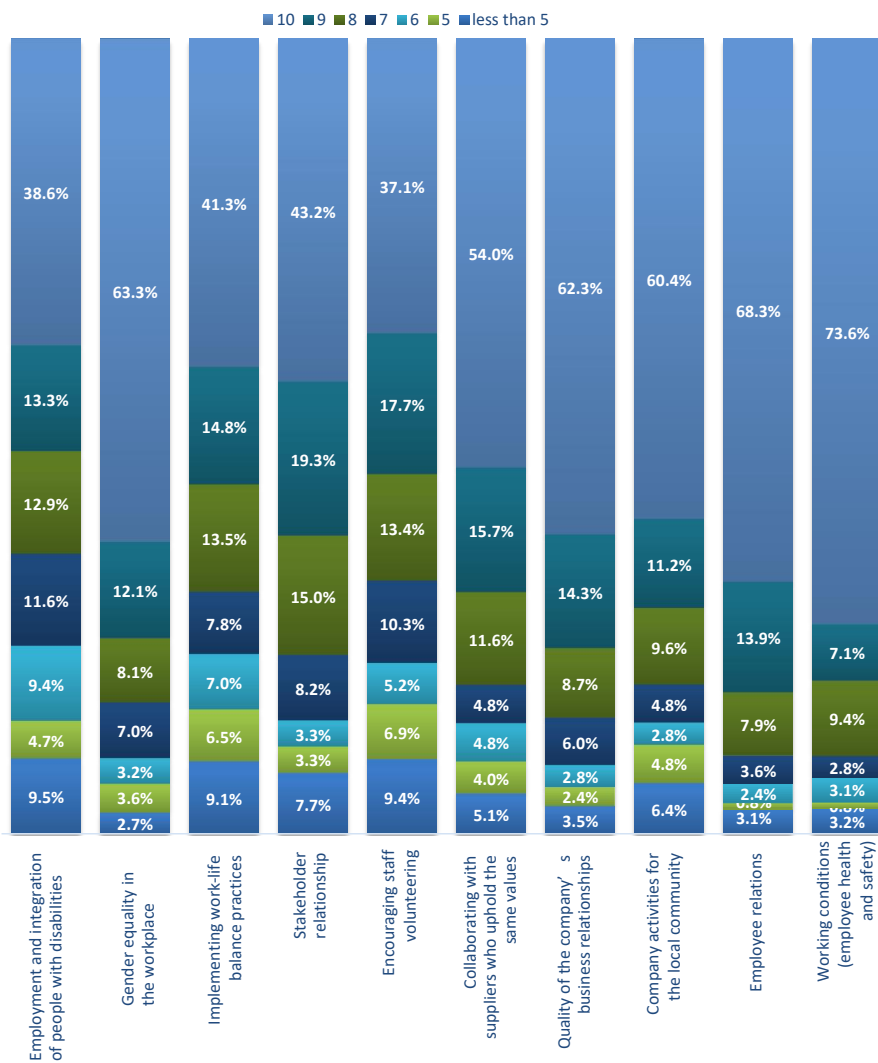
It is interesting to note the predominance of ratings indicating the very high importance of individual issues related to 'social criteria' and 'governance issues and corporate governance criteria' in the questionnaire, compared to the number of highest ratings for 'environmental issues'. However, during the IDI with representatives of medium-sized companies, environmental measures were mentioned far more frequently than other topics.

Figure 15. Importance of ESG and sustainability issues under environmental criteria, concerning the implementation of environmental strategies and policies, environmental management, and the discharge of the principles of environmental responsibility and care.



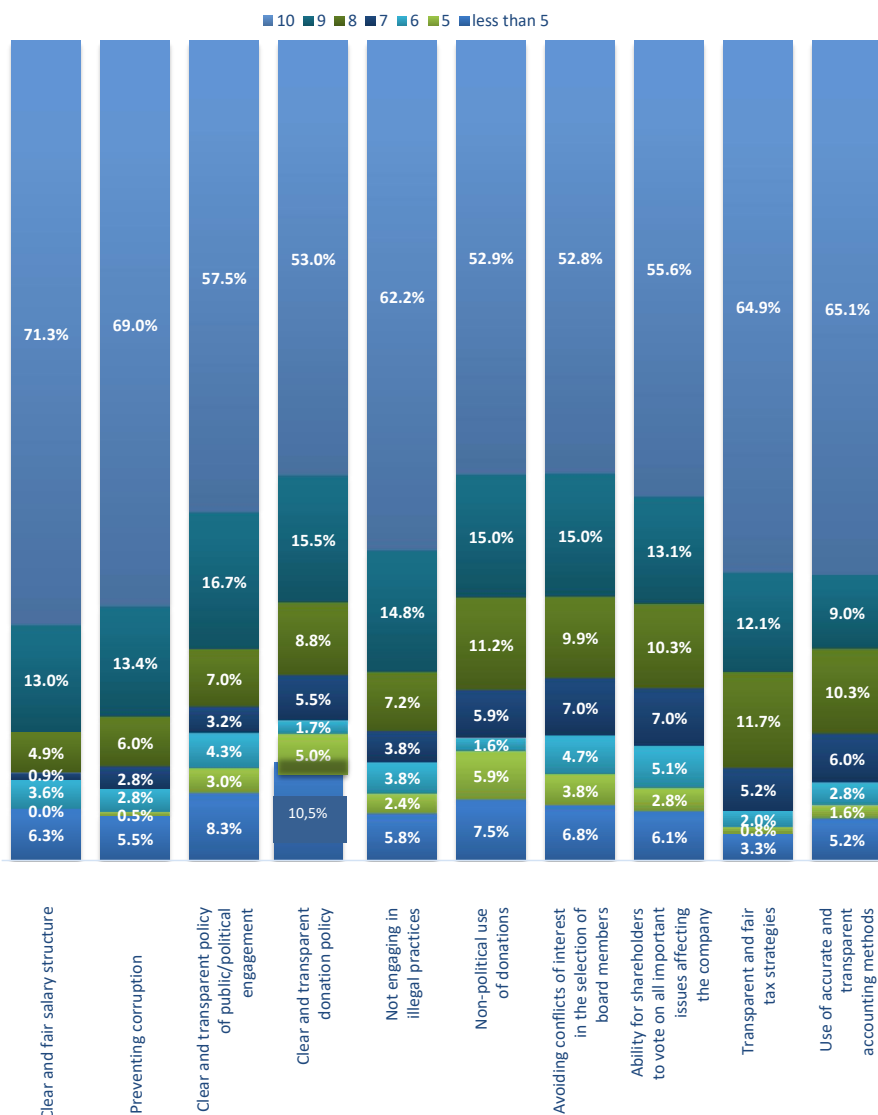
Source: Own compilation based on CATI survey, November 2023, n = 261.

Figure 16. Importance of ESG and sustainability issues under social criteria, including relations with stakeholders (suppliers, customers, partners), working conditions, compliance with labour rights and health and safety regulations, quality policies (both in management procedures and product quality), and the company's information policy and transparency.



Source: Own compilation based on CATI survey, November 2023, n = 261.

Figure 17. Importance of ESG and sustainability issues under governance issues and corporate governance criteria, including aspects such as the company's board structure, respect for shareholder rights, fulfilment of disclosure obligations towards all shareholders, decision-making independence, and governance skills



Source: Own compilation based on CATI survey, November 2023, n = 261.

When asked in the IDIs about the barriers and challenges related to implementing ESG measures in their companies, representatives of medium-sized businesses most frequently cited financial obstacles and the lack of support programmes for entrepreneurs in achieving sustainable development goals, which were previously discussed in this report. In addition to these, entrepreneurs highlighted the demotivating impact of:

- lack of public awareness of sustainability, which influences consumer decisions to choose cheaper products, even when these are produced without regard for ESG principles:

*'If the consumer starts paying attention to certain things, we will adapt. (...) At the moment, the consumer reacts based on price — if something is PLN 0.05 cheaper, they buy it. As long as it works like that, we will not talk about other, more important things.'*

- high competitiveness (mainly economic) of foreign services and products that are not subject to EU criteria (e.g., products made more cheaply without adhering to quality or ethical standards):

*'Green-certified materials are more expensive. Customers want to maximise profit and minimise costs, and this does not encourage the introduction of ESG. It is difficult to recycle a material repeatedly without losing its mechanical properties.'*

*'We have standards for the manufacture of human medicinal products, so certain steps we cannot shorten or bypass, but where it is possible, we do.'*

- low level of public awareness and inadequate infrastructure for implementing sustainability principles independently in everyday life, which could lead to a shift in consumer attitudes and, as a result, an increase in demand the services and products of ESG-committed companies:

*'Public awareness — following the example of the West, there should be bottle and can collection machines — so that change is implemented everywhere, not selectively or only at the company level. Solution to the problem: introduction of a statutory requirement for more environmentally friendly production (e.g. 30% renewable material). For non-compliance — an additional fee or tax.'*

- over-bureaucratisation and overly complex procedures, coupled with unclear legislation and a lack of adequate institutional support:

*'The barrier is paperwork that does not translate into action, because the company is aware and would make sustainability changes without it.'*

*'There are no regulations that oblige us, and there are so many different things to consider (...) there is no time to think about it. There are so many regulations, and they are so extensive that for one piece of paper you have to produce four.'*

- overly burdensome reporting requirements associated with ESG implementation:

*'Reporting shouldn't take up 80% of our work; we should direct our efforts towards making changes as quickly as possible, because the earth isn't waiting — global warming is advancing faster than we thought. We need to set examples of these small and big actions, to do them ourselves and encourage employees and all participants to introduce these changes at their own level, to be ambassadors for these changes.'*

*'Any reporting should be incentivised in some way, perhaps through tax reductions. If someone reports properly, they could have a half percent lower income tax; if they don't, they don't get the benefit.'*

- lack of experience and good practices related to ESG implementation in Polish companies, especially when entering broader markets. Some respondents believe that the opportunity for widespread ESG adoption was somehow missed:

*'When Poland was not yet on the radar of all the Western companies, there was time to develop our local supply chains and adapt. Meeting all these requirements increases labour costs (...) We (entrepreneurs) weren't given the support or time to build this adaptation on the home market, so when we started to encounter these challenges, many Polish companies weren't ready to take on these contracts. Polish authorities didn't impose requirements on Polish companies. It was often the case that there was leniency towards poor work, because all that mattered was the price and getting the job done.'*

- lack of broader perspective thinking and excessive focus on the 'here and now' among decision-makers – whether business partners or competitors; respondents claimed that the business mentality in Poland, compared to foreign experience, often poses the greatest obstacle to spreading the concept of sustainable development.

