

# **CSR as a part of the ethical strategy of a selected company**

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## ZADÁNÍ DIPLOMOVÉ PRÁCE (PROJEKTU, UMĚLECKÉHO DÍLA, UMĚLECKÉHO VÝKONU)

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Téma práce: **CSR jako součást etického řízení vybrané firmy**

Zásady pro vypracování:

1. V teoretické části diplomové práce pomocí relevantních zdrojů kriticky zhodnoťte koncept CSR, objasněte a shrňte jeho obsah, představte krátký vhled do vývoje této problematiky, včetně odpůrců tohoto konceptu. Stanovte cíle práce a pracovní hypotézy vyplývající z teoretických poznatků. Zvolte a zdůvodněte zvolené metody diplomové práce.
2. Objasněte význam a postupy etického řízení ve firmě a způsoby budování dobrého jména firmy.
3. V praktické části diplomové práce představte vámi vybranou společnost, přibližte oblast podnikání společnosti a popište nejlepší příklady z praxe v podobné oblasti. Analyzujte aktivity vybrané společnosti spojené se společenskou odpovědností. Zhodnoťte povědomí potencionálních zákazníků o této aktivitě firmy a možný vliv na nákupní rozhodování zákazníků.
4. Zhodnoťte marketingové strategie v závislosti na analýze povědomí o společnosti mezi cílovou skupinou a v projektové části práce navrhnete úpravy nebo změny v marketingové komunikaci ke zlepšení povědomí o aktivitách **Graspo CZ** v oblasti CSR.
4. V projektové části práce navrhnete úpravu vize společnosti a strategický plán do roku 2020 včetně marketingových kampaní, a navrhnete úpravy nebo změny v marketingové komunikaci ke zlepšení povědomí o aktivitách společnosti v oblasti CSR.
5. Shrňte dosažené výsledky diplomové práce při aplikaci teoretických znalostí o efektivním Corporate Social Responsibility na prostředí firmy. Potvrďte či vyvráťte hypotézy stanovené v teoretické části diplomové práce a vyvodte příslušné závěry.

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**ABSTRAKT**

Tato diplomová práce řeší problematiku etického řízení společností. Popisuje nezbytnost a přístupy k podnikatelské etice v oblasti papírenského a tiskařského průmyslu a na konkrétních příkladech hodnotí strategie vybraných firem. U modelové firmy Grasp CZ práce analyzuje podnikatelské prostředí i aktivity firmy a v projektové části navrhuje změnu komunikace a celkové vize firmy podle trendů v podnikatelské etice a především v oblasti Corporate Social Responsibility (CSR).

**Klíčová slova:** Corporate Social Responsibility, podnikatelská etika, etické řízení, papírenský a tiskařský průmysl, teorie sdílené hodnoty

**ABSTRACT**

This thesis deals with the problematic of the ethical governance and leadership in the company. It describes the necessity and the approaches to the business ethics in the paper and printing industry and in specific examples it evaluates the strategies of the selected companies. In the model firm, Grasp CZ, it analyses the business environment and the activities of the company and in the project part it proposes the changes of the communication and the overall vision of the company according to the trends in business ethics and especially in the area of Corporate Social Responsibility (CSR).

**Keywords:** Corporate Social Responsibility, business ethics, ethical leadership, paper and print industry, the Theory of Shared value

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I hereby declare that the print version of my Master's thesis and the electronic version of my thesis deposited in the IS/STAG system are identical.

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## FOREWORD

In my last work about CSR I focused on the problematic of the reporting of the company's responsible behaviour. I dedicated my research to the ways of company's PR and involving all the stakeholders (including the clients or the customers) into the responsible approach to business. My last research counted with corporates with a wide scope of responsible activities. The question of corporate ethics and the transparency of corporate PR were the two main topics involved in all the parts of my work.

Because of the theoretical background I gained in my last thesis I decided to write another CSR thesis. Taking in account the development of CSR theories and the trends for the next years in CSR strategies I will aim to evaluate the old approaches to responsible behaviour of a selected company and suggest new and complete CSR performance of this company. This thesis should manage to turn a company that already realizes the importance of ecology in the business to a fully responsible company, which would be competitive and respected on the international and local market thanks to its CSR activities.

Since companies depend on global development, which in turn relies on stability and increased prosperity, it is in their direct interest to help improve the state of the world.

Klaus Schwab, 2008

This phrase that originates from the German economist and the founder and executive chairman of the World Economic Forum is the backbone of this master thesis.

## INTRODUCTION

Twentieth century dramatically changed the behaviour of the people. For the centuries before, people solved mostly just the local and regional problems and needs so their behaviour was focused on their nearest surrounding. Nowadays the entrepreneurship has mostly global scope. Many local problems have global character and they are influenced by the global development. It wouldn't be possible to create enough sources to maintain, support and improve the standards of living of the increasing population without the integration into the global world industry, without being global.

This integration is called globalization and it is indisputably important for the business and for the development. This approach brings many possibilities for the corporates and companies, because it broads their field of operations, but in the same way, it bring many responsibilities. Globalization can bring the expected results only when it stands on ethical building stones, ethic relations and ethically boarded and globally respected goals within an ethical way to reach these goals.

Twentieth century was the century of the biggest changes and with the quickest growth in technological innovations and the diversity of market offer. When talking about the dark side of globalization, it was as well the fuel of consumption and the consume style of living. The consumptive style of living, the greed for more and abusing the planet, when pointing to the others without realising of our influence, is the same as cutting the branch under ourselves.

Milton Friedman said: "The business of business is doing business only", the content of this sentence is easily understandable and this respected economist gained admirers and opponents for his commercially oriented approaches to business. After the discussion of this approach the sentence was widen. "...as long as it stays within the rules of the game."

This little enrichment closes the door to buck-passing and abuse of the cited sentence.

Ethics in business make the managers change the traditional approaches and the customs of production. There are created new methods of management that reflect the development of social and economic relations in society. The absence of legislative that would strictly control the responsibility of corporates decisions led to create these methods. In this writing corporate social responsibility as a model of ethic approach will be described.

Corporate social responsibility as a part of the ethical entrepreneurship, the concept of modern management, is known for several decades and being a good corporate citizen is not just a

privilege of big companies any more. The trend is that every year more and more small and medium enterprises improve their behaviour with realising the only obligation of their operation – support the sustainable development of their market. In the ideal world it would sound logic. If the company wants to increase its profit in a longer term, to build the brand with prestige and gain loyal customers, it should behave as a good neighbour. In the same wave of thinking, if any company wants to grow, it needs the place to grow; therefore it depends directly on the global development. There isn't any other way to grow without supporting the development of the world. These considerations could be called natural approaches to the business or the common sense of business. The nature changes under the influence of the human and the companies and corporates are the first responsible for the change.

Let's not talk about the global warming and other climate changes, about the gap in between the poverty and fortune and about the war. This work should show the positive influence of the companies and the trends in attitudes to the sustainable business of the companies. While showing the possible ways to corporate behaviour, this work wants to draw a picture of the bright future of the business ethics and will show the possible transformation of a model company.

## **I. THEORY**

## 1 BUSINESS ETHICS

The concept of ethics and morality will be underlying throughout the entire work. Therefore it is inevitable to describe and present this concept and specify the area in which will the concept be anchored.

On the very beginning, it is important to answer to what is ethical and what do ethics mean. According to Holmes (1984) ethic is about the good (that is, what values and virtues we should cultivate) and about the right (that is, what our moral duties may be).

Yet the difficult part occurs when we ask, who evaluates, what is good and what is right.

To be able to answer this question the examined area of the ethics should be described.

According to Šmajš (2008) we can describe the business environment as a space that includes the whole complex of interests, relations and connections within its actors that in the context of the society calls for legality and morality. (Šmajš, 2008, p. 78)

Under this definition the business environment can be understood as a net of individualities, organizations and governments that work underneath a mutual influence in a system that needs to be supported by rules.

Concentrating only to a single company and its business environment, this net of relations and influence is the group of stakeholders. Stakeholders of the company may include: employees, suppliers, customers, competitors, government, community residents and others.

The stakeholders' theory says that the companies should consider the needs and interests of multiple stakeholder groups, not just those with a direct financial stake in the organization's profits and losses. The idea behind stakeholder based ethical decision making is to make sound business decisions that work for the good of all affected parties. (Merchant, [online])

The beginning of the ethical business is difficult to define, but as Krymláková (2009) concludes, already in the year 1759 Adam Smith was solving the question of the responsibility of business in his book „Theory of Moral Sentiments“, but the important milestone is the book „Principles of Economics“, where Alfred Marshall defines economy as a moral science with ethical roots.

Therefore, ethics should be the rightful part of the company's strategy, while implementation of the ethics should be based on the conclusions of the ethical analyses of the economic

activity. In short it can be said that the business ethics solves the application of ethical values into the business. (Krymláková, 2009, p. 33)

Even though Putnová (2007) explains that the business ethics is not so far firmly terminologically anchored, what's caused by relatively short evolution of the concept and because it differs through the cultures and different language background, business ethics are generally classify as one of the category of the applied ethics, that focuses on the ethical rules and principles of the entrepreneurship, moral and ethical problems, specific duties and commitments arising from the business activities. Each ethical dimension is examined in economic, legal, political and environmental context in local or global scope. (Krymláková, 2009, p. 34) Business ethics, concentrates on the moral standards as they apply to business policies, institutions, and behaviour.

Business ethics can be defined as the critical, structured examination of how people & institutions should behave in the world of commerce. In particular, it involves examining appropriate constraints on the pursuit of self-interest, or (for firms) profits, when the actions of individuals or firms affects others. (MacDonald, 2010 [online])

In this definition, the word "*should*" is crucial. This word says that the level of the ethics is voluntary and personal for all the companies. Ethical strategy of the company is something deep inside of the corporate culture, somewhere in the corn of the business.

With other words, business ethics is the accepted set of moral values and corporate standards of the operations of organization, but the specifics of what this actually means can vary from one organization to another.

In the Czech market the Bata's management is perceived as a responsible and complex summary of guidelines for the ethical and successful entrepreneurship. As Petříková (2007) mentions, the functionality of Bata's management is verified by years of praxis and according to specialists the principles of Bata's management build the ground for the new school of business leadership and management.

## 1.1 Voluntariness of the responsibility

The term responsibility in moral aspect reflects the situation, when we are able to sensibly justify our decision, behaviour or activity among the others. Šmajš (2008) argues that the fundamental condition of responsibility is its voluntariness without any external pressure.

Putnová, Seknička (2007) describe the responsibility on the context of reliance. According to these authors, responsibility is tightly connected with the reliance, which can be defined as a presumption, expectations and faith that relates to the probability that the upcoming activities of the other person or of the organization will be acceptable, beneficial or favourable or at least they won't be run in conflict with the interests of the one who relies.

This explanation continues with the argument, that responsibility and the reliance are two key values that are crucial in every market economy, because it's impossible to build the contract relations without these mentioned values.

If we accept this definition, the responsibility is not so voluntary any more. The concept of responsibility as the voluntary approach to the business is undermined by Werner Stark. Ethical management is a process of anticipating both the law and the market and for sound business reasons. (Stark, 1993, p. 39) Saying that the law has some significant role in the decision making of the company about, how ethical will their activities be, is antagonist with the Šmajš's opinion about the absolute voluntariness of the ethical behaviour of the company.

Nevertheless, to help the system of mutual cooperation within the business and society work well, there are some organizations that deal with the business ethics.

The most important organization is the European Business Ethics Network that was established in the 1987.

Krymláková (2009) says about this organization that it connects the representatives of academic and business sphere with the aim of leading the discussion on the topics of the business ethics and the corporate social responsibility.

And she adds: in the 1999 the states of OECD signed the document called „Corporate Governance, “that contains the recommendations of the ethical management for the international organizations.

The most important volume of rules for the international trade is probably the OECS and UN Global Compact. Important are as well the ethical rules of business by The Caux Round Table and Sullivan's global principles of the corporate social responsibility.



Yet, the perception of the responsibility of the companies, if it should be voluntary or mandatory, is not entirely clear and the opinion spectrum includes three main concepts, as Putnová, Seknička (2007) conclude.

The first concept, close to Friedman's definition, is that the organization is just a legal entity and it doesn't have any moral responsibility.

The second states that the organization is moral subject, because it is created by people and the last concepts says that the organization or the company is the moral actor, what's less than a subject, because it is formed to some purpose, therefore it has tighter moral responsibility than the individual. (Putnová, Seknička, 2007, p. 57)

There is a number of reasons declared by the respected literature to adopt the business and social responsibility. According to Robbins, Coulter (2004) several basic reasons exist. Among the reasons the expectations of the general public of such behaviour, the possibility of limitation of another governmental regulations or creating better social advantages in the environment for the society and for the company can be mentioned.

## **1.2 Adoption of the business ethics in the company**

Business ethics can be perceived in many levels. Krymlaková (2009) mentions some fields that connect the business with the ethics. For example it is the ethics of individuality, workers' rights, consumer rights, anti-discrimination programs, codes of ethics, the careful use of energy, dealing with classified information of the organization in business negotiations, global business, responsibility of the organization, employee responsibility, alerting the employees about the unethical behaviour, environmental protection, protection of animals and research, industrial espionage, corruption, ...

This list of fields connected to business ethics can be divided into three levels of business ethics.

The macro level:

- The main subjects of macro level in the business ethics are the state and the company. The state and the legislative bodies use the legislative as the ethical frame of the function of the economy to influence the ethical behaviour of business subjects.
- The last level of the macro level is the ethics of international organizations. Krymláková (2009) says that this level is influenced by legal orders and the activity of the international institutions, which defines the rules for the international trade. *OSN*, *OECD*, *ILO* can be mentioned among these institutions.

The corporate level:

- On corporate level the business ethics manage the corporate social responsibility and the codes of ethics of the company as well as ethical issues facing individual corporate entities (private and public sector) when formulating and implementing strategies

The individual level:

- On the individual level it is the problematic of the behaviour and actions of individuals within organisations (Applied Corporate Governance, [online]), for example the moral commitments of the employees or the moral leadership of the management.

