

RECOMMENDATIONS
ON THE IMPLEMENTATION
OF CORPORATE SOCIAL
RESPONSIBILITY CONCEPT
IN POLAND



THE GROUP FOR
CORPORATE SOCIAL
RESPONSIBILITY
ISSUES



**RECOMMENDATIONS
ON THE IMPLEMENTATION
OF CORPORATE SOCIAL
RESPONSIBILITY CONCEPT
IN POLAND**

CSR

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THE ECONOMIC CHANGE THAT HAS TAKEN PLACE DURING THE LAST 20 YEARS HAS ALLOWED POLAND TO CONSOLIDATE AN ECONOMY BASED ON THE FREE MARKET AND FREE BUSINESS ACTIVITY.

Nevertheless, **the results of Poland's systemic transformation** extend even further, including as they do an improved image overall in the eyes of the global community, as well as a stronger economic position.

WHILE PARTICIPATION IN **GLOBALISATION PROCESSES** MAY OBVIOUSLY BE PERCEIVED AS MEANS BY WHICH POLAND MAY STRENGTHEN ITS ECONOMIC POTENTIAL, IT ALSO REQUIRES THAT MARKET PLAYERS **RESPECT INTERNATIONAL OBLIGATIONS** AND ADAPT TO THE CHALLENGES POSED BY SUSTAINABLE DEVELOPMENT – AN ISSUE EXERTING AN INCREASING INFLUENCE ON ECONOMIC COOPERATION.

In line with such considerations, legislators developing new directions to economic policy are putting more and more stress on the **search for new competitive advantages** that create a solid basis for growth, and also enable both present and future generations to satisfy their aspirations.

An economy which is modern, innovative and effective should enable Polish companies to compete successfully with others on the global market, not least by making use of the benefits arising from cooperation, and especially from a capacity to make joint use of resources. However, the necessary background to such progress is a **higher level of public trust, which can be raised** if the quality of the relationship between government and local administration on one side, and socio-economic partners on the other is improved. Participation in government initiatives by key stakeholders (especially those participating from the private sector) is also a must, and that in turn demands increased transparency of administration, the building of cross-sectoral partnerships and strengthened cooperation to **overcome barriers that stand in the way of society's development**.

Drafted over a period of a year and a half, the Recommendations set out here owe their existence to a wide range of specialists from current administration, noted international organisations, business and consumer associations, the trade unions, investors' circles and the financial sector, the scientific and academic community, NGOs and individual companies engaged in the promotion of Corporate Social Responsibility (CSR), alongside all those who are passionately interested in issues of social and environmental responsibility.

As **CSR entails challenges of such wide scope**, it remains a priority to ensure that consistency of action is raised further, while the effects of synergy within the framework of currently implemented initiatives are enhanced. Additionally, if durability of the effort made is to be assured, it will be **necessary to have implemented an integrated support system for the Group for Corporate Social Responsibility Issues¹, as well as for its Working Groups**. Such a system will allow benefits to accrue from cooperation, but most importantly will also **strengthen cooperative links** and **help create cross-sector partnerships** for CSR.

The successful inclusion of risk factors posed by Environmental, Social and Governance (ESG) may also need to entail flexible financial mechanisms, e.g. those under the Public-Private Partnership (PPP) system, as well as the **activation of institutional and individual investors** as and when investment decisions are made. It is also essential that the Recommendations generated here be incorporated into the Operational Programmes that are to be drafted under the financial framework for 2013, with tax preference being concentrated on conditional tools, in particular those connected with innovation and investment, and those dealing with challenges that demographic and environmental factors pose.

A further essential goal has been and remains the **implementation of CSR principles in public administration**, especially by way of increased transparency and accountability of action, as well as the **creation of conditions that foster citizen participation and ownership**. This will require the launch of an intensive promotional and informational campaign, which will include public service announcements, as well as action to promote priority issues identified by the Group, not least responsible investment and sustainable consumption. Finally, a CSR dimension to the educational process will also have to be taken into account.

It is still essential that the **transparency and verifiability of the market be increased**, chiefly through implementation of the latest CSR standards based on ESG concepts of risk management and data being open to the general public. Actions in this area should be directed primarily at state-owned companies shortlisted after a prior analysis, companies owned by the State Treasury and open-end pension funds. It is also recommended that a **set of principles for a systemic project** aimed at promoting CSR in Polish economic reality be drafted. The implementation of such a project should constitute a next stage of goals for the Group for Corporate Social Responsibility Issues. Additionally, with a view to accepted recommendations being put into practice effectively, an **annual Group work schedule** should be drafted. Emphasis should be placed on the provisioning of an **efficient monitoring system, as well as evaluation procedures** for actions that are to be implemented.

¹ Established by Prime Minister's Order No.38 of 8 May 2009.



1. INTRODUCTION TO CSR

In accordance with the ISO 26000 standard published by the International Standardization Organization (ISO) in November 2010, social responsibility denotes a commitment on the part of organisations to include social and environmental aspects in the decision-making process and to take responsibility for the way in which their decisions and activity influence society and the environment.

THIS IN TURN MEANS ACTING IN A MANNER BOTH **TRANSPARENT** AND **ETHICAL**, WITH DECISIONS BEING MADE THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT, ARE IN COMPLIANCE WITH APPLICABLE LAW, AND ARE CONSISTENT WITH INTERNATIONAL NORMS OF BEHAVIOUR.

