III.

Ministry of Industry and Trade of the Czech Republic

Strategic Document entitled National Action Plan for Corporate Social Responsibility in the Czech Republic

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(version 1.0)
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Ladies and gentlemen, colleagues, partners,

I would like to present the strategic document entitled National Action Plan for Corporate Social Responsibility in the Czech Republic, which as coordinator we have compiled for the Czech Republic.

Social responsibility first appeared in the early second half of the 20th century, and means a way of managing an organisation and building relations with partners which helps to improve the reputation and boost the credibility of all organisations. This is a cross-cutting issue that affects a wide range of aspects - social, environmental and economic. The European Commission now defines corporate social responsibility as “the responsibility of enterprises for the impact their activities have on society”.

We do not significantly regulate social responsibility through laws or directives, but keep it on a voluntary basis. The strategic document entitled National Action Plan for Corporate Social Responsibility in the Czech Republic is in line with the current social responsibility trends seen in firms in Europe. The Action Plan focuses primarily on the link between the responsibility, competitiveness and sustainability of the organisation.

We hope that the National Action Plan will become familiar to all organisations and will lead to responsible business, the provision of services and adherence to existing examples of good practice.

Minister of Industry and Trade
1. Background in the Czech Republic

The current concept of corporate social responsibility ("CSR") represents a coherent set of activities and practices that are an integral part of the control strategy of social, environmental and economic organisations, and are implemented by organisations on a voluntary basis beyond the scope of their legal obligations, motivated by a desire to help to improve conditions in society. Social responsibility includes, for example, areas associated with human rights, employee care, job creation, diversity, equal access to employees, lifelong education, prevention of environmental pollution, the use of renewable sources, saving energy, water and other resources, the fight against corruption, transparency and the quality of products and services.

In the Czech environment social responsibility is perceived as a concept which should be applied primarily by commercial enterprises. However, this is something that should also be focused on by non-governmental non-profit organisations and state and local government authorities, as these are responsible for the impact their activities have on society. Therefore, the National Action Plan covers the social responsibility of organisations, and includes all these subjects under this term.

Social responsibility is of a voluntary nature and encompasses the activities of all organisations that are carried out beyond the scope of their legal duties towards their employees, society and the environment. Nowadays a strategic approach is taken to social responsibility, with social responsibility stemming from the organisation’s main activities, i.e. what they do best, which helps to boost competitiveness. Social responsibility may benefit the organisation from the viewpoint of risk management, savings on costs, access to capital, relations with customers, employees and other interested parties (particularly the public). By taking an interest in the impact their activities have on society, organisations gradually build lasting trust amongst their employees, business partners and the general public, which is the basis for further sustainable development.

Organisations should apply systems to monitor the impact their activities have on society in order to allow them to incorporate appropriate measures into their social responsibility strategy and decision-making process, in the fields of the economy (business ethics, pricing, quality and transparency, relations with suppliers), social aspects (human rights and consumer interests, the community, philanthropy) and the environment (promoting environmental protection, pollution prevention). The aim of social responsibility should be to maximise shared values not only for shareholders, but for the organisation in general, and to prevent and mitigate the adverse impact their activities have on society. As regards the current prevailing understanding of strategic social responsibility, organisations should focus on developing innovative products, services and models that help to improve conditions in society and also generate favourable economic results.

Responsible management of an organisation must be assured at all levels of management through “good relations”. Corporate culture is therefore a crucial factor affecting the quality of responsible management. Responsible conduct is especially important in cases where private economic entities provide public services. In these cases, their responsibility also
includes mitigating the social impact of the current economic crisis, including retaining jobs. Corporate responsibility offers an approach to managing a business which assures commercial and social prosperity.

We consider it important that the concept of social responsibility be primarily advocated by businesses (business-led initiative). The state may support the spread of this concept by creating the right conditions for its deeper propagation, helping to promote it, and supporting socially responsible activities. The aim of this Action Plan is to set basic starting points for the dissemination and promotion of social responsibility ideas in the Czech Republic on the basis of active dialogue and respecting the interests of all interested parties, and to lay out the basic rules.

The preparation of the National Action Plan for Corporate Social Responsibility in the Czech Republic involved interdepartmental cooperation, the opinions of entrepreneurs, earlier results and the opinions of the academic sphere.

2. Current practice in the Czech Republic

The Government of the Czech Republic passed Resolution No. 458 on 10 May 2000 to adopt the National Quality Support Policy Programme. The Quality Council of the Czech Republic was entrusted with implementing this programme. The strategy in the field of social responsibility has been part of the Council’s strategic plans since 2006. This resolution charges the Ministry of Industry and Trade (“MIT”) with managing the Quality Council of the Czech Republic and organising its activities. An MIT representative was also appointed chair of the Quality Council of the Czech Republic.

To manage CSR promotional and coordination activities, in 2008 the Quality Council of the Czech Republic set up a specialised Corporate social responsibility section, whose task is to coordinate CSR activities at the national level with the aim of fulfilling the strategic plans of the National Quality Policy in the field of social responsibility for the period 2011 – 2015. Members of the Specialised Section are representatives of business associations, public administration, professional organisations and non-governmental non-profit organisations and the academic sphere. As part of the process of creating the strategic document for the “National Action Plan for Corporate Social Responsibility in the Czech Republic”, the specialised section prepared the basic theses (plans, existing priorities and possible activities).

Besides the Quality Council, CSR in the Czech Republic is also promoted by other non-governmental organisations, e.g. Business for Society (BIS), the Business Leaders Forum (BLF) and regional organisations (e.g. the Social Responsibility Institute in Ostrava and the Social Responsibility Association in Plzeň). These organisations operate more or less independently of the Quality Council and it is essential to seek ways of assuring effective joint cooperation.

The CSR National Action Plan was created and adopted as a follow-up to the Renewed EU Strategy 2011-2014 for Corporate Social Responsibility for 2011-2014 in accordance with
the initiatives of the Europe 2020 strategy. The purpose of the National Action Plan (NAP) is to help to develop the concept of corporate social responsibility in the Czech Republic and thus to promote the development of society, the economy and the competitiveness of the Czech Republic. The NAP also includes concepts defined by the European Commission (“EC”) and the Commission’s recommendations to member states as contained in the Renewed EU Strategy 2011-2014 for Corporate Social Responsibility.

MIT is the coordinator for “CSR” and the creator of the NAP for Corporate Social Responsibility in the Czech Republic.

The primary intentions of the strategic document of the National Action Plan for Corporate Social Responsibility in the Czech Republic are:
- to support the application of social responsibility by organisations.
- to strengthening the understanding and credibility of the concept of social responsibility in society.
- to support CSR in enterprises and other organisations in the Czech Republic by providing the relevant information.

The strategic document “National Action Plan for Corporate Social Responsibility in the Czech Republic” is an open and long-term document which is expected to be updated on a continual basis.

In this respect the National Action Plan for Corporate Social Responsibility in the Czech Republic defines the following key areas:
1. Promotion and support for the development of the concept of social responsibility.
2. Dialogue and cooperation between all interested parties.
4. The role of public authorities, trade union umbrella organisations, employers and entrepreneurs and other interested parties.
5. Dissemination, implementation and observance of international standards of behaviour.
6. International cooperation.
7. Observance of human rights.
8. Education and research in the field of social responsibility.
9. Recognising and rewarding organisations for social responsibility.

Initially, firms in the Czech Republic implemented social responsibility in the form of one-off projects from particular areas. Firms then gradually began to integrate social responsibility into their management system. Social responsibility is becoming an integral part of firm’s overall strategies. The most common activities are those such as e.g. employee care, environmental protection measures and assisting communities, relations with suppliers, etc. A systematic approach and synergy are particularly rewarded. These form the basis for the Czech Republic National CSR Award announced every year by the Quality Council of the Czech Republic.
Surveys carried out in firms (surveys by the Business Leaders Forum and Business for Society in 2012, the EMPRESS 2008 – 2012 projects), as well as public opinion polls (CSR Eurobarometr, surveys by the agencies IPSOS, GfK) have resulted in the following findings:

ATTITUDE OF BUSINESSES:

• Almost half of employees have come across the concept of CSR (large firms up to 64 %, medium 36 % and small 30 %).
• The main priorities are proper relations with customers, employees and owners, and efforts to help the needy.
• The main motives are ethical-moral reasons, interest in employee loyalty, the chance to improve the performance and competitiveness of the business, environmentally-friendly activities.
• The benefits that businesses see are primarily strengthening the corporate culture, improving the image of the business, greater employee satisfaction and customer loyalty.
• The barriers that hinder them are excessive bureaucracy, lack of support from the state (adverse legislative and tax environment), difficult to prove financial benefits and often a lack of interest on the part of senior management.
• CSR is seen as the basis for the use of other sustainable consumption and production tools (an initial evaluation of sustainable consumption and production has been carried out by more than 50 organisations).
• According to the survey carried out by Business for Society in 2012, 60 % of business emphasise the voluntary nature of CSR.