### **1.3 The tools of ethical management and the ethical strategy**

Business ethics are commonly represented by written and unwritten codes of moral standards that are critical to the current activities and future aspirations of a company, but the way to a systematic ethical strategy is long and difficult.

Ethical management is based on the ethical infrastructure of the company, so on the direct application of the ethical principles, tools and methods into the business process... These tools should build some logical complex that helps the company to reach the targets. (Seknička, 2002, [online])

According to Putnová (2007) the tools of ethical management can be divided into two categories: the traditional and modern. Among the traditional tools fall the codes of ethics,

ethical leadership, ethical education and trainings. Among the modern ones come ethic and social audit, ombudsmen for ethics in the company and ethics committees.

Codes of ethics are the oldest and the most frequently used tool of ethic business management. The history of the codes of ethics reaches into the ancient Greece, because the Hippocratic Oath is considered as the first code of ethics.

Putnová (2007) argues that the traditional tools of business ethics started to be used in the twenties of the twentieth century and they are used so far. These are simpler codes such as the corporate creeds and declaration of values. In the thirties the creeds and declarations were followed by the introduction of codes of ethical models (ethical leadership) and trainings of employees to act ethically. The further development of traditional instruments comes in sixties, as there are the codes based on the theory of stakeholders introduced into practice.

The code of ethics normally consists of several parts. Bláha, Dytr, (2003) these parts summarized into preamble, the expected standards of behaviour and ways of using the code of ethics in decision making and its validity.

The structure of the code of ethics can differ, because the companies themselves set the points that are crucial for the activity of the company.

Rolný (1998) described the main advantages of the adoption of the code of ethics in 5 points. It's the:

- Elimination of the undesirable practices, which may cause decrease in the favour of the stakeholders, and thus lead to economic losses
- Codes of ethics prevent from the abuse of the position of superiors in the company
- It's a mean of motivation for employees that work in environments recognizing the ethical values
- It serves as a strengthening of the discipline within the company
- It helps the company to decide in difficult issues such as the handling of confidential data.

## 2 CORPORATE SOCIAL RESPONSIBILITY

In the previous chapter it was briefly described, what are business ethics, and why are ethics important in corporates' performance. Indisputably, corporates have the influence on the society so they need to adopt some attitude of their behaviour to the environment and society. This opinion led to the pre- definition of the approach to the CSR concept.

The substance of social responsibility arises from concern for the ethical consequences of one's acts as they might affect the interests of others. (Davis, 1967)

### 2.1 Definition of the concept

Corporate Social Responsibility (later just CSR) is already a widely spread and understood concept of business behaviour. Nevertheless, it doesn't have an integrated definition that would be accepted by authorities. The concept of "social responsibility" has been developing since the seventies of the last century, but yet there is not uniform definition. (Petříková 2007, p. 131) claims that corporate social responsibility is understood as the initiative, which is based on a voluntary and has no clearly defined boundaries.

The spontaneous development, as well as a relatively large width of this concept, which is connected across the board with a wide variety of disciplines, is causing a very high terminological inconsistency. (Kunz, Srpová, 2009, p. 1)

Putnová, Seknička (2007) see the brief introduction into the CSR concept as the theory from A. Carrol with his pyramid based integration of the law, ethics and beneficences into the theory of CSR; in his publications he writes: The concept of corporate social responsibility (CSR) has a long and varied history. It is possible to trace evidences of the business community's concern for society for centuries. Formal writing on social responsibility, however, is largely a product of the 20th century, especially the past 50 years. (Carroll, 1999, [online])

As it is described in the standards of ISO 26000, the term social responsibility came into widespread use in the early 1970s, although various aspects of social responsibility were the subjects of action by organizations and governments as far back as the late 19th century, and in some instances even earlier.

The phrase ‚Corporate Social Responsibility‘ originates with H. Bowen, who wrote the first publication with this theme named Social Responsibility of Businessmen in 1953. Later in 1999, Carroll called Bowen “The father of CSR” in his publication Corporate Social Responsibility, Business and society.

CSR refers to the obligations of business to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of the objectives and values of our society. (Bowen, 1953)

This definition was not specific, so there were many efforts to define the concept of CSR with some more particular words. Until now, there is not one single definition of the concept, but there are some commonly accepted definitions.

The World Business Council for Sustainable Development, a group of 120 international companies, defines the concept as a continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. (WBCSD, 1998, [online])

The International Labour Organization (ILO) described on its website CSR as

A way in which enterprises give consideration to the impact of their operations on society and affirm their principles and values both in their own internal methods and processes and in their interaction with other actors” and further specified CSR as “a voluntary, enterprise-driven initiative, which refers to activities that are considered to exceed compliance with law. (ILO, 2006, [online])

Drucker (2001) states that Corporate citizenship means active commitment. It means responsibility. It means making a difference in one’s community, one’s society, and one’s country.

The European Union drew up its own definition of CSR. The Green Paper of the European Commission published in 2001 provides basically two definitions of CSR. In the introduction it is stated that Corporate social responsibility is essentially a concept whereby companies decide voluntarily to contribute to a better society and a cleaner environment.

Further in the Paper CSR is described as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their

stakeholders on a voluntary basis. (Green Paper on corporate social responsibility, 2005, [online])

By stating that social responsibility and voluntarily taking on commitments which go beyond common regulatory and conventional requirements, which would have to respect in any case, companies endeavour to raise the standards of social development, environmental protection and respect of fundamental rights and embrace an open governance, reconciling interests of various stakeholders in an overall approach of quality and sustainability. (UN, 2001, [online])

But after all of these definitions there is a significant need to mention the K. Schwab's note that Blanketing various responsibilities with the single term 'corporate social responsibility' is an oversimplification that has led to a great deal of confusion. It is necessary to distinguish between the different types of corporate activities, so that the work companies do to engage in society is fairly recognized and appreciated and companies are better able to benchmark themselves against the performance of different enterprises and learn from example. (Schwab, 2008, [online])

CSR is a way of sustainable management within the business, social and political dimensions. Entrepreneurial dimension relates to business rules and procedures by which companies try to be more socially and environmentally friendly. (Barth, Wolf, 2009, p. 27)

Trnková (2004) describes socially responsible organizations that they behave in order to reflect the needs of their internal and external environment (internal and external dimensions) to contribute to sustainable development, being transparent and generally to the overall improvement of the society within and beyond field of their business.

She adds that the social responsibility is reflected by the integration of positive attitudes, practices and programs into the business strategy of the organization at the level of chair management. It requires a change in perception of their own role in society from the point of "profit only" (only profit) to a wider perspective in the context of the often mentioned three P - "people, planet, profit", or so-called triple-bottom-line, when the organization focuses not only on economic growth, but also on environmental and social aspects of the activities. (Trnková, 2004, p.7)

### 2.1.1 The evolution of the concept

Putnová (2007) describes the situation after the World War II by claiming that the economists in Western countries began to lead a discussion on the economics and about the increase of production and its impact on the living standards of the population. For many, it meant only a result of increased consumption of goods and services. To the fore but also stood out the opinions that took into account the social aspects of economic prosperity, such as education, the environment, discrimination, etc.

For her and many others, an important milestone was the year 1953 when the book *Social Responsibility of Businessman* is published, where the author H.R. Bowen calls for consideration of the social aspects of management. The title of his work has been partly used in the nowadays commonly used form of CSR - Corporate Social Responsibility.

Petříková (2007) describes the history of the concept of CSR in the Czech Republic. CSR under this name, does not have a long history in the Czech Republic, the theoretical background are being developed in the second half of the 20th century. In historical context we can only talk about so-called social enterprise policy, which in its essence is about the attitude to employees and sophisticated concept of significant Czech entrepreneur Tomas Bata, which created quite a unique way of managing production and employment. In the twenties and thirties of the last century Tomas Bata realized that the company Bata simply cannot survive long focusing only to maximize profits. Therefore he established the Bata School of work, Bata's hospital or Bata Relief Fund.

Bělčík, Pavlik (2010, p. 18) deduct that the shift between the success of Bata company and the societal recognition lies in the responsibility of Tomas Bata to the environment. He respected place where he worked, he developed the town Zlín, acted considerate to nature, build flats and houses for employees, etc.

The problem with adoption of the CSR concept lies in the vagueness of the concept. Putnová, Seknička (2007, p. 130) claim that the model is simply not acceptable for the owners and managers of companies who are accustomed to express themselves using numbers and accurate data.

This is the latest problem of the CSR activities or the whole ethical strategies of the companies. As it was written, CSR as a concept starts to be a standard in company's performance, but calling a single sponsorship or recycling of the company's waste the CSR strategy, would be very vague. Therefore there are new trends and approaches in the CSR sphere that helps to distinguish the real and reasonable CSR strategies.

The most important trend and recent change of the attitude could be called the theory of shared value or the transformational approach of the CSR 2.0.

Nowadays, CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement. (CSR international, [online])

## **2.2 Theory of shared value**

The theory of shared value could be seen as the building stone or the background of the CSR 2.0. As it was already mentioned, ethical behaviour of the company is not any bonus, but is more commonly a standard of business operations.

In the last decades it started to be common to call these ethical strategies the Corporate Social Responsibility or CSR. These strategies were not well planned and more than strategies they were single activities with ethical "taste" or trials of the company to do right.

The short-term plans were made to at least have a CSR program which would typically attack the low hanging fruit such as recycling and charitable donations. It's not surprising, because the CSR concept was never well defined as it was shown in the introduction to this chapter.

Nowadays, economists and businessmen start to realise that the concept of CSR as the approach to the ethical strategy might be a blind branch that doesn't lead to an expected profit. Therefore there was some need to redesign the approach to this concept.

This new approach is called the "sustainable capitalism" or the theory of shared-value that was introduced by Porter and Kramer in Harvard Business Review article.

The solution lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges. Businesses must reconnect company success with social progress. Shared value is not social



responsibility, philanthropy, or even sustainability, but a new way to achieve economic success. It is not on the margin of what companies do but at the centre. We believe that it can give rise to the next major transformation of business thinking. (Porter, Kramer, 2011, [online])

The theory of shared value is therefore not about the philanthropic activities of the enterprise or about the environmental report of the company's doing right, it's about changing of the vision of the company and implementing of the responsible strategy into the core of the company. Theory of shared value doesn't make up for the bad influences of the company, it wants to eliminate these bad influences and create values that are profitable for the company and for the society. In changes the attitude right in the centre or in the business of the business not on the marginal and only on the company's performance.

The point of view that this approach should first of all create the value for the company leads to why some CEOs and those responsible for CSR argue that this approach is not ethical.

## **2.3 CSR 2.0**

*No more Corporate Social Responsibility, but Corporate Sustainability and Responsibility*

CSR 2.0 is a new approach in ethical strategies introduced by Wayne Visser (2011). It works with the premise that the old CSR doesn't work anymore or it was probably never sustainable. Wayne Visser describes the CSR 2.0 as DNA-bases of the companies that want to perform sustainably and responsibly. This approach includes 5 important codes; creativity, scalability, responsiveness, glocality and circularity.

### **2.3.1 Creativity**

The code of creativity stands in contra to standards and uniformity of CSR. It says that it is not possible to work with CSR in the one-way-fits-all approach.

Besides it gives an open space to discussion and to the enhancement of the stakeholders. This step encourages the companies to have forums and suggestion boxes, gives importance to the innovations and new inventions and asks for looking on the problem from new perspectives. It says that it is good to have a certificate of environmentally friendly operations, but way better

is to come with new technology or process that would solve the problem rather than “not making it worse.”

We can divide the innovations into two groups; CSR-driven innovations could be described by the sentence “doing the right things” when innovations-driven CSR is about “doing the things right”. CSR 2.0 is more about innovation-driven CSR than it used to be before.

Other reason for this new approach is that CSR 1.0 was at the end not efficient. Lots of activities were said to improve the company’s image and so bring the profit, but innovations in the core of the business that are good for the shareholders and in the same moment good for the company are the only sustainable model, as it was described in the Theory of shared value.

### **2.3.2 Scalability**

Scalability is connected to creativity and innovations as well. Recently there were evaluations and awards in responsibility charts mostly for those who brought an awesome CSR campaign. These campaigns run, something happened and finished. They were a great success mostly for the PR and image of the company. But as the time goes no one asks if this campaign can be repeated or if it really has the developing impact on the society. Scalability should lead to a wider impact that can be overtaken or that really changes the long-term operations. One of this example is the supply chain improvement or cooperating with organizations to raise the standards within the industry. First of all it is about widening the approach from activities to attitudes.

Toyota’s laudable but premium-priced hybrid Prius for the rich and eco-conscious with Tata’s \$2,500 Nano, a cheap and eco-friendly car for the masses. The one is an incremental solution with long term potential; the other is scalable solution with immediate impact. (Visser, 2011, [online])

### **2.3.3 Responsiveness**

CSR 2.0 requires uncomfortable, transformative responsiveness, which questions whether the industry or the business model itself is part of the solution or part of the problem. (Visser, 2011, [online])

Organizations should therefore support the positive policy lobbying on strategies of social and environmental questions, give their stakeholders a platform to get honest feedback about the performance of the company and work to advance integrated reporting.

CSR 2.0 is about an interaction and the WEB 2.0 helps to this approach as well. Social media and crowdsourcing to improve transparency are supposed to be crucial for the next development of ethical strategies.

#### **2.3.4 Glocality**

It is said that the English word ‘glocal’ was first coined by Akio Morita, founder of Sony Corporation. In fact, in 2008, Sony Music Corporation even trademarked the phrase ‘go glocal’. Glocality was subsequently introduced and popularized in the West in the 1990s by sociologists Manfred Lange, Roland Robertson, Keith Hampton, Barry Wellman and Zygmunt Bauman. ... It was given its most visible and practical expression when the Rio Earth Summit issued Local Agenda 21 in 1992, which was a programme of action for applying the global principles of sustainable development in local contexts. (Visser, 2011[online])

Glocality is about international or better inter-cultural attitude to business mostly in the supply chains. Again as it was criticised in the code of creativity, the one-way-fits-all approach is not sustainable anymore. The most important thing is to learn about the local markets and search for the possibilities and gain a greater sensitivity to local challenges. To get this knowledge it is important to be sure that community groups and local civil society organisations are consulted in steps of the company and developments that affect them. The way to inform them could be for example by using Environmental and Social Impact Assessments.

