Measuring Impacts of Corporate Social Responsibility

Case Study on Financial Literacy in the Czech Republic

Master’s Thesis

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Declaration

Hereby I declare that I have written this Master’s Thesis on the topic of „Measuring Impacts of Corporate Social Responsibility“ independently, using the referenced literature and information.

In ................ on ................ ..............................................

Student’s Signature
Acknowledgement

Hereby, I would like to thank doc. PhDr. Daniela Pauknerová, Ph.D., for her valuable advice and comments. Also, I would like to thank those whom I interviewed, for their insights.
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Abstract:
This thesis aims to ascertain which method is the most appropriate to measure impacts of Corporate Social Responsibility and also specifically Corporate Community Investments as a part of Corporate Social Responsibility. Various methods were used in the Master’s Thesis, such as analysis, comparison, several personal as well as phone interviews or questionnaire. Section 1 provides overview of Corporate Social Responsibility from various perspectives. Sections 2 and 3 focus on measuring impacts of Corporate Social Responsibility and particular measurement methods. Section 4 provides a comparison of existing methods. In section 5, Case Study on projects of ČSOB regarding Financial Literacy in the Czech Republic is being solved, including analysis of Financial Literacy in terms of „Need“ and „Supply“ as well as the application of measurement methods. As of the results, Global Reporting Initiative proved to be the most appropriate method to be used for Corporate Social Responsibility/sustainability measurement in general while London Benchmarking Group methodology is the most suitable within Corporate Community Investment. However, both methods should be supplemented when being applied as they are not exhaustive.

Key words:
Corporate Social Responsibility, Measuring Impacts, Measurement Methods, Financial Literacy
# Table of Contents

Introduction ............................................................................................................................. 8

1 Corporate Social Responsibility (CSR) ............................................................................. 11
   1.1 Definitions of CSR ........................................................................................................ 11
      1.1.1 General Definition .............................................................................................. 11
      1.1.2 The United Nations ............................................................................................ 12
      1.1.3 The Organization for Economic Co-operation and Development (OECD) ........ 14
      1.1.4 The European Union .......................................................................................... 14
   1.2 Opinions on CSR .......................................................................................................... 15
   1.3 CSR in the Czech Republic versus Western Countries ................................................ 17
   1.4 Extended View: CSR-related Concepts ..................................................................... 19
      1.4.1 Triple Bottom Line (TBL) ..................................................................................... 20
      1.4.2 Sustainability and Sustainable Development ....................................................... 21
      1.4.3 Creating Shared Value (CSV) ............................................................................. 22

2 Measuring impacts of CSR activities in general ............................................................... 24
   2.1 Advantages .................................................................................................................. 25
   2.2 Disadvantages ............................................................................................................. 27
   2.3 Measuring and Reporting in Practice ....................................................................... 28

3 Methods to measure and report CSR .............................................................................. 33
   3.1 Global Reporting Initiative (GRI) ............................................................................. 34
   3.2 London Benchmarking Group methodology (LBG) ................................................... 36
   3.3 Characteristics of other important methods ............................................................... 38
      3.3.1 Possible Alternatives to LBG and GRI ............................................................... 38
      3.3.2 Indices and Standards ......................................................................................... 40
      3.3.3 CBA and other general, not CSR-specific, methods ............................................ 41
      3.3.4 Issue-Specific Measurement and Reporting Tools .............................................. 42

4 Comparison of existing methods ...................................................................................... 44

5 Case Study: ČSOB – CSR in Financial Literacy in the Czech Republic ....................... 46
   5.1 Introduction .................................................................................................................. 46
   5.2 Objectives, Hypothesis and Methodology ................................................................. 48
   5.3 Community Need Assessment regarding Financial Literacy .................................... 50
      5.3.1 Indebtedness, Insolvency and Executions ........................................................... 50
      5.3.2 Research on the Financial Literacy of Czech population .................................... 58
   5.4 Entities pursuing improvement of Financial Literacy („Supply“ side) ....................... 63
      5.4.1 State/Government ............................................................................................... 63
      5.4.2 Non-Governmental Organizations .................................................................... 67
Abbreviations

AOP    Civic Counseling Association (Asociace občanských poraden)
CAF    Common Assessment Framework
CBA    Cost Benefit Analysis
CCI    Corporate Community Investment
CDP    Carbon Disclosure Project
CSD    The United Nations Commission on Sustainable Development
CSR    Corporate Social Responsibility
CSV    Creating Shared Value
CR    Corporate Responsibility
ČNB    Czech National Bank (Česká národní banka)
ČSOB  Československá obchodní banka, a.s.
EC    European Commission
EU    European Union
FCA    Full Cost Accounting
FL    Financial Literacy
FMV    Fair Market Value
GRI    Global Reporting Initiative
G250  Global Fortune 250
IIRC  International Integrated Reporting Committee
ILO    International Labour Organization
INFE  International Network on Financial Education
IRIS  Impact Reporting and Investments Standards
JPOI  Johannesburg Plan of Implementation
KPIs  Key Performance Indicators
LBG   London Benchmarking Group
MPSV  Ministry of Labour and Social Affairs of the Czech Republic
MŠMT  Ministry of Education, Youth and Sport of the Czech Republic
NGO   Non-Governmental Organisation
N100  the Largest 100 Companies
OECD  Organization for Economic Co-operation and Development
PI    Performance Indicators
PFT  Counselling in Financial Distress (Poradna při finanční tísni)
PSI   Principles for Social Investment
QUARS Quality of Regional Development
SME   Small and Medium-sized Enterprises
TBL   Triple Bottom Line (People, Planet, Profit)
UN    United Nations
UNEP  United Nations Environment Programme
WB    World Bank
Introduction

The topic of measuring impacts of CSR and corporate sustainability in general, besides just focusing on financial results, is to be heard of currently more and more. Except of my interest in CSR in general and methods to ascertain impacts of CSR through measurements, I have chosen this subject matter also because I have experienced that not only in the Czech Republic even people focusing on or working in CSR often do not know which measuring methods exist and which of them would be the best for their company to use.

Looking at measurement in the broader picture, we need to be aware of the fact that CSR is still not a common concept for most of the organizations globally and the majority of those which have implemented it still does not measure their sustainability performance and does not know how to measure and which method could help them with that the most. There are many various methods and tools available which makes the decision-making regarding the most appropriate method to be used by a particular organization more complicated.

The current situation suggests that in Western countries measuring of CSR impacts has already started to evolve, compared to other countries including the Czech Republic where not many organizations really use any type of measurement methods. Regarding literature on the subject matter, it is more focusing on particular methods separately. I did not find any comprehensive document explaining the existing methods and allowing for a reliable and thorough comparison. Also, frameworks, guidelines, standards and indices are often mixed together, not properly indicating the differences and the goals of those tools.

At the beginning of this Master’s Thesis, I am providing definitions of CSR, not only generally accepted one but also various approaches toward this topic of three important organizations, the United Nations, Organization for Economic Co-operation and Development, and European Union. CSR is seen by many as a controversial topic, some people strongly support it but on the other hand, some are very critical about that. Therefore, I am shortly introducing the main opinions on the CSR concept so that companies can decide themselves which view they feel to be the right one. However, differences regarding CSR are seen also at the country level – to provide the context of CSR in regional terms, the comparison between CSR in the Czech Republic versus Western Countries is added. Nevertheless, there is some confusion surrounding the term CSR. Other related terms and concepts have evolved, some of them very recently. I am explaining them shortly as well.

Advantages and disadvantages of measuring impacts of CSR are described in the following chapter. Also, measuring and reporting in practice is shown to disclose the usage of methods in reality at present. Further, the particular methods to measure and report CSR are described into more detail, focusing mainly on the most common methods in the Czech Republic, GRI and LBG. Nevertheless, characteristics of other significant methods are provided as well.

Concerning the structure of the thesis, I am neither including the definition of financial literacy nor more technical details regarding LBG into the theoretical part of the Master’s Thesis since I find it more appropriate to include them just briefly in the parts which particularly deal with those details within the Case Study to make reading the thesis more smooth.
The practical part of the Master’s Thesis begins with the comparison of existing methods which were previously described theoretically. This analysis is mainly based on my primary research, various interviews with experts, besides the secondary research. Here, the methods for sustainability measuring as well as issue-specific methods are being discussed to find out which ones are the most appropriate to be used by organizations.

The most extensive chapter of the whole thesis is the Case Study of ČSOB on Measuring impacts of CSR in the Czech Republic, focusing on financial literacy projects within the bank’s Social Investments initiatives. Financial literacy was chosen as the example to show the measurement of impacts on. After explaining background of the Case Study, objectives and methodology, I am analyzing the current situation of financial literacy in the Czech Republic, before focusing on the application of measurement methods. This analysis of the state of FL is needed to be able to state if the respective projects which Case Study refers to are focusing on the right target groups, before analyzing their effects and impacts in terms of the scope of their influence as such. The intend is to find out if the focus of ČSOB on FL is appropriate and if the current target groups are relevant.

To make the analysis, I am looking at the “Need” of people in the Czech Republic to increase their FL and “Supply” side for that. Then, I intend to find the Gap between those two aspects. The analysis of the need shows if the area of FL is needed to be focused on, and therefore, if ČSOB chose the right area to be involved in within its philanthropic initiatives. Additionally, the Community Need Assessment provides the information about which social groups need to improve their FL the most. The need is ascertained through the data on indebtedness, insolvency, executions and other related features which show the trend in the statistics on debts of households and individuals’ financial situation in general. Presenting the research on FL in the Czech Republic that has been conducted shows the level of FL which is in general to some extent interconnected with overindebtedness and other aspects of financial distress. On the other hand, looking at “Supply” side should show if “Supply” is focusing on the right target group which really needs it and in the right form and quality. Then, mismatch between “Need” and “Supply” is identified showing which social groups would need to increase their FL the most and are not targeted by the “Supply” side yet sufficiently (in the terms of quantity as well as quality).

Measurement Methods are then applied within the Case Study on the projects of ČSOB in the area of financial literacy which are part of ČSOB Social Investments programme. Mainly, I focus on LBG methodology, implementing ČSOB data especially into a slightly modified version of LBG indicators checklist. I have chosen LBG as it has already been used, in a less detailed way, by ČSOB and since this method is utilised for Corporate Community Investmet (CCI) projects globally the most. However, I apply the LBG methodology more thoroughly than it is used at present by ČSOB to find out if using just LBG for CCI projects is sufficient to be used alone or if it is needed to be adapted, or supplemented by other methods still too.

Therefore, following subchapter includes my own method which was inspired by already existing methodologies (mainly on LBG which is specifically focusing on the relevant subject matter but also other, more general methods) and my overall research in the area of measuring methods, trying to utilize the best from all of them for the specific FL case in one
method. This tailored compilation is intended to be more clear and concise and taking into account all the specifics of the particular topic of FL. Additionally, some selected most important aspects and some related indicators drawn from other relevant methods are presented as well. The final part of the Case Study covers main findings and recommendations for ČSOB, summarizing the most important outcomes from the whole Case Study.

In the Recommendations chapter, suggestions for organisations in general are indicated. Those are in regards to choosing the right methods to be used, and concerning the process, what is needed to do before measurement starts, specifics of philanthropic activities and how to select the right and most effective projects to pursue.

The first aim of this Master’s Thesis is to find out which method is the most appropriate to be used to measure impacts of CSR. As there are many various methods possible to be used, the interested entity could be confused when trying to decide on which method would be the best fit for it specifically. My hypothesis connected to this aim of the thesis is that GRI is the most appropriate method to be used for sustainability measurements and reporting. Additional questions could be raised, such as Should a particular organization use one or more methods? Should it prefer the overall or more specific methods, or use both types?

The second aim of the Master’s Thesis is to ascertain which method should be used to measure impacts of Corporate Community Investment (as part of CSR). My hypothesis which will be solved within the Case Study believes that regarding Corporate Community Investment activities, LBG is a sufficient method to be used to measure their impacts.
1 Corporate Social Responsibility (CSR)

1.1 Definitions of CSR

1.1.1 General Definition

There is no one official definition of Corporate Social Responsibility (CSR) worldwide. Generally we can claim that the CSR concept is based on three basic pillars: economic effectiveness, environmental responsibility and social engagement (responsibility towards the community in which the company operates). It can be compared to responsible behaviour of citizens – Corporate Citizenship. Besides the role of producing goods/providing services in addition to making profit, a responsibly behaving company is expected to care about the community. That is a voluntarily taken decision towards all stakeholders (beyond requirements and bans set by laws).

CSR consists of three areas generally accepted and used, sometimes referred to as the three pillars. The first pillar of CSR, the economic one, belong transparency, good governance principles, adherence to Code of Ethics and Code of Good Conduct, and building a good relationship with the stakeholders. Among Stakeholders belong especially shareholders, customers/consumers, suppliers, investors, media and administration/government representatives. This pillar should consider all direct and indirect economic impacts that the company’s operations have on the local community and other stakeholders.

The Social pillar of CSR includes health and safety of employees, human capital development (of current employees, and possibly dismissed employees who need requalification), working standards compliance, employment security, equal gender opportunities, ethncial minorities, disabled people and the elderly. Responsible companies would not utilise child labour and also would deny to cooperate with partners which would use child labour.

The Environmental pillar of CSR is based on performing the organization’s activities in accordance with ecological standards. Moreover, the organization should protect natural resources, support development and spreading of environmentally-friendly technologies. It also promotes corporate policy which has as small as possible impact on environment (usage of ecological products, waste recycling etc.).

As mentioned above, CSR is composed of three pillars and the term itself can be quite confusing and misleading for some people. Several companies (e.g. PwC or KPMG) prefer nowadays to use a term Corporate Responsibility (CR) instead, making the term broader than just mentioning the Social pillar. On the other hand, ISO promotes the term Social Responsibility, highlighting that this concept does not apply just for corporations but also for

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1 Bartošová, Z. (2006): Měření a benchmarking jako součást strategie CSR. Praha, 2006. Published by Fórum dárců, o.s. P. 4
NGOs and governments. Other terms used to define CSR represent what the term is related to in broader terms (discussed further in Subchapter 1.4).

1.1.2 The United Nations

United Nations Global Compact is a code of conduct, policy framework, a strategic policy initiative for businesses that are committed to aligning their operations and strategies with Ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption. These principles are meant to guide organizations to behave responsibly. The largest corporate responsibility initiative with nearly 7,000 business signatories from 135 countries, in addition to thousands of other stakeholders in the world was launched in 2000. UN Global Compact sees business as a primary driver of globalization and therefore as a player which can help to ensure that all markets and related aspects advance in the way which benefits economies as well as societies everywhere. The Ten Principles are divided among the four specific areas mentioned above. Moreover, the UN Global Compact has set up Principles for Social Investment (PSI) promoting contributions made by organizations that are Purposeful, Accountable, Respectful and Ethical. (To compare, there also exist ten Ceres Principles, developed by a non-profit organization Ceres, which are however focused just on environmental issues.)

However, the UN Global Compact does not use the term Corporate Social Responsibility. As Mrs. Lila Karbassi, General Manager and the responsible person for Environment Management within the UN Global Compact, said during our meeting on July 24, 2012 (New York City): „We have never used the term CSR, we call that Corporate Sustainability“. She adds that the reason is that they see Corporate Sustainability as a broader concept containing more what the UN Global Compact is doing and strives for, including the term ESG (Environmental, Social, Governance issues).

A tool to assist companies behaving sustainably is the Global Compact Blueprint for Corporate Sustainable Leadership (within a platform LEAD) which offers organizations a model for achieving higher levels of performance and enhanced value through the Global Compact by providing an action plan in three core areas: Integrating the Global Compact ten principles into strategies and operations, taking action in support of broader UN goals and

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4 Markets of the Future: The UN Global Compact in the Least Developed Countries. UN Global Compact, New York, August 2011.

issues, and engaging with the Global Compact. The Blueprint also identifies best practices in all these three dimensions and a total of 50 criteria for leadership.⁶

Also, the UN Research Institute for Social Development conducted a project called Business Responsibility for Sustainable Development (in the years 2000-2005) which promoted research and policy dialogue on corporate social and environmental responsibility. It examined whether or not transnational and other corporations are taking meaningful steps to improve their social and environmental footprint, especially in developing countries.⁷

During Rio+20 (the UN Conference on Sustainable Development), Corporate Sustainability Forum was held. There, businesses engaged with governments and civil society to discuss the Green Economy concept and how businesses and other players could advance it. To achieve sustainable economy, businesses need to understand, accept and undertake their important role. The standard Corporate Social Responsibility concept seems not to be sufficient: A bigger engagement of businesses is needed and not just changes in small elements.

The United Nations Commission on Sustainable Development (CSD) is responsible for reviewing progress in the implementation of Agenda 21 and the Rio Declaration on Environment and Development. Also, it provides policy guidance to follow up the Johannesburg Plan of Implementation (JPOI) at the local, national, regional as well as international levels. „The JPOI reaffirmed that the CSD is the high-level forum for sustainable development within the United Nations system.„⁸

As Ban Ki-moon, the United Nations Secretary General, stated, in January 2011: „…. Sustainability can make us a better organization – more efficient, more effective and less exposed to risk.“⁹ Also, he mentions the role of companies to make the world more sustainable: „The UN has grown to recognize the important role the private sector can and must play in sustainable development.„¹⁰

Moreover, International Labour Organization (ILO), one of the UN agencies, sees Corporate Social Responsibility as „one of the important ways today in which enterprises affirm their principles and values, both in their own internal processes and operations and in their interaction with other actors.“¹¹

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⁹ UNEP. Moving Towards a Climate Neutral UN. The UN system’s footprint and efforts to reduce it. Summary of 2010 edition.


Details concerning the UN approach towards measuring and disclosing impacts are to be found in Chapter 3, Methods of Measuring CSR.

1.1.3 The Organization for Economic Co-operation and Development (OECD)

Also OECD has developed guidelines for organizations on how to behave socially responsible. They are called Guidelines for Multinational Enterprises. These Guidelines are recommendations by governments to multinational enterprises operating in or from adhering countries (it means the OECD members plus Argentina, Brazil and Chile). They offer voluntary principles and standards „for responsible business conduct, in a variety of areas including employment and industrial relations, human rights, environment, information disclosure, competition, taxation, and science and technology“.12

Even though many business codes of conduct are nowadays available, the Guidelines are the only multilaterally supported code which governments committed to promote. In comparison to UN Ten Principles, by the OECD Guideline for Multinational Enterprises, the governments are committed to follow it. On the other hand, speaking about UN Ten Principles, the organizations that joint UN Global Compact are committed to make these principles an integral part of their business strategy, culture and day-to-day operations. Thus, we can see a significant difference concerning stakeholders’ commitment.

OECD Principles of Corporate Governance are standards and guidelines just for one aspect of sustainability in broader sense, transparency and accountability, shareholder rights and other governance issues.

1.1.4 The European Union

In the Communication from the Commission concerning CSR (March 2006)13 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. It is about enterprises deciding to go beyond minimum legal requirements and obligations stemming from collective agreements in order to address societal needs”. Another official document of the Commission of the European Communities, Green Paper, Official Consultation on CSR (July 2011)14, divides CSR into two dimensions, the internal and

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external. To the internal dimension belong Human Resources Management, Health and safety at work, Adaptation to change and Management of environmental impacts and natural resources. On the other hand, the external dimension consists of Local communities, Business partners, suppliers and consumers, Human rights and Global Environmental concerns.

The previously mentioned Green Paper encounters also a holistic approach towards CSR (p. 15), saying that although companies increasingly recognise their social responsibility, there are still many of them which have not yet adopted management practices to reflect it. Regarding Social responsibility integrated management (p. 15, 16): Responsible behaviour needs to be translated into organizations’ day-to-day life, through adding social and environmental dimensions in plans, budgets but also evaluating business performance in these areas as well. It is also recommended to create community advisory committees to conduct social and environmental audits and set up some educational programmes. CSR should simply be an integral part of corporate strategic planning and decision-making.

The European Commission published a new policy on CSR in October 2011. Also, the call for building up European Multistakeholder platforms on corporate social responsibility in relevant business sectors was published.15

Going further, the EU states that the broader concept, sustainable development, is „a fundamental and overarching objective of the EU“.16 The EU is aware that corporate philanthropy is not sufficient and that social and environmental issues are needed to be incorporated into daily business operations.

1.2 Opinions on CSR

In 1995, Peter Drucker, an influential writer, self-described „social ecologist“17, and management consultant, stated what corporate social responsibility means. He says that the main responsibility of every business is to have profit („at least equal to its cost of capital), otherwise it is socially irresponsible since it wastes resources of the society. Without being profitable, businesses cannot pursue any other responsibilities („cannot be a good employer, a good citizen, a good neighbour“). He also adds: „But economic performance is not the only responsibility of a business... Every organization must assume responsibility for its impact on employees, the environment, customers, and whomever and whatever it touches. That is social responsibility. But we know that society will increasingly look to major organizations, for-profit and nonprofit alike, to tackle major social ills. And that is where we had better be watchful, because good intentions are not always socially responsible. It is irresponsible for


an organization to accept—let alone pursue—responsibilities that would impede its capacity to perform its main task and mission or to act where it has no competence.”\textsuperscript{18}

Based on the McKinsey Global Survey – Assessing the Impact of Societal Issues, 2007, 84% of executives agree that making broader contributions to the public good should accompany generating high returns to investors.

In the following comparison of opinions, we can see different views on various stakeholders. Milton Friedman, an American economist, elaborated in an article with an eloquent name „The Social Responsibility of Business is to Increase its Profits”\textsuperscript{19}. On the contrary, according to John Mackey, the founder and CEO of Whole Foods, „the most successful businesses put the customer first, ahead of the investors”\textsuperscript{20}. He adds that some people argue that donating time and capital to philanthropy\textsuperscript{21} is stealing from the investors because management has a fiduciary responsibility to maximize shareholder value. In his view, such an argument is too narrow as „certain amount of corporate philanthropy is simply good business and works for the long-term benefit of the investors“ and „the entrepreneurs, not the current investors in a company’s stock, have the right and responsibility to define the purpose of the company“. Moreover, Mr. Mackey states that in his experience, most investors understood that corporate philanthropy can be advantageous for the corporation as well as the society. To care about the others in general is in human nature and is also not against financial success of corporations. On the contrary, it can lead to more significant fulfillment of both. To add one more opinion of a famous economist: According to Adam Smith, the Invisible Hand principle will make business contribute most effectively to the improvement of social, environmental as well as economic aspects of society.

CSR is mutually beneficial for society and also company, as the following statement supports: “Almost half of the G250 companies report gaining financial value from their CR initiatives”\textsuperscript{22}. Having CSR implemented is very important also for the organizations’ competitiveness, reputation (one of company’s most valuable assets) and viability in the long-run. It helps them to be competitive on the job market, importantly in the “struggle for talents”, it motivates current employees and attracts impact investors. Prof. Dr. Klaus M. Leisinger, Chairman of Novartis Foundation for Sustainable Development, Novartis International AG, stated in our e-mail conversation: “Sustained earnings (and thus sustained existence of the company) can only be realized if and when a company uses its resources in an economically prudent, socially responsible, environmentally sustainable, and politically acceptable way – i.e. in a manner that ensures the prospering of the company, its shareholders

\textsuperscript{18}Drucker, Peter, Managing in a Time of Great Change (Truman Talley/E.P. Dutton, 1995)


\textsuperscript{21}Philanthropy is generally donation of resources for beneficial social purposes. In comparison to charity, which is short-term unconditional relief, philanthropy attempts to address the underlying causes of the problem.

and its stakeholders”. In other words, if stakeholders of a company are not prospering, that company cannot prosper in the long-run as well.

CSR, or more importantly sustainable behaviour in general, is important and so needs to be a part of the corporate strategy and the business model of the organisations. The important thing is that CSR is about responsible business, not charity, as was also pointed out by Mr. Klaus Leisinger\textsuperscript{23} at the 2012 UN Development Cooperation Forum on July 6 at the UN headquarters in New York\textsuperscript{24}. If a company is giving a lot of money every year on philanthropy but is not responsible in conducting its everyday core business, this company could not be viewed as responsible of course.

Thus, organizations should not only show its responsibility towards its employees, local community and environment through its philanthropic projects but also through its commercial functioning – concerning corporate governance, transparency of its financial accounts and conditions regarding its services/products. Corporate Philanthropy is just a part of CSR, something above responsible behaviour within company’s core business operation. Philanthropy is external to a business while CSR is both, internal as well as external to a business. To sum it up, CSR is responsibility of the company in everything it is doing, in everyday behaviour – that is why it is so important to embed it throughout the whole organization, respectively all employees.

For example: If a telecommunication company has a lot of nice socially responsible projects (e.g. philanthropy, volunteerism) but it does not have transparent conditions in its contracts with customers (so that they must pay much more than they thought according to the main information from the contract) or their telecommunication operators provide misleading information, that company cannot be logically perceived as socially responsible. Thus, we can see here a space for the risk of green washing perception in the eyes of consumers, and quite deservedly. The company just wants to be seen as behaving socially responsibly based on its voluntarily undertaken responsible projects, on the other hand, it does not behave entirely responsibly, also by doing its core business responsibly towards its customers. That would have harmful effects on the reputation of the company which again shows the importance of behaving socially responsibly, according to CSR or other related concepts.

1.3 CSR in the Czech Republic versus Western Countries\textsuperscript{25}

In the Czech Republic, CSR is quite a new concept. According to a survey by Business Leaders Forum from February 2004 in which took part large companies, 39%, medium, 37%, as well as small companies, 24 %, 99% participating companies agreed that

\textsuperscript{23}Klaus Leisinger is Chairman of the Novartis Foundation for Sustainable Development and Professor of Sociology at the University of Basel, he was also Special Advisor to the United Nations Secretary General for the UN Global Compact in 2005-06.

\textsuperscript{24}Attended as an intern of the UN, UNDESA/DPADM/UMU

\textsuperscript{25}As “Western Countries” are considered in this thesis countries belonging to Western Europe and North America (Australia and New Zealand are not included since they fall behind according to surveys, see Chapter 2.3 of this Thesis)
besides profit-making, companies should be engaging for the good of the society.\textsuperscript{26} 64\% of the participating firms are familiar with the CSR concept so there is still space for improvements\textsuperscript{27}, mainly in regard to non-international corporations. Just 10\% companies have a specialized employee for CSR, other 10\% are considering having one\textsuperscript{28}. In regard to motivations for CSR, companies mentioned the most often that they consider it right to do (93\%), they do it to attract and retain employees (59\%), as part of PR/Marketing (55\%) and because they see it as competitive advantage (45\%).\textsuperscript{29}

Most legislation related to CSR issues is implemented nationally. The most important are the \textit{National Labour Code}, \textit{Consumer Protection Law}, and \textit{Law on general product safety} and \textit{Environmental Law}. In 2000, the Government of the Czech Republic adopted the \textit{National Quality Policy} that counts CSR among priorities. The coordination responsibility for this policy has the \textit{Council of the Quality} (organizationally under the Ministry of Industry and Trade of the Czech Republic), \textit{Professional Section for CSR} which is composed of representatives of organizations and government who work to promote the concept of CSR in the Czech Republic. Among the strategic objectives for the year 2013 are to create basic prerequisites for the coordination of activities of major organizations focusing on CSR promotion, the implementation of the \textit{National Prize of the Czech Republic for CSR} (apart from the \textit{National Quality Prize of the Czech Republic}), cooperation in the implementation of professional activities concerning CSR towards the public and the creation of a discussion forum on terminology and content of CSR. Neither legislation nor formal policies exist to make reporting on organizations’ CSR activities mandatory.\textsuperscript{30}

When the Czech Republic became a member state of the EU, the \textit{Ministry of Labour and Social Affairs} got engaged in the CSR concept within \textit{Directorate-General for Employment and Social Affairs, European Commission}.\textsuperscript{31}

There are a few other initiatives to promote the concept of CSR in the Czech Republic, such as a non-governmental organization called \textit{Association for Quality Valuation} which was entrusted by a government resolution to realise also National Prize of the Czech Republic for CSR, apart from the National Quality Prize of the Czech Republic. A civil association \textit{Czech Society for Quality} offers some training courses concerning CSR. Additionally, a platform for responsible corporations called \textit{Business for Community (Byznys pro Společnost)} is active in the Czech Republic as well as \textit{Business Leaders’ Forum} and \textit{Fair Business Association (Korektní Podnikání)}. Furthermore, some international consulting companies offer CSR


\textsuperscript{27} Ibidem, p. 8.

\textsuperscript{28} Ibidem, p. 9.

\textsuperscript{29} Ibidem, p. 13.


consulting services but they are not much demanded in the Czech Republic compared to Western Countries, based on my discussions with representatives of the companies. Small consultancy companies offer CSR consulting services as well, such as CSR Consult or some Marketing and PR companies which have CSR issues in their services portfolio.

Generally, in the Western Countries, CSR concept started to move to more strategic approach, involved in the mission and business plan of the organizations, sometimes already being part of annual reports in corporations’ KPIs based on measuring of previously set objectives. However, in the Czech Republic, CSR is still more about philanthropic activities than enhancing sustainable behaviour within companies’ day-to-day behaviour as such. Nevertheless, the CSR or rather corporate sustainability phase of more strategic view on responsibility and ethics of companies is coming slowly also to the Czech Republic as well as other Central and Eastern European countries. We can see increasing number of companies moving from traditional philanthropic activities to strategic philanthropy which is connected to corporate strategy.

Also, in the Czech Republic is still very fragmented approach to be seen. Companies prefer having projects in many various areas, rather than focusing on one of just few of them. In comparison, in Western Countries corporations focus increasingly more on initiatives connected to their core business. As best practice shows, companies can help society best and most efficiently usually in the area they are active in since they have expertise and know-how in that field.

