

**THE STRATEGY FOR  
CORPORATE SOCIAL RESPONSIBILITY  
SUPPORT IN THE SLOVAK REPUBLIC  
FOR 2008-2018**



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## **ACRONYMS**

CSR– Corporate social responsibility

EMAS - Eco-management and audit scheme

ILO – International Labour Organization

OECD - Organization for Economic Cooperation and Development

OP – Operation programme

SD - Sustainable development

SMEs– Small- and medium-sized enterprises

## **PREFACE**

*“Slovakia has enjoyed sustained economic growth in recent years. Unemployment has fallen considerably, although long-term unemployment remains stubbornly high. The current government has made achieving a more equal distribution of income a priority insofar as this can be done without damaging long-term growth prospects. Ensuring that the benefits of high economic growth are more widely distributed is vital for making such growth sustainable. This objective calls for policies that give more priority to poverty alleviation, strengthen employment and remove barriers to competition in product markets. In the long term, improving education outcomes, including reducing the impact of socio-economic factors on outcomes, will be central to sustaining high economic growth and social cohesion.”<sup>1</sup>*

The Slovak Republic, as a member of the European Union (EU), is benefiting from processes that are boosting economic growth in the country, as well as contributing to higher welfare in the EU as a whole.

The Slovak Republic declared its agreement with the Lisbon strategy in the ‘Strategy for SR competitiveness to the year 2010’.<sup>1</sup> The Lisbon Strategy aims to create by 2010, “the most competitive and dynamic knowledge economy in the world, with a capacity for economic growth, in which there will be better and more skilled jobs and higher social cohesion”<sup>1</sup>.

The targets of the Lisbon strategy refer to principles of sustainable development

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<sup>1</sup> Baseline Study on Corporate Social Responsibility Practices in Slovakia, UNDP, Bratislava, 2007, p. 9.

(SD), received by the Slovak government via the ‘National Strategy of Permanently Sustainable Development’. Based on this document it is the task of the Slovak government to ensure conditions for such economic growth that take root quickly and that are long-term, but whose success is also measured through social development and environmental protection.

A tool for achieving such economic growth is through the application of Corporate Social Responsibility (CSR), which is generally considered to reflect the desire of the business community to address the challenge of long-term sustainable development in Slovakia as well as abroad.

CSR in Slovakia is relatively new. International companies and non-governmental organizations have been its main proponents. They have striven to create conditions and initiatives to motivate businesses to apply CSR principles.

Selected departmental ministries have also taken some steps to employ CSR principles. But they have not always received enough support. They have largely served to boost the work of academia and the media.

The current status of CSR in Slovakia is summarized in the ‘Initial study of the application of socially responsible business in Slovakia’, which is a result of the CSR survey initiated by the Bratislava Regional Centre of the UN Development Programme for Europe and Commonwealth of Independent States.<sup>2</sup>

The principal findings of the survey are:

- CSR in Slovakia is still rather undeveloped;
- Further investment is needed to boost knowledge and expertise in CSR;

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<sup>2</sup> The survey and study were produced within the project ‘Acceleration of CSR application in New Member States of the European Union and in candidate countries, as a tool for harmonization, competitiveness and social cohesion’.

- information about CSR should be spread so that it influences the general public;
- CSR issues should be included in training programmes for future managers and economists;
- CSR principles should be conveyed so as to provide services and support to business subjects;
- CSR requires support from the government, which should become a leader in the promotion of CSR by properly stimulating the business environment and by creating suitable support mechanisms.

The experience of several EU countries shows that there is a correlation between the intensity to which CSR is applied and the quality of life. This is measured by such indicators as the growing competitiveness of the country, the number of innovations that have a positive impact upon society and the environment, and the level of social cohesion.

CSR has the greatest long-term impact when governments play an active role in establishing, coordinating, and promoting CSR principles.

The Strategy of CSR Support in the Slovak Republic (hereafter 'Strategy')

- proposes a system for the coordination and support of CSR principles in the Slovak Republic;
- defines the task for the Slovak government in this process;
- establishes areas of competence;
- proposes activities to promote CSR;

- submits a proposal for financing individual activities.