ATTITUDE OF THE PUBLIC:

• 75 % of citizens admit that responsible corporate behaviour is a factor when deciding on a purchase.
• 25 % know nothing about CSR (or do not follow CSR).
• Other respondents see CSR as an expression of ethics, integrity and decency, responsibility to employees and customers.
• The main priority is firms’ relationship to the environment and their customers.
• Citizens are willing to pay extra for a “responsible” product.
• Citizens are willing to get involved personally (waste recycling, donations, savings in households).
• The impact firms have on society and the environment is seen as positive and constantly improving.

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Activities called for as part of CSR include customer-related activities, job creation and product quality.

Urgent problems are unemployment, poor-quality products, environmental pollution and over-exploitation of natural resources.

According to this survey, significant projects in the field of social responsibility were focused on social aspects (handicapped people, age management, social enterprise, the counselling centre network), on education and improving the environment (saving resources, use of renewable sources, sustainable consumption and production).

3. Key areas of the National Action Plan (priorities and activities)

3.1 Promotion and support for the concept of social responsibility

Organisations in the Czech Republic have already started to see the concept of social responsibility as a competitive advantage and are increasingly implementing voluntary activities into their corporate and organisational strategies. However, there is still low, or imprecise awareness amongst the public and business, particularly small and medium enterprises (SMEs), which means that CSR is often limited to charity work. In the case of SMEs, it must be said that many of these, with a view to the ethical views of their management, intuitively apply CSR activities, but without the necessary link to their core business, which reduces the win-win benefit of CSR. A poorly informed public and lack of awareness of the concept of CSR in the majority of public administration institutions is a discouraging factor.

Associations and platforms are being set up in the Czech Republic at the regional level which, besides businesses, also comprise regional public administration and local government institutions, non-profit organisations and other entities interesting in developing the approach to CSR, and these platforms help to promote and disseminate information within the region. So far, these groups have appeared sporadically from below, with no financial or other support, such as at universities. Owing to their regional scope, however, they may do a better job of presenting the concept of CSR to small and medium enterprises and may use specific examples familiar within the region to demonstrate the benefit of CSR to the general public. Therefore, this regional dimension may play an important role in promoting CSR, as well as in sharing experience.

As regards support and promotion, it is also important to mention the crucial role of umbrella and sectoral trade union, business and employer organisations that are part of European and global structures and which play a part in the creation and implementation of CSR, thus raising awareness amongst their members, particularly SMEs, about the basic principles of CSR.

The Government of the Czech Republic considers social responsibility to be a voluntary concept based on self-regulation. The role of the state is thus especially to create conditions to assure the promotion and dissemination of the concept of social responsibility and
also to remove elements of bureaucracy while maintaining transparency and respect for the concept of social responsibility in state administration and local government authorities.

Great promotional potential which must be exploited, particularly in relation to the public and small and medium enterprises, is offered by the aforementioned regional groups, as these are closer to the end recipients of the information. Financial and other motivational instruments should therefore be used to support the development of these partner regional networks and also get their representatives involved in sharing experience at the national level.

**Strategic priorities**

- Support for the active development of CSR in form of education and presenting examples of good practice.
- Positive image of public administration.
- Spreading information and promoting the concept of social responsibility.
- Better relations between the public and businesses and non-profit entities.
- Support for rewards, education, specialised events and the organisation of events to spread awareness of social responsibility.
- Support for effective links between the economic and social activities of organisations.
- Use of EU structural funds to support the development of social responsibility.
- Enhancing the credibility of the concept of CSR by publishing the results of social responsibility in social and environmental fields.
- Support for public interest and public willingness to get involved in social responsibility.
- Surveys in enterprises and public opinion polls.
- More economical use of public funds.


**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information support</td>
<td>Creation and</td>
<td>MIT in</td>
<td>30. 6. 2014</td>
</tr>
<tr>
<td>Topic</td>
<td>Description</td>
<td>Collaborators</td>
<td>Status</td>
</tr>
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<td>----------------------------------------------------------------------</td>
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</tr>
<tr>
<td>CSR in the Czech Republic</td>
<td>Administration of the national CSR information portal</td>
<td>Collaboration with Quality Council of the Czech Republic</td>
<td></td>
</tr>
<tr>
<td>Exchange of information and dissemination of good practice</td>
<td>Round-table meetings of specialised events (nationwide conference on CSR, round tables, seminars)</td>
<td>MIT, cooperating ministries, Quality Council of the Czech Republic, relevant Government Councils, other relevant organisations, cooperation of social partners</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Information support for certification and other recognised CSR evaluation systems</td>
<td>Providing information about national standards for the certification of CSR systems and other methods used to evaluate CSR.</td>
<td>Quality Council OSMT</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Support for CSR in SMEs</td>
<td>Drawing up and publishing a handbook for SMEs and adding specific examples of good practice in the Czech Republic</td>
<td>Quality Council of the Czech Republic, in collaboration with umbrella employer and enterprise associations</td>
<td>31. 12. 2014</td>
</tr>
<tr>
<td>Support and development of regional centres</td>
<td>Support for the establishment and cooperation of regional groups</td>
<td>MIT Quality Council of the Czech Republic</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Support for rewards</td>
<td>Mapping out existing rewards for CSR</td>
<td>Quality Council of the Czech Republic</td>
<td>30. 6. 2014</td>
</tr>
<tr>
<td>Motivating firms and other interested parties</td>
<td>Compiling the CSR Charter</td>
<td>MIT, Quality Council of the Czech Republic</td>
<td>30. 6. 2014</td>
</tr>
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</table>
3.2 Dialogue and cooperation between all interested parties

The key bearers and driving force for CSR are. The state creates a fitting environment for dialogue and cooperation. MIT, as the CSR coordinator, coordinates cooperation between departments with the aim of supporting corporate social responsibility in the Czech Republic.

Interested parties are all entities that have an interest in the performance of the organisation in question, that influence this performance or are influenced by the organisation’s activities. In this respect this means the broadest possible spectrum of people and institutions that are in any way affected by the activities of the organisation. The interested parties need to be identified.

The basic group comprises so-called key interested parties, who include owners, employees, customers, suppliers, investors and creditors. They expect economic benefits in various forms (e.g. wages and salaries, dividends, contracts). There is generally dialogue amongst these parties, which is expected.

The second group of interested parties includes citizens, non-profit organisations, the community in neighbouring organisations. These may be adversely affected by the activities of the organisation, and therefore they themselves initiate dialogue or seek assistance when resolving problems for which their own resources are inadequate. For effective dialogue it is necessary to identify both the most relevant parties and also possible ways of providing assistance and support. Criteria are not only the real options open to the organisation in question, but also the anticipated benefit for its positive image.

Until now, in the Czech Republic there has been no state authority to systematically assure lasting dialogue about CSR between all interested parties. This role is partly assumed by the Quality Council of the Czech Republic, especially the activities of its specialised Corporate Social Responsibility Section, which brings together most of the more prominent non-profit organisations and associations involved in the field of CSR in the Czech Republic. These hold conferences, round tables and other events to promote CSR. However, none of these carries out this role on a nationwide basis, with all parties concerned represented. Until 2012 there was not even any clear, uniform coordination of CSR by the state. Now, coordination of CSR has been entrusted to MIT, using the advisory body of the Quality Council of the Czech Republic and its specialised Corporate Social Responsibility Section. MIT is also in charge of the operation of the National Contact Point (NCP). In the Czech Republic there is a currently a range of initiatives devoted to this issue, although these do not yet cooperate on a wider scale. Social responsibility is a broad concept with a social, environmental and economic dimension,
which requires the involvement of various departments. This concept encompasses various national sectoral strategies, legislative standards and strategic approaches, which may only be effectively brought together through the broad participation of all parties involved in lasting dialogue.