Compared to the Czech Republic, in Western Countries, there is a stronger demand of various stakeholders for disclosing environmental and social performance of the company, besides just economic and financial one.

Nevertheless, as biggest international corporations are truly around the world, they usually bring with them to their offices and subsidiaries best practice regarding their CSR or corporate sustainability. In those cases, we do not need to differentiate between countries, where CSR is being practiced. However, we can still differentiate which countries those responsible companies that spread CSR approach come from. As the survey mentioned above shows, for 19\%\textsuperscript{32} of participating companies is motivation for CSR also mother company (foreign partner). Not yet much in the Czech Republic but already a trend in Western Countries is to take into account the responsible behaviour of suppliers during the process of deciding which one to choose to cooperate with.

I have elaborated on this topic in an article written for a publication called Corporate Social Responsibility – Studies and Practice (Společenská odpovědnost firem - studia a praxe), summer/autumn 2012 (just in Czech language though).

\textbf{1.4 Extended View: CSR-related Concepts}

The relatively new trend of CSR is not always clearly understood by people around the world. It is also very often being interchanged with related terms like Triple Bottom Line,

Sustainability, Sustainability Development and a very recent concept of Creating Shared Value, and the differences among these all concepts are not always clear to everybody. That is why this subchapter elaborates on these CSR-related concepts. Nevertheless, at the end no matter how an organization name its responsible behaviour towards all stakeholders, including society and environment, the core is if the company as a whole behaves responsibly, not just pretending it through a few responsible projects.

1.4.1 Triple Bottom Line (TBL)

The Triple Bottom Line, TBL, is also known as People, Planet, Profit and the Three Pillars. It is a variety of criteria and values to measure organizational and societal success: social, environmental and economic. TBL can be linked to sustainability as its goal. TBL was firstly described by Freer Spreckley in 1981 in his publication Social Audit - A Management Tool for Co-operative Working. According to the EU, TBL is „the idea that the overall performance of a company should be measured based on its combined contribution to economic prosperity, environmental quality and social capital.“

The related term Full Cost Accounting (FCA), for which TBL is the dominant approach, means collecting and presenting information regarding environmental, social and economic costs and benefits (i.e. TBL) for every proposal within any decision-making process. Not only direct costs but also indirect costs are taken into account (similarly in Cost Benefit Analysis, CBA).

Performance measurements (economic, environmental and social) are required by TBL – for example, EcoBudget metric is used in regards to ecological footprint reporting. Where is the connection between TBL and CSR? The commitment of an organisation to CSR brings about the commitment to TBL reporting in these corporations. Thus, the focus of reporting is not only on environmental aspects but also on social and economic ones.

On TBL is also built the Not Just For Profit (NJFP) concept which involves values to evaluate private companies by the benefits they bring to people and planet, in addition to their profit.

A related concept, Quadruple Bottom Line (QBL) has become a powerful defining factor for operation of businesses in this century. QBL is measured in economic, environmental, social and ethical terms. Ethical factors (in some sources replaced by Cultural factors), represented by the fourth P, which stands for Purpose, Principles or sometimes referred as Program, are the ones not being included in TBL.
1.4.2 Sustainability and Sustainable Development

Sustainability was first defined in the year 1987 by the Brundtland Commission of the UN. It is viewed, in the sense of human sustainability on Earth, as a part of broader concept of Sustainable Development. „Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.“ Based on Eurostat Glossary, sustainable development is „economic growth and social progress which is sustainable in the future, not only for the present but also the coming generations. It combines economic development with protection of the environment and social justice.“ An economy which is based on the concept of sustainable development is called Green Economy.

How does CSR concept fit into these two terms? CSR or in the UN’s words Corporate Sustainability is just a part of the sustainability/sustainable development since not only companies (should) contribute to making the world more sustainable. All individuals themselves should behave responsibly and strive to behave in terms of sustainable development principles.

World Bank Group connects CSR with the concept of sustainable development in the following way, seeing business as an important driver towards sustainable development: “CSR can be used as a framework through which business engages in multi-stakeholder partnerships for sustainable development”.

To show the UN view on the matter: “Sustainable development is not a destination, but a dynamic process of adaptation, learning and action. It is about recognizing, understanding and acting on interconnections — above all those between the economy, society and the natural environment ...about ensuring that our actions today are consistent with where we want to go tomorrow.” An action plan related to sustainable development, Agenda 21, was the main outcome from the UN Conference on Environment and Development held in 1992 in Rio de Janeiro, Brazil. Additionally, UN Secretary-General, Mr. Ban Ki-moon said on July 30, 2012, after taking photos with UN Summer Interns in the General Assembly Hall: „Sustainable Development is one of the main priorities for the UN…“ The high-level forum for sustainable development within the United Nations system is Commission on Sustainable Development.

http://www.un-documents.net/ocf-02.htm

37 EC. Eurostat. [2012-05-28]


According to Irina Bokova, Director-General, UNESCO: „Genuine sustainable development calls for more than green investment and low carbon technologies. Besides its economic and ecological dimensions, the social and human dimensions are central factors for Access. Ultimately, we must focus our efforts on building green societies.”

1.4.3 Creating Shared Value (CSV)

We need to differentiate between the term Corporate Social Responsibility and the concept of Creating Shared Value. Michael Eugene Porter, Bishop William Lawrence University Professor at Harvard University who is a leading authority on corporate strategy, says in an interview for Harvard Business Review⁴¹, „... That has been increasingly well articulated view... over the past twenty or thirty years”.

He adds that profit maximization was enough at that time and what was good for businesses was automatically viewed as good for society as a whole. On the other hand, under the phrase Creating Shared Value, „What is good for society is actually good for business“ applies which shows difference in perspective. The concept of CSV says that „creating societal benefit is really a powerful way to create an economic value for the firm“. „Right way“ profit is the profit which comes from fundamental human needs. In the past, it was thought that who behaves responsibly to the environment, is a good person or a good company but now companies started to see that they also save a lot of money when becoming more environmentally friendly. When we produce products which are actually good for customers, nutritionally, environmentally etc. – that is the right way to make economic profit, not just pushing any products to the customer.

Simply said, CSV focuses on „creating economic value for creating social benefit“. By meeting vast needs of various people companies can make a lot of money. Win-win situation is the basis of the concept. It is „not the profit at the expense of society/consumer, it is profit by benefitting society..“ According to Professor Porter, CSV dimension of company strategy contributes to the competitive advantage of the company and will become one of the most important differentiators in the future. Very strong statement about the future behaviour of firms is that companies will think more deep about underlying human needs which are related to their products.

The main idea about CSV which connects to and also differentiates this concept from CSR is that it is not sufficient to randomly choose whom to help to build a good reputation but the sustainable companies will strive to understand the connection between their product and important social needs and try to satisfy those needs by their product. Professor Porter mentions an example of fair trade as a typical CSR initiative. He proposes that compared to CSR concept now when more is paid to the producers artificially, i.e. without getting higher

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shared value, under CSV term, farmers would get better fertilizers and other techniques to be more efficient and to produce better quality products so that customers would be willing to pay for these products more based on the higher shared value.

He mentions that „CSR was a phase but we have already moved on“. The real impact cannot be made by the CSR Departments and charitable giving but by mobilizing the business itself as a whole, through its behaviour, through its core business. Professor Porter also mentions that some relevant toolkits would be valuable for companies to be able to move in this direction of behaving.

Taking care of social problems was forwarded to governments and NGOs. CSR as a reaction to external pressures was implemented by many companies just to improve their reputation, thus treated only as a needed expense for them. To do something more than several CSR initiatives is viewed by them as an irresponsible waste of shareholders’ money. On the other hands, governments often saw business as an obstacle to community, thus not making very favourable conditions for creating shared value.

Shared Value includes the idea that not only economic needs but also societal needs define markets. Accordingly, social harms create internal costs also for the organizations, being detrimental not just to society itself. However, addressing the societal constraints not always brings marginal cost to the companies as they can utilize innovations and so raise its productivity and effectiveness.

The article following the video interview says among others that the purpose of the companies needs to be redefined into creating shared value (compared to just profit). „Companies must take the lead in bringing business and society back together. The recognition is there among sophisticated business and thought leaders, and promising elements of a new model are emerging. Yet we still lack an overall framework for guiding these efforts, and most companies remain stuck in a “social responsibility” mind-set in which societal issues are at the periphery, not the core. 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... And government must learn how to regulate in ways that enable shared value rather than work against it.“

A similar idea is also fundamental in the sustainability concept saying that the whole company should behave sustainably – it should be in the culture, all employees throughout the organization as CSR department is not enough. As the CSR manager of Belgian Telecom said at a course at Louvain School of Management, the optimal will be at the time when CSR Department will no more be needed in organizations – it means when the organisation will itself behave responsibly in what it does. If we look at the roots of why CSR initiatives started (it was response to irresponsible behaviour of some companies to the environment, people etc.), then we understand that if those harmful activities were not conducted by the organisations, i.e. when they behaved responsibly, no CSR would be demanded most probably. On the other hand, we can criticize that some philanthropy is needed – then the question is who could provide it. Nevertheless, definitely doing core business responsibly, by
causing no harm (or as little as technically possible) to community, is the most important thing all organisations should do.

Financial institutions for example should not be cynical and offer a mortgage which is very unfavourable for the customer and which he will not be able to pay back. Oppositely, these institutions should offer the product which would work for the customer and so he could benefit from it really.

2 Measuring impacts of CSR activities in general

Quality reports need to include measurements, disclosing specific numbers assessing the impacts of a particular organization. Generally, each area in which an organisation wants to understand its performance can have one or a set of Indicators and various Methods or Measures for tracking these indicators. Companies should report on their impacts with the help of indicators and measurement methods to clearly and quantifiably disclose their impacts. If reports do not include measurements, their information value is much lower.

The importance of integrated corporate sustainability disclosure of organizations’ impacts, and thus also monitoring and measuring which precede report-writing, was also highlighted at the Rio+20 Corporate Sustainability Forum in June 2012. Furthermore, The Future We Want: Outcome document adopted at Rio+20, Paragraph 47, outlines the importance of sustainability reporting as well:

“We acknowledge the importance of corporate sustainability reporting and encourage companies, where appropriate, especially publicly listed and large companies, to consider integrating sustainability information into their reporting cycle. We encourage industry, interested governments as well as relevant stakeholders with the support of the UN system, ...to develop models for best practice and facilitate action for the integration of sustainability reporting, taking into account the experiences of already existing frameworks, and paying particular attention to the needs of developing countries, including for capacity building.”

That is a follow-up of a development that started in 2002 at the Johannesburg Sustainable Development Summit where sustainability reporting was covered by Paragraph 18 of the Plan of Implementation. Business sector was also at that time encouraged to use the Global Reporting Initiative (GRI)’s Sustainability Reporting Framework.

However, we can hear quite opposite opinions on the importance of measuring impacts of Corporate Social Responsibility or Sustainability, and CSR or Sustainability

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reporting. I will elaborate on the advantages and disadvantages of it which support the opinions further on.

2.1 Advantages

Why companies measure and report on their CSR, which advantages does it bring to them? There can be a lot of reasons why organizations monitor their CSR and communicate it through prepared reports. Among the main reasons, they want to be perceived as transparent and accountable. When globally accepted standards and stronger, more relevant assurance processes are used, company’s trust and reliability are enhanced. Also, they want to improve their internal processes, persuade investors and make stakeholders engaged and committed. Moreover, through reporting CSR activities the organizations show their commitment to Triple Bottom Line principle while expanding the traditional reporting of financial performance with social and environmental performance. Many companies have already discovered the value of transparency and openness for them, for the markets, and communities.

Very important advantage of measuring is among others also finding out what is needed to focus on more to become more effective, as putting data into measurement fools make them more readable and comparable. Using a relevant method helps to identify changes which the company wants to make, knowing current situation. Within an area of CSR, Corporate Community Investment, measurement methods help organisations to ascertain which projects that the company pursues within its CSR initiatives are the ones fulfilling what they actually want to focus on and above that, which projects are effective and which do not bring about much impact (compared to their cost). Therefore, forward driving change is enhanced. Confirming words of the OECD are as follows: “Monitoring and evaluation is essential in order to be certain that a programme is effective, to identify areas for improvement and to check that the initiative makes good use of resources.” Thus, the corporation may clearly see from the report, displaying all measurements, in which indicators it can perform better – in the areas where significant improvements can be still made and compare it with the company’s limitations, i.e. where it is still possible and realistic for the company.

A report, Count me in: The Readers’ take on sustainability reporting, which features the findings and analysis from the first GRI Readers’ Choice survey of report users shows the strong positive impact on report readers’ perception of disclosing a sustainability report by companies, thus enhancing business’ reputation. 90 per cent readers stated that their views of a corporation had been influenced by reading its sustainability report. Of these, 85 per cent stated that they perceive the organization more positively. Moreover, besides improving

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readers’ understanding of the company’s approach to sustainability, over 30 per cent of readers read the reports to take actions on the basis of what is published in the reports. By disclosing the information, the organization demonstrates seriousness of intent with regard to CSR issues but also meets the existing information needs of interested stakeholders. In many cases, measuring and reporting impacts reward involved staff for their support for CSR initiatives or the company and motivate them for the future involvement too. We can say that internal communication of the CSR impacts helps to drive employee engagement while external communication (reporting) helps to drive transparency.

In the past, reporting was a way how to bring sustainability onto the corporate agenda but at present many companies make strong commitments towards sustainability as such. The measurements and reporting matter in general as well as in regard to responsible business conduct, since what gets measured gets done and – hopefully – reported against as well. Moreover, as generally spoken mainly in terms of corporate sector: What is not measured is as it did not exist. The Committee Encouraging Corporate Philanthropy, CECP, states that discipline applies to philanthropy, the same as to any other business function. “When companies demonstrate programmatic effectiveness, fiscal accountability, and good stewardship in their philanthropic programs, society and business both stand to benefit greatly.”

The importance of reporting is clear but reporting needs to ensure clearer links between sustainability issues and core business strategy.

For important corporations advantage of reporting can be also the fact that it can help the company to be included in the ethical indices (e.g. UK FTSE4Good Index, Dow Jones Sustainability Group Index) which is a signal for all stakeholders that the company behaves responsibly. Increasingly, investors are investing in companies which set best practices with regard to sustainability as corporate sustainability aims to increase long-term shareholder value and since sustainability leaders are expected to show superior performance as well as favourable risk/return profiles.

Reporting is valuable for organizations as a tool to communicate to all stakeholders, helping the companies make a clear picture to them about how responsibly they behave, but the importance of measuring impacts is increasingly recognized by companies as well. For organizations, being aware and understand social and environmental impacts of their activities, it means organizations’ interrelations with community where they operate, is very important for their strategic decision-making.

The authors of the paper Getting to the Bottom of „Triple Bottom Line“, Norman, W. and MacDonald, C. divide the benefits why should companies measure, calculate and report their additional, environmental and mainly social, impacts into three categories. Firstly, there is Convergence Claim, meaning that measuring social performance assists improving social performance, and companies with better social performance are usually more profitable in the long run. Secondly, Strong Social-Obligation Claim says that organizations not just may but

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have an obligation to maximise their social bottom line, i.e. their net positive social impact. However very importantly, accurate measurement is needed to find out to which extend they have fulfilled this obligation. Third, Transparency Claim suggests that every company has obligations to its stakeholders to reveal and report data in regard to how well it performs with respect to all stakeholders.

Companies should report on their CSR at least for the reason that they should be accountable to its stakeholders in everything they do. To be accountable, they need to measure and communicate it, not just to use budget for something without disclosing the impacts of spending it. In a narrow view, shareholders want to know what their money was spent on, and of course also the money decided to be assigned to CSR.

2.2 Disadvantages

The main disadvantage of monitoring, measuring and reporting on CSR which is vastly known is the fact that some resources (time or/and financial) need to be used for that. It is an administrative activity (and with it related cost) above many other necessary business administrative activities conducted in corporations every day. Thus, mainly small and medium size companies need to take into account if the benefits of measuring and reporting on their CSR outweigh the disadvantages of it. Logically most probably, if a company is about to go bankrupt, it will try to make profit quickly rather than try to measure its CSR. The main principle is that the cost of measuring and evaluating should be proportionate to the overall cost of the programme (not spending huge portion of money on measuring instead of spending it on the projects themselves).

Another important disadvantage for organizations of measuring impacts is that not always the general public trusts what their reports say. Thus, verification by independent third parties of the data published in CSR reports is necessary to avoid criticism about the reports being intended just as PR of the organization without any real substance.

The methods to measure and report all aspects of sustainability and intended to be used globally and by any industrial type of organization are very complex. However, this complexity of creating global standards applicable to any culture and country has created a lot of controversy. Some organizations are calling for individual approach – but in that case, the reporting on sustainable conduct of corporations would not be comparable.

Some potential readers can be discouraged by the length of the sustainability report. However, this can be partly influenced by the company – it is up to the organization how much information will be published in the report and in how much entertaining and interactive way the data will be presented.

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2.3 Measuring and Reporting in Practice

The biggest increase in number of reports disclosed was in corporate environmental reporting. Since it emerged (late 1980s) when there was a small number of companies within a few sectors reporting to over 1000 companies in all major business sectors. Majority of those reports come from Europe, with the United Kingdom at the top of the list. The UK is followed by Germany, the USA, Japan and Australia.

For example, the USA found the environmental reports well received by the public so that they encouraged their subsidiaries abroad to make reports as well. Japan started to publish environmental reports after Japanese Environment Ministry published reporting guidelines and encouraged the large corporations to report. Based on the growth in reporting and the quality, Japan seems to become a leader in that. In Europe, some countries introduced legislation to increase environmental reporting, such as Denmark, Sweden, the Netherlands and Norway. The UK’s Environmental Reporting Awards scheme, business surveys and encouragement from the Department of Environment, Food and Rural Affairs have enhanced the increase in the number of organizations which are reporting.

The social reporting as well as comprehensive sustainability reporting increased as well but not as much as environmental reporting did. The main reason is that companies find it easier to prepare the environmental report as the parameters are clearer. However, the stakeholders are demanding the other reports as well to increase the trustworthiness of the organizations to them.

Continuously increasing trend in sustainability reporting is shown also in Figure 1 below, based on the KPMG International Corporate Responsibility Reporting Survey 2011. In 2011, a Corporate Responsibility (CR) reporting was undertaken by 95% of Global Fortune 250 (G250) companies, compared to 80% in 2008. Furthermore, the largest 100 companies (N100) in each country surveyed increased reporting by 11% since 2008 to 64% overall, with developing countries showing fast uptake. Research showed that reporting by pharmaceuticals, consumer markets, and construction industries has increased more than twice since KPMG’s previous global survey conducted in the year 2008. The GRI Sustainability Reporting Guidelines are used by 80% of the G250 and 69% of N100 firms and it is gaining widespread use as the de facto reporting standard. (More on GRI see Chapter 3.1.) 100% organizations in the UK and 99% firms in Japan produce a sustainability report. South Africa became third place with 97% reporting (from 45% in 2008). Americas with 69% overall (with the U.S. at 83% and Canada 79%) were followed by regions in the Middle East and Africa being at the level of 61%. Australia increased its score from 45 to 57%. China, firstly participating in the survey, has 60% level of reporting, driven by its largest companies undertaking CR reporting.

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52 Ibidem, p. 5.

The findings of the KPMG International Corporate Responsibility Reporting Survey 2011 also show that size of the organizations matters, revealing that bigger companies are twice as likely to report as those with revenues under U.S. $1 billion.\footnote{KPMG. Corporate Responsibility Reporting. [2012-08-03] http://www.kpmg.com/global/en/issuesandinsights/articlespublications/press-releases/pages/corporate-responsibility-reporting.aspx}

All of the organizations which are involved in the UN Global Compact (in total more than 8000 participants, including more than 6000 businesses in 135 countries\footnote{UN. [2012-07-22] http://www.unglobalcompact.org/ParticipantsAndStakeholders/index.html}) must measure and report their corporate sustainability impacts at least in some way, described by Communication on Progress (see more in chapter 3.1 Global Reporting Initiative).

As of the four countries whose governments have formed a group called “Friends of Paragraph 47”, referring to the outcome document of Rio+20 Conference, to advance sustainability or corporate social responsibility (CSR) reporting: Each of those countries, Brazil, Denmark, France and South Africa, has had its own role in supporting the integrated reporting, or “One Report.”
“In South Africa, companies that list their securities on the *Johannesburg Stock Exchange* are required to produce a report that integrates financial and sustainability performance, and if they do not, they must submit documentation explaining why. Denmark wrote integrated reporting into legislation in 2009. Brazil’s largest stock exchange, *BM&FBOVESPA* in São Paulo, now issues annual integrated reports and encourages its listed companies to disclose information on issues ranging from environmental sustainability to corporate governance. France required large companies to issue integrated reports this year.”

In the months following the Rio+20 Conference which took place in June 2012, these four countries will work with other governments to provide a more detailed policy.

Interestingly, *Comprehensive Social Responsibility Indicators* were developed in Japan already in 1974 (Japan Productivity Centre). Included indicators relied on qualitative factors like management, employee welfare and social responsibility. Comparing GRI with Japanese and Australian sustainability indicators, “GRI focuses on economic, social and environmental considerations, while the Japanese and Australian Frameworks primarily focused on environmental and social indicators.”

The **EU** tries to enhance measuring of impacts regarding sustainability issues. It points out that although many multinational companies are now already issuing social responsibility reports, not all issues are tackled in them. Environmental, health, and safety reports are quite common, contrary to reports concerning issues such as human rights and child labour. Nevertheless, „companies’ approaches to social reporting are as varied as their approaches to corporate social responsibility. In order for these reports to be useful, a global consensus needs to evolve on the type of information to be disclosed, the reporting format to be used, and the reliability of the evaluation and audit procedure... Generally, public initiatives support the development of social and environmental reporting.” If every organization would have different format of the report and information disclosed, comparing the impacts of the corporations would be very difficult. That is why, the European Commission (EC) recommended (on 30 May 2001) to make the reports comprehensive and comparable. The EC also suggests recognising, measuring and then disclosing the environmental issues in the annual accounts and annual reports of companies.

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58 Ibidem, s. 17.

As of the **Czech Republic**, reporting is still at the beginning of the process here. As mentioned in the Doctoral Thesis of David Polášek, M.B.A., *Corporate Social Responsibility in Small and Medium-Sized Companies in the Czech Republic*: “According to the Steinerova’s research, there were less than 20 companies that published CSR reports in the Czech Republic in 2008.”

Moreover, majority of the reports are not comparable in comprehensiveness and structuring information with CSR or sustainability reports published in Western Countries. Most of the companies also focus just on a particular aspect or few aspects of CSR, e.g. philanthropy, employees’ issue or products’ quality. Above that, most of the reports were not certified and reliably verified by an independent third party.

Regarding **developing countries**, in most cases the organizations there do not measure and report on their impacts unless they are international subsidiaries of corporations which enhance these processes in all places where they operate. However, fundamental principles of CSR are in fact being implemented by some of domestic companies although not systematically and in a standardised way and not calling it CSR. They do not focus on all three pillars in some cases when undertaking selected projects. According to Ayodele Hippolyte, former Assistant Manager for CSR at *East Caribbean Financial Holdings Company Limited* (ECFH), companies in some developing countries behave responsibly simply because of their cultural values (desire to give back to the community) and seeing the community needs very closely. On contrary, domestic companies need to focus on profit hugely, having to face international corporations’ competition and other issues.

Generally, it is often criticised that what is mentioned in CSR or sustainability reports is not always really done by companies in practice. Therefore, CSR **Assurance** or **Audit** provided by a third party is very important for trustworthiness, credibility of CR reporting in the eyes of stakeholders and also investor groups. However, it is still not much used in practise, compared to financial information which is often assured in most companies. Based on the *KPMG International Corporate Responsibility Reporting Survey 2011*, only 46% of the G250 and 38% of N100 companies used assurance to verify and assess their CR data in 2011 (see Figure 2). Regarding industrial sectors, 51% of mining companies and 46% of utility companies conduct assurance activities on their CR reports. Other sectors even lag behind, overall. Major accountancy organizations undertake assurance for more than 70% of the G250 and close to 65% of the N100 from those which conduct assurance activities.

Nevertheless, the companies that already report on their environmental and social performance, above the economic one, are considered to disclose the true information since they want the report to help them increase their trustworthiness. On the other hand, if questioned and found that it is disclosing mendacious information, that would make the opposite to the company. It would harm its reputation tremendously, incomparably more seriously than not reporting at all.

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60 Doctoral Thesis in the Doctor of Business Administration Programme. CZECH MANAGEMENT INSTITUTE PRAHA, Faculty of Management. 2010. p. 77.
An interesting comparison is provided in Figure 3, showing assurance practice by companies according to country where they are based. India scored the best, with 80% of companies conducting assurance activities on CR reports, followed by South Korea (75%) and then by Western European countries, Denmark, Spain, Italy and France (each of them equal or above 60%).
3 Methods to measure and report CSR⁶¹

There are several methods which can be used to measure and report on effects/impacts of CSR activities (on community, sometimes on organization as well, and in case of philanthropy also on NGO). These methodologies and frameworks intend to provide guidance

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⁶¹ I have elaborated on this topic also for the publication called Corporate Social Responsibility – studies and practice (Společenská odpovědnost firem - studia a praxe) - in Czech language. Summer/autumn 2012.
for monitoring, measuring and reporting on economic, environmental, social and governance performance of a particular organization. Measurements of outcomes can be both quantitative and qualitative, depending on the particular indicators and metrics being measured however generally quantitative ones are preferable if providing them is possible.

In this chapter, I will firstly focus more in detail on two CSR measurement methods, GRI and LBG. Afterwards, I will describe other methods in the following section. The reason why I concentrate on GRI and LBG the most is that these two methods are the most common ones to be encountered by organizations in the Czech Republic. GRI is the most used method to measure and report on sustainability and CSR worldwide. Additionally, LBG is being used also by ČSOB bank which the Case Study of this Master’s Thesis addresses. Nevertheless, there are other methods which I will introduce afterwards as well.

This part of the thesis provides important information to be drawn for the Chapter 4 later on since providing details of methods useful for comparisons.

### 3.1 Global Reporting Initiative (GRI)

GRI is **Sustainability Reporting Framework** which is an international, multi-stakeholder effort to create a common framework for voluntary reporting of organizations’ economic, environmental, and social practices. It provides specific performance indicators to measure and disclose impacts an organization has. The Global Reporting Initiative name stands also for a non-profit organization which developed the framework and tries to promote economic, environmental and social sustainability. GRI is one of the most widely used reporting frameworks intended to **measure performance** on human rights and labour, environment, corporate governance and corporate citizenship. CERES and the UNEP convened the GRI in 1997 and the new Sustainability Reporting Guidelines was released by the GRI in June 2000\(^2\).

Using GRI method can demonstrate commitment of the organization to sustainable development but also to compare the performance of the organization over time. It enables to assess the sustainability performance and disclose the outcomes in a way like financial reporting. The Sustainability Reporting Guidance, together with additional features such as Sector Supplements and National Annexes known called **GRI Reporting Framework**, is made freely available.

The Framework consists of the Sustainability Reporting Guidelines, the Indicator Protocols, Technical Protocols and the Sector Supplements. In regards to **Performance Indicators** (PI), they bring comparable information on the organization’s economic, environmental and social performance. For example, the Performance Indicators regarding environment (altogether 30) include criteria on energy, emissions and biodiversity. They are ranging from EN1, materials used – by weight, to EN30, total environmental expenditures –

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by type of investment. There are three Application Levels in GRI Framework: A (highest level of sustainability), B and C.

The most recent, finalized, version of GRI’s Sustainability Reporting Guidelines is G3.1. It is now the most comprehensive sustainability reporting guidance available. However, newer version, G4, is being developed currently.

GRI is used in the Czech Republic by only four companies. They are Czech Coal, Provident Financial, CEE Bankwatch Network (Non-profit organization) and Form plast Purkert s.r.o. Globally, these guidelines are used by more than 1500 organizations from 60 countries to produce their annual sustainability reports. Thus, GRI offers wider benchmarking opportunities than using LBG.

The GRI sustainability reporting guidelines include also ambitious guidelines on social reporting and are allowing for inter-company comparability which is highly appreciated by the EU. The European Commission's Communication on a sustainable development strategy stated that "All publicly-quoted companies with at least 500 staff are invited to publish a "triple bottom line" in their annual reports to shareholders that measures their performance against economic, environmental and social criteria".

Based on my interview with Mrs. Lila Karbassi, General Manager, UN Global Compact (July 24, 2012), GRI is recommended to be used by the UN Global Compact too. (One of the founding institutions of GRI was also UN, through its UN Environment Programme, UNEP). In the Global Compact involved organizations must in fact integrate in their annual report or respective similar public document (such as sustainability report) a description of how they implement the Ten Principles and how they support broader development objectives, which is recommended (but not mandatory) to be done using GRI (e.g. by using Let's Report template created by GRI for a basic, Level C, GRI report). This requirement of sustainable reporting is known as the Communication on Progress. However, Mrs. Karbassi also mentioned that so called International Integrated Reporting Committee (IIRC) aimed to create a globally accepted framework for accounting for sustainability, International Integrated Reporting framework, which is now still in progress, and Global Compact is part of the group developing it. This new initiative puts together financial accounting standard setters and existing initiatives such as the UN Global Compact and the GRI. The main idea behind it is that financial, environmental, social and governance information should be brought together in a clear, concise, consistent and comparable format. Simply, sustainable performance should be disclosed next to the financial performance of the organizations, thus facilitating the development of more comprehensive as well as


comprehensible information on an organization’s total performance. The goal is to disclose all that information in an *Integrated Report* which should be the organization’s primary report (the Annual Report or equivalent). The project is expected to be finished within one or two years.