#### **2.3.5 Circularity**

The last code of CSR 2.0 is the circularity in business operations. Some can argue that circularity or recycling is nothing new, but still, the recyclation used to be use more as a phrase then attitude. Companies once and finally need to admit that the use of renewable sources is must and that they need to be responsible for the whole life-cycle of the product or service as well. To such an attitude there are some concrete steps; For example the companies

can embrace product foot printing and labelling techniques, provide, or partner to provide, product take-back and recycling or for example work to create industrial ecology parks, where waste output from process is designed to be resource inputs into other processes (Visser, 2011, [online]), as it is described as well in the book *Cradle-to-cradle* by William McDonough and Michael Braungart.

## **2.4 Evaluating and measuring of CSR**

Measuring of the results that the CSR activities bring is not an easy task. Only for the evaluating the company needs highly developed and reliable internal reporting management systems. Measuring results provide companies necessary feedback of their efforts and can enable them to take essential steps if something goes wrong direction or just not according to plan.

The true CSR is a long-time project without any foreseeable ending. Moreover, effective CSR, as it was mentioned, should be incorporated into a company's overall strategy and into all decision-making processes at all levels in the hierarchy.

Even that the measuring is complicated, more when it is spoken about the CSR 2.0 where the attitude is in the core of the company and every operation of the company is oriented and managed under the CSR influence, the measurement can improve the performance of the business. According to David Polášek (2010) the measurement helps justify and allocate resources to the most effective CSR activities and eliminate ineffective ones; Help to open up new ways of thinking, which can lead to new products, better marketing or wiser investments; allows communication of evaluation results that can strengthen relationships with stakeholders.

## **2.5 Standards and certifications in the CSR area**

Although there are standards and certificates that prove and evaluate, how responsible the operations of the company are, some theories consider this way of evaluating wrong. According to CSR 2.0 these standards lead to a tick-box approach. Nevertheless, these standards and guidelines helped the involved stakeholders and companies to manage the CSR activities and to make them understandable. After the standards that touch CSR activities from different points of view such as SA 8000, about the workplace and employee relations,

ISO 9000 that evaluates the management of the organization, ISO 14001/14004 dedicated to environment and AA 1000 that speaks about stakeholders, there was introduced the certificate that aims to connect all those parts.

ISO 26000 is a voluntary standard concerning compliance to social norms and sustainable development that should help organisations to realise their social competences and responsibilities by paying respect to cultural, social, environmental, legislative and economic differences.

Still, one of the most important standards are in the OECD regulation that was firstly published in the year 1976, when it was signed by 30 countries belonging to OECD, and since then it has changed many times, the most in the year 2005 and EMAS- Eco-Management and Audit Scheme.

These papers contain international codex of ethical principles that governances recommend to the corporate labouring on the country.

The environmental benefits of EMAS are not superior to those enjoyed by companies following simpler environmental systems, Such as ISO 14001. Indeed, ISO 14001 is becoming the de facto international corporate environmental management standard. (O'Higgins, Harrigan, 2002, p. 188)

According to the topic of the practical part of this thesis, three more certifications should be mentioned. These are the **FSC** certification (Forest Stewardship Council) and **PEFC** certification (Programme For The Endorsement of Forest Certification) - The certification of a paper that is produced in a factory, which is the holder of ISO 9001 certification (guarantees paper of the highest duality), ISO 14001 (guarantees the management system in relation to the environment) and EMAS and the **SFI** (Sustainable Forestry Initiative).

### 3 TRENDS IN ETHICAL STRATEGIES

The business and economic researchers tend to assume the possible trends of the evolution of the ethical strategies and CSR activities of the companies. Some changes such as the technological innovations, globalization, changes in the way of spreading information and political changes have to be taken in account.

#### 3.1 CSR as a company-wide policy

Internal communications can convey the benefits of the brand idea and encourage involvement ...There is always the temptation to see brands as something ephemeral – the realm of marketing... not the whole organization. (The Holmes Report, 2003, [online])

In the last decade, the activities that could be perceived as a part of the ethical strategy of the company were covered by the department of HR or marketing, in most case the rest company, with the exception of the management, didn't know about these strategies. As the concept was more and more accepted in the companies, the management realised that the most important stakeholders of these practices are not the customers, but the employees of the company. Since that time there has been a slow but steady movement toward building a CSR model within the entire infrastructure of operations. It creates more opportunities and far greater gains in terms of employee engagement and it might be one of the most encouraging trends in recent years.

The Society for Human Resources Management compared companies that have strong sustainability programs with companies that have poor ones and found that in the former morale was 55% better, business process were 43% more efficient, public image was 43% stronger, and employee loyalty was 38% better. Add to all that the fact that companies with highly engaged employees have three times the operating margin (Towers and Watson) and four times the earnings per share (Gallup) of companies with low engagement, and you've got a compelling business case for this trend to continue into 2012 and beyond. (Mohin, 2012, [online])

That's why in the next years it should be expected that more jobs for CSR professionals who want to change business from the inside out will be created.

### 3.2 Transparency in the CSR activities and reporting

Over the past 10 years, environmental issues have steadily encroached on businesses' capacity to create value for customers, shareholders, and other stakeholders. Globalized workforces and supply chains have created environmental pressures and attendant business liabilities. ... 'Externalities' such as carbon dioxide emissions and water use are fast becoming material—meaning that investors consider them central to a firm's performance and stakeholders expect companies to share information about them. (Lubin, Esty, 2010, [online])

Activities of company will be more transparent not just in the operating terms but also more achievable for customers and stakeholders. Making CSR more transparent is not easy, but there are activities and guidelines that help companies to report well.

Last year, according to CorporateRegister.com, more than 5,500 companies around the world issued sustainability reports, up from about 800 a decade ago. Also, the 'Rate the Rater' report from SustainAbility.com found that more than 100 sets of ratings measure which companies are the most responsible. All the big four accounting firms are expanding their practices to audit all of these disclosures and are also sponsoring the expanded fourth edition of the Global Reporting Initiative Guidelines, which outline standard CSR disclosures. In 2012 a promising new initiative, the Global Initiative for Sustainability Ratings, will endeavour to standardize the ratings framework, but beyond that there is little relief in sight for the survey-fatigued CSR manager. (Mohin, 2012, [online])

There have been several very important developments in reporting: ISO 26000; the growing interest in integrated reporting; the development of GRI4 (GRI's next generation of guidelines); the revised OECD multi-national guidelines and the EU's push for a wider social responsibility concept and more social and environmental reporting in its 2011-2014 CSR strategy.

The number of companies reporting on Sustainability is increasing as well. KPMG research shows 95 per cent of the world's 250 biggest companies now report on their Sustainability performance, up from 80 per cent in 2008. (Hopkins, 2012, [online])

According to CSR 2.0 the way of reporting should change as well. More than the annual reports, Wayne Visser sees the way of information stream and stakeholders' communication and interaction on the CSR activities.

### 3.3 CSR and the ethical supply chain

The World's population reached seven billion in the last years. As more people compete for the Earth's resources, the need to be efficient will continue to increase. The imperative to stretch resources ever further will make sustainability a central design principle for the winning corporations of the future. CSR does not stop at a nation's border. This is especially true for larger companies that do business and invest worldwide. (Cramer, 2005) Companies go global and supply chain is wide and it steps to different countries and types of businesses and their environment. Stakeholders of the companies realise the background and ask for the pedigree of the product. Therefore supply chains will be expected to perform to the same standards of CSR as the companies themselves. Corporate social responsibility leaders will be increasingly accountable for responsible behaviour all along their supply chains. The development of the better supply chain management brings a win-win solution for business and the community or the environment in general.

In this point, the glocality needs to be counted with.

### 3.4 The influence of governments on CSR activities

The European Commission published in late 2011 the "package to CSR", which contains a message of the renewed EU Strategy for Corporate Social Responsibility for the years 2011 to 2014. To date, this package of a national strategy on CSR was adopted by 15 of the 27 member states of the EU.

The new policy puts forward an action agenda for the period 2011-2014 covering 8 areas:

- Enhancing the visibility of CSR and disseminating good practices: this includes the creation of a European award, and the establishment of sector-based platforms for enterprises and stakeholders to make commitments and jointly monitor progress.
- Improving and tracking levels of trust in business: the Commission will launch a public debate on the role and potential of enterprises, and organise surveys on citizen trust in business.
- Improving self- and co-regulation processes: the Commission proposes to develop a short protocol to guide the development of future self- and co-regulation initiatives.



- Enhancing market reward for CSR: this means leveraging EU policies in the fields of consumption, investment and public procurement in order to promote market reward for responsible business conduct.
- Improving company disclosure of social and environmental information: the new policy confirms the Commission's intention to bring forward a new legislative proposal on this issue.
- Further integrating CSR into education, training and research: the Commission will provide further support for education and training in the field of CSR, and explore opportunities for funding more research.
- Emphasising the importance of national and sub-national CSR policies: the Commission invites EU Member States to present or update their own plans for the promotion of CSR by mid-2012.
- Better aligning European and global approaches to CSR:
  - the Commission highlights the OECD Guidelines for Multinational Enterprises,
  - the 10 principles of the UN Global Compact,
  - the UN Guiding Principles on Business and Human Rights,
  - the ILO Tri-partite Declaration of Principles on Multinational Enterprises and Social Policy,
  - the ISO 26000 Guidance Standard on Social Responsibility. (European Commission, 2011, [online])

In legal policies it is first of all spoken about environment and human rights. In a time of globalization, transparency, reachable of the information about the company's performance and increasing expectations among informed stakeholders, the risk in human rights violations is growing. Wise companies will take a hard look at the human rights policies of their companies and their influence on the environment in the next years so they don't risk any legal complications.

### **3.5 CSR and social media – customers enhancement**

The interaction is one of the biggest trends of CSR transparency, implementing and communication.

Facebook and Twitter are essential communication tools for many companies and not less in any serious CSR program. Social media is not a replacement for annual CSR reports, but classical reporting is increasingly used mainly for looking up facts and grading performance as a static reference document. Social media offers a channel for stakeholders to interact directly with a company's CSR program. Through social media, companies gain an enhancement in following of people who are interested in the CSR performance and can build stakeholder sentiment on any emerging issue. It's true potential in seeking and achieving corporate social responsibility is yet to be established. Not least it has been proved that social media help many companies to build relationships with consumers and it works as a crowd-engaging tool.

The other channel that the modern technology and internet brought is blogging. The watchful eye of blog-writers don't let any company to do the "green-washing", stating that they are behaving responsibly when the true lies somewhere else.

### **3.6 CSR as a modern leadership - giving example**

A company's leaders are responsible for setting standards for what is and is not acceptable employee behaviour. It's vital for managers to play an active role in creating a working environment where employees are encouraged and rewarded for acting in an ethical manner. Managers who want employees to behave ethically must exhibit ethical decision making practices themselves. They have to remember that leading by example is the first step in fostering a culture of ethical behaviour in their companies. No matter what the formal policies say or what they are told to do, if employees see managers behaving unethically, they will believe that the company wants them to act in a like manner. (Merchant, [online])

#### 4 THE TRANSFORMATION OF THE CSR CONCEPT

There are several debates about the need for transforming of the traditional CSR approach. Many respected economists and social sciences are already working on a new approach to CSR. Michael Porter should be mentioned as the author of the Theory of shared value. According to Michael Porter (2011) companies should take the lead in bringing business and society back together. Businesses must reconnect company success with social progress. The concept of shared value recognizes that societal needs, not just conventional economic needs, define markets. It's important to realize that social harms or weaknesses frequently create internal costs for firms—such as wasted energy or raw materials, costly accidents, and the need for remedial training to compensate for inadequacies in education. And addressing societal harms and constraints does not necessarily raise costs for firms, because they can innovate through using new technologies, operating methods, and management approaches—and as a result, increase their productivity and expand their markets.

The problem of recent CSR activities is often connected to the peripheral influence of the activities and ad-hoc campaigns.

Manishankar Prasad (2011) mentioned in his article that CSR initiatives such as the ISO 26000 and Global Reporting Initiative (GRI) are compelling companies to have regular sustainability reporting which covers social and environmental aspects. Some companies treat CSR as only a means of branding with the ad-hoc social or green campaigns, or as a means of improving the potential market space for their products and services. It is common to see the CSR function under the corporate communications or marketing team, and not fully integrated into the company's strategies and policies.

The most inspiring and complex is the CSR 2.0 concept of Wayne Visser.

Wayne Visser in his book "The age of responsibility" mentioned: "My belief is that Strategic CSR – like its predecessors Defensive, Charitable and Promotional CSR – has brought us to a point of crisis. Specifically, all these approaches are failing to turn around our most serious global problems – the very issues CSR purports to be concerned with – and may even be distracting us from the real issue, which is business's role causal role in the social and environmental crises we face. This failure is due to what I have called the three Curses of CSR 1.0, namely that it is incremental, peripheral and uneconomic." (Visser, 2011, p. 177)

Wayne Visser has mentioned that CSR 1.0 is peripheral with an explanation that the traditional CSR, with its CSR activities in the management of marketing department

concentrates typically on short-term strategies or complying with the standards and certificates that are important but not the core of the company business. All these activities are far from the long-term, stakeholder approach needed for high-impact CSR.

Corporate responsibility program—a reaction to external pressure—has emerged largely to improve firms' reputations and is treated as a necessary expense. Anything more is seen by many as an irresponsible use of shareholders' money. (Porter, 2011, [video])

As it is mentioned in Bělčík, Pavlík (2010, p.63) researches report that the main reason for increased profitability is mainly the fact that CSR usually leads to a reduction in the implicit costs associated with the current or future business. For example:

- Costs of future removal of the environmental damage,
- The costs of future legal disputes

Other reduction of the costs associated with business is connected to innovations in the energy saving technologies of the company.

Michael Porter (2011) later says that the purpose of the corporation must be redefined as creating shared value, not just profit per se. This will drive the next wave of innovation and productivity growth in the global economy. It will also reshape capitalism and its relationship to society. Perhaps most important of all, learning how to create shared value is our best chance to legitimize business again.