The ISO 26000 Standard addresses, not only the private sector, but also all kinds of organisations, associations and institutions, as well as the state administration and other bodies capable of exercising an influence on stakeholders. At the same time, the **reasons behind voluntary willingness to take action** in the area of CSR are increasingly motivated economically, as well as morally. For example, where the demands of different stakeholders are taken into account, organisations may identify potential risk areas efficiently, and choose tools that can reduce or eliminate the effects thereof effectively.

Activities carried out in the area of CSR also lead indirectly to the attainment of a number of political goals, such as: labour market integration, increased social cohesion, innovation growth and the effective use of environmental resources. Being subject to close scrutiny and evaluation by both consumers and NGOs, large multinational corporations have been creating a 'responsible' image for years. However, the concept of CSR, understood as a grassroots business initiative, is not restricted to large companies, since an **increasing number of small and medium-sized enterprises (SMEs) are reported to be participating** in activities that benefit society and the environment. It is nevertheless clear that such operators are making insufficient use of CSR concepts in their activities aimed at gaining competitive edge and creating long-term and stable growth.

The development of CSR concepts is heavily influenced by initiatives launched on the international level by the UN, OECD and EU. These point to areas in which the existing socio-economic model has to be adjusted in line with the **global challenges sustainable development poses**. These issues have long since been identified by the governments of those countries involved in the promotion

of CSR and implementation of its concepts. A report on institutional models of CSR promotion in selected countries, prepared by CSRIInfo² for Poland's Ministry of Economy in 2010, identifies four institutional CSR promotion models:

1

THE OBSERVER

is characterised by the lack of a clear CSR leader among government institutions. In this model the promotion of CSR rests upon business and civic organisations. Additionally, there is insufficient coordination of actions engaged in.

2

THE PATRON

is a model in which government units involved in CSR activity can be identified. However, there is no one supervisory body that would coordinate activities. In addition, advisory bodies to the government have been created and CSR-promoting institutions founded.

3

THE PROMOTER

is a model in which coordination by a leading government unit can be identified with regard to CSR activity. The government addresses CSR issues by adopting policies, strategies or national CSR action plans. There are also guidelines, standards and other non-regulatory forms of CSR promotion.

PL

In this document, Poland has been classified as a Patron country, though the creation of the Group for Corporate Social Responsibility Issues and the gradual inclusion of CSR concepts into strategic documents drafted by the Government will allow for an upgrade to more-advanced promotion models.

4

THE PARTNER

scenario is characterised by the presence of a leading government unit which coordinates the activities of other ministries, advisory bodies and CSR promotion centres. Government actions create a framework for grassroots initiatives by engaged socio-economic partners, this leading to greater consistency of action and the achievement of synergy effects.

² „The analysis of institutional models of CSR promotion in selected countries” prepared by CSRIInfo.

2. THE POLISH CSR PROMOTION MODEL

2.1. EVALUATION OF CSR DEVELOPMENT IN POLAND

It has long been argued in Poland – as in other countries undergoing systemic transformation – that the economy is not ready to incorporate social and environmental aspects within economic policy. However, the financial crisis prompted company management to redefine economic models and adopt a more responsible approach which would allow for the creation of a sound basis for fast recovery and future sustainable development. Additionally, the financial crisis notwithstanding, the ability to maintain a fairly stable economy in the past several years should be motivating enterprises to invest in the innovative technological and non-technological solutions that constitute a source of long-term value growth. Viewed in this context, CSR should be an **opportunity to create a new competitive edge** based on innovation, the effective use of resources and the maintenance of long-lasting relationships with stakeholders.

IN POLAND, INTEREST IN CSR ISSUES IS GROWING WITH EVERY PASSING YEAR.

This trend is visible in the case of both civic organisations and business environment institutions, as well as with other partners, e.g. the Warsaw Stock Exchange.³

A number of grassroots initiatives are being introduced, these entailing the organisation of workshops, competitions and conferences, or good practice aimed at increasing the sustainable development awareness of market participants. On the basis of the experience gathered so far, as well as the work of the Group for Corporate Social Responsibility Issues and its Working Groups, an evaluation of the current state of CSR implementation in Poland has been performed. The evaluation identifies its strengths, as well as points that demand increased involvement.

³ which in 2009 introduced first CSR index in Central and Eastern Europe, more at <http://odpowiedzialni.gpw.pl>

Table 1 →
SWOT analysis, diagnosis of CSR development in Poland
Source: Own work (ME).

STRENGTHS

provisions of the Polish Constitution stipulate actions aimed at sustainable development

environmental law which is protected by a system of regulations, labour law which includes provisions on health and safety at work and laws on citizens rights and duties

intense involvement of social partners in actions aimed at CSR promotion

the existence of RESPECT the only index of ethically managed companies in Eastern Europe

freedom of decision with regard to CSR conformity resulting in business leaders' involvement in initiating sectoral and cross-sectoral cooperation for business development

leadership and responsibility in CSR issues at government level (work of the Group for Corporate Social Responsibility Issues)