*'All that matters is the here and now and, at the end, the profit and loss account and pure profit.'*

- shortcomings in developing in company decision-makers the management competencies needed both to understand the relevance of sustainability to the development of their company and the economy as a whole, and the skills needed to actually implement them in the company. This is often accompanied by a resistance to hiring external experts and insular company's approach:

*'Lack of diverse experience of managers in the company – one CEO always handing over the company to a child who is not familiar with other management models. What solutions? Only campaigns about the successes of other companies taking ESG into account. This would have to be done by example. It cannot be newspeak. This will not appeal to Polish entrepreneurs. But if you tell them that you can increase the structure or some capital by so many millions or so much, well, yes, I think it would appeal to them.'*

- employee resistance and reluctance: there is often resistance among employees, who may lack the understanding of ESG principles (and perceive the additional responsibilities as unwanted and unnecessary burdens):

*'It is a challenge without doubt – time-consuming. The necessity is there, but it is time-consuming. No one likes extra responsibilities, and this creates a form of resentment. (...) I think one of the main problems is understanding the idea and content of the standards and documents that have to be met. More information action is needed – from the relevant authorities. Because of this, some entrepreneurs see it as a difficult level of implementation.'*

*'The key thing in all this is the attitude of the employees. (...) For lower-level colleagues, it is difficult to understand. You have to explain it, show it, point out the consequences. This is, among other things, the "social" aspect of ESG. You have to show that they will also be taken care of. (...) The last, most important thing is to convince the owners that this is inevitable. (...) They need to understand that it pays off on the balance sheet, that the money spent will come back with an appropriate rate of return. We need to stop being afraid to get into it. So far, it's been poorly handled.'*

*'The main barriers in my business are the human factor. I would put it like this: "Where there's a will, there's a way." (...) People are afraid of change; they prefer to stay in their comfort zone and not move unless they have to. That's what I can say based on my company and its operations.'*

*'There is a perceived resistance to change in the organisation of work, a reluctance to take on anything extra.'*

- need for staff training on new responsibilities:

*'The barrier is education, a lack of knowledge across the board; the management didn't see the need for it before, as they were heading in a different direction. It's only the arrival of new employees with different thinking that's prompting a change in the board's attitude.'*

*'Complicated. Counting the whole carbon footprint is complicated, and I don't know if we can manage it ourselves. Additional costs. Implementation costs of training the team. Assistance from an external company. Barrier of choosing the right indicators that apply to the company and reworking them. Lack of guidance when it comes to Poland. Cost of hiring an external company to wade through the directives. A lot of procedures that need to be put in place.'*

*'Not every company can really manage it, because if I have a limited number of staff or a small yard, I can't handle it.'*

- lack of market readiness and infrastructure facilities to introduce the company's products on a wider scale (e.g., lack of interest in assembling a biofuel unit or the lack of charging facilities for electric cars):

*'Barriers are related, firstly, to the practicality of these solutions. Let me mention electric cars, which are supposed to be introduced in our company within 2-3 years, yet let's say our Polish salespeople cover distances in one day that a typical German or French salesperson spreads over 3 days. There's no option to cover such distances with an electric car. This will negatively impact productivity and work efficiency. We probably don't have sufficient infrastructure for charging stations. And the second barrier is profitability. Due to the need to implement certain directives and systems, significant investment costs must be incurred, but the potential savings generated from this have a very long payback period. Alternatively, the failure rate of certain systems means that some investments will never really be viable from a business and financial perspective.'*

*'In terms of water issues, water consumption, and certain daily habits that we also have while working in the office, there is a lot to be done, and some people need to be encouraged with small steps. Also, we need to teach people that they can commute by bicycle, and sometimes there are trivial things, like simply having nowhere to park the bicycle next to the office. So, we can say that these parallel actions are necessary both at the employee level, at the company level, and in terms of regulations. But this is more the task of institutions, ministries, and, I think, the central and local administration, to ensure that there is such synergy.'*

In the face of numerous difficulties and information deficits, the awareness of upcoming changes related to the mandatory introduction of sustainable measures and solutions in companies over the coming years is a source of stress and anxiety for many entrepreneurs. Representatives of medium-sized companies pointed to many areas of uncertainty, wondering how the regulations will impact their future operations.

*'These companies will soon have to change certain aspects, whether it's the elements from which they produce their goods or the offerings they direct to other companies, because even we will soon be questioned about our supply chain, what it looks like, what the level of CO<sub>2</sub> emissions is, even just in terms of obtaining some of the components or elements of the puzzle. So we are aware of this, and I think it should be so. Other entities are also aware that these are interconnected vessels, and it's impossible to proceed with total drift and the feeling that you're an independent island.'*

*'(...) we will be sort of cascading some projects in which we will want to recognise those who truly create their offerings in a green way, following our path. The consistency of years and this approach will aim to ensure that our range of service providers is more carefully considered.'*

IDI participants were asked to identify potential consequences and perceived risks of not implementing sustainability measures. Entrepreneurs pointed to the risk of financial penalties, as well as a decline in the profitability of actions taken, and increased costs, for example, in the absence of investments in RES. For some respondents, failing to implement regulations could affect customers' perceptions of the company. Other potential consequences of not implementing sustainable development goals included: the risk of losing business partners, endangering employees, contributing to global warming and climate catastrophe, damaging the company's image among potential business partners, lack of international cooperation, poor interpersonal relations in the workplace, lack of social acceptance, and lack of savings.

*'In the future, there could probably be some financial penalties for non-compliance with standards, but for now, I don't see anything like that.'*

*'If an entity doesn't keep up with the times, there's probably a risk that the profitability of its production could drop significantly.'*

*'Some legal implications might arise if you don't comply with certain requirements. Sometimes, it's a case of either doing something or facing penalties.'*

*'It may be that some customers will look at us less favourably (...) if they don't see us engaging in environmentally friendly activities. I suspect that in the future, more and more customers will start paying attention to such actions and the company's image in this regard.'*

Depending on industry regulations, the consequences could be immediate (e.g. regulations in the rail industry are strictly enforced) or deferred. However, there were no opinions suggesting that there would be no consequences for inaction.

*'A recent example was the requirement to replace rail inserts by 2030. We operate in a heavily regulated market, meaning we work under strict certification and licensing. To become a railway operator, one must obtain a licence from the Railway Transport Office, which involves meeting specific requirements. (...) The President of the Rail Transport Authority can shut down your business overnight by withdrawing your licence.'*

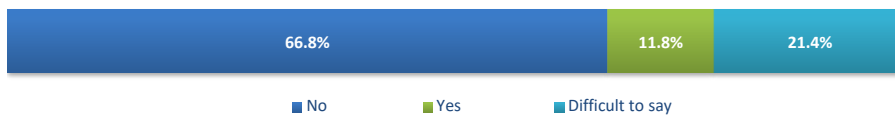
In the opinion of some respondents, directives and regulations impose requirements that are disproportionate to the capabilities of certain companies, and the potential consequences of not complying with these solutions can be too burdensome and negatively impact the company's operations.

*'If someone writes such a directive, they should first estimate the cost of the changes. (...) Once those costs are estimated, the question can then be asked whether, after issuing such a directive, anyone is actually in a position to bear or raise such funds.'*

#### 4. SUSTAINABILITY IN BUSINESS RELATIONSHIPS

When asked whether they receive enquiries or questionnaires from business partners regarding the consideration of sustainability issues, the majority of respondents — 66.8% — answered that they do not. One in five respondents found it difficult to say, while only 11.8% answered in the affirmative. These results indicate that there is minimal external enquiry or pressure regarding the application of sustainable development policies.

Figure 18. Does your company receive enquiries or questionnaires from business partners regarding the integration of sustainability into their operations?



Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Enquiries or questionnaires from business partners about integrating sustainability into their operations are more commonly received by medium-sized companies and less frequently by microenterprises. Industrial companies tend to receive these enquiries more often than those in the construction or service sectors. Notably, nearly one in five respondents was unsure how to answer this question.



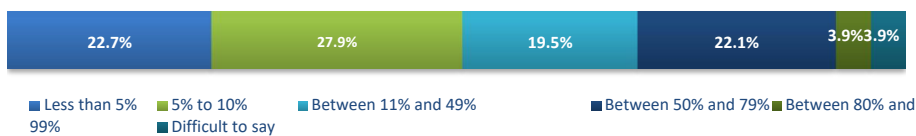
Table 8. Does your company receive enquiries or questionnaires from business partners regarding the integration of sustainability into their operations? – distribution of responses

		Yes	No	Difficult to say
<b>Company size</b>	Microenterprise	9.2%	69.0%	21.8%
	Small enterprise	15.4%	63.8%	20.8%
	Medium enterprise	28.8%	52.3%	18.9%
<b>Profile</b>	Construction	9.4%	61.5%	29.1%
	Commercial	13.2%	62.2%	24.6%
	Industrial	18.3%	58.7%	23.0%
	Services	10.9%	71.5%	17.6%
<b>Reach</b>	Local	7.2%	70.2%	22.6%
	Regional	11.6%	63.7%	24.7%
	Nationwide	18.9%	66.4%	14.7%
	International – exporter	8.0%	72.0%	20.0%
	International – importer	16.7%	66.6%	16.7%
	International – importer & exporter	27.1%	49.2%	23.7%
<b>TOTAL</b>		<b>11.8%</b>	<b>66.8%</b>	<b>21.4%</b>

Source: Own compilation based on CATI survey, November 2023, n = 1,300.

Those companies that indicated they receive this type of enquiries from business partners, representing 12% of those surveyed, were asked what proportion of their business partners send such enquiries. The largest number of respondents, 27.9%, indicated that this group comprised between 5-10% of their partners. Meanwhile, 22.7% noted that it was less than 5%, and 22.1% answered that it was between 50-79%.

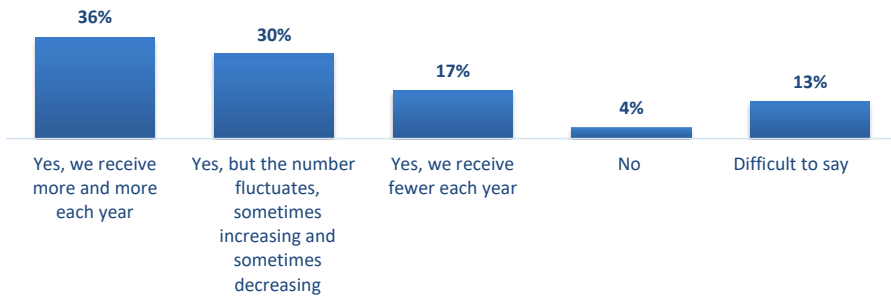
Figure 19. Please estimate what proportion of your company's business partners send you these types of enquiries?



Source: Own compilation based on CATI survey, November 2023, n = 154.

The largest group of respondents indicated that they are receiving an increasing number of enquiries and surveys from business partners, with 36.0% indicating this; 30.0% responded that the number fluctuates, sometimes increasing and sometimes decreasing.

Figure 20. In your opinion, has the number of enquiries and surveys regarding the integration of sustainability in your business operations changed recently?



Source: Own compilation based on CATI survey, November 2023, n = 154.

As companies develop (whether by growing or entering international markets) there appears to be increasing interest in sustainability in the activities of business partners. Representatives of medium-sized companies included in the IDIs who are introducing sustainability measures indicated that these are measures not only driven by the needs and beliefs of their company, but also measures that are expected of them externally and are motivated by cooperation with contractors and customers expecting changes in this area. Medium-sized companies, particularly those in the service and industrial sectors that export their products, demonstrated a significantly higher level of awareness of ESG, CSR, SDGs (Sustainable Development Goals), EU Taxonomy, SFDR, carbon footprint calculations, water footprint, and the circular economy model, along with a focus on supply chain sustainability. It seems, therefore, that the need to comply with the stricter standards, observed by foreign companies compared to domestic ones, may encourage Polish companies, engaged in international operations, to take a greater interest in sustainable development and to become more active and effective in this area.

*'First and foremost, we want to change from the inside, but the external environment, our stakeholders, also expect this change and concrete steps that de facto bring us closer to these higher goals. What I have in mind is striving for zero carbon, or at least meeting the milestones along the way to be on this path and to follow it.'*

*'It depends on the business area. Sometimes, because of the higher targets, the sustainable area takes a back seat, but Norwegian companies impose certain principles of interaction and cooperation on us. For them, this is an important area.'*

According to the interviewees, more and more companies, particularly large ones, are paying attention to ESG in their business partners, and they base their cooperation decisions on the practical implementation of these principles. For medium-sized companies, failure to meet these requirements could lead to losing market position, credibility, counterparties and partners.