## 5 CONCLUSION OF THE THEORETICAL PART

It was mentioned that business ethics solve the application of ethical values into the businesses. Codes of ethics and the moral approaches of the company lie in the core of the company and they influence all of the company's performance.

During the 20<sup>th</sup> century there was a very live discussion in the business and economic sphere, if the responsibility and morality of the business operations should be considered as something peripheral, voluntary or even mandatory for the businesses.

From these discussions CSR as a concept of the responsible behaviour of the company was created. From Bowen's first mentioning of this concept till now, the question of responsibility went through a long evolution from triple bottom line (the 3P model) to the theory of shared value and the transformative strategy of CSR 2.0.

As well, because of the evolution in technologies such as web 2.0 and the social media marketing, the activities of the company are asked to be transparent, there is less place for those companies that wanted to use the traditional CSR as a green- washing and creating the brand image on a misleading CSR enhancement. This change enabled the companies to benchmark against the performance of different enterprises and to learn from example.

Cited from CSR international, CSR is the way in which business consistently creates shared value in society through economic development, good governance, stakeholder responsiveness and environmental improvement, as it was further described in the chapter about the transformation of the CSR concept.

For this thesis it is crucial that businesses are depending on the development in the society and therefore it is in their interest to help to improve the state of the world and that learning how to create shared value for the company, its customers and the society, is probably the best chance to legitimize business again. For such an approach it is necessary to watch the latest trends in the business ethics and innovations and learn how to adopt the CSR 2.0.

## **6 METHODOLOGY**

The aim of this chapter is to present the target and hypothesis of the master thesis, describe the methods that will be used in the analytic part of the work and explain the reason for the selected case companies as well as describe the approach to the internal research of the selected model company.

### **6.1 The target**

The target of this master thesis is to describe a selected sector of industry with presenting the trends in sustainability of this sector. A local company that has a global scope will be used as a model company to present the CSR 1.0 approach. As well, the thesis will work with the examples of companies in the sector that were valued as best practises or gained significant recognition for its business behaviour and will use the benchmark methods of the selected model company against those successful examples in business performance. The last aim of the work is to describe the new approach to ethical strategies of the company and suggest a strategy for the model company to adopt this new approach called CSR 2.0.

### **6.2 Hypothesis**

Responsible behaviour has an influence on the company's profitability and therefore it should be a part of the ethical strategy and management of the company, but CSR as the concept of the company's ethical strategy has gone through a significant change that asks for new attitudes of the companies. In CSR strategies it is crucial to change the company's core of the business, because this is the way to the growth of the company within the global approach and creating the real value of ethical business behaviour.

### 6.3 Used methods

In the theoretical part of this master thesis, the research in accessible literature connected to the topic was done. Besides the main and respected paper publications and books, dedicated to the question of business ethics and CSR, journals, magazines and internet sources were used as well. The importance of these sources should be understandable as these sources will make the thesis as actual as possible, with presenting the current trends and approaches to business ethics.

The analytic part will be done by research in selected sector and by detailed research on selected company with. To this research, a questionnaire with open questions for the marketing specialist, sales director, finance director, technology manager and representatives of workers of the company will be used. To obtain an accurate description of the company, an analysis of the annual reports will be done and inside research and observation will be conducted.

Comparative methods will be used as well to present other companies in the selected sector with their approaches to business ethics.

In the project part of the thesis a new visions and attitudes to CSR activities will be suggested as well as some concrete activities, events and campaigns will be described.

In the last part the limitations and possibilities for the growth of the company according to the project will be summarized and evaluated.

## **II. ANALYSIS**



## **7 CSR IN PAPER AND PRINTING INDUSTRY**

### **7.1 Identification of the selected sector of industry**

The analytic part of this writing should present one sector of industry and on this example it should describe the legal and ethical obligations of the business strategies. This analysis will lead to a conclusion from case studies on CSR activities in paper industry and printing house industry with evaluating the best approaches and enhancement. The printing industry is one of the largest consumers of trees. The industry is acknowledging its pivotal role in the emission of greenhouse gases and is taking the steps to go green.

As a model company, this writing focuses on Graspo CZ, a.s.,<sup>1</sup> printing house and publisher of calendars and agendas in Zlin region. As an example of the good CSR practices there will be described the companies from the database of the best practices operating in the same sector as the model company with similar characteristics.

### **7.2 Sustainable trends in the sector of printing and paper industry**

Sustainability in paper, mostly pulp industry is very common topic in the environmentalist debates. The same importance is now given to printing and polygraphic industry, as it has very close connection to the consumption of wood. There are approved numbers of companies realizing the importance of sustainable behavior in their business, as it is obvious from the study “Exploring Existing Measures of Environmental Impacts of Print: A Survey of Existing Practices”. This research conducted a 31-question survey of printing businesses (filled out by 105 respondents) that looked at five different areas: sustainability policies, sustainability metrics and measures, involvement in formal environmental certification programs, influence of sustainability on company decision-making, and obstacles.

The results from the study were not surprising, when 37% of the asked companies have a formal sustainability policy in place, 17% have an informal sustainability policy in place and 14% are working on one. Besides, more than half (54%) of those responding to the survey said they had sustainability metrics or were developing them. (Tolliver-Walker, 2011, [online])

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<sup>1</sup> The author was lucky to be employed in the company Graspo CZ in the period of May 2011 till the February 2012.

More surprising is that only one-quarter (22%) have already implemented at least one formal environmental certification like the Forest Stewardship Council (FSC) or Sustainable Forestry Initiative (SFI).

As it was mentioned, in the printing industry it is required to behave responsibly. From recycling and using certified paper to using soy ink; according to “traditional” CSR smart printing companies have realized that the implementation of ethical strategies has its benefits on their business.

A printing company can reduce its emissions of greenhouse gases by buying carbon credits supporting reforestation or renewable energy. One such fund is [www.carbonfund.org](http://www.carbonfund.org). This fund gives the company the choices of how the credits will be used. There are 3 choices: Reforestation, Renewable Energy, or Energy Conservation.

Recycling of paper or Forest Stewardship Council (FSC) and the Sustainable Forestry Initiative (SFI) certification gives the ability to control the fibre that is being used to make the paper. This is usually going to be the largest waste component of a printing job. By using recycled post-consumer waste paper the company is directly saving trees and the use of FSC or SFI certified paper allows them to display the FSC & SFI logos on the printed product, so showing the stakeholders that they are behaving ‘right’. (Tatom, [online])

The FSC Certificate is a world acknowledged and transparent system for assessing quality in forestry. It is a tool for monitoring the wood origin from harvesting, through the processing up to the final product (wooden product or paper).

Another way of being responsible is to recycle all ink or using soy based inks. Recycling of all press solutions and plates used in the printing process can and should be done as well. In order to energy consumption, using lower wattage lighting or actually purchasing renewable energy is just one of the easiest way that printing companies can do to reduce their environmental footprint on our planet.

Another important thing is to adjust the process machines into the most efficient possible as the consumption of the paper is directly connected to the quality of printing and post- printing operations with the printed material. From the case study by Peter Jolly (2010) we can realize these adjustments on the example of bindery machines that help to reduce paper waste.

Print is rapidly changing from being a traditional industry into a more business-driven trade. This is not necessarily through choice, it is more due to the necessity to survive in an ever increasing competitive market-place and become more efficient. As printing press equipment

has moved on so has the quality of print finishing equipment. These technologies plus more efficient paper paths and other technological innovations are helping to encourage a more responsible use of paper in the print environment. (Jolly, 2009, [online])

According to this case study the modernization of the print finishing sector has eradicated bottlenecks in the bindery; ensured jobs are set-up quicker and more accurately and ensured there is less chance of wasted sheets during job set-up.

Others of these innovations are climate-neutral printing machines that have a very low or even neutral carbon footprint, save the ink and at the pre-press in uses chemical-free printing plates.

### **7.3 Identification of the company Graspó CZ**

Graspó CZ is one of the significant European offset printing houses and a publisher of calendars and agendas. The company employs about 250 experts in the field of graphic, print and bookbinding processing, who participate in the whole production process maintaining the quality of the provided services and the printed production.

The company operates under the name Graspó CZ from the year 1997, but the history and the roots of the company leads to the 1930's, to the age of Bata's Zlín. Tomáš Bata is known for his practical improvement of the management in his factory, when he solved the problems on the ethical basis that he used in the entrepreneurship, management and politics. He is responsible for the growth of the town Zlín and for the development of the region. Bata's innovation management gave the opportunity to create a competitive company that maintain its position on the market for 80 years with growing prestige and volume.

It cooperates with the top Czech and foreign publishers and important business companies. Every year the company prints over 6 million publications and more than 40 % of its production is directed abroad. For this reason is the perception of the company on the foreign market very important and has a direct influence on the company's competitiveness.

It takes part on several trade fairs in the Czech Republic, Germany, Poland and Russia where it presents its new technological innovations and meets with new and stabile customers. Modern improvements and technological innovations of the machines and processes, as well as growing quality of the products and professionalism of all employees are the promises of the company that are kept and involved in all the company's culture.

## **7.4 Energy consumption of the company**

Almost all of the machines and the factory use the electric energy for its service. It buys the electric energy from the distributor E.ON. Thanks to the solar energy that the company uses to cover partly the consumption of the energy it exploits the service “zelený bonus”. The factory uses almost all of the energy produced by the solar plants. It uses 98% and sells back 2% to the distributor. The solar plants cover all the roofing of the company. It has the total area of 6 500 m<sup>2</sup>. Energy saving bulbs are used in the building.

There are recuperation stations in the basement of the company. These stations recuperate the heat produced by the operating printing machines. This heat serves to heat the hot water of the company.

### **7.4.1 Waste and water management**

Graspo CZ, as a big company working in paper industry and operating with many chemicals, has a significant amount of waste that needs to be safely processed or reused. It creates more than 50 tons of printing ink containing dangerous substances, 28 tons of different water solution with chemicals connected to printing and other operations of the company, 9 tons of plastic waste in packaging, 3 tons of metal packaging, 5 tons of iron and 43 tons of municipal waste.

According to the Regulation No. 383/2001 Coll. Part 6: Annual report on the implementation of obligations of waste return for the previous year, the company is obliged the keep evidence about the amount of waste and the way of liquidation of it.

From this report it is obvious that most of the waste (not the dangerous waste of chemicals) is processed by companies authorized for it.

### **7.4.2 Supply of paper, certification and waste paper**

All the major suppliers of paper, which are Antalis, Schneidersöhne and Ospap have strong ethical strategies implemented in the corporate operations. They are capably to provide the highest quality paper with environmental certifications such as FSC or PEFC.

By the company's production a lot of waste paper arises. Company creates almost 100 tons of paper packaging and combined packaging and over 1444 tons of paper and paperboard per year<sup>2</sup>.

All of this paper waste is transferred to responsible companies (to recycling or to other processing) such as MAD Papír Olomouc, SITA CZ that is a part of international group SUEZ Environment, EPR Papír, ECOPAP and the salvage point Uherské Hradiště.

## **7.5 Analysis of the company's market position**

According to STEP analysis, which describes the macro environment with 4 factors, it is easier to guess the position of the company in the sector, in which it operates and the changes that can happen or that are required to undergo to protect the company from risks and competitors. This analysis can help to create new or change the actual strategies of the company.

### **7.5.1 Social Factor**

In the social- cultural environment in the developed countries we can define the positive trends in way of education, access and mining of information. We can expect the stable demand for the books and publications, but it is important to realise the influence of the technological innovations that changes the reachability of the information. One of these significant influencers can be internet. Books and publications are slowly transforming from the pure content transmitter to an independent product with artistic value. The quality of printing and bookbinding processes needs to be constantly improving and the best service has to be offered.

In the business environment the importance is increasing in relations and relationship management is becoming one of the most important strategies of the company. To insure the sustainable grow of the company, the loyalty of all the stakeholders is very important.

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<sup>2</sup> In the year 2011 it was exactly 1444,726 tons of paper and paperboard and 99,197 tons of paper and combined packaging. Both of these amounts increased from the year 2010.

The trends of indifference with the environment and the behaviour of the companies have to be pointed in this section as well. Stakeholders of the companies are increasingly sensitive to the processes that lead to the final product or the service. The concept of responsible behaviour of the corporates is implemented in almost every successful global company and it is valued as an index of competitiveness.

### **7.5.2 Technological factor**

Technologies and technological innovations: As it was said, the twentieth century was the époque of the biggest technological growth and technological innovations are significant in paper and printing industry as well. For the competitiveness of the company it is important to use the best technologies to keep the highest quality of the services when taking in account the influence on the environment and ecology.

The company can gain the information about the technological innovations from specialized publications about polygraphic industry, fair trades or from the suppliers of polygraphic and printing machines.

### **7.5.3 Economic factor**

Talking about the situation on the Czech market; as the CZK is getting stronger in comparison to EURO the companies are less competitive because the prices are not as interesting as they used to be for the customers from the western companies. On the other side, strengthening of the CZK makes it possible for the Czech companies to buy on foreign markets.

Besides, the competitors from china that are increasingly expanding to the polygraphic market mostly in digital printing come with generally lower prices than the western companies can afford to compete.

### **7.5.4 Political and legal factor**

Political and legal influences come in pair with environmental factor as well. Mostly in this sector (in paper industry and printing services) the importance of environmental influences is

taken in account. First of all it is the waste management and the law about dangerous waste<sup>3</sup>. Secondly it is the law about air pollution<sup>4</sup> and water management<sup>5</sup> to be mentioned. In the daily operating the company has to count with the law about the safe work place as well. Other political factors that influence the company are taxes and the production regulations for the import and export of goods.

### **7.5.5 Conclusion of the STEP analysis**

Social economic development implies growing importance of quality in products and services. The technological innovations help the companies to grow and get better in the sector so it is inevitable for the companies to follow the technological evolvement.

The price of the products and services is one of the important elements of the competitiveness, but it has to be mentioned that customers and stakeholders in general are sensitive to the behaviour of the company as well. Main importance is given to the approach to ecology and environment.