## **CORPORATE SOCIAL RESPONSIBILITY**

Corporate Social Responsibility (CSR) is a concept under which business actors take not only financial and economic considerations into account when making decisions, but also social, environmental and ethical factors.

CSR focuses on stakeholders (employees, consumers, suppliers, shareholders and the larger community). It demands that companies consistently do more than simply comply with relevant legal norms.

The application of CSR principles is an effective tool to improve the efficiency and competitiveness of companies. CSR contributes to sustainable growth, as well as to convergence to international market standards. For this reason CSR has significantly resonated recently within many international institutions and it is becoming a subject of interest among the strategic targets of governments of many countries.

The CSR concept is viewed as business's contribution towards sustainable development and the resolution of social problems such as poverty, global warming, and negative demographic trends. It emphasizes the observance of human rights while preserving respect for economic indicators, competitiveness and equitable regional development. It also aims to be a practical way to deal with such mega trends as globalization.

The main characteristics of Corporate Social Responsibility are:

- CSR is pursued on a voluntary base. CSR generally involves exceeding the scope of relevant legal rules of valid legislature.
- CSR is not an alternative to valid rules; it is a voluntary supplement to valid legislation.
- CSR is built on ethical principles, like free will, fairness, honesty and responsibility to employees, customers, business partners, competition, environment and society as a whole.
- The pursuit of CSR delivers benefits to all stakeholders (employees, consumers, shareholders, community), as well as to the enterprise itself.
- CSR is not a synonym for a corporate philanthropy or any charity activities.
- CSR is a tool for making ethical profits, for securing long-term prosperity and for supporting business transparency.
- CSR is part of the core business strategy of the company.
- CSR can be pursued not only by international corporations, but also by small- and medium-sized enterprises (SMEs), independent farmers, self-employed persons who operate their businesses on a local level.

### **LEGISLATION:**

The submitted Strategy is in accordance with key documents<sup>3</sup> that have been produced on the international and/or national level.

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<sup>3</sup> Sources of mentioned documents – see Annex 3 of this Document.

### Documents of the European Union:

In the broadest sense, the Strategy refers to the targets of the Lisbon strategy, as recently amended. Since the acceptance of the Lisbon strategy, other documents and recommendations were received on the level of the European Union that exclusively focused on the promotion of CSR principles inside the EU environment, as well as outside of it.

The basic documents include:

- *European Commission Green paper on the “Promoting a European framework for Corporate Social Responsibility” – COM(2001) 366 of 18.7.2001*
- *Communication from the European Commission concerning corporate social responsibility: A business contribution to sustainable development - COM (2002) 347 of 2 July 2002*
- *Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee - Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility - COM(2006) 136 final of 22 March 2006*
- *Report on Corporate Social Responsibility: a new partnership – European Parliament 2006/2133 (INI) of 13.3.2007*

### Documents of the Slovak Republic:

The term ‘CSR’ has not yet been named explicitly in Slovak legislation. Due to the fact that CSR actively encourages sustainable development and significantly contributes to the competitiveness of companies and regions, the parallels with CSR

can be found in the following documents:

- *The national sustainable development strategy proposal* – approved by SR government decree No. 978/2001
- *Slovak Republic position to Lisbon strategy* - approved by SR government decree No. 251/2004
- *Strategy of Slovak republic competitiveness up to year 2010 – „Lisbon strategy for Slovakia“* - by SR government decree No. 140/2005
- *Slovak Republic sustainable development action plan for the years 2005-2010* - approved by SR government decree No. 574/2004
- *Slovak Republic national strategic reference framework for the years 2007-2013* - approved by SR government decree No. 1004/2007 and by European Commission decree C (2007) 3887/F of 17.8.2007
- *National action plan of green public procurement for years 2007-2010* - approved by SR government decree No. 944/2007
- *Strategy of voluntary measures implementation related to environmental policy in Slovak Republic* - approved by SR government decree No. 1091/2007

Documents and initiatives of international and intergovernmental organizations:

Between basic documents and initiatives belong:

- *OECD guidelines for multinational enterprises* – approved in 2000

- *ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* – approved in 1977, implemented in 1991 and 2001
- *UN initiative Global Compact*
- *World Bank initiative - DevComm CSR Program*
- *CSR Europe Initiative – A European Roadmap for Businesses: Towards a Sustainable and Competitive Enterprise*
- *Global Reporting Initiative*

## **VISION AND PURPOSE OF THE STRATEGY**

The submitted Strategy contributes to the fulfilment of the following vision:

The Slovak Republic is developing a harmonious society with a competitive economy and high standards of living, social equity and environmental protection.

All key sectors of the economy – the public sector, the business sector and civil society are on the local, regional and national level involved in the creation of partnerships, contributing to the fulfilment of sustainable development targets.

The atmosphere naturally motivates businesspeople to take into account not only economic but also social and environmental considerations. In this process, the government is in a strong position to encourage suitable conditions for the application of such types of business.

Large enterprises, SMEs, independent farmers, self-employed persons and freelance occupations are prosperous, innovative and competitive on a local, national and

international level and the application of CSR principles is an inseparable part of their strategic management.

Their employees are prosperous because they apply ethical business principles, work in safe and dynamic environments and have the opportunity for lifetime learning.

Their business activities and customers are spread across the whole country and across borders.

At home and abroad, Slovak businesses are considered to be modern and competitive and are able to partner with the government and civil sector in order to solve social and economic development challenges.

In short, Slovak businesses are active promoters of a modern Slovakia for the 21<sup>st</sup> century.

#### Purpose of the Strategy:

The purpose of the Strategy is to create, with the active participation of the Slovak government, a business environment that encourages the idea that success should be broadened to include economic, social and environmental factors. Competitiveness and growth should be judged also in terms of their contribution to sustainable development.

#### The Strategy aims to achieve the following long-term targets:

- to achieve sustainable economic growth and fair redistribution
- to contribute to solving social and economic development challenges
- to support the creation of intra-sector partnerships, contributing to the fulfilment of political targets related to permanently sustainable development
- to increase competitiveness of Slovak business environment

- to support transparency and standardization in the business environment
- to boost the quality of life.

## **ACTIVITIES OF THE STRATEGY**

In order to fulfil the Strategy, the following activities should be emphasized:<sup>3</sup>

### *Institutionalization of socially responsible business*

In order to establish CSR principles in the Slovak Republic, there needs to be support from the government. Furthermore, specialized structures should be focused on promoting CSR principles through the activities described below. A model for the proposed institutionalization is presented in a separate part of the Strategy.

Boundary lines of the activity:

- acceptance of the Strategy through a government decree (2008)
- establishment of an executive agency for CSR support (2009)
- first meeting of the Governmental Council for CSR (2009)

### *CSR as the cross-sectional theme of current legislation*

CSR is a multi-faceted approach. It is therefore necessary that legislation creates a supporting environment for CSR. It must be explicitly codified in legislation focused on sustainable development, social policy, environmental policy, public procurement, fiscal policy, trade, and regional development.

Deadlines:

- There should be agreement with relevant ministries about the application of CSR principles in departmental legislation and about the mapping of departmental legislation with the goal to identify obstacles for application of CSR principles in practice (2010).
- Participation should be mandatory for the body in charge of the creation and amendment of relevant legislation (for the application of the proposed institutional structure it will be the National Contact Point for CSR) (2013).

#### Promotion of CSR principles in business

In order to create conducive environments for CSR principles, several tools are proposed. These are presented in a separate part of Strategy “Financing”.

Deadlines of the activity:

- The Law (decree) about a CSR Support Fund and the establishment of the fund (2010)
- Revision of the Income Tax Law, allowing firms to expense the costs of applying CSR principles (2013).

#### Increasing awareness and exchanging CSR experiences

The goal of this activity is to increase awareness of how CSR boosts the effectiveness and competitiveness of enterprises, and thus the community and the region.