**UNCTAD** developed indicators based on, among others, GRI. “selected indicators are drawn from a range of existing reporting initiatives, including financial reporting practices, the practices of specific enterprises, government reporting guidelines and GRI.”

**CRD Analytics**, a provider of sustainability investment analytics whose methodology forms the basis of the NASDAQ OMX CRD Global Sustainability 50 Index, incorporates GRI G3 Guidelines into its analysis as well. CRD Analytics also publishes its list of the Global 1000 Sustainable Performance Leaders. Companies meeting the criteria for inclusion (publicly traded, market capitalization of at least $1 billion, publish a sustainability or CSR report) are ranked according to financial as well as environmental, social, and corporate governance (ESG) KPIs. Similarly, **WBCSD**’s Measuring Impact Framework makes use of GRI too.

### 3.2 London Benchmarking Group methodology (LBG)

London Benchmarking Group methodology (LBG) is a standard for measuring Corporate Community Investment (CCI), which includes also Corporate Philanthropy. It was founded already in 1994 by six companies in the UK. LBG is a network of firms, managed by Corporate Citizenship which has created the LBG model.

CCI includes generally all the investments and support of the companies to the communities’ development. It involves initiatives when a company is giving its employees’ time, employees’ skills and/or resources to the local community. This has benefits not only for the community itself but also for the company and its employees (e.g. personal development through employee volunteerism). According to **Donors’ Forum**, in the Czech environment, CCI is perceived as a wider term than Corporate Philanthropy. According to LBG methodology (LBG presentation), CCI comprises of Charitable Donations, Social

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70 In the Czech Republic translated into Czech as *Standard odpovědná firma*


72 Bartošová, Z. (2006): Měření a benchmarking jako součást strategie CSR. Praha, 2006. Published by Fórum dárců, o.s. P. 4
**Investments** but also an additional aspect which is not included in Corporate Philanthropy, *Commercial Initiatives in Society*.

**Corporate Philanthropy** includes *Charitable Donations* and more strategic *Social Investments*. It is using charitable efforts of the corporations for improving their competitive context which means the business environment quality in the locations in which they operate. "...By aligning charity and strategy, corporations do not only give money, they donate distinctive capabilities. And that can result in greater social good even as it strengthens a company’s competitive edge." However, Corporate Philanthropy does not have to be targeted only on community where the organization operates but also on the whole community in general (general welfare). These voluntarily undertaken activities are usually carried out together with NGOs.

LBG methodology is internationally recognised, used by **more than 300 companies** worldwide, thus enabling benchmarking. LBG framework helps them to not only measure, but also manage (decide about what to do and how, prioritise) and also report on what they have achieved by their investment and what value has it brought to community. It enables also to assess the effectiveness of the responsible approach of the companies: The results show positive impacts of this behaviour not only on the community but also on the companies themselves. The data gained through LBG methodology are good basis for reporting of philanthropic activities of the company.

A British firm called *Corporate Citizenship Company* is the founder and owner of LBG methodology. *Donors’ Forum* has been an exclusive partner of the standard LBG in the Czech Republic since 2005, using the name **Responsible Company Standard** (Standard odpovědná firma) for it. That is why the Czech Republic is involved in the international network of LBG International users.

LBG defines the costs of publicly beneficial projects (identifies the total amount spent on CCI) and measures long-term as well as short-term impact and effects of these projects. Thus, companies can report the value of their support. LBG method exactly defines terms that are important for measuring Corporate Community Investment. It enables also measurement of effectiveness and impact of provided support on the **community, company** as well as involved **NGO**.

According to Klára Mikmeková, Junior Manager at *Business for Community (Býznys pro společnost)* which offers providing Responsible Company Standard *(Standard odpovědná firma)*, derived from LBG methodology, to companies in the Czech Republic, the main benefit of LBG is the simplicity. She says that information needed can be easily assigned and that there are smaller administrative costs (in case that the company has set up

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76 Platform of socially responsible companies in the Czech Republic
what it wants to monitor at already the beginning of the year). Last year, in 2011, companies prepared LBG by themselves.

The LBG methodology started to be used in the Czech Republic in the year 2005. As of May 25, 2012, according to Business for Community website[77], LBG users are currently thirteen companies. Among others, there are five financial institutions, including banks and insurance companies: AXA, ČSOB, GE Money, Kooperativa Vienna Insurance Group, Provident. Other LBG users represent various industries, pharmaceutical (GSK, Johnson & Johnson), food (Nestlé), mining (OKD), beer industry (Plzeňský Prazdroj), electronics and electrical engineering (Siemens), electricity (ČEZ Group) and telecommunications (Telefónica). Globally, LBG has more than 120 members (as of May 25, 2012).[78]

### 3.3 Characteristics of other important methods

Besides GRI and LBG, there are many other methods and tools which can be used to measure and report CSR – generally or regarding specific aspect/s of CSR as such. In the following subchapters, I will describe briefly the most important and best known ones. Firstly, I will focus on methods which are the most similar to GRI or LBG, following by mentioning some Indices and Standards. CBA and other general methods, which were not developed purposefully for measuring CSR, are also covered as well as some issue-specific tools.

#### 3.3.1 Possible Alternatives to LBG and GRI

To mention other most important methods besides GRI and LBG: As LBG, Corporate Giving Standard (CGS), created by CECP, is a data collection, measurement and reporting tool focused just on philanthropy of participating organizations. This standard offers access to over forty benchmarking reports and includes more than $100 billion in corporate giving data provided by over 210 major organizations. Access is restricted to participating companies only. CGS is intended to help officers to assess the performance of their philanthropy budgets, provide them with aggregated industry benchmarks and spending analysis throughout years. It also provides expert analysis and individual counsel if needed. Participating respondents of the survey do not have to share data provided publicly, that is why the information is not to be seen by third parties.[79]

Additionally, CommunityMark is connected to LBG since with regard to one of its five principles, LBG and Business in the Community which has developed this scheme continue to work to align both models. The CommunityMark is the UK’s national standard that recognises excellence in Community Investments. It enables companies to measure their community involvement. This UK’s scheme was developed in consultation with the private, public and also voluntary sector bodies (including LBG) as a national standard.

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CommunityMark was opened for applications in October 2007\textsuperscript{80}. It is used by 38\textsuperscript{81} companies at present.

On the other hand, Business in the Community developed also Winning with Integrity (2000) which was not focused just on community involvement but also on environmental, workplace and marketplace issues, thus comparable to GRI, and linking impact with core business of the organizations.\textsuperscript{82}

Every company can also develop its own, for the affected company itself relevant, Key Performance Indicators, to be included in their usual annual reports (which are read by shareholders) and thus monitor the indicators which are most important for that company. Companies can utilize their already existing tools to measure other activities as well. Also benchmarking methods can be useful in this regard. Encouraging businesses to include sustainability information in organizations’ annual reporting was supported internationally also at Rio+20 conference in June 2012. Similarly, Kepler’s Scorecard (more managerial approach) can be used.

In the Czech Republic, Czech System for CSR Assessment, KORP methodology, was developed. This national method includes criteria for implementation and evaluation of CSR. It is grounded in GRI Sustainability Reporting Guidelines but also on the EFQM Excellence Model – self-evaluation methodology (used for establishing quality management systems) and CAF (Common Assessment Framework) 2006 self-evaluation methodology.\textsuperscript{83} CAF is a common European quality management instrument for the public sector. KORP is the basis for evaluation of organizations in the programme National Prize of the Czech Republic for CSR.\textsuperscript{84} To make organizations aware of CSR and motivated to implement it, the Prize of County Representative for CSR exists also in the Czech Republic. However, the assessment is based on a questionnaire, not on KORP method.

\textsuperscript{80}Business in the Community. [2012-07-18] http://www.bitc.org.uk/community/communitymark/about_the_communitymark/communitymark_histor.html

\textsuperscript{81}Business in the Community. [2012-07-18] http://www.bitc.org.uk/community/communitymark/about_the_communitymark/about_the.html


To show its commitment to measuring sustainability impacts, the EC has launched a **Sustainability Impact Assessment** of the proposed New round WTO negotiations, and promised to be undertaking SIAs of other trade negotiations in the future as well.\(^85\)

### 3.3.2 Indices and Standards

Additionally, there are some indices intended to measure and evaluate business performance, not only financial but also environmental and social, for the sake of providing a tool for decision-making about social investments. The most famous sustainability indices which include various criteria to screen organizations’ behaviour and impacts are **Dow Jones Sustainability Indexes**, **FTSE4Good Index** and **Natur-Aktien-Index**. Also focusing on social investing, **Impact Reporting and Investment Standards (IRIS)** provides metrics which can be applied across sectors and some sector-specific metrics as well. This tool should help impact investors to evaluate impact investments according to social and environmental impacts. Indicators can be filtered according to the industry, e.g. “Financial Services”. IRIS consists of six parts, Organization Description, Product Description, Financial Performance, Operational Impact, Product Impact and Glossary.\(^86\) On IRIS website is stated “Though numerous organizations have developed their own social and environmental performance metrics, the resulting fragmentation is inefficient and expensive, and also limits comparability.”\(^87\) However, there are also many methods and standards already in place which makes the fragmentation even more significant. Another project which assesses the social and environmental impact (but not the financial performance) of companies and funds is **Global Impact Investing Rating System (GIIRS)**.

There are also many **standards** that provide guidance on *how businesses should behave* responsibly in certain areas, thus connected with CSR. However, these advices do not necessarily provide concrete guidelines on how to measure and report on organizations’ impacts, compared to methods described so far. An international guidance particularly for social responsibility is called **ISO 26000**. It was provided by the International Organization for Standardization. However, compared to ISO management system standards, ISO 26000 is not certifiable as it does not contain requirements. In 2011, a document relating the social responsibility (SR) guidance in ISO 26000 to reporting guidance provided by GRI was published: “GRI and ISO 26000: How to use the GRI Guidelines in conjunction with ISO 26000”\(^88\). The ISO guidance provides a structure for firms to organize their activities, which can be then measured and presented in the company’s sustainability report, using GRI Sustainability Reporting Framework. A standard specifically focused on environmental

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performance is ISO 14001. This standard is not an environmental management system so that it does not include requirements. It serves just as a framework to assist organizations to come up with their own environmental management system. Standards focusing on employees are Investors in People (should lead to increased organization’s performance), OHSAS 18001, a British Standard for occupational health and safety management systems and its analogue in the Czech Republic, Bezpečný podnik (Safe company) certification.

3.3.3 CBA and other general, not CSR-specific, methods

Cost-Benefit Analysis (CBA) belongs to very known methods. It is used to calculate and compare the benefits and the costs of a project, decision or governmental policy. CBA helps to determine if the intended investment is sound and feasible. Moreover, it enables to compare the proposed projects. Not only it compares the total expected costs of each particular project proposal with the total expected benefits (to find out if the expected benefits outweigh the expected costs), but also how big is the difference. Then, the project with bigger difference, assuming that benefits are bigger than costs, should be pursued.

The most important feature of CBA is that it works with monetary units. Both, all benefits and all costs need to be expressed in monetary terms (and are adjusted for the time value of money – net present value) which could cause problems in practice (not all benefits can be easily transferred to monetary item, e.g. value of human person life etc.). Therefore, CBA is considered as “hard” method since not everything is realistically possible to be shown in monetary units and estimates can be very vague. Because of that, CBA is not much used in practice nowadays. The disadvantage of CBA for many real cases is its difficulty to be used in practice. Looking specifically at measuring impacts of CSR, it is often not possible to assign the impact with a relevant monetary value. Here we can see the similarity with TBL reporting.

There are also alternatives to CBA: Cost-Effectiveness Analysis (CEA) and Cost-Utility Analysis (CUA). Concerning CEA, monetary value to the measure of effect does not need to be assigned which is the main benefit of CEA compared to CBA. CEA compares the relative costs with the effects of projects (or courses of action), it is expressed as a ratio. It is often used in the field of health services since there may be not possible or appropriate to describe the health effects in monetary terms. Similarly, CUA is mostly used in pharmaco-economics (health technology assessment etc.). It is a special case of CEA.

Social Return on Investment Analysis (SROI) can be added to this more general group of methods even though it is related slightly more specifically to sustainability than the previously mentioned methods of this subchapter. However, this method is similar to CBA in the sense that it puts financial “proxy” values on the impacts. SROI measures extra-financial value, it means environmental and social value which is not involved in standard financial accounts. This extra-financial value is compared to resources invested. SROI is used to find out the impact on various stakeholders and to increase the performance and effectiveness of investments. It indicates “the value of social impact in financial terms”89. SROI Network has more than 570 practitioners worldwide.

3.3.4 Issue-Specific Measurement and Reporting Tools

Reporting regarding just environmental issues is used by some companies. Or, companies can use specialised measurement and reporting method for environmental aspects and then implement the results into a comprehensive concept such as GRI. Most used method is Carbon Disclosure Project (CDP)\(^{90}\). CDP is recommended by UN Global Compact to be used (to supplement using GRI) by organizations, according to my interview with Mrs. Lila Karbassi on July 24, 2012. CDP is an independent NGO striving for reduction of greenhouse gas emissions and sustainable use of water resources by business as well as cities. It provides a global system to measure, disclose, manage and share information regarding environment, used by thousands of companies and cities at present (2,500 organizations in 60 countries\(^{91}\).

EMAS, the EU Eco-Management and Audit Scheme is a management tool for organizations to measure, report and improve their environmental performance. At present, more than 4 500 organizations and approximately 7 800 sites are EMAS registered\(^{92}\).

Another guidance for environmental performance, Environmental Reporting Guidance\(^{93}\), is more specific, targeted on reporting issuers (other than investment funds) to help them report on their existing continuous disclosure requirements concerning environmental aspects. Similarly specific, FORGE prepared Guidelines on Environmental Management and Reporting for the Financial Services Sector. Corporations can use also Environmental Key Performance Indicators (KPIs) to measure and report on environmental matters. An Environmental Key Performance Indicators guidance\(^{94}\) is provided (and now in the process of updating) by the Department for Environment, Food and Rural Affairs (Defra), a government department in the UK.

Besides comprehensive Sustainability Impact Assessment described above, Environmental Impact Assessment can be used to analyse the impact of a project just on the environment and Social Impact Assessment can be utilised to analyse the impact of a project on social and cultural aspects of the affected communities.

AccountAbility 1000 (AA1000) series are principles-based standards for measuring social and ethical achievements of organizations against objective criteria, issued by the U.K.-based Institute of Social and Ethical Accountability in November 1999. AA1000 intends to help organizations become more accountable, responsible and sustainable. They address issues concerning governance, business models, organizational strategy, as well as providing operational guidance concerning sustainability assurance or stakeholder engagement. The AA1000 standards are intended for integrated thinking required by the low carbon and green economy, and to support reporting and assurance. These standards are used by a broad


\(^{91}\) UN. [2012-08-03] http://www.unglobalcompact.org/COP/communicating_progress/reporting_tools.html


spectrum of organizations, ranging from multinational businesses to small and medium enterprises, governments and civil societies. The organization AccountAbility assists companies to develop strategy and content for Corporate Responsibility reporting.95

Other specific measurement and reporting tools which the UN Global Compact recommends to be used besides GRI and CDP are Human Rights COP Reporting Guidance, Reporting Guidance on the 10th Principle Against Corruption. Furthermore, the UN recommends to consult Corporate Water Accounting, an analysis of several methods and tools for measuring water use and its impacts (Water Footprinting, Life Cycle Assessment, WBCSD Global Water Tool, GEMI Water Sustainability Tools).96

Similar initiative but focused on regional development measuring rather than CSR, is QUARS, Quality of Regional Development. QUARS is set of specific indicators which is being used as a tool to address and assess economic and financial policies and mainly their effects and impacts. It involves seven domains and 41 indicators of social, environmental but also cultural dimensions. It is widely used in Italy.97

Another truly international initiative, besides the GRI, which focuses on the globalization of social standards, public disclosure of information and the development of social reports is called the Social Accountability 8000 standard (SA8000). SA8000, a voluntary standard for CSR, is “one of the world’s first auditable social certification standards for decent workplaces, across all industrial sectors”98 (it was launched already in 1997 by today’s Social Accountability International (SAI). Thus, we can say that it is not so complex (as focusing on protecting the basic human rights of workers), not covering all CSR issues, compared to GRI. It is intended to measure social compliance. The advantage of SA8000 is that its verification system draws from already developed business strategies to ensure quality (similarly as by ISO 9000). Moreover, it adds several elements which were identified as essential for social auditing by international human rights experts. SA8000 Elements are nine in total: Child Labour, Forced and Compulsory Labour, Health and Safety, Freedom of Association and Right to Collective Bargaining, Discrimination, Disciplinary Practices, Working Hours, Remuneration and Management Systems.

Also certain particular countries took an initiative towards making companies performing in their country more socially responsible. A special index developed in Denmark by the Ministry of Social Affairs, Social Index, is a self-assessment tool for „measuring the degree to which a company lives up to its social responsibilities.“ The Social Index is represented as a number between 0 and 100 which makes it easy to communicate to the employees and any other stakeholders how socially responsible the company using the index is. In France, Article 64 of the French law regarding the new economic regulations calls

companies for disclosing the “social and environmental consequences” of their activity in their annual reports.  

Nevertheless, as stated also in the previously mentioned *Green Paper*, several organizations are developing standards for social accounting, reporting and auditing. We can find there various approaches (process/performance, voluntary/mandatory, single-/multiple-issues standards) but only few of them really consider the full spectrum of CSR dimensions.

### 4 Comparison of existing methods

This chapter provides an analysis of existing methods, frameworks and tools for sustainability measurement, described theoretically in the *Chapter 3*. Referring to my secondary as well as primary (interviews with various experts on sustainability reporting, including two GRI Certified persons and several employees of the UN Global Compact Office and the Division for Sustainable Development within the UN system) research on existing methods, I have come up with the following conclusions on using various measurement methods in general.

We need to differentiate between methods which intend to be used on *sustainability performance in general* and those which are particularly designated for specific areas of CSR/sustainability. Let us focus initially on the first group of methods, general ones. The most important methods (most often used ones currently) belonging to the general sustainability methods are mainly GRI, Winning with Integrity, KORP (Czech method), KPIs (general, specific for each organization, therefore not comparable), impact social investing standards such as IRIS, GIIRS and similar standards.

Those general methods are concerned about the behaviour of the organization itself, including the fact if the services and products offered/sold by the company are responsible and ethical as such.

Among the set of the main **advantages of GRI** belong a variety of features, as follows. It is nowadays the most often used (and recommended) framework by organizations worldwide. It is not specifically intended to be used just by corporations but all types of organizations including NGOs. The methodology is updated on a regular basis. Not only a certain group is involved in the development of this tool but the developing team is multi-stakeholder based and also enabling anybody from the public to make comments to the version being prepared at that time. Proposals for the next generation of the GRI Guidelines, G4, are currently up for public comment<sup>100</sup>. GRI provides also industry-specific guidelines (*Sector Supplements*) which help companies active in those industries make the measuring

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<sup>100</sup> The commenting platform and all related information are accessible here [2012-07-21] https://www.globalreporting.org/reporting/latest-guidelines/g4-developments/Pages/default.aspx
and reporting easier. Also, companies in the same industry are then usually compared as they use the same groups of indicators based on their core business. There are more application levels so every organization can choose the level which it wants to report on (depending on their sustainability performance and so far experience regarding reporting).

I did not find those advantages to be present all together in any other method being used. That is why my opinion is that GRI Reporting Guidelines is the most appropriate method to be used for measuring as well as reporting by organizations in general.

However, GRI framework is not exhaustive. For some areas to go more in depth with the indicators and measurements, specific methods should be used. For instance, regarding CCI, LBG can be applied, in regards to more detailed data on environmental issues, CDP can be used, and regarding human rights and corruption, UN tools (Human Rights COP Reporting Guidance, Reporting Guidance on the 10th Principle Against Corruption) can be considered. GRI is aware of the fact that it is not exhaustive, even though it is according to my research the most comprehensive method for sustainability measuring and reporting. This is supported by Katja Kriege, Reporting Framework Coordinator, who stated in our e-mail conversation: “... the GRI Guidelines encourage to report on further topics that are not covered in the GRI Guidelines, if they are identified as being 'material', following the steps outlined in the GRI Technical Protocol: Applying the Report Content Principles.”

Compared to those methods intended to be used specifically for sustainability, there are some more general methods which can be applied also on sustainability but were not designed for that primarily (CBA, CEA, CUA, SROI). Mainly CBA and SROI are complicated to be applied in practice as benefits should be shown in monetary terms, which is however often very difficult in reality.

The second group, issue-specific tools, can be used as a more detailed supplement on a particular area to a general sustainability method. Or, eventually it can be also used by an organization which is not yet ready to measure impacts of sustainability as a whole but it wants to measure impacts of just some aspects within sustainability, e.g. environment or CCI. In terms of environment, Carbon Disclosure Project is mostly used and recommended to supplement GRI also by the UN.

When taking example of CCI, more methods exist to choose from. Besides LBG, Corporate Giving Standard or CommunityMark could be used. However, LBG is most common worldwide which is an important advantage as it ensures comparison of outcomes with other companies which also use this methodology. Regarding measuring impacts of different stakeholders, LBG measures also impact of the social investments on commercial activities of the company and also impacts on partnering NGO or other entity can be measured with the help of it (to compare, GRI does not concern about the impacts of CSR projects on the company itself).

As mentioned above, GRI is better to be supplemented by other, more specific methods, whose outcomes can be then added to the GRI report. Regarding LBG, is this methodology already sufficient and exhaustive and not needed to be adapted already to be used for measuring impacts of projects in the area of CCI, or it should be supplemented as well still? This question (my second hypothesis from the Introduction of the Master’s Thesis)
will be solved in the following chapter, while applying LBG methodology on a real example of projects of ČSOB concerning FL.

Also, there are standards, no matter if specific or general (e.g. AA1000, ISO 26000) which suggest how companies should behave but do not provide specific guidance on how to measure and report. They usually just mention that measuring and also reporting should be conducted but they just refer to other methods to be used for that, mostly GRI.

Regarding the usage of the methods in the Czech Republic, LBG and GRI are used most often. LBG is used by more companies than GRI at present (thirteen versus four, see Chapter 3.1). However, this is an opposite state when looking at the whole world – globally, GRI is much more used than LBG methodology (more than 1500 organizations versus 120). In the Czech Republic, KORP (Czech analogy to GRI with some aspects of EFQM and CAF 2006) is also used by several companies.

However, no matter which method a company is using: Generally, we cannot say that all of the companies which use any methodology not only in the Czech Republic, but globally, to measure their CSR activities’ impacts are perceived as socially responsible companies by the public. Some of them are even perceived negatively regarding their behaviour affecting community. It is needed to take into account that measuring CSR does not imply behaving responsibly. It is only a sign that the company wants to measure the impacts of its behaviour, and according to the results, potentially change their behaviour in the way to have even better impact on all stakeholders.

5 Case Study: ČSOB – CSR in Financial Literacy in the Czech Republic

5.1 Introduction

I chose to demonstrate the Case Study on the example of ČSOB since after my thorough analysis of CSR practices in the Czech Republic I came to a conclusion that ČSOB belongs to the best practices in the Czech Republic in terms of CSR, next to a few other international corporations.

Československá obchodní banka, a. s. (further in the text referred to as „ČSOB”) is a joint-stock company in banking sector belonging to the Belgian KBC Group. ČSOB is operating in the Czech Republic, under two brands, ČSOB and Poštovní spořitelna (Postal Savings Bank – PSB). ČSOB provides its services to retail, SME, corporate as well as institutional clients that are served via ČSOB branches, PSB’s Financial Centres and post offices of the Czech Post. Besides its own products, ČSOB distributes also products and services of the whole ČSOB Group. As of March 31, 2012, ČSOB Group (without ČSOB Asset Management, a.s., investment company) had 7 733 employees and 3 102 000
customers. In this case study, I focus specifically on CSR of ČSOB brand, not on CSR projects of PSB since most of their projects are undertaken independently of each other.

CSR is an important area for ČSOB, supported also by the executives of the company which is a vital aspect if any company wants to take CSR really seriously. As Pavel Kavánek, Chairman of the Board and CEO of ČSOB states, “Social Responsibility is a long-term investment for sustainable future of company” Also, ČSOB starts to think about CSR in broader terms, in comparison to a currently unfortunately still in the Czech Republic prevailing narrow view. The company is already aware that CSR is not just about philanthropy but also about day-to-day behaviour and activities, as reflected in their statements, inter alia: “The Social Responsibility of ČSOB is an important reflection of the character of our firm and of our way of thinking.” The goal of ČSOB, stated on its websites, is to increase the quality of life for all target groups in society, by not only philanthropic initiatives but also internal processes and employees’ work life.

ČSOB divides its CSR activities into four focus areas: Employee Care, Care for the Environment, Business Ethics and Our Surroundings (Community Care). ČSOB’s main area of support within Our Surroundings part is education and financial literacy, other two programs are Support of Regional Development and We help together (Pomáháme společně), involving ČSOB employees in philanthropic activities. All ČSOB’s CSR projects focus specifically on the country where it operates, the Czech Republic as it wants to help to deal with local problems which the country is facing at present.

Not to have too broad topic to be analyzed in the Case Study and to be able to go more in depth of the subject matter, me together with at that time CSR Manager of ČSOB, Pavlína (Folovská) Housová, chose Financial Literacy (FL) as the CSR area to focus on. FL-related projects of ČSOB belong to its Corporate Philanthropic activities which means also to Corporate Community Investments. The main reason was that to increase Financial Literacy and Education in the Czech Republic was the strategic, priority, topic of the bank’s CSR, which needed to be analyzed.

Financial literacy is a broad concept, including information as well as behaviour. No matter how wealthy a person is and what income he/she has, the financial literacy is relevant for everybody. The OECD defines FL as: “...the combination of consumers/investors’ understanding of financial products and concepts and their ability and confidence to appreciate financial risks and opportunities, to make informed choices, to know where to go for help, and to take other effective actions to improve their financial well-being.”

Referring to the joint document of the Ministry of Finance of the Czech Republic, the Ministry of Education, Youth and Sports of the Czech Republic and the Ministry of Industry and Trade of the Czech Republic, FL is defined as “...a set of knowledge, skills and value attitudes of citizen needed to financially secure himself/herself and his/her family in the contemporary society and actively perform on the market of financial products and services”\(^\text{105}\) According to this document, FL includes three parts, money, price and budget literacy. Additionally, Eva Zamrazilová, member of the Bank Board of the Czech National Bank, states that FL is not only about basic financial knowledge but also about knowledge in the areas of economics and law, and common sense.\(^\text{106}\)

### 5.2 Objectives, Hypothesis and Methodology

As of the objectives of the Case Study: ČSOB’s representative for CSR, Mrs. Housová, expressed the need and interest to find out what is actually the current situation of Financial Literacy in the Czech Republic like and which social group(s) they should focus on with their CSR projects. Although they already have many various projects with regard to FL, they have never undertaken any analysis or research about the current state of FL in the Czech Republic, thus identifying the target (social) group/s which need(s) to increase FL the most. Additionally to the matter of desirability in social terms, ČSOB does not evaluate the effectiveness of the supported projects (yet in the financial terms, i.e. cost per person). Concerning measurement method, as ČSOB uses LBG methodology to measure its philanthropic activities, I intend to find out if this tool is the most appropriate for ČSOB to be used to measure impact of its philanthropic activities in the future as well, or if other methodology should be used.

My hypothesis in regards to this Case Study is therefore: Regarding Corporate Community Investment activities, LBG is a sufficient method to be used to measure their impacts.

In terms of methodology of the Case Study: The analysis of FL current state in the Czech Republic is needed also in regards with finding out the impacts of ČSOB current projects within FL. I need to firstly analyze the situation of FL in the Czech Republic to verify which social groups or which regions actually need to increase their FL the most in reality, it means by addressing whom the impact of the projects can be the greatest. Let’s look at one example: If 500 people from a social group which does not in fact need to increase its FL attend a seminar regarding FL, this seminar will have much less real impact than if the


audience was composed of people from the social group which needs to increase their FL really vitally. To conclude, the number of attendees is in both cases the same, however the weight which the number of attendees should be multiplied by, ought to be bigger in the second case described logically.

FL situation analysis includes the sub-analysis of the existing Need to increase FL (or in a simplified way „unaware/unconscious demand“ of people with a lack of FL or insufficient FL), it means to identify what are the social groups or also regions which have nowadays the lowest FL. The second sub-analysis addresses the “Supply” of FL. This covers the initiatives intended to increase FL which are provided by various entities: Government, NGOs and Public Service Organizations, and Private companies (mainly financial institutions as their core business is related to FL of the population). To make the analysis of “Need” and “Supply” more thorough, the following methods were used, besides secondary research: 7 Personal Interviews and 3 E-mail Interviews with experts were conducted (mainly spring 2012), complemented by attending a conference and a seminar on the topic of FL (for details, please consult the list of interviews, seminars etc., relevant also for CSR and measuring methods experts consulted, in Appendix A). Moreover, a Questionnaire was sent to 33 financial institutions (summer 2012) from whom 10 replied. A few other e-mails were sent with additional questions to other entities as well.

In the subchapter regarding Mismatch of these two elements, Need and “Supply”, I intend to find out if the Need to increase FL exists mainly because the “Supply” side focuses with their projects for enhancing FL mainly on the wrong social (or regional) groups which do not need it so much, or if the “Supply” focuses on the right target group but is just insufficient (in quantity or/and quality).