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<sup>3</sup> Act No. 185/2001 Coll. on waste and regulation 376/2001 Coll. on the danger waste and the regulation 383/1981 Coll. on the details of the waste management. Veber, J. (2006)

<sup>4</sup> Act No. 86/2002 Coll. on Air Protection and regulations governing the emission limits and means of monitoring and evaluation of air quality. Veber, J. (2006)

<sup>5</sup> Act No. 274/2001 Coll. on water supply and sewerage systems for public use. Veber, J.(2006)

## 7.6 Microenvironment of the company

Second analysis will be used to describe the microenvironment of the company. For these results the SWOT analysis will be used. In this chapter will be described the selected company, its customers, suppliers and competitors.

Suppliers, customers and the employees of the company are the closest stakeholders of the company. The company Graspo CZ has about 250 employees. The top management is represented by 4 employees, next 60 employees work in management of the company and the rest of the employees (almost four fifths of the company) fall into the category workers.

The company operates mostly on B2B market where the customers are from 60% Czech, the rest are mostly German, Russian, Slovak and American companies.

Major suppliers of Graspo are mostly foreign companies so the material is imported from abroad. Major paper suppliers are companies Antalis, Schneidersöhne and Ospap. The supplier of colours and chemicals is the company Sun Chemical. Offset plates are imported mainly from Kodak and Fuji. Printing machines are bought from German brand MAN Roland and Heidelberg. One of the planned strategies of the company is to develop the company's technological park by using the technological innovation and novelties in polygraphic and paper industry.

The company uses different distribution means, such as the services of shipping companies, the outsourcing of the freight or warehousing. The most important criterion for the selected supply chain is the speed, price and quality of the distributor.

Company Graspo CZ offers full service in preparation and production of the printing work under one roof. This is the most important thing that makes it different from its competitors. Any company that wants to bring the best offer to its customers need to watch and monitor its competitors, to satisfy customers' requirements better than the competitor.

Using this monitoring and the research helps distinguish the long-term business strategy and enables the company to respond promptly to the changes in competition.



### 7.6.1 Strengths

#### Professionalism of the employees

The company employs professionals in printing services and enables the employees to improve their skills in different workshops and seminars. The main goal of the company is a perfect result and a pro-customer oriented approach.

#### Wide range of products offer and services

As it was mentioned, the company offers the full service in printing and publishing and besides it operates on the market with calendars and agendas.

#### High export shares

50% of the production is directed to the foreign market.

High quality of the production and certifications of quality and environmental operations

The company is an owner of FSC certification and ISO 14001 and ISO 9001

#### Approach to innovations

Mainly in the technological park, the company keeps improving the services thanks to new machines and methods.

#### Environmental management

Company already realises the importance environmental management and it proves some environmental steps in its operations as it will be described later.

#### Company's prestige and propagation

When existing on the market for 80 years, Graspo CZ gained already the prestige in the sector and it is valued as one of the best offset printing house in the Czech Republic. It has a periodic propagation in specialized magazines and it takes part of the fair trades and contracting trades in paper industry and publishing services.

### 7.6.2 Weaknesses

#### Working place

Working place of the production is very loud and dusty. Because of the paper the air is dry and the workers work with glues and chemical inks.

### Internal communication

Although the company tries to build a corporate culture, there is a significant problem with internal communication in between management and the workers. Company doesn't use intranet and there isn't any channel to open a both sides communication. The only system of internal communication is the bulletin boards, but this channel is mostly ignored.

### Absence of CSR department, peripheral CSR activities

It was already mentioned that company has its environment management, but all the strategies are run irregularly without any CSR plan. There is an absence of reporting and communication of the CSR activities so it doesn't have any influence on the company's competitiveness and profitability. The exact CSR plan and reporting would make the ethical strategy of the company more effective, efficient and transparent. CSR department could work on the internal communication as well, what would implicit better corporate culture of the company. Moreover, the attitude of the company to CSR is traditional or outdated. Company should try to create share value for the stakeholders by implementing the responsibility and sustainability into the operations. The CSR department is necessary in the beginning of the transformation, afterwards creating the reports and searching the possible innovations in business. This position could be outsourced by the company.

## **7.6.3 Opportunities**

### Brand building of the company

By focusing on stronger customer relationship management and orientation on CSR activities of the company, strong brand could be build. Mostly on the western market, the brand of the company is very important to its profitability and growth.

In Germany and Netherland there is a very strong perception of CSR activities of the companies. This conclusion was proven in the internal research of the company Graspó CZ with its customers on the fair trade Franfurter Buchmesse. In the company's questionnaire were the customers questioned about their preferences in contracting and production. The result of the questionnaire led to the conclusion that most of the western customers would rather decide for the company with CSR strategy and the company where the environment is taken in account than for the company with a weak ethical strategy but lower prices.

### New markets

In the company, most of the managers in the sale department speak fluent English, German and Russian language. Graspo CZ already operates with Germany, Netherlands, USA, UK and Russia, but there are still markets that could be reached. For example it would be a big opportunity to reach the French-speaking market or the South American market.

### Customer relationship management

When using stronger CRM it would be possible to build loyalty of the customers and suppliers as well.

### New technologies

New technologies in machines and methods can lead to efficient production. The company has to follow and monitor the novelties in this sector. The new technologies should save the environment and the money of the company in the same moment.

## **7.6.4 Threats**

### The competitors with lower price

As it was mentioned, there is a strong competition coming from China that offers lower prices than the company Graspo CZ, what could lead to lose the market share or need to change the price strategy of the company.

### Decreasing demand on paper publications and books

As the last point it has to be mentioned that the technological development mostly in transmission of information and the environmental pressure on lowering the excessive use of wood and forestry management could lead to decreasing demand on paper publications. Information are lately sent by internet and therefore the need of paper publication can stagnate.

### 7.6.5 Conclusion of the SWOT analysis

Well-arranged swot analysis will help us to describe the situation of the company Graspo CZ. Using this method can help to optimize the company's strategy.

|   |  |
|---|--|
| <p style="text-align: center;"><b>Strengths</b></p> <ul style="list-style-type: none"> <li>Professionalism of the employees</li> <li>Wide range of products offer and services</li> <li>High export shares</li> <li>High quality and certifications</li> <li>Approach to innovations</li> <li>Environmental management</li> <li>Company's prestige and propagation</li> </ul> | <p style="text-align: center;"><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>Working place</li> <li>Internal communication</li> <li>Absence of CSR department and vision</li> </ul> |
| <p style="text-align: center;"><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>Brand building of the company</li> <li>New markets</li> <li>Customer relationship management</li> <li>New technologies</li> </ul>  | <p style="text-align: center;"><b>Threats</b></p> <ul style="list-style-type: none"> <li>The competitors with lower price</li> <li>Decreasing demand on paper publications and books</li> </ul>    |

Table 1 The SWOT analysis of the company Graspo CZ

Opportunities that can be used to increase the profitability of the company is opening of the new markets and regular monitoring of innovations.

## 8 CASE STUDIES OF THE SELECTED CSR STRATEGIES

### 8.1 CSR activities of the company Graspó CZ

As it was already mentioned, Graspó CZ as a printing house and a publisher of agendas and calendars operates mainly in the paper and polygraphic industry. The influence of the company on ecology is indisputable. Graspó CZ and its management realize this influence and it involves several environment friendly steps in the day to day operating. Activities of the company could be called as traditional CSR approach with the triple bottom line, but with the strongest importance given to ecology.

#### 8.1.1 Environmental approach

On 23 September 2008 the company became one of the first printing houses in the Czech Republic to obtain the FSC certificate.

Items subject to certification include the production of certified booklets, books and unpacked sheets printed on both painted and unpainted graphic paper. The list of certified products includes brochures in all types of bindings, as well as publications in ring binders and unpacked sheets.

The FSC Certificate guarantees that products have been produced in compliance with the regulations for environmental protection and certified paper origin.

By complying with all the required conditions necessary for FSC C-o-C certification the company offers clients the surety of manufacturing books at the highest level and guarantees that the product is printed in accordance with the regulations as set out to ensure the protection of the environment. (Graspó CZ, [online])

In the year 2007 was the company awarded by the certificate ISO 14001 for its environmental management system.

Another certification is the “Der Grüne Punkt” that the company gained for the activities in recycling. This marker says that the company pays a service fee to the national system for taking back packaging for recycling (in the Czech Republic it is the company EKOKOM that provides collection and recovery of packaging). The waste packaging must be discarded in special containers or submitted to the junkyards.

In order of ecological waste management company consistently sorts waste and hand it over to specialized and authorized companies for ecological processing and besides the company pays attention to emission reduction by using the combustion unit<sup>6</sup>.

By using renewable sources of energy Graspo decreases the consumption of the electrical energy. The photovoltaic power plant partly covers this consumption and a heat exchange station enables to use the heat produced by machines for the heating of parts of the building.

### 8.1.2 People in the company

Graspo CZ wants to have just professional employees and it gives them the possibility to grow and to improve their skills. Therefore they can go through different training and seminars. Mostly the employees from the management sector have the possibilities to improve their language skills. The company pays the English and German language courses for them. Company Graspo CZ doesn't have any special healthcare for the employees that would be connected to the field of its business, but the employees have the right to be registered at the company's GP.

Company tries to build a community system inside of the company that would lead to corporate culture based on good relations, goal orientation of the team. The processes of all the employees are very tightly connected and depending one on the other. That's why it is important to connect the company through departments so people know about the importance of others people work. This community culture and team are being built on company events, such as Christmas party, bicycle race, different sport events, race for the treasure for children and pork feast. Unfortunately, most of these events are organized by and inside of the management departure. For that reason the connection and the relations within the four fifth of the company (the workers) are not as strong as it should be.

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<sup>6</sup> Combustion units are used to reduce the volume of a particular waste, whether it be municipal waste, hospital waste, or other types of combustible wastes. In the company Graspo i tis a unit that burns chemical gases from the drying machines. Some of these combustion units are programed to use the energy produced by burning the waste to reuse in companys operations. But this is not the case of the company Graspo. This unit only changes the dangerous gases into a steam and some solid waste.

Graspo CZ supports the local community as well. It operates globally, but it realises the importance of “act local” so it supports local suppliers of food and little presents for the customers. Every year it cooperates with local sheltered house (an institution for handicapped people) on the Christmas presents preparation.

Besides, Graspo CZ gave a financial gift to the children’s home for children with special care as part of its philanthropy activities and printed a publication for UNICEF - The United Nations Children's Fund.

### 8.1.3 Profit – business of business...?

In the graph of the last 7 years of the economic performance of the company we can see that it has a lowering turnover.

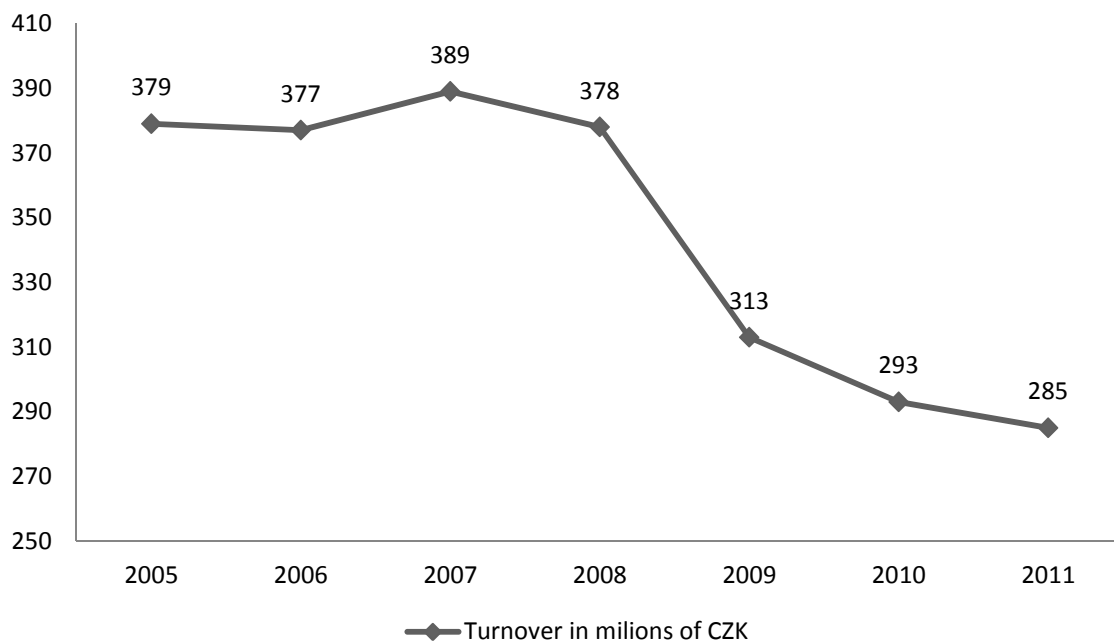


Table 2 The turnover of the company Graspo CZ

In the 2007 the company gained the certificate ISO 9001 for the quality management system. The work quality is contained in the company’s strategy and average function. The goal is to satisfy the customer with professional attitude of the employees. It tries to make the best for its customers to save the good name of the printing quality and to keep good customers relationship. Company Graspo invests into modern technologies to have the best and save printing and post-printing machines.

Still, it is difficult to say, if the certificates have some influence on the company's economic performance. Last 3 years were influenced by the economic crisis as in many other businesses.

The certificates have an influence in demand tenders, where the ISO and FSC paper can be a condition for the participation in the tender. According to this, these steps are not only voluntary but almost mandatory for the company.

## 8.2 CSR activities of TPH printing house

The printing house TPH was described for its environmental management. The question of environmental influence is implemented to all of the company's operations.

TPH printing house operates all over Canada and it is the first tri-certified printing house. The team of print specialists at TPH is well versed in environmentally conscious print practices and can assure the customers that the paper used for the print project is from responsibly managed forests.

Certifications of TPH printing house include: Chain of Custody certification (CoC) from the Forest Stewardship Council (FSC, FSC-C019596), PEFC (Programme for the Endorsement of Forest Certification Schemes and SFI (Sustainable Forestry Initiative)

Showing an FSC, PEFC or SFI label on the print materials the company wants to spread the awareness of green business among their stakeholder and customers of their customers. In working with TPH the company says that the customer made an environmentally responsible choice.