It is necessary to carry out activities focused on individual target groups (large companies, SMEs, suppliers, and consumers) and on specific themes (private-

public-social partnerships, transparency, “green” and “inclusive” public procurement networks of suppliers, and the environment)

Once different activities are completed, various promotional and informational activities should be pursued. They should include websites, printed materials, development of case studies, direct counselling, consulting activity, information campaigns through the media, etc.

Deadlines for the activity:

- central CSR web portal (2009)
- approval of medium-term action activity plan for a period of three years (2009)

#### *Education and research on CSR*

Long-term research focused on determining and quantifying results and institutional effects of CSR principles has the potential to provide strong arguments in favour of CSR, therefore in favour of the application of ethical principles like fairness and honesty upon the achievement of profit and upon securing the long-term prosperity of the company.

It is also necessary to provide specialized courses about CSR, dedicated to mid- and top-level management of large companies, as well as to independent farmers and self-employed persons.

It is important to include CSR in economic- and management-oriented subjects at universities, as well as in general course offering to students that could become the basis for specialized study on CSR.

At the same time, it is desirable to broaden the content of ethics classes in basic

and grammar schools on the CSR theme.

Deadlines for the activity:

- Declared cooperation with a research institution that will research CSR and produce a methodology for an in-depth study of the economic impact of CSR principles in Slovakia (2011)
- Certification of a CSR course by the Ministry of Education of SR ( 2012)
- The CSR theme demonstrably included in economic and environmental fields of study at all Slovak universities (2013)
- Accreditation of a CSR field of study for a selected university (2018)

*Support of multi-department open dialogue and cooperation of all interested subjects*

Enforcement of CSR principles must be done in close cooperation with all interested stakeholders.

In order to create an investment plan that has demonstrable impact on the environment of the community, as well as on the socio-economic situation, it is necessary that consultations with representatives of all interested subjects shall become a regular part of the decision-making process.

The principles of such a dialogue and consultations must be applied on the national, regional and local level as well.

Deadlines for the activity:

- Recommendation to include multi-stakeholder dialogues as part of the investment decision making process (2013)
- The obligation to realize dialogue as part of decision making process prescribed by law (2018)

- Standards and methodology on how to conduct dialogue (2015)

### Public procurement

The correct structuring of public procurement criteria and standards can be an effective tool for supporting transparency and objectivity, for supporting disadvantaged regions and marginalized groups, environmental protection and other community services.

The proper selection of a supplier's network directly impacts the social and economic development of a community. Therefore, social and environmental aspects must be taken into consideration, and they must become one of the assessment criteria for potential suppliers.

'Green' and 'inclusive'<sup>4</sup> public procurement must be consistent, transparent and systematically applied even in public job orders, financed from public resources.

Deadlines of the activity:

- Methodology of 'green' and 'inclusive' public procurement set up for the Slovak Republic (2009)
- Recommendation about the application of the principles of 'green' and 'inclusive' public procurement (2009)
- Legislative changes in favour of 'green' and 'inclusive' public procurement (2011)

### Standardization and certification

Perceptions of CSR principles vary depending on the size of the company, business area or purpose of activity.

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<sup>4</sup> 'Inclusive' public procurement considers the influence that a procurement order would have on marginalized groups, especially through the creation of new jobs.

It is necessary to establish or adopt a standardization system of CSR procedures for the Slovak Republic and to determine minimum CSR standards.

Likewise, it is necessary to focus on quality certification related to environmental, social and ethical standards. (The standard is represented by ISO 9000. As concerns environmental certifications in the Slovak Republic, the model ISO 14001 or EMAS is applied).

Deadlines of the activity:

- Scheme of support and propagation of already applied certification projects (2010)
- Establishment and propagation of socially relevant and acceptable certification models (like fair-trade labelling) (2013)
- Establishment of the central register of certified models and certified products and services (2015).

### Reporting duty

Several recommendations of the European Commission and other international organizations have recommended to national governments to require firms to publish information about the environmental impact of their business. Publication of this information –including details about social and public impact – is becoming a good practice that has the potential to make a positive contribution to the promotion of CSR principles in society.