WEAKNESSES

examples of implementation of CSR concepts mainly in the case of large companies, the majority of which are financed by foreign capital

company managers demonstrate a low level of awareness with regard to opportunities for increasing competitiveness and ensuring sustainable development by close cooperation

limited knowledge of exploitable international CSR standards especially among SME owners and civil service employees

a low level of consumer awareness of environmental and social product labelling and CSR standards

insufficient consideration of ESG risks in investment decisions

maintaining of administrative barriers and overregulation of the economy

OPPORTUNITIES

increased interest in CSR issues on the part of the international community, a trend encouraged by the publication of the ISO 26000 standard

a new EC communication on CSR scheduled for publication in 2011

gradual inclusion of the CSR concept into the country's economic development

Poland's activity on the international level, involving close cooperation over the development of EU CSR policy, also during the period of the Polish Presidency over the Council of the European Union

growing interest in the CSR concept among managers and media representatives

THREATS

perceptible effects of the financial crisis discourage company managers from changing their strategy and implementing CSR standards

insufficient consideration of CSR concepts by the government

insufficient knowledge of CSR concepts, especially among companies' top management

insufficient consistency of grassroots initiatives for CSR promotion in Poland

insufficient well-established consulting and auditing firms operating in the CSR sector, which limits possibilities for extending practical support to companies



2.2.
THE GROUP
FOR CORPORATE
SOCIAL
RESPONSIBILITY
ISSUES

THE MEETING OF SOCIETY'S EXPECTATIONS

first and foremost demands that the government act as a **partner and intermediary** between the business world and the public. The government should also create favourable conditions that would incline the business world to commit to CSR values voluntarily. In his Order No. 38 of 8 May 2009, the Polish Prime Minister established **the Group for Corporate Social Responsibility Issues**, which acts as a subsidiary body to the Prime Minister, serving as a pool of knowledge and forum for the exchanging of experiences and devising of solutions for the government administration that will intensify CSR promotion. The chief tasks of the Group include:

proposing solutions as regards coordinating the actions of particular bodies of the public administration in the area of CSR promotion and implementation,

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analysing and making use of the experiences of other countries, as well as propagating good practices in the CSR area, especially mechanisms worked out within the framework of The European Alliance for Corporate Social Responsibility,

+

creating a better communication environment and fostering dialogue between administration bodies, the business world, the social partners and NGOs, in matters concerning CSR.

In order to ensure swift implementation of their tasks, Group members adopted Resolution No. 2 of 21 July 2009, establishing:

1

the Working Group on the CSR promotion system in Poland, whose work concentrates on creating conditions for CSR development in the Polish economic reality, through the fostering of cooperation, propagation of good practices and innovative strategies resolving social issues, and the continuation of dialogue with members of specific business sectors.

2

the Working Group on responsible investment, which concentrates on fostering actions that promote the responsible investment, especially as regards improved reliability and credibility of disclosed data, and the inclusion of the ESG risks dimension within companies' management strategies and investors' capital.

3

the Working Group on CSR and education, whose work focuses on the creation of conditions by which the academic community's awareness of CSR's role in educating future expert teams in Poland can be raised, and cooperation with universities and other institutions strengthened, with a view CSR education being promoted in its economic, environmental and social dimensions.

4

the Working Group on sustainable consumption, which aims to propose solutions whereby the role of consumers can be identified and strengthened, and the supply and demand of products characterised by high environmental and social standards (i.e. sustainable products) stimulated. The Group's activities centre around the devising of solutions which can raise consumer awareness and strengthen the role when it comes to pressurising companies into implementing solutions that result in sustainable development.

COOPERATION BETWEEN THE MEMBERS OF THE GROUP AND ITS WORKING GROUPS FOSTERS INNOVATION AND THE ADAPTATION OF GOVERNMENT ACTIONS TO THE ACTUAL NEEDS OF MARKET PARTICIPANTS.

Particular emphasis is put on creating an equilibrium between the necessity to create a sound basis for economic growth that yields jobs and ensures competitiveness in the global dimension on the one hand, and a need to face the challenges posed by sustainable development on the other.

The results of Working Group and Group activities have been presented here, in the form of recommendations that are also being drawn on as government strategic documents (like the National Reform Programme for the implementation of the **Europe 2020** strategy, and other integrated strategies that outline key priorities and development directions) are drafted. From among these other strategies, special mention should be made of:

- the Strategy for the Innovation and Effectiveness of the Economy,
- the Strategy for Energy Security and the Environment,
- the Strategy for the Development of Human Resources,
- the Strategy for the Development of Social Capital,
- the Strategy for Smart Administration.

2.3.
THE POLISH
VISION
OF CSR

In promoting and implementing the CSR concept at national level, the government has as its priority **cooperation in lifting the barriers that hamper social development and in searching for new sources of competitive edge**. Achieving this priority would engender the stable growth that enables current and future generations to satisfy their aspirations.

THE GOVERNMENT'S VISION FOR CSR ENTAILS PUTTING IN PLACE OF THE BEST POSSIBLE DEVELOPMENT CONDITIONS FOR POLAND, WHICH WOULD BE SEEN AS A COUNTRY FOSTERING RESPONSIBLE, INNOVATIVE AND COMPETITIVE BUSINESS.

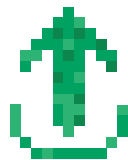
Achievement of the aims set forth in this vision would require attainment of the following strategic goals:

.....
an increasing in the responsibility taken by the state administration, and the inclusion of the socio-economic partners in the debate on social issues,

.....
a raising of awareness and increasing in market participants' responsibility when it comes to opportunities and benefits arising out of implementation of the CSR strategy and its instruments,

.....
fostered cooperative links and the establishment of cross-sector partnerships for CSR.

3.
RECOMMENDATIONS AND CONCLUSIONS ON FUTURE WORK



Taking into consideration national conditions and the challenges posed by CSR promotion, the government has acted with a view to a **comprehensive system of coordination and cooperation** being set up within the framework of initiatives already launched, and long-term priorities and areas demanding urgent intervention identified.