*'In the absence of the introduction of appropriate processes and requirements, which will be outlined by the customers, the company could lose future contracts for components.'*

*'It is supposed to pay off financially. Failure to comply could result in terminated contracts with large companies.'*

*'Loss of cooperation with partners, loss of competitiveness, and loss of popularity and trust of the public. There is increasing talk of sustainability.'*

*'I assume that sooner or later it will have to be done, and if we don't start preparing in advance for the implementation of such systems, there might be changes to the regulations at some point, requiring adjustments to the new rules. If we don't begin preparing early, we could face the problem of having to implement everything all at once later on. Alternatively, we might fall behind and fail to meet certain requirements and restrictions, which could mean that we might not be able to, for example, distribute our products in European or Western markets. These are the kind of things that come to my mind.'*

*'Being excluded from the supply chain and pushed out of the market in the context of competitiveness.'*

*'That they will exclude us altogether from European and other markets where such regulations are in place.'*

*'We will face challenges in distributing products in the Dutch market, as restrictions will begin to emerge. France is planning to impose a tax on products based on their weight if they aren't recycled. While this won't be an issue in the domestic market for the next 2–3 years, it will eventually become a concern in the Polish market as well.'*

*'First of all, I believe that without implementing all these sustainable development solutions, sooner or later, a company will be commercially excluded. You cannot survive without changing yourself, without changing your approach or your product. The market will not be able to accept solutions that do not align with current trends.'*

According to entrepreneurs, ESG implementation is an important issue not only to other companies and their business partners, but also to banks and other external funding sources (e.g., grantors), with whom most

Z komentarzem [A13]: Prośba o połączenie całości akapitu

companies must cooperate to survive.

*'As far as I know, around the turn of 2024/2025, those who do not engage in such actions will simply be cut off from their financial lifeline.'*

*'Banks will also want to invest in those who invest in sustainability.'*

*'When it comes to loans, having ESG will result in a few extra credit points.'*

*'For the company, it works like this – we obtain funds from EU sources, so we cannot be a company that doesn't do this.'*

Although respondents see the permanent integration of sustainability into business relations as inevitable, some noted that this will pose a significant challenge for certain companies, particularly for micro and small businesses. Thus, the need to support these smaller entities in implementing modern, sustainable solutions and processes becomes paramount.

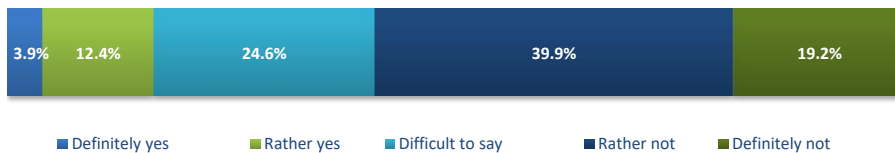
*'New contractors will be selected based on the sustainability strategy, which means small businesses might not survive if they don't meet the requirements. While it's challenging to change raw material suppliers, we can easily make changes in areas like office supplies or general and IT procurement. Companies with a sustainability policy often phase out small firms, which might result in their downfall. There's a considerable survival risk if they don't begin to engage indirectly. For them, these costs are enormous, sometimes unaffordable, and they are probably the most in need of help.'*

**Z komentarzem [A14]:** Prośba o poprawienie. Tekst należy odpowiednio sformatować

## 5. SUPPORT IN ADAPTING OPERATIONS TO SUSTAINABILITY LEGISLATION

One of the final issues was whether the company needs support in adapting its operations to sustainable development legislation. The survey shows that 59.1% of respondents believe they do not need such support, 24.6% are unsure whether they need it, and only 16.3% indicated that they do need such support.

Figure 21. Does your company need support in adapting its operations to sustainability legislation?



Source: Own compilation based on CATI study, November 2023, n = 1,300.

Considering that, according to the surveyed representatives of the SME sector, only one in six companies need support in adapting their operations to sustainability legislation, it can generally be said that still most often these are medium-sized and large-scale companies. In contrast, microenterprises, construction and service companies as well as importers were the least likely to indicate a need for support.

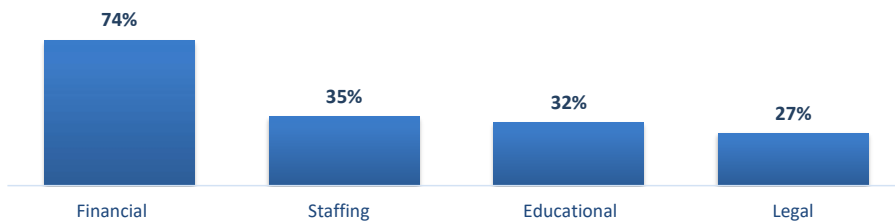
Table 9. Does your company need support in adapting its operations to sustainability legislation? – distribution of responses

		Definitely yes	Rather yes	Difficult to say	Rather not	Definitely not
<b>Company size</b>	Microenterprise	3.5%	10.6%	25.7%	39.8%	20.4%
	Small enterprise	4.6%	17.7%	17.7%	45.4%	14.6%
	Medium enterprise	6.8%	21.2%	22.0%	35.6%	14.4%
<b>Business profile</b>	Construction	2.0%	13.3%	28.1%	38.4%	18.2%
	Commercial	2.2%	15.4%	24.3%	37.1%	21.0%
	Industrial	7.1%	15.1%	20.6%	38.9%	18.3%
	Services	4.6%	10.4%	24.3%	41.7%	19.0%
<b>Reach</b>	Local	2.9%	8.3%	25.5%	42.2%	21.1%
	Regional	2.1%	15.2%	26.5%	39.0%	17.2%
	Nationwide	8.0%	14.4%	21.0%	36.7%	19.9%
	International – exporter	0.0%	16.0%	28.0%	36.0%	20.0%
	International – importer	0.0%	0.0%	16.7%	50.0%	33.3%
	International – importer & exporter	6.8%	27.1%	20.3%	39.0%	6.8%
<b>TOTAL</b>		<b>3.9%</b>	<b>12.4%</b>	<b>24.6%</b>	<b>39.9%</b>	<b>19.2%</b>

Source: Own compilation based on CATI study, November 2023, n = 1,300.

As form of the support needed to adapt business activities to sustainability legislation, mentioned by those representatives of the SME sector who stated they require it, financial support was the most frequently indicated – 74.0%. Only one in three indicated a need for staffing or educational support, while one in four mentioned the need for legal support.

Figure 22. What kind of support would your company need?



Source: Own compilation based on CATI study, November 2023, n = 212.

As for the key sources of support mentioned by representatives of the medium-sized company sector participating in the IDI survey, two types of support were most often emphasised: financial and educational. Financial support was often defined as grants from EU funds, with a lower own contribution, as well as systemic measures to ensure that domestic businesses, rather than external ones, would receive support. This would enable them to concentrate on implementing sustainable development instead of just meeting the basic needs of the company – ‘so that adapting to EU requirements doesn’t become a fight for survival.’

*‘If the government wants to introduce changes for businesses, it must be prepared to cover the costs of those changes. (...) Directives and regulations are issued, and the burden is shifted onto the entrepreneur who is expected to comply.’*

The indicated support, characterised as informative and educational, requires systemic education on multiple levels and dimensions – starting from management and owners, through employees, to the consumers and society itself.

*‘From my perspective, I believe it’s a matter of awareness about the carbon footprint and its associated emissions. What’s crucial is education. For me, that’s where it all starts when we talk about environmental issues, so that’s a key piece of the puzzle. I would also highlight the importance of educating businesses, as we are about to educate our employees about where this comes from and why we do it – how specific actions can affect the fact that our daily choices are very important. And I think that a key issue here is also that a company – and I mean as a whole, not just a department like mine – CSR and sustainability – understands why we are doing this. In my opinion, it’s a huge challenge for an organisation to grasp this idea at every level, and secondly, it’s the immediate environment of each company.’*

*‘(...) customers and the employees need to be able to find their place in this and consciously understand what it’s all about, so that what lies ahead doesn’t feel overwhelming, but rather encourages them to be part of this change, which I think is important. And looking further ahead, it’s not just about the carbon footprint but also about the broader spectrum of goals, such as the 17 Sustainable Development Goals set by the UN. There’s still a noticeable gap in awareness, as seen in research, regarding these goals and their impact on our daily lives. I still feel that this isn’t fully understood. People heard about these goals; they know they exist, but they don’t fully understand how to implement them or how to apply them in their own lives.’*

*‘(...) I would definitely lean more towards providing, especially SMEs, with a knowledge-sharing platform, along with a friendly and experienced official on the other side, who would act as their partner.’*

According to the respondents, information and public awareness campaigns should take a more accessible and modern form, such as social campaigns and increased presence on social media.

*'Organise informational conferences or video blogs. So that people know what is what, what the risks are, what the advantages area, and what we are betting on.'*

*'Create a database of solutions funded by the government, where smaller entities could access off-the-shelf tools and solutions – for example, off-the-shelf software for measuring the carbon footprint.'*

The Ministry of Economic Development and Technology, the Ministry of Climate and Environment, as well as local and municipal institutions were mentioned relatively often as bodies responsible for providing support, mainly in the form of information, but also in terms of training. Other institutions frequently mentioned by respondents were the National Centre for Research and Development (NCBiR), the Polish Agency for Enterprise Development (PARP) as well as institutions managing funds under the National Recovery Plan (KPO).

*'Above all, there needs to be less red tape for small companies, because it's hard to grasp and complete these forms (...) There should be incentives, bonuses, and support for real, concrete matters.'*

Entrepreneurs also mentioned the importance of consultations with businesses, mutual communication, the need for training, and the ability to properly identify needs and opportunities. A significant element of support, in the opinion of the respondents, is the clear distinction between small enterprises and medium and large ones, along with the possibility of funding ESG solutions through separate and *'tailor-made competitions, allowing for fair distribution of funds.'*

*'Providing subsidies for implementing such solutions would also improve operations, along with consulting services to analyse the company, see how it functions, and pinpoint areas that could be addressed.'*

*'It's always a good idea to start with training, containing information explaining or demonstrating how to obtain funding or how to improve certain processes.'*

*'High quality, substantive training sessions that are regularly repeated (...) Here, in Pomorskie Voivodeship, such training is offered by the Marshal's Office, and I make use of them.'*

Entrepreneurs also highlighted the necessity of individualising training for specific industries to minimise the level of generality, ensuring that practical examples of solutions are ready for implementation without the need for modification.

*'Financial support, tax exemptions, financial incentives. An information campaign – entrepreneurs don't fully understand what ESG is, and a campaign focused on a specific type of businesses and products, rather than a general one, would be more effective.'*

In the legislative context, the respondents emphasised the need for clear and straightforward regulations, fewer reporting forms and greater legislative stability.

*'Less bureaucracy, so that there's no need to hire new people or outsource the work.'*

*'Appropriate legislative solutions in Poland – clear and stable. Regulations change too often, making relatively new ones obsolete.'*

*'There are so many different regulations, directives, and what not. I'm not sure if these things can be clearly communicated to the business, without a dedicated person in the company to keep track.'*

#### DRAFT ESRS FOR SME SECTOR

On 8 November 2023, the EFRAG published draft ESRS (European Sustainability Reporting Standards) for small and medium-sized enterprises (SMEs). Currently, the ESRS for SMEs are voluntary, but already today, the significant role of SMEs in the supply chain for large corporations and listed companies is being observed. By continuing to cooperate with these companies, SMEs will eventually need to implement reporting.

The objective of this Standard is to support micro-, small- and medium-sized undertakings in:

- contributing to a more sustainable and inclusive economy;
- improving their management of the sustainability issues they face, i.e. environmental and social challenges, such as pollution, workforce health and safety. This will support their competitive growth and enhance their resilience in the short- medium- and long-term;
- providing information that will help satisfy data demand from lenders/credit providers and investors, thus helping companies to access financing;
- providing information that will help satisfy the data demand needs of large corporations requesting sustainability information from their suppliers.