The reporting duty should be applied especially to large companies.

Deadlines of the activity:

- Methodical support for the creation of documents about existing reporting methods (like Global Reporting Initiative) (2011)

- Recommendation for the publication of reports about the environmental and social impacts of firms (2013)
- Obligation of large companies to publish reports about their environmental and social impacts prescribed by the law (2018)
- Establishment of report archives (2018)

### International cooperation

The CSR concept is in many countries a business model that is already being implemented on a long-term basis. With the aim to establish CSR principles in the Slovak environment, cooperation will be started with a number of initiatives, institutions and individuals who focus on this theme. Likewise, the Slovak Republic will start to play an active role in initiatives focused on CSR that are realized on the international level.

Deadlines of the activity:

- Rolling deadlines.

## **INSTITUTIONALIZATION OF CSR**

CSR is a cross-cutting theme relevant to several departments. This theme offers space for organizations from public, private and the civil sector, and it utilizes expertise of many interested subjects, like consumers, employees, employers, unions, businesspeople and others.

Due to potential of this theme, it is necessary to establish a body that will connect all mentioned groups and sectors and will provide space for support of the theme by the Slovak government. Such a body should be a Governmental Council for CSR

(hereafter Council). For activities linked to administrative support and coordination of the Council and to tasks coming out of Strategy, there will be established an Executive Agency for CSR support (hereafter Agency). This Agency will be part of a selected department, or will be determined on the basis of a public procurement.

*Governmental Council for CSR:*

The governmental Council of the Slovak Republic for CSR (hereafter Council) will be an advisory body of the government for support of activities related to CSR. The Council shall operate under political management of the Vice-Prime Minister for knowledge society, European affairs, human rights and minority groups.

The members of the Council will be made up of representatives of individual ministries (Ministry of the Environment, Ministry of Labour, Social Affairs and Family, Ministry of Finance, Ministry of Economy, Ministry of Foreign Affairs, Ministry of Education), trade unions, consumers, associations, employers, self-employed persons, non-governmental organizations and academia.

Members of the Council will be nominated by the Vice-Prime Minister for knowledge society, European affairs, human rights and minority groups on the basis of recommendation by the National Contact Point for CSR.

The Council will be responsible for:

- determining the priorities for enforcement of CSR principles in society
- supervising targets fulfilment of the Strategy and completing tasks coming out of the Strategy
- to determine and update CSR certification system
- to monitor the progress of CSR in Slovakia

The activity, functioning and tasks of the Council will be described in detail in the Council Provision which will be consequently prepared by the accredited body.

*Executive Agency for CSR support:*

For carrying out activities related to administrative and methodological coordination and fulfilment of the Strategy targets, there will be established an Executive Agency for CSR Support (hereafter Agency).

If the Agency will be established as a part of a selected ministerial department in charge, the financial and personal capacities of such department will be supported up to such level that it will be able to fully provide tasks resulting in relation with ensuring activities of the Agency on the base of assignment by the government.

If the Agency will be established by public procurement, any institution with demonstrable expertise in the theme and with legal presence in Slovakia can respond to the public tender.

The Agency will be responsible for:

- fulfilling the functions of a Council Secretariat that supports the activities of the Council
- fulfilling tasks resulting from decisions of the Council and resulting from the fulfilment of the Strategy targets
- actively cross-link organizations, individuals and initiatives related to CSR in Slovakia, as well as abroad
- to support open dialogue of all interested subjects
- to support a CSR certification system

- to serve as an information, consulting and research centre for CSR and to increase the awareness of CSR among experts and the general public

On the basis of decisions of the Council, the Agency has the right to authorize a third party to execute individual tasks resulting from the CSR Strategy.

The Council, together with the Agency, will propose to the individual higher territorial units and regional parliaments establishing and operating regional structures to promote CSR principles on the regional level. The Council and CSR will provide these structures by any methodical and expert assistance, but they will not be a part of the organizational structure of the Council, nor of CSR.

Creation of regional structures promoting CSR principles on a regional level with regard to regional specifications can have positive influence on the competitiveness of individual regions.