By appointing a coordinator and adopting the NAP, the state is committed to supporting the development of CSR in the Czech Republic and therefore also opportunities for bringing together existing activities in central and coordinated dialogue under the auspices of the state. Social partners and civil society can manage to identify weaknesses and exert pressure through constructive cooperation with businesses to reach joint solutions. Public authorities and other institutions may set an example and spread awareness of CSR.

At the regional level information and experience will be exchanged through partner associations. The development of these associations will also help to share information between the local, regional and national levels.

Dialogue and cooperation amongst all the parties involved are essential for keeping procedures consistent and assuring feedback, which is the guideline for updating the CSR development strategy.

**Strategic priorities**

- Cooperation with umbrella businesses, associations of employers and trade unions, businesses and non-profit organisations to help create conditions for their socially responsible conduct.
- Develop broad organised discussion between the state and individual interested parties from various sectoral levels, and make use of the contents of that discussion.
- Define partners from associations of employers and entrepreneurs and firms as the bearers of CSR in practice.
- Coordination of interdepartmental cooperation by the coordinator (MIT).
- Support for the emergence of partner networks to develop CSR at the regional level.
- Mapping out existing initiatives and platforms devoted to CSR and defining partner from interest groups (associations of employers, trade unions, non-profit organisations).

**Bearers:** MIT, cooperating ministries, Government Office of the Czech Republic and other state administrative organisations (e.g. Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic), trade unions, employer and entrepreneur umbrella associations (Chamber of Commerce, Confederation of Industry and Transport, Confederation of Commerce and Tourism, Association of Small and Medium Enterprises and Traders of the Czech Republic the Czech Republic (ASMET)), and non-profit organisations.

**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dialogue and</td>
<td>Map out existing</td>
<td>MIT</td>
<td>30. 9. 2014</td>
</tr>
<tr>
<td>cooperation of interested parties</td>
<td>initiatives devoted to the CSR</td>
<td>Quality Council of the Czech Republic</td>
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</tr>
<tr>
<td><strong>Dialogue and cooperation of interested parties</strong></td>
<td>Create a national CSR network – Platform of interested parties (specialised section of Quality Council, associations of employers, trade union associations, firms, non-profit organisations focused on support for CSR + regional activities)</td>
<td>Quality Council of the Czech Republic</td>
<td></td>
</tr>
<tr>
<td><strong>Coherent approach to NAP</strong></td>
<td>Coordination interdepartmental cooperation</td>
<td>MIT</td>
<td>ongoing</td>
</tr>
<tr>
<td><strong>Dialogue and cooperation of interested parties</strong></td>
<td>Round-table meetings</td>
<td>MIT cooperating ministries, Government Office of the Czech Republic, state administrative organisations, Quality Council of the Czech Republic, BLF, BPS</td>
<td>ongoing</td>
</tr>
<tr>
<td><strong>Creation of a framework to stimulate the investment of funds by entrepreneurs</strong></td>
<td>Round-table meetings of annual CSR Forum (national conference)</td>
<td>Quality Council of the Czech Republic</td>
<td>every year</td>
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### 3.3 Self-regulation
In the concept of CSR businesses use self-regulation, or work together to assure joint regulation in relation to environmental and social matters in the sector, e.g. in the form of shared objectives or codes of conduct. If this self-regulation is set up properly in line with ambitions and in collaboration with the parties concerned, it may become a means of effectively assuring that businesses behave in a responsible manner.

These voluntary approaches taken by the business sector emphasise the effective projection of the interests of the interested parties in managing the social and environmental aspects (sustainability aspects) of the business, which increases its value and also benefits the company as a whole.

Voluntary activities relating to environmental management and social issues have been created by the business sector, or proactive and innovative businesses, in response to inspections and controls (regulation) that define objectives outside the business sector. However, unilateral policies and objectives are not as effective as those that are shared by all interested parties.

Experience has shown that such an approach is most effective if it is based on an initial open analysis of the area in question, with the cooperation of all interested parties and involving public authorities (or is directly initiated by those authorities). The next phase must see the creation of clear commitments with performance indicators adopted by all parties involved, must specify objective mechanisms for monitoring and reviewing the results, must allow commitments to be modified as needed, and must include an effective mechanism for shared responsibility.

In the Czech Republic voluntary, self-regulatory activities of businesses have long been developed and often supported by the state. Examples include the introduction of management systems (quality, environment, health and safety at work (HSW), CSR, etc.), support for product labelling (quality labels, eco-labels, products made by persons with disabilities, etc.), activities to assure more efficient use of resources (cleaner production, etc.), employer certification (e.g. employers of disabled persons or persons from ethnic minorities, companies espousing the principles of social economy, etc.), socially responsible assignment of public contracts or the conclusion of so-called voluntary agreements. Some of these activities are formalised as supporting government programmes (e.g. National EMAS programme, National Environmental Labelling Programme, Czech Quality Programme, Safe Business, National Cleaner Production Programme), and there are specialised workplaces set up for these.

However, enterprises carry out a great many of these activities without any external support mechanisms. These include ethical and anti-corruption codes of conduct, which promote ethical behaviour and decision-making and help to improve the overall environment in the business and the sector, and thus also the business environment as a whole. Ethical codes of conduct define the standard of professional behaviour and are there to assure that the business’s day-to-day activities and the actions of all its employees comply with the defined principles.

With self-regulatory activities, however, there is often a lack of cooperation amongst all the relevant interested parties and also review mechanisms and responsibility for failure to comply. This could be checked, for example, through audits. Self-regulation then tends to be
more of a one-sided commitment and declaration, and does not provide adequate feedback to customers, the public and the state.

Cooperation and communication between all interested parties must be stepped up, at the central as well as the regional and local level. At the central level some of the existing expert groups can be used, and at the regional and local level there is the concept of the local Agenda 21.

Voluntary approaches should also become a natural means of implementing pollution-related policies in businesses, in the field of sustainable development and the field of employment and social integration in order to gradually replace direct regulation wherever the resulting effect will be better. This process may take place not only at the national level, but excellent results may also be achieved using voluntary approaches when resolving local problems at the municipal and/or regional level.

In the Czech Republic there is especially a lack of a “secure and stable” environment that would support the adoption of voluntary environmental and social commitments by the private sector.

**Strategic priorities**

- Creating an environment of clear rules and trust, which all parties involved need for voluntary activities to succeed.
- Better communication and thus cooperation amongst interested parties on various levels.
- Achieving shared objectives in an environmentally and socially effective way (win-win approach).
- Mapping national, regional and local programme to assure cooperation between the public and private sector and civil society in the field of voluntary approaches and local Agenda 21.
- Positive feedback for entities implementing voluntary approaches (certificates and other recognised methods, further information support, simplification of checks, etc.).

**Bearers:** MIT, cooperating ministries, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic, Government Council for Non-governmental Non-profit Organisations, Government Council for Sustainable Development, Government Council for Human Rights, Government Committee for People with Disabilities.

**Activities under NAP**

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<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Map out existing activities</td>
<td>Create a summary of existing programmes for cooperation</td>
<td>ME/MLSA</td>
<td>30. 9. 2014</td>
</tr>
</tbody>
</table>
between the public and private sector and civil society in voluntary approaches and local Agenda 21 at the national, regional and local level

| Support and develop CSR in the public sector | CSR manual for public administration | Quality Council of the Czech Republic | 31. 12. 2014 |

### 3.4 Role of public authorities, umbrella organisations of trade unions, employers and entrepreneurs and other interested parties

The development of CSR should be primarily initiated by businesses. This means that businesses that are committed to the concept of social responsibility voluntarily set high ethical standards, strive to minimise the adverse impact on the environment, care for their employees, maintain good relations with suppliers and customers and help to support the region in which they operate. CSR enables businesses to stand out from their competitors, become an attractive employer and a sought-after partner or investor for other firms.

The role of public authorities lies in supporting voluntary measures and, where necessary, providing support in the form of additional regulation (e.g. supporting transparency, creating framework conditions for reporting and other activities, creating market incentives for businesses that behave responsibly).

