

Mendel University in Brno
Faculty of Business and Economics

Corporate Social Responsibility of Microbreweries

Bachelor Thesis

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Abstract

Podškubková L. Corporate Social Responsibility of Microbreweries. Bachelor thesis. Brno: Mendel University, 2018.

The bachelor thesis is focused on corporate social responsibility regarding microbreweries. The main goal of the bachelor thesis was to propose recommendations to a chosen Czech microbrewery based on a desk and qualitative research, and comparison with a chosen Irish microbrewery. Concerned literature of corporate social responsibility and microbreweries was studied and used as a base for the practical part. Original CSR analysis structured by the ISO 26000 norm was used for the internal environment of a chosen Czech microbrewery and a chosen Irish microbrewery. The two microbreweries were later compared for a better understanding of the problematic. It was discovered that the chosen microbreweries have similar CSR activities but the Czech microbrewery practices them in a better way. For the external environment PESTE analysis was used for the Czech brewery industry and its opportunities and threats were found. Alongside, similar companies with a great CSR review and actions were examined. Based on all these factors it was discovered that the Czech brewery doesn't provide information of irresponsible consumption of beer, doesn't provide nutritional values and prices of their beers on their website, doesn't use LED fluorescent lamps and therefore saving energy and also that their employees have only a few benefits. Recommendations for these problems were suggested and economically interpreted.

Keywords

CSR, social responsibility, PESTE analysis, ISO 26000, microbreweries

Abstrakt

Podškubková L. Společenská odpovědnost minipivovarů. Bakalářská práce. Brno: Mendelova univerzita v Brně, 2018.

Tato bakalářská práce je zaměřena na společenskou odpovědnost minipivovarů. Hlavním cílem bakalářské práce bylo navrhnout doporučení vybranému minipivovaru na základě sekundárního a kvalitativního výzkumu, a porovnání s vybraným Irským minipivovarem. Literatura o společenské odpovědnosti a minipivovarech byla nastudována a použita jako podklad pro praktickou část. Pro vnitřní prostředí zvoleného Českého a Irského minipivovaru, byla použita originální CSR analýza strukturovaná ISO 26000 normou. Minipivovary byly porovnány pro lepší porozumění problematiky. Bylo zjištěno, že vybrané minipivovary mají podobné CSR aktivity, ale Český pivovar je v rámci společenské odpovědnosti lepší. Pro externí prostředí byla použita PESTE analýza, kde byly zjištěny hrozby a příležitosti. Zároveň byly prozkoumány podobné firmy s dobrou recenzí na CSR. Na základě všech faktorů bylo zjištěno, že Český pivovar neposkytuje upozornění o nezodpovědné konzumaci alkoholu na obalech ani webových stránkách, nepoužívá LED zářivky a tudíž nešetří s energií, a že zaměstnanci mají jen pár benefitů. Pro tyto problémy byly navrženy doporučení, které byly ekonomicky interpretovány.

Klíčová slova

CSR, společenská odpovědnost, PESTE analýza, minipivovary, ISO 26000.

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1 Introduction

The fact that corporate social responsibility (CSR) is becoming a bigger and bigger trend in today's world and both Czech Republic and Republic of Ireland are great producers of beer therefore makes beer production a big part of their economies. Czech Republic has the highest beer consumption per capita and not always the risks of beer consumption are pointed out. Beer also consists of water from 95 %, which follows a risk of lack of water in the future. Beer production comes with a lot of risks and therefore there is always space for improvement.

CSR dates back to the 19th century, when a business magnate of a steel company and a significant philanthropist Andrew Carnegie began to publicly advocate the opinion, that successful and rich individuals have the moral obligation to share their work ideas with the less successful and destitute businessmen. Significant substance of this idea was the principle of philanthropy and partially also rooted reminder of a system called draining of tithe. Tithe represented back then approximately 10% tax to thesecular authorities. (Kalivoda, 2012) Corporate social responsibility has been growing in the past years, because organizations have realized that consumers do not want only products that will satisfy their needs but also products, that do not arise at the expense of the environment and a lot of state organs are using the CSR concept.

The production of beer began in Mesopotamia 7000 years BC, when Sumerian people when they discovered it accidentally. From a bowl with ground grains turned out water, which after some time got a specific taste and had intoxicating effects. On the ground of the Czech Republic, Celts began to cook beer. The oldest mention of beer production is dated back to the year 1088. By time every citizen had the right to cook beer. The beer production became more and more favourite, and first breweries began to appear and it was discovered, that beer production is good for the economy so the brewery industry spread out rapidly. (Kosař, 2009) Nowadays there are many breweries and especially microbreweries that got in the favour of consumers.

During the past few years, higher requirements have been placed for the production of beer – for example higher qualitative conditions, water consumption, carbon emissions and legislative requirements. All of these factors are the reason the thesis was made.

2 Objectives and Methodology

2.1 Objectives

The main objective of the bachelor thesis is to propose recommendations to a Czech microbrewery based on the concerned literature of corporate social responsibility and using ISO 26000 method for the internal environment; and PESTE analysis for the external environment analysis. The main objective will be reached by an original CSR analysis structured by the ISO 26000 norm for the Czech microbrewery with the help of a comparative analysis with an Irish microbrewery. A desk and qualitative research will be done to reach the objective of this thesis. Alongside, similar companies with a great CSR review and actions will be examined. Recommendations that will be reached will be economically interpreted.