TPH tries to reduce waste by printing only on demand. Too often, print collateral like manuals, guides and forms will be out-of-date before they're all used up. With TPH the customers can order collateral on demand, so they never have to store bulk orders only to throw half of it out later. Printing on demand enables to save energy by printing less, decrease waste by eliminating unnecessary copies and, in the long run, save the money of the customer as well.

TPH participates in several environmentally conscious initiatives, from recycling programs to hazardous material management. All the empty toner cartridges are returned to their



respective manufacturer to be appropriately reused and recycled and hazardous waste generated is collected by qualified companies, ensuring it is not released into landfills.

At Tph Low Volatile Organic Compound inks are used in order to reduce environmentally damaging emissions in the atmosphere and all waste and stock trimmings of the company are recycled.

To reduce the energy consumption of the company TPH shut down all computers and lights during the non- business hours and optimize all the energy saving equipment, while take advantage of natural light to minimize office lightning.

The company reduces the weight and volume of packaging and use environmental friendly materials, as well as implements reusable materials whenever feasible with the operations of the company and distribution systems without compromising safety and services. (TPH, [online])

### **8.3 CSR activities of SIPRAL a.s.**

SIPRAL a.s. is a significant Czech company that operates in paper industry, mostly in special packaging. On the example of this company the importance of moral leadership and employees' enhancement will be described. The human resources management and the personal management of the company is a great example of responsible behaviour of the company.

SIPRAL a.s. values and respects its employees, and takes every measure to maintain their dignity and protect their health. The company ensures that its employees are kept informed, receive a fair salary and have the opportunity to develop their professional skills. Besides, the company SIPRAL a.s. respects and observes the principle of fair opportunities and forbids any discrimination in the hiring of new employees, work performance and working conditions. The company rejects any discrimination based on sex, sexual preferences, race and ethnical origin, nationality, citizenship, social origin, language, age, health condition, religion and belief, family situation, political orientation and activity in political, employee and employer organizations. SIPRAL a.s. forbids all forms of harassment (including sexual harassment), humiliation and degradation of any employee's dignity.

When performing any activity related to occupational health and safety, the company observes valid legal regulations, makes every effort to minimize risk and improves safety and hygienic conditions in the working environment.

SIPRAL a.s. advocates the principles of responsible citizenship and upholds its obligations related to public affairs and supports activities that improve society and public life. The company examines the safety and reliability of its products and technological processes, and strives to minimize risk related to its business activities. It respects and observes environmental protection laws and makes every effort to minimize any adverse effects that its business activities could have on the environment.

The company's code of ethics expresses its policy that is obligatory for all company representatives. Each representative of SIPRAL – both employees and those authorized to represent the company – respects and adheres to valid legal regulations and generally accepted business ethics and principles. Each representative acting directly or indirectly on behalf of the company shall act so as to protect the company's interests and its good reputation and to responsibly meet its obligations. It considers the rules set down in the code of ethics to be extremely important, and expects each of its representatives to observe them. Any breach of the code of ethics can be considered a breach of work discipline rules and/or employment contract conditions that can result in grave consequences; in extremely serious cases, conduct going against the code of ethics may raise criminal liability. In order to protect the company's good reputation, any breach of the code of ethics should be reported so that adequate measures may be taken to eliminate damage and prevent its repetition. Deliberate concealment of such a breach can be considered as being in conflict with the code of ethics.

The management shall conduct itself as to present a model of moral and ethical qualities for the company's employees and representatives. They shall also act as advisors and helpers in all matters related to ethical and moral principles and rules presented by this code of ethics. Managers are to explain the importance of the code of ethics and direct all company employees and representatives to observe them. (Sipral, [online])

#### **8.4 CSR activities of Pureprint Group**

The most interesting and inspiring company in the sector is the Pureprint Group. This UK's leading environmental printer and the first CarbonNeutral® printer in the world was awarded

by the Queen's Award for Enterprise for its Sustainable Development in 2003 and 2008. Beside it gained the internationally recognised ISO9001 quality and ISO12647 colour management standards and independently audited ISO14001 and EMAS environmental management systems. It was the first in UK to use FSC paper and invests regularly in new people, new machines, new technology; it invested over £12million in the last five years in the latest machines and software so that customers can enjoy all the advantages the latest technology has to offer.

With its 170 employees where 120 people are working in production it's a SMO such as the company Graspo CZ which is on the border of SMO with its 250 employees.

The environmental activities of the company are nothing so unique; the reason, why the company is worthy of respect the whole attitude, the target and the vision of the company. Still it is the question of making profit, but Pureprint has the environmental attitude in the main core and main vision of the company, with wider overlap on company's stakeholders, customers and the wider society in general. According to the chairman of Pureprint Group, Mark Fairbrass, is the vision of the company "... to share our extensive environmental experiences with customers, competitors and the community to stimulate debate about the environment" (Fairbrass, M., [online])

Pureprint Group focuses on different spheres of ecological production. In order to energy saving and water conservation it reduces gas consumption by 46%, uses green electricity generated from renewable sources and reduces water use by 57% since 1995. In the aim of reduction of chemicals and emissions, the company totally eliminates all industrial alcohol used in the printing process and uses vegetable based inks. Last but not least importance has the waste reduction; Pureprint recycles 95% of all their dry waste.

Significant role in CSR activities of the company plays the working environment and staff training as well.

Company provides an environmental education programme to influence its staff, customers and the wider community. It encourages all staff to "think green" by staff environmental suggestion box and environmental champions to promote green message and much more. Company created a "sympathetic green working environment" in factory, offices and

surrounding grounds (e.g. fully landscaped gardens), it supports environmental initiatives and educational activities

In the customers enhancement the company enables the customers to take responsibility for the carbon emissions created by the production of their printed communication. Pureprint Group is able to advise their customers on the best choice of paper for their publication and the environment. The customer can use an environmental imprint, which gives a very positive image of the customers company, showing as a caring, responsible business and besides it encourages others to adopt similar responsible purchasing practices, increasing the rate of environmental improvement.

Other marketing appeal on the customers of Pureprint Group is to "Print less". This may seem a strange thing for a printer to suggest but new print technology makes it cost effective to print less and then reprint when it is required. On average 30% of marketing print is thrown away without being used now we can print what you want when you want it helping both your budget and the environment. (Article 13, 2002, [online])

The last call is to suggest the customers to calculate the carbon footprint of their publication including paper manufacturing, delivery of the paper, production at the factory and final distribution. The company then organizes the investment in carbon offset projects verified by The Gold Standard Foundation and offers the customers the carbon neutral publications. It enables to make a difference to the environment, differentiate the business and highlight the positive contribution to preventing climate change with the option of using the logo on the right.

The company has been able to increase its shareholder value through its advance 'environmentally friendly' printing technology. (Article 13, 2002, [online])

## 9 CONCLUSION OF THE ANALYTIC PART

In this chapter, the comparative description of the selected companies will be done. The significant role will be mentioned in the weak parts of the CSR approaches of the model company Graspó.

### 9.1 The strengths of Graspó CSR

The strongest part of CSR activities of Graspó CZ is without any doubt its environmental activities. First of all it is worth respect for its certificates, such as FSC and ISO 14000. Other very important part is the attitude to energy consumption. As it was mentioned, Graspó CZ uses alternative sources of energy such as solar energy and it uses the heat of combustion units as well.

It has a very strong recycling program and safe management of dangerous waste. The question is, if these activities can be count as CSR activities. The management of dangerous waste and the reports of working with waste are not fully voluntary.

Another commendable activities fall under the social sector of the company, when it supports local market of suppliers and it helps the disadvantaged people in sheltered houses and abandoned or disabled children in orphans' house.

### 9.2 The weaknesses of Graspó CSR

Even though the ecology is the strongest part of CSR activities of the company, there are still possibilities of doing more or better.

First of all it is the absence of carbon footprints metrics and printing on demand such as in TPH printing house and Pureprint Group. These two companies could be a great example for the company to do more. The problem of printing on demand lies in the price of the services. It is always easier and quicker for the company to print in bigger loads of publications, because the machines need to be reset before every order. This is a question on the company technological department and the management to find the possibility how to make the production efficient even in smaller demands.

Another possibility would be in changing the technological park to machines with neutral carbon footprint, using of biological inks and use the innovations in post-press operations. All these changes are very financially demanding, but if it worked as it did in the company

Pureprint Group, it would change the expenses into the shareholder value and it would bring profit, where to theory of shared value would be applied.

Another problem could be seen in the working environment of the company. First of all, the workers in production work mostly in very loud and dusty workplace. There is a lack of a comfortable place to spent the lunch break or relax in during the morning or afternoon break. The surrounding of the company and the working halls themselves are not “green” or anyhow ecologically encouraging. There is a lack of recycling bins in the workplace in the management part of the building and the management neither workers recycle the small everyday waste.

Very strong weakness is in the communications of the CSR activities of the company. First of all, the employees are not fully informed about the activities (there are the certificates and information about the CSR activities only on the wall information boards, without further explanation). What totally lack are the seminars and trainings about the CSR of the company, ecology and society for the workers in the production and the management.

More could be done in the reporting of the company’s behavior.

Great and inspiring example of moral leadership and giving the positive example is worth respect in the company Sipral, where the ethical business and ethical leadership is in the ethical codex of the company. Creating the working environment and employee’s enhancement is commendable in the company Pureprint Group as well as the possibility of customers’ enhancement with carbon neutral printing packages. Such an environmental package or similar should be offered by the model company to give their customers a signal or incentive to responsible trading.

The last thing that should be mentioned is the core problem and weakness of the company Graspo and its CSR activities. It’s the absence of CSR vision. However Graspo CZ operates with the motto: “We are not indifferent to the environment. Eliminate of the environmental impact of our priorities has been one of our priorities,” it’s not communicated well. The vision should be changed and it should be directly connected to the core of business. It should be a claim without any deeper connection to all of the company’s operations.

**CSR activities of Graspo CZ run without exact planning and concrete ethical strategy without any connection to creating of the shared value for the stakeholder, what needs to be changed.**

### **III. PROJECT**

## 10 CSR 2.0 STRATEGY OF THE SELECTED COMPANY

Trying to involve the CSR 2.0 into the company's performance is not an easy task, because as it was mentioned, the CSR 2.0 is not about boarded actions, complying with the guidelines and standards of the ethical strategy or about "doing good" to improve the company's perceiving and brand building. CSR 2.0 is changing the core of the businesses and restructuring of the company. To such a change it should be worked with the company's visions on the level of shared value theory. The next chapters should suggest the possible way to change the company's operations according to CSR 2.0.

### 10.1 Motivation of the company Graspó CZ

Before of the settling the motivation of the company Graspó to behave according to the approach CSR 2.0, some important questions need to be answered.

- How does Graspó influent the environment and what can be changed?

Graspó, as the significant printing house, has the direct influence on the consumption of paper and paper industry. As it was described, during the production and logistics of the products to the customers there is a big amount of waste of chemicals, paper and water, electric energy and gas is used and therefore a significant carbon footprint is created.

Company can use its position and influence on the environment by supporting of the responsible suppliers of paper and inks or changing the production of the publications to carbon neutral.

To support the customers in ecological behaviour, new offers could be done and company shall try to raise awareness about the ecological necessity in sustainable production.

- Who are the customers and suppliers and what is important to them?

Graspó CZ operates mostly on the B2B market. There is just a small percentage of direct customers and those are mostly buying product from the department of the publishing calendars and agendas.

On the B2B market, reliability and quality is very important for the business just as the price of the service or product. These customers of the company are mostly publishing houses that need to have good image as well. Environmental labelling can be the way to gain this image.



Besides, labels on the books would be a very effective way of spreading the environmental message to many people, so a wider society could be involved as well.

For sure, money is still one of the most important factors in the business. The transformation of the company should be profitable for the company but for the stakeholders as well. The customers therefore should gain the impression that by using the service of the printing house Graspó, their image grows and their business goes better as well. Only this is the way to make the change of the company sustainable.

- Who are the most important stakeholders of the company?

First of all the most important stakeholders are the customers; every possible step and growth of the company depends on their demand. Right after the customers are the employees. Possibly, the employees are even more important, because without them the services would not be on a growing level, the customer wouldn't be satisfied and the circle would close up. According to this implication, company should first of all care about its employees, give them the best education in the operations and try to make them working with the same goal as the management. All of the employees should feel as an indispensable and fairly valorised part of the team. All of them should perfectly understand the processes of the production in all levels and should know the main vision of the company.

- What would the implementation of the shared value mean for the company?

In a larger scope, the creation of shared value can bring only benefits. The value of the company would grow in the perception of all the stakeholders and that would lead to a direct increase in turnover. Moreover, the innovation in the technological park can help to decrease the waste and the consumption of energy what would lead to saving money of the company.

## 10.2 Key CSR visions of the company

As it was mentioned in the analytic part of this work, implementing of the CSR visions into the company's core, including the company's claim and company's communication is the first and main activity of the company that needs to be adopted.

Lately the company presents itself with these visions and values:

“We adhere to quality, reliability, and a comprehensive service throughout and now as we link up with the most important European printing companies, customer satisfaction remained paramount.” (Graspo, [online])

Basic building blocks of the company are:

- Flexibility and originality of the offered services and products
- Full service with a great service on every level
- Reliability in time and quality
- Quality of product and services
- Experience with extensive background and expertise of the printing house staff

These “building blocks” are notable in the main company's communication. Company Graspo CZ nowadays communicates the customer oriented approach of the company with flexibility in the production and the service in every printed and online presentation with its claim: **And what will we print for you?**<sup>7</sup>

New visions of the company should arise from the motivations of the company. It means that Graspo should become a competitive European printing-house that takes the environmental raising awareness as its mission and realises the importance of sustainability in every business operations. There for it cooperates with responsible companies, offer an environmental education for the employees and the wider society and provides the constantly high quality of the printed publications and perfect customer service.

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<sup>7</sup>Author's translation: A co budeme tisknout pro Vás?