## **FINANCING OF THE ACTIVITIES**

Financing of tasks resulting from the strategy is proposed by means of a multi-source financing model.

The costs related to the institutionalization of the theme and to the administrative and organizational activities of the Council and the Agency will be fully covered by the state budget.

The costs related to the realization of individual programmes focused on content and methodical support will be divided between budgets of individual ministries and international institutions, with an emphasis on EU sources, which could be tapped by applying for a grant based on a project proposal.

Budgetary expenditures of individual ministries will be included in the budget of a given ministry for successive years and they will represent an individual item. These are especially the Ministry of Labour, Social Affairs and Family, Ministry of the Environment, Ministry of Economy, Ministry of Agriculture, and the Ministry of Education.

In order to support the enforcement of CSR principles in individual business subjects, there will be established a CSR Supporting Fund (hereafter Fund). The Fund will focus on activities and measures that cannot be financed through already existing state funds and other grant schemes and which represent a risk investment for businesspeople. Between such activities belong for example the second stage CSR support (motivation of suppliers to apply CSR principles); support of 'green' and 'inclusive' public procurement; activities of the municipalities, etc.

In the period to 2015 there will be significant resources for co-financing of activities related to CSR from EU structural funds. A priority emphasis will be put on Operation Programme (OP) employment and social inclusion, OP competitiveness and economic growth, OP environment and OP research and development.

The CSR theme must quickly become cross-sectional and must be explicitly included in the supporting priorities of individual schemes of special purpose donations of individual resort ministries.

It is equally important that the CSR principles are projected also between criteria of evaluation and selection of grant and donation schemes, within which are the business subjects authorized submitters. In this relation it is an important tactical coordination of evaluation and selection criteria from the executive bodies of the Strategy.

### **REALIZATION OF THE STRATEGY**

The main tool for monitoring implementation of the Strategy will be monitoring reports elaborated in one-year intervals.

The Agency will be responsible for elaborating the report. It shall submit the report to the Council, which shall submit it after approval to the Vice-Prime Minister for information society, human rights and minority groups, who will figure as a political sponsor for the Strategy.

## **ANNEX 1:**

### **KEY THEMES OF THE STRATEGY**

The key themes of the Strategy which are responsible to the employees, consumers, business partners, community, environment, support of business transparency and protection of human rights refer to 10 principles of the United Nations Initiative

“Global Compact”, which is since its creation in the year 2000 realized in more than 200 countries and it is the biggest one of its kind all over the world.

Principles of Global Compact are:

#### Human Rights

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: make sure that they are not complicit in human rights abuses.

#### Labour Standards

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

#### Environment

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

#### Anti-Corruption

- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

The realization of Strategy activities and application of principles of the initiative Global Compact can be in a long-term horizon demonstrated through its positive impact on:

related to the employees:

- equality of opportunity and inclusive working environment
- equilibrium between working and private (family) life
- quality of working environment
- occupational safety
- further education of the employees and prospective application of acquired knowledge and skills
- transparency during selection and career growth of the employees
- rights of the employees and participation of the employees in decision-making processes

related to consumers:

- safety and quality of products
- information provided above scope of legal rules and product marking
- fair valuation
- after-sale services and after-guarantee service including also activities like recycling or liquidation of products
- marketing and advertising ethics and consistent application of consumer's rights

related to the business partners:

- transparent selection of suppliers
- expansion of the selection criteria of suppliers to include environmental and

social aspects and emphasis on the suppliers who have in their practice applied CSR principles

- fair pricing
- consistent fulfilment of obligations to the network of suppliers
- protection of the intellectual property of the suppliers

related to the community:

- smart utilization of local sourcing and support for the creation of occupational positions on a local level and consecutive impact on social and economic development of the community through participation of the company on the growth of the quality of life of local inhabitants
- environmental protection in the neighbourhood of the company
- adherence of the company to a particular community and support for community services and non-profit-making activities in the community and entering into partnerships with interested subjects from all sectors
- transparent behaviour of the company in relation to effort to influence legislation processes and administration of public issues
- the perception that the company is a reputable and respectable neighbour in the community, fulfilling its obligations towards all interested subjects

related to the environment:

- rational utilization of natural resources like water, air, mineral wealth,
- reduction of waste production and processes of waste management
- reduction of production of harmful emissions and products contributing to climate change and air pollution
- elimination of activities contributing to a fast drop of biodiversity

- investments into 'green' products and innovations
- voluntary monitoring of environmental impact, which is the basis for acceptance of corrective procedures

related to transparency and reduction of corruption:

- publication of information
- application of a behaviour code towards all joined groups, including competition
- transparency of financial processes of the company and decision-making processes in the company
- transparency in selection of business partners and suppliers
- application of the rights of shareholders and investors
- consistent refusal of any form of bribery and corruption

related to support of human rights:

- consistent selection of such a network of suppliers and business partners, which actively apply CSR principles and spread the CSR model into new environments where it has not yet been applied
- consistent refusal to utilize material and services with demonstrably negative impact on the life of local inhabitants
- consistent refusal to participate on any activities that could either directly or indirectly support the prolongation of conflicts in a particular region
- enforcement of principles of socially responsible investments





obstacles for application of CSR principles in practice											
- the mandatory participation of the body in charge on creation and annotation of relevant legislation											
<b><u>3. Stimulation for application of CSR principles in the businesses</u></b>											
- the Law (decree) about CSR Supporting Fund and establishment of the fund											
- revision of the Income Tax Law, allowing to include costs of CSR application costs in practice to the expense items of the company											
<b><u>4. Increasing of awareness and exchange of CSR positive experiences</u></b>											
- central CSR web portal											
- approval of medium-term action activity plan for period of three years											
<b><u>5. Education and research about CSR</u></b>											
- declared cooperation with research institution that will accept CSR as a subject of interest of its research and a											

methodology of an in-depth research about economic impact of application of CSR principles in Slovakia											
- certification of CSR course by Ministry of Education of SR											
- CSR theme demonstrably included into content of economic and environmental fields of study in all universities in SR											
- accreditation of CSR field of study on selected university											
<b><u>6. Support of multi-department open dialogue and cooperation of all interested subjects</u></b>											
- recommendation of dialogue realization as part of investment decision making process											
- the obligation to realize dialogue as part of decision making process prescribed by the law											
- standards and methodology of dialogue realization											
<b><u>7. Public procurement</u></b>											
- methodology of “green” and “inclusive” public procurement setup for the environment of SR											
- recommendation about application of principles of “green”											

and "inclusive" public procurement											
- legislation changes in favour of "green" and "inclusive" public procurement											
<b><u>8. Standardization and certification</u></b>											
- scheme of support and propagation of already applied certification projects											
- establishment and propagation of socially relevant and acceptable certification models into environment of SR (like fair-trade labelling) year											
- establishment of the central register of certified models and certified products / services											
<b><u>9. Reporting duty</u></b>											
- methodical support during creation of reports and distributing information about existing reporting methods (like Global Reporting Initiative)											
- recommendation to publication of reports about environmental and social impacts of enterprising											

- obligation of large companies to publish reports about environmental and social impacts of enterprising prescribed by the law											
- establishment of archive of reports											
<b><u>10. International cooperation</u></b>											
- continuous activity											

### **ANNEX 3:**

### **REFERENCES**<sup>5</sup>

#### **Documents of the European Union:**

[http://ec.europa.eu/employment\\_social/soc-dial/csr/index.htm](http://ec.europa.eu/employment_social/soc-dial/csr/index.htm)

*European Commission Green paper on the “Promoting a European framework for Corporate Social Responsibility” – COM(2001) 366 of 18.7.2001*

- [http://eur-lex.europa.eu/smartapi/cgi/sga\\_doc?smartapi!celexplus!prod!DocNumber&lg=en&type\\_doc=COMfinal&an\\_doc=2001&nu\\_doc=366](http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=en&type_doc=COMfinal&an_doc=2001&nu_doc=366)