2.2 Methodology

The thesis is divided into two parts. The first one is called Literature Review, which gathers basic findings from studied literature regarding Corporate Social Responsibility (CSR) and its definition and constructive criticism; standards and norms of Corporate Social Responsibility with focus on ISO 26000 method, Corporate Social Responsibility in the Czech Republic and its history, current situation and best practices, and plans for the future; Corporate Social Responsibility in Ireland with focus on its history and current situation; and also practices of Corporate Social Responsibility in brewery industry. All of the topics are closely related to the second part of the thesis called Results, where an original analysis is performed. The first part of the performed original analysis includes external environment analysis PESTE modified from the view of corporate social responsibility and Czech brewery industry, which contains a detailed desk research study of political, economical, socio-cultural, technological and environmental factors. Opportunities and threats are established and discussed for each factor of PESTE analysis. Laws related to the topic alongside with tax rates of breweries, unemployment rates, inflation, development in wages and consumption of beer will be mentioned. For this research statistics from the Czech Statistical Office are used.

The second part contains qualitative research in a form of a questionnaire structured by ISO 26000 norm and CSR in brewery industry. Two microbreweries are questioned. One of them is an Irish microbrewery and brewpub from Cork, and the second one is a Czech microbrewery Chomout from Olomouc. On the request of the Irish microbrewery of remaining anonymous, to the Irish brewery will be assigned the name XXX. Based on the questionnaire, both breweries are examined regarding the seven core subjects: organizational governance, human rights, labour practices, environment, fair operating practices, consumer issues, and community involvement and development. Based on the ISO 26000 norm, SWOT analysis for the Czech microbrewery is

adapted according to social responsibility and the strengths and weaknesses are set. In another step, the conclusion of ISO 26000 method of the Czech and Irish microbrewery is made. To interpret the results in the best way, scores to individual core subjects are assigned and compared, where 1 is the worst score and 5 is the best score. The results are also interpreted on a spider graph. Comparison of similar social responsibility practices is made. The chosen breweries are HEINEKEN Ireland, because of its production in Cork and Plzeňský Prazdroj, which gives a great example of social responsibility and got the title of Top Responsible Big company of 2015 and also their 2015 CSR report, that the comparison is based on, was awarded as the best report of CSR activities in the middle Europe. In the end of the study, based on the weaknesses of the Czech microbrewery, recommendations are suggested and economically interpreted.

3 Literature Review

3.1 Corporate Social Responsibility

According to Pavlík and Belčík (2010) there is no united worldwide definition for Corporate Social Responsibility (CSR), because it is based on a volunteering and has no strict rules. There are many ways how a person can interpret this complex concept. Though there exist three most famous definitions:

“CSR is a voluntary integration of social and ecological aspects into everyday operations of a firm and into interactions with firm’s stakeholders.” (European Commission), *“CSR is a continuous liability of firms to behave ethically, to contribute to economical growth and at the same time to fight for better life quality of employees and their families just as local community and society as a whole.”* (World Business Council for Sustainable Development) and *“CSR is a way of business, which answers or goes beyond ethical, legal, commercial and social expectations.”* (Business for Social Responsibility). However the European Unions has nowadays defined CSR as *“the responsibility of enterprises for their impact on society. CSR should be company led. Public authorities can play a supporting role through a smart mix of voluntary policy measure and, where necessary, complementary regulation.”* (European Commission)

Alexandr Dahlsrud analysed 37 definitions and based on those, defined 5 basic aspects (areas), which were the most common in the CSR definitions. The areas are:

- Environmental
- Social
- Economical
- Stakeholders
- Volunteering

He found out that four out of five mentioned areas are occurred in at least 80 % definitions. That’s why he assumes even though definitions of CSR are formulated verbally in a different way, they are consistent. (Kašparová and Kunz, 2013)

Another point of view on CSR is from Chouinard and Stanley (2014) who perceive the foundations of corporate social responsibility in relation to five key groups of shareholders: employees, owners, customers, nature and community. Responsibility towards employees: a company should try to make sure their employees or people providing their services get rewards and are looked after. Responsibility towards the company’s health: correct accounting and conscientious payment of invoices belong to this group. A company that cannot keep up with its ecological and social liabilities is not financially healthy. Responsibility towards employees: To make sure a company keeps its customers, it has to make products or provide services, which will be useful and which customers will be satisfied with. Also a company should think about correct content for advertisement. Responsibility towards community: Responsible

companies have a tradition of supporting schools, hospitals or art organizations. A company can also be responsible to the community by laying off its employees and providing them compensation instead of shutting down its production. Responsibility towards nature: A company should try to work with a specialized organization which can share database, methodology and software with them and thus help them find out necessary ecological and social data from their reports. (Chouinard and Stanley, 2014)

CSR consists of 3 spheres (Triple-bottom Line principal), which a social responsible firm respects: economical, social and environmental. Within Triple-bottom Line, economical sphere is assigned to as "profit". The social sphere is assigned to as "people" and the environmental sphere shows our "planet". Economical sphere includes an agreement on requirements within the CSR, which are applied to principles of leading and controlling of an organizations, actions against bribery, fight against the abuse of private information, poverty and laundering of dirty money. Social sphere includes the philanthropy of a firm and firm volunteering, staff policy, health and safety of employees, education and retraining support, employing minorities and endangered groups of population, gender policy, protection of human rights, volunteering and sponsoring, outplacement, work-life balance. Organizations should also consider identifying the impact of their business regarding the Environmental sphere, which among others includes protection of natural resources, investment into ecological technologies, ecological policy and saving energy. (Kuldová, 2010) This theory supports Coombs and Holladay who stated that their definition is sensitive to The Triple Bottom Line and add that they believe voluntary actions are involved in CSR activities. And also that if an organization performs an action that is required by law, it does not qualify as a CSR action. (Coombs and Holladay, 2012)