The vision of the company should be shortened into:

*As one of the front European printing-houses, we offer more than just high quality printing works and perfect customer service; we offer reliability, environmental awareness and fairness in all of our business operations.*<sup>8</sup>

### 10.3 Claim of the company

In the last chapter, the vision and claim of the company was mentioned. With the new vision, the claim should be changed as well.

The suggestion of the new claim works with the letters of the company's name. This communication strategy will enable to remember and connect the message with the name of the company. This claim counts with the increasing importance of foreign customers. For this reason it is in English. The Czech translation is offered too, but the communication strategy of the letter use is not followed.

I suggest two options of this claim. First one is acronym based sentence:

*Graspo – Giving Responsible And Sustainable Printing Opportunities*<sup>9</sup>

The second suggestion is the claim:

*Green and reliable printing solutions - all the important letters of your printing business strategy in our name*<sup>10</sup>

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<sup>8</sup>“Jako jedna z předních evropských tiskáren vám chceme nabídnout více než jen vysoce kvalitní tisk a perfektní zákaznický servis, nabízíme vám spolehlivost, naši zodpovědnosti za životní prostředí a férový přístup v každé naší spolupráci.”

<sup>9</sup>“Graspo – Vaše příležitost pro kvalitní a ekologický tisk”

<sup>10</sup> “Ekologické a spolehlivé řešení Vašeho tisku pod naší střechou”

## **10.4 Key CSR activities and campaigns of the company**

Most important step that needs to be undergone is the research in possible innovations of the technological park of the company that would lead to new machines saving the ink, or using of soy ink, saving paper and producing less waste. These innovations in operations leading to higher efficiency, less harm on environment while saving the money of the company would create the shared value for the stakeholders and customers. Thanks to the changes, new environmental packages could be offered.

### **10.4.1 Technical innovations**

The technological innovations research needs to be done regularly every year. With the transformation of the company relates the most the first step, decreasing the chemicals in the production. The company should try out if there is a possibility of using vegetable-based inks, the most common soy-ink. Soy ink is probably more expensive, but as in the research it was found out, that the vegetable-based inks are more translucent and therefore less pigment is required to get the same strength of colour. Less resin is used and that can balance the higher price in comparison to chemical-based inks. There are many producers of the soy –ink, but the company has to try out, if this would be suitable with the speed and the system of production.

In the paper use innovation the research could be focused to the chlorine free paper and recycled paper such as the brand REVIVE that is provided by the company Ospap or the offer in recycled paper COCOON by the company Antalis. These companies are two of the main suppliers of paper of the company Graspó.

### **10.4.2 Carbon footprint measurement and decreasing**

The Graspó factory and almost all of the printing and post-printing machines run on electric energy. As it was mentioned, Graspó already uses the green bonus from the E.ON energy by using the solar panels on the roof of the company. The factory uses 98% of the energy gained from the panels. These solar systems are very expensive and the company expects the return of the investment in 10 to 12 years.

Different source of energy where it was possible for the company to cut down the electric energy was the usage of recuperation stations for the heat from the machines. The heat produced by these stations is used to the water heating of the company.

However the company has implemented these cutting down strategies on the electric energy consumption, the footprint of the company is still large.

Company should focus on carbon footprint measurement and try to decrease or make the carbon footprint neutral.

One of the possible steps of the carbon footprint decreasing is to connect with The Gold Standard Foundation that operates with the carbon credits or the Carbon Neutral Company that is a world-leading provider of carbon reduction solutions.

The company Graspo should offer their customers to use eco-packages and motivate them to ask for the carbon neutral production.

#### **10.4.3 Environmental friendly work-place**

New approach of the company, the vision of creating the shared value starts in the core of the company, and where else it needs to be transformed than in the work-place and in the employees' attitude to the problem.

As it was written above in the analytic part, the first and easiest thing that can be changed is that on the workplace there lack the recycling bins. The company employs 250 persons and each products some little waste every day. There should be bins to separate plastics from paper at least.

In the creating of the environmental friendly workplace, the workers should be enhanced in decision making processes. They all need to go through a training and information meeting about the transformation of the company as it will be described later.

There has training been done with every ISO adoption, but these trainings are not well managed. The employees in production are not very well introduced neither to the meaning nor to the content of the certification.

In this point, the establishing of the environmental friendly work-place, employees need to adopt the attitude of the company and need to know that they are important for the company and that the company realises their importance. They should adopt the environmental or the

quality management of the company as theirs. Moral leadership in this phase is crucial. The employees need to have an example from the management to take the new visions seriously.

They should have the possibility to communicate with the management of the company at least through the suggestion boxes. Suggestion box should serve for their ideas and suggestions, how to make the company operating better.

As it was mentioned in the analytic part, the work place in Graspo, especially in production halls is very loud and dusty. Workers stay on the workplace during their lunch and breaks as well. If the workers have a place to relax during their breaks outside the hall, in the green area for example, it would relax efficiently and their working performance would increase as well.

Resting noise abatement room with comfortable furniture, tables for lunch and drinking water would make their lunch or dinner break way more comfortable. Besides, the meeting point for people from different departments can be created. There is a company canteen in the building of the company, but this place is not usually used by people, who bring their food from home and it isn't use to simple resting from the work.

Later, the outside part of the company could be reformed. A little park with picnic benches could grow in the nearest surroundings of the company, so the workers could even enjoy their lunch outside of the company during the spring and summer. The employees can even help to transform the outside part of the factory as it will be suggested later.

Employees should be given the opportunity to organize their working place on their own. Employees in production are the first people who understand the best the processes and movements of the product. Therefore, they should be able to organize the machine so their work is comfortable and easier - this will lead to greater efficiency in production and employee satisfaction

#### 10.4.4 Supply chain evaluating and restructuring

In the supply chain of the company, the suppliers of recycled paper and the reforestation industry should be supported.

After the investigation of the supply chain of paper it was found out that all of the main suppliers are responsible companies with environmental policies. Two of them offer recycled papers and all of them offer the paper with certifications.

Other investigation was done in the supply chain of the chemicals. The company Sun

Chemical so far doesn't offer the vegetable-based inks. Changing to „green“ inks goes with the opportunities of the company. I suggest trying out, if the vegetable-based inks are appropriate for the company's production.

#### 10.4.5 Green is our gold Package

Transformative change of the company Graspó needs to be implemented into the offer with which the company approaches to the customer. The customer needs to have the possibility to support the effort and more important, have a possible advantage of the effort. By the possibility of using the certified paper or print the publications with the carbon credits would grow the value of their publications by strengthening the brand.

Normally the additional cost of the FSC paper is around 3-4%, what makes about 1-3% in the price of the final product.

So far, the customer are not very open to pay an extra charge for the production, but according to my opinion the problem is in the insufficient awareness of the possibility of usage the FSC paper or the recycled paper.

With this package the supply chain improvement is connected. As it was said, Graspó CZ needs to support those suppliers that have a responsible system of management and that offer the recycled or chlorine free paper.

*The customers should be offered to combine the environmental variation of paper with vegetable-based ink to have the best price of the eco-demand.*

Other way of the motivation for the customers is the approach *responsible customer first*. The demand of the customers that decide for an environmental variation of the production would be (if possible) realized with preference.

## 10.5 Raising awareness

Raising awareness of the environmental activities is the crucial point of the CSR reform. There are different target groups of this awareness as well as different channels that should be used.

### 10.5.1 Target group

First of all management and the employees need to be informed. In the approach of moral leadership, the management at all levels should be the first to learn, understand, adopt and spread the importance of building and sustaining moral competence in organization. Later the workers through all of the levels and departures need to be informed and understand the reforming and operating of the company.

Secondly there are the customers and suppliers who need to be informed as well. They should be offered the environmental packages with an incentive in the spirit of:

*Help us to help the environment<sup>11</sup>*

Later in this campaign, local people and institution should be introduced the ecological problems and possible ways to solve them. The problem is that however the company is respected in the printing industry, most of local people don't know the company. They should perceive the company as the part of the region. Such as Bata is connected to Zlin the Graspco Company could be perceived as something that people from region know and respect. Understandably, all this communication will be done in Czech language.

Zlin is a green town; there is a lot of forest around and parks inside of the town.

Graspco should send the message: We care for the environment where we live and work, we care for the environment of Zlin. In the newspapers and printed advertisement can be used the sentence:

*Our town Zlin taught us to appreciate the nature, eco printing-house Graspco CZ<sup>12</sup>*

For the outdoor advertising, short slogan will be used:

*Graspco CZ - Green printing house in our green town<sup>13</sup>*

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<sup>11</sup> "Pomožte nám pomoci životnímu prostředí"

<sup>12</sup> "Zlín nás naučil vážit si přírody, ekologická tiskárna Graspco CZ"



### 10.5.2 Channels

The management of the company as well as the workers need to go through quality seminars and trainings that would teach them about the importance of environmental behaviour.

The traditional channels of marketing communication can be used to communicate the environmental approach and high quality printing services of the company.

For the local people would outdoor image print and print releases in local magazine work the best. For the professionals and B2B customers, commercial in specialized magazines should be released as well. Besides, such a transformation is a very interesting topic for the printing and paper industry journalists, so it could bring an interest from the specialized magazines and online magazines as well in the way of PR.

According to this change, the internet presentation, propagation materials and catalogues need to be adapted. For the catalogues and printed materials only the FSC paper or recycled paper should be used.

Regular newsletters should be sent to the stakeholders as well as the annual reporting should be released.

The last channel of the communication of the transformative campaign of the company is the fair trade presentation.

### 10.5.3 Content

The content of the campaigns will differentiate to each target group. The campaigns are necessary in the launching of the transformative strategy. Later, only recalling campaigns should be used. The later importance lies more in the regular reporting and communication in company's presentation on web pages and trade fairs and in the image management of the company. In the next chapter I will suggest some of the campaigns that could be used to communicate the transformative strategy of the company. These campaigns are targeted to the awareness of the ecological approach among the employees and the local community. The possible reporting style and the trade fair presentation will be described at the end of the chapter.

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<sup>13</sup> "Graspo CZ – zelený tisk v zeleném městě"

## 10.6 Suggestion of campaigns

### Ecological calculator

Connected to the environmental package Green is our Gold there should be programmed an easy calculator on the web pages, where the customer can count how much CO<sub>2</sub> will be produced during his order. The calculator should be done as an interactive application, compatible with mobile internet. The result of the calculation could be designed as a game where the solution would be offered. The customer could, in this step, count and redefine the order by using Green is our Gold package, or decide to support the company that balance the carbon footprint with environmental or different sustainable projects.

### Environmental education

#### *The value of trees<sup>14</sup>*

This internal campaign would connect the training about the background of the paper industry, the need of recycling and energy saving with a teambuilding activity.

The campaign would be organized as the celebration of the earth day (22<sup>nd</sup> of April) and would be divided into two parts. One part is the theoretical training about the recycling inside of the company organized by specialist and the other would be the teambuilding by planting trees in the company complex, what would lead to the creation of the park and the green area in the surroundings of the building that later can be used as a place for the employees to relax during their breaks.

Other possibility of this teambuilding would be an external training with an organization (e.g. “Čmelák”) that provides the possibility for the employees to help in reforesting on a volunteering base. These activities should the company Grasp support. The employees should get the possibility to go for such a volunteering once a year when their day would be paid as if they worked in the company.

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<sup>14</sup> “Hodnota stromů”

Similar activity for the employees and their children, or to the wider public, the day in nature could be organized. It would be a day for families and children in Zlin region with games to teach about recycling with a claim:

***Behind every book there is a tree, behind every tree there is a book***<sup>15</sup>

This campaign would be connected with the route for reading, which connects active life of the families with education and reading. At this event, in the Zlin forest there would be wooden boxes with books that would be prepared for people on a trip. On the social media channel, there would be encode coordinates of the wooden box with an environmental question. The first 5 persons that find the box and answer by sending SMS or answer on the web pages through a link that would be on the paper with the question, will win a book.

### **Campaign for the design studio**

One of the services of the company Graspó is the product design of the agendas and calendars. Graspó should highlight that design of the materials is always unique and that the customer is for them one and only. The new claim of the design studio could be:

***We recycle everything, except ideas.***<sup>16</sup>

With the wider description:

***The only thing that we don't recycle are our ideas for your unique corporate design.***<sup>17</sup>

Design studio in cooperation with the department of calendars and agendas should prepare a collection of eco-agendas for the year 2014. They would be all done on recycled paper, with cupboard front desks. Inside of the agenda there would be glued in a package with seeds to plant a little oak tree, to watch how the tree grows.

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<sup>15</sup> "Za každou knihou strom, za každým stromem kniha"

<sup>16</sup> "Recyklujeme vše, kromě nápadů."

<sup>17</sup> "Jediná věc, kterou nerecyklujeme jsou naše nápady na váš jedinečný corporate design."

## 10.7 Trade fair presentation

Company has its own exhibition stand and the company SunDrive (Brno, Czech Republic) provides the services with the warehousing, transportation, installing and annual adjustments.

The stand size is 28m<sup>2</sup> and it is suitable and effective for the size and the turnover of the company. Still the services of the company SunDrive are relatively expensive and besides, it is environmentally not really suitable as all the transportation to the trade fair Frankfurter Buchmesse (Frankfurt, Germany) and the trade fair PSI (Düsseldorf, Germany), where the company exhibits every year, goes on very big distances. Company Graspó should try to find another service provider of the trade fair services ideally in Köln or Bonn, so it is close to the both of the main trade fairs, there isn't such a long transportation, less emissions are created. In the same moment it is important that the new provider offers cheaper services with the same or higher quality as it was in the company SunDrive.

### 10.7.1 Green stand for the green business

Every year, the company Graspó goes on the trade fair with new and unique story background and the graphic design of the stand. In the next trade fairs there should be always link, connected to the new attitude of the share value creating, environmental core of the Graspó's business and the advantage of environmental behaviour of all the chain parts in the printing industry.

Communication for the trade fairs in the year 2013 could use the claim:

*Take a deep breath in the printing fairy-tale forest<sup>18</sup>*

The communication strategy works with the emotional value of books that most of the people, working or not in printing industry, apply to the publications. Even though it was said that more people now buy the digital variation of book, the newspapers go online and there is some effort to print less, still people will never really stop to buy books and newspapers. It has a totally different value, the digital and paper version. The story can be the same, but people will never say – that was my favourite book when I was a child about an abstract story that they cannot touch and skim through the pages.