Source:[Draft] Voluntary ESRS for non-listed Small- and Medium-Sized Enterprises – Exposure Draft (VSME ESRS ED)

<https://www.efrag.org/Assets/Download?assetUrl=%2Fsites%2Fwebpublishing%2FMeeting%20Documents%2F2305101045339288%2F03-02%20EFRAG%20SR%20TEG%20231108%20VSME%20ESRS%20ED%20clean.pdf>

Respondents also called for support in the form of tax relief and the opportunity to consult widely with policymakers who would provide specific advice and guidance tailored to particular industries, rather than at a general level.

*'Reward people for implementing these sustainability functions through tax reliefs or similar measures. (...) Those who are genuinely involved could develop their work, while those who have never heard of it might become interested in it, which would increase its popularity.'*

*'Simplifying regulations and creating places where it is easy to acquire knowledge about these regulations, their existence, and how they operate. Perhaps setting up consultation points where an entrepreneur can quickly and easily confirm which regulations apply to them and what they need to comply with. Additionally, creating a network of companies or consultants who can assist the entrepreneur in complying with these regulations once it is clear that they need to do so. 'When I was looking for a company to help us with BDO, I won't hide that I had a hard time finding one.'*

*'There should definitely be some training sessions and meetings where experienced individuals working in a similar sector (...) who have people responsible for sustainability could share their knowledge and experience on what it is for and how it can help.'*

Some medium-sized representatives indicated that they actively sought information about training and potential sources of support, but felt that the availability, number of places and ease of access to this information needed to be improved.

*'Yes, the Ministry offers training, but last time there were no places left. We really wanted to attend, but we weren't successful. It would be fantastic if more sessions were held.'*

*'We rarely use external support; we've learned to rely on ourselves. I don't usually count on government institutions. I assume that I'll have to train the employees myself. It would be great to have access to training that raises awareness and covers the practical aspects, like available technologies and modern knowledge. Currently, we acquire such information on our own by attending trade fairs and through literature. An information-sharing portal, along R&D support programmes, would be really useful.'*



Some respondents were in favour of direct staff support in writing projects and content support, including on ESG issues, from the Centre for EU Transport Projects (CUPT), the National Centre for Research and Development (NCBiR) and the Polish Agency for Enterprise Development (PARP), in order to reduce the need to engage external companies in the process of applying for funds and grants, without any guarantee of receiving funding.

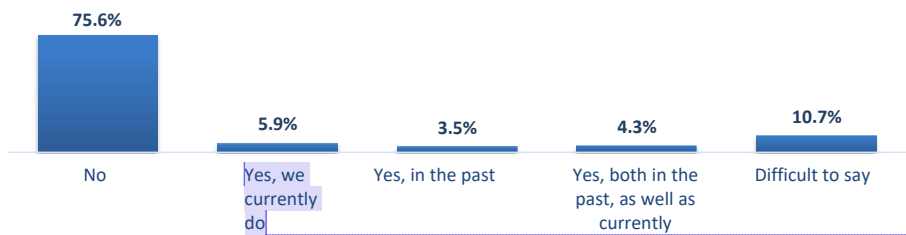
*'Training employees – what it is, how it's applied, and what impact it has so that we get that self-awareness. Personally, I've learned about sustainability on my own through what I was doing at various stages, but it would be great if there was a training programme in this area for entrepreneurs. (...) To understand what it is from the beginning, to grasp the significance of its impact on businesses, and to conduct interviews and consultations with them to see how it works in specific cases.'*

*'On the one hand, I would say it's very necessary to have an entity that advises and helps, but on the other hand, I'm against creating more government bodies that often take money without fulfilling their role.'*

*'Of that I'm certain, because I think that such financial support – and, above all, not leaving some companies to fend for themselves, and imposing such a burdensome obligation on them, if I can put it that way, since that's how they might perceive it – would always encourage them to be part of such a process, rather than just an unwilling executor.'*

Finally, the quantitative (CATI) and qualitative (IDI) studies also addressed the issue of using support from European funds to implement sustainable development. The vast majority of CATI respondents (75.6%) had not used this source of support, 10.7% found it difficult to determine clearly whether they had used the support or not, and the remaining respondents had past or current experience of applying for EU funds (13.7%).

Figure 23. Did your company use or does it currently use European funds to help implement sustainability/ESG actions?



Source: Own compilation based on CATI study, November 2023, n = 1,300.

Among the few SMEs that had the opportunity to use European funds to implement sustainability/ESG measures, medium-sized, industrial and operating internationally companies (both exporting and importing) were more common than other types of companies.

Z komentarzem [A15]: Prośba o korektę tekstu w tabelce  
 Z komentarzem [A16R15]: Należy go odpowiednio sformatować

Table 10. Did your company use or does it currently use European funds to help implement sustainability/ESG actions? – distribution of responses

		Yes, we currently do	Yes, both in the past and currently	Yes, in the past	No	Difficult to say
<b>Company size</b>	Microenterprise	3.7%	3.4%	2.4%	82.5%	8.0%
	Small enterprise	16.2%	8.5%	6.2%	52.3%	16.8%
	Medium enterprise	12.9%	7.6%	9.8%	43.9%	25.8%
<b>Business profile</b>	Construction	5.9%	6.9%	2.0%	73.4%	11.8%
	Commercial	9.2%	5.9%	3.3%	71.0%	10.6%
	Industrial	9.5%	7.1%	8.7%	57.9%	16.8%
	Services	4.0%	2.4%	3.1%	81.1%	9.4%
<b>Reach</b>	Local	2.7%	1.5%	1.5%	85.0%	9.3%
	Regional	7.1%	7.7%	2.4%	72.9%	9.9%
	Nationwide	10.5%	4.5%	6.6%	66.8%	11.6%
	International – exporter	4.0%	4.0%	8.0%	68.0%	16.0%
	International – importer	0.0%	0.0%	0.0%	83.3%	16.7%
	International – importer & exporter	10.2%	11.9%	13.6%	40.7%	23.6%
<b>TOTAL</b>		<b>5.9%</b>	<b>4.3%</b>	<b>3.5%</b>	<b>75.6%</b>	<b>10.7%</b>

Source: Own compilation based on CATI study, November 2023, n = 1,300.

The vast majority of participants in the qualitative surveys (IDI) also stated that they had not used European funds to implement sustainable development solutions. Of those who have had or have such experience, the vast majority could not definitively say how much these funds had contributed to the implementation of sustainable development goals within their companies. This contribution was mostly considered to be significant and to have directly contributed to the company’s growth and competitiveness.

*‘I don’t know for sure; I can’t be 100% certain. We definitely used grants for various process and product improvements, and they often required adherence to sustainability principles, but they weren’t strictly for that purpose. Yet, I can’t be 100% certain if we did.’*

*‘Significant support, an internal startup that allowed us to explore new branches of production. It didn’t change our product offering, but it enabled us to expand it significantly and remain competitive.’*

*‘The PFU (functional utility programme) project, these functional and utility projects, were prepared 4–5 years ago. It’s not an easy task to carry out a project now, where the costs are estimated 4–5 years in advance, especially amid the current zloty’s position. However, without EU funds, the modernisation would have been impossible, and the business would have faced serious difficulties, while the municipality would have had financial problems.’*

The respondents’ narratives highlighted the challenges and difficulties associated with applying for external funds, including EU grants: the long processing time of applications; EU regulations that equalise small family companies and large enterprises to apply for funds, thus giving a significant advantage to large enterprises;

the complex administrative procedures related to the submission and settlement of the project.

*'We submitted our application in October last year, but we still have no idea what's happening with it or when it will be examined – we don't know anything.'*

*'This is a big problem for family businesses – my company produces shoes and my brother has a different company producing footwear. Under EU regulations, because of our family connections, our companies are considered together, and according to the law, we can't apply for funding as a medium-sized business and under EU law we're classified as a large company. This severely limits access to financing for medium-sized companies because there's funding available, but due to these kinds of issues, we can't access it. Our family and founder connections prevent us from doing so, and that's frustrating. We'd like to seek help, but it's just not possible.'*

Few of the respondents clearly indicated that EU grants were a crucial and positive way of achieving some of the sustainability goals within their company.

*'The contribution is very positive. Without it, we wouldn't have been able to carry out any of these projects.'*

*'(...) it has definitely contributed to the growth of the company and improved our operations – we're in the market and continuing to develop.'*

## SUMMARY OF THE STUDY'S FINDINGS

The objective of the study was to gain a deeper understanding of the awareness among companies operating in the SME sector of the changes resulting from regulatory requirements on sustainability. The study also aimed to assess the readiness to implement these required changes and the level of sophistication of SMEs in adhering to the new regulatory requirements, including the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDD). A total of 1,410 entrepreneurs took part in the survey, who participated in:

- CATI survey, with a representative sample of 1,300 micro, small, and medium-sized enterprises.
- TDI interviews with 110 medium-sized enterprises operating in Poland.

The level of identification and understanding of sustainability issues is low among both the SME entrepreneurs surveyed and the representatives of medium-sized companies who participated in the in-depth interviews.

Only less than half (47%) of SME representatives believe that sustainability is an important issue in their business operations, and one in five respondents (20%) answered 'difficult to say'. The issue of sustainability gains significance as the enterprise size increases (medium-sized companies are much more likely to identify sustainability as important, whereas micro companies are the least likely to do so). Additionally, sustainability is deemed more significant in industrial companies compared to those in other sectors, and on the contrary, companies in the construction industry are most likely to consider sustainability unimportant (which is surprising, given the regulations governing this area). The importance of sustainability in a company's business activities also correlates with the scope of its operations — it is most frequently regarded as important by companies with an international reach (from which foreign contractors often already expect to put these ideas into practice), and least often by local companies.

The recognition of sustainability terms among respondents was relatively low, with the most widely known terms being: 'carbon footprint' (55.5%), 'due diligence' (50.7%), 'water footprint' (48.5%), 'sustainable supply chain' (46.2%), and 'circular economy' (44.1%). The second group includes terms that were recognised by only one in four or five respondents: 'ESG' (environmental, social responsibility, corporate governance) – (27.7%); 'greenwashing' (26.3%); 'Sustainable Development Goals and 2030 Agenda' (24.6%); 'CSR' (corporate social responsibility) (21.8%); and 'EU Taxonomy' (18.8%). A similar picture emerges when the relevance of individual areas in the company's operations is assessed.

In turn, the opinions of participants in the qualitative study on the importance of sustainability issues in their business activities were diverse and varied. The largest group consisted of those who were either completely unfamiliar with the term 'sustainability' or had encountered it but did not know its meaning. As a result, these interviewees found it considerably difficult to assess sustainability issues within the context of their own business operations. Some participants mistakenly equated sustainability with the overall development of the company, interpreting it as a harmonious growth process. In defining sustainability, they listed activities that, in their view, contributed to the business's growth. Among the (much smaller) group of medium-sized entrepreneurs who claimed even a superficial understanding of sustainability, opinions were mixed. Some admitted that sustainability had no real significance in their company's activities (either due to the nature of their operations or a lack of interest from management), while others indicated that sustainability principles were implemented as consistent with the company's strategy and mission. Among those few entrepreneurs who correctly identified the essence of sustainable development, most associated it vaguely with pro-environmental

activities and solutions. Comprehensive definitions that correctly highlighted various aspects of sustainability were very rare, typically provided by individuals who were deeply engaged with the topic. The interviewees largely did not identify specific issues related to sustainability, and the individual terms often required explanations from the moderators. Again, during the conversations, it sometimes became apparent that the lack of theoretical knowledge and the ability to define sustainability-related terms actually masked ongoing activities in these areas, which the entrepreneurs didn't associate with sustainability. This shows that the implementation of sustainability principles doesn't always align with an understanding of the topic itself, and sustainable solutions sometimes stem from a general belief in their value but aren't defined as sustainability due to insufficient familiarity with the concept.