As for clarification of the meaning of the terms “Need” and “Supply” of FL for this thesis: The „Need“ to increase Financial Literacy means in this Master’s Thesis the lack of financial literacy within the population of the Czech Republic. It should not be confused with the term „Demand“ for FL. „Demand“ would not be an accurate term since people often do not explicitly demand FL, even though some of them are aware of the fact that they have a lack of knowledge in this area. Also, they do not often know where and from whom they could get the relevant independent information and some of them do not find it important for them unless they have some financial problems. The „Supply“ to increase Financial Literacy is in this Master’s Thesis meant as the offer to provide information and advices in the area of Financial Literacy to general public in the Czech Republic. This „Supply“ of FL can be provided by different actors on the market as described above.

However, referring particularly to “Demand” of households for increasing their FL as such, the amount of questions concerning debt issues has increased about three times in Civic Counselling Centres since 2007. In 2011, about 32% (i.e. 23 924 queries) of all queries received were related to debt issues.107 This shows the interest of households to learn more about financial issues and it points out on the current lack of FL which is also supported by the results of the research made in 2007 by STEM/MARK showing among others that 87%

respondents find educating adult population on money management useful (see details in Chapter 4.1.2).

After the analysis of the “need” and “supply” side of FL in the Czech Republic, the analysis regarding application of methods for measuring philanthropic activities’ impacts follows. To find out the impacts of particular projects and carry out the application of methods, various methods were used, including 5 personal and 31 (out of 80 called) individual phone interviews focusing on FL (impacts of projects), documents’ as well as web sites review (mainly focusing on LBG, GRI and other relevant methods) and 6 personal interviews regarding sustainability measuring – mainly with employees of the UN (details on interviews to be found in Appendix A).

5.3 Community Need Assessment regarding Financial Literacy

Quite often, media discuss the unfortunate trend of increasing number of seizures and people in financial distress. However, financial crisis is not the only cause for this situation. Low level of Financial Literacy of Czech population also plays its role as supported by the outcomes of a set of market research studies and surveys. People need to be financially literate to understand the context of loans (which are more and more complicated, thus not easy to understand) offered since on the existing free market not everything in this area is regulated. They need to comprehend the drawbacks of the at the first sight very attractive offers of financial institutions and to be able to deal with their personal budget responsibly. The state of FL in the Czech Republic and the need to increase it is discussed further in this chapter.

5.3.1 Indebtedness, Insolvency and Executions

Financial Literacy is a prevention of overindebtedness. Then, how it looks like with indebtedness and related terms in the Czech Republic, outlining what is the room for FL to be still increased? As of November 2011, indebtedness of households was according to the Czech National Bank 1,1 trillion CZK. 15 % households of the Czech Republic have a mortgage loan and even about 25 % of households have a consumer loan. In 2011, there was an increase in bank mortgage loans and on the other hand a slight decrease in number of consumer loans. The structure of households’ loans shown in Figure 4 displays a positive fact that less risky loans, mortgage loans, create the most part of the total loan of households. The volume of non-bank loans has decreased within the last two years nearly twice (from 140 billion CZK).

However, loans from banks increased in the first quarter of 2011 by 6.5%.

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compared to average 31% for the period 2005-2007, or by 13 % compared to the period 2008-2010.\textsuperscript{109}

**Figure 4: Total Indebtedness of Households in 01/2006-01/2012 (in millions CZK) – according to loan type**

The economic crises slowed down the growth rate of indebtedness, nevertheless the debt ratio to gross disposable income is still increasing continuously since 90ties\textsuperscript{110}. In the years 2003-2008 rate of indebtedness was increasing year-on-year by more than 30 %. In total and in absolute numbers the indebtedness of Czech households has increased since the year 2000 eight times.\textsuperscript{111} The numbers are needed to be seen in the context with Czech economy development, households’ real income and also development in other countries because of globalisation and interrelatedness of economies.


The basic tendency regarding indebtedness is the convergence to the consumer behaviour of more developed countries and also trend to have everything quickly although for unfavourable price of the loan. Also, money is still more and more virtual and this supports the risks of debt traps. Eva Zamrazilová states that in the recent years the households’ overindebtedness is passing on middle income groups since many households are not able to estimate their financial possibilities.\textsuperscript{112}

The riskiest debts (from a purely accounting view) of Czech households are according to Eva Zamrazilová, Czech National Bank, the debts which expose households to the risk of overindebtedness. Overindebtedness is imminent if loan installments are higher than a half of household income adjusted for necessary expenses. Every household which is considering any type of loan should take into account all risk factors of unpredictable events and create a provision for them. Housing loans make more sense from the broader economic perspective as they are in fact investments, compared to loans to buy consumer goods or even direct consumption.\textsuperscript{113} Regarding social groups, two lowest income groups use to the greatest extent consumer loans, in comparison to two highest income groups which use the most mortgage loans. Problems with repayments are more often in regards to consumer loans than mortgage loans (1,1\% versus 0,3\% of households in 2008).\textsuperscript{114} 3,4\% of mortgage loans were in default in 2011, which was a historical maximum for this type of loan, compared to 12\% of bank consumer loans and 13\% non-bank loans.\textsuperscript{115}

According to M. Singer\textsuperscript{116}, while the volume of loans in crisis started to decline, the proportion of loan defaults started to rise rapidly. Concerning the responsibility of the services of financial institutions, Eva Zamrazilová states that banks are more careful than before the crisis in regards to housing loans clients’ risk assessment, thus behaving cautiously and correctly. Nevertheless, in the case of (especially cash) consumer loans we can often see offers that border with aggressive or misleading advertising. Financial institutions can offer a loan of 50 000 CZK with just 499 CZK monthly installments but client should also be aware

\begin{thebibliography}{9}
\end{thebibliography}
of the number of those installments and what he/she will pay extra at the end.\textsuperscript{117} Very often, the clients do not understand what taking this loan means for them in the long-run.

In Figure 5, heavily indebted households are shown divided according to income groups (particular quintiles) which they belong to. As seen, overindebtedness is being transferred to middle income groups during financial crisis. The crisis strengthens the role of individual responsibility and thus also the importance of FL.

\textbf{Figure 5: Overindebted Households according to income groups in 2007-2011}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure5.png}
\caption{Overindebted Households according to income groups in 2007-2011}
\end{figure}


Based on the data about clients of Counselling in Financial Distress (PFT)\textsuperscript{118}, in 2011 the source of their income was in 59% their employer. However, in 16,3% they were unemployed, retirement pension was the source of income for 10,1% of clients, maternity leave for 5,3%, full disability pension for 5,2% and for less than 5% it was entrepreneurship, partial disability pension and student. The PFT statistics also show that majority of its clients commence to solve their problems with repayment quite late, often after an execution was already ordered. Unfortunately, this situation was not only in 2011 but also similarly in 2010. In 2011 for instance, by 24% of clients it is after half a year of overindebtedness, by other 24% it is one year, by 20% 2 years and by 13% even 4 years and more. Nevertheless, addressing the problem immediately can lead to stabilisation of the situation. The main cause for insolvency according to clients was “overestimation of forces and too many liabilities" which is probably associated with low FL (48%), loss of job (around 11%), permanent decrease in income and naivety (both around 5%), divorce/breakup and sickness and not

\textsuperscript{117} ČNB. [2012-08-17]

communicating with creditors (all three around 4%), closely followed by liabilities from entrepreneurship and temporary decrease in income.

Focusing on debt issues according to regions in the Czech Republic, we can look at the amount of questions which inhabitants raised to Civic Counselling Centres in regards to debts. The interest of households in the issues related to indebtedness which points out in most cases on problems or imminent problems with financial situation of he households, was the highest in previous years in regions with higher unemployment and average lower-income (such and Vysočina and Moravskoslezský region)\textsuperscript{119}.

Insolvency Act distinguishes two basic forms of Insolvency (“Úpadek“). The first form is when debtor is not able to pay his/her liabilities. The second form is when overindebtedness takes place – assets’ value is the core factor in this case. Additionally, the term Impending Insolvency represents a third, special, form of Insolvency.\textsuperscript{120}

Insolvency (“Úpadek”) can be resolved in three ways. Debt Relief (“Oddlužení”), called in the Czech Republic commonly also Personal Bankruptcy (“Osobní bankrot”), or Discharge, is a way of dealing with Insolvency (“Úpadek”) when the debtor's debts are united, secured creditors are satisfied in full, unsecured creditors are satisfied to the by them approved amount and the rest of the debt can be forgiven to the debtor.\textsuperscript{121} Debt Relief is partial or total forgiveness of debt, or slowing/stopping the debt growth. It should allow the debtor (who must not be an entrepreneur) a “new start”. There are two ways of Debt Relief, realization of assets or fulfilment of payment schedule, where the debtor must pay up, within a period of five years, at least 30% of the debt to his/her creditors. When debtor is not capable to solve his/her bankruptcy by Discharge (Debt Relief), Bankruptcy is declared.\textsuperscript{122} This Insolvency Proceedings (“Úpadkové řízení”), called in the Czech law “Konkurs”, by which, based on the decision to declare “Konkurs”, the identified receivables of creditors are in principle proportionally satisfied from the revenue of assets’ realization. The unsatisfied receivables or their parts do not perish though.\textsuperscript{123} The third form to resolve Insolvency is Reorganization but it can be used just by debtors-entrepreneurs or their creditors.

Together with worsening of the financial situation, also the number of Debt Reliefs increases. Based on the statistics of Czech Credit Bureau, 1 004 Personal Bankruptcies (and 206 corporate bankruptcies) were declared in October 2011. However, the difference between the number of personal bankruptcy proposals and number of declared bankruptcies has been increasing significantly since August 2011 which means that the time between the proposal

\textsuperscript{119} Civic Counselling Association (AOP)


and declaration by the court is prolonging. As displayed in Figure 6, number of insolvency proposals by non-entrepreneurs, consumers, was increasing continuously every year. In 2011, amount of all insolvency proposals (i.e. by entrepreneurs as well as non-entrepreneurs) increased by 51%, when compared to 2010. The main weight in this increase had non-entrepreneurs for whom number of insolvency cases increased even by 67 % when compared to the year 2010.

*Figure 6: Insolvency proposals regarding consumers in the Czech Republic in 2008-2011*


The development of number of discharge cases requested versus approved is shown in Figure 7. In 2011, 16,568 people asked for discharge. To compare, just less than 10,620 discharge cases were permitted which means 65% from all the proposals for discharge). The number of approved cases of discharge was greater by 82% in 2011 compared to 2010.

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Concerning the age structure of people whose requested discharge was approved, the greatest number of debtors belongs to the age interval of 31-40 years, followed by the group of age 41-50 years, as seen in Figure 8. The insolvency is thus most often the case for young people who establish families, with small children or in the course of arranging habitation. As a conclusion we can say that people at the core of the productive age are most vulnerable to be in insolvency.

**Figure 8: Age structure of people with permitted discharge in 2011 in the Czech Republic**

Source: Own compilation. Creditreform, insolvency register.
Seizure or Execution is enforcement proceedings of an execution (enforceable) title. Its purpose is to satisfy enforceable receivables of creditors. As shown in Figure 9, the number of ordered executions has been continuously increasing since the year 2002. The only deviation from the trend of year-by-year increase in amount of ordered executions was the year 2010 when the number dropped after a huge increase in the year 2009, caused significantly by the financial crisis. In the year 2011, the amount of executions increased by 234,319 which means by 33% compared to the year 2010. Therefore, also the Chamber of Executors urges borrowers to deal with their commitments more responsibly.

Figure 9: Number of Ordered Executions in the years 2002-2011


According to the words of David Šmejkal, the Director of Counselling in Financial Distress (Poradna při finanční tísni), “The main cause of indebtedness is low FL. One half of people who are interested in Debt Relief, in other words Personal Bankruptcy, has only elementary education, often incomplete”\(^{125}\). He also adds that the most often cause of indebtedness is taking more and more loans before redemption of the previously taken ones, and overestimation of own income possibility. Other causes of indebtedness are loss of job, old loans from business, divorce, illness or loan for another person. He recommends that problems with installments should be addressed as soon as possible, at the latest up to three months. It is possible to negotiate other installments’ calendar, the key is however to communicate with the creditor.

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5.3.2 Research on the Financial Literacy of Czech population

The situation described in the previous chapter showing the increasing number of households having excessive debts is among other factors caused by their inability to use their available budget economically, together with other issues indicating their insufficient Financial Literacy. The low level of Financial Literacy in the Czech Republic, displayed in this chapter, has impact on decision-making of people to take a loan under unfavourable conditions for them. Thus, it has an indirect impact on overindebtedness of inhabitants, too.

There were two most important research made for the Ministry of Finance (and the second one also ČNB) intended to find out the needs of further education in the area of financial services among customers and thus the need to increase FL, based on the current state of FL of inhabitants.

A research126 of public opinion of adult population on the topic of FL was conducted in 2007 by the company STEM/MARK, a.s. for the Ministry of Finance of the Czech Republic. This research has charted the basic level of FL of inhabitants on the basis of subjective assessment. 811 interviews were conducted. The research discloses how inhabitants viewed their own level of FL and also their interest in FL.

The respondents of the research from 2007 themselves assessed their FL level rather as low than high since the average mark was 3,04 (on the scale of 1-5). The majority of respondents evaluated their own level of FL by mark 3, as shown in Figure 10.

Figure 10: The Evaluation of Own Level of FL

![Graph showing evaluation of own level of FL](image)

Note: 1 - Excellent Knowledge, 5 - Complete Lack of Knowledge

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126 Ministry of Finance. [2012-07-19]
Concerning the interest of Czech inhabitants in increasing their FL (hence in a simplified way their “Demand” for FL), the results show that 75% of adult population consider both knowledge of terms and education and obtaining new information from the financial area as important. 87% of respondents consider educating adult population in money management area (e.g. family budget, the most appropriate investments, loans) as useful, as displayed in Figure 11.

Figure 11: Opinion on the intention to educate adult population in money management


Organized financial education should be according to the majority of respondents (72%) for free and independent. 49% of respondents would take part in the education also if connected with promotion of offer from a particular financial services provider and 31% for a modest fee too. And which entity should provide financial education of adult population, in the view of the respondents? 42% mentioned state, 37% financial institutions and 10% NGOs. Moreover, 81% think that they did not gain through the school education enough information for the orientation in the area of finance and banks. The majority of respondents (93%) believe that it would be appropriate to include the terms from the financial world area into the high school curriculum, much less percentage (46%) assume it should be included already in the elementary school curriculum.
From May to October 2010, another quantitative research on the topic of FL was conducted by STEM/MARK, a.s. This research, which was carried out exclusively for the Ministry of Finance and the Czech National Bank (ČNB), is the first comprehensive measurement of the level of FL in the Czech Republic. It is the basis for future repeated measurements of FL level in the Czech Republic, enabling to evaluate the effectiveness of programmes and projects which have been carried out and to identify weak points and their subsequent coverage. Measurement methodology and content build on the OECD recommendations.

In this research with 1 005 respondents, the thematic areas were as follows, Home Finance, Creation of Reserves, Financial Products, Behaviours and Habits in the Financial World, Knowledge of the Financial World, Contracts and Complaints. The results of the research from 2010 showed that people are more literate in some areas, e.g. overview of own money, than other ones. Nevertheless, based on the following examples of research results it is clear that FL is needed to be enhanced.

Regarding household budget, only 37% of respondents establish budget on regular basis, other 8% on irregular basis. Another warning findings was that bills are paid on time just by 65% of respondents, 20% stated that they pay their bills just “mostly” on time. 32% of respondents argue that they know what annual percentage rate (in Czech RPSN) means while just 17% know the real meaning indeed. Only 16% really know what p.m. and p.a. mean. 33-50% (based on the product type) consider offers made by more providers. Only 25% really know the difference between debit and credit card. 58% of respondents take into account both factors monthly payment and annual percentage rate, while choosing a consumer loan. 54% of respondents are carefully considering if something is affordable for him/her before every purchase.

In the case of income loss, 43% of respondents would be secured for the period of three months and more and 63% for at least one month. On the other hand, 14% would not be secured either for one month and 23% of respondents could not reply at all. 60% of respondents regularly set a part of the income aside as a reserve and 35% as a reserve for the event of income loss. As empirical research shows, countries with higher literacy level in financial area have usually higher levels of savings. This strong correlation between FL and accumulation of wealth also highlights the importance of FL.

Concerning contracts, only 36% read them properly on the spot. Additionally, it has already happened to 43% of respondents that a contract which they have not understood was presented to them. Surprisingly, 50% from those respondents signed the contract though.

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These results show that people are still not aware of the liability and severity which signing of a contract means.\textsuperscript{130}

The research from the year 2010 on FL did not find significant differences in FL level between different age groups. However, Eva Zadražilová sees as the most vulnerable group young people below 30 years while the risk decreases with the level of education. Young people compile budget less often than older generations, do not create sufficient provisions but have also higher tolerance to risk.\textsuperscript{131}

**Attitude of Czech households to having debts** is also very important factor in some aspects related to the level of FL that they have. From a survey conducted in 2008 by STEM among 1 362 respondents arose that the majority of people in the Czech Republic (68 % of the survey respondents, compared to 65% in 2004) found taking loans as a normal thing already at that time (2008), as referred to in Figure 12. Furthermore, according to 71 % of respondents (in comparison to just 56% in 2004), bank loan for housing is the most reasonable way how to obtain money for their new housing. Nevertheless, regarding consumption loans, people are more careful – 38% consider bank loans for consumer goods as the most reasonable way to obtain funds for household equipment. However, this was the only feature which decrease in comparison to the year 2004 when 42% of respondents found consumption loans as the most reasonable solution to obtain needed money.

eni_projevy/download/zamrazilova_20111125_fin_vzdelavani.pdf

ika_a_my.html
The willingness to borrow money was found to be related strongly also to age (much more than to property), as nearly 80% of people aged under 30 years consider living with debts as normal, in contrast to 55% of people aged more than 60 years. Age is also differentiating factor in regards to willingness to take a loan from bank institutions: In a crisis situation, 60% pensioners would borrow money from their friends and only 20% from a bank. Here, property also plays a significant role. Financially stronger households would rather borrow money from banks, in comparison to financially weaker households which would rather rely on their relatives.132

A survey on FL level of General Public was conducted for Česká spořitelna (based on e-mail interview with Barbora Závodská, Team of CSR and Foundation) at the beginning of 2012. The result was that FL is needed to be enhanced mainly by less educated people with lower income. Those people have however the smallest interest in education as the interest in learning finishes with the end of school attendance.

5.4 Entities pursuing improvement of Financial Literacy („Supply“ side)

Preventive measure against overindebtedness is Financial Literacy and as prevention is in most cases much more effective than treatment, any effort to increasing it should be enhanced. Any public discussion which makes FL more known is beneficial however unfortunately sometimes is very difficult to make a clear distinction between the truly educational activities and activities which want to promote certain product or company.

5.4.1 State/Government

A few years ago, there was the first effort by the Ministry of Finance of the Czech Republic to promote FL. They sought to enforce National Strategy for Financial Literacy at governmental level. However, before the financial crisis, there was no will in terms of FL enhancement. Thus, this strategy, in an updated form, was enforced recently. Eva Zamrazilová sees the role of public sector such that Czech National Bank, as supervisory authority, together with the Ministry of Finance as regulator must set up particular rules of the game on financial market and oversee effectively if the financial institutions follow them. Public sector should also provide people with specific tool to be able to better understand the financial market. And that ideal tool is Financial Literacy. Currently, three main actors in fulfilling the above mentioned strategy, the Czech National Bank, the Ministry of Finance and the Ministry of Education, Youth and Sports. However, according to Eva Zamrazilová, looking at state debt, “financially literate person understands that he/she must be responsible for his/her actions and not rely on the state which does not have any space left for generosity” if behaving irresponsibly in financial matters.133

That is why Financial Literacy started to be mandatorily included within the curricula at grammar schools and some secondary technical schools. Based on my interview (May 2012) with Lenka Ningerová, adviser to a member of the Bank Council, Ing. Eva Zamrazilová, CSc. at Czech National Bank, and after her consultation with a colleague from National Institute for Education (under MŠMT), schools start to implement FL in their curricula gradually. This means that the obligation is still not for all schools currently.

In the years 2005 and 2007, Standards of FL to be implemented into Framework Educational Programme (Rámcový vzdělávací program) were defined.

Primary schools teach FL voluntarily. FL according to the Standard of FL for primary education is supplemented into currently being revised Framework Educational Programme for primary education. It is recommended to elementary schools by MŠMT Notification to include FL in their curricula. According to an article at Czech Television website, FL could be mandatory at primary schools till 2014 at the latest134.

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Grammar schools (4-year grammar schools and upper multi-year grammar schools) have an obligation to have FL in their School Educational Programme (Školní vzdělávací program) since September 1, 2009. Nevertheless, FL can be taught in any grade. Thus, at present some grammar schools teach FL already however other ones can the subject with FL realize firstly starting on September 1, 2012 (4th grade of students who started to study according to School Educational Programme from September 1, 2009).

Secondary technical schools have an obligation to teach FL according to their School Educational Programme in 4 stages (starting in September 2009, 2010, 2011, 2012). It means that FL is a mandatory part of educational content since September 1, 2009 at those secondary technical schools that created their educational programmes in the first phase.

However, controls will be needed there to check the quality of the FL education and that it is really implemented in particular subjects curricula. Hopefully, calculations being made in Mathematics start to be focusing on compound interest calculations and other financial terms instead of issues which are not so important for the real life of current population (this problem is particularly connected with old-dated textbooks from communist times focusing on agriculture etc.).

Ministry of Education, Youth and Sports of the Czech Republic supports FL also through a competition on FL for elementary and high schools and in the framework of EU money for schools project for which 4,5 billion CZK is allocated).\textsuperscript{135}

Ministry of Finance is a guarantor of the consumer protection on the financial market. Financial education is the main tool to enhance FL which is one of the pillars of the consumer protection on the financial market. First pillar is awareness, being informed (pre-contractual information and explanations). Second pillar is FL which includes mainly establishing household budget, consideration of the necessity of spending, decision (not) to take a loan, including the consequences, selection of the best loan offer (shopping around, cooperation with consultant). The third pillar is interests and rights of consumers (right of withdrawal, terms of early repayment, solving disputes).\textsuperscript{136} The Ministry of Finance is responsible for coordination of activities in the area of financial education. It provides the list and contacts for selected entities which are active in this area. Working Group on Financial Education exists under the Ministry of Finance, whose members include public sector representatives from the Ministry of Finance, the Ministry of Industry and Trade, the Ministry of the Interior, the Ministry of Education, Youth and Sports, Ministry of Labour and Social Affairs and the Czech National Bank. Furthermore, other various entities are represented in the Working Group. Full list of members for the year 2012 can be found in Appendix B.

Other activities of the Ministry of Finance in 2010/11 were undertaken in cooperation with Czech Television on the issues of consumer loans (TV programme Sama doma), the

\textsuperscript{135} MSMT. [2012-08-09] http://www.msmt.cz/pro-novinare/nova-temata-ve-vzdelavani-eticka-vychova-a-financni?highlightWords=finan%C4%8Dn%C3%AD+gramotnost

\textsuperscript{136} How to Financially Educate Adults, Conference on Financial Education – presentation. Faculty of Finance and Accounting. Conference held on November 25, 2011 at the University of Economics. S. 4.
University of Economics in Prague on the preparation of a textbook (not only) for teachers at high schools and conference “How to financially educate adults”.137

Czech National Bank (ČNB) contributed intellectually and financially to the support of FL in 2008 by donating lecture books (a couple of workbooks and a accompanying manual for teachers) written by Michal and Eva Skofepovi called Financial and Economic Literacy to schools which utilized them for teaching of economically-oriented part of Civics or a separate subject focused on financial and economic literacy. These publications are the first comprehensive teaching materials in the area of economic and financial literacy for higher degrees of elementary schools and lower degrees of multi-year grammar schools that fully cover Standard of Financial Literacy of Ministry of Education, Youth and Sports of the Czech Republic. The Czech National Bank bought 4 000 copies of the publications and sent them to schools throughout the Czech Republic. Currently, as the second step after sending out the publications, ČNB participates in organizing seminars for teachers in various cities within the Czech Republic. This initiative is organized in cooperation with educational institutions which have relevant accreditation of Ministry of Education, Youth and Sports, especially with National Institute of Further Education and Masaryk University in Brno. Seminars are conducted by employees of the Czech National Bank or other qualified lecturers.138 On the list139 of entities pursuing improvement of FL is also stated that ČNB supported seminars of FL for seniors at universities of third age (academic year 2011/12) at 4 regional universities. There is “Web for all people” (“Web pro všechny”) and permanent exhibition and virtual tour called “People and Money” (“Lidé a peníze”).

The Ministry of Industry and Trade (MPO) presented their projects focused on FL in November 2011 at the meeting of the Working Group on Financial Education. Its projects in 2011 were focused mostly on consumers and some also on children. Projects were conducted in cooperation with Czech Consumer Association (“Let us be correct to each other”), Generation Europe (focusing on elementary and high schools), OSS TEST (journal dTEST, financial services tests), Consumer Net (Spotřebitel.net; seminars, brochure). In 2011, this ministry announced for the first time the priority programme to be “Increasing Financial Literacy of consumers as a tool to strengthen their equal position on the market and mitigation of households’ indebtedness. Dissemination of information via websites, media coverage of the findings, involvement of the general consumer public to obtain knowledge in the area of financial education”. This programme is announced also for the year 2012.140 Also, on the list141 of entities pursuing increased level of FL is included also web section “Consumer loan”

141 Ministry of Finance of the Czech Republic. Contacts on selected entities and projects which pursue improvement of FL. 2012. [2012-08-14]
(“Spotřebitelský úvěr”), a project of Czech Trade Inspectorate (Česká obchodní inspekce) which belongs to MPO.

In regards to the Ministry of Labour and Social Affairs, it is interested in increasing FL since Labour Offices’ applicants and clients have high probability rate of being overindebted thus being vulnerable group. Among main characteristics of this vulnerable group belong low income, long-term unemployment, dependency on social security benefits, behavioral and consumption patterns and very low level of FL connected with underestimation of the enforceability of commitments. FL is a part of consultancy programmes and seminars at Labour Offices. A pilot project was made on 3 500 clients of Labour Offices, 4 000 of employees of Labour Offices were trained in FL and 200 employees gained Lecturer of FL certificate.142

Looking also beyond the national focus, effort in FL area is shown by the OECD. Since 2008, International Network on Financial Education (INFE) and International Gateway for Financial Education exist. FL is newly included in PISA 2012143, monitoring of development of Czech students in selected areas and comparison in the international context. Among the OECD recommendations belong also support of FL by governmental bodies and local bodies of public administration. Other recommendation is FL programmes coordination.144 This is very important especially in the Czech Republic as many entities have a haphazard set of projects, sometimes overlapping with similar projects addressing similar audience provided by other entities. Additionally, the OECD/INFE has developed monitoring and evaluation tools that can be used to assess financial education programmes145 which might be helpful for organizations to measure and then also report on their projects focusing on FL. The European Commission provides an online consumer education called Dolceta.

The Centre of economic and legal studies of Masaryk University (which is a public university) has also project to increase FL, focusing on students and academic staff of Masaryk University (seminars, workshops etc.). Economics and Administration Faculty of the Masaryk University offers a course called Personal Finance and it also published a publication on this subject matter. Institute for Financial Market, Masaryk University, prepares interactive seminars (for teachers) on FL in Civics and other courses.146 A few more


143 Ibidem


entities belonging to public sector are stated in Appendix C which displays selected public sector entities pursuing improvement in FL, based on Ministry of Finance list of entities¹⁴⁷ and website of some particular entities. I have drawn the Figure 13 from the list in Appendix C, showing the priority of those projects concerning target groups. We can see there that General Public is the most priority group for the selected entities representing public sector, followed by teachers and students. 47% (7) of projects for General Public are web-based, and from those web-based, 57% (4) are interactive. In terms of cooperating institutions, one project was supported by ČSOB and one by other private entities.

Figure 13 – Projects of public sector to increase FL according to target groups

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Public</td>
<td>10, 28%</td>
</tr>
<tr>
<td>Teachers</td>
<td>4, 11%</td>
</tr>
<tr>
<td>Children and Youth</td>
<td>2, 6%</td>
</tr>
<tr>
<td>Schools MNG/Curricula</td>
<td>2, 6%</td>
</tr>
<tr>
<td>Creators</td>
<td>15, 43%</td>
</tr>
<tr>
<td>Seniors</td>
<td>2, 6%</td>
</tr>
<tr>
<td>Others</td>
<td>4, 11%</td>
</tr>
</tbody>
</table>

*Source: Own Compilation. Based on data in Appendix C.*

5.4.2 Non-Governmental Organizations

There is a list of selected entities on the website of the Ministry of Finance of the Czech Republic¹⁴⁸. The list includes the main entities which are active in their effort to increase FL in the Czech Republic, however the list is not totally inclusive and complete as there are many entities dealing with this issue on a small scale as well.

I have drawn the third sector entities from the list provided by Ministry of Finance, made it more concise and also added few other NGOs which pursue improvements in FL in the Czech Republic as well. This compilation is to be found in Appendix D.

As we can see in the table in Appendix D, there are 29 selected NGOs active in the area of increasing FL, with 71 selected projects. The most often, the target group of the projects are **children and youth** (37%) – when summing all relevant particular groups up.