On the basis of experience gained by a wide range of experts, the Group for Corporate Social Responsibility Issues and its Working Groups have hammered out a set of recommended actions, for both the Government and the socio-economic partners, in order that activities might be directed towards areas essential if the CSR concept is to be implemented in Polish economic realities.

AS CSR ENTAILS CHALLENGES OF SUCH WIDE SCOPE, IT REMAINS A PRIORITY TO ENSURE THAT CONSISTENCY OF ACTION IS RAISED FURTHER, WHILE THE EFFECTS OF SYNERGY WITHIN THE FRAMEWORK OF CURRENTLY IMPLEMENTED INITIATIVES ARE ENHANCED.

Additionally, if durability of the effort made is to be assured, it will be **necessary to have implemented an integrated support system for the Group for Corporate Social Responsibility Issues, as well as for its Working Groups**. Such a system will allow benefits to accrue from cooperation, but most importantly will also **strengthen cooperative links** and help **create cross-sector partnerships** for CSR.

The successful inclusion of risk factors posed by Environmental, Social and Corporate Governance (ESG) may also need to entail flexible financial mechanisms, e.g. those under the Public-Private Partnership (PPP) system, as well as the **activation of institutional and individual investors** as and when investment decisions are made. It is also essential that the Recommendations generated here be incorporated into the Operational Programmes that are to be drafted under the financial framework for 2013, with tax preference being concentrated on conditional tools, in particular those connected with innovation and investment, and those dealing with challenges that demographic and environmental factors pose.

A further essential goal has been and remains the **implementation of CSR principles in public administration**, especially by way of increased transparency and accountability of action, as well as the **creation of conditions that foster citizen participation and ownership**. This will require the launch of an intensive promotional and informational campaign, which will include public service announcements, as well as action to promote priority issues identified by the Group, not least responsible investment and sustainable consumption. Finally, a CSR dimension to the educational process will also have to be taken into account.

It is still **essential that the transparency and verifiability of the market be increased**, chiefly through implementation of the latest CSR standards based on ESG concepts of risk management and data being open to the general public. Actions in this area

should be directed primarily at state-owned companies shortlisted after a prior analysis, companies owned by the State Treasury and open-end pension funds. It is also recommended that a **set of principles for a systemic project** aimed at promoting CSR in Polish economic reality be drafted. The implementation of such a project should constitute a next stage of goals for the Group for Corporate Social Responsibility Issues. Additionally, with a view to accepted recommendations being put into practice effectively, an **annual Group work schedule** should be drafted. Emphasis should be placed on the provisioning of an **efficient monitoring system, as well as evaluation procedures** for actions that are to be implemented.

CREATING AN INTEGRATED **SYSTEM** OF CSR **PROMOTION** IN POLAND

ACTIONS AND IMPLEMENTATION TOOLS

Fostering activities of the Group for Corporate Social Responsibility Issues by:

.....
 providing a know-how and organisational support,

creating regional structures in the form of cross-sector partnerships and local cooperation links.

Overcoming social barriers by the implementation of a systemic project directed at supporting cross-sector coordination and fostering dialogue with stakeholders.

GROUNDS FOR RECOMMENDATION

A growing importance of CSR issues both in the international and national debate and a growing scope of actions taken by socio-economic partners and public administration result in a demand to foster the activities of the Group for Corporate Social Responsibility Issues. Providing a suitable employee and organisational base as well as gaining funds for the completion of Group's goals, including goals at regional levels, is particularly important.

Actions for CSR promotion in Poland require systemic solutions which would enable accurate identification of social barriers and working out instruments that could be implemented in order to eliminate such barriers. In order to ensure complementarity of launched actions, works on principles of the systemic project shall be based on the results of CSR promotion actions performed within the framework of the Swiss-Polish Cooperation Programme. Project's principles directed towards CSR promotion shall be developed during the next stage of works by the Group for Corporate Social Responsibility Issues.

MANAGING INSTITUTION

Ministry of Economy (ME) / The Chancellery of the Prime Minister (CHoPM)

ME

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues
 Local Government Units
 Interested socio-economic partners

Institutions comprising the Group for Corporate Social Responsibility Issues
 Interested socio-economic partners

CREATING AN INTEGRATED **SYSTEM** OF CSR **PROMOTION** IN POLAND

ACTIONS AND IMPLEMENTATION TOOLS

Executing informational public service announcements which involves public private and social partnership and is directed at promotion of:

.....
 sustainable development management in the supply chain,

CSR standards, credibility and transparency, responsible investment, sustainable consumption and lifestyle.

Development and implementation of CSR indicator system and evaluation of actions aimed at CSR promotion in Poland, including drafting of cyclical reports on the matter.

GROUNDS FOR RECOMMENDATION

Insufficient knowledge about challenges posed by the sustainable development and CSR is one of the main barriers in creating an economy which is innovative and responsible. Informational and promotional campaigns catch the public attention and encourage citizens to a greater participation in the public debate. In addition, it is still crucial that the undertaken informational actions lead to a greater market transparency and a greater demand for products characterised by high social and environmental standards (sustainable products), so that companies which conform to CSR standards are able to acquire a stronger market position. It is also important to raise the level of societal knowledge about responsible investment and to promote a sustainable lifestyle.