As the survey results show, the level of familiarity with sustainability issues, engagement in implementing its principles, and adoption of related solutions seems to be strongly dependent on the specific situation of a company. This includes factors such as its size (the larger the company, the greater the knowledge and activity); business profile (industrial companies are the most engaged in sustainability issues); and scope of operations (similar to company size – the larger the scope, the greater the knowledge and engagement). The findings from in-depth interviews extend this list to include criteria such as: the personal commitment and views of the company's management; business collaborations (e.g., partnerships with large companies indirectly compel SMEs to adopt standards and reporting in line with requirements); and the company's development plans (e.g., companies planning to go public in the near future had much more developed competencies and activities in the area of sustainability compared to other entities).

SMEs entrepreneurs seem to downplay the connection between their business and sustainability issues. This gap is further widened by the diversity of industries (and, as a result, differences in the environmental impact they generate and their ability to implement sustainable solutions) was also cited as a reason why some companies do not engage in sustainable development practices (which are still mainly associated with pro-environmental measures).

At the same time, more aware medium-sized entrepreneurs, regardless of the industry, are implementing various types of sustainable solutions in their operations. These are particularly important because their implementation in a company is not dependent on the sector, industry, or scale of operations; they are almost cost-free; and they have a positive impact not only on minimising the company's negative impact on the natural environment (which was most frequently highlighted by entrepreneurs during discussions on sustainability), but also on the company's day-to-day operations, employee satisfaction, and the company's relationships with their environment and the local community. These might include:

- Energy saving, such as external co-location of server services.
- Paper saving, for example, by not printing catalogues and opting for digital versions, and using electronic document circulation.
- Recovery and reuse of packaging.
- Remote working, which helps reduce carbon footprint by eliminating the need to commute.
- Increasing employment opportunities for groups at risk of exclusion, including women and people with disabilities.

- Democratic decision-making (understood primarily as including employees at all levels in the decision-making process).
- Company transparency.
- Activities for local communities, such as the *Szlachetna Paczka* [Noble Gift] initiative and collections for animal shelters.
- Promoting well-being and work-life balance, for instance, by providing free access to medical and sports services and psychological support for employees.

Another issue raised in both the questionnaire and the qualitative interviews was the subject of legal standards governing the implementation of sustainable development principles and the level of knowledge regarding selected regulations. This topic is particularly important as these regulations will soon affect an increasing number of companies operating in the EU, and only a detailed understanding of them and their requirements will ensure a smooth introduction of the new regulations in the companies surveyed. Meanwhile, as many as 63% of respondents are not familiar with any of the laws mentioned in the survey, and some legal acts are identified by an average of one in ten of them. However, the IDI interviewees mostly claimed to be familiar with the regulations but were unable to name the documents applicable to their companies or those related to the implementation of EU sustainability regulations or directives. The respondents approached these legal requirements with caution. Many had not yet directly encountered them and believed they did not apply to their companies or were just beginning the process of implementing them. In particular, they most frequently referred to regulations regarding waste management, battery disposal, recycling of glass, plastic, and non-ferrous metals, as well as new packaging production requirements. Among those who claimed to be up-to-date with the changing regulations, almost all were individuals whose industry required them to stay informed due to the nature of their business. It should be noted that among representatives of medium-sized enterprises, there were even some unfavourable opinions describing sustainability standards as unnecessary.

According to 43.1% (31.3% 'rather not' and 11.8% 'definitely not') of SME representatives surveyed, sustainability legislation (CSRD, CSDD) does not affect their business. Only nearly a quarter see such an impact (23.3%, including 18.2% 'rather yes' and 5.1% 'definitely yes'). At the same time, more than a third of respondents (33.6%) have no opinion – presumably because they do not know enough about these regulations to assess their relevance to their business activities. Representatives of micro-enterprises and companies operating on a local scale are the least convinced of the direct or indirect impact of sustainability legislation (including CSRD, CSDD) on their business activities. Whereas, the impact is felt most by medium-sized companies operating in the industrial sector and those engaged in export activities. Respondents who indicated that sustainability legislation did have an impact on their company most often stated that the impact was medium (38.3% of respondents) or high (32.0% of respondents).

Interestingly, when assessing the impact of sustainability legislation on their businesses, the representatives of medium-sized enterprises who participated in the qualitative interviews most often stated that they did not see any impact on their current activities. On the one hand, there were (numerous) entrepreneurs who did not deal with sustainability issues at all in their business activities. On the other hand, there those who, due to personal beliefs, the mission and vision of the company, and a high level of awareness, implement sustainability principles regardless of legal rules and requirements. The impact of the regulations on companies' operations is clearly felt more strongly by those in industries already covered by the regulations, and by companies cooperating with large companies or operating in international markets. Changing legal rules and business practices in international markets affect Polish entrepreneurs

engaged in, for example, international trade, while the evolving narrative and prevailing values alter the market, as well as customer needs and expectations, introducing sustainability issues into them. There were very diverse perceptions of the impact of legislation on the implementation of sustainable development in Polish companies. Depending on the worldview of the entrepreneurs, their personal commitment to the issue and the level of their company's progress in implementing sustainable solutions, the impact on business activities could be perceived as either positive or negative.

According to medium-sized entrepreneurs, the greatest difficulties in implementing the solutions and actions stipulated by the legislation can be identified as follows:

- Lack of proper preparation and support in the process of implementing new legislation;
- Inflexibility of international legal regulations, which do not account for the individualised character and needs of the enterprise;
- Lack of readiness of domestic entrepreneurs to implement the solutions required by law, which means that they are not implemented effectively, and many means are superficial;
- The high cost of implementing the solutions and actions required by the regulations, which involves both additional workload and financial resources, as well as the need to hire new specialists or train the staff assigned to these tasks.

At the same time, as some entrepreneurs have noted, some businesses will only be willing to make changes under external pressure, given the potential difficulties and negative aspects of the top-down regulatory process that entrepreneurs perceive and the cumbersome nature of the process. Here, the regulatory nature of precise, top-down regulations may serve as a sort of instruction or guide and guarantee their maintenance of minimum standards. The text of the legislation is as a consequence of broader, positive changes observed globally.

The survey reveals that half of the SMEs surveyed are currently unaware of the scope of the European Sustainability Reporting Standards (ESRS), while another 30.1% of SMEs stated they were unsure whether their company was informed about the scope of these standards. Only a fifth (20.4%) of respondents believed their company was aware of the issue. Awareness of the scope of ESRS is by far lowest among micro and locally based enterprises. While awareness of the ESRS increases with company size and is highest among medium-sized companies, the highest percentage of respondents confirming their awareness of the ESRS coverage was observed among companies operating beyond the local level, but exclusively within the country. In terms of company profile, awareness of the ESRS is highest among industrial companies, with lower and relatively similar levels of awareness in other sectors. However, it is important to point out the short time between the publication of ESRS and the survey, along with a general irrelevance of and lack of interest in sustainable development issues within companies, as indicated by many respondents in the qualitative survey (and presumably also by those interviewed in the quantitative survey). Of the individual elements of the ESRS that affect or will affect the companies surveyed in the coming years, 'general requirements' were unsurprisingly the most frequently cited (by 54% of respondents). Another group of standards identified by at least one in three SME representatives surveyed included: consumers and end users – 38.1% of respondents; doing business – 37.7% of respondents; pollution – 37.4% of respondents; climate change – 36.6% of respondents; and general information disclosure – 35.1% of respondents.

The vast majority of medium-sized companies whose representatives participated in the IDIs do not employ a person specifically responsible for sustainability. In the few cases where such a person is employed, it is usually a function of the CSR department, but more often it is the owners, CEOs and senior management, or members of staff from innovation and development departments (if there are any in the company), who deal with sustainability issues by the way - as an additional responsibility. Some of the companies surveyed choose to outsource formal and legal issues to lawyers or external firms, while others distribute tasks among their own staff. For example, waste management may be delegated to administrative managers or quality control departments, and recyclable materials to purchasing departments. Some tasks are delegated to human resources, health and safety, marketing, and ISO standards staff. Only a few respondents from companies with a CSR department and a dedicated staff member (usually a one-person unit working closely with management) are aware that they are in the clear minority. A small number of interviewees are already considering the need to hire a specialist to help the company with reporting, risk assessment, indicator analysis and to assist the company with previously unfamiliar tasks. However, hiring a specialist in this field is judged to be difficult and expensive.

When discussing actions, strategies, and policies related to sustainability/ESG already in place, the IDI respondents most frequently mentioned adjustments in waste management, ISO certification and energy consumption reduction. Some respondents stated that they are constantly monitoring technological changes in order to gradually implement them in their operations. Other measures taken by the medium-sized companies surveyed include:

- Developing less resource-intensive production methods and technologies and promoting these solutions to customers;
- Implementing solutions within the company that ensure equality and well-being for employees, involving all levels of staff in a participatory management model;
- Promoting the idea of sustainability to customers and collaborators, and conducting information and education activities for employees;
- Collecting and analysing data on current operations and the company, which is necessary to build a sustainable development strategy;
- Reclamation activities to reuse assets, such as the transfer of post-mining assets to companies active in supporting local communities;
- Renewable energy solutions: photovoltaic installations, thermal energy storage, or innovative uses such as utilizing water flow to generate energy.

The survey results show that only 12% of the companies surveyed have so far implemented sustainability/ESG actions, strategies, or policies. 60% of companies have not yet incorporated ESG into their operations, and one-third of respondents said they did not know or found it difficult to say whether it had been implemented in their company. Among the companies that have implemented some kind of sustainability/ESG actions, strategies, or policies in their operations were mainly medium-sized companies and, although less frequently, small, industrial companies and companies with a national and international reach. It is also important to note the exceptionally high proportion of reply 'difficult to say', which, depending on the group, was given by 1/3 to almost 70% of the respondents. It seems that if sustainability / ESG issues were addressed as the subject of companies activities, the survey respondents would know about it. When asked how long the company has been addressing this issue, representatives of companies who declared that sustainability actions, strategies, and policies have been implemented at their company indicated: 40.6% – a few (2 to 3) years; 31.6% – more than 3 years.



Among the main reasons why companies decided to implement sustainability actions/strategies/policies, the most frequently cited was the desire to take specific action for sustainability, mentioned by 60.6% of respondents. Almost half of respondents (46.5%) said this was due to customer and stakeholder expectations, and one in three respondents (36.1%) cited supplier/partner/insurer expectations. This is confirmed by the opinions of respondents in the IDIs who pointed out:

- financial motives – the most common reason for implementing the concept of sustainability was financial considerations, including both cost savings, such as the desire to minimise water and electricity usage, and as a means to facilitate access to external funding, including EU funds;
- ideological motives – for some interviewees, sustainability was also personally significant and directly connected to the company's strategy and mission. In such cases, ESG often went beyond just environmental concerns and included taking care of social issues and often corporate governance matters as well;
- expectations from business partners – the desire to collaborate with large, often international companies that emphasize sustainability in their business partners is becoming increasingly important in motivating local entrepreneurs to adopt sustainability principles;
- customer expectations – IDI interviewees noted a generational shift among customers and partners, which often serves as an additional motivation to strive for the achievement of sustainability goals.

Additional factors motivating medium-sized companies to implement sustainability actions/strategies/policies also included: the pandemic and the resulting broad social changes and the changes in the international business environment affecting the entire market, including primarily: Poland's accession to the EU, the need to implement ISO certifications, the desire to export products and services outside of Poland and build competitiveness against other domestic and foreign brands, as well as the opportunity to observe other, larger companies already undertaking mandatory actions in this regard.