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<sup>18</sup> “Zhluboka se nadechněte v tiskařském pohádkovém lese”

Second reason for this strategy is the connection of the fairy-tail and the business. In fairy-tales we count on good ending and that the good one wins. The communication should say, that the customer is hero of the company's story and that the good ending (quality services, responsible attitude and the reliability and fairness) will accompany all of the cooperation.

The last, but for this moment, the most important idea of this communication is the connection to the clean and beautiful forest. Everyone was a child and knows that in the fairy-tale forest there are big and healthy trees, happy animals and miracles can happen. Besides, the "take a deep breath" refers to the smell of the forest and the oxygen that the trees produce.

All of these reasons should take the customer from the grey business world to have a rest and to stop at the Graspó stand. The most important thing is that the customer feels good and relaxed during the cooperation with the Graspó sales team.

The further communication of the fairy- tale idea is:

*When we were children we used to love the fairy-tales. Now, when we are adult, we can decide if we want to cut the fairy-tale forest. Use the recycled paper.<sup>19</sup>*

This communication gives a very wide scale of stand design possibilities and additional communication support. The invitation for the customers to visit the Graspó stand can be done on a recycled paper as a short story, using the fairy-tale language (far far away...) with the last sentence: *Graspó – Find the happy ending of your printing solutions on our stand.<sup>20</sup>*

The stand there should be distinguishable for the first sight in the exhibitors' hall. There could be a real tree in the flowerpot in the entrance of the stand. But it implies that the comfortable access and movement inside of the stand needs to be maintained.

The walls of the stand can be designed either in the traditional white colour with the 4 colours line on the top of the stand with thematic stickers- decorations or the walls could be used for a little exhibition.

The company Graspó could cooperate with the orphans' house in Zlín again. Children would draw pictures on the recycled paper. These pictures would decorate the walls of the stand

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<sup>19</sup> "Jako děti jsme milovali pohádky, dnes se můžeme rozhodnout, jestli vykáčíme pohádkový les. Používejte recyklovaný papír."

<sup>20</sup> "Graspó – najděte šťastný konec pro Vaše tiskové zakázky na našem stánku"

(presented in Art Nouveau style picture frames) and the customers could buy each of the pictures when the money would be donated back to the children.

In the strategy of the customer relationship management of the company Graspó CZ there is an importance given to friendly and personal approach, the important customers are always given little presents for the Christmas or after successful cooperation or a business visit.

Trade fair is a perfect place to meet the customers and to decide for the next cooperation or present new possibilities in printing solutions.

At the trade fairs 2013 company Graspó CZ can use the fairy-tale forest communication to create original and personalized gifts.

This gift is connected with the invitation card. The story will be used again, but there would be fairy-tale personalities designed without the face and the gift is created on the stand during the customer's visit.

The personalities are heroes that save the forest. The customer would be taken a picture and his face is paste in the place of the hero. Because most of the people hate taking picture, there would be a stand with web-camera, so the customer can make it himself and decide for the best picture. There could be an application bought that would change the real picture into drawn-like picture. This picture will be printed and used as a book cover. This book cover will be placed by using the plastic cover to the new collection of agendas with recycled paper.

Again, at the end of the agenda or on the back side of the cover, the sentence: ***Happy ending of your printing solutions*** will be presented, which encloses the whole communication strategy of the trade fair presentation of the company Graspó CZ.

## 10.8 Reporting

As it was mentioned, the trend in CSR 2.0 calls for openness and transparency of all of the company's operations. In CSR based corporation it should be natural to inform the stakeholders about the behaviour of the company. Annual reports should be released. The best way to release a quality report is to optimize it according to GRI guidelines, make it easy to read, transparent and sincere. According to the modern approaches to CSR reporting it would be suitable to use the social media and web 2.0 for the alternative way of reporting.

### 10.8.1 Green Grasp Report

For the company Grasp I would suggest to make an interactive online report, where a goal would be set up (e.g. become a carbon neutral printing house) and the report would "grow" as a tree in an online presentation. The tree grows from the roots, where the vision of the company is described.

Different branches of this tree would describe different steps taken to reach the goal. The tree branches would navigate the stakeholders to click on them and so the report would be interactive. After clicking on the branch, it would become green (the leaves would appear) and on the site there would appear the detailed description of the selected problematic. This web report will be designed as a Flash animation so it is attractive for the reader to gain the information about the company's activities.

Company Grasp could use the social media to support the fair paper industry through the community enhancement. First of all it should start using Facebook and Twitter to be in contact with the potential stakeholders.

These social media shouldn't be used for the presentation of the company, but more for some interesting tips, novelties, innovations and news from the printing industry, ecology, environment, recycling... The goal of this step is to be followed by people interested in green business and gain the respected position of the leader in green printing industry.

The last way of the company's reporting is informing about it on the company's web pages, what's already partly happening in the environmental section of the web pages.

## CONCLUSION

Throughout my final thesis the question of responsibility and ethics in businesses was presented. After the theoretical research I decided to investigate and try to confirm or disprove the hypothesis that “Responsible behaviour has an influence on the company’s profitability and therefore it should be a part of the ethical strategy and management of the company...”

This hypothesis was confirmed just partly. During my work on this thesis I found out that the market still lies mainly on the economic building stones. The ethical and responsible question of the business is a great vision and for sure there are many ways to improve the company’s performance. Sadly, many companies still take these approaches as peripheral actions of their business, including our model company. What needs to be mentioned is that if the behaviour of the company was investigated just according to the CSR 1.0 approach, it would definitely gain an appreciation for the effort in responsible behaviour.

The evolution of the CSR concept was researched and connected with the second part of the hypothesis. This part of the hypothesis, “CSR as the concept of the company’s ethical strategy has gone through a significant change that asks for new attitudes of the companies. In CSR strategies it is crucial to change the company’s core of the business, because this is the way to the growth of the company within the global approach and creating the real value of ethical business behaviour.” Was confirmed fully, but in the project part and in the practical part of this work have some significant limitations occurred.

In conclusion the implementation of the responsible attitudes mostly towards the employees and in the supply chain, the theory of shared value and the new approach to CSR, the CSR 2.0 is an only possible way to change the business in sustainable way. The problem and the limitations of the restructuring of the company lie in the demanding economic side of such a step. It’s not an easy task and well done campaigns connected to appropriate marketing communication are just a supporting channel of the restructuring. As it was mentioned, first step and decision needs to come from the core of the company. From its management.



## **AUTHORS'S COMMENT AND SUGGESTION**

Disconcerting element of many of the responsible activities in praxis is that certifications, the renewable sources of energy and similar activities have, such as a coin, always two faces.

Some of the activities could be considered as a green-washing when not presented accurately and transparently and the approach of CSR 1.0 supports such a way of business.

For example the solar plants are for sure good for the company itself, for the performance of the company and the branding. I would suggest another research if it is really globally beneficial. Sadly, there is not enough space in this thesis, but I suppose that the results of the investigation about the background of solar systems, the production of the panels connected with the mining of precious metals and the liquidation of old solar panels would be very interesting to compare with the benefits that it brings.

Another research can be done in comprehensive analysis of the carbon footprint of the company and its supply chain. This analysis would definitely help the company to realise and eliminate the amount of the carbon dioxide produced during the printing production.

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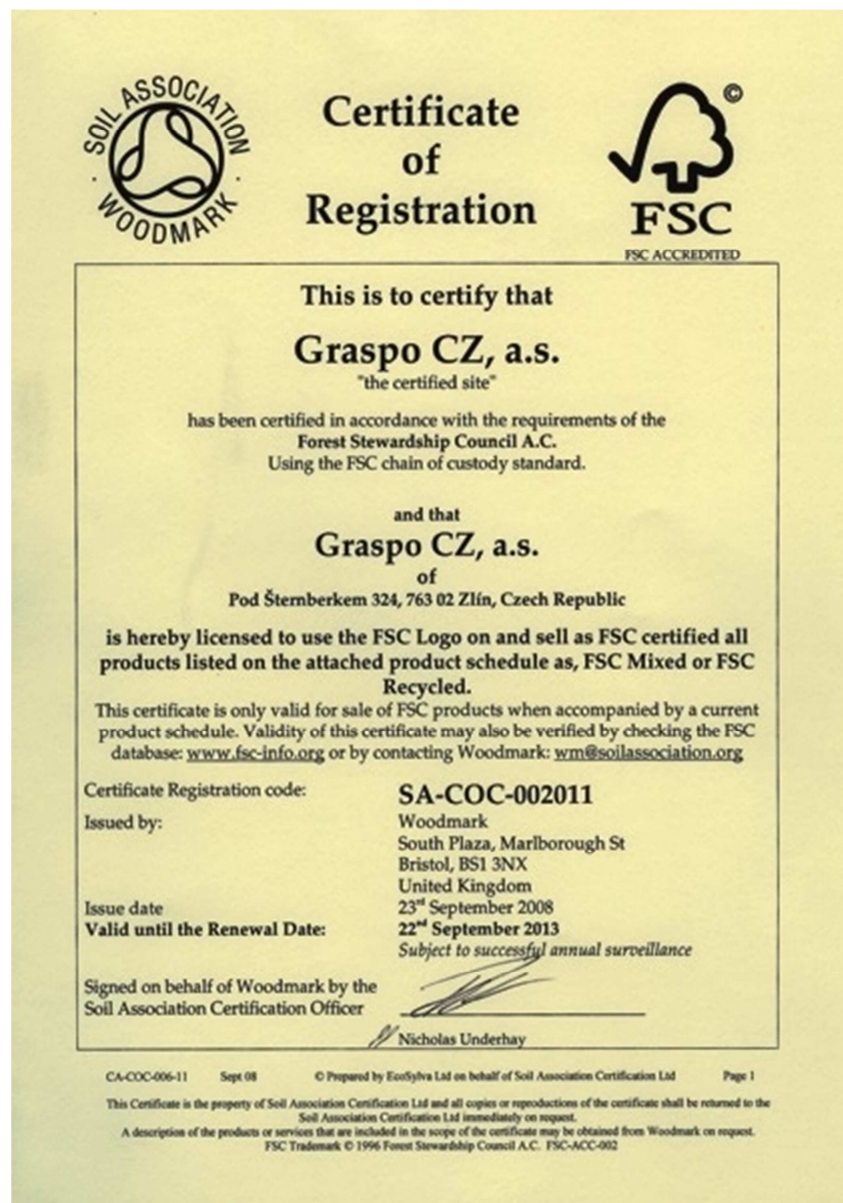
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- [www.csr-online.cz](http://www.csr-online.cz)
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## APPENDICES

### List of appendices

- Picture 1 Graspó - FSC certification
- Picture 2 Graspó – Environmental certificate
- Picture 3 Graspó – ISO 14001
- Picture 4 Graspó – ISO 9001



Picture 1 Graspó - FSC certification

# GRASPO Certificate

## We are not indifferent to the environment

Our objective is to reduce consumption of energies and input raw materials, properly store, process and dispose of waste, as well as to use preferentially environmentally friendly materials, products technologies and services.

We comply with applicable legislation of the Czech Republic and European Union in the area of environmental protection.

We comply with the environmental management system implemented according to the standard ISO14001:2004.

We are FSC certificate holders. This certificate authorizes our company to print on paper with verified origin (with FSC certification), which was manufactured in compliance with environmental protection and forest management regulations.

We use renewable resources. Our own photovoltaic power plant partly covers our electrical energy consumption.

We pay attention to emissions reduction, we use e.g. a combustion unit. A heat-exchange station enables us to use heat produced by machine operation for the heating of premises of our building.

We consistently sort waste and hand it over to authorized companies for ecological processing.

## Elimination of environmental impacts of our activity has been one of our priorities!

In Zlín, dated 8 April 2011

 Stanislav Zástěra
  Lubor Kaluža
  Pavel Krystek
  Jiří Bimka



Picture 2 Graspо – Environmental certificate



**Intertek**

**Certifikát**  
Příklad z anglického originálu

Systém environmentálního managementu uvedené organizace byl prověřen a registrován u Intertek Semko Certification AB jako vyhovující požadavkům normy:

**ISO 14001:2004**

**Organizace:**  
**GRASPO CZ, a.s.**  
IČ: 25588092, Zlín, Pod Šternberkem 324, PSČ 763 02, Česká republika

**Systém environmentálního managementu se vztahuje na rozsah:**  
Polygrafická výroba.

Vydáním tohoto certifikátu nepřebírá Intertek žádnou jinou odpovědnost než ke klientovi, a to pouze v rozsahu upraveném platnou smlouvou.

  
Intertek Semko Certification AB – Kista (Stockholm), Sweden

Identifikační číslo certifikátu  
1422377

Datum certifikace  
20. prosince 2007

Datum vydání certifikátu  
10. ledna 2011

Datum platnosti certifikátu  
9. ledna 2014

  
1639  
ISO/IEC 17021

Picture 3 Grasp – ISO 14001

**Intertek**

**Certifikát**  
Příklad z anglického originálu

Systém managementu kvality uvedené organizace byl prověřen a registrován u Intertek Semko Certification AB jako vyhovující požadavkům normy:

**ISO 9001:2008**

**Organizace:**  
**GRASPO CZ, a.s.**  
IČ: 25588092, Zlín, Pod Šternberkem 324, PSČ 763 02, Česká republika

**Systém managementu kvality se vztahuje na rozsah:**  
Polygrafická výroba.

Vydáním tohoto certifikátu nepřebírá Intertek žádnou jinou odpovědnost než ke klientovi, a to pouze v rozsahu upraveném platnou smlouvou.

  
Intertek Semko Certification AB – Kista (Stockholm), Sweden

Identifikační číslo certifikátu  
33227

Datum certifikace  
20. prosince 2007

Datum vydání certifikátu  
10. ledna 2011

Datum platnosti certifikátu  
9. ledna 2014

  
1639  
ISO/IEC 17021

Picture 4 Grasp – ISO 9001