CSR actions have to be constantly monitored and evaluated in order to determine the extent of their implementation. Indicators which monitor the progress in the area of CSR should be based on the methodology that has been previously drafted and should also include the results of the "Enhancing Transparency and Credibility of CSR Practices Through Establishment of CSR Performance Assessment and Monitoring Systems in New EU Member States" project, which was carried out by the UNDP. It should also take into account the sustainable consumption indicators proposed by the European Environment Agency.

MANAGING INSTITUTION

ME

ME

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues
 Interested socio-economic partners
 Media

CHoPM
 Central Statistical Office (CSO)
 Institutions comprising the Group for Corporate Social Responsibility Issues
 Interested socio-economic partners

INCREASING RESPONSIBILITY OF PUBLIC ADMINISTRATION

ACTIONS AND IMPLEMENTATION TOOLS

Stressing CSR concept during The Polish Presidency over the Council of the European Union.

Implementing CSR rules and standards in public administration. Including provisions of ISO 26000 standard and reporting principles (Global Reporting Initiative - GRI) in the institutions' management policies.

GROUNDS FOR RECOMMENDATION

The Polish Presidency over the Council of the European Union offers an opportunity to present country's experiences with CSR so far and to give Polish opinion on CSR and sustainable development on the EU and international level. The undertaken actions should culminate in the promotion of Polish experiences and know-how among the international community and to promote exchange of good practices implemented by Polish companies. It is expected that this will result in foreign investors' growing interest in the Polish economy and ultimately in encouraging responsible investments.

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Socio-economic partners expect the Government not only to create conditions for CSR development in Poland, but also to force public administration to take greater responsibility. It is particularly important to implement proper risk management models which will enable an efficient operation of state governing bodies that shall be able to quickly react to socio-economic changes. It is also essential to take into account the economic, as well as Environmental, Social, and Governance (ESG) risks, which have more and more influence on shaping the development paths for the present and future generations. Furthermore, it is crucial to foster responsible leadership and to create friendly conditions which aid citizen participation and make citizens feel more responsible for the success of adopted reforms.

MANAGING INSTITUTION

Ministry of Foreign Affairs (MFA) /ME

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ChoPM

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: ME, Ministry of Labour and Social Policy (MLSP), Ministry of the Environment Interested socio-economic partners. Media

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Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: Ministry of the Interior and Administration (MIA), ME Interested socio-economic partners

INCREASING RESPONSIBILITY OF PUBLIC ADMINISTRATION

ACTIONS AND IMPLEMENTATION TOOLS

Wider inclusion of environmental and social criteria in tender procedures for public contracts:

.....
identification of barriers and tools enabling their lifting by constant monitoring and evaluation of the implementation of the National Action Programme for Sustainable Public Procurement 2010-2012,
.....

raising awareness and exchange of good practices between contracting entities, contractors and supervisory institutions.

Raising awareness of civil service workers in the area of CSR and challenges posed by sustainable development. This can be achieved by inclusion of the above issues into the programme of preparatory service

GROUNDS FOR RECOMMENDATION

It can be observed that in Poland an ever growing share of GDP is generated by public contracts. This can be explained by spending financial support granted by the EU. Polish public contracts system is decentralised. This means that each contracting party may choose products and services that conform with high environmental and social standards. However, so far these criteria have been rarely used by Polish contracting parties, which points to an inadequate use of this instrument's potential. Promotion of sustainable public procurement should stimulate market growth of products characterised by high environmental and social standards (sustainable products). For this purpose it is essential to increase skills and competence of experts responsible for carrying out public procurement and for controlling tender procedures. It is still essential to constantly monitor undertaken actions in order to properly identify barriers and to choose right tools for overcoming them. It is also crucial to continue cooperation with business segment institution in order to work out guidelines and to promote them among contracting parties and contractors.

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Proper identification of challenges posed by the sustainable development and CSR promotion requires adopting a systemic approach and instruments, as well as displaying competence and an attitude open to dialogue and cooperation. Therefore, it is important to raise the awareness of civil servants and to offer the necessary knowledge in

MANAGING INSTITUTION

Public Procurement Office (PPO)

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CHoPM

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: ME, MLSP, Ministry of the Environment Supervising institutions: Regional Accounting Chambers Interested socio-economic partners

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Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: ME, MLSP, Ministry of the Environment

INCREASING RESPONSIBILITY OF PUBLIC **ADMINISTRATION**

ACTIONS AND IMPLEMENTATION TOOLS

and into the Appointed Civil Servant examination.

Implementation of CSR standards, including ESG risk management, in the policies of state-owned companies and State Treasury companies shortlisted after a prior analysis.

Inclusion of questions concerning CSR and sustainable development in the examinations to State Treasury companies' supervisory boards.

Fostering dialogue and cooperation between different bodies of public administration in order to promote CSR by:

.....
stimulating grassroots business initiatives, including business

GROUNDS FOR RECOMMENDATION

the area of sustainable development and CSR. This knowledge should become a part of the curriculum of the preparatory service and should be included in the Appointed Civil Servant examination.

State-owned companies and companies owned by the State Treasury, which often represent sectors of strategic importance to the State, should set best standards for conducting business activity. By doing so they also shape trends of market cooperation. Management of assets owned by the State Treasury should comply with quality standards and with the international CSR standards. Such management would increase State credibility and the credibility of companies in the area of responsible management. Planned solutions should make use of experience and solutions adopted by other countries, such as Sweden, Denmark, the United Kingdom. These countries created guidelines for including ESG risks and reporting on CSR policies that are being used by companies owned by the State Treasury.