Only 16.8% of the SMEs surveyed intend to address these issues in their operations, strategies, or policies in the near future. The remaining companies either definitely do not have such plans (41.5%) or are uncertain about their stance (41.7%). Most medium-sized enterprises, industrial companies, and nationwide enterprises and international exporters plan to address sustainability/ESG issues in their actions, strategies, or policies in the near future. In contrast, local companies, construction firms, and micro-enterprises are the least likely to have such plans. It is also worth noting, once again, the very high percentage of 'difficult to say' responses, which may suggest that this issue is not only absent from the companies' immediate plans, but has also not been a subject of analysis in the surveyed companies.

SMEs surveyed were also asked about reporting issues. More than half (51.8%) of respondents indicated that their companies were not yet preparing a sustainability report but were planning to do so in the near future, while one in three had no concrete plans in this matter (29.9% replied with 'difficult to say'). Only a small proportion, less than one in five companies (18.3%), reported plans to engage in such activities (5.3% answered 'yes'; 13.0% answered 'rather yes') – most of these again are industrial nationwide companies or exporters. In contrast, the lowest percentages of affirmative responses were found among representatives of microenterprises and companies with a local reach. Many representatives from medium-sized enterprises who participated in the interviews said that they would only actively engage

in systemic sustainability efforts once such practices become mandatory. A relatively small group of interviewees currently observes some changes towards incorporating sustainability/ESG actions, strategies, and policies within their company and its business environment. However, for them, this shift represents a rather slow change in awareness.

Among the surveyed representatives of SME, only 21.1% consider ESG issues to be important, while one in three respondents did not have a definitive opinion on the matter, and for the remaining companies, these issues are not important. Interestingly, although sustainability issues were generally more likely to be directly associated with environmental impact and ecology, particular ESG and sustainability issues were more likely to be rated as important in a company's operations within the framework of the so-called social criteria, management issues and corporate governance criteria.

When asked in the IDIs about the barriers and challenges related to implementing ESG measures in their companies, representatives of medium-sized businesses most frequently cited financial obstacles and the lack of support programmes for entrepreneurs in achieving sustainable development goals, which were previously discussed in this report. In addition to these, entrepreneurs highlighted the demotivating impact of:

- lack of public awareness of sustainability, which influences consumer decisions to choose cheaper products, even when these are produced without regard for ESG principles;
- high competitiveness (mainly economic) of foreign services and products that are not subject to EU criteria;
- low level of public awareness and inadequate infrastructure for implementing sustainability principles independently in everyday life (e.g., a general collection scheme for bottles and cans to encourage recycling), which would lead to a shift in consumer attitudes and, as a result, an increase in demand the services and products of ESG-committed companies;
- over-bureaucratisation and overly complex procedures, coupled with unclear legislation and a lack of adequate support from state (and, according to some entrepreneurs, also EU) institutions;
- overly burdensome reporting requirements associated with ESG implementation that are an additional top-down task for the company, requiring specialist skills and extra time from employees;
- lack of experience and good practices related to ESG implementation in Polish companies, especially when entering broader markets. Some respondents believe that the opportunity for widespread ESG adoption was somehow missed;
- lack of broader perspective thinking and excessive focus on the 'here and now' among business partners or competitors; respondents claimed that the business mentality in Poland, compared to foreign experience, often poses the greatest obstacle to spreading the concept of sustainable development;
- shortcomings in developing in company decision-makers the management competencies needed both to understand the relevance of sustainability to the development of their company and the economy as a whole, and the skills needed to actually implement them in the company, often accompanied by a resistance to hiring external experts and insular company's approach;
- resistance and reluctance among employees, who may lack the understanding of ESG principles (and perceive the additional responsibilities as unwanted and unnecessary burdens);
- need for staff training on new responsibilities;
- lack of market readiness and infrastructure facilities to introduce the company's products on a wider scale (e.g., lack of interest in assembling a biofuel unit or the lack of charging facilities for electric cars).

In the face of numerous difficulties and information deficits, the awareness of upcoming changes related to the mandatory introduction of sustainable measures and solutions in companies over the coming years is a source of stress and anxiety for many entrepreneurs. Representatives of medium-sized companies pointed to many areas of uncertainty, wondering how the regulations will impact their future operations. IDI participants were asked to identify potential consequences and perceived risks of not implementing sustainability measures. Entrepreneurs pointed to the risk of financial penalties, a decline in the profitability of actions taken, and increased costs, for example, in the absence of investments in RES (renewable energy sources). For some respondents, failing to implement regulations could affect customers' perceptions of the company. Other potential consequences of not implementing sustainable development goals included: the risk of losing business partners, endangering employees (e.g., as a result of insufficient care for their working conditions or insufficient compliance with labour rights and OSH principles), contributing to exacerbating global warming and climate catastrophe, damaging the company's image among potential business partners, no options for international cooperation, poor interpersonal relations in the workplace, lack of social acceptance, and lack of savings from introducing resource-efficient solutions into the company's operations.

When asked whether they receive enquiries or questionnaires from business partners regarding the consideration of sustainability issues, the majority of respondents — 66.8% — answered that they do not. One in five respondents found it difficult to say, while only 11.8% answered in the affirmative. These results indicate that there is still minimal external enquiry or pressure regarding the application of sustainable development policies. Enquiries or questionnaires from business partners about integrating sustainability into their operations are more commonly received by medium-sized companies and less frequently by microenterprises; industrial companies tend to receive these enquiries more often than those in the construction or service sectors. Notably, nearly one in five respondents was unsure how to answer this question. Such enquiries are most often received by 5-10% of partners, as indicated by 27.9% of respondents; meanwhile, 22.7% noted that it was less than 5%, and for 22.1% it was between 50 and 79%. The largest group of respondents whose companies were receiving such enquiries and questionnaires from business partners indicated that they saw an increase in the number of such enquiries (36.0% of respondents) and 30.0% responded that the number fluctuates, sometimes increasing and sometimes decreasing.

According to the interviewees, more and more companies, particularly large ones, are paying attention to ESG in their business partners, and they base their cooperation decisions on the practical implementation of these principles. For medium-sized enterprises, failure to meet these requirements could lead to losing market position, credibility, counterparties and partners. These measures are expected of the companies externally and are motivated by cooperation with contractors and customers expecting changes in this area. Medium-sized companies, particularly those in the service and industrial sectors that export their products, demonstrated a significantly higher level of awareness of ESG, CSR, SDGs, EU Taxonomy, SFDR, carbon footprint calculations, water footprint, and the circular economy model, along with a focus on supply chain sustainability. It seems, therefore, that the need to comply with the stricter standards observed by foreign companies compared to domestic ones may encourage Polish companies engaged in international operations to take a greater interest in sustainable development and to become more active and effective in this area. According to entrepreneurs, ESG implementation is an important issue not only to other companies and their business partners, but also to banks and other external funding sources (e.g., grantors), with whom most companies must cooperate to survive.

One of the final issues was whether the company needs support in adapting its operations to sustainability legislation. The survey shows that 59.1% of respondents believe they do not need such support, 24.6% are unsure whether they need it, and only 16.3% indicated that they do need it.

Considering that, according to the surveyed representatives of the SME sector, only one in six companies need support in adapting their operations to sustainability legislation, it can generally be said that still most often these are medium and large-scale companies. In contrast, microenterprises, construction and service companies as well as importers were the least likely to indicate a need for support. As form of the support needed to adapt business activities to sustainability legislation, mentioned by those representatives of the SME sector who stated they require it, financial support was the most frequently indicated – 74.0%. Only one in three indicated a need for staffing or educational support, while one in four mentioned the need for legal support.

As for the key sources of support mentioned by representatives of the medium enterprises sector participating in the IDI survey, two types of support were most often emphasised: financial and educational. Financial support was often defined as grants from EU funds, with a lower own contribution, as well as systemic measures to ensure that domestic businesses, rather than external ones, would receive support. This would enable them to concentrate on implementing sustainable development instead of just meeting the basic needs of the company. The indicated support, characterised as informative and educational, requires systemic education on multiple levels and dimensions – starting from management and owners, through employees, to the consumers and society itself. According to the respondents, educational activities should take a more accessible and modern form, such as social campaigns and increased presence on social media. Entrepreneurs also mentioned the importance of consultations with businesses, mutual communication, the need for training, and the ability to properly identify needs and opportunities. A significant element of support, in the opinion of the respondents, is the clear distinction between small enterprises and medium and large ones, along with the possibility of funding ESG solutions through *'tailor-made competitions, allowing for fair distribution of funds.'* Entrepreneurs also highlighted the necessity of individualising training for specific industries to minimise the level of generality, ensuring that practical examples of solutions are ready for implementation without the need for modification.

Some respondents were in favour of direct staff support in writing projects and content support, including on ESG issues, from the Centre for EU Transport Projects (CUPT), the National Centre for Research and Development (NCBiR) and the Polish Agency for Enterprise Development (PARP), in order to reduce the need to engage external companies in the process of applying for funds and grants, without any guarantee of receiving funding.

The Ministry of Economic Development and Technology, the Ministry of Climate and Environment, as well as local and municipal institutions were mentioned relatively often as bodies responsible for providing support, mainly in the form of information, but also in terms of training. Other institutions frequently mentioned by respondents were NCBiR (the National Centre for Research and Development), PARP (the Polish Agency for Enterprise Development) and institutions managing funds under the National Recovery Plan (KPO).

The quantitative (CATI) and qualitative (IDI) studies also addressed the issue of using support from European funds to implement sustainable development goals. The vast majority of CATI respondents (76%) had not used this source of support, 11% found it difficult to determine clearly whether they had used the support or not, and the remaining respondents had past or current experience of applying for EU funds (14%). Among the few SMEs that had the opportunity to use European funds to implement sustainability/ESG actions, medium-sized, industrial and operating internationally companies (both exporting and importing) were more common than other types of companies. The vast majority of participants in the qualitative surveys (IDI) also stated that they had not used European funds to implement sustainable development solutions. Of those who have had or have such experience, the vast majority could not definitively say how much these funds had contributed to the implementation of sustainable development goals within their companies. This contribution

was mostly considered to be significant and to have directly contributed to the company's growth and competitiveness. The respondents' narratives highlighted the challenges and difficulties associated with applying for external funds, including EU grants: the long processing time of applications; EU regulations that equalise the requirements for family, medium and large enterprises to apply for funds, thus giving a significant advantage to large enterprises; and the complex administrative procedures related to the submission and settlement of the project.

## CONCLUSIONS AND RECOMMENDATIONS

According to the study, within the SME sector the companies most involved in sustainability issues are medium enterprises, industrial companies, companies with a wide reach (national or international), companies working with large enterprises (e.g., as part of their supply chains), companies planning to enter the stock market and companies with a management team committed to sustainable development. Future action should aim to extend the concept of sustainability to other economic entities.

In the light of these findings, efforts to increase awareness and willingness to implement sustainability policies in the SME sector in Poland should include:

### → Educational Support

The level of knowledge about sustainable development issues and the possibilities of implementing sustainable solutions in SME sector companies seems to be very low among Polish micro, small and medium-sized entrepreneurs. The analysis of the results of the study reveals a significant lack of understanding of sustainable development and its legal requirements, a downplaying of these issues in ongoing business operations, and a disconnect from the legal norms that mandate its implementation.

Despite the increased media attention on the issue in recent years and the widespread availability of information, the knowledge of many entrepreneurs remains minimal. This is compounded by the belief that sustainable development concerns (and will concern) only a few companies (large, international or operating in specific industries). As a result, a significant proportion of entrepreneurs show little independent interest in sustainability issues and the implementation of sustainable development policies, deliberately postponing these actions until they become mandatory.