¹⁴⁷ Ministry of Finance. [2012-05-08]  

¹⁴⁸ Ministry of Finance. [2012-05-08]  
followed by General Public (35%), teachers (14%) and consultants/social workers and professionals (6%). The absolute numbers of projects focusing on particular target groups are to be seen in Figure 14.

*Figure 14 – Projects of NGOs to increase FL according to target groups*

![Pie chart showing the distribution of projects by target group.](chart.png)

*Source: Own Compilation. Based on data in Appendix D.*

The most targeted group within the projects focusing on children and youth are secondary school students (and within one project also graduates), being target group of 47% of all projects for children and youth. The absolute number of projects according to the particular target groups referring to students and children is to be found in Figure 15.

*Figure 15 – Projects to increase FL of students and children*

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Number of Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary School students</td>
<td>7</td>
</tr>
<tr>
<td>Secondary School students/graduates</td>
<td><strong>17</strong></td>
</tr>
<tr>
<td>Higher Technical School students/graduates</td>
<td>1</td>
</tr>
<tr>
<td>University students</td>
<td>2</td>
</tr>
<tr>
<td>Students in general (not specifically)</td>
<td>6</td>
</tr>
<tr>
<td>Children's Homes</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: Own Compilation. Based on data in Appendix D.*

However, 19 of the projects focusing on General Public (it means 56% of the projects for General Public) are just web-based and only 9 of those web-based (47%) are more interactive (not just web sections stating some terms and definitions but e-learning portals, calculators, software etc.). In comparison, only 10 (28%) out of 36 projects for children and youth are web-based, with 6 of those web-based (60%) being interactive. With this being
considered, children and youth are more targeted, not just in quantity but also by the form which is more effective since the majority of projects for General Public are just web-based and even smaller percentage of those are interactive, compared to projects for children and youth.

This is supported by Lenka Ningerová from ČNB who mentioned during my interview with her that although there are many various web sections explaining terms related to FL, the question is how many people read them in reality. Most probably, the interest of target groups in interactive web-based initiatives in regards to FG is higher than in websites with stating finance-related terms. Also, by web-based initiatives, feedback of users is in most cases missing.

Regarding the cooperating institutions of those NGOs and their projects, six of the selected projects were supported by ČSOB. Two of them were supported at the same time also by other private companies and additional ten projects were supported by other private companies.

As we can see, there are many various NGOs that pursue to improve FL in the Czech Republic. However, it is very difficult to find out information about their real impact and the scope of their influence in terms of the objective quality and influence of those projects but also even regarding the total number of people reached.

To conclude, in general, most of the NGOs focus on children and youth. The projects which are intended for adults, or general public, is in most cases only web-based. Thus, people from target group who do not search on internet for FL-related information, are very likely not to be reached by those.

5.4.3 Private sector

To find out “Supply” of private sector entities in terms of FL, I have sent a questionnaire to 33 financial institutions (both the text of the questionnaire and the list of the financial institutions contacted can be found in Appendix E). 13 companies have replied. I found the information needed for the rest of companies (plus 2 additional banks that I did not contact) on internet.

From the total number of 35 financial institutions, only 8 companies support FL-related projects within their CSR activities. From 15 projects in total, 5 (i.e. 33%) are web-based (just one of those web-based is not interactive). Regarding target groups, 68% weight is placed on children and youth and 16% on General Public. Concerning budget spent on FL-related projects, only 3 banks have provided more concrete information. Česká spořitelna spent 12.7 millions CZK on FL projects in 2011, including cooperation with universities. Equa bank stated that it provided last year „tens of thousands CZK“.

A representative of Privat Bank AG mentioned that they spent annually more than 100,000 CZK (5 seminars per tens thousands CZK) since the year 2009, plus 200 employee hours annually (5*40 hours). If we take the average of national hour wage rate to be 193.21 CZK/hour (as used by ČSOB in filling in LBG database too), we get additional 38,642 CZK, thus in total more than 138,642 CZK annually. Citibank just states on its website that besides financial contribution also
employee professional support is provided for one project (e-learning programmes). However, no concrete numbers are provided.

Nearly any outcomes and impacts were possible to be found on entities’ websites or through e-mail conversations. Only by 6 projects, at least the number of participants or people influenced was provided (for details please consult Appendix F). Similarly, information on measurement method used was not provided or it was stated directly that no measurements are undertaken. Only Česká spořitelna provided more detailed data regarding their measurements: In the past, LBG was used but not to measure impacts, just for financial contribution volumes in terms of philanthropic projects. However, they started to conduct survey among general public to find out among others what the bank should do in this regard according to the opinions of the public.

Thus, those financial institutions which are active in contributing in FL projects are mainly focusing on children and youth again, and additionally supporting projects for General Public, such as Counselling in Financial. However, it seems like money in this area is not strategically targeted by nearly any of the private sector representatives, it is in most cases just provided to the projects which are offered to them.

When adding five more selected private sector players (details see in Appendix G) which intend to increase FL in the Czech Republic, the total number of private sector entities in this regard is 40. Three out of seven projects are focused on General Public, none of those three projects being web-based. Putting data for financial institutions and these five additional entities together, we gain Figure 16 regarding target groups.

*Figure 16 – Projects of private sector entities to increase FL according to target groups*

![Figure 16](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html)

To compare the “Supply” of private companies in terms of FL to their day-to-day behaviour and core business, we should look at the data describing how it is with the proportion of debts according to the creditor type. Looking at the debts according to the
institution (creditor) that people have when in financial distress, we can use the statistics about the clients of AOP for the years 2008-2011 for the estimate. As we can see in Figure 17, bank loans are represented by 23% so there is still a space for banks to prove to their overindebted clients in practice, in their core business that they care about social issues. Based on my interviews with AOP consultants, some AOP clients just need a bit more time to be able to send their installment sometimes based on the circumstances they cannot influence, e.g. receiving their sickness allowance late. Thus, banks should for instance try to firstly evaluate which clients have been really irresponsible in a longer run and which ones have just a critical time with their finances.

**Figure 17: Debts of AOP clients in 2008-2011 according to institution (creditors)**


### 5.5 Finding the Gap: Mismatch between „Need“ and „Supply“

Based on my analysis above and my interviews with representatives of Civic Counselling Association, Counseling in Financial Distress and other experts on the FL area, supported by secondary research, the most vulnerable target group which needs assistance in terms of increasing their FL is **low-income adult population, especially between the age of 30 and 40 (or more broadly in their late 20ties, 30ties and 40ties).** This age is the time period of biggest work productivity when they strive to secure themselves and their family and enjoy a certain standard for which they often use financial products, loans. More specifically, low-income households, regions with high unemployment and concentration of socially vulnerable groups are belong to the grops which need to improve their FL.

Looking at the “Supply” side however, although it is currently most focusing on General Public (see Figure 18), those initiatives are less effective than those on children and youth since being often just web-based and in many cases not interactive. However, there are some exceptions, such as “fire extinguishing” (compared to prevention), in form of counselling after unfavourable decisions, often caused by low level of FL, have been already
irretrievably made. Assistance in these cases is vitally important, however the focus should be places also more on the prevention so that the “fire extinguishing” cases are needed less and less frequently. Those counselling centres are ready to help also people who are only at that time deciding on which loan to take or other financial issues but those persons unfortunately in most cases do not know about the possibility to get an independent expert advice, and for free.

Most probably, the best attention is drawn towards children and youth. Nevertheless, FL starts to be mandatorily included to primary and secondary schools, as a systematic republic-wide approach is needed, according to the results of research on FL and trend in overindebtedness. Thus, in several years, all children at these school levels should have already FL in their curricula (at the latest primary schools in 2014). Of course, in the upcoming years, the quality of FL taught mandatorily at those school do not have to be very high, till everything is properly set up and teachers well trained on how to educate students on this matter. David Šmejkal, Director of PFT, confirms in our e-mail conversation this assumption, saying that he does not expect significant improvements in the level of FL of students finishing their primary or secondary education based on those reasons in the horizon of 15-20 upcoming years still.

Therefore, control of the development in FL of students needs to be undertaken (currently already FL is included in PISA 2012 which is monitoring of FL development also in the Czech Republic). Additionally, audits to ensure the control of fulfilling School Educational Programme properly within FL should be done too. The feedback of teachers themselves would be valuable as well (where are the weaknesses and drawbacks of FL being implemented in the curricula).

\[Figure 18: \text{Target groups of “Supply” side Summary (state, NGOs, firms)}\]

As of the structure of the target group aggregated as Children and Youth, the biggest proportion (45%) of all “Supply” of FL to that group is taken by Secondary School students. More details can be found in Figure 19.

**Figure 19: Structure of Target group Children and Youth (“Supply” side Summary)**

![Figure 19: Structure of Target group Children and Youth (“Supply” side Summary)](http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html)


**How to approach the target group**

The most vulnerable group described above, **between the age of 30 and 40** and adjacent intervals, is at the age when the first significant **Turning Point** happens, such as losing longer-term job, founding a family, buying a new house, getting divorced or having first health problems. As adults often miss motivation to self-education, focusing communication on those Turning Points when the motivation is increased by the topicality of the financial problems’ threat, is more effective.

All these Turning Points are at the same time a **Teachable Moment** for the person. And, for all these Turning Points, money is needed which means often taking a loan. At these moments, people actually need, and are often also open, to get the correct information in the financial area. Thus, effective is to provide financial education during those **Teachable Moments**, besides as a part of the mandatory school education when students increase their FL in the process of learning about other areas as well. The places were to target this adult target group is at hand: Labour Offices, Maternity and general hospitals, Real Estate Bureaus, Family, Spouses and Divorce Counselling, Courts (since Requests for Divorce are submitted to regionally competent courts), eventually also Town Halls (where particular issues of local citizens intend to be solved) etc. Information on possible counselling in financial issues, seminars or a hint on specific websites concerning those topics could be included on posters put on notice-boards and/or leaflets at those places where usually target group representatives are waiting, having a spare time to read information at those places.
Additionally, adults (mainly with lower income) could be approached and targeted also via media which they use. Media can have a direct impact on people’s behaviour, as also experience of Counselling in Financial Distress (PFT) suggests: “... A steep increase in questions followed always after PFT had been presented in media (television, radio, print, internet)”. According to my phone survey with clients of Counselling in Financial Distress (details on interviews and results to be seen in Appendix H and Appendix I), the majority of respondents of those who mentioned a concrete print medium, reads MF Dnes, followed by Blesk, Metro and Právo. Some respondents read various magazines (do not have a favourite one) and some read just about sport (in various print media). However, 32% (in absolute numbers 10 out of 31) respondents do not read any print media.

Also in regards to television, 32% of respondents do not watch it at all (some of them do not have it). From those who mentioned which type of programmes on television they watch, 35% of mentioned programmes cover news, 22% various series and 17% Debt-related series (for more details see Figure 20).

**Figure 20: Television Programmes clients of AOP watch**

![Figure 20: Television Programmes clients of AOP watch](image)

Source: Own Compilation based on Phone Interviews with clients of AOP.

23% of respondents mentioned by their own (not asked on it) that they use internet to use news and also to search job offers (job portals could be then targeted as well to improve FL of their visitors). 6% mentioned radio (without asking specifically on that). According to Annual Reports for 2011, 2010 and 2009 of PFT, clients got to know about PFT within media category mostly just from internet, followed by television and print.

Moreover, in relation to the core business behaviour of ČSOB, it could help its clients who have newly problems with repayment by providing them information on possibilities to

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obtain advice at independent counselling (PFT or AOP), make them cautious about not independent counselling services or potentially provide them directly with some useful advice. Thus, it could contribute as a prevention tool to lower the number of people who are often being overindebted for quite a long time already before finally asking for advice by independent counselling. Also, financial institutions in general should provide professional consultations and significant data regarding FL, of course with no promotion of its products and pressure on clients should take place. Transparency, clarity and simplicity of contracts need to be ensured, too.

To conclude this section, as already described, current children, thus the future generations, start to be hopefully already covered regarding their FL, but how to financially educate all the current adults to prevent them from making financially unfavourable decisions? The most reasonable solution is in my view, and supported also by empirical studies, focusing on people at their Teachable Moments when they need a professional advice but are now not aware about the possibilities that and how they could obtain those invaluable advices.

5.6 ČSOB – Application of Measurement Methods

As there were no SMART objectives set up by ČSOB in regards to what the CSR projects in FL area should bring and what impacts they should have and on which particular target group/s (as ČSOB did not conduct the for that needed analysis - based on Pavlína Housová, former CSR manager of ČSOB), I cannot compare the impacts achieved in practice to the previously set up goals to state if the objectives were successfully accomplished or not or to which extent. However, I will measure the impacts of some selected CSR projects to show the application of methods.

In regards to every project, indicators are needed to be developed or chosen with reference to an existing method or framework. Then, the best is to state which method or measure will be used to track those indicators.

In this case study, I focus on impacts and outcomes of the projects in regards to FL, thus not taking into account other aspects such as participants’ satisfaction in terms of entertaining element of the project etc. Thus, the main focus is on how and to which extent the project influenced the FL of the participants.

Note to the measurements: Two projects regarding the support of Civic Counselling Association (PFT) and Counselling in Financial Distress (AOP) are joint initiatives of ČSOB and Postal Savings Bank (Poštovní spořitelna).
5.6.1 London Benchmarking Group methodology

The LBG Model in general\footnote{Information used in this section were obtained from LBG: http://www.lbg-online.net/media/13256/making_a_difference_management_report.pdf and Measuring Corporate Community Investment. 2011 Annual Review. http://www.lbg-online.net/media/13725/lbg_annual_review_2011.pdf}

As explained in the theoretical part of the Thesis, LBG is used to measure benefits and impacts of projects on community but also on companies and NGOs involved. To provide more technical characteristics of the method, among other specifics of its implementation is that it monitors Inputs, Outputs as well as Impacts of the projects. As seen in Figure 21, within the Outputs of the project fall Leverage (we can take this in a simplified form as a benefit for NGO from the cooperation), Community Benefits and Business Benefits. The impacts are divided just into two groups, Community Impacts and Business Impacts.

**Figure 21: The LBG Model**

<table>
<thead>
<tr>
<th>INPUTS</th>
<th>OUTPUTS</th>
<th>IMPACTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HOW?</strong> Cash, time, in-kind, management costs</td>
<td><strong>Community benefits</strong>: e.g. numbers helped</td>
<td><strong>Community impacts</strong>: How beneficiaries are better off</td>
</tr>
<tr>
<td><strong>WHY?</strong> Charitable gift, community investment, commercial initiative in the community</td>
<td><strong>Leverage</strong>: Extra funds raised</td>
<td><strong>Business impacts</strong>: How the company is better off</td>
</tr>
<tr>
<td><strong>WHERE?</strong> Geographic location</td>
<td><strong>Business benefits</strong>: e.g. employees engaged</td>
<td></td>
</tr>
<tr>
<td><strong>WHAT?</strong> Subject focus</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Inputs are resources put into project. We need to differentiate between outputs, outcomes (in a simplified way benefits) and impacts. The terms are explained in an LBG document called *Making a Difference*. Outputs are the immediate products or services that the project/partnering NGO delivers as a result of company’s inputs. They can be measured earlier than impacts, ca one year after project started. Outcomes are benefits, changes, learnings or other results which are brought about by the project. They describe an effect of the project, such as improved literacy skills, on an individual or a group but they don’t describe how those changes have benefited society as a result. Impacts are wider long-term effects. That is why, they can be successfully monitored after few years after realization of the project started. “They are often assessed by looking beyond the original beneficiaries and
measuring the benefits to society, or groups within society, as a result (e.g. the impact of improved literacy skills may be to reduce reliance on state benefits)." 152

The three aspects (inputs, outputs, impacts) are logically recommended to be monitored most importantly by long-term projects which pursue some social change or improvement of society in a certain area (so that impacts can be measured). Often, educational, social and health-related projects or projects focusing on a selected target group (seniors, disabled people etc.) are monitored and measured. Projects are often not undertaken by the company itself but by an NGO – they can be just supported by the company.

ČSOB Specifics within Inputs section of the LBG Model

The CSR projects of ČSOB in the area of FL (WHAT part from Figure 21 above is therefore FL, or generally Education) belong, based on the purpose (WHY part of the LBG Model) of ČSOB to support those projects, to the Social Investments, or Community Investments, type of projects, falling thus off to the Philanthropy category as well as the broader CCI category of projects. Those projects should be “win-win” initiatives for both, community as well as company since they enhance healthy, prospering society which is good to do business in. Thus, it helps the long-term success of the company at the same time.

These projects are geographically focused on the whole Czech Republic (WHERE part). ČSOB contributes to all its FL-related projects particularly financially (HOW part). Only a small part of the costs is built up by managerial, administrative and communicational costs (in terms of time) needed for organization and coordination of the projects.

LBG indicators and measures Application 153

A working group (Corporate Citizenship, 8 companies and Zurich Community Trust) developed a two-stage approach to output and impact assessment in regards to LBG. The following details regarding application of this tool can be found in an online document called Making a Difference. 154

The first step, called “Programme Mapping”, is intended to collate data on every project objectives, beneficiaries and impact areas to identify the areas of already actual or possible impact. We need to use the Indicator Checklist to identify the output and impact types the projects are achieving, grouped in four broader headings (Benefits to People/ Beneficiary Organizations/ Environment/ Business). For ČSOB projects within FL, three out of those four areas are relevant (all except of Environment).

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153 Note: All relevant data and materials obtained from ČSOB were used for the LBG methodology application on the FL-related projects supported by ČSOB. However, some specific data did not have to be necessarily provided by all partner-NGOs which could potentially lead to some inaccuracies, in terms of not having all detailed data exhaustively provided.

Here, we highlight or choose the indications which are relevant to all particular projects as I did in Figure 22. There all the projects regarding FL can be included in one table, or for every project a separate table can be made. This Indicator Checklist which you can see in Figure 22 is adapted and shortened version of LBG Indicator Checklist (the LBG original version can by found in the document referred to above\(^\text{[155]}\)). This step is needed to understand where (on which target groups) and how ČSOB is making difference with its particular projects, in this case FL. However, I am not including the outcomes and impacts of all particular projects which ČSOB has supported in the years 2006-2011 as because of much data missing on that (even more for the earlier years), the picture would not be relevant. Therefore, I am focusing on 3 most important projects in following parts more into detail for which outcomes and impacts were still possible to be found in an appropriate way. Tracking outcomes and impacts needs to be done right after the project realisation, during its realisation already or shortly after that, otherwise the responses gained are usually not accurate and also often even forgotten/lost.

This Indicator Checklist can be used besides the evaluation phase also at the outset of projects to make targets which the company together with partnering NGO want to achieve. The main change to the original version (besides using just selected indicators) is that I differentiate in the modified Indicator checklist already what benefits belong to outcomes and which are broader, longer-term impacts.

*Figure 22: Indicator checklist – just the most relevant indicators from LBG list for FL-related projects of ČSOB included*

<table>
<thead>
<tr>
<th>Reason of ČSOB to undertake the projects</th>
<th>Financially healthy community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Period being assessed</td>
<td></td>
</tr>
<tr>
<td>Output/impact indicators by area and type</td>
<td></td>
</tr>
<tr>
<td><strong>Wider relevance of the activity</strong></td>
<td></td>
</tr>
<tr>
<td>Link to CCI programme objectives</td>
<td>Increasing FL</td>
</tr>
<tr>
<td>Links to wider business impact</td>
<td>Financially healthy community</td>
</tr>
<tr>
<td><strong>Target Groups</strong></td>
<td></td>
</tr>
<tr>
<td>According to Age</td>
<td></td>
</tr>
<tr>
<td>Children aged up to 11</td>
<td></td>
</tr>
<tr>
<td>Children aged 11 to 16</td>
<td></td>
</tr>
<tr>
<td>Students</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Social groups:</th>
<th>16-24 not in education, employment or training</th>
<th>Street children</th>
</tr>
</thead>
<tbody>
<tr>
<td>All social groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Often Unemployed people</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Often People on low incomes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>People with financial problems</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Benefits to people**

<table>
<thead>
<tr>
<th>Making a positive change in people's attitude or behaviour e.g:</th>
<th>Number of people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Making informed choices</td>
<td></td>
</tr>
</tbody>
</table>

**Skills and personal development e.g.**

| Access to training course | |
| Completed training course | |
| Increased financial awareness | |
| Increased employability | |
| Increased literacy | |
| Increased numeracy | |
| Ability to manage finances | |
| Decision making/ problem solving skills | |
| Critical thinking skills | |

**Making a direct impact on people's quality of life e.g:**

| Able to access information/ public services | |
| Improved financial situation | |
| Improved physical health | |
| Increased independence | |
| Increased confidence / self esteem | |
| Access to educational facilities | |
| Increased life expectancy | |
| Access to justice/legal services | |
| Access to positive role models | |

**Types of beneficiary organisation(s)**

<table>
<thead>
<tr>
<th>Charity</th>
<th>Number of Organisations</th>
</tr>
</thead>
<tbody>
<tr>
<td>School</td>
<td></td>
</tr>
<tr>
<td>University</td>
<td></td>
</tr>
<tr>
<td>Small/start-up business/social enterprise</td>
<td></td>
</tr>
<tr>
<td>Local community group</td>
<td></td>
</tr>
</tbody>
</table>

**Benefits to organisations**

<table>
<thead>
<tr>
<th>Capacity building e.g:</th>
<th>Number of Organisations which gained following benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business benefits</td>
<td>Cash or Other Measure</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>Reputation</strong></td>
<td></td>
</tr>
<tr>
<td>Value/impact of press coverage</td>
<td></td>
</tr>
<tr>
<td>Improved relationship with Gov’t/regulators</td>
<td></td>
</tr>
<tr>
<td>Building stakeholder trust</td>
<td></td>
</tr>
<tr>
<td>Improved relationship with the community</td>
<td></td>
</tr>
<tr>
<td>Known as employer of choice</td>
<td></td>
</tr>
<tr>
<td>Brand building/profile</td>
<td></td>
</tr>
<tr>
<td><strong>Customers</strong></td>
<td></td>
</tr>
<tr>
<td>Raised customer awareness</td>
<td></td>
</tr>
<tr>
<td>Meeting customer expectations</td>
<td></td>
</tr>
<tr>
<td><strong>Employees (not related to Volunteerism)</strong></td>
<td></td>
</tr>
<tr>
<td>Increased Satisfaction (better social atmosphere)</td>
<td></td>
</tr>
<tr>
<td>Increased Productivity</td>
<td></td>
</tr>
<tr>
<td>Stronger Commitment to company (thus positive Word of Mouth)</td>
<td></td>
</tr>
</tbody>
</table>

Source: Modified. LBG. Making a difference.  
http://www.lbg-online.net/media/13256/making_a_difference_management_report.pdf

The second step, “**Programme Assessment**”, includes a set of measures whereby the depth of benefits can be assessed. Thus, extent to which people’s lives/environment/business are better off based on firm’s contribution can be ascertained. The aim of this step is by using a set of standard tools across all separate projects to gain comparable information on the overall outcome and impact made by the whole CCI programme. In this step, particular tools need to be selected from the available four **Measuring Tools** which are needed to be utilised. They are four types, according to the project output/impact beneficiaries: **People/Organisations/Environment/Employee Volunteers**. The first three tools are suggested to be filled in by the beneficiary organisation, mostly NGO, as this entity sees the impacts accomplished usually at hand, compared to the company. The fourth tool, a set of indicators,
was designed to gain the information from volunteer employees about output/impact made on them selves.

Those consistent measures can help companies to compare the particular projects supported. In this step, the extent to which the difference was made should be identified. When everything is filled in, overall impact totals could be calculated. In the case of ČSOB in FL, two out of four tools could be used, the one focusing on People and the one focusing on Organisations.

However, the detailed indicators published in the Making a Difference report for People part cannot be used on the ČSOB case based on the data available (not in such a detailed way). However, in Chapter 5.6.2, I have developed a comprehensible tool which summarizes all Community, NGO (partnering organisation) and Business Benefits and Impacts of each project together. I show the application on two examples, the most important projects of ČSOB within FL. Within the chapter 5.6.2, I compiled a method, tailored for the case of ČSOB but possibly applicable also for other type of projects and/or other companies, which is more concise.

**LBG report**

The final version of LBG report on ČSOB Case Study which I prepared for Business for Society already in December 2011 in a longer version, but was finalised and approved in May 2012, can be found in Appendix J. That version is however updated to November 2011 and not so exhaustive, in comparison to the report and data described in the main text of the thesis.

However, at the time of this LBG report preparation, the data for the year 2011 were not complete yet. The updated number representing Invested Resources for the whole period 2006-2011 is 34 755 206 CZK.

All invested resources are just in terms of financial support. However, according to some internal documents of ČSOB, few tens of ČSOB regional offices employees participated in regional seminars and lectures organised by Civic Counselling Association intended for general public as well which was not officially stated in LBG database however.

**5.6.2 Own Method – Tailored Compilation**

In Figure 23 you can find my working table which I compiled to find out data for the Indicators Checklist in the previous chapter as well as for the tables shown in this chapter. I am showing in this figure just information for 1 project, AOP (not to disclose confidential data). I should be however done for all the projects separately. By filling in all information, effectiveness of each project can be found out and then compared with other projects to help ČSOB choose which projects are the most cost effective ones – as a criterium in projects’ selection process to decide which projects to pursue and which rather not according to this criterium. However, other criteria, such as the right target group which ČSOB wants to focus on, are also very important when deciding about which projects to pursue in the future. I will show on an example how to find out the effectiveness of particular projects in Chapter 5.6.3 Other methods.
### Figure 23: Working Table to monitor data

<table>
<thead>
<tr>
<th>Year/s (2008-2011)</th>
<th>Project</th>
<th>Target Group</th>
<th>Social Effectiveness (social desirability) - Target Group</th>
<th>Social Effectiveness - Geography</th>
<th>Total Project Cost</th>
<th>Financial Effectiveness - cost per person affected</th>
<th>Financial Effectiveness - cost per person impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>AOP</td>
<td>General Public</td>
<td>High</td>
<td>Czech Republic (15-19 Civic Counselling Centres)</td>
<td>12,200,000 CZK</td>
<td>548</td>
<td>3,836</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantitative Measures - Community</th>
<th>Qualitative Measures - Community</th>
<th>Quantitative + Qualitative Measures - ČSOB</th>
<th>Quantitative + Qualitative Measures - NGO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome - Number of direct beneficia ries</td>
<td>Impact - Number that have experienced long lasting change</td>
<td>Outcome for Community Impact on Community</td>
<td>Outcome for ČSOB (method) Impact on ČSOB (method)</td>
</tr>
<tr>
<td>22,249</td>
<td>3,180</td>
<td>Increased FL of individuals (educational benefit)</td>
<td>Higher FL in society (as clients share gained FL with their close ones), Less social allowances from the state needed, Long-term impact on life in general</td>
</tr>
</tbody>
</table>

Source: Own Compilation.

Note: In case of more contributors to one project: Outcomes and Impacts should be proportional according to percentage of ČSOB contribution on the whole contribution.

Method which was used to measure outcomes and impacts should be added too if appropriate.

If relevant, Total Project Cost can be divided into Financial Contribution and Managerial Cost.
Just to compare, PFT proved to be more cost effective than AOP (however, we need to take into account that impacts were estimated just), effectiveness in cost per person affected (167 CZK) or per person impacted (324 CZK).

The full version of Measuring Tools of LBG methodology is not publicly available online, and the details cannot be disclosed at this place unfortunately as well, but I can at least mention that from my experience when compiling an LBG report of ČSOB in FL, I see the structure of a few parts of some Measuring Tools not as comprehensible and clear as it could be. Relevant data should be placed to information which is related to it, thus also decreasing space needed and making the tool more understandable and concise. Also, some of the information needed to be filled in twice.

For both reasons, lacking possibility of the full version of Measuring Tools to be disclosed and few drawbacks I have noted on the tools, I have compiled tables, based on my research on various methodologies for measuring, personal interviews with two GRI Certified persons and several other experts on subject matter. I tried to make them more comprehensible and using just the relevant (and at the same time for this Case Study available) data needed than more detailed LBG tools or other methods. From my point of view, all the related data are thus being interconnected and arranged according to a logic and convenient structure.

Outcomes and Impacts of Selected Projects\textsuperscript{156} in detail

Civic Counselling Centres (Asociace občanských poraden, AOP) and Counselling in Financial Distress (Poradna při finanční tísni, PFT) are projects which are supported in the long-run by ČSOB in the biggest proportion of all money invested in all FL-related projects in total throughout the long-run. Therefore, I will go into more detail regarding their outcomes and impacts.

1) Civic Counselling Centres (AOP)

ČSOB has financially supported AOP’s project Debt Counselling since the year 2008. Number of Civic Counselling Centres belonging to AOP which were involved in the project is between 15 and 19 in the period of 2008–2011 (2008: 15, 2009: 17, 2010 and 2011: 19). Application of the internal data from ČSOB and answers from Director of AOP, Stanislav Skalický, can be found in Figure 24. As seen, I divided target groups according to income and also age intervals.

Regarding Outcomes and Impact Assessment, I need to mention that all of the outcomes and impacts shown in the Figure 24 are relevant to the whole project which is\textsuperscript{156} Mainly own calculations based on the data available at: AOP. Summary Report for the Project. Debt Counselling in the period January 2008 – December 2010. Prepared by Plháková, K. June 20, 2011. 62 p.

83
however financially supported besides ČSOB also by Poštovní spořitelna (PSB). Within the period of 2008-2011, ČSOB contributed to the project in total 12,200,000 CZK. PSB contributed by 331,126.48 CZK in 2011. Proportionally, ČSOB thus contributed 97.36% of all funds for this project, which means that the outcome of just ČSOB was 21,662 of direct beneficiaries/Consultations (out of the total 22,249 shown in Figure 24) made in 2008-2011. Proportional impacts of ČSOB contribution cover 3,096 AOP clients who have, or are likely to have, experienced a long lasting change (out of 3,180 which is shown in Figure 24). Also, SMART target and Time Period which is being assessed need to be mentioned at the beginning.