The planning of actions in this area should consist in fostering dialogue and cooperation between public administration and socio-economic partners by i.a. promoting self-regulation and taking joint internal and cross-sector initiatives. Additionally, it is essential to promote good practice in cooperation between business world and public administration by creating proper mechanisms

MANAGING INSTITUTION

Ministry of Treasury (MT)

ME

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: ME Interested socio-economic partners

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular: MLSP, MIA, Ministry of Culture and National Heritage (MCNH), Ministry of

INCREASING RESPONSIBILITY OF PUBLIC **ADMINISTRATION**

ACTIONS AND IMPLEMENTATION TOOLS

self-regulation and a code of good practice,

.....
fostering cross-sectoral cooperation on a regional level, e.g. within the framework of clusters, Network of Investors and Exporters' Service Centres (COIE) and special economic zones,

.....
closing cooperation between the Group for Corporate Social Responsibility Issues and other teams, working groups and interdepartmental committees, including the Trilateral Commission for Social and Economic Affairs and the Group for Systemic Solutions as regards Social Economy.

Including CSR promotion in actions aimed at promotion of Poland and Polish companies on the international market:

.....

GROUNDS FOR RECOMMENDATION

and improving those which already exist (e.g. Public-Private Partnership). Cooperation between business sector and academic and research centres should also be fostered in order to conduct research which can address the actual needs of economic development. It is important to act in two directions: one consists in a wider inclusion of local dimension, the other in a greater commitment of business organisations and NGOs. It is also essential to work intensively on changing the nature of mutual relationship between public administration and the citizens. In this context it is not only the accessibility to public information that is important, but more so the participatory governing style consisting in including socio-economic partners in the public debate. This should result in making the citizens feel more responsible for the success of the reforms. Therefore, strengthening the tool for social consultation that is already being used is a matter of urgency. This refers especially to situations when an agreement on the content of strategic documents has to be reached, or when new means of communication are created, e.g. digitalisation of administration aimed at building a new platform for social dialogue with a regional reach.

Building a country's position in the international arena is increasingly dependent on the competitiveness related to factors other than the price of a product. Apart from the quality of goods and services offered, also issues of capital security and the stability of organisational structures are becoming more and more important. Consequently,

MANAGING INSTITUTION

ME

SUPPORTING INSTITUTIONS

Regional Development (MRD)
Interested socio-economic partners
Local Government Units

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular MFA Interested socio-economic

INCREASING RESPONSIBILITY OF PUBLIC ADMINISTRATION

ACTIONS AND IMPLEMENTATION TOOLS

engaging COIE in the discussion on a need to consider CSR promotion issues both by Polish exporters and foreign investors,

drafting a programme promoting Polish companies which implemented CSR promotion outside Polish borders,

know-how and organisational support for the Trade and Investment Promotion Sections (WPHI) in order to promote CSR,

including CSR promotion in development aid priority and in activities of the Polish diplomacy.

GROUNDS FOR RECOMMENDATION

those companies which comply with international standards ensuring credibility and minimising ESG risks in the supply chain are able to gain competitive edge.

Companies' holding competitive edge will require an active participation in the process of economy internationalisation. In particular this will mean benefiting from the cooperation of various circles within the framework of net links. It is particularly important that COIE as well as Trade and Investment Promotion Sections of Polish Embassies and Consulates are actively participating in the CSR promotion. A great potential for launching actions in this area lies in the development assistance rendered by Poland and in foreign diplomacy. Increasing the role of Poland in the global economy will be heavily dependent on the promotion of Polish economy. Not until Poland develops a strong reputation in the area of providing certain high quality product, will Polish exporters and manufacturers be able to enjoy a prestige in the international stage and, consequently, to gain competitive edge.

MANAGING INSTITUTION

SUPPORTING INSTITUTIONS

economic partners

RAISING AWARENESS AND INCREASING RESPONSIBILITY OF MARKET PARTICIPANTS

I. Providing financial support for CSR

ACTIONS AND IMPLEMENTATION TOOLS

Ensuring cohesion and transparency of the tax system:

concentrating on conditional tools connected especially with innovation, investment and challenges posed by demographic and environmental factors,

reducing burdens and expanding cost portfolio in order to limit unfair competition stemming from the twilight economy.

valuation of ecosystem services as well as drafting and implementing an ecological tax reform.

Promotion of transparency and credibility of ESG data and the UN Principles of Responsible Investment (PRI).

Drafting guidelines on a broader inclusion of ESG risks in investment strategies for the financial institutions.

GROUNDS FOR RECOMMENDATION

Tax system which fosters innovation, effectiveness and investment should enable implementation of long-term business strategies and should minimise effects distortions in resource allocation. According to the adopted principles, in the next ten years the evolution of tax system, as well as of the whole body of law regulating the economy, shall consist in further simplifying the applicable tax rules, striving for cohesion and transparency of regulation and lowering the costs of fulfilling one's tax duties. Tax regulations shall be guarded by the stabilising mechanisms which prevent their further complication. These mechanisms have been described hereinabove.

Undertaken actions should result in a gradual shift of fiscal burdens from the employees onto the activities detrimental to society – i.e. pollution – in order to change the existing socio-economic system into a green, low-emission model. Gradual withdrawal of environmentally harmful subsidies and a fully-fledged implementation of the polluter pays' principle should be emphasised.