However, the role of public authorities as regards CSR has other dimensions (promotion, education, support and dialogue, respecting the suggestions of the parties involved, self-regulation and joint regulation, coordinating procedures, examples of good practice, their own responsible and transparent activities, etc.). Many of these activities are already contained in the relevant key areas of this document.

Organisations should have space for their own social responsibility initiatives. Nevertheless, many of them welcome the existence of general principles and instructions set forth by public administrative bodies, as they serve as a reference for their own strategies and promote equal conditions and the comparability of results.

For the Czech Republic, the high quality of Czech products and services are the only chance to succeed against the international competition. Public administrative authorities should support programmes to improve quality and raise awareness of these programmes amongst Czech entrepreneurs and managers. They should offer customers products that are not only high quality, but that are also perfectly designed and of a high technical standard, as well as products with the minimum environmental burden and which also benefit society.
In the Czech Republic the use of social and environmental criteria is developing at a slow rate. Even so, there have been noticeable efforts to incorporate criteria that support environmentally-friendly products, fair trade products or the employment of socially-disadvantaged groups. The Czech Republic has drawn up a National Action Plan supporting positive ageing for the period 2013 – 2017 and rules governing green public procurement. Every year since 1988, the Government of the Czech Republic has updated and approved the document entitled “Government Priorities and Procedures Advocating Equal Opportunities for Women and Men”. As part of the project entitled “Optimisation of Institutional Assurance of Equal Opportunities for Women and Men” (OP LZZ), the MLSA is preparing the “Strategy for the Assurance of Equal Opportunities for Women and Men.”

The Czech Republic’s Quality Charter was signed in June 2012. The task of this Charter is to support all activities aimed at improving quality in all areas of life, developing innovation and upholding the principles of corporate social responsibility.

The role of the business sector is vital. A specific role is played by umbrella and industry associations representing businesses operating in the Czech Republic. Employers’ organisations are members of European and global employers’ groups and are involved in creating CSR strategies. Businesses and other interested parties should use the prepared platform to identify society-wide problems and press for them to be resolved.

According to the Concept for the Support of Small and Medium Enterprises for the period 2014 – 2020, compiled in March 2013 by MIT, the Czech Republic is currently the worst country in the entire EU with small and medium-sized enterprises making up 17 % of public contracts. Of this, small businesses comprise 7 % and medium-sized businesses 10 %.

Although active involvement in corporate social responsibility is not and is not expected to become a criterion for the awarding of public contracts, it is better not to set legal criteria that would exclude small and medium-sized enterprises from a public tender beforehand (e.g. setting criteria that are so specific that they can only be met by one candidate).

Currently, the application of the principles of social responsibility when awarding public contracts is fully in accordance with the applicable European laws (ECJ judicature and Directives 2004/17/EC and 2004/18/EC, which were revised in 2014), as well as with the applicable Czech laws (as stated in Act No. 137/2006 Coll. on Government Procurement). In June 2010 the Government of the Czech Republic approved rules governing the enforcement of environmental requirements when awarding public contracts in the field of IT and furniture. It is currently preparing rules for several other product groups in order to come into line with the European Green Public Procurement (GPP) framework, and which must also be adapted to our conditions.

The Strategy to Combat Social Exclusion for the years 2011 – 2015 includes measures for the socially responsible awarding of public contracts in socially excluded localities – applying the institute of special conditions. Public contracts and the socially responsible awarding of such contracts are a new trend in Europe, and this is also true of the Czech Republic (see e.g. the Draft Directive of the European Parliament and of the Council on the awarding of public contracts KOM (2011) 896, Para. 43: “The conditions covering the execution of a contract are
compatible with this Directive provided that they are not directly or indirectly discriminatory, provided that they relate to the subject of the contract and provided that they are stated in the contract notification, in the notification of preliminary information used as a form of a call to tender or in the contractual documentation. Their objective may particularly be to support practical training, assure employment for people experiencing particular difficulty in achieving integration, the fight against unemployment, environmental protection or good living conditions for animals. Possible examples of the requirements stipulated for a public contract are the need to employ the long-term unemployed or implement educational measures for the unemployed or young people, comply with the principles of the fundamental conventions of the International Labour Organisation, including in cases where those conventions have not been incorporated into national law, and to employ more disadvantaged persons than the figure required under the national legislation”).

The socially responsible awarding of public contracts means when the social aspect of the contract includes, for example, support for employment, compliance with the standards stipulated for the working environment, and when the contracting authority is endeavouring to support social integration. It is also essential that there are specific rules governing the assignment, e.g. anti-corruption rules. This type of public contract also advocates equal opportunities, works to acquire broader support for corporate social responsibility and complies with the relevant principles of European law. In terms of the environment, this particularly concerns the environmental performance of products as guaranteed by certificates, or restrictions on the location of production sites.

When public administration demands a socially beneficial product or service, it encourages the development of that product or service and also provides a model of good behaviour to other consumers in similar transactions. This type of assignment shows citizens and firms what the norm is for the state.

This way of awarding public contracts aids strategic cooperation and dialogue with potential suppliers. Public administration should assure that smaller suppliers, including small businesses and traders, should also have the opportunity to participate in public tenders. The responsible awarding of public contracts will also result in more economical use of public funds.

Strategic priorities

- Active partnership between public administration and associations of employers, entrepreneurs and trade unions.
- Consideration of the implementation of CSR when awarding grants or allocating subsidies.
- Support for social business
- Compliance with the guidelines for the socially responsible awarding of public contracts while respecting the legal framework of the EU.
- Specifying a strategy for the socially responsible awarding of public contracts in line with national and regional needs.
- Making public contracts available to small and medium enterprises
- Increasing the competitiveness and transparency of public contracts.
**Bearers:** MIT, cooperating ministries, other state administrative organisations and associations of employers and entrepreneurs.

**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Application of environmental and social criteria in public contracts</td>
<td>Consider creating criteria for other product categories as part of the Rules Governing the Application of Environmental Requirements when Awarding Public Contracts (in relation to the preparation of the new Act on Public Procurement)</td>
<td>ME, MRD</td>
<td>31. 12. 2014</td>
</tr>
<tr>
<td>Active cooperation of all interested parties</td>
<td>Platform of interested parties, managed by coordinator</td>
<td>MIT, Quality Council of the Czech Republic</td>
<td>ongoing</td>
</tr>
<tr>
<td>Take into account the implementation of CSR when awarding grants or allocating subsidies</td>
<td>Use CSR as a possible criterion when deciding on grants and the allocation of subsidies</td>
<td>grant and subsidy providers</td>
<td>ongoing</td>
</tr>
<tr>
<td>Educate public contracting authorities in the socially responsible awarding of public contracts, acquaint them with the legislative options and best practices</td>
<td>Education programme</td>
<td>Platform of interested parties</td>
<td>ongoing</td>
</tr>
</tbody>
</table>
3. 5 Dissemination, implementation and observance of international standards of behaviour.

Social responsibility at the international level is based on several initiatives. These are particularly the recently updated OECD Guidelines for Multinational Enterprises, the ten principles of corporate social responsibility of the United Nations Global Compact initiative, the ISO 26000 voluntary standard - Social Responsibility Guidelines, the Tripartite Declaration of the International Labour Organisation (ILO) on the principles for multi-national companies and social policy, the United Nations Guiding Principles on Business and Human Rights, and other international conventions. This fundamental set of internationally recognised principles and guidelines represents an evolving and recently enhanced global framework for corporate social responsibility, particularly for multi-national corporations.

According to these principles and guidelines, corporate social responsibility involves adhering to the minimum standards in the field of human rights, labour and employment (e.g. diversity, gender equality, employee health and welfare conditions, prohibition of child labour, minimum wage, the right to form trade unions, etc.), in the field of the environment (e.g. protection of biodiversity, mitigation of the impact of climate change, effective use of resources, minimisation of waste sources and sound waste management, life cycle assessment and prevention of pollution, etc.) and in the field of ethics (the fight against bribery and corruption, money laundering, tax evasion, etc.). Corporate social responsibility also includes the involvement and support of the local community, the integration of the disabled, and consumer interests, including protection of consumer privacy. Supporting social responsibility through supplier chains is considered an important cross-cutting theme. Obviously, social responsibility also includes providing true and comprehensive information about the activities and performance of organisations, i.e. standardised reporting.