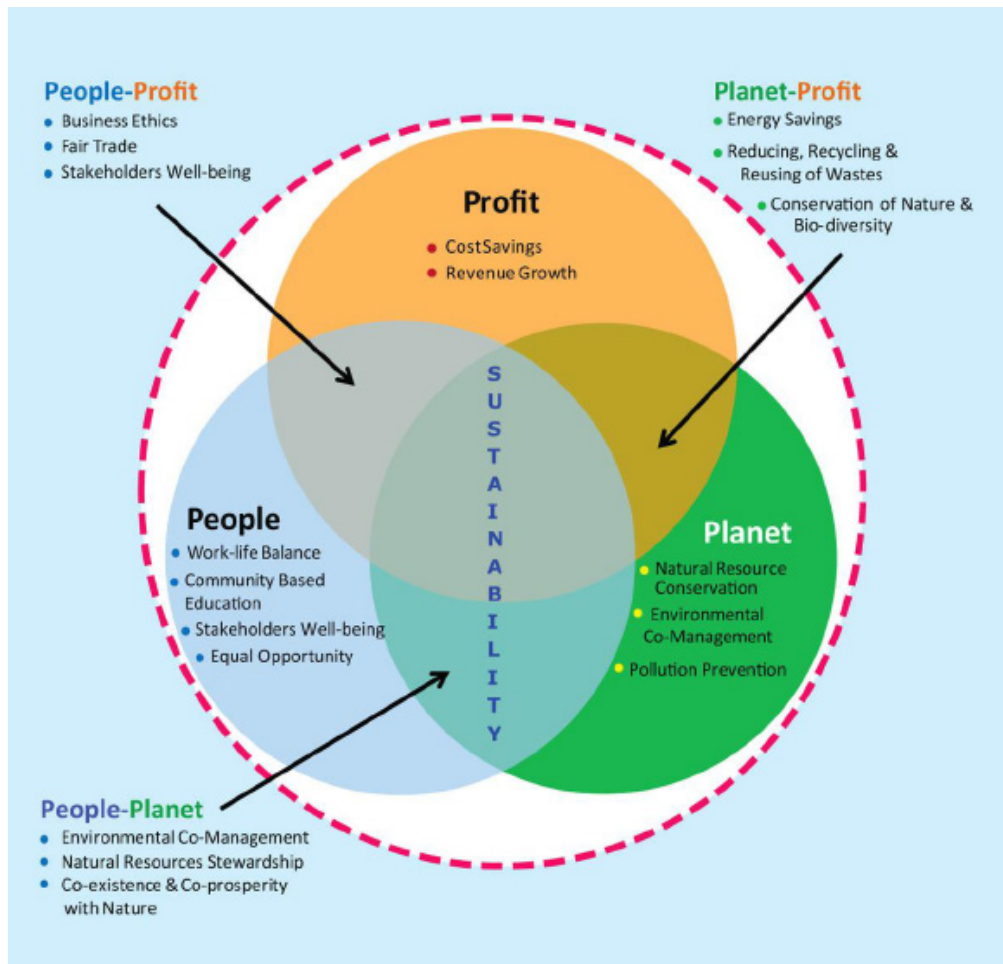


Figure. 1 Triple Bottom Line
Source: ACME Global, 2018

The tables below show classification and typical contributions for above mentioned spheres.

Tab. 1 External environment of a firm and CSR

External environment of a firm and CSR	Contributions
New possibilities that CSR is offering	Possibility to contribute to a solution or reduction of social problems
Relations to community	Effort leading to openness, support of shareholder's group support of people in the organization, churches...
Relations to customer	Protection of customer's rights, knowledge, product safety
Relations to suppliers	Support of participation, knowledge
Relations to the environment	Support of environmental development and responsibility to the future generations
Relations to stakeholders	Openness to social questions

Source: Kuldová, 2012

Tab. 2 Internal environment of a firm and CSR

Internal environment of a firm and CSR	Contributions
Physical environment	Care of health, safety, culture, ergonomic aspects
Work conditions	Fulfilling ethical criteria while hiring employees, their selection, in advertisement, but also during Sunday or overtime work for example
Minorities	Paying attention to minorities, multicultural surroundings and group diversity
Organizational structure and style of management	Enabling different types of participation in management
Communication and transparency	Support of in-house communication in downwards and upwards direction, emphasis on information accuracy
Education and training	Reacting to needs of employees, caring for their lifelong education and their personal development

Source: Kuldová, 2012

3.1.1. Critics in favour and against CSR

The acceptance of CSR concept is a long run investment into the development of the whole organization and any crisis for example current global financial crisis, can't disrupt the CSR concept. It is important to know that most of the profit is not materially measured. The organization is not thinking just on the maximal profit within the CSR strategy but on the profit balanced with consideration on all of the three pillars. (L. Kuldová, 2010)

CSR is raising the value of intangible assets such as the reputation of an organization, the value of a brand, human capital. Scientists from the Harvard University are pointing out organizations, which consider interest in all of their stakeholders, are reporting four times higher growth rate and eight times higher rate of employment increase than organizations which focus only on satisfying clients. (Pavlík and Bělčík, 2010)

On the other hand, there are also discussions about the costs of CSR explaining that managers who focus on CSR get distracted from profit making. Neither is the management entirely focused on strategic organizational goals, and stakeholders may suffer less return on their investments. (Pavlík and Bělčík, 2010) Friedman and Jensen agree on this and state that management should be focused on their primary purpose of serving the interests of stockholders. Another disadvantage may be that governments are supposed to ad-

dress a social concern, not businesses, so they should leave the social problems to those who are responsible to address them. There may also be a cost for the society when the companies are ignoring the rules and operate in their own self-interest and thus producing negative consequences for the society. (Blowfield and Murray, 2011)

3.2 Standards and norms of CSR

Standards are voluntary initiatives, which are showing, what types of behaviour are suitable to follow. Because of this they are indirectly showing, which activities should be implemented by an organization. An organization has to gain an advantage or needs to have a reason for agreeing to a restriction. The most common reasons of standards according to Kašparová and Kunz (2013) implementation are:

- To find a way how to gain information, which are extending the knowledge of employees and which at the same time will serve as a base for another learning
- To differ from competition
- To increase good name of an organization
- To lower the risk arising from implementation of a very strict legislation
- Demand of stakeholders for certain standards
- Effort to prove responsibility against them

There are many standards and norms within CSR area. Here are the most used and common ones according to National Information Portal of CSR.