In this situation, informational and promotional activities should:

- contain concise information written in simple language (sustainability is perceived as a complex issue requiring specialised skills);
- comprehensively include SMEs, regardless of their size, profile, or scope of operations;
- be personalised, meaning they should be designed in a way that each company (considering different sizes, profiles, and scopes of operation) can relate to the content, while also being universal enough to be initially addressed to a broad audience;
- impose minimal burden on entrepreneurs – being accessible and easy to understand;
- highlight the importance of social criteria and corporate governance, which are more often recognised as significant in the daily operations of SMEs than environmental issues but are much less frequently associated with sustainable development;
- emphasise the real and practical connections between sustainable development and business operations (many entrepreneurs believe this issue does not concern them) and demonstrate the practical implications of sustainability policies in business activities (some respondents undertake such actions in their companies without realising they are related to ESG);
- convince of the inevitability of changes towards sustainability, which will eventually affect all entrepreneurs (e.g., due to the complex interconnections in B2B and B2C relationships);

- demonstrate the measurable benefits of addressing sustainability issues, without delaying until legislation requiring them to do so comes into force;
- be addressed to all company employees (regardless of their position and job description).

It is worth considering:

- utilising existing communication channels with entrepreneurs, such as the biznes.gov platform, support from Business Support Organisations (IOB), industry associations and clusters, as well as institutions like: the National Centre for Research and Development (NCBiR), the Polish Agency for Enterprise Development (PARP), and local government units (both as intermediaries in disseminating information, as well as, for instance, as organisers of training initiatives);
- employing various methods and communication channels (although informational activities in this area have already been conducted, the awareness among entrepreneurs remains low, largely due to their limited engagement with the issue, but it should be assumed that some of them have not yet received this information);
- dividing informational materials into introductory (general) and those targeted at specific types and groups of enterprises (with a high level of detail and concrete examples).

At the same time, it is important to acknowledge that similar educational initiatives on sustainable development have been previously conducted (e.g., the course 'Sustainable Development in SMEs – the PARP Academy or the online conference series #idearozwojubiznesu) and have garnered interest from a select group of participants. The primary barrier to a wider dissemination of this knowledge and the utilisation of available materials by a broader group of entrepreneurs seems to be the resistance from company representatives and their general reluctance to engage in additional activities. This stems from a lack of foresight and a holistic approach to their business operations – failing to place their activities within the broader context of the phenomena and processes that shape their environment.

#### → Specialist Support

For SMEs, a significant challenge (beyond the general difficulty in understanding the concept and fully understanding the issues of sustainable development) is the practical application of the requirements imposed by ESG and the need to comply with specific reporting standards in the future. Properly preparing a company for this process is costly and necessitates training employees, expanding the team, or relying on external service providers. This is a particularly heavy burden for micro and small enterprises, which lack sufficient resources to independently implement these solutions.

Addressing this issue could involve actions across different areas:

- developing educational and training materials that explain in detail the legal aspects of sustainability in the SME sector and the obligations resulting from them for individual companies (practical examples and pragmatic guidelines are particularly important, as the subject seems rather abstract and difficult to grasp for entrepreneurs);
- incorporating the specificity and uniqueness of different types of enterprises (depending on their sector, size, and scope of activity) into the above-mentioned materials, in order to minimise the risk that entrepreneurs will find them irrelevant to their business and therefore useless;
- promoting these materials through different methods and information channels (such as those mentioned above in the discussion on educational support);

- developing and disseminating tools (e.g., online) that support the reporting process and enable entrepreneurs to manage their reporting and compliance requirements independently;
- offering training/workshops to prepare selected individuals (entrepreneurs, employees, future professionals) for future reporting;
- encouraging solutions based on the sharing of specialised services between different units or outsourcing of these services to specialised providers;
- establishing contact points (e.g., helplines, dedicated email inboxes, service windows in offices) where trained officials (both in reporting and in assisting less prepared entrepreneurs through the process) can provide advice and assistance.

It is important to note that relatively few entrepreneurs feel that they need support to implement the idea of sustainable development, to implement sustainability policies, or to fulfil reporting obligations. This is probably due to the belief that these issues do not concern the SME sector. Therefore, specialist support is unlikely to be broadly effective unless there is a change in awareness among entrepreneurs.

In this effort, it would be wise to take advantage of the general perception among entrepreneurs that there is a lack of systemic support and external assistance in implementing new solutions and obligations. Although the majority of respondents did not explicitly state a need for support, there is a sense of isolation and a lack of systemic support that exacerbates their reluctance to take on newly imposed responsibilities.

#### → Financial Support

Financial support was most often requested by the entrepreneurs themselves (although still by a relatively small number). However, it is worth asking whether this request is based on a genuine self-diagnosis of real needs and the best ways to meet them, or whether it is seen as the easiest option or a way to obtain additional financial resources, which are always scarce in business operations.

In this situation, financial support may be beneficial, but it should not be in the form of grants alone; rather, it should be integrated with other initiatives. Consideration could be given to introducing:

- preferential conditions for the allocation of additional funds (e.g. grants) to companies implementing sustainability policies;
- targeted funding for initiatives such as:
  - implementing sustainable solutions in SMEs;
  - developing sustainable policies, strategies, and actions;
  - training employees for new tasks and responsibilities (while raising awareness of sustainable development among them ).

Indirect financial support could also include demonstrating to entrepreneurs the financial benefits they could experience in their daily operations by implementing certain highly cost-effective sustainable solutions. While there is no doubt that new obligations, the need to comply with standards, and reporting requirements place additional burdens on entrepreneurs, many sustainable solutions are already viewed as leading to resource and cost savings. It is crucial to tailor these initiatives to the individual circumstances, needs, and capabilities of specific companies – the risk that these initiatives will be perceived by entrepreneurs as unsuitable and irrelevant, resulting in a lack of interest, appears to be a real threat to promoting cost-effective sustainable development solutions in the SME sector.

Z komentarzem [A17]: Prośba o połączenie całości akapitu



### → Protection Against Superficial Compliance

Some participants in the study expressed concern that the imposition of top-down norms and rules, together with the requirement for SMEs to comply, could lead to the development of mechanisms within companies aimed at superficially fulfilling these obligations for reporting purposes, without a real understanding or implementation of sustainability principles within the business. While this concern may not be entirely justified, it is important to consider it in the design of future initiatives.

Firstly, it is important to recognise that the implementation of ESG principles in Poland will be gradual, which should allow SMEs to slowly familiarise themselves with the new requirements, while practical solutions are developed by larger entities that have significantly greater human and financial resources. Imposing the mandatory implementation of these principles on SMEs will, in a sense, compel these entities to engage with the issues and the associated opportunities and responsibilities. It is precisely the lack of knowledge and competencies that appears to be, if not the greatest, then certainly the primary obstacle to the introduction of sustainable development and ESG solutions in Poland.

The combination of informational and educational support, specialist assistance, and elements of financial support should provide sufficient encouragement and stimulation for SMEs to address sustainability and ESG issues in their operations. At the same time, precisely because of the concern about partial superficiality, these efforts should place particular emphasis on the genuine application within the company and the durability sustainability of the actions undertaken in individual entities. Especially in the case of subsidized activities, where the risk of superficiality may be higher.

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**Z komentarzem [A18]:** Prośba o usunięcie rozdzielenia na stronie, tak, aby uwzględnić na stronie kolejne elementy bibliografii

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APPENDIX – RESEARCH TOOLS

QUESTIONNAIRE – COMPUTER ASSISTED TELEPHONE INTERVIEW (CATI)

ORGANISATION

We are representatives of the EDBAD Research Agency. On behalf of the Ministry of Economic Development and Technology, we are conducting a study to assess the awareness of small and medium-sized enterprises (SMEs) regarding the changes required by sustainability regulations, their readiness to implement these changes, and the progress they have made in meeting these regulatory requirements.

We kindly ask you to provide us with some information about your company’s business activities and its commitment to sustainability.

The survey should take approximately 20 minutes to complete.

Thank you for your participation!

SURVEY QUESTIONS

1. Are the following sustainability terms known within your company?

	a. Definitely yes	b. Rather yes	c. Rather not	d. Definitely not	e. Difficult to say
1.1. ESG (Environmental, Social Responsibility, Corporate Governance)					
2.2. CSR (Corporate Social Responsibility)					
2.3. Sustainable Development Goals and 2030 Agenda					
2.4. EU Taxonomy					
2.5. Circular economy					
2.6. Carbon footprint					
2.7. Water footprint					
2.8. Greenwashing					
2.9. Sustainable supply chain					
2.10. Due diligence					

2. Is sustainability important in your company’s business activities?

- a. Definitely yes
- b. Rather yes
- c. Rather not [filter: skip next question]

- d. Definitely not [filter: skip next question]
- e. Difficult to say [filter: skip next question]

3. How important are the areas related to the following sustainability terms in your company's business activities?

	a. Very important	b. Moderat	c. Not very	d. Not importan	e. Difficult to say
2.1. ESG (Environmental, Social Responsibility, and Corporate Governance)					
2.2. CSR (Corporate Social Responsibility)					
2.3. Sustainable Development Goals and 2030 Agenda					
2.4. EU Taxonomy					
2.5. Circular economy					
2.6. Carbon footprint					
2.7. Water footprint					
2.8. Greenwashing					
2.9. Sustainable supply chain					
2.10. Due diligence					

4. Which sustainability legislation is known in your company?

- a. Corporate Sustainability Reporting Directive (CSRD)
- b. Delegated Regulation adopting the European Sustainability Reporting Standards (ESRS)
- c. Proposal for Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence (CSDD)
- d. Non-Financial Reporting Directive (i.e.: Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups; NFRD)
- e. Regulation on sustainability-related disclosures in the financial services sector (SFDR)
- f. Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy)
- g. Other (please specify)
- h. None of the above

5. In your opinion, does sustainability legislation (including CSRD, CSDD) impact your company's business directly or indirectly?

- a. Definitely yes
- b. Rather yes



- c. Rather not [filter: skip next question]
  - d. Definitely not [filter: skip next question]
  - e. *Difficult to say* [filter: skip next question]
6. How would you rate this impact?
- a. Very high
  - b. High
  - c. Medium
  - d. Low
  - e. Very low
  - f. *Difficult to say*
7. Is your company familiar with the scope of the European Sustainability Reporting Standards (presented by the European Commission in a delegated act of 31 July 2023)?
- a. Definitely yes
  - b. Rather yes
  - c. Definitely not [filter: skip next question]
  - d. Rather not [filter: skip next question]
  - e. *Difficult to say* [filter: skip next question]
8. In your opinion, which elements of the European Sustainability Reporting Standards might currently or in the coming years (in a few years) concern your company?
- a. ESRS 1 General requirements
  - b. ESRS 2 General disclosures
  - c. ESRS E1 Climate change
  - d. ESRS E2 Pollution
  - e. ESRS E3 Water and marine resources
  - f. ESRS E4 Biodiversity and ecosystems
  - g. ESRS E5 Resource use and circular economy
  - h. ESRS S1 Own workforce
  - i. ESRS S2 Workers in the value chain
  - j. ESRS S3 Affected communities
  - k. ESRS S4 Consumers and end-users
  - l. ESRS G1 Business conduct
9. Have sustainability/ESG actions, strategies, or policies been implemented in your company to date?
- a. Yes
  - b. No [filter: skip next 2 questions]
  - c. *Difficult to say* [filter: skip next 2 questions]

10. Since when has your company been addressing this issue in its actions/strategies/policies?
- As of this year
  - For several years (2 to 3 years)
  - Longer
  - Difficult to say*
11. Why did your company decide to implement sustainability actions/strategies/policies?
- Expectations from suppliers/business partners/financial institutions/insurers
  - Expectations from customers/stakeholders
  - Desire to take specific action for sustainability
  - Other (please specify) .....
12. Does your company plan to address these issues in its actions/strategies/policies?
- Yes
  - No
  - Difficult to say*
13. Is your company preparing (or planning to prepare in the future) a sustainability data report?
- Yes
  - Rather yes
  - No
  - Rather not
  - Difficult to say*
14. Are ESG and sustainability issues currently important to your company?
- Definitely yes
  - Rather yes
  - Rather not [filter: skip next 3 questions]
  - Definitely not [filter: skip next 3 questions]
  - Difficult to say [filter: skip next 3 questions]*

15. Which of the ESG and sustainability issues under environmental criteria, concerning the implementation of environmental strategies and policies, environmental management, and the discharge of the principles of environmental responsibility and care, are currently most important to your company?