Awareness of these international CSR instruments is low in the Czech Republic, amongst both businesses and the general public.

With state authorities there is a relatively well defined mechanism governing the operation of the National Contact Point (NCP) for the implementation of the OECD Guidelines for Multinational Enterprises, which is a permanent working group set up by MIT to assure effective implementation of the Guidelines. However, low public awareness greatly reduces the import of the NCP. Now, particularly key interested parties are informed about the NCP as a priority.

Therefore the Czech Republic’s aim for the future will be to publish and update information about all the internationally applicable standards on a single portal devoted to corporate social responsibility. The Czech Republic’s Action Plan and policy as regards CSR will always take account of global and European trends and will strive to do so in a manner that results in effective coordination.

It is highly important that education about these options be provided through involved non-profit organisations from the private sector.
The renewed strategy recommends that all businesses with more than 500 employees, when formulating their approach to social responsibility, take account of at least one of the following international documents: UN Global Compact, OECD Guidelines for Multi-national Businesses, or the ISO 26000 standard - Social Responsibility Guidelines. It goes without saying that business employees or their representatives should be informed about this step. The ČSN 01 0391 standard currently forms part of a Czech technical standards.

All multi-national companies operating within the Czech Republic are recommended to pledge to start to respect the Tripartite Declaration of the International Labour Organisation (ILO) on the principles for multi-national companies and social policy by the year 2014.

**Strategic priorities**

- Raise awareness of the international standards and declarations.
- Initiate education for businesses and the public about these standards and the relevant declarations.
- Support for transparent reporting

**Bearers:** MIT and cooperating ministries, Government Office, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic, OSMT, trade union associations, umbrella associations of entrepreneurs and employers and other interested parties.

**Activities under NAP**

<table>
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<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
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</thead>
<tbody>
<tr>
<td>Present and promote international CSR instruments</td>
<td>Provide information about international CSR instruments on the single national CSR portal</td>
<td>MIT, Quality Council of the Czech Republic, in collaboration with Government Office, MLSA</td>
<td>30. 6. 2014</td>
</tr>
<tr>
<td>Use the NCP (defined in the OECD Guidelines for Multi-national Businesses) for sharing information</td>
<td>Cooperate with the NCP in exchanging information about CSR</td>
<td>MIT, cooperating ministries, associations of trade unions, entrepreneurs and employers, non-governmental organisations</td>
<td>ongoing</td>
</tr>
<tr>
<td>UN Global</td>
<td>Creation of a</td>
<td>Quality Council of</td>
<td>31. 12. 2014</td>
</tr>
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3.6 **International cooperation**

International cooperation will be on the following levels:

- with the European Commission.
- with individual member states.
- with the international organisations ILO and OECD.

At the EC level international cooperation especially involves active participation in the High Level Group on Corporate Social Responsibility, set up as part of the Directorate General for Employment (DG EMPL). An MIT representative is a member of the HLG.

Besides organising HLG meetings, the DG EMPL provides a series of other activities, and invites member states to actively participate - e.g. surveys, peer reviews (see below for more), social investment packages.

Participation at meetings of the High Level Group on Corporate Social Responsibility enables personal contact with representatives of other member states. Moreover, closer cooperation has been established with member states as part of the peer review project in 2013. For the purposes of this peer review, member states were divided up into seven groups of four countries. The meeting lasted for one days and was attended by government officials.

Besides information about the preparation and presentation of national action plans, there was also a discussion on issues which the EC sends out to participants in advance.

The outcomes of the meetings of the individual groups are recommendations that the EC compiles into a compendium. This then serves as a source of ideas for activities in the Czech Republic and elsewhere, as the electronic version of this document will be available on the single corporate social responsibility information portal.

There are two basic non-governmental platforms that collect information about social responsibility in the EU:

- CSR Europe, which unites corporations and national responsible business associations. From the Czech Republic their members are the Business Leaders Forum and Business for Society (both as national partner organisations). In 2013 CSR Europe implemented the pilot project European CSR Award, in which the Czech Republic participated.

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3 The meeting of the first group was held on 5. 6. 2013 in Rome and was attended by Italy, Bulgaria, Malta and Germany. The Czech Republic was classified into group six, together with Finland, Portugal and Greece. A meeting was held in Helsinki on 7 November 2013.
• European Alliance for CSR, which voluntarily brings together businesses to exchange experience and to support and introduce instruments of social responsibility. Czech businesses are represented by the Confederation of Industry and Transport of the Czech Republic, which is involved in the initiative through its membership of BUSINESSEUROPE (Confederation of European Business).

**Strategic priorities**

• Development of cooperation with other EU countries with the aim of exchanging experience and coordinating multi-national activities.
• Presenting and promoting international CSR instruments.
• Supporting the involvement of Czech businesses and the relevant organisations in international cooperation.
• Initiating the involvement of firms and associations of firms in major international projects.
• Support for the European CSR Award

**Bearers:** MIT, cooperating ministries, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic and other organisations (e.g. BLF, BfS).

**Activities under NAP**

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<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
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</thead>
<tbody>
<tr>
<td>Rewarding organisations at the European level</td>
<td>Supporting the winners of nationwide CSR competitions for entry in the European CSR Award</td>
<td>CSR Europe</td>
<td>According to EC and CSR Europe deadlines</td>
</tr>
<tr>
<td>Peer review project</td>
<td>Active participation of public administration representatives in the EC peer review project</td>
<td>MIT, MLSA</td>
<td>According to EC deadlines</td>
</tr>
<tr>
<td>Monitoring the development of CSR in the EU and subsequent communication of outcomes</td>
<td>Regular attendance at meetings of the High Level Group on Corporate Social Responsibility as part of EC DG EMPL</td>
<td>MIT, MLSA</td>
<td>According to EC deadlines</td>
</tr>
<tr>
<td>Support for international cooperation and the development of CSR</td>
<td>Identification of the relevant international projects for involving the Czech Republic – priority topics</td>
<td>MIT Quality Council of the Czech Republic</td>
<td>31. 12. 2014</td>
</tr>
</tbody>
</table>
3.7 Observance of human rights

Human rights or fundamental rights and freedoms are the most important individual rights. In the Czech Republic they are constitutionally guaranteed particularly by the Charter of Fundamental Rights and Freedoms (“Charter”) and international treaties. The scope of these fundamental rights and freedoms is not restricted or even defined by the Charter or positive law at all. The guaranteeing of those rights the level of the legal norms of positive law is important as regards the protection of those rights. The Charter defines the limits of fundamental rights and freedoms, which means that the any restriction of fundamental rights and freedoms requires those limits to be defined by law under the conditions specified by the Charter. Rights are protected by the general courts and the conditions specified in the current laws enable constitutional protection and international judicial protection.

Human rights may be classified from a number of viewpoints. It is particularly important that they are divided up into fundamental human rights (of a personal nature), political rights, national and ethnic rights, and possibly the rights of other minorities, economic, social and cultural rights and the right to a favourable environment.

As regards human rights, either those of a natural person or a citizen, relating to the economic sphere, social relations, the education sphere and the environment, this set of rights is governed by Articles 26 to 35 of Section IV of the Charter. These rights have a different status, as in most cases they are subject to the interpretative rule defined by Art. 41 Para. 1 of the Charter in the sense that they can be enforced within the confines of the law as defined by these provisions. However, this category of rights is governed by general principles concerning equality, limits on rights, the option of a judicial review of a case, etc.

The Charter elaborates on the basic principles of the employment policy as outlined e.g. in the ILO Declaration of Philadelphia of 1944, in the Universal Declaration of Human Rights approved by the UN General Assembly in 1948, and ILO Convention No. 122 on employment policies. International documents the Czech Republic is bound by particularly include ILO Convention No. 29 on forced or compulsory labour, the International Covenant on Economic, Social and Cultural Rights, the European Convention for the Protection of Fundamental Rights and Freedoms and the European Social Charter, which guarantee the right to work, the right to decent working conditions, the ban on forced or compulsory labour, the ban of child labour, the right to fair remuneration for work, the right to free choice of a profession and the right to assistance in choosing a career. In relation to the right to free choice of a profession and the amendment of this right, there is also an explicit ban on any form of direct or indirect discrimination based on gender, sexual orientation, racial or ethnic origin, nationality, citizenship, social origin, birth, language, health, age, religion or belief, social origin, property, marital or family status or family responsibilities, political or other opinions, membership and activities of political parties or movements, trade unions or employers' organisations.
States are obliged to protect human rights. Under internationally recognised human rights, the international commitments of the countries in which they operate, in the field of human rights and in accordance with the applicable national legislation, organisations should:

- Respect human rights, meaning that they should avoid any infringement of the human rights of others and should deal with the adverse effect upon human rights that activities in which they are involved have.
- In the context of their own activities, organisations should not cause or contribute towards any infringement of human rights, and should resolve the impact of any such infringement.
- Seek ways of avoiding or mitigating the impact of any infringement of human rights which are directly or indirectly related to their commercial activities, products or services, including in the supplier chain.
- Establish a policy in which they undertake to respect human rights.
- Take an interest in human rights commensurate to the size, nature and context of the organisation, taking account of the severity of the risk of any infringement of human rights.
- Facilitate cooperation within the legitimate process to remedy the adverse effects of any infringement of human rights, if they find that they have caused or contributed towards that infringement.

In the future, in its approach to the issue of human rights as related to business the Czech Republic will continue to advocate the appropriate combination of legislative instruments and soft laws (soft laws are standards that are recommendations rather than binding laws, e.g. the Universal Declaration of Human Rights). Efforts are taken to promote soft law, wherever possible. In the Czech Republic, the protection of human rights is enshrined in laws of various legal weights (international treaties, constitutional laws, laws). However, this basic step taken by the state in its role as the protector of rights is not enough. The Czech Republic’s objective is not to serve as a mere guarantor and controller, but especially to also act as a partner. It is aware of the importance of education, prevention, and identifying with the idea of the goal shared by the various parties involved. The Czech Republic uses the single national CSR portal to publish the key recommendation document UN Guiding Principles on Business and Human Rights, as well as other relevant documents, and will endeavour to present and promote them. As regards small and medium-sized enterprises, which have their own certain specifics, one possible suitable guide to the proper observance of human rights published on the relevant state administration internet domains and on the single national CSR portal is the EC document entitled My Business and Human Rights. The relevant government authorities will work together with businesses and all parties concerned in 2014 in order to compile, on the basis of the UN Guiding Principles, principles of conduct in the field of human rights for a limited number of the relevant branches of industry, as well as principles for small and medium enterprises. The Czech Republic will also use the single national CSR portal to provide information about similar documents already issued by the European Commission for the various branches. All organisations operating within the Czech Republic should assure transparent compliance with their duty to uphold human rights, as stipulated by the UN Guiding Principles and other relevant documents, and the state should effectively monitor such compliance.
At the most general level, an important aspect of human rights is the status of women and men in society. Businesses must therefore work together with government authorities and also with other interested parties to create their own strategies for assuring gender equality, or help to create broader conceptual national strategies. This particularly concerns questions of the balanced representation of women and men in decision-making positions, reducing the differences in pay for men and women, the introduction of instruments to reconcile work, private and family life, to address the issue of sexual harassment in the workplace and the impact of domestic violence on workers, etc.

At the level of the organisation, these general principles are then manifested in specific actions, e.g. improving the status of employees and other activities listed in the table below.

**Strategic priorities**

- Support for the employment of people with disabilities (PD).
- National Action Plan of Active Ageing (MLSA).
- Increasing the employment rate amongst target groups (women, older employees aged 55 – 64, young people aged 15 – 24, people with low qualifications)
- Government priorities and procedures advocating equal opportunities for women and men.

**Bearers:** MIT, cooperating ministries, Government Office of the Czech Republic, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic, cooperation of social partners.

**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presenting the principles governing the observance of human rights in relation to business as defined by the UN High Commissioner for Human Rights and other relevant documents created by the European Commission</td>
<td>Linking the single national CSR portal with these documents and presenting them in the Czech language</td>
<td>MIT Government Office of the Czech Republic, MFA, MLSA, cooperation of social partners</td>
<td>31. 12. 2014</td>
</tr>
<tr>
<td>Creation and promotion of national sectoral principles and guides relating to the observance of human rights in business</td>
<td>Creation of specific national sectoral principles for certain relevant branches and including specific examples of good practice in the Czech Republic</td>
<td>MIT, Government Office of the Czech Republic, MFA, MLSA</td>
<td>31. 12. 2015</td>
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<tr>
<td>Improving the effective extrajudicial approach to infringements of human rights in relation to business</td>
<td>Presentation and better promotion of NCP activities and option of alternative effective extrajudicial resolution of disputes through NCP</td>
<td>MIT</td>
<td>31. 12. 2014</td>
</tr>
<tr>
<td>Broad publicity for the concept of Age Management, use of this concept as an integral part of HR management and corporate social responsibility and as a means of combatting age-based discrimination</td>
<td>Promotion of the National Action Plan Preparing for Positive Ageing 2013-2017, approved by the government in February 2013</td>
<td>MLSA in collaboration with Government Office and cooperation of social partners</td>
<td>2013 - 2017</td>
</tr>
<tr>
<td>Task</td>
<td>Description</td>
<td>Responsible Bodies</td>
<td>Date</td>
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<td>---------------------------------------------------------------------</td>
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<tr>
<td>Educational activities relating to equal opportunities for women and men</td>
<td>Educational campaign about reconciling work, private and family life, aimed at employees and employers</td>
<td>MLSA Government Office and cooperation of social partners</td>
<td>31. 12. 2016</td>
</tr>
<tr>
<td>Improving the situation for persons with disabilities in the labour market</td>
<td>Fulfilment of measures of the National Plan to create equal opportunities for persons with disabilities for the period 2010 – 2014</td>
<td>MLSA Government Office, cooperation of social partners</td>
<td>ongoing</td>
</tr>
<tr>
<td>Increasing the employment rate amongst target groups (women, older employees aged 55-64, young people aged 15-24, persons with low qualifications)</td>
<td>OP Employment measures for the years 2014 – 2020</td>
<td>MLSA Government Office, cooperation of social partners</td>
<td>2020</td>
</tr>
<tr>
<td>Keeping the number of people at risk of poverty, material deprivation or living in</td>
<td>OP Employment measures for the years 2014 – 2020</td>
<td>MLSA Government Office, cooperation of social partners</td>
<td>2020</td>
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</table>
households with very low work intensity at the 2008 level

| Support for social integration | Social Integration Strategy 2014-2020 | MLSA | 2020 |
| Making the labour market more flexible | Motivating employers to offer flexible working hours for employees returning from parental or maternity leave or from long-term care for a family member. | MLSA, MI, MFA, MIT | 1. 6. 2015 |

3.8 Education and research in the field of social responsibility

There is still no comprehensive nationwide strategy for education in the field of social responsibility and related matters in the Czech Republic. In nursery and elementary schools, CSR is partially covered by Global Education; in secondary schools, higher vocational colleges and particularly universities, the topic of social responsibility is partially included in lessons on ethics, the environment, human resources management, marketing, psychology in business and corporate culture. Social responsibility is currently only taught as a subject in its own right at a few universities specialising in Economics. In 2013 University of Economics in Prague opened the first CRS Academy to offer supplementary courses for students from universities around the Czech Republic.

The concept of CSR is a comprehensive one, and therefore there is clearly the option of providing gradual education about social responsibility according to the age of the children, pupils and students. From presenting basic information about responsible consumption and the impact consumer choices have on global development, to involving pupils and particularly
students in the creation of comprehensive research projects through their seminar, graduate, bachelor's, master's and doctoral theses.

The intention is to make social responsibility an integral part of the education system. The aim of education should be to present CSR to pupils and students and thus influence their behaviour as consumers, or their decisions if they become entrepreneurs. Developing lifelong education is also crucial. In order to achieve these objectives it is essential to make it clear that social responsibility is an important factor for the development of Czech society. We also recommend involving businesses in the creation of educational plans concerning CSR.

**Strategic priorities**
- Raising awareness and enhancing knowledge of social responsibility, especially amongst the younger generation, thus preparing them to put those principles into practice in the future and affecting their attitude towards life.
- Creation, on the basis of dialogue amongst all interested parties, a substantive concept for teaching the topic of social responsibility at all levels of education.
- Use of existing research results in publication and educational activities and research plans.
- Involving the state sphere, the academic sphere, non-profit organisations and the private sector in research into the topic of social responsibility and education.