ISO 26 000

National Information Portal of CSR explains ISO 26000 method as instructions for social corporate responsibility area which is submitting complex characteristics of the whole concept of the social responsibility management system. It includes generally accepted principles of CSR, possible areas for the choice of activities, their implementation and reviews. It can be considered as a “cook-book” for those who don’t know the principles of social responsibility application. This norm doesn’t serve to rate the level of CSR in an organization. The norm has a few basic rules:

- To provide instructions to organizations for building CSR
- To increase credibility of CSR reports
- To identify and relate interested parties
- To emphasize the necessity of performance growth
- To increase customer satisfaction
- To be consistent with the current system norms

The norm was approved 12th September 2010 by the standardization organization ISO as an international norm and thus became one of seventeen thousand norms issued by the ISO organization since 1946. (Ortová, 2011)

It needs to be mentioned that the ISO 26000 document has left the theoretical definition of as it is called "Corporate Social Responsibility" which is replaced by term "Social Responsibility". The term has a broader meaning and thus expands the application of social responsibility outside the business sector to for example labour unions, non-governmental organizations, and to another unions or other subjects of public sector. It is also important to mention, that the ISO 2600 norm can not be certified by a third party unlike the other norms. (Ortová, 2011)

The norm holds the view that social responsibility is the basis for permanent sustainability of every organization. It is supposed to serve as a guide for establishing social responsibility of organizations no matter of their legal form, size and the mean of arrangement. (Ortová, 2011) This is supported by Bláha and Černek (2015) who add, that another goal of this standard is to increase the trustworthiness of an organization and thus it's competitiveness, to increase trust and satisfaction of customers, to support unified terminology for social responsibility and to be in conformity with current codes, documents and another international agreements.

The norm represents principles of social responsibility, recommends measurement and discusses thoroughly seven basic core subjects: human rights, organization and management, environment, work conditions, consumer care, correct business, and engagement and development of local communities. Each core subject shows a range of issues of social responsibility. For each of the core subjects, an organization should identify those issues, that are relevant for it's activities. (International Standard ISO 26000)

Global Reporting Initiative

Global Reporting Initiative is an organization, which created a framework of indicators suitable for comparable measurement and implementation of organization's social responsibility. The basis of the framework is Sustainability Reporting Guidelines. The reports about sustainable development, based on the GRI framework, can be used for comparison of organizations' behaviour with the respect to norms, laws, behavioural standards, regulations and voluntary initiatives just as for comparison of organizations' behaviour in time. There are two basic prerequisites for using GRI method in practice: CSR is a part of the organization's managing system and CSR is build in three pillars – environmental, economical and social. GRI is a big international organization with experts all around the world and headquarters in Amsterdam. (Národní informační portal o CSR)

AA 1000 Accountability/Assurance Standard

AA 1000 is a variety of generally applicable norms from year 2008 for all types of organizations whose aim is to verify trustworthy organizations - principles,

rules of dialogue with interested parties and requirements to social responsibility management system including the quality of CSR reports in areas of economical, environmental, social and ethical responsibility (Národní informační portal o CSR), to do audit and reporting and especially to provide a professional training. All of those steps should contribute to the organization's strength of credibility. The owner of the norm is a British company AccountAbility. The organization represents a unique worldwide network, which unites leading business subjects, civil and public institutions. It connects companies, experts and academicians, who develop the possibilities of measurement and creation of reports of organization's ethical and social performance. (Ortová, 2009)

SA8000 Standard

SA 8000 is a certification norm, which establishes the requirements in the child labour area, working hours, forced labour, discrimination and the right for gathering and remuneration. (Národní informační portal o CSR) It is based on the international human rights principles and is independent on the state authorities. Application of this norm helps to make better relation between an employer and his employees in the working space area and points to particular steps in the social responsibility field. Also customers and consumers want a guarantee, that the products, which they have purchased, are made in a admissible working area (Ortová, 2009) The creator of the norm is a non-profit non-governmental organization Social Accountability International (SAI) in the USA. This organization has great experience with this topic and tries to maintain the high international prestige. (narodniportal.cz) SAI grants licences to certified authorities, which does audits according to the SA8000 norm and organizes training courses all around the world. (Ortová, 2009)

OECD Guideline for Multinational Enterprises

OECD (Organization for Economic Co-operation and Development) published the latest version of their Guidelines in year 2000, which contains a series of recommendations formulated by governments, concerning responsible behaviour of multinational enterprises. This version was updated in year 2011 in a form of amendment. Among recommended topics belong particularly the politics of an organization, transparency and openness, employment relationships, environment, fight against corruption, risk control, correct competition fight, organization's controlling and results of economic activities.

In the aim of implementing OECD Guidelines on the national level in the Czech Republic, National Contact Point (National Contact Point for the Implementation of OECD Guidelines for Multinational Enterprises) was established in year 2013. It is a permanent working group within the Ministry of Industry and Trade. The goal of National Contact Point is: to extend the awareness of the Guideline among affected public; to deal with question regarding the Guideline; to help with finding the solution in so-called specific examples, which concern implementation of the Guideline; to cooperate with other na-

tional contact points when solving specific cases and in any other issues concerning the Guideline. (Národní informační portal o CSR)

UN Global Compact

UN Global Compact is an international network of firms and organizations, which have decided to unify their mission and everyday activities with ten generally accepted principles of social responsibility in the area of work conditions, human rights, corruption and environment. The network coordinates socially responsible activities of individual organizations by means of currently 85 national networks around the world. Global Network Czechia was established in April 2015 and spreads the basic principles of this international initiative in the Czech environment. (Národní informační portal o CSR)

UN Guiding Principles on Business and Human Rights

Managing principles of UN for human rights and business represent complex framework of principles from the area of human rights, which organizations and countries should follow. The aim of these principles is to forestall unfavourable impacts of commercial activities on human rights. (Národní informační portal o CSR)

3.3 CSR in the Czech Republic

The beginnings of CSR in the Czech Republic appeared at the turn of a millennium when the essential structural and economical reforms had been made and most of the government companies had been privatized and the Czech Republic had began it's intensive preparation for entrance into the European Union. (Ortová, 2011) Although Kašparová and Kunz (2013) say, that we can find the elements of CSR in the Czech business environment in the first half of 20th century during the work of Tomáš Baťa, whose business principles were resembling the main characteristic signs of CSR (respect to employees, respect to business partners, observance of legal and ethical norms, protection of the environment, high performance, customer orientation, constant improving, esteem to the municipality, entrepreneurship as a public service). (Kašparová and Kunz, 2013) The era of communism was not fond of any market mechanisms that the "western" countries had been developing for many years. (Ortová, 2011) After year 1989 certain Czech entrepreneurs realized that socially responsible business should not be focus only on the philanthropy of an organization but should be built on each of the three pillars (so-called triple-bottom line). Important steps happened in the new millennium for the Czech Republic – joining OECD, integration into the European Union and the awareness of social corporate responsibility concept was increasing. (Kašparová and Kunz, 2013)

The current state of CSR concept in the Czech Republic can be characterized as:

- Low awareness of CSR area extent;
- Unsystematic approach of organizations to the CSR concept;
- CSR policy in organizations is focused mostly internally (training and social benefits for employees);
- Organizations mostly declare ethical codes and activities in the environment area and donation;
- Confusion of CSR activities as marketing activities (presentation of an organization and its products) or even as activities arising from the legislation;
- Insufficient support and using CSR from the public sector side;
- Low media support of CSR problems including the raising of public awareness of the organizations who engage in CSR (insufficient knowledge of public). (Pavlík and Bělčík, 2010)

However Bláha and Černek (2015) state that the significance of CSR from the beginning of third millennium is growing in the Czech Republic and that institutions, which support and promote CSR among the commercial sphere and public have a great significance on that. Also foreign multinational enterprises transform values based on ethical principles of business through their subsidiary companies. Another fact for the growing interest of CSR is, that more and more Czech companies feel the growing pressure of West European and American customers to accept ethical liability of its business. At the same time the meaning of CSR is strengthened by the pressure of the European Union in order to increase the competitiveness of Europe in the global market. (Bláha and Černek, 2015)

Internally focused activities of the CSR social area, that are oriented on employees, prevail in Czech organizations. Managers and owners of organizations consider these socially responsible activities as an investment, which will allow them to keep their loyal and high-quality employees. (Bláha and Černek, 2015) Formánková and Mikušová (2014) state that according to several researches about CSR in the Czech business environment, social responsibility is important to 80 % of employees regarding a firm they work for. Skýpalová, Kučerová and Balšková (2016) add that micro, small and medium sized businesses in the Czech Republic have smaller knowledge of the concept of CSR and not such a big involvement in the three pillars of the social responsibility. Small and medium enterprises also less frequently formulate corporate culture and the overall CSR strategy into a written form.

The corporate philanthropy has a growing trend in the Czech Republic. It is not about the increase in growth of financial or non-financial resources of the current Czech philanthropist, as it may seem at first glance, but about connecting new Czech organizations into company donation.

Regarding the view of Czech public on CSR, there are certain factors: Does a regular Czech person know, what corporate social responsibility means? What

significance it has for him, what is the significance for his community and the Czech society? The answer to these questions is not unequivocal. It depends on the point of view of a person's role that he is currently holding. If he is in a role of an employee (he requires employee programs), a sports fan (he is gladly expecting companies sponsorships), ecologist (he appreciates the environmental protection of firms), a top manager of a multinational corporation (he is a part of the global organizational culture), parents (approve the support of students), then he has a certain imagination, what CSR is. If he is in a role of customer, he doesn't care about activities of company whose products he consumes. For most of Czech customers the priority is still price of product and the active CSR approach of a manufacturer is not an important factor to them, which means it doesn't have a significant influence for their purchasing behaviours and decisions. Neither the loss of manufacturer's or company's reputation is going to affect the consumption of their products significantly. (Bláha and Černek, 2015)

CSR has been integrated in the past few years into education in the Czech Republic, especially of the future managers and entrepreneurs. Whereas in the past the problematic of social responsibility was being taught at universities in the Czech Republic marginally within other subjects (e.g. management, public relations...), nowadays it is being taught as a separate subject. Alike the number of bachelor and diploma thesis, where students focus on different topics from CSR problems including CSR applications issues in the Czech Republic, is rising. The best thesis of students devoted to the problems of social responsibility are regularly awarded not only by educational institutions but they can also make themselves visible in a series of national competitions. (Kašparová and Kunz, 2015)

Media can also contribute to the problematic of CSR. According to Pavlů (2009), the trend of social responsibility is strengthened by the influence of media in the current world, even though Czech journalists don't always understand the meaning or connection of this area. Trustworthy and also complex communication of organization, which is occupied by all of the areas over a long period of time, can contribute to a successful future communication of CSR topics. (Kašparová and Kunc, 2013) Pavlík and Bělčík (2010) agree that the best possibility how to make the social responsibility visible, understandable to anyone and to convince other organizations to engage in this topic is to show real examples of CSR. Bláha and Černek (2015) add that the media provide minimal space for information about publicly beneficial activities of commercial subjects because of several reasons: editors don't consider this type of information as attractive for their viewers, readers, listeners; they are worried of legally prohibited hidden advertisement; and editors don't want to be accused of corruption followed by losing of journalistic reputation.

Government is not significantly involved in the support of social responsibility concept. Task, which the state, according to Tomáš Nejedl, director of BLF ČR, should be occupied with, is based on creating of suitable conditions for the CSR implementation in these areas:

- Creating of a suitable and motivational legislation;
- Allowing for CSR to place public procurements;
- Public recognition of ethical businesses, product labels;
- Using CSR when pushing through a governmental program – fighting with corruption, decreasing unemployment, integration of disabled people, education. (Bláha and Černek, 2015)

Business Leaders Forum (BLF) an association of international and Czech companies and enterprises (including representatives of small and medium enterprises) that tries to carry through the thought of socially responsible business including the observance of ethical principles in business practise. BLF tries to develop healthy business environment in the Czech Republic just as it supports the cooperation between business, public and non-profit sector. Rising of awareness about interest in CSR became one of the main goals of BLF in the Czech Republic. It was founded in 1992 in Prague as a partner organization of The Prince of Wales International Business Leaders Forum. (Kašparová and Kunz, 2013)

Fórum dárců

Donors Forum (Fórum dárců) has been devoting to support of philanthropy development in the Czech Republic since it's beginning in year 1999. It has been cooperating with a series of partners on the international level (WINGS, EFC, CEENERGI) over a long period. A significant activity that can be mentioned is a joint project of Donors Forum with Association of Mobile Network Providers (Asociace provozovatelů mobilních sítí), management of Donors Message Service (DMS) – so-called donors SMS. This service is in motion on a non-commercial principle won over Czech public thanks to its simplicity and transparency. In Czech Republic it was managed to build one of the most complex system using DMS, which represents significant help to the non-profit sector. (Kunz, 2012)

There are many CSR organizations in the Czech Republic for example Transparency International – Czech Republic, AISIS, Gender studies, o.p.s, Fair Trade Czech Republic and many others. (Kašparová and Kunz, 2013)

In the previous years whole series of awards were created in the Czech Republic, which appreciate organizations for their diverse activities in CSR. They mainly notice for example:

- General approach of organizations to the CSR concept
- Interconnectedness of CSR with the organization's strategy
- Gender questions
- Socially beneficial business
- Donors activities

- Behaviour of employers toward the ethnically diverse population
- Harmonization of an employees public and private life
- Adherence of safe work area and protection of employees health
- Employment without barriers
- Involving employees into volunteering
- Responsibility of organizations to the environment
- Relationship of an organization to the surrounding society. (Kašparová and Kunz, 2013)

Recently there have been appearing these examples of awards in the Czech Republic: The European Corporate Responsibility Award, Entrepreneur of the Year, Top Philanthropist, The Best Annual Report, Admired Firm of the Year, Best Employees Česká Republika and more. (Kunz, 2012)

Unlike in the other countries of the European Union, national strategy for CSR has not been approved in the Czech Republic. One of the reasons of absence of a united central formal support from government in the Czech Republic is fragmentation of CSR agenda among individual departmental ministries. The question, which ministry should be primarily responsible for the CSR problems, was answered in year 2012 when the Ministry of Industry and Trade was appointed. (Kašparová and Kunz, 2013) Pavlík and Belčík (2010) state that it is important for the government of Czech Republic to include principles of CSR into their state politics and it is necessary to make an effort to create unified strategy when urging the principles of CSR and also to ensure suitable and motivational surroundings for CSR organization in the Czech Republic. They also point out that small and medium enterprises are significantly lag behind the big companies who perceive the CSR concept as building of competitive advantage in relationship to customers, employees, medias and regions.

In 2012 platform *Byznys pro společnost* in cooperation with the Ministry of Industry and Trade realized a survey among organizations doing business in the Czech Republic about national strategy for CSR. It emerged, that representatives of Czech businesses are rather refusing the idea of national strategy for CSR and were inclining that the role of government should mostly lie in promotion of social responsibility and not it's regulation. (Kašparová and Kunz, 2013)

Kunz (2010) also points out that if the potential of social responsibility is fully utilized, it cannot become only the "privilege" of big corporations, it has to become a matter of the whole business sector. Czech government should systematically and intensively support social responsibility in such way, so it becomes an inseparable part of small and medium enterprises. The significance of small and medium enterprises is essential for the Czech economy because they contribute to economic growth, sustainable development and employment.

3.4 CSR in Ireland

Even though the practice of corporate social responsibility is not new to the Irish society there is very little written about CSR in Ireland. The reason is, it is seen as a relatively recent activity adjusted to the most recent economic boom. The beginning of CSR in Ireland can be found in 1870's. Gaelic Athletic Association (GAA), an amateur sport organisation, that can be set as an example for its deep roots of corporate social responsibility in receiving and also giving terms. The GAA is a group of volunteers and only a few paid employees, which organizes sport games and takes care of youth development. Because until recent time people didn't have the finances to support their local GAA clubs, they used their skills, time, maintaining or building facilities, administration and coaching as a donation. They had two objectives – to ask businessmen for funding in case when new sports equipment was needed and to provide business awareness in running of the club. (Burke, 2015) And till now, many small and medium enterprises use this approach when it comes to CSR. However because of the concerning poor treatment of employees, suppliers, the environment and rejection of ruthlessness in business there has been a dramatic change in societal values. Most of the organizations in Ireland are not sure about the reasons why and how they should implement CSR. (O'Donnell, 2011)

Historically there has been almost no recognition by the Irish Government on the need of social responsibility, but nowadays there is an on going recognition within government. CSR in Ireland is on top of the leader board in relation to promotion and development within the European Union. It is one of the top five European countries when it comes to integration CSR into national strategy documents. In 2013, Ireland published a National Plan on Corporate Social Responsibility with these goals:

- To establish a Stakeholder Forum on CSR for the support of the CSR development in Ireland
- To establish default activities of CSR in Ireland, through the National Standards Association of Ireland
- To raise awareness of CSR by working with stakeholders and to support best CSR practices
- To explore how IDA and Enterprise Ireland is able to promote CSR with their client organisations
- To develop CSR in small and medium enterprises by supporting their programmes. (Burke, 2015)

The main goal of the Ireland's National Plan on CSR was to raise awareness of the benefits of social responsibility to businesses and stakeholders in society, and to set out a framework for good CSR practices in Ireland. It also supported business in Ireland for creating sustainable jobs, embedded responsible practices in the marketplace, embraced diversity and promoted responsible workplaces.

In 2017 Ireland came up with a new National Plan on CSR for years 2017 – 2020. The plan highlights the potential of social responsibility in competitiveness of business and building their reputation and also bringing bene-

fits to community through different social, economic and environmental initiatives. The National Plan states, that the term Corporate Social Responsibility be seen off-putting to a lot of small organizations and is often seen as something that only large corporates do and believes that it has huge benefits for micro, small and medium enterprises too. In December 2016 an online CSR tool for small and medium enterprises was launched to provide support enterprises that want to understand and learn more about CSR. (Ireland's National Plan on Corporate Social Responsibility, 2017)

Ireland divides its awards into the General CSR Awards like the Annual Corporate Social Responsibility Awards, special award for small and medium enterprises and also provide region specific awards for CSR, awards regarding The Environment like The Green Awards and The Sustainable Energy Awards, The Community like The Volunteer Ireland Awards or Philanthropist of the Year Award, The Workplace like The HR Leadership and Management Awards or The Women Mean Business Awards, The Marketplace including The National Procurement & Supply Chain Awards, and the last are Sector Specific Awards like Tech Excellence Awards, The Irish Responsible Tourism Awards or The Irish Construction Industry Awards. (The CSR Hub Ireland)

3.5 CSR in brewery industry

Brewing industry symbolizes an essential part of food industry with rich tradition and significant social, economical and culture impact on and development of regions and society. Beer brings pleasure to millions of people, but irresponsible consumption of alcohol can have a serious impact on individuals, groups of inhabitants and their surroundings. Alcohol industry is not considered responsible on its own and is counted to tobacco industry and thus CSR is very specific when it comes to breweries, since the industry has to show both negative and positive approach. They have to eliminate damages they are causing like enormous water consumption and air pollution, and also positively support the society in a form of programs for alcoholics, water management and so on. So beer industry enterprises have to perceive their essential social-educational role and make sure that their products will be made, sold, promoted and consumed with a responsible approach.

Czech breweries, malting plants and other organizations, which are directly or indirectly involved in beer production make an association called Český svaz pivovarů a sladoven (Czech Union of Breweries and Malting Plants). Its main goal is to assert and defend rights and common interests of its members, secure contacts with legislative authorities and to represent interests of members on the international level. Essential fact from the CSR point of view is creation of working commission named "Společenská zodpovědnost pivovarů" (Social Responsibility of Breweries), whose goal is to support and promote responsible attitude towards consumption, marketing and distribution of beer, initiate projects, which have a connection to responsible consumption of beer and to lead an active dialogue with expert public, press or relevant authorities of public administration. Its intent is also to demonstrate responsible

attitude with the help of its own marketing activities self-regulations, which are directed by approved ethical code. (Tetřevová, 2017)

Ethical Code of Breweries is based on simple principles stating the direction of activities fulfilling the ethical behaviour of beer producers. The principles are:

- Beer is a natural part of Czech lifestyle and tradition,
- Beer producers are responsible for information of consumers within the valid legislation
- Informed consumer is responsible for his behaviour,
- Every activity or breweries involved in the initiative is in harmony with the project of responsible approach to beer drinking.

This ethical code also states the principles of self-regulation in commercial communication area, which includes advertisement in all types of media, product packaging, selling support, product placement, research or sponsoring. The defined principles of self-regulation are involved in such subjects as irresponsible consumption of beer, driving under influence, alcohol and adolescents, health aspects, human dignity or religious conviction in relation to stated problems.

Plzeňský Prazdroj, a.s. can be used as an example for inspiration of a CSR strategy of a brewery which honours principles of transparency fair economic competition and social responsibility. Its basic goals and priorities for the society are divided into economical, environmental and social area. The priorities are: (Kuldová, 2010)

Support of responsible alcohol consummation: The goal is to help people to evaluate and decide about alcohol consummation by providing enough objective information. It can be done by providing information on company's website or by promoting responsible consummation of alcohol on etiquettes and by using media channels. (Kuldová, 2010)

Decreasing of water usage: Kuldová (2010) states that because beer is composed of 95 % of water and on average to make 100 l of beer 500 l of water are consumed on average, the company focuses on decreasing of water amount during production. Kašparová and Kunz (2013) add that the company also focuses on keeping the water clean by highly set standards, cleaning of sewage.

Decreasing of emissions: The company focuses on effective energy usage, transition to renewable energy sources or reduction of greenhouse gas. Carbonic traces are decreased by usage of cleaner energy sources (e.g. biogas). (Kašparová and Kunz, 2013)

Recycled and refundable packaging material usage: Decreasing of packaging weight, elimination of heavy metals presence and particularly it's reciprocated usage and recycling optimization.

Respect towards human rights: Adhering to company's human-legal rights such as forced labour, any forms of discrimination, refusing of child labour, fair remuneration, safety and healthy work area for employees.

Support of regional development: The most important form of this support is a program call PRAZDROJ LIDEM, which is contribution to a better life quali-

ty of people living in places of breweries activity. The uniqueness of this program is that the people choose who gets the grant from this program. (Kuldová, 2010)

4 Results

4.1 Corporate Social Responsibility

4.1.1 Political and legislative factors

As a threat of a legal factor poses the fact that the Czech Republic has to change a part of its regulation, which specifies the definition of lagers and other parameters of another beverages – breweries have to wrongly call some top-fermented beers as lagers, which are actually bottom-fermented (regulation number 335/1997 Sb.). This means that customers can be confused. (Lidovky.cz) [Thr.]