Responsible investment builds a key power base for financing CSR promotion in Poland. Therefore, it is important to encourage investors to a broader inclusion of ESG risks in their investment strategies. Raising awareness and commitment of financial institutions in CSR promotion is equal to sending a clear message to the market operators and constitute a stimulus to engage in actions for society and the environment. Informational

MANAGING INSTITUTIONS

Ministry of Finance (MF)

MF/ Polish Financial Supervision Authority (PFSA)/ MLSP

SUPPORTING INSTITUTIONS

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular ME and Ministry of the Environment Interested socio-economic partners

Institutions comprising the Group for Corporate Social Responsibility Issues, in particular ME and Ministry of the Environment Interested socio-economic partners Media

RAISING AWARENESS AND INCREASING RESPONSIBILITY OF MARKET PARTICIPANTS

I. Providing financial support for CSR

ACTIONS AND IMPLEMENTATION TOOLS

Educating investment consultants in the area of responsible investment.

Drafting evaluation tools for responsible investment in Poland aimed at institutional investors. Fostering cooperation for responsible investment, including the cooperation with social funds operating in Europe.

Eliminating a market practice whereby the same consulting firms render simultaneously auditing and consulting services for CSR and ESG (e.g. as part of the self-regulation).

Implementing aspects of ESG into the investment strategies of open-end pension funds (OFE) by:

.....
conducting training courses in the area of ESG data inclusion and disclosure,

GROUNDS FOR RECOMMENDATION

and educational activities should provide essential knowledge, especially in the area of credibility protection and ESG data analysis. This knowledge could be used for estimating the development potential and investment risks. Completion of proposed actions should also enable increasing the market transparency and developing instruments for responsible investment.

Responsible investment may help to rebuild trust in financial institution. It can also prove to be a milestone on the road to socially responsible business. In this context it is still extremely important that the circles engaged in promotion of responsible investment shall actively work together in order to improve the reliability and credibility of data and to include social, ethical and environmental issues in strategies of company management and investment capital management. The above-mentioned circles should especially include social partners as well as institutional and individual investors.

Obligation to report on the activity of open-end pension funds and to disclose information concerning their investment policies should contribute to a better quality of pension funds offered on the market. Additionally, access to non-financial information gathered by open-end pension funds will facilitate investment risk assessment and creating investment tools.

MANAGING INSTITUTIONS

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RAISING AWARENESS AND INCREASING RESPONSIBILITY OF MARKET PARTICIPANTS

I. Providing financial support for CSR

ACTIONS AND IMPLEMENTATION TOOLS

.....
implementing CSR reporting standard for pension funds (e.g. as part of the self-regulation),
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engaging trade unions in creating occupational pension schemes offered by companies.

Promotion of responsible personal finance management (planning of household budget, basic forms of saving money, preventing running up a debt).

Popularisation of the Canon of Good Practices of the Financial Market.

Raising awareness about the possible pension fund choices (state and private) and about the need for a secure future.

GROUNDS FOR RECOMMENDATION

Increasing citizens' awareness about their rights and about their duties stemming from contracts on the financial market constitute key elements for maintaining social activity without running into risk of social exclusion. It is particularly recommended to take up actions which educate participants of financial market about what it has to offer. It is also imperative to make sure that they are competently using the offered financial products.

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RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

2. Creating a sustainable consumption attitude

ACTIONS AND IMPLEMENTATION TOOLS

Promotion of ecological and social product labelling (e.g. products sold in accordance with the Fair Trade rules):

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 promoting and educating manufacturers and food processors in the area of CSR. This includes issuing a guidebook on sustainable consumption and production for manufacturers and suppliers.

.....
 Creating a country-wide database informing consumers about the labelling/certificates put on the product labels and used in services offered on the territory of Poland.

Stimulating development of sustainable local communities by fostering sustainable development projects conducted by private and non-private housing associations, churches and religious communities, NGOs and cultural and educational institutions.

GROUNDS FOR RECOMMENDATION

Government actions should result in reducing the asymmetry of information and increasing market transparency by providing consumers with reliable data about products they use. Additionally, in order to shape sustainable consumption attitude it is recommended to issue cyclical bulletins informing about the latest news, actions and benefits offered by the cooperation on sustainable consumption. Bulletins should be offered directly to the media, creating an opportunity to include these issues in the news, press articles etc., and also to all other interested parties who registered via a website. It is also essential that the public administration should cooperate with socio-economic partners, mainly in the area of issues crucial for the consumer, such as human rights, employees rights, environment protection or welfare of animals. It is also important to support the process of developing sustainable local communities and offering the citizens proper conditions in which they can actively shape their life conditions and choose their development path.

MANAGING INSTITUTIONS

ME

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RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

2. Creating a sustainable consumption attitude

ACTIONS AND IMPLEMENTATION TOOLS

Fostering consumer comparative product tests and monitoring the authenticity of companies' declarations on CSR implementation.

Creating tools enabling inclusion of aspects of sustainable development and ESG in the supply chain.

GROUNDS FOR RECOMMENDATION

Consumers should be granted access to reliable comparative information on environmental and social aspects of products offered on the market. Accessibility to information in the form of comparative study makes it easier to shop according to principles of sustainable consumption. At the same time it promotes the idea itself. Tests should be published by independent research centres and by distributors of compared products. Therefore it is essential to provide support to the existing watch-dog organisations and to start up new ones. Most importantly however, one should create mechanisms which will give more credibility to their work.