Please rate each of the listed areas on a scale of 0 to 10, where 0 means: 'This issue is not important to us at all' and 10 means 'This issue is very important to us.' Please mark 'not applicable' if a question does not apply to your company.

	0–10 rate	Not applicable
17.1. Energy efficiency		
17.2. Development of renewable energy sources (RES)		
17.3. Waste management (including hazardous waste)		
17.4. Implementing a circular economy model		
17.5. Reducing company-generated pollution (water, air, soil)		
17.6. Reducing company-generated greenhouse gas emissions		
17.7. Reducing deforestation		
17.8. Conservation of natural resources		
17.9. Biodiversity management		
17.10. Water conservation		

**Z komentarzem [A19]:** Prośba o dokonanie korekty w układzie tabelki

**Z komentarzem [A20R19]:** Tak samo w tabelkach 18 i 19

16. Which of the ESG and sustainability issues under social criteria, including relations with stakeholders (suppliers, customers, partners), working conditions, compliance with labour rights and health and safety regulations, quality policies (both in management procedures and product quality), and the company's information policy and transparency, are currently most important to your company?

Please rate each of the listed areas on a scale of 0 to 10, where 0 means: 'This issue is not important to us at all' and 10 means 'This issue is very important to us.' Please mark 'not applicable' if a question does not apply to your company.

	0-10 rate	Not applicable
18.1. Working conditions (employee health and safety)		
18.2. Employee relations		
18.3. Company activities for the local community		
18.4. Quality of the company's business relationships		
18.5. Collaborating with suppliers who uphold the same values		
18.6. Encouraging staff volunteering		
18.7. Stakeholder relationship management		
18.8. Implementing work-life balance practices		
18.9. Gender equality in the workplace		
18.10. Employment and integration of people with disabilities		

**Z komentarzem [A21]:** Prośba o dokonanie korekty w układzie tabelki

**Z komentarzem [A22R21]:** Tak samo w tabelkach 18 i 19

17. Which of the ESG and sustainability issues under governance issues and corporate governance criteria, including aspects such as the company's board structure, respect for shareholder rights, fulfilment of disclosure obligations towards all shareholders, decision-making independence, and governance skills, are currently most important to your company?

Please rate each of the listed areas on a scale of 0 to 10, where 0 means: 'This issue is not important to us at all' and 10 means 'This issue is very important to us.' Please mark 'not applicable' if a question does not apply to your company.

	0-10 rate	Not applicable
19.1. Use of accurate and transparent accounting methods		
19.2. Transparent and fair tax strategies		
19.3. Ability for shareholders to vote on all important issues affecting the company		
19.4. Avoiding conflicts of interest in the selection of board members		
19.5. Non-political use of donations (e.g., to gain an unduly favourable treatment)		
19.6. Not engaging in illegal practices		
19.7. Clear and transparent donation policy		
19.8. Clear and transparent policy of public/political engagement		
19.9. Preventing corruption		
19.10. Clear and fair salary structure		

18. Does your company receive enquiries or questionnaires from business partners regarding the integration of sustainability into their operations?
- Yes
  - No [filter: skip next 2 questions]
  - Difficult to say* [filter: skip next 2 questions]
19. Please estimate what proportion of your company's business partners send you these types of enquiries? Select the range.
- Less than 5%
  - 5% to 10%
  - Between 11% and 49%
  - Between 50% and 79%
  - Between 80% and 99%
  - All (100%)
  - Difficult to say*
20. In your opinion, has the number of enquiries and surveys regarding the integration of sustainability in your business operations changed recently? Please consider both the change in the percentage of business partners who send you such enquiries and the change in the number of enquiries themselves.
- Yes, we receive more and more each year
  - Yes, we receive fewer each year
  - Yes, but the number fluctuates, sometimes increasing and sometimes decreasing
  - No
  - Difficult to say*
21. Does your company need support in adapting its operations to sustainability legislation?
- Definitely yes
  - Rather yes
  - Rather not [filter: skip next question]
  - Definitely not [filter: skip next question]
  - Difficult to say* [filter: skip next question]
22. What kind of support would your company need?
- Financial
  - Staffing
  - Legal
  - Educational
  - Other
23. Did your company use or does it currently use European funds to help implement sustainability/ESG actions?
- Yes, in the past
  - Yes, we currently do
  - Yes, both in the past and currently
  - No
  - Difficult to say*

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#### METRICS

- In which sector does your company operate?
  - Agricultural – agriculture, forestry, fisheries, hunting, and mining industries
  - Industrial – processing industry, construction
  - Services – trade, transport, communications, utilities, health care, education, tourism, and culture

2. In which specific industry does your company operate? Please provide the Polish Classification of Activities (PKD) code (PKD group) that defines your company's main and most important activity:  
 ..... [drop-down list]
3. What is the size of your company?
- Microenterprise – employing on average no more than 9 employees annually
  - Small enterprise – employing on average from 10 to 49 employees annually
  - Medium-sized enterprise – employing from 50 to 249 employees
4. What is your company's primary business model (main profile)?
- Business to Business (B2B) – cooperation with business and institutional clients
  - Business to Consumer (B2C) – cooperation with individual customers
5. How long has your company been in operation? Please provide the year of establishment/registration.  
 ----
6. In which voivodeship does your company operate/have its seat/was established?
- Dolnośląskie
  - Kujawsko-pomorskie
  - Lubelskie
  - Lubuskie
  - Łódzkie
  - Małopolskie
  - Mazowieckie
  - Opolskie
  - Podkarpackie
  - Podlaskie
  - Pomorskie
  - Śląskie
  - Świętokrzyskie
  - Warmińsko-mazurskie
  - Wielkopolskie
  - Zachodniopomorskie
7. What is your company's reach?
- Local
  - Regional
  - Nationwide
  - International – the company is an importer & exporter
  - International – the company is an importer
  - International – the company is an exporter
8. Does the company you represent belong to a chamber of commerce, an industrial/regional association or other business community? If yes, please provide the name: .....

## IN-DEPTH QUALITATIVE INTERVIEW (IDI) SCENARIO

### ORGANISATION

*[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): The purpose of this thematic block is to familiarise the respondent with the interview situation. At this point, the conversation should be as casual as possible.]*

Hello. My name is ..... and I represent a Research Agency ..... On behalf of the Ministry of Economic Development and Technology, we are conducting a study to assess the awareness of small and medium-sized enterprises regarding the changes required by sustainability regulations, their readiness to implement these changes, and the progress they have made in meeting these regulatory requirements.

We kindly ask you to provide us with some information about your company's business activities and its commitment to sustainability.

It should take about an hour.

I am very keen for you to speak freely about your experiences. Please remember that there are no right or wrong answers here. Every opinion is valuable to us. If you have any doubts regarding the questions being asked, you can always ask me for further clarification.

I also want to reassure you that all statements will be treated confidentially – in the report analysing the survey results it will not be possible to link your statements to a specific interviewee.

To ensure that no important details are missed during the analysis, I would like to record and then transcribe our conversation. This means that our conversation will be written down. The recording and transcript of the interview will not be shared with anyone other than representatives of the research team and the ordering party. Both the recording and the research findings will only be used for research purposes.

Is everything clear to you? Can we get started?

*[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): Make sure that the Respondent has given informed consent.]*

### MAIN PART OF THE INTERVIEW

*[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): The purpose of this section is to gather in-depth and detailed information on the issues. As far as possible, and depending on the dynamics of the interview, strive to obtain all the information outlined in the main and supplementary questions.]*

#### THE IMPORTANCE OF SUSTAINABILITY IN A COMPANY'S BUSINESS ACTIVITIES

24. Is sustainability important in your company's business activities?

a. What areas of this issue do you consider the most important in your company's operations?

*[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): If the Respondent has difficulty providing information independently or if the information obtained is not sufficiently detailed, ask about the importance of the following areas:*

- ESG (Environmental, Social Responsibility, and Corporate Governance)
- CSR (Corporate Social Responsibility)
- Sustainable Development Goals and 2030 Agenda
- EU Taxonomy

- Circular economy
- Carbon footprint
- Water footprint
- Greenwashing
- Sustainable supply chain
- Due diligence

1.2. What other areas of sustainability are important in your company's business operations?

---

#### SUSTAINABILITY LEGISLATION

25. Which sustainability legislation is known in your company?

*[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): If the Respondent has difficulty providing information independently or if the information obtained is not sufficiently detailed, ask about the knowledge of the following areas:*

- Corporate Sustainability Reporting Directive (CSRD)
- Delegated Regulation adopting the European Sustainability Reporting Standards (ESRS)
- Draft Directive on Corporate Sustainability Due Diligence (CSDD)
- Non-Financial Reporting Directive (i.e.: Directive 2014/95/EU amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups; NFRD)
- Regulation on sustainability-related disclosures in the financial services sector (SFDR)
- Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (EU Taxonomy)

a. What other sustainability legislation is known in your company?

26. In your opinion, does sustainability legislation (including CSRD, CSDD) impact your company's business directly or indirectly?

- a. Why do you think so?
- b. What is the nature of the impact? How do you perceive it?
- c. How do you evaluate this impact (positive/negative/neutral)?

---

#### COMPANY'S SUSTAINABILITY/ESG ACTIONS, STRATEGIES, AND POLICIES

27. Have sustainability/ESG actions, strategies, or policies been implemented in your company to date?

- a. If yes, specify.
- b. Since when has your company been addressing this issue in its actions/strategies/policies?
- c. Why did your company decide to implement sustainability actions/strategies/policies? Please indicate in a few words the main reasons and motives behind this.
- d. If not, why?
- e. Are you planning on doing this? When?

28. What type of barriers can you identify in the context of implementing ESG /sustainability actions in your company?
- What is the source/cause of these barriers?
  - How could their impact be minimised?
29. Does your company employ a person (or persons) responsible for ESG/sustainability?
- If yes, please provide their function.
    - What are the tasks of this person?
    - How long has this person been employed?
  - If not, do you plan to hire such a person in the future?
  - If not, why?
30. Do you plan to develop your company's competencies in the area of sustainability?
- If not, why?
  - If so, how? When? Using what tools?
31. What risks and consequences do you see for your company if sustainability actions are not implemented?
- Do you see any ways to overcome them? If so, what are they?

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#### SUPPORT FOR SMEs IN SUSTAINABLE DEVELOPMENT

32. What solutions do you consider crucial for supporting the SME sector in implementing sustainability actions?
- Who should introduce these solutions, and how?
33. Does your company need support in adapting its activities to sustainability legislation?
- What kind of financial support do you think is needed?
  - What kind of staffing support do you think is needed?
  - What kind of legal support do you think is needed?
  - What kind of educational support do you think is needed?
  - What other support do you think is needed?
34. Did your company use or does it currently use European funds to help implement sustainability/ESG actions?
- What support has your company used?
  - Please assess its contribution to implementing sustainability/ESG actions and adapting the company's operations to sustainability legislation.

---

#### CONCLUSION OF THE INTERVIEW

That was the last topic I wanted to discuss in our interview. The information and opinions gathered will be valuable material for our research team and will contribute to achieving the study's objectives.

**Main question:** Would you like to add anything else? *[INSTRUCTION FOR THE INTERVIEWER (DO NOT READ ALOUD): Please wait for the response. If the Respondent declines, proceed to conclude the interview.]*

**Once again, thank you very much for the conversation and your time.**





Project implemented by:

