



MINISTRY OF
INDUSTRY AND TRADE

**NATIONAL ACTION PLAN
FOR CORPORATE SOCIAL RESPONSIBILITY
IN THE CZECH REPUBLIC**

2016–2018



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Ladies and gentlemen, colleagues, partners,



we would like to present the strategic document 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 improve reputation and boost 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”.

Social responsibility is not yet regulated through laws or directives; it is advocated by organisations and is upheld on a voluntary basis. The strategic document National Action Plan for Corporate Social Responsibility in the Czech Republic is in line with the current corporate 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.

Jan Mládek,
Minister of Industry and Trade

Corporate social responsibility (“CSR”) represents an organisation’s commitment to ensure that its decisions and day-to-day activities take account of the needs of its clients, suppliers, customers, employees and citizens living in the place where it operates, as well as those of the environment and all other entities, to which its activities relate, either directly or indirectly.

It is based on values focused on the economic, social and environmental impacts of an organisation’s main activities. In economic terms, these primarily include ethics, transparency, positive relationships with suppliers and other partners and the quality of products and services. It also monitors the impact on the economy at the local level, for example through employment trends and the fight against corruption. In social terms it is about the organisation acting responsibly towards its employees, protecting and supporting health and illness prevention, equality, ethics, positive relationships with customers, support for the local community, human rights, addiction-related issues, philanthropy, etc. In the environmental sense it is about supporting environmental protection, assessment of the health impact of its activities, prevention of pollution, use of renewable resources and minimizing the organisation’s own environmental footprint. CSR is intended to contribute towards the sustainable development of society through the implementation of activities that have a positive impact on society, or which prevent or mitigate the adverse impacts of their activities. CSR is based on the organisation’s own activities, i.e. those things it does best, thus boosting competitiveness. This is why one of the crucial aspects of CSR is the creation of social innovations, which not only enable the organisation to make good use of its experience, but help to resolve social problems. Corporate social responsibility is of a voluntary nature and encompasses the activities the organisation carries out beyond the scope of its legal duties towards its employees, society and the environment.

(Corporate) 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) and, last but not least, service develop-

ment and product innovation. By showing an interest in the impact their activities have on society, organisations gradually build up lasting trust amongst their employees, business partners and the general public, which is the basis for sustainable development. CSR consolidates, strengthens and cultivates values such as honesty, equality, cooperation, empathy, trust and responsibility itself, since these values combine the cornerstones for creating space for society and business.

The state may support the spread of corporate social responsibility by creating the appropriate conditions for its expansion, helping to promote it, and supporting socially responsible activities.

On 2nd April 2014 the government of the Czech Republic passed Resolution No 199 to approve the “National Action Plan for Corporate Social Responsibility in the Czech Republic” (“NAP”). The NAP was created as a follow-up to the renewed EU strategy 2011-14 for Corporate Social Responsibility. The approval of the Plan was an essential step in strengthening and developing CSR in the Czech Republic and its effects on society, economic growth, sustainable development and the competitiveness of the Czech Republic. The aim of the NAP is to set up the bases for the dissemination and promotion of CSR ideas in the Czech Republic on the principle of active dialogue and respect for the interests of all stakeholders.

In the context of the NAP, organisations mean not only business entities, but also non-governmental organizations, social business entities and state and local government authorities and institutions. All such entities - organisations - are responsible for the impact their activities have on society.

The NAP also includes concepts set out by the European Commission (“EC”) and its recommendations to Member States as contained in the renewed EU strategy 2011-14 for Corporate Social Responsibility.

The body appointed to coordinate CSR and to draw up the NAP strategic document in the Czech Republic is the Ministry of Industry and Trade of the Czech Republic (“MIT”). Interdepartmental cooperation, the opinions of entrepreneurs, earlier results and the opinions of the academic sphere were used in preparing and subsequently updating the NAP.

The Government of the Czech Republic passed Resolution No. 458 on 10th May 2000 to adopt the National Quality Support Policy Programme (referred to as the National Quality Policy Programme since 2008). 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 of the Czech Republic (“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.

In order to promote and coordinate CSR 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, non-governmental organisations and the academic sphere. As part of the process of creating the strategic document “National Action Plan for Corporate Social Responsibility in the Czech Republic”, the specialised section prepared the basic theses (intentions, existing priorities and possible activities).

On 11th February 2015 the Quality Council of the Czech Republic passed a resolution to reorganise this section. As sustainable development is such a topical issue, its powers have been expanded and its member base revitalized.

The role of the Quality Council of the Czech Republic is to support activities in the field of quality and CSR. As the CSR RESEARCH 2014 survey carried out by IPSOS¹ showed, as

¹ This survey was carried out in November 2014 on a representative sample of the adult population (by region, size of place of residence, gender, age and education). The basic set comprised 1014 respondents. The survey was also carried out with groups of experts – representatives of the media, the relevant non-governmental organisations, representatives of associations, unions, institutions and CSR managers from large companies. The way in which CSR is perceived and its impact on a firm’s reputation was gauged on the basis of know-how and the Ipsos methodology.

regards CSR, people expect market leaders to focus particularly on activities in the field of environmental protection. Other highly important aspects include long-term truthful communication with customers and employee safety.

The topic of CSR remains important when making a purchase for 71 % of the public; in employment, the figure is 85 % of economically active people. Two thirds of the population of the Czech Republic expressed their willingness to pay extra for an environmentally-friendly product.

A company's long-term financial success increasingly goes hand in hand with CSR reporting and commitments. A responsible approach to business brings demonstrable benefits. The number of organisations that publish details of their responsible activities is constantly increasing. It is expected that business will continue to get involved in areas that were previously the domain of the public sector, from health and education to environmental protection. Business entities are no longer merely part of the market, they are what creates it. And it is this that has created a lot of space for social innovation.

The number of options and opportunities for advocating CSR and sustainability is increasing. Initiatives, standards and consultancy are on the rise at the national and global level. The international initiative UN Global Compact brings together over 13 000 organisations from more than 165 countries around the world (including the Czech Republic since 2015), and this figure continues to increase.

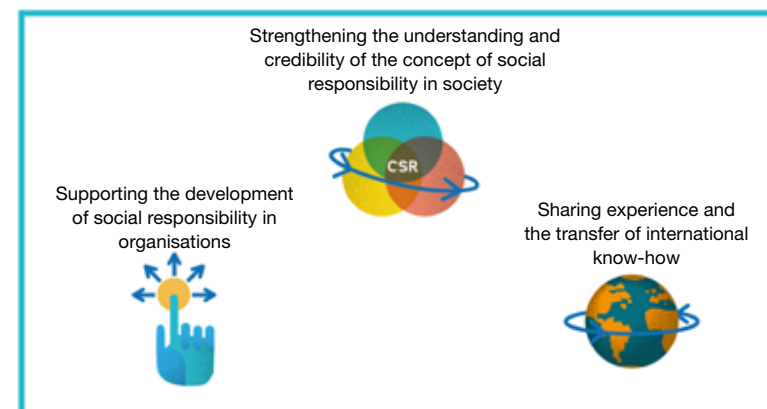
Organisations in the Czech Republic initially implemented their CSR in the form of one-off projects from particular areas. They then gradually began to integrate CSR into their management systems, making it an integral part of their overall strategy. The most common activities include employee care, measures to protect the environment and help communities, relationships 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.

Responsible conduct on the part of firms that support good causes beyond the scope of their business activities is becoming ever more important for their owners and directors. It is becoming an increasingly frequent topic of discussion amongst top management in

large firms. CEOs are proving to be more and more directly responsible for their firms' social responsibility agendas.

Besides the Quality Council, CSR in the Czech Republic is also promoted by other non-governmental organisations, e.g. Association of Social Responsibility ("A-CSR"), Business Leaders Forum ("BLF"), Business for Society ("BfS"), Czech Business Council for Sustainable Development ("CBCSD") and The Global Compact Network Czech Republic ("GC-NCR").

Main objectives of the strategic document National Action Plan for Corporate Social Responsibility in the Czech Republic:



Source: Quality Council of the Czech Republic

In this sense, the National Action Plan for Corporate Social Responsibility in the Czech Republic defines the following **key areas**:

1. Promoting and supporting the development of the concept of corporate social responsibility
2. Dialogue and cooperation amongst CSR stakeholders
3. The role of public authorities, umbrella organisations of trade unions, employers and entrepreneurs and other stakeholders
4. The dissemination, implementation and adherence to international standards of behaviour
5. International cooperation
6. Observance of human rights
7. Social entrepreneurship
8. Education and research in the field of corporate social responsibility
9. Rewarding organisations for corporate social responsibility
10. Protecting consumers' interests



Source: Quality Council of the Czech Republic

The value that all these key areas have in common is health – health protection and support and illness prevention². Good health is one of the prerequisites for the sustainable development of society. Health is improved or impaired by the circumstances that affect people in their day-to-day lives, including those at working environment. The participation of all sectors of society, citizens, families, the state and local governments, the business sector, NGOs and the media is therefore essential. The successful introduction of CSR into an organisation's activities therefore takes health aspects into account, from the viewpoint of employees' health and well-being as well as the impact the organisation's activities have on the health of the population and the quality of the working and living environment. The National Action Plan for Corporate Social Responsibility in the Czech Republic is an open document (the current version of the NAP is valid for the years **2016-2018**).

² In accordance with Health 2020 – National Strategy for Health Protection and Promotion and Disease Prevention, adopted by the government on the basis of Resolution No 12 of 8 January 2014, and related action plans supported by the government through Resolution No 671 of 20 August 2015.

3.1 PROMOTION AND SUPPORT FOR THE CONCEPT OF SOCIAL RESPONSIBILITY

Organisations in the Czech Republic have already started to see the concept of CSR 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-sized 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.

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 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 CSR and also to remove elements of bureaucracy while maintaining transparency and respect for the concept of social responsibility, not only in the entrepreneurial subjects but also in state administration and local government authorities.

So far, public and media attention on CSR has focused on large-scale projects and rewards for the nationwide activities of large companies. The same attention and support needs to be given to the thousands of small and medium-sized enterprises that do not particularly broadcast their CSR activities but which, together, do just as much to spread the concept of CSR in the Czech Republic.

Few people realise the true economic benefit that small and medium-sized enterprises represent, even though these firms generate over 38 % of the Czech GDP and provide jobs to 61 % of employees. Thus, in a similar manner – i.e. counting up hundreds of thousands of small activities – we can gain a real picture and better appreciate the important role that SMEs play in CSR.

CSR is therefore not just a concept for major companies, but also for SMEs from the region, as well as their employees and the local community. It is their stories that can inspire and motivate others; they show that CSR makes sense.

Great promotional potential which must be exploited, particularly in relation to the public and small and medium-sized enterprises, is offered by the aforementioned regional groups, as these are closer to the end recipients of the information. The development of these partner regional networks should therefore be supported and also their representatives should be involved in sharing experience at the national level. The regional dimension can play an essential role in promoting CSR, as well as in exchanging experience.

STRATEGIC PRIORITIES IN THIS AREA ARE:

- boosting the credibility of the CSR concept by actively supporting the development of CSR (e.g. in the form of education and presenting examples of good practice), or by spreading information and promoting the concept of CSR and creating an environment enabling organisations to develop their concept of responsible and sustainable business,
- promoting the exchange of CSR-related good practices and information.

WITH THE AIM OF SUPPORTING:

- both public interest in nationwide issues and willingness to engage in CSR activities,
- and the connection between an organisation's economic and social activities, thus improving relations between the public and business and non-business entities.

Polls, surveys and interviews will be used to determine the relevance of the proposed measures.

The above priorities should result in more economical use of public funds due to current and future needs and sustainable development and should thus help shape a positive image for businesses and public administration.

Bearers: Ministry of Industry and Trade – MIT; Ministry of Labour and Social Affairs – MLSA; Ministry of the Interior – MI; Ministry for Regional Development – MRD; Ministry of Finance – MF; Ministry of Health – MH; Ministry of Education, Youth and Sports – MEYS; Ministry of the Environment – ME; Ministry of Transport – MT; Ministry of Foreign Affairs – MFA; Ministry of Agriculture - MA (“cooperating ministries”); Government Office of the Czech Republic; Quality Council of the Czech Republic; associations, platforms and non-governmental organisations developing the concept of CSR (A-CSR, BLF, BFS, CBCSD, GCNCR, etc.); Government Council for Sustainable Development, Government Council for Non-governmental organisations, other Government Councils, where applicable; Czech Office for Standards, Metrology and Testing (“OSMT”), umbrella employer and business associations, cooperation amongst social partners, etc.

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Supporting the spread of CSR in the Czech Republic	Creation of the strategic document National Action Plan for Corporate Social Responsibility in the Czech Republic	MIT Quality Council of the Czech Republic	31st December 2013
Comments:	<i>Accomplished – NAP, version 1.0 dated 26th February 2014, NAP approved by the government of the Czech Republic on 2nd April 2014 through Resolution No 199.</i>		

Support for CSR in SMEs	Creation and publication of a manual for SMEs including specific examples of good practice in the Czech Republic	Quality Council of the Czech Republic, A-CSR AMSP CR	31st December 2014
	Announcement of the "Doing Business Responsibly" Social Responsibility Award	Quality Council of the Czech Republic A-CSR AMSP CR P3	31st December 2014
Comments:	<p><i>Accomplished – the publication entitled Tips and Tricks – A Guide to social Responsibility for Small and Medium-sized Enterprises was published as number 58 in the edition series by the National Quality Support Centre (NQSC) and A-CSR with the support of AMSP CR. It is available in printed form from the NQSC and can be downloaded in electronic form from www.npj.cz/tipypromsp.</i></p> <p><i>Another of the results of the NAP is collaboration between four independent entities in the organisation and implementation of the first year of the Social Responsibility Award – "Doing Business Responsibly".</i></p>		

Certain NAP activities are fulfilled on a continuous basis, and are therefore transferred to the updated version of the NAP (see the table below). Outcomes have been formulated for each activity for the sake of clarity.



ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Boosting the credibility of the CSR concept through active support for the development of CSR (e.g. in the form of education and presenting examples of good practice), or by spreading information and promoting the concept of CSR and creating an environment enabling organisations to develop their concept of responsible and sustainable business	Creation and administration of the National CSR Information Portal, including linkage with national and international documents	MIT, Quality Council of the Czech Republic	1Q/2016	Existence of Portal (yes/no) Reports and news Documents, to which the Portal refers Portal traffic
	Creation of supportive information materials on the topic of CSR for organisations (firms, SMEs, non-profit organisations, public administration) and the public	MIT, cooperating ministries, Quality Council of the Czech Republic, the relevant Government Councils, Platform of CSR Stakeholders, other relevant organisations, cooperation of social partners	ongoing	Support materials have been created (for individual target groups)
	Implementation of awareness campaigns on the topic of CSR	MIT, cooperating ministries, Quality Council of the Czech Republic, the relevant Government Councils, Platform of CSR Stakeholders, other relevant organisations, cooperation of social partners	ongoing	Awareness campaigns Feedback from target groups – opinion polls (public, organisations)
	Promotion of national CSR-related documents and policies	MIT, Quality Council of the Czech Republic, cooperating ministries	ongoing	Reports published on national documents and their presentation to the public

	Providing information about national standards for CSR certification systems and other CSR evaluation methods	Quality Council of the Czech Republic, OSMT	ongoing	Reports published on national standards for certification and other evaluation methods (per year) Organisations registered for certification (per year)
Support for the exchange of CSR-related good practice and information	Organising specialised events (nationwide conferences on CSR, round tables, seminars, workshops, etc.)	MIT, cooperating ministries, Quality Council of the Czech Republic, the relevant Government Councils, Platform of CSR Stakeholders, other relevant organisations, cooperation of social partners	ongoing	Specialised events divided up as follows: conferences, round tables, seminars (per year) Visitor numbers at specialised events



The key bearers and driving force behind CSR are businesses. 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.

Stakeholders 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 stakeholders need to be identified. The basic group comprises so-called key stakeholders, 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 stakeholders includes citizens, non-profit organisations, the community around the organisation. 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 prove inadequate. For effective dialogue it is necessary to identify both the most relevant parties as well as possible ways of providing assistance and support. The 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 amongst all stakeholders. Until 2012 there was not even any clear, uniform coordination of CSR by the state. Since 2013 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 (Corporate Social Responsibility and Sustainable Development Section since 2015). 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. CSR

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 while respecting the voluntary nature of CSR.

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.

Dialogue and cooperation amongst all stakeholders are essential for keeping procedures consistent and assuring feedback, which is the guideline for updating the CSR development strategy. One of the NAP sub-activities involved in active cooperation amongst all stakeholders is the creation of a national CSR network, the so-called Platform of Corporate Social Responsibility (CSR) Stakeholders.

The Platform of CSR Stakeholders ("Platform") reflects the voluntary willingness of public and private sector organisations to engage in discussion and dialogue concerning social responsibility as one of the elements of mutual cooperation. The Platform enables its members to get involved in the formulation of the Platform's objectives and priorities, express their opinions, exchange experience and examples of good practice, gather and monitor instruments and initiatives in the field of CSR and sustainable development, and to evaluate them. The outcomes of the Platform will help to implement the tasks assigned for the NAP.

The Platform is publicly accessible to businesses, as bearers of CSR, their umbrella organisations that represent their interests and other concerned public and private sector organisations. The organisation, activities and outcomes of the Platform are ensured by the Quality Council of the Czech Republic through its specialised Corporate Social Responsibility and Sustainable Development Section.

The primary channels of communication used by the Platform are particularly seminars,

discussions, presentations and lectures. Other communication instruments include the National CSR Information Portal on the website of the Quality Council of the Czech Republic and MIT (www.narodniPortal-csr.cz).

THE STRATEGIC PRIORITY FOR THIS AREA IS:

- Cooperation with business, employer and trade union umbrella associations, businesses and non-profit organisations to help create conditions for their socially responsible conduct.

WITH THE AIM OF SUPPORTING:

- the development of broad organised discussion between the state and individual stakeholders from various sectoral levels, and making use of the content of that discussion,
- cooperation with partner employers and business associations and business entities, as the bearers of CSR in practice,
- the achievement of common objectives in an economical and environmentally and socially effective manner (win-win approach).

This will mostly involve cooperation with stakeholders, including discussions with business entities, as the bearers of social responsibility, and the involvement of businesses in formulating the priorities and objectives of the National Action Plan for Corporate Social Responsibility in the Czech Republic through umbrella organisations and members of the Platform of Corporate Social Responsibility (CSR) Stakeholders.

The above priorities should ultimately lead to improved cooperation amongst all stakeholders and thus greater use of the potential benefits offered by CSR and sustainable development.

Bearers: MIT; Quality Council of the Czech Republic; cooperating ministries; Government Office of the Czech Republic; trade unions, employer and entrepreneur umbrella

associations (Czech Chamber of Commerce, Confederation of Industry and Transport, Confederation of Commerce and Tourism, Association of Small and Medium-sized Enterprises and Traders of the Czech Republic, Federation of the Food and Drink Industries of the Czech Republic and Czech Agrarian Chamber, etc.); platforms and non-governmental organisations developing the concept of CSR (A-CSR, BLF, BfS, CBCSD, GCNCR, etc.)

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Dialogue and cooperation amongst CSR stakeholders	Mapping out existing initiatives focusing on CSR	MIT Quality Council of the Czech Republic	30th September 2014
	Creation of a national CSR network – Platform of Corporate Social Responsibility (CSR) Stakeholders	Quality Council of the Czech Republic	31st December 2014
	Organisation of round tables	MIT cooperating ministries, Government Office of the Czech Republic, public administration organisations, Quality Council of the Czech Republic, A-CSR, BLF, BfS, etc.	ongoing
Comments:	<p><i>Accomplished – based on wide-ranging discussion on the creation of the Platform of CSR Stakeholders the Quality Council of the Czech Republic drew up the first version of the Platform Statute. The Presidium of the Quality Council of the Czech Republic passed on a resolution on 11th February 2015 to approve the Statute. It was updated on 29th May 2015 following discussion with MIT and then with stakeholders.</i></p> <p><i>In July 2015 the State Secretary in MIT and the Chairman of the Quality Council of the Czech Republic personally called upon organisations actively involved in CSR and sustainable development to consider the suitability of joining the Platform and to send the registration form to confirm their interest in attending.</i></p> <p><i>Round tables are regularly held with stakeholders.</i></p>		

Some NAP activities are fulfilled on an ongoing basis, and are therefore transferred to the updated version of the NAP (see table below). Outcomes have been formulated for each activity for the sake of clarity.

ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Cooperation with business employer and trade union umbrella associations, businesses and non-profit organisations to help create conditions for their socially responsible conduct	Organising specialised events (nation-wide conferences on CSR, round tables, seminars, workshops, etc.)	MIT, cooperating ministries, Quality Council of the Czech Republic, the relevant Government Councils, Platform of CSR Stakeholders, CSR platforms, cooperation of social partners, etc.	ongoing	Specialised events divided up as follows: conferences, round tables, seminars (per year) Visitor numbers at specialised events Outcomes from events
	National CSR conferences	MIT, Quality Council of the Czech Republic, Platform of CSR Stakeholders	every year	Visitor numbers at events Outcomes from events
	Coherent approach to NAP and coordination of inter-departmental cooperation	MIT	ongoing	updated NAP

The development of CSR is initiated by organisations, which voluntarily set high ethical standards, strive to minimise the negative impact they have on the environment, take care of their employees, maintain good relationships with suppliers and customers and contribute towards promoting the region in which they operate. This gives organisations the opportunity to improve their image, stand out from their competitors and become an attractive employer for their staff and a promising partner or investor for other organisations. This is not solely the domain of private sector organisations; CSR applies to public sector organisations in just the same way.

PUBLIC AUTHORITIES PLAY A MULTIDIMENSIONAL ROLE IN CSR:

- public authorities play a passive role as users of CSR activities implemented by the private sector,
- they themselves actively practice CSR, setting an example for others, and
- they create or contribute to the creation of a favourable environment and conditions to promote the development of CSR.

CSR is on a voluntary basis. If this voluntary basis is then strengthened by coordinated activities, a recommended model of conduct and a systematic approach, it can then be described as a certain form of self-regulation. The results of external controls and procedures (in the sense of regulation) are also one of the important impulses for incorporating the CSR concept into the policies of organisations and the implementation of voluntary activities in the field of environmental management and social issues.

Cooperation and communication among all stakeholders 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 (“LA 21”). Entrepreneurs are currently becoming involved in LA 21 and these activities need to be developed further.

Organisations should have space for their own initiatives. Even so, many of these welcome the existence of general principles and guidelines developed by public authorities, which is why the third role is crucial, as it involves supporting voluntary measures in favour or self-regulation, in disseminating the idea of CSR and active partnership with stakeholders at various levels.

MANIFESTATIONS OF THIS SELF-REGULATION INCLUDE SUPPORT FOR:

- transparency, the creation of framework conditions for reporting,
- the introduction of management systems (quality, the environment, security and work health and safety, etc.),
- product labelling (quality marks, environmental labels, products made by persons with disabilities, etc.),
- more efficient use of resources (cleaner production, etc.),
- voluntary certification of employers,
- implementation of socially responsible public procurement or the conclusion of so-called voluntary agreements and principles of responsible research and innovation.

Some of these activities are formalised as supporting government programmes³, methodologies⁴ and strategic documents⁵.

Although the use of social and environmental criteria is increasing gradually in the Czech Republic, noticeable efforts are being made to include criteria supporting environmentally-friendly and Fair Trade products or to employ people from disadvantaged groups. One relatively underused opportunity with significant potential for the application of CSR is

³ E.g. the National EMAS programme, National Environmental Labelling Programme, Czech Quality Programme, Safe Business, National Cleaner Production Programme

⁴ E.g. Rules for the Implementation of Environmental Requirements in Public Procurement for IT and Furniture (2010); in accordance with the European Green Public Procurement (GPP) work is currently under way to prepare purchasing rules for other product groups; Methodology for Socially Responsible Public Procurement (2014)

⁵ E.g. the National Action Plan Supporting Positive Ageing for the Period 2013 – 2017, Health 2020 – National Strategy to Support and Protect Health and Prevent Illness, Government Priorities and Procedures in Enforcing Equal Opportunities for Women and Men, Government Strategy for Gender Equality in the Czech Republic (2014), Quality Charter of the Czech Republic (2012)

responsible procurement. Although the application of the principles of CSR in responsible procurement is currently fully in line with the applicable EU laws (European Court of Justice case law and Regulations of the European Parliament and the Council 2004/17/EC and 2004/18/EC, which were revised in 2014), as well as the applicable Czech legislation (as stated in Act No 137/2006 Coll., Public Procurement Act, as amended), this option is overlooked by Czech contractors.

The basic principle behind responsible procurement is that it takes account of multiple perspectives simultaneously – besides lower prices, which are commonly used, there are also specific social issues, which the organisation in question also wants to resolve (e.g. support for small and medium-sized firms, jobs for disadvantaged people, decent working conditions, respect for social rights and workers' rights, promotion of employee health, support for education, emphasis on reducing the environmental burden, evaluating their impact on health, etc.). This essentially means that contracting parties gain added value for the same resources.

The proportion of goods and services purchased by the public sector to GDP is around 17 % in the EU, and the Czech Republic is no exception. Czech public administration institutions and local governments spend several hundred billion crowns each year on tenders. Public institutions therefore represent significant purchasing power which, if properly directed, can have a positive effect on consumption and production patterns. When public administration is looking for a socially beneficial product or service (e.g. environmentally-friendly technology, products and buildings, Fair Trade goods, products manufactured with a guarantee of respect for human rights, products or services that promote a healthier lifestyle, services, social enterprises and sheltered workshops, etc.), this encourages their development and also sets an example inciting other consumers and businesses to do the same. Although the purchase cost might be slightly higher, public administration thus avoids the risk of health, social and environmental problems and as a result can save on the cost of resolving any such problems. This gives the public a clear message about the moral values of the institution that purchases products or services in this way.

Responsible procurement also facilitates strategic cooperation and dialogue with potential suppliers and other stakeholders. Public administration should ensure that the option to participate in tenders for public procurement contracts is also open to smaller suppliers, including small businesses and traders.

The winning organisations have to learn to respect and abide by the contracting authority's requirements, as they will acquire contracts lasting a number of years in return. With a well thought-out and expertly prepared public procurement these public institutions can take account of the broader social benefits in an entirely legal manner when making their purchases, and by engaging in responsible procurement can thus help to improve the quality of public contracts.

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- targeted public administration support for CSR based on a real understanding of current activities and needs,
- the creation of an environment of clear rules and trust, which all stakeholders need in order to successfully implement voluntary activities,
- motivation and support for organisations in the use of CSR in purchasing and procurement.

WITH THE AIM OF SUPPORTING:

- entrepreneur involvement in Local Agenda 21,
- the creation of a positive environment for the use of CSR in purchasing and procurement (while respecting the applicable legislation) and supporting:
 - active partnership between public administration and stakeholders,
 - social business,
 - making public procurement accessible to SMEs.

This will primarily involve interdepartmental cooperation and collaboration with stakeholders. The most common voluntary activities and inspirational ideas currently being carried

out for the further development of CSR in the Czech Republic will be mapped out in order to align strategic documents and targeted support.

The above priorities should ultimately help to boost the competitiveness of organisations, get small and medium-sized enterprises and organisations employing disadvantaged people involved on the labour market, increase transparency in public procurement and particularly ensure more efficient use of public funds due to the added value obtained by the company in return the public funds it invests (e.g. in the form of opportunities for the long-term unemployed on the labour market, more environmentally-friendly purchases, etc.).

Bearers: MIT; MI and other cooperating ministries; Quality Council of the Czech Republic, other public administration organisations and entrepreneur and employer associations, etc.

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Application of environmental and social criteria in public procurement	Creation of a strategic document. 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 Public Procurement Act)	ME, MRD	31st December 2014
Comments:	<i>So far the ME has not created any further product categories, as it considers it better to wait until the new Public Procurement Act has been approved, which will incorporate the requirements of European Parliament and Council Directive 2014/24/EU into the Czech legislation. After the approval of the Public Procurement Act ME will prepare and present the government with the revised Rules Governing the Application of Environmental Requirements when Awarding Public Contracts and for Purchases by the State and Local Governments, including the submission of methodology for the application of environmental requirements and for other product categories.</i>		

NAP activities fulfilled on an ongoing basis are transferred to the table below. Outcomes have been formulated for each activity for the sake of clarity.

ACTIVITIES UNDER NAP

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Targeted support for CSR by public authorities	Mapping out nationwide, regional and local voluntary approaches and activities (incl. LA 21)	MIT in collaboration with the Quality Council of the Czech Republic and Platform of CSR Stakeholders, MI	30th June 2016	Mapping study with recommendations for further development (yes/no)
	Using CSR as a possible criterion for the allocation of national subsidies	National subsidy providers, MI	ongoing	Determining the use of CSR criteria in setting the conditions for the allocation of national subsidies on the basis of surveys carried out by the Platform of CSR Stakeholders
	Helping to raise awareness of LA 21 for business entities in the context of CSR and disseminating information about the options for authorities to use LA 21 as part of their social responsibility.	MIT in collaboration with the Quality Council of the Czech Republic, MI, Czech Chamber of Commerce, National Healthy Cities Network of the Czech Republic	ongoing	Information about underlying activities in this field.

	Rewarding entities in the business enterprise sector for cooperation in implementing LA 21 (option to enter the prestigious Czech Republic National Awards and National Social Responsibility Award), rewarding implementers of LA 21.	MI, MIT in collaboration with the Quality Council of the Czech Republic	every year	Information about entities involved in these awards
Creation of an environment of clear rules and trust	Coordination of new draft government strategic documents regulating CSR and its harmonisation	MIT in collaboration with MI, MRD, MLSA, Quality Council of the Czech Republic, other relevant Government Councils	ongoing	Information about harmonisation
	Creation of CSR Manual for public administration	Quality Council of the Czech Republic in collaboration with MI	31st December 2016	Document
	Creation of methodological guidelines for a strategy of socially responsible public procurement in accordance with national and regional needs	MRD, in collaboration with MIT and MI	30th June 2016	Document

	As part of the revision of the Rules Governing the Application of Environmental Requirements when Awarding Public Contracts and for Purchases by the State and Local Governments methodology will be submitted for the application of environmental requirements stipulated for other product categories.	ME, MRD, MI in collaboration with other departments	30th June 2017	Document
Motivation and support for organisations in the use of CSR in purchasing and procurement	Giving customers clearer information in labels on products that meet the criteria and in the awarding of quality marks	MIT, Quality Council of the Czech Republic, MI	by 30th June 2016	Reduction in the number of harmonisations
	Considering the possibility of creating and using an educational programme	MRD, MIT, MI	by 30th June 2016	Educational programme (yes/no)

Corporate social responsibility at the international level is based on several initiatives. These are particularly the OECD Guidelines for Multinational Enterprises, the basic principles of social responsibility and corporate sustainability of the United Nations Global Compact (UN GC) 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. In September 2015 the UN Summit in New York supported a key framework shaping the international cooperation agenda until 2030 – Sustainable Development Goals (SDGs). These are a follow-up to the 2000 – 2015 Millennium Development Goals (MDGs) and merge the sustainable development of society together with aspects such as the fight against poverty, food security and improving nutrition, promoting health, the development of education, gender equality, the availability of sustainable and modern energy sources, sustainable economic growth, full and productive employment and decent work for all, the development of innovation, sustainable consumption and production and numerous others. According to international 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.) CSR 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, CSR also includes providing true and comprehensive information about the activities and performance of organisations, i.e. standardised reporting (e.g. in accordance with the Global Reporting Initiative – GRI or UN Global Compact).

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

In the Czech Republic 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. Now, particularly key stakeholders 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 the National CSR Information Portal. The National Action Plan and the Czech Republic's CSR policy 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 awareness of these options is raised through involved non-governmental organisations and platforms.

European Parliament and Council Directive 2014/95/EU was adopted on 22 October 2014, amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity-related information by certain large enterprises and groups (containing information connected at least with environmental, social and employee issues, respect for human rights and the fight against corruption and bribery). The Directive came into effect 20 days after being announced in the Official Journal of the European Commission (it was published on 16 November 2014). Article 4 obliges Member States to bring into force laws, regulations and administrative provisions necessary to comply with this Directive by 6 December 2016.

The Directive states that non-financial reporting is "a fundamental step in managing the change toward a sustainable world economy, which combines long-term profitability with

social justice and protection of the environment. In this context, non-financial reporting enables enterprises' performance and their impact on society to be gauged, monitored and controlled."

When providing this information, the businesses to which the Directive applies should do so on the basis of the national frameworks and Community frameworks, such as the Eco-Management and Audit Scheme (EMAS), or international frameworks, such as the ten basic principles of the UN Global Compact, the OECD Guidelines for Multinational Enterprises, the ISO 26000 international standard, the GRI or other recognised international framework.

Most of all, Member States should ensure the proper and timely transposition of the Directive, in close cooperation with the umbrella associations that represent the interests of the relevant business entities. This is the only way to take advantage of the Directive to ensure that it serves its purpose while placing as little administrative burden as possible on businesses and preventing gold-plating. It is also necessary to provide businesses with a degree of autonomy in selecting the instruments used to meet the objectives of the Directive.

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- raising awareness and informing businesses and the public about the international standards and declarations,
- increasing the number of companies that voluntarily report their non-financial activities (support for non-financial reporting).

WITH THE AIM OF:

- raising awareness of the international standards and declarations amongst businesses and the general public,
- strengthening the global framework for corporate social responsibility, particularly for multinational corporations,
- further motivating firms to disclose their activities through non-financial reporting.

Activities to raise awareness of these options will be carried out through the relevant ministries and non-governmental organisations.

These priorities should ultimately lead to greater awareness of international CSR instruments and their practical application, and also increase the transparency of organisations through non-financial reporting, which enables companies' performance and their negative as well as positive impact on society to be measured monitored and controlled.

Bearers: MIT and cooperating ministries; Government Office of the Czech Republic; Quality Council of the Czech Republic; Platform of CSR Stakeholders; OSMT; trade unions; umbrella associations of entrepreneurs and employers; platforms and non-governmental organisations developing the concept of CSR (A-CSR, BLF, BFS, CBCSD, GCNCR); etc.

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Presenting and promoting international CSR instruments	Providing information about international CSR instruments on the National CSR Information Portal	MIT, Quality Council of the Czech Republic, in collaboration with Government Office of the Czech Republic, MLSA	30th June 2014
UN Global Compact	Creation of national UN Global Compact network in the Czech Republic	A-CSR, Quality Council of the Czech Republic	31st December 2014
Comments:	<p><i>Accomplished – the Overview of International CSR Instruments is available on the National Quality Policy Portal website (in November 2015 an independent site was set up under the name "National CSR Information Portal" - www.narodniPortal-csr.cz).</i></p> <p><i>The Global Compact Network Czech Republic was established on 2nd April 2015. The National Network is hosted by the Social Responsibility Association.</i></p>		

Certain NAP activities are fulfilled on a continuous basis, and are therefore transferred to the updated version of the NAP (see table below). Outcomes have been formulated for each activity for the sake of clarity.

ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Raising awareness and educating businesses and the public about the international standards and declarations	Use of NCP (established within the framework of the OECD Guidelines for Multinational Enterprises) for sharing information	MIT, Quality Council of the Czech Republic, MFA, cooperating ministries, trade unions, associations of entrepreneurs and employers, non-governmental organisations	ongoing	Cooperation (yes/no)
	Cooperation with The Global Compact Network Czech Republic			
Increasing the number of companies that voluntarily report their non-financial activities	Support for firms in preparation of non-financial reporting	MF, Quality Council of the Czech Republic, associations, platforms and non-governmental organisations developing the concept of CSR, etc.	ongoing	Increasing the number of companies that voluntarily report their non-financial activities Number of CSR reports issued (per year) Information on supporting documents
	Creation and activities of MIT Working Group for consultation in the transposition of the non-financial reporting guidelines	MIT Working Group	By 31st December 2016	Participation in the transposition of the non-financial reporting guidelines into Czech law

INTERNATIONAL COOPERATION WILL TAKE PLACE ON THE FOLLOWING LEVELS:

- with the European Commission (“EC”),
- with Member States of the European Union (“MS”),
- with international organisations and institutions.

At the EC level international cooperation especially involves active participation in the High Level Group on Corporate Social Responsibility, originally set up as part of the Directorate General for Employment (DG EMPL). During the restructuring that took place on 1st June 2015, responsibility for CSR was transferred to the Directorate General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW). The High Level Group on Corporate Social Responsibility is established by the European Commission to share the various approaches adopted by Member States in relation to the subject of CSR, to examine initiatives implemented by the various Member States in this area, and to support peer review. It usually meets two or three times a year, and its members are representatives of the Member States. MIT and MLSA representatives are members of the HLG on behalf of the Czech Republic. Besides organising HLG meetings, the DG GROW provides a series of other activities, and invites member states to actively participate - e.g. surveys, peer reviews. The DG GROW can be expected to continue in these activities.

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 implemented in 2013.

The outcomes of the meetings were recommendations that the EC compiled into a compendium. This can then serve as a source of ideas for activities in the Czech Republic and elsewhere, as the electronic version of this document is available on the National CSR Information Portal.

THERE ARE TWO BASIC NON-GOVERNMENTAL PLATFORMS THAT COLLECT INFORMATION ABOUT CORPORATE 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.

In 2015 CSR Europe presented the **Enterprise 2020 Manifesto**. This document is aimed at establishing cooperation between the governmental and business sphere, which will help the development of sustainable and responsible business in the EU. In the Czech Republic the Enterprise 2020 Manifesto will be developed by the national partners CSR Europe, Business Leaders Forum and Business for Society. The Enterprise 2020 Manifesto is based on principles such as the creation of shared values, social innovations, management and responsibility, and political dialogue and cooperation amongst EU Member States.

- **European Alliance for CSR**, which brings together businesses on a voluntary basis 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).

IN GLOBAL TERMS, CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE SUSTAINABILITY ARE DEVELOPED BY THE FOLLOWING PLATFORMS:

- **UN Global Compact**, a network of companies and organisations that have decided to unify their mission and day-to-day activities by adopting ten generally accepted principles of social responsibility in the fields of human rights, working conditions, the environment and corruption. It currently comprises almost 13 000 organisations (of which more than 8 000 are firms) from 160 countries around the world. It develops its global strategies through its national network in 88 countries around the world, including the

Czech Republic since 2015. The Global Compact Network Czech Republic is hosted by the Social Responsibility Association.

- **World Business Council for Sustainable Development (WBCSD)** is a global association, established 20 years ago and based in Geneva, bringing together more than 200 Chief Executive Officers (CEOs) from the most important companies on all the continents.

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- support for the involvement of Czech enterprises and the relevant organisations in international cooperation,
- monitoring the development of CSR within the EU and subsequent communication of outcomes,
- establishing a European CSR Award on the basis of the national award winners.

WITH THE AIM OF SUPPORTING:

- the development of cooperation with other EU countries,
- peer review and coordination of transnational activities,
- establishing a European CSR Award on the basis of the national award winners.

Information acquired by MIT and MLSA representatives from the European Commission meetings held as part of the High Level Group will be used, as well as the outcomes of the existing EC Compendium and cooperation with international organisations (OECD, GRI, UN Global Compact) at the national level.

Bearers: MIT and cooperating ministries; Quality Council of the Czech Republic; Platform of CSR Stakeholders; trade unions; umbrella associations of entrepreneurs and employers; associations, platforms and non-governmental organisations developing the concept of CSR; etc.

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Promote international cooperation and the development of CSR	Identification of the relevant international projects for the involvement of the Czech Republic – priority topics	MIT Quality Council of the Czech Republic	31st December 2014
Comments:	<i>Task ongoing – To be specified following the issue of the new EU Strategy for the next period. The “Renewed EU Strategy 2011-14 for Corporate Social Responsibility” expired at the end of 2014. Publication of the new draft has been delayed several times; the latest publication date is given as early 2016.</i>		

Certain NAP activities are fulfilled on a continuous basis, and are therefore transferred to the updated version of the NAP (see table below). Outcomes have been formulated for each activity for the sake of clarity.



ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Support for the involvement of Czech enterprises and the relevant organisations in international cooperation	Identification of the relevant international projects for Czech involvement – priority topics	MIT, Quality Council of the Czech Republic	ongoing	Participation in projects
Monitoring the development of CSR within the EU and subsequent communication of outcomes	Regular attendance at High Level Group meetings with DG GROW EC	Active participation of public administration representatives in any EC peer review projects MIT, MLSA	depending on EC deadlines	Yes/no
Establishing a European CSR Award on the basis of the national award winners	Support for winners of the National CSR Award to enter the European CSR Award	CSR Europe, Quality Council of the Czech Republic, BfS, BLF	depending on EC and CSR Europe deadlines	Yes/no



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 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 la-

bour, 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, where applicable;
- 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;
- publish the policy by which they respect human rights and raise awareness;
- 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 legitimate processes 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). 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 stakeholders. The Czech Republic uses the single National CSR Portal to publish the key recommendation document UN Guiding Principles on Business and Human Rights in Czech, 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 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-sized enterprises. The Czech Republic will also use the 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 stakeholders 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 international level this issue is dealt with by the Women's Empowerment Principles initiative, which provides companies with comprehensive guidance and advice on how to create better opportunities for women in the workplace, in the labour market and in society in general. At the national level further information about means of getting involved in this initiative is provided by the Global Compact Network Czech Republic. The Business for Society platform actively focuses on the issue of supporting equal opportunities on the labour market and the active application of the principles of gender equality. An equally important aspect of human rights is health, a concept that includes the right to health protection, a safe working environment or equal opportunities for people with disabilities. Added value is in the form of support for employees' health and social responsibility in terms of the impact that firms or their products have on public health.

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 FOR THIS AREA ARE:

- raising society-wide awareness of the national and international documents and principles relating to the observance of human rights in the business context,
- promoting diversity and equal opportunities for men and women,
- integration and promotion of jobs for disabled or disadvantaged and socially excluded people.

WITH THE AIM OF:

- advocating the concept of the so-called appropriate combination of legislative instruments and soft laws,

- increasing the importance of enlightenment, prevention and identification with the idea of a common goal on the part of the various stakeholders.

This will involve cooperation with organisations and stakeholders. Emphasis will be on ensuring that organisations fulfil their obligation to transparently observe human rights as stipulated by the UN Guiding Principles and other relevant documents, including effective state oversight.

The above priorities should ultimately help to boost the competitiveness of organisations, eliminate barriers and strengthen the economy by enhancing diversity and equal opportunities, and should thus facilitate the integration of socially disadvantaged people and job creation.

Bearers: MIT; MLSA; cooperating ministries; Government Office of the Czech Republic; Quality Council of the Czech Republic; Platform of CSR Stakeholders; cooperation of social partners, etc.

FULFILMENT OF TASKS AS OF 31ST JULY 2015:

Objective	Activity	Responsibility	Deadline
Improving effective access to out-of-court redress in relation to human rights violations in the business context	Greater exposure and better promotion of NCP activities and the option of an alternative means of effectively resolving disputes out of court through the NCP	MIT	31st December 2014

Comments:	<p><i>Accomplished – The Secretariat of the Czech National Contact Point (NCP) is in constant contact with NCP representatives, including all key stakeholders who may be involved in the potential resolution of disputes regarding the OECD Guidelines for Multinational Enterprises. Their representatives are members of the NCP and effective cooperation takes place at the working level. The Czech National Contact Point regularly distributes Czech promotional and informational materials (a brochure containing the wording of the OECD Guidelines for Multinational Enterprises with comments and a leaflet with basic information about them) at the events in which it participates, and also provides these materials on request, e.g. to trade unions and employers' representatives for further distribution at their meetings and as needed. In 2014 approx. 300 brochures were distributed, and there are plans to increase this number in 2015. Information about the option of an alternative means of resolving disputes out of court is known to all NCP members.</i></p> <p><i>In 2014 modifications were made to the Czech National Contact Point website and its statutes were published, as well as its rules of procedure and the Czech version of the OECD Guidelines for Multinational Enterprises, which are available to all in electronic form.</i></p> <p><i>Representatives of the Czech NCP regularly attend joint sessions of the Working Group for Responsible Business Conduct and the NCP at the OECD headquarters and when preparing instructions for these sessions the Secretariat communicates with other NCP members (the Bohemian-Moravian Confederation of Trade Unions, Czech Confederation of Industry and Transport, Frank Bold as representatives of the non-governmental sector and other relevant ministries/CNB), which have the option to comment on all materials. Potential working meetings are also being arranged, to discuss the preparations for the sessions in greater detail.</i></p> <p><i>In 2014 representatives of the Czech National Contact Point Secretariat attended a National Contact Point meeting of the Visegrád Group, organised by the Polish NCP and held in Katowice on 22 – 24 October 2014. Trade union representatives from all the four countries were invited to this meeting. Attending on behalf of the Czech Republic were representatives of the Bohemian-Moravian Confederation of Trade Unions, as well as the individual trade union associations that make up the Confederation. During the meeting the Czech NCP presented its activities and explained the complaint submission mechanism to the trade union representatives. In order to gain a better understanding of how the NCP works, the trade union representatives were tasked with discussing fictitious situations and suggesting how they would present the matter to the Czech National Contact Point.</i></p>
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Thoroughly upholding the principles of equal opportunities for men and women	Creation of a medium-term strategy for equal opportunities for men and women; preparation of action plans regarding the balanced representation of women and men in decision-making positions and violence against women	MLSA in collaboration with Government Office of the Czech Republic and cooperation of social partners	31st December 2014
Comments:	<i>The Government Strategy for Equality of Women and Men in the Czech Republic for 2014 – 2020 was approved by the Czech Government on 12th November 2014 under Resolution No. 931. The Action Plan for the Balanced Representation of Women and Men is included in the legislative work plan of the Czech Government for 2015</i>		
Improving the chances of persons with disabilities on the labour market	Fulfilment of the measures of the National Plan to Support Equal Opportunities for Persons with Disabilities for the period 2010 – 2014	MLSA, Government Office of the Czech Republic cooperation of social partners	ongoing
Comments:	<i>These measures are being implemented on a continuous basis. Work is currently under way to prepare the National Plan for the Creation of Equal Opportunities for Persons with Disabilities for the period 2015 – 2020.</i>		

Certain NAP activities are fulfilled on a continuous basis, and are therefore transferred to the updated version of the NAP (see table below). Outcomes have been formulated for each activity for the sake of clarity.



ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Raising society-wide awareness of the national and international documents and principles relating to the observance of human rights in the business context	Publication of international documents in the Czech language on the National CSR Portal	MIT, Quality Council of the Czech Republic, Government Office of the Czech Republic MFA, MLSA, cooperation of social partners	31st December 2015	Documents available in the Czech language Portal traffic
	Creation and promotion of national sectoral policies and guidebooks relating to the observance of human rights in the business context	Government Office of the Czech Republic, MFA, MIT, Platform of CSR Stakeholders	31st December 2016	Guidebooks issued
Promoting diversity and equal opportunities for men and women	Awareness-raising activities on the reconciliation of work, private and family life, targeted at employers, amongst others	MLSA, Government Office of the Czech Republic, MI – Civil Service section, Platform of CSR Stakeholders and cooperation of social partners	31st December 2016	Campaigns and other activities
	Preparations and update to action plans regarding the balanced representation of women and men in decision-making positions and violence against women	Government Office of the Czech Republic in collaboration with MLSA and cooperation of social partners	to be checked by 30th June 2018	Update to action plans

Integration and promotion of jobs for disabled or disadvantaged and socially excluded people	Promotion of 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	MLSA in collaboration with Government Office of the Czech Republic and cooperation of social partners	ongoing	Campaigns, publications and articles
	Fulfilment of the measures of the National Plan to Support Equal Opportunities for Persons with Disabilities for the period 2015 – 2020	MHR, MLSA, Government Office of the Czech Republic, cooperation of social partners	ongoing	Information on the fulfilment of measures
	Creation and implementation of the Strategy to Combat Social Exclusion for the period 2016 – 2020	MLSA, MHR, Government Office of the Czech Republic, Agency for Social Inclusion	to be checked by 30th June 2018	Creation of Strategy Report on the implementation of the Strategy to Combat Social Exclusion for the period 2016-2020

Social enterprise involves business activities that benefit society and the environment. It plays an important role in local development and often creates job opportunities for people with disabilities or socially or culturally disadvantaged people. Profit is largely used for the further development of the social enterprise. For a social enterprise, making a profit is as important as increasing the public benefit.⁶

A social enterprise means a “social business entity”, i.e. a legal entity established under private law or any part thereof or a natural person fulfilling the principles of social enterprise. A social enterprise fulfils a socially beneficial purpose, which is formulated in its founding documents. It is set up and developed on the concept of economic, social, environmental and local benefit.

The Czech Ministry of Labour and Social Affairs has prepared a list of identifying attributes or indicators that can be used to identify a social enterprise. Two sets of identifying attributes have been drawn up – one for social enterprises and one for integration social enterprises.

Social enterprises can therefore be divided up into two types – general social enterprise and integration social enterprise⁷.

Principle/characteristic	Indicator
1. socially beneficial objective	
a) socially beneficial objective - employment and social inclusion of disadvantaged people in the labour market as formulated in the founding documents	1a1. the enterprise has a socially beneficial objective, which is formulated in its founding documents; these documents are publicly available

⁶ The definitions in this section of the text are taken from the Study of Social Economy Infrastructure in the Czech Republic (Studie infrastruktury sociální ekonomiky v ČR), TESSEA 2011

⁷ The social enterprise indicators described in the tables on page 49 to 52 are indicators compiled by MLSA. Proof of compliance with these defining attributes is a prerequisite for receiving subsidies for the creation and development of social enterprises from the Operational Programme Employment.

2. social benefit	
a) employment and social inclusion of people from disadvantaged groups	2a1. the enterprise has specified target groups on which its activities are focused
b) involvement of employees and members in the direction taken by the enterprise	2b1. employees and/or members are regularly and systematically informed about the operation of the enterprise, the results of its operations and the fulfilment of its socially beneficial objectives
	2b2. employees and/or members are involved in decision-making concerning the direction taken by the enterprise
3. economic benefit	
a) any profit is used primarily for the development of the social enterprise and/ or for the fulfilment of its socially beneficial objectives	3a1. more than 50% of any profits is reinvested in the development of the social enterprise and/or the fulfilment of its declared socially beneficial objectives, and information about the use of any profits is publicly available
b) managerial decision-making and control independent (autonomous) of external founders or owners	3b1. managerial control of the enterprise is independent of external founders or owners
c) at least a minimum ratio of revenue from sales of products and services to total revenues	3c1. revenues from the sale of products and/or services make up at least 30% of the enterprise's total revenues
4. environmental benefit	
a) consideration of the environmental aspects of production and consumption	4a1. the enterprise has formulated principles of environmentally sound business in its founding documents and also complies with these principles in practice
5. local benefit	
a) satisfying the needs of the local community and local demand wherever possible	5a1. the enterprise focuses its activities on local needs
b) preferential use of local resources	5b1. the enterprise makes preferential use of local resources: a) employs local people, b) purchases from local suppliers
c) collaboration between the social enterprise and local stakeholders	5c1. the enterprise communicates and cooperates with local stakeholders

Principles of a general social enterprise

In the Czech Republic there is currently a significant predominance of integration social enterprises, which fulfil their socially beneficial objective through the employment and social inclusion of disadvantaged people in the labour market, and this objective is formulated in the founding documents.

Principle/characteristic	Indicator
1. socially beneficial objective	
a) socially beneficial objective - employment and social inclusion of disadvantaged people in the labour market as formulated in the founding documents	1a1. the enterprise has a socially beneficial objective – the employment and social inclusion of disadvantaged people in the labour market - which is formulated in its founding documents; these documents are publicly available
2. social benefit	
a) employment and social inclusion of people from disadvantaged groups	2a1. more than 30% of employees are from disadvantaged groups, and this information is publicly available
	2a2. employees from disadvantaged groups are provided with support that takes account of their specific needs
b) involvement of employees and members in the direction taken by the enterprise	2b1. employees and/or members are regularly and systematically informed about the operation of the enterprise, the results of its operations and the fulfilment of its socially beneficial objectives
	2b2. employees and/or members are involved in decision-making concerning the direction taken by the enterprise
c) emphasis of developing the working skills of disadvantaged employees	2c1. employees from disadvantaged groups are trained in accordance with their individual abilities

3. economic benefit	
a) any profit is used primarily for the development of the social enterprise and/ or for the fulfilment of its socially beneficial objectives	3a1. more than 50% of any profits is invested in the development of the social enterprise and/or the fulfilment of its declared socially beneficial objectives, and information about the use of any profits is publicly available
b) managerial decision-making and control independent (autonomous) of external founders or owners	3b1. managerial control of the enterprise is independent of external founders or owners
c) at least a minimum ratio of revenue from sales of products and services to total revenues	3c1. revenues from the sale of products and/or services make up at least 30% of the enterprise's total revenues
4. environmental benefit	
a) consideration of the environmental aspects of production and consumption	4a1. the enterprise has formulated principles of environmentally sound business in its founding documents and also complies with these principles in practice
5. local benefit	
a) satisfying the needs of the local community and local demand wherever possible	5a1. the enterprise focuses its activities on local needs
b) preferential use of local resources	5b1. the enterprise makes preferential use of local resources: a) employs local people, b) purchases from local suppliers
c) collaboration between the social enterprise and local stakeholders	5c1. the enterprise communicates and cooperates with local stakeholders

Principles of an integration social enterprise

At the present time – despite certain successful projects – the development of social enterprise can be described as inadequate. Its potential is not sufficiently exploited and the current situation does not fully meet the needs of socially excluded groups and people at risk of social exclusion. One major reason for this situation is the lack of public awareness of what social enterprise means and the benefits it offers, as well as poor knowledge of the principles and benefits of social enterprise amongst potential founders of social enterprises.

The long-term goal is to create an environment that promotes the establishment and development of social enterprises (social enterprise ecosystem).

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- raising public awareness of the concept of social enterprise,
- education for professionals and the general public,
- research into social enterprises,
- legislation governing social enterprise,
- reaching agreement amongst the major stakeholders concerning the direction to be taken by social enterprise in the Czech Republic,
- promoting examples of good practice in the Czech Republic,
- acquiring good practices from social enterprises abroad,
- supporting the launch and development of business in the field of social enterprise,
- supporting and promoting the interests of social enterprises.

WITH THE AIM OF SUPPORTING:

- the development of the concept of social enterprise in the Czech Republic as such,
- interest amongst the public and potential social entrepreneurs in setting up an enterprise,
- the establishment of new social enterprises and the development of existing ones.

This will primarily involve cooperation with organisations supporting the establishment of social enterprises in the Czech Republic and awareness-raising in this field.

The above priorities should ultimately lead to an increase in the number of social enterprises in the Czech Republic and thus boost the impact that social enterprises have on resolving social and environmental problems in the Czech Republic.

Bearers: MLSA; MIT; MRD; Government Office of the Czech Republic; TESSEA; universities; educational institutions; Research Institute for Labour and Social Affairs (“RILSA”); etc.

ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Raising public awareness of the concept of social enterprise	Administration and expansion of www.ceske-socialni-podnikani.cz and supporting PR activities	MLSA	ongoing	Web reports on website traffic
	Spreading information about social enterprise in the press	MLSA	ongoing	Newspaper articles
Raising awareness amongst professionals and the general public	Educational programmes at various levels (universities, educational institutions) – subjects, courses, seminars	Universities, educational institutions	ongoing	Training course graduates Graduate theses on the topic of social enterprise
Research into social enterprises	Quantitative and qualitative research	RILSA	ongoing	Research reports
Legislation governing social enterprise	Preparation and approval of an Act on Social Enterprise	Government Office of the Czech Republic, MLSA	3. Q/2016	Legal act
Reaching agreement amongst the major stakeholders concerning the direction to be taken by social enterprise in the Czech Republic	Creation of a social enterprise development strategy	Social Enterprise Council constituted by law or by the Government Office of the Czech Republic	4. Q/2017	Strategy
Promoting examples of good practice in the Czech Republic	Selecting and describing examples of good practice in the Czech Republic	MLSA	ongoing	Articles about examples of good practice in the Czech Republic

Acquiring good practices from social enterprises abroad	Communication with partners from abroad Membership of the GECES group	MLSA, TESSEA	ongoing	Communication with partners abroad Examples acquired from abroad Involvement of experts from abroad in events in the Czech Republic
Supporting the launch and development of business in the field of social enterprise	Financial support for the launch of new social entrepreneurial activities	MLSA (non-investment support), MRD (investment support)	ongoing	Information about businesses established with the help of support
	Support for an educational and consultancy structure for social entrepreneurs and potential social entrepreneurs	MLSA	ongoing	Provision of consultancy for potential social entrepreneurs

In addition to the above strategic priorities, each of which has its bearer, there are also other important strategic priorities for developing the social enterprise ecosystem in the Czech Republic which do not yet have a specific bearer and thus cannot be included in the table. These priorities are:

- supporting and promoting the interests of social enterprises,
- informing public administration of the concept of social enterprise,
- support for social-enterprise-related education at elementary schools, secondary schools and universities,
- the creation of financial instruments for social enterprises.

Even though a corporate social responsibility (regardless of its size or sector) for the impact its activities have is still entirely voluntary, in terms of the scope of its influence it is now becoming an important phenomenon which plays a decisive role not only in success, productivity and competitiveness, but ultimately affects our actual quality of life.

If we want to ensure that all the attributes that make up CSR or CSV (Creating Shared Values) and that affect the economic success of the Czech Republic (e.g. fair and ethical conduct on the part of managers and entrepreneurs, the Corruption Perceptions Index – an indicator evaluated every year by the WEF, sustainable development, environmentally-friendly conduct, observance of labour discipline related to waste prevention, etc.) bring about more significant changes, there need to be far more effective forms of education in place in this area than there are at present.

It is essential that CSR form an integral part of the education system in the Czech Republic, so that the concept is gradually passed on to pupils and students of elementary schools, secondary schools, vocational colleges and universities, regardless of their orientation (the humanities, technical subjects, etc.). It is a rather dismal fact that at certain technical colleges there are absolutely no study programmes available in this field at all. Yet every study programme could find suitable space (a related or consequential subject or discipline) to provide basic information about CSR, spreading and gradually increasing awareness and knowledge of this issue. Even so, it would certainly be worth the effort to push for this concept to be made a subject in its own right, with all its attributes, or at least incorporated into existing subjects.

The topic of CSR should also be included as standard by other educational institutions (outside academia), including business education. These offer education in a wide range of disciplines which also (to a greater or lesser extent) cover aspects associated with CSR. Nowadays, general awareness of CSR is raised through a wide variety of conferences, workshops and professional seminars, including targeted informal meetings, dealing with topics related to CSR. This trend needs to continue.

The above facts imply that efforts in the near future should focus on close cooperation between the specialised sections of the Quality Council of the Czech Republic, which could include, as one of their key priorities for the coming period, the creation of a comprehensive nationwide education strategy for CSR (the preparation of adequate study programmes for the needs of elementary schools, secondary schools and universities, including the entire range of further education). However, it is also important to remember to provide advance training for high-quality experts/teachers in this area; therefore, it would be appropriate to ensure the “constant” participation of a suitable MEYS representative to oversee this topic in primary, secondary and tertiary education, including the relevant research in this area. The programmes of the Technology Agency of the Czech Republic may also contribute towards research in this field, including the development of general principles of responsible research and innovation.

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- increasing awareness and furthering knowledge of CSR particularly amongst the younger generation with the aim of shaping their lifelong attitude to this concept at an early age,
- increasing competence in the field of CSR (students, teachers, corporate management),
- raising awareness of CSR and improving the quality of the Czech entrepreneurial and management environment.

WITH THE AIM OF:

- raising general public awareness of CSR.

As the Czech business environment still lacks the appropriate support and interest in CSR, amongst both certain stakeholders and the state itself, the above priorities should particularly be guided by a great effort to increase general public awareness through quality education.

And finally – the above strategic priorities should ultimately lead to a far more systematic approach to CSR, gradually showing the direction that should be taken and supporting steps not only to improve the Czech business and management environment, but also thus to ensure the sustainable success and competitiveness of Czech enterprises in the long term.

Bearers: MIT; MEYS and other cooperating ministries; Quality Council of the Czech Republic; Government Council for Non-governmental organisations; Platform of CSR Stakeholders; Technology Agency of the Czech Republic, associations of employers and entrepreneurs, business entities, associations, platforms and non-governmental organisations developing the concept of CSR; etc.



ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Raise awareness of CSR amongst the younger generation	Nationwide competitions for the best pupil and student works on the topic of CSR (short stories, essays, theses, dissertations, doctoral dissertations)	Quality Council of the Czech Republic	ongoing	Documents proving cooperation, or the involvement of the relevant body in specific events
Increasing competence in the field of CSR (students, teachers, corporate management)	Initiating the inclusion of CSR into the curricular documents of elementary schools, secondary schools and vocational colleges Further education and support for younger children's projects dealing with the development of CSR	MEYS in collaboration with schools and the Quality Council of the Czech Republic (+ the relevant specialised sections of the Quality Council of the Czech Republic) and with the CSR platforms of firms (A-CSR, BLF, BfS, etc.)	ongoing	Educational programmes (examples of specific best practice)
Raising awareness of the topic of CSR and improving the Czech business and management environment	Research into the topic of CSR Effective synergy between academia and business practice (public, private) Regular peer reviews between academia and businesses on the subject of CSR through conferences, workshops, round tables, etc.	MEYS in collaboration with schools and the Quality Council of the Czech Republic (+ the relevant specialised sections of the Quality Council of the Czech Republic), business entities	ongoing	Seminar works, theses, dissertations, doctoral dissertations on the topic of CSR Work experience Jointly implemented projects and conferences

Organisations that are closely involved with CSR within the Czech Republic are presented with public awards for their actions. In 2007 the Quality Council of the Czech Republic implemented a pilot project for assessing organisations actively engaging in corporate social responsibility. The outcomes of the project are compatible with the internationally recognised standards (UN Global Compact, the OECD Guidelines for Multinational Enterprises, ILO Convention, 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.

Ministry of Industry and Trade supports the Czech National Quality Award and **National Corporate Social Responsibility Award** programmes. These programmes for business entities and organisation provide the Czech Republic with know-how from abroad in the field of quality management and the introduction of the CSR concept and have the potential boost the competitiveness of Czech firms and cultivate the business environment. The Czech National Corporate Social Responsibility Award programme is part of the National CSR Strategy. It helps businesses and organisations to properly and effectively implement the concept of CSR and use it for the benefit of the company. It helps to improve a firm's image in the eyes of its business partners and the public, thus indirectly facilitating future business and corporate development.

The National Corporate Social Responsibility and Sustainable Development Award is presented once a year, every November as part of Quality Month at Prague Castle. The award is in recognition of the firm's CSR management system in all three areas of corporate social responsibility (the economy, the environment and the social sector) and is the highest CSR award an enterprise or public sector organisation can receive in the Czech Republic. The criteria and content of the evaluation are transparent and are available to organisations and the public on the National Quality Policy Portal. The evaluation is carried out by professionally-qualified assessors – i.e. holders of a national or European CSR Manager certificate (granted in line with the requirements of the harmonized scheme of the European Organization for Quality).

In order to promote responsible conduct on the part of organisations in the various regions, the Quality Council of the Czech Republic set up the **Governor's Corporate Social Responsibility Award**. This award has been presented since 2009; the first year of the award was announced in the Moravian-Silesian region. The aim was to inform organisations and the general public about CSR as such and to support the efforts of SMEs and public sector organisations in particular that are actively engaged in CSR beyond the scope of their obligations under the law. In the Moravian-Silesian region proof of the success of this project can be seen in the fact that it is entered by dozens of organisations every year, including municipalities.

Since 2013 the Governor's CSR Award has also been organised in the Plzeň region; in 2015 the Governor's Award was extended to include the regions of Vysočina, South Moravia and Ústí nad Labem.

Other programmes announced within the framework of the National Quality Policy include the **"Doing Business Responsibly" Social Responsibility Award**. This is an award for small and medium-sized enterprises and family businesses whose responsible conduct has a positive impact on society as well as on actual consumers. Social enterprises comprise a special category in the award.

The award is announced by the Quality Council of the Czech Republic, the Association of Social Responsibility, the Association of Small and Medium-sized Enterprises and Traders of the Czech Republic and P3 – People, Planet, Profit in the following categories: small and medium-sized enterprise, family business and social enterprise. The "Doing Business Responsibly" award is presented once a year, every November as part of Quality Month at Prague Castle. The evaluation is carried out by professionally-qualified assessors – holders of a CSR Manager certificate.

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 Hospodářské noviny award Responsible Company of the Year, the TOP Responsible Company award presented by the Business for Society platform, the VIA BONA award for

philanthropy presented by the VIA Foundation, the EY Social Entrepreneur of the Year, the Social Impact Award for socially beneficial enterprise, the Sozial Marie social innovation award, etc.).

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

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- intensifying interest in CSR at the national level,
- intensifying interest in CSR in regions,
- supporting programmes for awards for organisations in recognition of CSR concepts and activities, socially beneficial enterprise and social innovation.

WITH THE AIM OF:

- coordinating CSR awards in the Czech Republic,
- ensuring continuity between subsidiary awards and the National CSR Award,
- increasing awareness of positive examples of CSR projects in the Czech Republic.

This will primarily draw on the experience of the Quality Council of the Czech Republic in the implementation of the Czech Republic's National CSR Award, cooperation with the organisers of the individual awards and with the media in order to publicise examples of good practice to organisations and the public.

The above priorities should ultimately motivate organisations to present their CSR success stories, boost the importance of the awards and media interest in examples of good practice in the Czech Republic, while strengthening trust in the concept of CSR.

Bearers: MIT, Quality Council of the Czech Republic, national and regional groupings under the "Platform of CSR Stakeholders" which work to raise interest and awareness of CSR amongst organisations, etc.

ACTIVITIES UNDER NAP

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Intensifying interest in CSR at the national level	National Corporate Social Responsibility and Sustainable Development Award Doing Business Responsibly award	MIT, Quality Council of the Czech Republic, QAA, A-CSR, AMSP CR, CSQ	every year	Number of firms registered for awards (comparison between 2015 and 2017)
Intensifying interest in CSR in regions	Governor's CSR Award	Quality Council of the Czech Republic, regional authorities and cooperating organisations	every year	Number of organisations registered for awards (comparison between 2015 and 2017) Extending the Award to other regions
Supporting programmes for awards for organisations in recognition of CSR concepts and activities, socially beneficial enterprise and social innovation	CSR awards presented by other non-profit entities involved in CSR Awards for social innovation and socially beneficial projects, including support for start-ups	BfS, VIA Foundation, Hospodářské noviny, Ernst&Young, etc. Social Impact Award, Sozial Marie, etc.	every year	Presentation of new and existing awards Involvement of organisations in the competition

Meeting the expectations of customers, consumers and service users is essential for proper and successful business and maintaining or boosting an organisation's competitiveness on the market. Consumer expectations include a range of areas, particularly concerning the safety of products and services, protection of consumers' economic interests (including preventing unfair practices, providing adequate customer service and complaints handling procedures), high quality standards, transparent quality-related statements and declarations, and a price that matches the quality of what is purchased. Consumer interests also include the protection of personal data and privacy, sustainable consumption and consumer access to information and education.

In the EU and in the Czech Republic attention focuses 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 therefore essential to create and apply effective self-regulatory instruments – quality marks, voluntary action by independent third parties in assessing conformity with the requirements of the technical regulations and standards, ethical codes of conduct, good practice manuals, etc. The application or support in the creation of these instruments should be a fundamental aspect of companies' CSR policies in relation to consumers.

Consequently, it may be assumed and expected that public administration will support CSR and help to promote it. Public authorities should particularly support the creation of self-regulatory instruments and effective market control to help cultivate it in relation to the consumer and to equal business conditions.

The principles of consumer protection in the priority areas were indeed part of the strategic document entitled “Consumer Policy Priorities 2011-2014” (dated 12th January 2011), and are also included in the new consumer policy strategy for 2015-2020 (dated 7th January 2015). However, the Czech Republic is still not strong in terms of the sophistication of the business environment, a fact which is often apparent in the poor relations between entrepreneurs and consumers. Consumer policy priorities therefore must include support for self-regulation and dialogue between businesses and consumers.

Another important element in this respect is the Consumer Advisory Committee (“CAC”) set up by MIT. The CAC is a platform for dialogue between government authorities of the Czech Republic and independent consumer organisations; meetings are regularly attended by representatives of the Confederation of Commerce and Tourism of the Czech Republic and the chair of the CAC may also invite other stakeholders as guests. The MIT subsidy policy in the field of consumer protection may also help promote the application of certain CSR principles. One of the objectives of the yearly calls focuses on cooperation with businesses, including federations and associations of businesses that share the common aim of cultivating the market environment, etc.

This section describes the main aims of the NAP for the individual CSR-related consumer protection priorities, i.e. raising awareness and strengthening the credibility of the CSR concept in society, promoting the development of CSR in organisations and, last but not least, sharing experience and transferring international know-how.

As regards **protecting and promoting the health and safety of consumers**, products and services must be safe, regardless of whether their safety is subject to legislative requirements. Particular attention should be given to vulnerable groups of consumers (e.g. children, senior citizens, persons with disabilities) and in these and other cases it should be considered whether there is the need to go beyond the minimal requirements stipulated by the regulations or standards. Examples of self-regulatory instruments that may help organisations have been outlined above. An important step for every organisation is to keep its consumers or service users properly informed about how a particular product or service should be used and the potential risks involved. Organisations must put in place operational measures and mechanisms for recalling products or for returns from consumers. As far as health is concerned, self-regulatory measures may have special added value, such as in cases where an organisation makes a commitment to manufacture healthier variants of products.

Consumer expectations in relation to **the protection of their economic interests** span an extremely broad area, covering a range of services, e.g. in tourism and financial services. Specific problems include unfair practices, inadequate customer service and poor claims

handling or ignoring claims outright, etc. In relation to CSR it is important to mention the law governing unfair (misleading and aggressive) business practices (Act No. 634/1992 Coll., on Consumer Protection, as amended). An example of such a practice is when a trader unlawfully (i.e. without fulfilment) declares a commitment to follow certain rules of behaviour (codes of conduct). Another example of unfair practice is the unauthorised use of a quality mark, etc. One fundamental consumer expectation is that the consumer's rights will be upheld in a dispute with a retailer – service provider. The enforceability of the law is a crucial factor in protecting consumers' economic interests, and is considerably aided in the application of the European framework to the out-of-court settlement of consumer disputes in the Czech Republic, the legislation for which was being discussed by the Chamber of Deputies of the Parliament of the Czech Republic at the time the NAP update was being prepared.

The quality of products and services on the market is only regulated by legislation in exceptional cases (examples of where legislation does specify certain quality requirements are foodstuffs). Consumers are often confused when it comes to quality. They want “quality”, but are not adequately aware that there are various levels of quality. They believe that they can get high quality at a low price. Organisations should use existing and new voluntary instruments to transparently display quality standards (marks, voluntary certification, etc.) so that consumers have a clear idea of the level of quality on offer and can base their decision to purchase on both quality and price. State administration may then seek mechanisms to increase the availability of better quality products.

Sustainable consumption is an important part of European politics. Consumers do not always adequately realise that this is not some sort of abstract support for the environment, but is actually very closely connected with their economic interests, such as energy consumption. Therefore, it is in consumers' own interests to focus on product labelling giving details of energy consumption, for example. At present, there is also little awareness of product lifetimes (something directly related to information about product quality in connection with the previous priority, and with quality warranties, the length of which is not defined by law, unlike defect warranties, which usually last for two years).

Protection of personal data and privacy has been a very high-profile issue in recent years, but one that is still greatly underestimated by consumers. More questions will arise associated with the boom in e-commerce, and these will become increasingly important. Combined, these topics are crucial for CSR.

STRATEGIC PRIORITIES FOR THIS AREA ARE:

- Improving consumer health and safety,
- increasing the protection of consumers' economic interests (services, malpractice, customer service, complaints, settlement of disputes out of court),
- raising awareness of quality to achieve higher quality products and services,
- improving understanding of the benefits of sustainable consumption,
- protection of personal data and privacy.

WITH THE AIM OF:

- enhancing consumer protection beyond the scope of the legislative requirements.

The NAP should be considered an open document, and thus the priorities and activities given here are merely indicative. It will be essential to respond to current market developments. A range of flexible measures will need to be adopted to cover the trend in electronic commerce. The EC has made this a priority and is preparing a raft of measures, including legislative.

The above priorities should ultimately increase legal certainty and the standing of consumers in the market and also improve consumer attitudes towards trade and service providers.

Bearers: MIT, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations

ACTIVITIES UNDER NAP:

Strategic priorities	Activity	Activity implemented by	Deadline	Outcome
Improving consumer health and safety	Completion of a legislative and normative framework where one is currently lacking, particularly as regards services.	MIT, other ministries, as applicable	2017	Analysis of options for a legislative solution to the security services
	Thorough and large-scale checks on the safety of products on the market. Physical sampling and testing consumer goods to check compliance with the safety requirements; Checking the safety of services offered and supplied on the market.	MIT, Czech Trade Inspection Authority, other ministries and market surveillance authorities, as applicable	to be checked 2017	Corresponding number of checks based on physical sampling and tests
	Support for the creation and use of self-regulatory instruments to increase the safety of products on the market Support for the creation and use of technical standards, quality marks, the voluntary involvement of an independent third party in assessing compliance with the requirements of the technical regulations and standards, good practice manuals, etc., including support for the involvement of consumer organisations in these processes.	MIT, Quality Council of the Czech Republic, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations	ongoing to be checked - 2018	Information about consumer involvement in standardization (e.g. Cabinet for Standardization)

Increasing the protection of consumers' economic interests (services, malpractice, customer service, complaints, out-of-court settlement of disputes)	Support for the prevention of unfair trade practices. Support for the creation and distribution of good practice manuals aimed at preventing unfair trade practices	MIT in collaboration with supervisory bodies, consumer organisations in the Czech Republic, professional organisations and associations	2018	E.g. the publication of good practice manuals on these topics
	Support for the widespread use of the newly introduced system for resolving consumer disputes out of court. Creation of good practice manuals (or similar outcome) for the submission and handling of dispute settlement applications; additional events – seminars, etc. Creation of specific good practice manuals (or similar outcome) for on-line settlement of disputes; additional events – seminars, etc.	MIT, consumer organisations in the Czech Republic, professional organisations and associations	2017	E.g. the publication of a good practice manual (or similar outcome) on these topics



Increasing awareness of quality so as to achieve higher quality products and services	Increasing awareness quality in society, amongst both consumers and business organisations. E.g. an information and educational campaign about quality – the concept of quality, transparent quality declarations, the option to judge the price against the actual level of quality being purchased.	MIT, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations	ongoing	Proof of campaign: Printed materials Conferences, round table, etc.
	Support for quality marks, promoting the transparency and credibility of marks used on the market	MIT, Quality Council of the Czech Republic, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations	2018	Information about support for quality marks



Improving understanding of the benefits of sustainable consumption	Raising awareness about the principles of sustainable consumption, the creation and application of instruments to ensure greater compliance with these principles on the market. A campaign, including seminars, good practice manuals, etc. with the aim of clarifying and promoting the principles of sustainable consumption. Implementation of an awareness campaign focusing on environmental labelling, the use of smart meters and smart networks, etc. Initiating national discussion amongst stakeholders concerning the durability of consumer products, transparent information about product durability for consumers, the use of standardization and other instruments for this purpose.	MIT, ME, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations	2018	Information such as on publications – good practice manuals, etc. (- environmental labelling The application of smart meters and smart networks) Or conferences on the topic of the durability of consumer products
Protection of personal data and privacy	Increasing awareness of the principles of the protection of personal data and privacy. Creating and promoting instruments to ensure wider use of these principles in the market (a campaign, including workshops, good practice manuals, etc.)	MIT, cooperating ministries, consumer organisations in the Czech Republic, professional organisations and associations	2018	Information on implemented activities.

The strategic document National Action Plan for Corporate Social Responsibility in the Czech Republic is a non-legislative, voluntary, open and live document, which is valid for the period 2016 to 2018.

The Ministry of Industry and Trade was appointed to coordinate CSR and draw up the National Action Plan for Corporate Social Responsibility. It was prepared and updated in collaboration with the Expert Section Corporate Social Responsibility and Sustainable Development of the Quality Council of the Czech Republic, with subsequent interdepartmental cooperation.

The introduction to the National Action Plan for Corporate Social Responsibility describes the characteristics of corporate social responsibility, the purpose and benefits of CSR, information about the approval of the National Action Plan for Corporate Social Responsibility in the Czech Republic in April 2014, which was an essential step in strengthening and developing CSR in the Czech Republic and its benefit to society, economic growth, sustainable development and the competitiveness of the Czech Republic.

The document also contains information about current practice in the Czech Republic. The Global Compact Network Czech Republic has also been in place in the Czech Republic since April 2015. At the international level the UN Global Compact initiative brings together several thousand organisations from more than 165 countries around the world.

The main aims of the National Action Plan for Corporate Social Responsibility are to increase awareness and boost the credibility of the concept of corporate social responsibility in society, to support the development of social responsibility in organisations, to share information and to ensure the transfer of international know-how. The National Action Plan for Corporate Social Responsibility defines 10 key areas, from promoting and supporting the development of the concept of corporate social responsibility, dialogue and cooperation amongst CSR stakeholders, international cooperation and rewarding organisations for corporate social responsibility through to the protection of consumer interests. Social enterprise is now also a key area. For each key area there is a section describing that area,

as well as its strategic priorities and bearers; certain key areas are also accompanied by an overview of task fulfilment as of 31st July 2015, followed by a summary of activities to be implemented in 2016 – 2018, specifying their implementers, deadlines and outcomes. The priority that cuts across most of these key areas is an emphasis on protecting and promoting health as a basic social and economic value.

What is crucial is that we consider corporate social responsibility to be a voluntary concept, one based on self-regulation. The entities representing the private sector specified in the National Action Plan for Corporate Social Responsibility in the Czech Republic implement the activities described in the document on an entirely voluntary basis, of their own free will, and have been doing so for several years now.

Corporate social responsibility is becoming an increasingly important element in the strategic management in the current global market. Nowadays, a competitive advantage lies with enterprises that are able to actively respond to the ever-changing expectations of consumers and which make social responsibility a part of their business.

The National Action Plan for Corporate Social Responsibility may become a guideline for responsible and sustainable business. After all, a responsible approach to business offers demonstrable benefits and the number of organisations that publish details of their responsible activities is continuously increasing in the Czech Republic. Corporate social responsibility is a highly topical issue, not only for major companies, but also for small and medium-sized enterprises in the region, their employees and the communities around them, as well as for public administration.

Material will be drawn up for the period after 2018 based on developments concerning corporate social responsibility at the EU and national level, designed in line with the latest visions and directions for this topic.

A-CSR	Association of Social Responsibility	MI	Ministry of the Interior
AMSP CR	Association of Small and Medium-sized Enterprises and Traders of the Czech Republic	ME	Ministry of the Environment
BLF	Business Leaders Forum	MT	Ministry of Transport
BfS	Business for Society	MDGs	Millennium Development Goals
CEO	Chief Executive Officer	MA	Ministry of Agriculture
CBCSD	Czech Business Council for Sustainable Development	MH	Ministry of Health
CSR	Corporate Social Responsibility	MFA	Ministry of Foreign Affairs
CSV	Creating Shared Values	MHR	Minister for Human Rights, Equal Opportunities and Legislation
CR	Czech Republic	NAP	National Action Plan
CSQ	Czech Society For Quality	NQSC	National Quality Support Centre
DG EMPL	Directorate General for Employment, Social Affairs and Inclusion	NCP	National Contact Point
DG GROW	Directorate General for Internal Market, Industry, Entrepreneurship and SMEs	OECD	Organisation for Economic Cooperation and Development
EC	European Commission	UN	United Nations
ECJ	European Court of Justice	OP	Operational Programme
EU	European Union	CDP	Chamber of Deputies of the Parliament of the Czech Republic
GCNCR	Global Compact Network Czech Republic	PR	Public Relations
GPP	Green Public Procurement	P3	P3 – People, Planet, Profit
GRI	Global Reporting Initiative	SDGs	Sustainable Development Goals
HLG	High Level Group on Corporate Social Responsibility	QAA	Quality Award Association
ILO	International Labour Organisation	CAC	Consumer Advisory Committee
LA21	Local Agenda 21	UN GC	United Nations Global Compact
MIT	Ministry of Industry and Trade	OSMT	Czech Office for Standards, Metrology and Testing
MF	Ministry of Finance	RILSA	Research Institute for Labour and Social Affairs
MLSA	Ministry of Labour and Social Affairs	WBCSD	World Business Council for Sustainable Development
SMEs	Small and medium-sized enterprises	WEF	World Economic Forum
MEYS	Ministry of Education, Youth and Sports		
MRD	Ministry for Regional Development		

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