Standards used in relationships with suppliers and management of aspects of sustainable development in the supply chain shall grow in importance on the international market, acting as a decisive factor in signing contracts (in the case of companies which act in accordance with CSR principles). The responsibility for the functioning of the supply chain rests not only on companies, but also on the end consumers of products and services. In Poland however consumers are not using their power to exert pressure on companies effectively. Overview of information sources from which consumers can learn proves to be insufficient for them to learn about the influence that products available on the market have on the environment and on social groups.

MANAGING INSTITUTIONS

OCCP

ME

SUPPORTING INSTITUTIONS

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Institutions comprising the Group for Corporate Social Responsibility Issues, in particular Ministry of the Environment, MLSP, MH, MoARD, OCCP, MFA Interested socio-economic partners Media

RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

2. Creating a sustainable consumption attitude

ACTIONS AND IMPLEMENTATION TOOLS

Evaluation of food wasting scale in Poland and measures aimed at reducing it:

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conducting representative research on the scale and consequences of food wasting in Poland,

.....

promotion of positive attitudes and action aimed at changing negative consumer behaviour and changing practices employed by representatives of food industry,

.....

turning attention to a high correlation between food wasting and a negative impact on the environment.

GROUNDS FOR RECOMMENDATION

Due to a rising problem of food wasting in Poland, both on micro (households) and macro scale (manufacturers, food distributors, recycling companies), it is essential to take immediate action in order to minimise its size. It is particularly important to conduct representative research on the scale and the consequences of food wasting in Poland, which should enable to precisely evaluate the scale of economic, ecological and social losses connected with practices of utilisation of wholesome food. Additionally, it is recommended to take actions aimed at changing negative consumer behaviour and changing practices employed by representatives of food industry.

MANAGING INSTITUTIONS

MoARD

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Interested socio-economic partners
Media

RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

3. Educating personnel for innovative and responsible economy

ACTIONS AND IMPLEMENTATION TOOLS

Implementation of systemic solutions for training personnel that is qualified to teach CSR, both in lower and higher education: scholarships and research grants, exchange visits, training courses, workshops for teachers and lecturers.

Creating a systemic approach towards knowledge on CSR, sustainable development and financial education and promotion of its inclusion into the primary and secondary education curricula:

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drafting guidelines for teachers on including CSR and sustainable development topics in their lessons,

.....

creating a base of knowledge and publications on CSR and sustainable development,

.....

e-learning promotion and creating educational platforms on

GROUNDS FOR RECOMMENDATION

Problem of insufficient number of CSR teachers and trainers in Poland constitutes a main hurdle in the CSR promotion. Increasing qualifications of CSR teachers and lecturers will increase the effectiveness of teaching sessions and shall contribute to generations', employees' and managers' being more competent in the future.

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It is recommended to draft guidelines for teachers. The guidelines should be issued in the form of a guide in which teachers may find practical examples of how to incorporate topics such as CSR, sustainable development, sustainable consumption and production and financial education into their general curricula. The guide shall also contain a base of knowledge, publications and lesson plans on CSR that teachers and lecturers may fall back on during their lessons. The materials should also be made available via websites.

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MANAGING INSTITUTIONS

Ministry of National Education, Ministry of Science and Higher Education

Ministry of Education

SUPPORTING INSTITUTIONS

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RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

3. Educating personnel for innovative and responsible economy

ACTIONS AND IMPLEMENTATION TOOLS

social networking websites,
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promoting a practical approach towards lessons by using simulation games about starting and running a youth business.

Promoting the CSR and sustainable development principles in the university programmes:
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incorporating CSR and sustainable development topics into course structure of MBA and economy studies,
.....

offering traineeships, exchange programmes and internships in socially responsible companies,
.....

fostering competitions for the best MA and BA theses and dissertations on CSR and sustainable development as well as aiding grassroot student

GROUNDS FOR RECOMMENDATION

In order to cope with the challenges posed by the sustainable development a broad social support for the undertaken actions is necessary. In this context, one should first of all focus on the need to promote an integrated approach towards education which offers knowledge, skills and an opportunity to shape attitudes of sustainable consumption and sustainable lifestyle. It is true that Polish universities offer studies which touch upon the issues connected with CSR and sustainable development. However, the whole issue is addressed rather fragmentarily. It can also be spotted that university courses do not take into account a broader ethical and moral context or they do not address issues such as human rights, social justice, peace, security, cultural diversity and mutual cultural understanding, organizational and economic order. Consequently, university graduates are educated in the matters of environmental protection, yet they do not see the importance of social and economic aspects of sustainable development. Additionally,

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RAISING AWARENESS AND INCREASING RESPONSIBILITY OF **MARKET PARTICIPANTS**

3. Educating personnel for innovative and responsible economy

ACTIONS AND IMPLEMENTATION TOOLS

initiatives connected with this issue.

Promotion of the UN Principles of Responsible Management Education (PRME). Promoting information on practical incorporation of CSR values into the programmes of different faculties by propagation of good practice, quality standards etc.

GROUNDS FOR RECOMMENDATION

universities should offer postgraduate courses and training courses for teachers, civil workers, journalists and other people interested in CSR and sustainable development. Such courses should ensure the success of CSR education process and graft CSR principles onto the market.

Much in the vein of the bodies of public administration, universities and other institutions of lower education should also aim at implementing CSR and sustainable development rules into their management policies. Increasing the number of higher education institutions which adopt and implement PRME values can help to create an atmosphere in which CSR and sustainable development principles are not only a subject of heated debate, but are also being implemented in everyday life.

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MSHE, Ministry of National Education

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