**Figure 24: Indicators, Outcomes and Impacts – Community**

<table>
<thead>
<tr>
<th>SMART target</th>
<th>E.g. 20 seminars provided, 7,000 people advised and 800 cases completed/solved annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Period being assessed</td>
<td>2008-2011</td>
</tr>
</tbody>
</table>

**Indicators**

<table>
<thead>
<tr>
<th>Target Groups</th>
<th>Outcomes (Number of Consultations)</th>
<th>Impacts (Number of Cases Solved)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>According to Income (CZK)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>below 8,000</td>
<td>2,217</td>
<td></td>
</tr>
<tr>
<td>8,001-13,200</td>
<td>3,230</td>
<td></td>
</tr>
<tr>
<td>13,201-18,400</td>
<td>1,816</td>
<td></td>
</tr>
<tr>
<td>18,401-20,200</td>
<td>491</td>
<td></td>
</tr>
<tr>
<td>20,201-25,399</td>
<td>394</td>
<td></td>
</tr>
<tr>
<td>25,400-30,599</td>
<td>122</td>
<td></td>
</tr>
<tr>
<td>30,599 and more</td>
<td>68</td>
<td></td>
</tr>
<tr>
<td><strong>According to Age</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30</td>
<td>2,244</td>
<td></td>
</tr>
<tr>
<td>31-40</td>
<td>4,015</td>
<td></td>
</tr>
<tr>
<td>41-50</td>
<td>3,242</td>
<td></td>
</tr>
<tr>
<td>51-60</td>
<td>2,266</td>
<td></td>
</tr>
<tr>
<td>above 60</td>
<td>1,668</td>
<td></td>
</tr>
<tr>
<td><strong>Total Number of People benefiting/impacted</strong></td>
<td>22,249</td>
<td>3,180</td>
</tr>
</tbody>
</table>


**Outcome Type (in No. of people)**

<p>| Increased FL (educational) | 22,249 |</p>
<table>
<thead>
<tr>
<th>Impact Type</th>
<th>Tens thousands people</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher FL in society (as clients share gained FL with their close ones)</td>
<td>Tens thousands people</td>
</tr>
<tr>
<td>Less social allowances from the state needed</td>
<td>Money from state budget saved - can be used elsewhere</td>
</tr>
<tr>
<td>Long-term impact on life in general</td>
<td>3,180 people</td>
</tr>
</tbody>
</table>


It is needed to note that number of cases which were solved/completed is taken as impact. However, this measure does not exhaustively embrace all the impacts achieved in reality as many clients do not inform AOP about the results of their case.

In Figure 25 the outcomes and impacts are filled in with data from ČSOB internal documents and information from Mr. Skalický. This tool shows the impact of the ČSOB contribution on the partner organisation, here AOP. We can find there information about cash contribution in the selected period (here from 2008 to 2011, otherwise can be used similarly for annual assessments).

Figure 25: NGO Indicators, Outcomes and Impacts – AOP

<table>
<thead>
<tr>
<th>Outcomes (funds obtained)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Contribution (CZK)</td>
</tr>
<tr>
<td>Additional funds obtained*</td>
</tr>
</tbody>
</table>

*Also from ČSOB within a different project. Director of AOP: "Currently, we cooperate with ČSOB on another project. Meanwhile, I would estimate the annual profit on 100,000 CZK"

<table>
<thead>
<tr>
<th>Impacts - feedback from Director of AOP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantitative</td>
</tr>
<tr>
<td>New services/products possible to be provided</td>
</tr>
<tr>
<td>Management systems (e.g. IT, HR, finance) improved</td>
</tr>
<tr>
<td>More time with target group spent</td>
</tr>
<tr>
<td>More employees hired</td>
</tr>
<tr>
<td>Employees training possibilities improved</td>
</tr>
<tr>
<td>Lobbying for legislative changes improved</td>
</tr>
</tbody>
</table>
Cooperation with ČSOB has improved our PR in a significant way. People know about us more and the joint project enables us to serve more people, increase the quality of counselling. Thanks to the project, we obtain a series of casuistic and statistical data which serve us as a basis for alerting public administration authorities on the most serious problems in this area and on the possibilities to eliminate them or at least mitigate the impacts on ordinary citizens.

Source: Modification of indicators mentioned in Making a Difference, Management Report (p. 24, http://www.lbg-online.net/media/13256/making_a_difference_management_report.pdf)

Data from ČSOB internal materials and the rest filled in by the Director of AOP, Stanislav Skalický.

As indicated in the Figure 25 above, six out of eight statements from the LBG template concerning contribution from ČSOB were marked as score 4, meaning Significant Development, one as score 3, Some Development and just one as 0, Not relevant to this activity. Extra funding accessed thanks to the project taken into account in this assessment of project called Debt Counselling was also from ČSOB on another project (Mr. Skalický estimates annual profit to be approx. 100,000 CZK meanwhile). The Director of AOP adds other impacts such as better PR, obtaining statistical data being also used to alert public administration on serious current problems.

ČSOB does not focus much on measuring outcomes and impacts of its CSR activities within FL on ČSOB itself. I recommend basic outcomes and impacts (as shown in Figure 26) to be tracked. How many articles were published about ČSOB, based on all its initiatives in FL, can be found out with the help of partnering NGOs. Additionally, regarding employees’ satisfaction and commitment, derived from ČSOB being socially responsible company, it can be ascertain according to employee survey (which is already taking place in ČSOB but not focusing much yet on CSR). Employee fluctuation and increased productivity can be influenced by many (also external) factors so it is very difficult to measure that. However, with suitable questions within the survey, those features can be found indirectly.

**Figure 26: Business Indicators, Outcomes and Impacts – ČSOB**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Brand Awareness</td>
<td>Press releases, positive image of ČSOB also in regions</td>
</tr>
<tr>
<td>More satisfied and committed employees</td>
<td>Positive Word of Mouth, better atmosphere at work</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impacts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially healthier population</td>
<td>Better conditions for doing business in general</td>
</tr>
<tr>
<td>Lower employee fluctuation</td>
<td>Not measured</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>Not measured</td>
</tr>
</tbody>
</table>
Besides the data provided by above mentioned tables, additional information related to outcomes and impact of AOP project can be looked at. Regarding gender issue, women have created 57% of all clients of AOP in 2008-2011. The biggest proportion of total number of clients in the period of 2008-2011, 40%, has between 100,000 and 500,000 CZK of financial liabilities, as shown in Figure 27. We can assume that clients with higher liabilities, if their case has been solved, gain more from the counselling service in financial terms (what amount of money they actually “save” with the help of a good advice) than clients with smaller amount of liabilities. As seen at Figure 27, most clients have liabilities in the interval of 100,000-500,000 CZK and second most frequent case is liabilities above 500,000 CZK even.

**Figure 27: Number of clients in 2008-2011 according to the amount of their Financial Liabilities (in CZK)**

![Figure 27: Number of clients in 2008-2011 according to the amount of their Financial Liabilities (in CZK)](image)


Note: Clients that did not provide the information on their financial liabilities, are not included in the graph.

The proportion between Impacts and Outcomes of the Debt Counselling project are shown in Figure 28. However, as mentioned above, those impacts shown are not an exhaustive number, while providing information by clients concerning completing the case is not requested by AOP.
2) Counselling in Financial Distress (PFT)

Main objective of PFT is counselling for people in financial distress. More detailed objectives of PFT are prevention of precarious financial situation, mitigating negative impacts of already occurred or imminent financial stability, assistance for communication between consumers and their creditors/courts/court executors.

All of the benefits and impacts shown below are relevant to the whole project of PFT which is however financially supported besides ČSOB also by other 7 partners of PFT and 2 founders of PFT – of those 9 entities, 7 are banks or (building) savings banks. Thus, we need to assign to ČSOB just the relevant proportion of the impacts and benefits achieved within the project. As seen in Figure 29 ČSOB contributed to PFT functioning by 6,379,000 CZK within the period between the years 2008 and 2011, which is 25.5% of total contribution (25,011,323 CZK). Thus, proportionally 25.5% of all impacts and benefits can be assigned to ČSOB contribution.

**Figure 29: Donations from legal entities (in CZK)**

<table>
<thead>
<tr>
<th>Entity Name</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Česká spořitelna a.s.</td>
<td>3,064,000</td>
<td>2,639,000</td>
<td>-</td>
<td>2,242,000</td>
<td>7,945,000</td>
</tr>
<tr>
<td>Stavební spořitelna České spořitelny</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Komerční banka a.s.</td>
<td>2,313,000</td>
<td>833,000</td>
<td>1,174,000</td>
<td>1,657,000</td>
<td>5,977,000</td>
</tr>
<tr>
<td>Českomoravská stavební spořitelna a.s.</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>2,000,000</td>
</tr>
<tr>
<td>Unicredit Bank ČR a.s.</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>500,000</td>
<td>2,000,000</td>
</tr>
</tbody>
</table>
PFT had 11 employees at the end of the year 2011 (compared to 6 at the end of 2008). There are three permanent bureaus of PFT, in Prague, Ostrava and Ústí nad Labem. In their surroundings most of the client requests are situated (although requests can be made from anywhere). PFT is presented temporarily („transit“ counselling) in Litvínov, Šumperk, Česká Lípa, Hradec Králové and Plzeň.

The cases which have been completed within AOP counselling centres in the Debt Counselling project were used as impacts achieved. Concerning PFT, no information regarding successfulness of or completing the case are available so I used individual phone interviews with a sample of clients to find out impacts which counselling had on them, if the advices were useful and if they helped. On that account, I have called 80 anonymous phone numbers, provided to me by the Director of PFT, David Šmejkal. 31 of them (it means 38,75% response rate) were possible to reach so that I have gained feedback on impact of PFT counselling service by 31 current or former clients. The table showing their answers is to be found in Appendix I and these outcomes are used in Figure 30. Before focusing on outcomes and impacts, SMART target and Time Period specific for the assessed programme is mentioned as well. Target groups are even more detailed than in the case of AOP, divided according to income, age and education, showing number of people from these groups benefiting from the ČSOB contribution. All details are disclosed in the Figure 30.

Figure 30: Indicators, Outcomes and Impacts – Community

<table>
<thead>
<tr>
<th>SMART target</th>
<th>E.g. 10,000 people advised annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time Period being assessed</td>
<td>2008-2011</td>
</tr>
</tbody>
</table>

Indicators

<table>
<thead>
<tr>
<th>Target Groups¹</th>
<th>Outcomes (Number of people benefiting)</th>
</tr>
</thead>
<tbody>
<tr>
<td>According to Income (CZK)</td>
<td></td>
</tr>
<tr>
<td>0-10,000</td>
<td>11,098</td>
</tr>
<tr>
<td>11,000-20,000</td>
<td>21,652</td>
</tr>
<tr>
<td>21,000-30,000</td>
<td>4,777</td>
</tr>
<tr>
<td>31,000 and more</td>
<td>646</td>
</tr>
</tbody>
</table>
### According to Age

<table>
<thead>
<tr>
<th>Age Range</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>under 20</td>
<td>115</td>
</tr>
<tr>
<td>21-30</td>
<td>6,006</td>
</tr>
<tr>
<td>31-40</td>
<td>11,834</td>
</tr>
<tr>
<td>41-50</td>
<td>9,348</td>
</tr>
<tr>
<td>51-60</td>
<td>7,043</td>
</tr>
<tr>
<td>61-75</td>
<td>3,545</td>
</tr>
<tr>
<td>above 75</td>
<td>159</td>
</tr>
</tbody>
</table>

### According to Education

<table>
<thead>
<tr>
<th>Education Level</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elementary</td>
<td>6,494</td>
</tr>
<tr>
<td>Apprenticed</td>
<td>18,189</td>
</tr>
<tr>
<td>Secondary</td>
<td>11,444</td>
</tr>
<tr>
<td>Higher Vocational</td>
<td>842</td>
</tr>
<tr>
<td>University</td>
<td>1,310</td>
</tr>
</tbody>
</table>

**Total Number of People benefiting/impacted**: 38,174

---

¹ There is a slight difference in total number of clients according to specific characteristics (age, education) compared to summary table on total number of clients since I had to calculate the number of clients divided according to the specification (age, education etc.) just with available data from PFT website (only rounded percentages from Annual Reports)

² Estimation is based on the sample of 31 clients interviewed, of which **51.61%** stated that the advice from PFT helped them. Calculation of impacts thus: 51.61% * 381.74 = 19,702.


Source of Impacts: 31 Individual Phone Interviews (out of 80 called)

---

### Outcome Type

- **Increased FL (educational benefit)**: 38,174

### Impact Type

<table>
<thead>
<tr>
<th>Impact Description</th>
<th>Impact Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher FL in society (as clients share gained FL with their close ones)</td>
<td>Tens thousands people</td>
</tr>
<tr>
<td>Less social allowances from the state needed</td>
<td>Money from state budget saved - can be used elsewhere</td>
</tr>
<tr>
<td>Better quality of life³</td>
<td>19,702</td>
</tr>
<tr>
<td>Of them: Psychically better-off⁴</td>
<td>237</td>
</tr>
<tr>
<td>Of them: Financially better-off⁵</td>
<td>710</td>
</tr>
</tbody>
</table>

³ Assuming that those whom the advice helped (as they stated in the phone interview) were impacted positively for longer-term

⁴ Estimation is based on the sample of 31 clients interviewed, of which 2 (0.62%) stated explicitly that the advice helped them psychically. Calculation is therefore: 0.62% * 381.74 = 237

⁵ Estimation is based on the sample of 31 clients interviewed, of which 6 (1.86%) stated that the advice
helped them financially. Calculation is therefore: 1.86% * 381.74 = 710

<table>
<thead>
<tr>
<th>Amount of money saved (CZK)</th>
<th>Number of people (Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thousands (fee for private counselling not used)</td>
<td>237</td>
</tr>
<tr>
<td>Tens thousands</td>
<td>237</td>
</tr>
<tr>
<td>Hundreds thousands</td>
<td>237</td>
</tr>
</tbody>
</table>

6 Estimation is based on the sample of 31 clients interviewed, of which 2 (0.62%) stated that the advice helped them to save/gain the respective amount of money (each of the three amounts was mentioned always by 2 people). Calculation is therefore: 0.62% * 381.74 = 237

Regarding measuring outcomes and impacts of contribution to PFT project, financial contribution as well as feedback from the AOP director is shown in the Figure 31.

**Figure 31: NGO Indicators, Outcomes and Impacts – PFT**

<table>
<thead>
<tr>
<th>Outcomes (funds obtained)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Contribution (CZK)</td>
<td>6,378,886</td>
</tr>
<tr>
<td>Additional funds obtained</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impacts - feedback from Director of AOP</th>
<th>0 (not relevant)</th>
<th>1 (no impact)</th>
<th>2</th>
<th>3</th>
<th>4 (significant impact)</th>
</tr>
</thead>
<tbody>
<tr>
<td>New services/products possible to be provided</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management systems (e.g. IT, HR, finance) improved</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More time with target group spent</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>More employees hired</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees training possibilities improved</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>image of the NGO improved</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash savings</td>
<td>X</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Quantitative**

**Qualitative**

The Counselling in Financial Distress is financed on the principle of co-funding by larger number of private donors (banks and building societies, foundations).

Source: Modification of indicators mentioned in Making a Difference, Management Report (p. 24, http://www.lbg-online.net/media/13256/making_a_difference_management_report.pdf)

Outcomes and impacts on ČSOB are the most difficult to quantify. Similarly, in the document Making a Difference on LBG website is stated that on this area more focus should
be given in the future. We can see the tool to measure outcomes and impacts of ČSOB in Figure 32. However, it is nearly identical table as shown by the project AOP above, since the impacts and outcomes for ČSOB are similar.

**Figure 32: Business Indicators, Outcomes and Impacts – ČSOB**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased Brand Awareness</td>
<td>Press releases, media coverage, positive image of ČSOB also in regions</td>
</tr>
<tr>
<td>More satisfied and Committed employees</td>
<td>Positive Word of Mouth, better atmosphere at work</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Impacts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financially healthier population</td>
<td>Better conditions for doing business in general</td>
</tr>
<tr>
<td>Lower fluctuation</td>
<td>Not measured</td>
</tr>
<tr>
<td>Increased productivity</td>
<td>Not measured</td>
</tr>
</tbody>
</table>

Source: Own Compilation.

Besides tables mentioned above, what can provide us also with some evidence on the impacts made in the cases when the advice helped clients to get Debt Relief etc., average amount of total debts which clients have is important feature to look at as well. Based on the Annual Reports of PFT, between 29 and 38% of clients in particular years of 2008-2011 had total debt of up to 300,000 CZK on average. Between 32 and 36% of clients within the period of 2008-2011 had a total debt of 301,000-600,000 CZK. The rest of clients had bigger total debt. Concerning debt according to institutions, both bank and non-bank institutions debts built up the majority of the total debt. Firms form a slightly bigger part of creditors than banks.

5.6.3 Other methods

To have an exhaustive list of indicators and methods to measure them, other measuring and reporting methods are highly recommended to be consulted, extra to company’s own indicators and indicators derived from a method specifically focusing on CCI, such as LBG.

**GRI Reporting Framework** focuses more on core business of organizations, not much explicitly on their philanthropic activities. Mainly two Disclosures can be used for CCI projects from GRI however, G3 Disclosures **EC1** (main economic indicator), and **S01** (social indicator). EC1 is just a total amount of financial contributions made (input number derived from LBG methodology). Among S01 belong more various, social indicators, which can be used as an inspiration for additional indicators. Data from LBG can be relevant also to other
GRI indicators under the economic, social and labour practices headings. LBG methodology has been endorsed in GRI sector supplements, too.\(^{157}\)

I have contacted GRI Reporting Framework Coordinator, Katja Kriege, to make sure that no other indicators can be used for CCI initiatives from GRI. She replied: “The only section that relates to philanthropy are references to donations, for which you can find guidance on how to report on donations and other community investments', the document ‘GRI Economic Indicator Protocols’.” Thus, when using LBG or modified method, we can then use the gained number within GRI as well.

**CBA** can be used by some projects, e.g. AOP and PFT. Nevertheless, the benefits in monetary value are not easy to be obtained (in comparison to costs of providing the counselling service). As shown by the phone interviews which I have conducted with (former) clients of AOP, just 6 people (out of 31) were able to estimated their benefit from the advice from counselling centre in monetary terms. 2 of them stated benefit to be hundreds of thousands CZK, other 2 mentioned tens of thousands CZK and additional 2 said that the advice helped them to save thousands of CZK (as not having to pay private counsellors for the service).

Moreover, by many projects it is not realistic to be used since many benefits and impacts are not possible to be represented by a monetary value. However, for projects for which it is viable, I recommend to add few indicators based on CBA method as well.

For the projects by which monetary value cannot be assigned to their impacts and benefits, **CEA** can be used. As explained in *Subchapter 3.4.3*, effects do need to be represented in monetary terms. When choosing between two projects which one to support, we should consider not only their relative costs but also the relative number of people impacted or benefitting. If the number of people impacted or benefitting thanks to one project is equal or even higher than the number of people impacted or benefitting thanks to another project which is however more costly, the first project should be supported as it is more cost effective.

I will show the application of CEA method more in detail on a programme which is supported by ČSOB within its FL-related projects the most after the two previously in detail analysed projects (AOP and PFT), taking into consideration the two contributions made in the years 2010 (1,036,650 CZK) and 2011 (1,000,000 CZK), in total **2,036,650 CZK**.\(^{158}\) The programme is called *Foundational Programme of Education (Grant Steering)*. In 2010, 10 projects within this programme were supported by ČSOB, while in 2011, 11 projects were supported.

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158 Data from ČSOB.
So that I do not disclose confidential data regarding financial contribution of ČSOB for particular projects\textsuperscript{159}, I am providing just the aggregated data on cost effectiveness of projects according to target groups.

As we can see from the Figure 33, the most cost effective projects supported within the ČSOB \textit{Foundational Programme of Education} in 2010 were focused on adults (113 CZK per person) and disabled people (127 CZK per person). In comparison, in the year 2011, the most cost effective projects were focused on NGO employees (71 CZK per person) and disabled people (133 CZK per person), as to be found in Figure 34. However, data on adults were not available so they could not be included.

\textit{Figure 33 – Cost Effectiveness of projects within Foundational Programme of Education (Grant Steering) according to target groups – year 2010}

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Cost per person (CZK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled people</td>
<td>127</td>
</tr>
<tr>
<td>Children</td>
<td>487</td>
</tr>
<tr>
<td>NGO employees</td>
<td>946</td>
</tr>
<tr>
<td>Adults</td>
<td>113</td>
</tr>
<tr>
<td>Seniors</td>
<td>396</td>
</tr>
</tbody>
</table>

Source: Own Compilation. Data from ČSOB.
Note: In total 10 projects were supported.

\textit{Figure 34 – Cost Effectiveness of projects within Foundational Programme of Education (Grant Steering) according to target groups – year 2011}

<table>
<thead>
<tr>
<th>Target Group</th>
<th>Cost per person (CZK)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disabled people</td>
<td>133</td>
</tr>
<tr>
<td>Children</td>
<td>353</td>
</tr>
<tr>
<td>NGO employees</td>
<td>71</td>
</tr>
<tr>
<td>Adults</td>
<td>N/A</td>
</tr>
<tr>
<td>Seniors</td>
<td>156</td>
</tr>
</tbody>
</table>

Source: Own Compilation. Data from ČSOB.
Note: In total 11 projects were supported.

The cost effectiveness should belong to criteria being taken into account when selecting projects to support. However, it is not the only criterium and does not have to be one of the most important ones (depending on company’s objectives). More important is the selection of target group mainly on the basis of which needs to improve FL the best (not to “throw money from the window” if irrelevant target group was selected to be supported).

\textsuperscript{159} Note that in information available, details regarding how many percent of all financial contribution (together with other than ČSOB entities) were not included. In the future, I would recommend to request this data from partnering NGOs.
5.7 Main Findings

Concerning measuring impacts of ČSOB philanthropic activities, in FL narrowed to Community Investments, LBG is a good method to be used. Nevertheless, it is not fully sufficient as it needs to be adapted and modified according to specifics of ČSOB and especially the project’s subject matter. Therefore, I recommend to use company-tailored, own, indicators (represented by Own Method – Tailored Compilation in this Case Study on FL), not just those stated in any measurement methodology or tool. Those indicators with specific measures will embrace the specifics in place. Moreover, other methods such as GRI and CEA should be consulted and if appropriate, their indicators or measures added to an already created list of indicators to have an exhaustive list of relevant indicators.

The SMART goals of projects as well as the way of monitoring the targets’ fulfillment is needed to be set up before the project realisation. Contracts with NGOs concerning monitoring and communicating on the outcomes and impacts of supported projects are highly recommended and should be included in the contract concerning donation. Stating the obligation of NGOs to really track, measure and communicate the impacts made by a particular project – on all stakeholders (in the case of FL mainly on community, ČSOB but also on the NGOs themselves), would be very helpful for monitoring the overall impacts. When this process starts to be usual and standardised, it will not take the NGOs much time. In most cases, a form is sufficient to be sent to the NGOs which should be filled in, or they can add their own indicators and measurement methods as well. They know more into detail what is the impact the project has on them and on community. ČSOB should then provide analysis of impacts on ČSOB itself. Simply, NGOs together with ČSOB should fill out LBG Indicator checklist before the realization of the relevant project starts. This will help track the project development throughout its realization process, not just evaluation after its end. NGOs should fill in information on Community Outcomes and Impacts as well as Outcomes and Impacts on NGO itself. ČSOB fills in data concerning Company Outcomes and Impacts, including benefits for employees-volunteers if applicable.

When selecting projects to pursue, first step for ČSOB is to define which target group it wants to focus with the projects on. Children which is now one of the main target groups still need the attention in this area, until FL is set up in school mandatory curricula in a quality way. However, children are at the same time the main target group (in terms of FL) of the majority of entities which pursue improvements in FL in the Czech Republic. Therefore, I would also recommend to focus projects more on adults in the form of supporting some TV programmes concerning FL, making awareness of possibilities to get advice in financial matters at the places where financially vulnerable people are often present.

Besides Social Investments projects, I would recommend to try to increase FL as a prevention tool also through ČSOB core business – adding a sentence or a few “touchy” information regarding FL on leaflets, posters but especially the paper and electronic communication with its clients (e.g. on account statements). The form could be “The overindebtedness (and related executions) of Czech population is still increasing. Did you know that 36% of people in the Czech Republic do not read loan contracts properly on the spot?” or “… Did you know that 50% of people who did not understand the contract proposal
still signed it?“ (for more details and inspiration for examples see Chapter 4.1.2). Then, there should be mentioned that in case of questions regarding debts and other financial issues they can consult particular independent counselling centres for free. This would help to increase awareness and prevent problems caused by insufficient level of FL of ČSOB clients and probably also their relatives or friends if disseminating the information. However to attain that, the information needs to be provided in an interesting way and in a way which makes people understand the importance of being financially literate. Explaining terms in an interesting way could be done also at ČSOB’s websites (e.g. banners saying “Did you know that”, real stories describing what happened to somebody because of his/her lack of FL, terms’ definitions and explanations on the internet banking account page). Those actions will also, as a side-effect, have a positive impact on clients’ perception of ČSOB as a responsible financial institution, thus having positive impact on business and ČSOB’s reputation.

Second step is to choose from the remaining possible projects those ones which will target the biggest number of people from our identified target group and at the same time which will be cost efficient, it means which will have the lowest average (per person reached by the project) cost, with at least the same quality as the rest of possible projects’ proposals.

ČSOB employees’ skills and capacity are not being utilised at any of the supported projects although the topic, financial literacy, is close to core business of this bank. Participating in a project when employees would for instance lead a seminar on a FL-related topic could be beneficial also for the employees. In terms of improving their soft skills (communication, presentation, people skills) as well as personal impact (broadening their view on social problems which are around us in the financial area, empathy, possibly improving their sense of well-being or happiness; outlook on ČSOB: increased job satisfaction, commitment to the company, motivation) and impact on behaviour (positive attitude to volunteering, ČSOB, job).

A technical suggestion: I would recommend adding an additional column regarding the specific area of the project in the online database of Business for Society. It would be then much easier to find out all projects concerning a particular area (using a data filter). Now, there is a column called “Subject focus of contribution” but it is more general (categories such as Education, Social Welfare etc.) and more areas are often filled in. However, for the case of specific focus of some companies on an area (such as financial institutions on FL), it would be beneficial to add a more specific area as well. Currently, it is needed to go through all projects to find the relevant ones for a specific area of FL. This would then save time for company’s representative responsible for evaluation of the CSR projects and also it would make it more comprehensible. Also, the Input costs summary would then show also costs specifically on FL-related projects, not just Education in general – thins would save time again, not having to sum up the cost of all FL projects separately.

Regarding serious problems in the Czech Republic regarding financial issues, there will be always a threat that not everybody will be enough financially literate not to buy a product or service which is very unfavourable for him/her. Because of that, there should be some level regulation by the state, not allowing companies to have such unethical (mainly hidden) conditions which they have at present. The question is how it should be regulated? There could be a regulation saying that no subject can charge anybody twice as big amount of money as the principal is...?
6 Recommendations

In this section, I will firstly describe my recommendations regarding measuring and reporting methods, selection of the right projects and how to measure impacts, in general (as they apply similarly for ČSOB as for other companies). Those recommendations are based on the outcomes from the research concerning whole Master’s Thesis.

6.1 In general

6.1.1 What is needed before Measuring

Generally, companies need to define what they want to measure (i.e. define what financial literacy means and so which types of projects can qualify for that area to be included in). When any organization decides that it wants to measure and report its impacts, what needs to be done at the beginning is to set goals based on SMART, or even better SMARTER (Specific, Measurable, Attainable, Relevant, Timely, Evaluate and Re-evaluate) criteria which the organization would like to achieve. If no clear and measurable impact goals and objectives are set up at the beginning, measurements cannot be made afterwards to evaluate if the initiatives were successful, or to which extend they were successful compared to the target. It means, SMART (clear, measurable) criteria needs to be set up and decided upon. Then, throughout the process of making actions to achieve the goals, the organization needs to monitor the progress toward the goals and objectives, evaluate the effectiveness of the projects or initiatives taken, and also develop responsible exit strategies for projects which have proven to be inefficient. Furthermore, funding contingencies need to be taken into consideration as well.

The underlying data must be collected before project realisation starts. In the best case, a contract with partner NGO should be signed, including regular monitoring reporting on the impacts of the projects supported. Thus, the company can monitor the impacts in the meantime and evaluate the impact of the project as a whole. Also, we need to take into account that administrative cost of measuring should be appropriate.

6.1.2 Measurement and Reporting Methods

Before commencing to use any broadly used method, every company should firstly independently write a list of its own indicators the company finds important for itself and its core business. The organization can be inspired by its already existing indicators regarding financial performance of the company.

Secondly, the organization should look at already existing frameworks and methods to take advantage of them, being created in multi-stakeholder process and throughout a long period of time. Thus, they include many various indicators which the company representatives who are responsible for choosing the right sustainability indicators could not think about. I recommend to use GRI Reporting Framework as it is mostly used framework to monitor, measure and report on sustainability performance globally, thus being a tool for comparisons.
with competitors and finding the space for improvement quite easily. Also, GRI provides a lot of flexibility, both in terms of the ability to measure and report and experience with that, and sector. GRI provides selected sector-specific indicators which make measuring and reporting of companies active in those sectors easier.