**Research** plays an important supporting role in the development of social responsibility in the Czech Republic and in the development of education on the topic of social responsibility as part of the Czech education system.

There are currently a number of public opinion polls partly devoted to the topic of social responsibility. Existing CSR public opinion polls (aimed at ascertaining the opinion of the public, the professional public, or students) should be taken merely as the basis for starting points for the further design of research topics.

Research into social responsibility at universities should be continual; research projects lasting for several years and doctoral, master's and bachelor's theses should form part of this longer-term research. Research questions should focus on in-depth and continual analysis of the state of social responsibility in the Czech Republic, the outcome of which would be proposals for specific solutions to specific problems, such as introducing the concept in small and medium-sized enterprises, advocating the concept of social responsibility amongst consumers, and linking CSR activities with the organisation’s day-to-day work and its strategic management. This research should be carried out in close collaboration between universities and the private sector. The benefit of this link between the private and public sector is that it enhances responsibility in the organisation’s work, increases know-how, making it easier for students to find jobs, and develops relations between the academic sphere and the private sector on a long-term basis.

The aim of CSR surveys is to enhance and strengthen awareness of CSR, which would improve the Czech business environment through the application of research recommendations and would also raise awareness of CSR amongst the general public through the application of recommendations for the education system in the Czech Republic. At present, CSR is explored at a total of nine universities; communication about research projects is crucial for assuring the
synergy of the outcomes of this research and making good use of the research potential of all workplaces.

**Strategic priorities**

- Use of existing research results in publication and educational activities and research plans.
- Involving the state sphere, the academic sphere, non-profit organisations and the private sector in research into the topic of social responsibility and education.
- Rewarding the work of secondary school pupils and university students (for many years now the Czech Society for Quality has awarded the František Egermayer Award).

**Bearers:** MIT, cooperating ministries, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic, BfS and BLF, cooperation of social partners.

**Activities under NAP**

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<tr>
<th>Objective</th>
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<th>Responsibility</th>
<th>Deadline</th>
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</thead>
<tbody>
<tr>
<td>Positive approach by the younger generation</td>
<td>Nationwide competition for the best student work</td>
<td>Quality Council</td>
<td>ongoing</td>
</tr>
<tr>
<td>Awareness and enhancement of CSR qualifications</td>
<td>Integrating the topic of CSR into education at primary, secondary and higher vocational schools</td>
<td>MEYS in collaboration with schools and with CSR platforms of firms - BLF and BfS</td>
<td>ongoing</td>
</tr>
<tr>
<td>Educational activities for organisation management in the field of social responsibility with emphasis on age management</td>
<td>Promotion of the National Action Plan Preparing for Positive Ageing 2013-2017 approved by the government in February 2013</td>
<td>MLSA Government Office cooperation of social partners</td>
<td>ongoing</td>
</tr>
</tbody>
</table>

**3.9 Recognising and rewarding organisations for social responsibility**
Organisations within the Czech Republic that are closely involved with CSR are presenting with public awards for their actions. In 2007 the Quality Council of the Czech Republic implemented a pilot project for assessing corporate social responsibility, which is compatible with the internationally recognized standards (Global Compact, OECD Guidelines for Multi-national Businesses, ILO Principles, ISO 26000, SA 8000, GRI, etc.). Every year since 2009 the Czech Republic has awarded the National CSR Award for the business and public sector. This award is in recognition of the firm’s CSR management system in all three areas of CSR (economy, the environment, social aspects) and is the highest award a business or public sector organisation can win in the Czech Republic for CSR.

The Czech Republic's National CSR Award is presented every year by the Quality Council under the auspices of MIT, which also coordinates CSR in relation to the EU. The criteria and content of the assessment are transparent and are available to organisations and the general public on the National Quality Policy portal. The assessment is conducted by professional evaluators – i.e. holders of the national CSR Manager certificate (awarded following training according to the on the basis of the harmonised scheme of the European Quality Organisation) and the European CSR Manager certificate. The winners of this National Award go through to the European Award hosted by the European Commission.

In order to promote responsible conduct amongst Czech organisations, for several years now the Quality Council of the Czech Republic in the Moravian-Silesian region prepared and tested and has worked with the regional authorities successfully organise the Governor's CSR Award. In 2014 the Governor's CSR Award will also be organised in the Plzeň region and in the near future will probably be extended to include the regions of Ústí and Zlín. The Quality Council of the Czech Republic supports the assessment and certification of CSR management systems by an independent accredited third party (i.e. an accredited certification body that assesses social responsibility).

In the Czech Republic there are also other ways of appropriately rewarding socially responsible organisations in the Czech Republic, or their conduct. There are other awards for this, which are presented to organisations by other non-profit entities involved with CSR (e.g. the FUTURUM Award for environmental care projects, presented by the Business Leaders Forum, “TOP Responsible Firm”, awarded by the Business for Society platform, the VIA BONA Award for philanthropy). The aim of the National CRS Strategy is for the winners of these lesser awards to go through to the Czech Republic’s National CSR Award and then on to the European Award.

Besides public awards, the state may also support socially responsible firms and their products by guaranteeing quality marks (see the Czech Quality Programme), as well as by permitting the use of the CSR logo (for holders of the Czech Republic’s National CSR Award) or other markings to demonstrate the responsibility shown by the organisation on its production, promotional and other materials, and, last but not least, for taking CSR into account when awarding public contracts, etc.

**Strategic priorities**

- Support the presentation of awards to organisations for implementing the concept and activities in the field of social responsibility.
• Coordination of the Czech Republic National CSR Award and the Governor’s CSR Award with other awards regularly presented in recognition of social responsibility.
• Assure that secondary awards are linked to the Governor’s CSR Award and the Czech Republic National CSR Award.
• Map out the presentation of awards in the field of social responsibility.

**Bearers:** MIT, Quality Council of the Czech Republic, national and regional groups amalgamated under the Specialised CSR Section of the Quality Council of the Czech Republic, Czech Society for Quality, Business for Society and Business Leaders Forum platform.

**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase interest in CSR at the national level</td>
<td>Czech Republic National CSR Award</td>
<td>Quality Council of the Czech Republic</td>
<td>every year</td>
</tr>
<tr>
<td>Increase interest in CSR in regions</td>
<td>Governor’s CSR Award</td>
<td>Quality Council of the Czech Republic</td>
<td>every year</td>
</tr>
<tr>
<td>Support for active ageing in the Czech Republic</td>
<td>AGE Management Award</td>
<td>CSQ</td>
<td>every year</td>
</tr>
<tr>
<td>Increase interest in CSR</td>
<td>Top Responsible Firm</td>
<td>BfS</td>
<td>every year</td>
</tr>
<tr>
<td>Increase interest in CSR</td>
<td>FUTURUM Award</td>
<td>BLF</td>
<td>every year</td>
</tr>
</tbody>
</table>

**3.10 Protection of consumer interests**

Customers are the alpha and omega of business, the key to boosting the competitiveness of the economy. Consumer trust and satisfaction are generally related to the following areas: health and safety of consumers, reasonable prices, adequate quality and guarantees, access to information, education, the existence of effective mechanisms for the enforcement of consumer rights.

In the Czech Republic the attention of the relevant of public authorities is focused on these areas, which are regulated by legislation in greater or lesser detail. Nevertheless, not all situations can be regulated by law, and it is essential that public administration advocates the spread of CSR in the field of consumer protection.

It may be said that the principles of CSR have been applied, or at least advocated, in the field of consumer protection for several years now. This is proven especially by the strategic
document entitled “Priorities of the Consumer Policy 2011 — 2014”, approved by the government in Resolution No. 31 of 12 January 2011. Amongst other things, as part of the SWOT analysis, it mentions the sophistication of the business environment as manifested in the relationship between entrepreneurs and consumers as a weak point. As an opportunity it states support for the creation of self-regulatory instruments to protect consumers to be applied by businesses. The priorities of the consumer policy for this period therefore include an emphasis on support for self-regulation and dialogue between entrepreneurs and consumers.