*Communication from the European Commission concerning corporate social responsibility: A business contribution to sustainable development - COM (2002) 347 of 2 July 2002*

- [http://eur-lex.europa.eu/smartapi/cgi/sga\\_doc?smartapi!celexplus!prod!DocNumber&lg=en&type\\_doc=COMfinal&an\\_doc=2002&nu\\_doc=347](http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=en&type_doc=COMfinal&an_doc=2002&nu_doc=347)

*Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee - Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility - COM(2006) 136 final of 22 March 2006*

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<sup>5</sup> listed links are validated by 16.5.2008

- [http://eur-lex.europa.eu/smartapi/cgi/sga\\_doc?smartapi!celexplus!prod!DocNumber&lg=en&type\\_doc=COMfinal&an\\_doc=2006&nu\\_doc=136](http://eur-lex.europa.eu/smartapi/cgi/sga_doc?smartapi!celexplus!prod!DocNumber&lg=en&type_doc=COMfinal&an_doc=2006&nu_doc=136)

*Report on Corporate Social Responsibility: a new partnership* – European Parliament 2006/2133 (INI) of 13.3.2007

- <http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A6-2006-0471&language=SK&mode=XML>

### **Documents of the Slovak Republic:**

*The national sustainable development strategy proposal* – approved by SR government decree No. 978/2001

- <http://www.rokovania.sk/appl/material.nsf/0/F34F511CC50CD268C1256ADA003D484F?OpenDocument>

*Slovak Republic position to Lisbon strategy* - approved by SR government decree No. 251/2004

- <http://www.rokovania.sk/appl/material.nsf/0/6AC04F5664B1C397C1256E5A00415BD3?OpenDocument>

*Strategy of Slovak Republic competitiveness up to year 2010 – „Lisbon strategy for Slovakia“* - approved by SR government decree No. 140/2005

- <http://www.rokovania.sk/appl/material.nsf/0/BEB7D15266C4758EC1256FA50031AD36?OpenDocument>

*Slovak Republic sustainable development action plan for the years 2005-2010* - approved by SR government decree No. 574/2004

- <http://www.rokovania.sk/appl/material.nsf/0/171BAC19741F61DBC125703B003A01AE?OpenDocument>

*Slovak Republic national strategic reference framework for the years 2007-2013* - approved by SR government decree No. 1004/2007 and by European Commission decree C (2007) 3887/F of 17.8.2007

- <http://www.nsrr.sk/dokumenty/zakladne-dokumenty/>

*National action plan of green public procurement for years 2007-2010* - approved by SR government decree No. 944/2007

- <http://www.rokovania.sk/appl/material.nsf/0/7DF24577A9EDC16AC1257384003D2738?OpenDocument>

Strategy of voluntary measures implementation related to environmental policy in Slovak Republic - approved by SR government decree No. 1091/2007

- <http://www.rokovania.sk/appl/material.nsf/0/E9C65C8EB9FF8216412573A20027BDEF?OpenDocument>

### **Documents and initiatives of international and intergovernmental organizations:**

*OECD guidelines for multinational enterprises* – approved in 2000

- [http://www.oecd.org/department/0,3355,en\\_2649\\_34889\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/department/0,3355,en_2649_34889_1_1_1_1_1,00.html)

*ILO's Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy* – approved in 1977, revised in 1991 and 2001

- <http://www.ilo.org/public/english/employment/multi/download/english.pdf>

*UN initiative Global Compact*

- <http://www.unglobalcompact.org/>

*World Bank initiative - DevComm CSR Program*

- <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTDEVCOMM/EXTDEVCOMSUSDEVT/0,,contentMDK:20243787~menuPK:509009~pagePK:64146915~piPK:64146896~theSitePK:423901,00.html>

*CSR Europe Initiative – A European Roadmap for Businesses: Towards a Sustainable and Competitive Enterprise*

- <http://www.csreurope.org/pages/en/roadmap.html>

*Global Reporting Initiative*

- <http://www.globalreporting.org/AboutGRI/>
- <http://www.blf.sk/gri>