Nevertheless, thirdly, when the company used all the missing indicators into its list of indicators, it should still check out few other existing methods and tools designed for measuring and reporting impacts of company’s behaviour. If the organization finds additional indicators there which could be still included in its list, it should add them.

The company needs to take into account that all indicators it selects need to be possible to be measured then in practice. Thus, to ensure that the company will be able to measure the impacts and then report on them, the strategy on how to gain the numbers, percentages etc. needs to be set up in advance, before confirming all indicators from the prepared list as chosen already. After the analysis regarding the feasibility of gaining the data for the measurements needed for the indicators, final indicators for the following year are decided upon.

As every company is unique (in terms of specific products and services, sector, size, culture, sustainability behaviour so far etc.), it needs an individual approach. Thus, I would not recommend just applying using just indicators outlined by GRI, I would recommend to be inspired also by indicators from other methods and tools, and most importantly, using company’s own indicators as well.

6.1.3 Specifics of CCI projects

Before recommendations on measuring and reporting on impacts of philanthropic activities, I would like to shortly provide few recommendations also on choosing philanthropic activities by a specific organization. Best practice is to choose just few key areas for the organization which are important and connected to its core business. Thus, the concept of CSR is put into practice as not only environmental and social aspects should be encountered but also economic aspect. CSR should be valuable for both, community as well as the organization. Usually, when a company puts its energy on just one or a few areas, its initiatives become more focused and effective and so bigger impacts can be achieved.

In case of measuring and reporting on philanthropic activities, a company should use LBG methodology as the second step instead of GRI Reporting Framework, as LBG is specifically focused just on philanthropic projects, compared to the more on core business and behaviour focused GRI. In the third step, GRI indicators should be consulted (particularly GRI G3 Disclosures EC1, a S01), complemented by indicators from GIIRS or potentially also other relevant methods.

Regarding gaining data for the indicators to be able to measure the impacts of philanthropic projects as well, the obligation to measure and communicate the impacts of the projects which the NGOs received funds for should be included as a part of the donation contract. The NGOs should take this requirement as the “rules of the game” and understand
that the measurement is needed for the evaluation of the project efficiency, among other reasons.

6.1.4 Projects within CCI - Selection Criteria

Supposing that we have already chosen the right target group/s of our projects during defining SMART objectives, we evaluate the projects undertaken according to their efficiency and effectiveness.

Nevertheless, if the most efficient project captures just few persons and if we want to undertake just a certain number of projects (thus our limitation would not be budget constraint but quantity of projects undertaken which is not often the case in practice however at present since most companies which), we could think about adding the third, optional, criterion, the amount of people captured by a project, ensuring that the projects we chose are not only financially efficient but also reaching sufficient number of people from our target group. The importance of limiting the number of projects undertaken is the fact that impact is diluted when the limited budget for philanthropy is divided among many NGOs and on many various projects.

When undertaking projects where just money is donated, corporate capabilities and human resources skills related to core business of the organization are not utilised. More efficient projects are the ones which utilise the already existing capacity, know-how and/or skills which the particular company has in its most important asset, employees. They can often gain or enhance soft skills (communication, presentation, people skills etc.) by participating in those projects. Also, when helping communities more via core business, innovations are enhanced. The possibility to involve current employees in the philanthropic or pro bono project is highly suggested to be included among the selection criteria as well.

6.2 ČSOB

6.2.1 Measurement and Reporting Methods

In regards to philanthropic activities, LBG should be used, supplemented by its own indicators and indicators derived from other existing methods when appropriate. However, ČSOB should measure and report not only its philanthropic activities but its overall sustainability performance. Besides the indicators related to philanthropy, many other indicators from GRI Reporting Framework would be very useful for ČSOB to use. From Standard Disclosures that concern core business of ČSOB, I would recommend predominantly but besides others, the four mentioned in the Figure 35. Besides those, indicators provided in Financial Sector Supplement should be used as well.
Figure 35: Suggested Indicators to be used by ČSOB from Standard Disclosures

<table>
<thead>
<tr>
<th>GRI G3 Disclosure Section</th>
<th>GRI G3 Disclosure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>HR3 - Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained*</td>
</tr>
<tr>
<td>Product Responsibility</td>
<td>PR4 - Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes</td>
</tr>
<tr>
<td>Product Responsibility</td>
<td>PR5 - Practices related to customer satisfaction, including results of surveys measuring customer satisfaction</td>
</tr>
<tr>
<td>Product Responsibility</td>
<td>PR8 - Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</td>
</tr>
</tbody>
</table>

* In case of ČSOB, employees trained to behave responsibly to clients, explaining openly (not focusing on their own benefits for gaining a new client or contract) all terms which clients do not have to understand etc.

6.2.2 How to Measure Impacts of particular ČSOB projects

Firstly, NGOs and foundations which cooperate with ČSOB should report on impacts which their joint projects had and take it as „rules of the game“. It means they need to report to be accountable for what they promised to do using the money from ČSOB.

However, ČSOB should provide those NGOs which it cooperates with with a guidelines and rules explaining what they want to exactly measure and in the best case also outlining how (change in opinions on money management etc.).

6.2.3 Selection of Projects

Recommended Projects Selection Criteria

As of the CSR projects in the area of FL which ČSOB focuses on currently and which it should focus on in the future, there are more criteria to look at. First, the right target group. ČSOB focuses mostly on children and also on counselling for adults. Current children are not the group which needs specific projects intended to increase their FL at present anymore since having FL already implemented in school curricula. On the other hand, counselling for adults is really a vital need at present. However, it should be more communicated mainly specifically to the target group, low-income adults in the age of late 20ties till 40ties, that those possibilities are here for them also as a preventive tool, not just for the case they are in troubles already.

Second criterion is the efficiency of the projects. Looking at the projects of ČSOB focusing on children, most of them are quite efficient, in financial terms, taking into account people affected, not looking much in depth on real impacts the projects had. For this case, the measure cost per person who was “captured” by the project, e.g. who saw a play or participated in a competition. However, real, practical, impacts of those projects, meaning what it caused to the participants, are unfortunately not being measured at this time. At least a questionnaire of interview would be needed to find out the subjective opinion of the “captured” participants about the impact the project had on their financial behaviour and
opinions, or generally on their life in broader sense. The most appropriate way however how to discover the impacts on the project participants in reality would be more long-term. We would need to ascertain after several years how they are doing regarding their financial situation (in the case of children we would need to wait even more than 10 years). If a significantly higher proportion of project participants (“test group”) proved to have better financial situation than people who did not participate on the project (“control group”), assuming ceteris paribus which means that all other factors (except of this project) were holding equal, in other words were equally influencing, both groups, the “test” group as well as the “control” group.

The other two criteria are described within the General Recommendations explained above.

To conclude this Recommendation section: Companies are very powerful players in the world. If all of them or at least majority of them behave responsibly, making a positive impact on all stakeholders, it will make much bigger difference in the world than a few activists trying to live responsibly. Thus, it is very important to make companies aware of this important role they are having. If the organizations take behaving responsibly seriously, measuring the impacts their behaviour has on various stakeholders is a natural thing to do, similarly as by other business procedures and financial performance.
Conclusion

As discussed in the theoretical part of the thesis, CSR or sustainability is a very important topic also for international organizations. Nevertheless, it is still not being applied by the majority of organizations worldwide. CSR is a controversial concept, for some meaning spending irresponsibly money of shareholders, for others win-win situation which both parties, community as well as organization, benefits from. Those who understand the concept know that CSR which would be unfavourable for organizations, would not be a real CSR, including all aspects, social, environmental but also economic. However, when that is fulfilled, CSR is clearly a win-win outcome for all sides involved. Logically, organizations should behave responsibly and strive for the good of the society also, since if the community was not doing well, organizations could not be profiting in the long-run, too. Other terms related to CSR and meaning similar ideas have developed over the time. However, we should be more focused on the real behaviour of organizations than on how they call it. Most importantly, sustainability is a broader term than CSR, including everybody, not just organizations.

In regards to measuring impacts of CSR in general, advantages outweigh the disadvantages. However, in practice, the majority of companies still do not measure their sustainability performance. Organizations should nevertheless consider that what is not measured, it is also not accountable to stakeholders and therefore not transparent. Also, if not measured, effectiveness cannot be ascertained and so potential favourable changes are not to be identified clearly.

The first aim of the Master’s Thesis was to find out which method is the most appropriate to be used to measure impacts of CSR. My hypothesis regarding this aim, GRI is the most appropriate method to be used for sustainability measurements and reporting, was confirmed. GRI, which as a general sustainability method focuses on organizations’ behaviour as such, has a set of advantages which are not present all together by any other method. However, not just GRI alone should be used. The optimal situation is when an organization uses GRI for measuring and then also reporting its impacts within overall sustainability performance in general but for particular areas of CSR or sustainability, specific methods are recommended to be utilized, for instance CDP for environmental performance. Nevertheless, if an organization just starts using sustainability measurement methods and is not ready yet for overall sustainability measuring, it can start also with applying data to a specific method, focusing only on a particular part of CSR.

The second aim of the Master’s Thesis was to ascertain which method should be used to measure impacts of Corporate Community Investment (as part of CSR). The relevant hypothesis was as follows: Regarding Corporate Community Investment activities, LBG is a sufficient method to be used to measure their impacts. To measure CCI, LBG methodology is the most appropriate to be used. Nevertheless, it is not sufficient to have it as the only method to measure impacts of CCI initiatives. Therefore, the second hypothesis of the Master’s Thesis needs to be specified. Firstly, I recommend to adapt the LBG method in terms of the structure, putting interrelated features closer to each other and making it more concise. Also, I recommend some indicators to be modified and new ones to be added, according to the specific area which the particular projects concentrate on. Not only the new
indicators could be added from different measurement methods but also new indicators should be created by the organization itself if relevant. In the case when an organization just starts using a measurement method, it can firstly state its own list of relevant indicators and afterwards be inspired by already existing methods to add the indicators which were not yet included but are relevant too. Thus, the core which the organization wanted to measure will be remembered and identified by the organization first and then complementary indicators can be still added to the list of indicators.

Additionally, other methods can be applied to complement LBG method. For instance, Cost-Effectiveness Analysis (CEA) is a very relevant tool to ascertain the cost effectiveness of the particular projects. This can then help to choose the most effective projects to be pursued and on the other hand eliminate projects which are not effective.

I highly recommend applying internationally recognized and used measurement methods to be able to compare the data of organizations. On the other hand, each organization is unique and therefore it needs some tailored features and indicators to be able to measure really everything what it does, as no method can be ever really exhaustive, including all the options possible.

Regarding the Case Study on ČSOB projects in FL, its main contribution is the replicable model (Tailored Compilation) which I prepared. This own method, based on various methods such as LBG and GRI and broad research on the subject matter, can be used by ČSOB in the future on projects in the area of FL but also other CCI projects (after modifying some indicators), and it could be also adapted by other companies to be used by them. If this method is used for all particular projects within a certain area (e.g. FL), impacts and outcomes of them will be comparable among each other and also, when then seen in relation to their respective costs, the most effective projects can be chosen according to that. Also, all impacts and outcomes can be then summed up according to selected target groups and thus, the overall impact and outcome of relevant projects of ČSOB is measured and disclosed.

Additionally, in the analysis of the FL situation in the Czech Republic, I have found out that although the most vulnerable group are low income adults, children and youth are target group for the majority of entities pursuing improvements in FL in the Czech Republic. Children will still need support in increasing their FL for several more years to come however then FL should be already implemented in mandatory school curricula. Assuming appropriate quality of the teaching, children would not need enhancing their FL by other subjects anymore. On the other hand, adults are and will be even longer than in the case of children, vulnerable group still. As it is very difficult to target them and make them interested in the FL-related issues, focus should be places on their Teaching Moments which are moments when a difficult turning point happens. At the same time, target group often needs to borrow money so this is the time when they are open to get more information regarding financial issues. As children are the most attractive group to focus on by most of the entities and they will be covered in several years already by mandatory education, I recommend ČSOB to focus its projects more also on adults with lower income. The information could be disseminated to them via places where they experience their Teaching Moments (Labou
Office, hospital, court etc.) or via media which they utilize. Also, ČSOB is enhanced to improve FL also through its core business, for instance including particular educational sentences on bank accounts as a communication tool with its current clients.

I would recommend ČSOB to use GRI framework as the most relevant measurement and reporting method in regards to sustainability performance. Using an overall sustainability reporting is very important for transparency of the company since CSR is not only about social investment which are one part of CSR but most importantly about the day-to-day behaviour of the company in its core business which should be measured and communicated as well. It is significant to use a standardised, internationally used method since then, comparisons are available, bringing invaluable information on the space for improvement and changes, and having value to stakeholders. It should continue to use LBG as so far, but in a more detailed way and modified according to specifics of the area ČSOB contributes in. Also, other methods such as CEA are however suggested to supplement LBG.
References

Books and Publications


Booklets and Other Paper Documents


12. How to Financially Educate Adults, Conference on Financial Education – presentation. Faculty of Finance and Accounting, under the auspices of the Ministry of Finance, in partnership with the Czech National Bank, financial support from Citi Foundation. Conference held on November 25, 2011 at the University of Economics. 134 slides.

13. LLCB, CBCB. Stručný průvodce úvěrovými registry. 15 p.

15. UNEP. *Moving Towards a Climate Neutral UN.* The UN system’s footprint and efforts to reduce it. Summary of 2010 edition.


**Journals and newspapers**


19. CSR Forum.


Online documents and reports


107


108


Other internet sources


82. ČSOB. http://www.csob.cz

83. DEFRA. http://www.defra.gov.uk


89. ILO. http://www.ilo.org


92. IRIS. http://iris.thegiin.org


96. Lbg-online.net. http://www.lbg-online.net/


100. OECD. www.oecd.org/daf/investment/guidelines

102. Poradna při finanční tísni.
   http://www.financnitisen.cz/

103. SocialFunds. The largest personal finance site devoted to socially responsible investing.
   http://www.socialfunds.com

104. Socialwatch.
   http://www.socialwatch.org

105. STEM.
   http://www.stem.cz

106. SustainAbility.
   http://www.sustainability.com

107. UN Global Compact.
   http://www.unglobalcompact.org

   http://www.wbcsd.org/work-program/development/measuring-impact.aspx

CDs


111. Poslední mince (The Last Coin) – Theatre Performance, FINANČNÍ GRAMOTNOST, o. p. s.


Dissertation Thesis


All online sources mentioned above were retrievable on 26th of August 2012.
Appendices

Appendix A: List of Interviews, Consultations and Events

Meetings regarding Diploma Thesis with external consultants:

1. Ing. Lenka Ningerová – adviser to a member of the Bank Council, Ing. Eva Zamrazilová, CSc., Czech National Bank
2. Ing. Andrea Peková – Head of the Department of chemistry and environment, ÚNMZ (Czech Office for Standards, Metrology and Testing); she is ČSN ISO 26000 administrator in the Department of Standards
3. Peter Sokol – CSR Consult
4. Klára Mímeková – Junior Manager, Business for Community (Byznys pro Společnost)
5. Inka Piliblová – Evaluations, Effectiveness, Organisational Development
6. Vít Lesák – Agency for social inclusion in Romany localities
7. Pavlína Housová – CSR Manager, ČSOB, a.s.
8. Eva Šíšková – Senior Project Manager, she is responsible for Employees’ Satisfaction Surveys, ČSOB, a.s.
9. JUDr. Ondřej Načeradský – statutory representative of a civil advice bureau Společnou cestou o.s. (member of the Association of Civil Advice Bureaus)
10. David Šmejkal – Director, Counselling in Financial Distress (Poradna při finanční tísni)
11. Stanislav Skalický – Director, Association of Civil Advice Bureaus (Asociace občanských poraden)
12. Two counsellors at Civic Counselling Centre (belonging to AOP) in Prague 1

Meetings regarding Diploma Thesis with professors at University of Economics, Prague:

15. Ing. Patrik Sieber, Ph.D.
16. Ing. Martin Šikýř, Ph.D.
17. prof. Ing. Dana Zadražilová, CSc.

Other experts discussed:

18. Petr Gajdušek – Client Service Manager, STEM/MARK, a.s.
19. Iva Petříčková – Business Leaders Forum

And others

Conferences/Events attended:

22. CSR Conference in Belgium, Louvain-la-Neuve (2010)
23. Sustainability Workshop provided by consulting companies (2011)
24. How to Financially Educate Adults, Conference on Financial Education. Faculty of Finance and Accounting, under the auspices of the Ministry of Finance, in partnership with the Czech
National Bank, financial support from Citi Foundation. Conference held on November 25, 2011 at the University of Economics.

26. Youth to Business (2011) - CSR conference
27. 3-day Seminar on dignified work and corporate social responsibility (2011)
28. Social responsibility in Economic Life (2010/2011) – course held at Louvain School of Management, Belgium
29. Strategic Leadership and Management of the CSR (2011) – course held by Hungarian professor (Jens Trummer)
30. CSR Seminar within Honors Academia optional curriculum (2011)
32. NMS Market Research Presentation regarding Perception of CSOB and ERA by their clients and by the public in general (2012) – held by NMS Agency at ČSOB, a.s.
33. CSR Summit (2012)

Meetings/consultations/events conducted in New York City, USA:

34. Green and Sustainability Forum, event of Young Executives Committee of Italy-America Chamber of Commerce (July 2012, Times Square, LDI Color ToolBox Office)
35. Meeting with Mrs. Lila Karbassi, General Manager and the responsible person for Environment Management within the UN Global Compact (July 2012, United Nations’ building DC-2)
36. Meeting with Mrs. Julie MacKenzie, Senior Advisor, Sustainability, UN (July 2012, United Nations’ building FF)
37. Consultation with Mrs. Sophie Ravier, Environmental Officer at UN Department of Peacekeeping Operations-Department of Field Support (July 2012)
38. E-mail conversation with Prof. Dr. Klaus M. Leisinger, Chairman of Novartis Foundation for Sustainable Development, Novartis International AG (August 2012)
39. Meeting with Ayodele Hippolyte, who passed GRI Certified Sustainability Reporting Training and was in 2009-2011 Assistant Manager for CSR at East Caribbean Financial Holdings Company Limited (ECFH) (August 2012)
40. Meeting with Sarah Bostwick, Communication on Progress Manager, UN Global Compact Office, she formerly worked for a GRI Certified Training Partner, BSD Consulting, took Global Reporting Initiative Certified Training Course and was also GRI Certified Trainer (August 2012)
41. Meeting with Ana Blanco, Communication on Progress Manage, UN Global Compact Office (August 2012)

Appendix B: Members of the Working Group on Financial Education in the year 2012

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hradil Dušan</td>
<td>(Chairman) Ministry of Finance</td>
</tr>
<tr>
<td>Michaela Dlouhá</td>
<td>(Secretary) Ministry of Finance</td>
</tr>
<tr>
<td>Běhálková Andrea</td>
<td>Civic Association SPES</td>
</tr>
<tr>
<td>Doležalová Lenka</td>
<td>Ministry of Industry and Trade</td>
</tr>
<tr>
<td>Name</td>
<td>Affiliation</td>
</tr>
<tr>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Dombrovská Michaela</td>
<td>Independent expert</td>
</tr>
<tr>
<td>Filip Miloš</td>
<td>Independent expert</td>
</tr>
<tr>
<td>Rathouská - Grmelová Eva</td>
<td>National Institute for Education (Národní ústav pro vzdělávání)</td>
</tr>
<tr>
<td>Hájková Petra</td>
<td>Czech National Bank</td>
</tr>
<tr>
<td>Hesová Alena</td>
<td>National Institute for Education (Národní ústav pro vzdělávání)</td>
</tr>
<tr>
<td>Hornychová Aneta</td>
<td>Cofet, a. s.</td>
</tr>
<tr>
<td>Husták Zdeněk</td>
<td>Independent expert</td>
</tr>
<tr>
<td>Ježek Martin</td>
<td>AISIS Civic Association</td>
</tr>
<tr>
<td>Jiránek Radek</td>
<td>Ministry of the Interior</td>
</tr>
<tr>
<td>Kalvoda Hynek</td>
<td>Civic Counselling Association (Asociace občanských poraden)</td>
</tr>
<tr>
<td>Katolický Jiří</td>
<td>Consumer Institute SOS (Spotřebiteský institut SOS)</td>
</tr>
<tr>
<td>Klínský Petr</td>
<td>Association of Business Academies (Asociace obchodních akademí)</td>
</tr>
<tr>
<td>Kolmanová Helena</td>
<td>Czech National Bank</td>
</tr>
<tr>
<td>Kotyrová Marcela</td>
<td>Czech Association of Insurance Companies (Česká asociace pojišťoven)</td>
</tr>
<tr>
<td>Matoušek Jan</td>
<td>Czech Bank Association (Česká bankovní asociace)</td>
</tr>
<tr>
<td>Nacher Patrik</td>
<td>Bankovnipoplatky.com</td>
</tr>
<tr>
<td>Nepovímová Ivana</td>
<td>Ministry of Education, Youth and Sports</td>
</tr>
<tr>
<td>Ningerová Lenka</td>
<td>Czech National Bank</td>
</tr>
<tr>
<td>Novák Jaroslav</td>
<td>Charles University, Faculty of Education</td>
</tr>
<tr>
<td>Novák Libor</td>
<td>Association of Czech Consumers (Sdružení českých spotřebitelů)</td>
</tr>
<tr>
<td>Noveský Ivan</td>
<td>Association of Financial and Civil Literacy (Asociace finanční a občanské gramotnosti)</td>
</tr>
<tr>
<td>Petýrková Lenka</td>
<td>Generation Europe ČR</td>
</tr>
<tr>
<td>Pohořelý Svatopluk</td>
<td>Ministry of Education, Youth and Sports</td>
</tr>
<tr>
<td>Ředinová Markéta</td>
<td>Junior Achievement, o. p. s.</td>
</tr>
<tr>
<td>Sadilková Kateřina</td>
<td>Ministry of Labour and Social Affairs</td>
</tr>
<tr>
<td>Scholz Petr</td>
<td>Representative of the Financial Arbiter</td>
</tr>
<tr>
<td>Škofěpa Michal</td>
<td>Czech Economic Society (Česká společnost ekonomická)</td>
</tr>
<tr>
<td>Sobotka Věroslav</td>
<td>Financial Literacy, o. p. s. (Finanční gramotnost, o. p. s.)</td>
</tr>
<tr>
<td>Svoboda Martin</td>
<td>Masaryk University, Economics-Administration Faculty</td>
</tr>
<tr>
<td>Svobodová Věra</td>
<td>Czech Bank Association (Česká bankovní asociace)</td>
</tr>
<tr>
<td>Šafránek Petr</td>
<td>Association of Financial Intermediaries and Financial Advisors of the Czech Republic (Asociace finančních zprostředkovatelů a finančních poradců ČR)</td>
</tr>
<tr>
<td>Šulec Jaroslav</td>
<td>Association of Credit Unions (Asociace družstevních záložen)</td>
</tr>
<tr>
<td>Vacek Lukáš</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td>Vítková Eva</td>
<td>Association of Pension Funds of the Czech Republic (Asociace penzijních fondů ČR)</td>
</tr>
<tr>
<td>Vojtko Viktor</td>
<td>Arnošt – Endowment Fund to support financial education (Arnošt – Nadační fond na podporu finančního vzdělávání)</td>
</tr>
<tr>
<td>Žáček Bohdan</td>
<td>Union of financial intermediary and advisory (Unie společnosti finančního zprostředkování a poradenství)</td>
</tr>
</tbody>
</table>

Translated from Czech language. Source: Ministry of Finance of the Czech Republic.
Appendix C: List of selected public sector entities pursuing improvements in FL in the Czech Republic

<table>
<thead>
<tr>
<th>Public sector entity</th>
<th>Project Type</th>
<th>Target Group</th>
<th>Cooperating Institution/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Centre of economic and legal studies of Masaryk University</td>
<td>Seminars, workshops etc.</td>
<td>Mararyk University students and academic staff</td>
<td>ČSOB, Daňová akademie s.r.o., Kancelář veřejného ochránce práv, Komora daňových poradců ČR, Krajská hospodářská komora jižní Moravy, Bzenec Town, Kyjov Town, OHL ŽS, a.s.</td>
</tr>
<tr>
<td>ČNB</td>
<td>Website</td>
<td>General Public, teachers, students (upper elementary and secondary schools), seniors</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Exposition</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Support of textbook by Skořepa, Skořepová</td>
<td>Teachers, elementary and grammar school students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seminars</td>
<td>Teachers</td>
<td>NIDV, regional centres DVPP, IFT to MU Brno</td>
</tr>
<tr>
<td></td>
<td>Seminars at universities of Third Age</td>
<td>Seniors at universities of Third Age</td>
<td>Universities in Hradec Králové, České Budějovice, Ústí nad Labem, Opava</td>
</tr>
<tr>
<td>ČOI (under MPO)</td>
<td>Web section</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td>Economics and Administration Faculty, Masaryk University</td>
<td>Course Personal Finance</td>
<td>University students, General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Publication Personal Finance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institute for Financial Market, Masaryk University</td>
<td>Interactive seminars within school courses</td>
<td>Teachers of Primary and Secondary Schools</td>
<td>ČNB</td>
</tr>
<tr>
<td>Office of Financial Arbitrator (FA)</td>
<td>Web Counselling &quot;Ask arbitrator&quot;</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Facebook Counselling</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brochure Fraud in the field of cashless payment (study)</td>
<td></td>
<td>SČS</td>
</tr>
<tr>
<td></td>
<td>Online newsletter of Financial Arbitrator</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Basics of family finance</strong> (<em>'Abeceda rodinných financí'</em>)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Settlement examples (online)</td>
<td>British Trade Chamber, Sdružení českých spotřebitelů, Provident financial</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Where is my money</em> - TV series</td>
<td>FA is partner of the series</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leafet</td>
<td>SČS</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Regional Centre of Education and Language School with the right of state language exam, Plzeň | Seminars | Teachers, General Public |
| Non-mandatory course at ZČU on Private Finance in academic year 2010/2011 |  |

| National Institute for Education | Methodological brochure for teachers | Teachers of Primary and Secondary Schools |
| Analysis of selected school educational programmes |  |
|  | Teachers of Secondary Schools |  |

| Research Teachers' Institute in Prague | E-learning course combined with personal course being prepared | Teachers at non-economic Secondary Schools |
| Manual for Teachers - distributed in 2011 to all Elementary Schools and multi-year grammar schools | Managers and teachers of Primary and Secondary Schools, coordinators of school educational programmes, curricula creators, workers preparing further education of teachers |
| Digifolio on FL education | Managers and teachers of Primary and Secondary School, curricula creators, workers preparing further education of teachers, coordinators of school educational programmes, parents, users of Metodological portal www.rvp.cz |  |

Source: Own Compilation. MF (http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html), websites of entities
Appendix D: List of selected NGOs pursuing improvements in FL in the Czech Republic