Another important element in this respect is the Consumer Advisory Committee (“CAC”) set up by MIT. According the CAC statutes as approved on 21 September 2011, the CAC is a platform for dialogue between government authorities of the Czech Republic and independent consumer organisations and also for dialogue with the business public when resolving issues relating to consumer policies. CAC meetings are regularly attended by representatives of the Confederation of Commerce and Tourism of the Czech Republic and the Chamber of Commerce of the Czech Republic; the chair of the CAC may also invite other guests, experts and specialists.

One other major benefit is the MIT grant policy in the field of consumer protection. In connection with the aforementioned strategy and also with regard to the needs of the Czech market, one of the programmes announced as part of the grant award procedure for 2013 was a programme aimed at cooperating with businesses, including business associations and federations whose common aim is to cultivate the market environment. Three of the nine selected projects are moving in this direction. Educating consumers and entrepreneurs about consumer rights and raising awareness of these rights also helps to cultivate the market environment. Other subsidy programmes are devoted to this topic.

In addition to the above, it should be noted that there is applicable legislation which stipulates specific obligations for entrepreneurs relation to consumer protection. These obligations apply to all the aforementioned areas of consumer protection. In relation to corporate social responsibility, it is essential to highlight the legislation governing unfair (misleading and aggressive) business practices. Act No. 634/1992 Coll., Consumer Protection Act, as amended, for example, bans deceptive business practices on the part of traders who pledge to adhere to certain rules of behaviour (codes of conduct), and then fail to do so, or the ban on the unauthorised use of quality labels or other similar markings.

We should state that the Czech Republic has adopted a series of CSR-related measures aimed at protecting consumers (these are not just recent activities, but have been implemented for several years); even so, there are still opportunities for improvement. These can be seen in two basic areas:

- Improving existing activities that are already implemented and under way;
- Rapidly responding to current problems in the market, especially in relation to the development of business practices, particularly in direct or internet sales (the MIT’s reaction to aggressive practices against senior citizens at presentation events may be an example of “good practice” and a source of guidance in this respect).

As regards the first area, public administrative authorities, particularly supervisory bodies, should focus more on cases where entrepreneurs declare that they have agreed to
follow certain rules of conduct or that these rules of conduct have been approved by an entity, even though that is not the case, or cases where entrepreneurs make unauthorised use of a quality mark or other similar markings. This will help to prevent consumers from being given incorrect information and also the use of unfair trade practices as defined by the Consumer Protection Act. Another opportunity is to better educate consumers and entrepreneurs in consumer-related matters. Intensifying dialogue between consumer representatives and entrepreneurial representatives may also be seen as an opportunity for the future.

Opportunities from the second area include more frequent and faster assessment of the market and unfair practices occurring in the market. Given that many of these practices have an adverse impact not only on consumers, but also on honest traders, it is useful to link up feedback.


**Strategic priorities**

- Strengthening the monitoring and effective sanctioning of misleading or aggressive practices used against more vulnerable consumers.
- Support dialogue between representatives of entrepreneurs and consumers, including on CAC territory.
- As part of the MIT subsidy policy in the field of consumer protection the subsidised activities of non-governmental non-profit organisations supporting the aforementioned dialogue and cooperation between entrepreneurs and consumers, will continue to be reported, as well as activities aimed at raising awareness amongst entrepreneurs and consumers about consumer rights.
- Creation of a consumer policy from 2015.
- Creation and implementation of a system for the out-of-court settlement of consumer disputes in the Czech Republic.

**Bearers:** MIT, cooperating ministries and consumer organisations in the Czech Republic.

**Activities under NAP**

<table>
<thead>
<tr>
<th>Objective</th>
<th>Activity</th>
<th>Responsibility</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase consumer safety</td>
<td>Through round-table meetings</td>
<td>MIT, MLSA, MI Consumer</td>
<td>2013 – 2017</td>
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</tbody>
</table>
and protection, particularly that of more vulnerable consumers, focusing on problematic sectors (e.g. loans, internet sales, mobile payments, unfair practices, etc.)

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<thead>
<tr>
<th>and protection, particularly that of more vulnerable consumers, focusing on problematic sectors (e.g. loans, internet sales, mobile payments, unfair practices, etc.)</th>
<th>seminars and lectures and the use of public media to increase consumer awareness</th>
<th>organisations in the Czech Republic</th>
</tr>
</thead>
</table>

| Increase awareness of consumer rights and obligations, enhance financial literacy amongst consumers | Teach pupils about consumer rights and obligations as part of lessons at elementary and secondary schools | MEYS, MIT, MF and consumer organisations | ongoing |

**Conclusion**

The strategic document entitled National Action Plan for Corporate Social Responsibility in the Czech Republic was prepared by the specialised Corporate Social Responsibility Section (which is part of the Quality Council of the Czech Republic, the members of which are ministerial representatives, as well as representatives of non-profit organisations) in
collaboration with other entities involved (i.e. ministries which are not members of the specialised Corporate Social Responsibility Section of the Quality Council of the Czech Republic, Government Office of the Czech Republic, and the Business for Society and Business Leaders Forum platform).

On 8 October 2013 the Ministry of Industry and Trade held a round-table meeting on the draft of the National Action Plan for Corporate Social Responsibility in the Czech Republic, the aim of which was to enable top managers to meet up and discuss the content of the National Action Plan for Corporate Social Responsibility in the Czech Republic.

The strategic document entitled National Action Plan for Corporate Social Responsibility in the Czech Republic is a non-legislative, voluntary, open and live document.

We are planning to continually update the National Action Plan for Corporate Social Responsibility in the Czech Republic on the basis of the results of the meeting of the platform of all interested parties.

We will endeavour to assure that the strategic document entitled “National Action Plan for Corporate Social Responsibility in the Czech Republic” becomes a familiar concept in Czech society and motivates firms to do business in a responsible manner.

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**List of abbreviations**

A-CSR Association of Social Responsibility
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>ASMET</td>
<td>Association of Small and Medium Enterprises and Traders of the Czech Republic</td>
</tr>
<tr>
<td>BLF</td>
<td>Business Leaders Forum</td>
</tr>
<tr>
<td>HSW</td>
<td>Health and safety at work</td>
</tr>
<tr>
<td>BfS</td>
<td>Business for Society</td>
</tr>
<tr>
<td>CSR</td>
<td>Corporate social responsibility – social responsibility of organisations</td>
</tr>
<tr>
<td>CR</td>
<td>Czech Republic</td>
</tr>
<tr>
<td>CSQ</td>
<td>Czech Society for Quality</td>
</tr>
<tr>
<td>DG EMPL</td>
<td>Directorate General for Employment</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>ECJ</td>
<td>European Court of Justice</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>GPP</td>
<td>Green public procurement</td>
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<tr>
<td>HLG</td>
<td>High Level Group on Corporate Social Responsibility</td>
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<td>ILO</td>
<td>International labour organisations</td>
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<tr>
<td>MIT</td>
<td>Ministry of Industry and Trade</td>
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<td>MF</td>
<td>Ministry of Finance</td>
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<td>MLSA</td>
<td>Ministry of Labour and Social Affairs</td>
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<tr>
<td>MEYS</td>
<td>Ministry of Education, Youth and Sports</td>
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<tr>
<td>MRD</td>
<td>Ministry for Regional Development</td>
</tr>
<tr>
<td>MI</td>
<td>Ministry of the Interior</td>
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<tr>
<td>ME</td>
<td>Ministry of the Environment</td>
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<tr>
<td>MT</td>
<td>Ministry of Transport</td>
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<tr>
<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
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<tr>
<td>NAP</td>
<td>National Action Plan</td>
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<tr>
<td>NCP</td>
<td>National Contact Point</td>
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<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>UN</td>
<td>United Nations</td>
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<tr>
<td>OP</td>
<td>Operating Programme</td>
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<tr>
<td>OPHRE</td>
<td>Operating Programme Human Resources and Employment</td>
</tr>
<tr>
<td>PD</td>
<td>Persons with disabilities</td>
</tr>
<tr>
<td>SMEs</td>
<td>Small and medium enterprises</td>
</tr>
<tr>
<td>CAC</td>
<td>Consumer Advisory Committee</td>
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<tr>
<td>OSMT</td>
<td>Office for Standards, Metrology and Testing</td>
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<tr>
<td>GO</td>
<td>Government Office</td>
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<tr>
<td>U</td>
<td>University</td>
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