<table>
<thead>
<tr>
<th>Third sector entity</th>
<th>Project Type</th>
<th>Target Group</th>
<th>Cooperating Institution/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>AISIS, o.s.</td>
<td>Seminars since 2006</td>
<td>Students and teachers (hundreds a year) of Elementary schools</td>
<td>GE Money Bank, a.s.</td>
</tr>
<tr>
<td>AČSS</td>
<td>Web section on building savings</td>
<td>General Public</td>
<td>EuBV (EFBS), ČBA</td>
</tr>
<tr>
<td></td>
<td>Web section - Dictionary with terms regarding building savings</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web section on housing loans</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td>AFIZ</td>
<td>Educating financial intermediaries</td>
<td>Consultants</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web section on the term <em>intermediary of financial product</em></td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Seminars, Charles University</td>
<td>Seniors (University of third age)</td>
<td></td>
</tr>
<tr>
<td>AOP</td>
<td>Debt counseling</td>
<td>Counselors of Civic Advisory Centres</td>
<td>TF EU</td>
</tr>
<tr>
<td>APF ČR</td>
<td>Web section (on pension savings)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web section (simulation on pension savings)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Publication on supplementary pension insurance (annually)</td>
<td>General Public</td>
<td>Financial support</td>
</tr>
<tr>
<td>Bankovnipoplatky.com website</td>
<td>Website: Evaluation of retail banks in the Czech Republic (also from the view of university students)</td>
<td>General Public, bank clients</td>
<td>Postal Savings Bank (Poštovní spořitelna)</td>
</tr>
<tr>
<td></td>
<td>Web section: Calculator of bank fees according to particular banks</td>
<td>General Public, bank clients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web-based Competition for students (Ideal bank in the 21st century)</td>
<td>Students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web section: Study on bank services in the Czech Republic</td>
<td>General Public, bank clients</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Web section: Guide for public transport in Prague users, or informed bank client</td>
<td>General Public, bank clients</td>
<td>Dopravní podnik Praha</td>
</tr>
<tr>
<td></td>
<td>On-line Counseling</td>
<td>General Public, bank clients</td>
<td></td>
</tr>
<tr>
<td><strong>COFET</strong></td>
<td>4 Accredited Programmes</td>
<td>Teachers of elementary, secondary and higher technical schools and graduates from secondary and higher technical schools</td>
<td>MŠMT, Ministry of Labour and Social Affairs</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>1 Accredited Programmes</td>
<td>Management of schools and educational organizations</td>
<td>VŠE, ČSOB, FG, MPSV, ESF</td>
<td></td>
</tr>
<tr>
<td>1 Accredited Programmes</td>
<td>Social workers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Accredited Programmes</td>
<td>Teachers of elementary, secondary and higher technical schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Textbook, worksheets, handbook for lecturers</td>
<td>Lecturers and FL target groups</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 other books</td>
<td>Lecturers, teachers, students and both professional and General Public</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conference</td>
<td>Professional and General Public, public sector</td>
<td>MŠMT</td>
<td></td>
</tr>
<tr>
<td>Creation of FG educational systém</td>
<td>200 employees and 1200 children from children's homes</td>
<td>ESF, MŠMT, Children's Homes</td>
<td></td>
</tr>
<tr>
<td>Competition</td>
<td>Elementary and Secondary Education Students</td>
<td>MŠMT, ČSOB, ČNB, FG, ACCA, Bankovnipoplatky</td>
<td></td>
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<tr>
<td><strong>ČAP</strong></td>
<td>Brochures (e-version)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Informational campaigines (through media, annually)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Websites (information on products, terms etc.)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2 Web applications (calculators)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>E-dictionary of English terms</td>
<td>Foreigners or students of specific schools</td>
<td></td>
</tr>
<tr>
<td><strong>ČBA</strong></td>
<td>Web section: Dictionary</td>
<td>General Public</td>
<td>SBK, AKAT, ČAP, AČSS, APF ČR, ČLFA, AFIZ (with support of ČNB and MFČR)</td>
</tr>
<tr>
<td></td>
<td>Websites - terms explanation</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td><strong>Česká společnost ekonomická (Czech Economic Society)</strong></td>
<td>Section on teaching financial and economic topics at a conference, slides provided</td>
<td>Teachers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Apple Cup software made available online</td>
<td>Teachers, students</td>
<td>CERGE-EI Foundation</td>
</tr>
<tr>
<td></td>
<td>Textbook and worksheets</td>
<td>Teachers, students</td>
<td>ČNB</td>
</tr>
<tr>
<td></td>
<td>Supplementary Materials for textbook</td>
<td>Teachers, students</td>
<td></td>
</tr>
<tr>
<td>Organization</td>
<td>Products/Activities</td>
<td>Audience</td>
<td>Sponsors</td>
</tr>
<tr>
<td>--------------</td>
<td>---------------------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>Člověk v tísni (People in Need)</strong></td>
<td>Anti-debt campaign &quot;Consumer Destiny&quot; (&quot;Spotřebitelský úděl&quot;)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td><strong>Cashflow 101 (student organization)</strong></td>
<td>Championship of the Czech Republic in Cashflow 101 (board game), club Cashflow at the University of Economics</td>
<td>University students (hundreds)</td>
<td>ČS, Microsoft, ASUS</td>
</tr>
<tr>
<td><strong>Elpida</strong></td>
<td>Courses</td>
<td>Seniors</td>
<td>ČSOB</td>
</tr>
<tr>
<td><strong>Generation Europe</strong></td>
<td>Web Portal - Consumer Behaviour</td>
<td>General Public, Elementary and Secondary schools, teachers</td>
<td>EK, EUCEN</td>
</tr>
<tr>
<td>Board Game</td>
<td>Elementary and Secondary Schools</td>
<td>ESF, MHMP, MPO</td>
<td></td>
</tr>
<tr>
<td>Methodological Materials, Card Quartet</td>
<td>Elementary and Secondary Schools, General Public</td>
<td>MPO</td>
<td></td>
</tr>
<tr>
<td>Consumer Educational Diary</td>
<td>Secondary Schools</td>
<td>EK, GEF, MPO</td>
<td></td>
</tr>
<tr>
<td>Manual to the Consumer Educational Diary for teachers</td>
<td>Secondary Schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interactive web site (students publish their opinions)</td>
<td>Secondary School students</td>
<td>CPKP Střední Čechy, Egredior, EK</td>
<td></td>
</tr>
<tr>
<td><strong>Junior Achievement</strong></td>
<td>Course with a manual for teachers and workbook</td>
<td>Elementary School students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>A real educational course</td>
<td>Secondary School students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Course - computer simulation, manual for teachers</td>
<td>Secondary School students</td>
<td>Citibank</td>
</tr>
<tr>
<td></td>
<td>Management and Economic Simulation Exercise - course with manual for teachers</td>
<td>Secondary School students</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Interactive course</td>
<td>Secondary School students</td>
<td>Citibank</td>
</tr>
<tr>
<td><strong>Liberal Institute</strong></td>
<td>Summer University</td>
<td>Secondary School students, teachers</td>
<td>Foundation for Teaching Economics</td>
</tr>
<tr>
<td><strong>Moře financí (See of Finance)</strong></td>
<td>Online tool for personal finance administration</td>
<td>Secondary School students, teachers, General Public</td>
<td></td>
</tr>
<tr>
<td><strong>Multi-cultural Centre Prague</strong></td>
<td>Financial education for foreigners (brochure)</td>
<td>Minority (Foreigners)</td>
<td>Citibank, GE Money Bank, a.s.</td>
</tr>
<tr>
<td><strong>Pireus, s.r.o.</strong></td>
<td>Educational Game with a</td>
<td>Students of Secondary</td>
<td>EKOGRAM</td>
</tr>
<tr>
<td>Service</td>
<td>Description</td>
<td>Target Group</td>
<td>Additional Information</td>
</tr>
<tr>
<td>---------</td>
<td>-------------</td>
<td>--------------</td>
<td>------------------------</td>
</tr>
<tr>
<td><strong>Poradna při finanční tísni (Counselling in Financial Distress)</strong></td>
<td>Counselling for consumers</td>
<td>General Public</td>
<td>SČS, ČS, SOS, KB, ČSOB, Blesk, Raiffeisen Bank, a.s., UniCredit, Poštovní spořitelna, Stavební spořitelna ČS, Erste Stiftung</td>
</tr>
<tr>
<td><strong>Prosperita, o.p.s.</strong></td>
<td>Educational courses</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td><strong>Rubikon Centrum</strong></td>
<td>Debt counselling</td>
<td>People with criminal history</td>
<td></td>
</tr>
<tr>
<td><strong>SČS</strong></td>
<td>E-learning project on communication with banks</td>
<td>General Public/middle age</td>
<td>ČS, USF, FA ČR</td>
</tr>
<tr>
<td><strong>Sdružení SPES</strong></td>
<td>Counselling (personal, internet and phone)</td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial education</td>
<td>Secondary School students in Olomouc Region</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Indebted households</td>
<td>Social workers</td>
<td></td>
</tr>
<tr>
<td><strong>Společnou cestou (part of AOP)</strong></td>
<td>4 seminars planned</td>
<td>General Public</td>
<td>AOP</td>
</tr>
<tr>
<td></td>
<td>Counselling</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Středisko náhradní rodinné péče</strong></td>
<td>Educational courses</td>
<td>Youth from Children's Homes</td>
<td>Citibank, MPSV, Ministry of Interior, VŠE, Children's Homes in the Czech Republic, volunteers, magazine Zámeček, Junior Achievement</td>
</tr>
<tr>
<td><strong>USF ČR (Financial intermediary and counselling Companies Union)</strong></td>
<td>Client manual</td>
<td>General Public</td>
<td>ČS, USF</td>
</tr>
<tr>
<td></td>
<td>E-learning portal</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Series being prepared</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yourchance</strong></td>
<td>Website Podnikam.eu</td>
<td>Children at Children's Homes at age of 15-18 years</td>
<td>Junior Achievement</td>
</tr>
<tr>
<td><strong>Život 90</strong></td>
<td>Mobile caravan with PCs and internet access, e-banking simulations</td>
<td>Seniors</td>
<td>ČSOB, Pfizer</td>
</tr>
</tbody>
</table>

Source: Own Compilation. MF (http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html), websites of entities
Appendix E: Questionnaire to ascertain „Supply“ of FL by private sector companies

Dobry den,

zpracovavam nyni diplomovou prací na téma Mereni dopadu CSR, se zaměřením na financní
gramotnost (VŠE v Praze). Pro kapitolu diplomové práce tykající se analyzy "nabídky" financní
gramotnosti v ČR od soukromých firem v rámci jejich CSR bych Vas chtěla pozadat o zodpovězení 4
níze uvedených otázek. Pokud byste pak chtěli tuto cast diplomové práce poslat, rada Vám vysledky
teto analýzy poskytnu k dispozici.

1) Podporujete v rámci CSR projekty tykající se financní gramotnosti?

2) Pokud ano, kolik jste na projekty tykající se financní gramotnosti vynaložili financních prostředků v
roce 2011 a kolik v roce 2010?
- Pokud máte údaj i za rok 2009, uvedte ho prosím také. Pokud jste kromě financních prostředků do
projektu venovali i vecné prostředky (naturalia, in-kind), případně i cas svých zaměstnanců, prosím
uvedte také.

3) Na jake socialni skupiny se Vase projekty tykajici se financni gramotnosti zameruji a jakym
procentem?
- Prosim tedy o procentualni rozlozeni podle socialnich skupin, nejlepe v procentech celkového
rozpoctu na projekty tykajici se financni gramotnosti (tzn. napr. 50 % daného rozpoctu jde na projekty
pro mládež) i v procentech poctu lidi z jednotlivych socialnich skupin, na které mely projekty vliv (tzn.
napr. 60 % lidi, na které mely projekty vliv, byli mladí lidi). - obe procenta jsou důležitá z toho
duvodu, že ne vzdy rozpoctové rozložení odpovída rozložení kvantitativnímu (poctu realne
"zasazených" lidi).
Prosim o obe procenta analogicky i podle regionu.

4) Merite dopady tectho projektu? Pokud ano, jake nastroje ci metody využivate?
Komunikujete dopady techto projektu (CSR report nebo cast vyrocni zpravy apod.)? Pokud ano, jake
metody pouzivate?

Predem dekuji!
S pozdravem
Marketa Jelinkova

E-mail or online form with the Questionnaire sent to 33 following financial institutions:

1. Air Bank
2. AXA Bank Europe
3. Citibank
4. Česká spořitelna
5. Českomoravská stavební spořitelna
6. Českomoravská záruční a rozvojová banka
Appendix F: List of selected entities in Financial Sector pursuing improvements in FL in the Czech Republic

<table>
<thead>
<tr>
<th>Entities in Financial Sector</th>
<th>E-mail reply to questionnaire or website research</th>
<th>Support FL projects</th>
<th>Project Type</th>
<th>Budget spent on FL projects</th>
<th>Target Group</th>
<th>Outcomes/Impacts</th>
<th>Measurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Bank</td>
<td>E-mail</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AXA Bank Europe</td>
<td>E-mail</td>
<td>Yes</td>
<td>Sponsor of publication</td>
<td>Not provided</td>
<td>Secondary schools</td>
<td>Not provided</td>
<td>Not provided</td>
</tr>
<tr>
<td>Citibank</td>
<td>Web</td>
<td>Yes</td>
<td>2 e-learning programmes</td>
<td>Besides financial contribution also employee</td>
<td>Youth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Equa bank
2. Evropsko-ruská banka
3. Fio banka
4. GE Money Bank – online form
5. HSBC Bank plc - pobočka Praha
6. Hypoteční banka
7. ING Bank N. V. – online form
8. J&T BANKA
9. Komercní banka – online form
10. LBBW Bank CZ
11. mBank
12. Modrá pyramidá stavební spořitelna
13. Oberbank AG
14. PPF banka
15. PRIVAT BANK AG
16. Raiffeisen stavební spořitelna – online form
17. Raiffeisenbank
18. Raiffeisenbank im Stiftland eG – online form
19. Royal Bank of Scotland
20. Stavební spořitelna České spořitelny
21. UniCredit Bank
22. Volksbank CZ
23. Všeobecná úverová banka
24. Waldviertler Sparkasse von 1842 AG
25. Wüstenrot - stavební spořitelna
26. Wüstenrot hypoteční banka
27. Zuno
| **Computer simulation of bank management** | **Youth** | ca 4,000 participants annually | N/A |
| **Training** | **Starting Entrepreneurs** | hundreds since 2009 | |

<p>| <strong>Česká spořitelna</strong> | <strong>E-mail (supplemented by information from CSR report 2011)</strong> | <strong>Conference</strong> | 12.7 millions CZK in 2011, including cooperation with universities (for CSR projects together with Foundation ČS in total: 67 millions CZK in 2011 - IFRS, 60.6 millions) | <strong>General Public</strong> | Not monitored (just by some projects) | In the past LBG was used but not to measure impacts, just for financial contribution volumes in terms of philanthropic projects; survey among general public |
| <strong>PFT</strong> | <strong>General Public</strong> | <strong>Educational web portal</strong> | <strong>Children and youth</strong> | <strong>Seminars</strong> | <strong>Primary and Secondary School and Higher Technical School students</strong> | 700 students in 2011 (50 seminars across the Czech Republic) |
| <strong>On-line game</strong> | <strong>Primary School students</strong> | | | <strong>Ladies Investment Club</strong> | <strong>Women</strong> | 2,300 members as of end of 2011 (470 participated in 3 meetings, 4 |</p>
<table>
<thead>
<tr>
<th>Bank Name</th>
<th>Contact Method</th>
<th>Provided</th>
<th>Competition</th>
<th>Adult Age</th>
<th>Participating People</th>
<th>Educational Program</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Českomoravská stavební spořitelna</td>
<td>Web</td>
<td>No</td>
<td>Web-based</td>
<td>Adults</td>
<td>Thousands of people</td>
<td>University students</td>
<td>Not provided</td>
</tr>
<tr>
<td>Českomoravská záruční a rozvojová banka</td>
<td>E-mail</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deutche Bank (questionnaire not sent)</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equa bank</td>
<td>E-mail</td>
<td>Yes</td>
<td>Web-based</td>
<td>Adults</td>
<td>Thousands of people</td>
<td></td>
<td>Not provided</td>
</tr>
<tr>
<td>Evropskoruská banka</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fio bank</td>
<td>Refused to provide information, thus web</td>
<td>Yes</td>
<td>Educational Program</td>
<td>University students</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fortis Bank SA/NV (questionnaire not sent)</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GE Money Bank – online form</td>
<td>Refused to provide information, thus web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HSBC Bank plc - pobočka Praha</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hypoteční banka</td>
<td>E-mail</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ING Bank N. V. – online form</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>J&amp;T BANKA</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Komerční banka – online form</td>
<td>Refused to provide information, thus web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LBBW Bank CZ</td>
<td>Web</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>Web</td>
<td>E-mail</td>
<td>Seminar Details</td>
<td>Wealthy Clients Details</td>
<td>Annuals Participations</td>
<td>Refused Information</td>
<td></td>
</tr>
<tr>
<td>--------</td>
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<td>---------------------------------</td>
<td>--------------------------------------------------------------------------------------</td>
<td>------------------------</td>
<td>---------------------</td>
<td></td>
</tr>
<tr>
<td>mBank</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Modrá pyramida stavební spořitelná</td>
<td>No</td>
<td>E-mail</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oberbank AG</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PPF bank</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PRIVAT BANK AG</td>
<td>Yes</td>
<td>E-mail</td>
<td>Seminars on investments</td>
<td>Wealthy clients of the bank (amount of funds starting at 3 million CZK)</td>
<td>Annually ca 150 participants</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Raiffeisen stavební spořitelná – online form</td>
<td>No</td>
<td>Web</td>
<td>Educational programmes</td>
<td>Primary and Secondary Schools</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raiffeisenbank</td>
<td>No</td>
<td>Web</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raiffeisenbank im Stiftland eG – online form</td>
<td>No</td>
<td>Web</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Bank of Scotland</td>
<td>No</td>
<td>Web</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stavební spořitelná České spořitelny</td>
<td>No</td>
<td>Web</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>UniCredit Bank</td>
<td>No</td>
<td>Web</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volksbank CZ</td>
<td>No</td>
<td>E-mail</td>
<td>Sponsorship of selected secondary schools, university lectures provided by bank management</td>
<td>Refused to provide this information</td>
<td>Seconda ry School and University students (region Jihlava till now mainly)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix G: List of selected additional private sector entities pursuing improvements in FL in the Czech Republic

<table>
<thead>
<tr>
<th>Other private sector entities pursuing FL improvements (questionnaire not sent)</th>
<th>Website research or e-mail communication</th>
<th>Support FL projects</th>
<th>Project Type</th>
<th>Budget spent on FL projects</th>
<th>Target Group</th>
<th>Measurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSR Consult</td>
<td>Web</td>
<td>Yes</td>
<td>Seminars (ABC of family finance)</td>
<td></td>
<td>General Public (1160 participants - students, seniors, disabled, socially handicapped)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Seminars (Financial Compass)</td>
<td></td>
<td>Civic Counselling employees</td>
<td></td>
</tr>
<tr>
<td>KA Production</td>
<td>Web</td>
<td>Yes</td>
<td>TV Programme Suma sumárum</td>
<td></td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td>Metropol Television</td>
<td>Web</td>
<td>Yes</td>
<td>A regular section on FL</td>
<td></td>
<td>General Public</td>
<td></td>
</tr>
<tr>
<td>OVB Alfinanz, a.s.</td>
<td>Web</td>
<td>Yes</td>
<td>Educational materials, syllabus, electronical educational game, worksheets, possibility of lector</td>
<td>Teachers and students of primary and secondary schools, adults' education, interest groups (via seminars)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>-------------------</td>
<td>-----</td>
<td>-----</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>KPMG</td>
<td>E-mail Communication</td>
<td>Yes</td>
<td>Playing board game (KPMG employees with seniors) developed by KFP company</td>
<td>Employee time</td>
<td>Successfulness of CSR projects is measured internally. Each 2 years, Employee Satisfaction Survey with a section on CSR is conducted.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Seminar</td>
<td>Employee time</td>
<td>Seniors</td>
<td></td>
</tr>
<tr>
<td>Source: Own Compilation. MF (<a href="http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html">http://www.mfcr.cz/cps/rde/xchg/mfcr/xsl/ft_finvzd_projekty_67716.html</a>), websites of entities</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Appendix H: Personal Phone Interviews – Template

*Template below was prepared in cooperation with Director of PFT, David Šmejkal.*

Good afternoon,

I have obtained your contact from the Counselling in Financial Distress. I am conducting assessment of counselling services of this entity. I work on it within a research project that evaluate benefits and impacts of counselling services.

Can I ask you three short questions?

It will take maximum 5 minutes.

1) Did the advice from PFT help you?
2) How exactly did the advice help you?/ What exactly did the advice from PFT bring you? Is it possible to quantify it (preferably in monetary terms, if possible)?
3) Which print media (newspapers/magazines) do you read and which television programmes/shows do you watch?

### Appendix I: Personal Phone Interviews – Answers obtained

Anonymous current or former clients of PFT (in the years 2010-2012)
Note: Phone numbers obtained by David Šmejkal, Director of PFT
Sample: 80 clients called, 31 of them answered the call
Time: July/August 2012

<table>
<thead>
<tr>
<th>Client</th>
<th>Gender</th>
<th>Advice was helpful</th>
<th>If not, why</th>
<th>How it helped</th>
<th>Financial Benefit</th>
<th>Newspapers/Magazines he/she reads</th>
<th>TV programs he/she watches</th>
<th>Other media</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>Mainly psychically (he was more relaxed after the meeting)</td>
<td>It did not save him tens thousands CZK but it helped</td>
<td>None</td>
<td>Series on Prima Cool and Nova: Futurama and Farma now</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Female</td>
<td>No</td>
<td>She did not use the advice since they wanted more documents from her</td>
<td>In no way since she did not continue</td>
<td>None - but she did not know it is for free so she would have saved <strong>8000 CZK</strong> if she did not use paid lawyer instead</td>
<td>MF Dnes</td>
<td>Prima - Private dramas, ČT1. Documents about helping people in debt and advices regarding financial issues - but she watches such documents since her problems with debts started</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Male</td>
<td>No</td>
<td>He knew all the information already since he was well informed</td>
<td>However, he thinks it can help less intelligent people</td>
<td>Not Applicable</td>
<td>None</td>
<td>News (no series)</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Male</td>
<td>No</td>
<td>Nothing could be done</td>
<td>N/A</td>
<td>N/A</td>
<td>Blesk Sport</td>
<td>News, new movies (no series)</td>
<td>Internet</td>
</tr>
<tr>
<td>5</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>It was an expert advice.</td>
<td>She does not remember what she asked exactly</td>
<td>MF Dnes</td>
<td>None</td>
<td>Internet</td>
</tr>
<tr>
<td>6</td>
<td>Male</td>
<td>No</td>
<td>He did not come to arranged meeting.</td>
<td>N/A</td>
<td>If he went to the meeting, he would save <strong>5,000 CZK</strong> which he paid to Správci dluhů company (and their advice did not help him anyway)</td>
<td>None</td>
<td>None (he does not have any TV)</td>
<td>Internet - mainly job offers sites (seznam, volny)</td>
</tr>
<tr>
<td>7</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>It saved him some money.</td>
<td>Some amount of money saved but cannot quantify.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>It helped but does not remember how exactly.</td>
<td>He is not able to quantify.</td>
<td>MF Dnes</td>
<td>News (ČT24)</td>
<td></td>
</tr>
<tr>
<td>Client</td>
<td>Gender</td>
<td>Marital Status</td>
<td>If they sent an e-mail</td>
<td>What happened after sending the e-mail</td>
<td>How much they did not want advice from counselling</td>
<td>Source of newspapers</td>
<td>Source of TV, radio</td>
<td>Source of magazines</td>
</tr>
<tr>
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</tr>
<tr>
<td>9</td>
<td>Male</td>
<td>No</td>
<td>He sent an e-mail to Counselling Centre in Ostrava but did not get any reply. Now he does not want any advice from counselling (no trust anymore).</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>Krotitelé dluhů (about debts)</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Female</td>
<td>Yes</td>
<td>She did not use the advice fully but it helped since they analyzed the whole situation and stated the options</td>
<td>Not possible to quantify.</td>
<td>MF Dnes sometimes, Moje psychologie, Svět ženy</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Female</td>
<td>No</td>
<td>She sent an e-mail to Prague Counselling Centre but she did not get any reply.</td>
<td>N/A</td>
<td>Blesk (she reads everything, also about executions)</td>
<td>Prostřeno, everything regarding debts (Prima, ČT1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Female</td>
<td>She does not remember</td>
<td>They tried to collect all materials for request for Debt Relief but then he was laid off (lost job). Then there was no reason to continue with counselling.</td>
<td>N/A</td>
<td>N/A</td>
<td>Any newspapers but he reads just the part on sport</td>
<td>Sport on TV, mainly ČT4</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Male</td>
<td>No</td>
<td>It saved him money and helped him also psychologically (&quot;It is great since then there are no suicides&quot;)</td>
<td>N/A</td>
<td>He would lose hundreds of thousands CZK without the advice (but he does not know exact result yet)</td>
<td>Metro</td>
<td>None</td>
<td>Radio (Frekvence 1, Regina)</td>
</tr>
<tr>
<td>14</td>
<td>Male</td>
<td>Yes</td>
<td>It is still in progress but it will help financially.</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Male</td>
<td>Yes</td>
<td>It helped to decide how to proceed.</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Female</td>
<td>Yes</td>
<td>It was not decided yet but it will be in tens of</td>
<td>N/A</td>
<td>MF Dnes sometimes, various magazines rarely</td>
<td>ČT24, news (Nova, Prima), Internet (news - idnes)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client</td>
<td>Gender</td>
<td>Employment Status</td>
<td>Interest</td>
<td>Materials Provided</td>
<td>Help Realized</td>
<td>Media Consumption</td>
<td>Notes</td>
<td></td>
</tr>
<tr>
<td>--------</td>
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<tr>
<td>17</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>He arranged another meeting to provide materials to PFT. &quot;They will hopefully rescue me.&quot;</td>
<td>He does not know yet.</td>
<td>None</td>
<td>Everything - news and series (e.g. Farma)</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>Certainly it helped.</td>
<td>Cannot quantify.</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Male</td>
<td>No</td>
<td>N/A</td>
<td>He got to know only possibilities, but at the end, he agreed with his family that they will borrow him without interest.</td>
<td>Just possibilities.</td>
<td>N/A</td>
<td>Just sport, Motocykl (magazine) Just sport sometimes</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Male</td>
<td>Does not know yet.</td>
<td>N/A</td>
<td>It is not possible to estimate.</td>
<td>It is not possible to quantify.</td>
<td>N/A</td>
<td>Tabloid newspapers (Blesk), Rytmus života None</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>It helped fifty percent because she does not have job so it will help more when she finds it.</td>
<td>It is not possible to quantify.</td>
<td>N/A</td>
<td>Metro, Annonce Rarely (various - Objektiv, Skrytá kamera, entertainment shows, series) Internet (websites with job offers)</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Female</td>
<td>No</td>
<td>She canceled the meeting.</td>
<td>N/A</td>
<td>N/A</td>
<td>News</td>
<td>Nova (Televizní noviny, Comeback) Internet (news - seznam)</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Female</td>
<td>No</td>
<td>They told her that for her 2 million debt is no way out.</td>
<td>N/A</td>
<td>N/A</td>
<td>None</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>Debt Relief was approved.</td>
<td>They saved hundreds of thousands CZK.</td>
<td>None</td>
<td>Debt Relief was approved.</td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Female</td>
<td>No</td>
<td>They advised her Debt Relief which she does not want.</td>
<td>N/A</td>
<td>N/A</td>
<td>Magazines with Sudoku and puzzles ČT1 and ČT2 (series and documentaries)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>It is still in progress but he expects it will help since the counselling agent was sympathetic and professional.</td>
<td>Not able to quantify.</td>
<td>None</td>
<td>News, no series Radio</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Male</td>
<td>Yes</td>
<td>N/A</td>
<td>It is not possible to estimate the real help but in the</td>
<td>Not possible to quantify.</td>
<td>Ustecký deník (regional newspaper) News and sport (Prima, Nova)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Client</td>
<td>Gender</td>
<td>Status</td>
<td>TV/Internet</td>
<td>Source</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Female</td>
<td>Does not know yet.</td>
<td>N/A</td>
<td>Právo, Blesk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Female</td>
<td>Does not know yet.</td>
<td>N/A</td>
<td>None</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>Magazines sometimes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Female</td>
<td>Yes</td>
<td>N/A</td>
<td>Deník Právo and others</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Interviews with PFT clients (current and former)

### Appendix J: LBG Case Study

(Případová studie LBG)
ČSOB zvyšuje finanční gramotnost v ČR

**Zaměření projektu:**

Projekt je zaměřen na prevenci a „léčbu“ nízké finanční gramotnosti u nízkopříjmových skupin obyvatelstva a podporu rozvoje finanční gramotnosti u dětí, ale také speciálně u seniorů, zdravotně znevýhodněných, samoživitelů aj. Základním a středním školám dává návod, jak finanční gramotnost implementovat do svých učebních systémů. Projekt se snaží šířit finanční gramotnost různými formami: konzultacemi zaměřenými na dluhové poradenství, prevencí zadlužování poskytováním informací (divadelní představení Poslední mince apod.).

Zdůvodnění projektu:
Hlavními cíli projektu bylo podpořit možnost (převážně nízkopříjmové části) veřejností jít se poradit zdarma a v případě potřeby anonymně v oblasti finanční problematiky, dluhů, získat rady, jak se dostat z dluhové pasti, ale rovněž působit preventivně – nejen prostřednictvím seminářů v poradnách, ale i na děti, mládež a dalšími interaktivními způsoby, např. pomocí divadelního představení.

Vložené prostředky:
(2006-2011) 29 900 000 Kč

Přínosy a dopady pro komunitu a firmu:
Jednoznačným přínosem projektu pro společnost je zvýšení finanční gramotnosti v regionech ČR. Iniciativa pro rozšíření vzdělávání ve finanční gramotnosti navíc zvyšuje povědomí široké veřejnosti i veřejné správy o této problematice a potřebě tento společenský problém řešit. Pozitivní dopad při oddlužování nízkopříjmových skupin obyvatel je nejen na konkrétní osoby, které se na Asociaci občanských poraden či Poradnu při finanční tísni obrací, ale také na jejich příbuzné, příp. známé. Z hlediska nízkopříjmových skupin obyvatel je dopad patrný – pomoc se snížením dluhu či oddlužením (oddluženo bývá každý rok mezi 10 a 20 % případů) měla za následek menší zadluženost zúčastněných a menší počet zadlužených obyvatel, a tedy finančně „zdravější“ společnost. Podobně u divadelního představení pro děti a mládež – nebyl zde pouze dopad na děti a mládež, ale také na jejich rodinné příslušníky a kamarády, se kterými danou problematiku mohly na základě zhlédnutého představení diskutovat, a rovněž na pracovníky škol a dětských domovů.

V širším smyslu má projekt vliv i na oživení ekonomiky obecně způsobené vyšší finanční gramotností a tedy volbou etické bankovní instituce s transparentními procesy apod. – zdravá ekonomika a méně zadlužení obyvatelé jsou pak předpokladem pro úspěšné dlouhodobé podnikání obecně. Firmě projekt přináší bezprostředně pozitivní zmínky v mědičích i osobní rozvoj desítek zaměstnanců, kteří se do projektů zapojili poskytnutím odborných informací, a jejich větší rozhled, který získali díky kontaktu s jinými odborníky, vzhledem k osobní zkušenosti týkající se problematiky finanční gramotnosti obyvatelstva.
Dlouhodobě ovšem také přináší větší loajalitu a efektivitu práce zaměstnanců a má i vliv na image společnosti jako zodpovědného a etického partnera pro klienty – ukazuje přístup banky ke klientům jako vzájemné (celoživotní) partnerství. Projekt tímto podporuje image samotného odpovědného podnikání banky – zúčastnění vidí ČSOB jako etického partnera: (banka neposkytne úvěr těm, kdo by ho nemohli splatit a podobně).