Another complications caused by the government are in a form of a law against smoking that came into force in June 2017 and implementation of Electronic Evidence of Sales. This had negative consequences for restaurant and pub owners because the beer consumption in restaurants and pubs went down and they blame excessive bureaucracy for it. (Echo24.cz, 2018) [Thr.]

Breweries pay taxes according to quantity of beer they produce (in litres) - tax number 353/2003 Sb., about consumption taxes. This means the small breweries pay lower consumption taxes and big breweries pay higher consumption taxes, so the smaller breweries have an advantage. (Celní správa České republiky)

Tab. 3 Consumption tax rates of breweries

Amount of production	Tax
Production up to 200 l	No tax, if the beer is not used for sale
Small independent brewery up to 10 000 hl/year included	16 CZK/100 l/°
Small independent brewery 10 000 – 50 000 hl	19.2 CZK/100 l/°
Small independent brewery 50 000 – 100 000 hl	22.4 CZK/100 l/°
Small independent brewery	25.6 CZK/100 l/°
Small independent brewery 150 000 – 200 000 hl	28.8 CZK/100 l/°
Brewery above 200 000 hl	32 CZK/100 l/°

Source: Minipivovar Ujkovice, 2011

¹ Threat

Calculation of consumption tax depends on the annual capacity of production according to § 85/353/2003 Sb., about consumption taxes as mentioned above. It is calculated in CZK/hl for every whole percentage of original wort extract. [Opp.]²

Example for calculation of tax: An independent small brewery makes up to 10 000 000 l of beer per year, the degree of original wort is 14°. They made 1 200 l of beer per month. It means they will pay $14^\circ \times 16 \text{ CZK} \times 12\,000 \text{ l} = 2\,688 \text{ CZK}$. One beer will be then 2.24 CZK/l more expensive. (Minipivovar Ujkovice, 2011) [Opp.]

Articles 26 and 28-37 of the Treaty on the Functioning of the European Union (TFEU) state the Member States of EU have the right to free movement of goods originating in Member States and of goods from third countries, which are in a free circulation in the Member States. (European Parliament) Which gives the industry larger potential clientele and easier access to them. However threat has to be also considered, when exporting beer to another country, there may be additional consumption taxes, even though it has been already paid in the country of origin. [Opp.][Thr.]

There can also be restrictions in a form of quotas on the amount of goods that can be exported/imported, which is a case for export to non-EU countries. [Thr.]

Freedom of movement and residence of persons was established by the Treaty of Maastricht in 1992 for the EU. Later followed by the adoption of Directive 2004/38/EC, also called the Schengen agreements. (European Parliament) It is easier for people to travel so the tourism in the Czech Republic has a growing tendency as it can be seen in the table below. In 2013 there was approximately 24 726 000 visitors and in 2016 31 080 000 visitors which means 125.7 % growth in tourism in the Czech Republic. The highest amount of visitors are one day visitors whom reached the number of 16 241 000 in 2016. (Statistika & My, 2017) There is a great opportunity of more potential customers. [Opp.]

² Opportunity

Tab. 4 Estimation of foreign visitors in the Czech Republic (in thousands)

Type of tourists	2013	2014	2015	2016	2016/2013 (in %)
Tourists	9 672	10 918	10 918	12 241	126.6
One day visitors	12 749	13 188	14 452	16 241	127.4
Transit	2 305	2 360	2 448	2 598	112.7
TOTAL	24 726	25 567	27 818	21 080	125.7

Source: Statistika & My, 2017

On 1st May 2004 law number 235/2004 Sb., about value-added tax, came into force. The law states that businessmen can sell goods within EU to suppliers who pay VAT and have VAT number without value-added tax. (Epravo.cz) [Opp.]

Erasmus+ - a program of European Union for university students, who can come study to a foreign university or undergo a traineeship programme abroad for the maximum time of 12 months. According to dzs.cz around 10 000 students come to study or work to the Czech Republic per year. Young people like to enjoy their life and like to get to know different cultures, which a good beer is part of. This means higher consumption of beer and therefore bigger profit. It also gives better awareness of Czech breweries. [Opp.]

Foreign policy of the Czech Republic shows national and international environment. It allows the state and non-state subjects to act abroad so they add to promotion of interests of the Czech Republic and also of the international societies (United Nations) In 2017 the beer export grew 4.5 % higher compared to year 2016 (echo24.cz) Czech beer has a good name around the world because of its taste and quality, which gives it the opportunity to stand out among other beers. [Opp.]

The state doesn't regulate CSR in the Czech Republic greatly but it keeps it on a volunteer level. However the responsible ministry, which is the Ministry of Industry and Trade creates a structured document called National Action Plan of Socially Responsible Organizations in the Czech Republic (NAP). The council of Quality in the Czech Republic is the head subject, which secures promotion and coordination of CSR activities on national level. (Národní portal o CSR) It can be deduced that the Czech Republic supports Corporate Social Responsibility and has a good attitude towards it. [Opp.]

Tab. 5 Political factors of PESTE analysis

Factors	Opportunities	Threats
Legislations	x	Unclear definitions State regulations Electronic Evidence of Sales (EET)
Taxes	Consumption tax	x
European Union	Free movement of goods Free movement of people Value-added Tax Erasmus+ programme	x
International Trade	Concept of Czech Republic on International trade Export	Consumption tax Quotas
National view on CSR	National action plan	x

Source: Own interpretation

4.1.2 Economic factors

According to this year research of Allianz Euro Monitor, the Czech Republic has now the most stable economy now in the European Union with rating of 8.2 points. The most helpful were very low rates of debt in private and public sector and exceptionally low rates of unemployment, which is lower than 3 %. The rates of unemployment in the Czech Republic from year 2008 to 2018 can be seen below. They also state that the labour productivity went up by 2.7 %. (Aktuálně.cz) On the other hand low unemployment can also mean, there are not enough qualified people on the labour market, because most of them already have jobs, so it can be harder to find a qualified employees. Lack of employees also means growth of salaries. [Opp.] [Thr.]

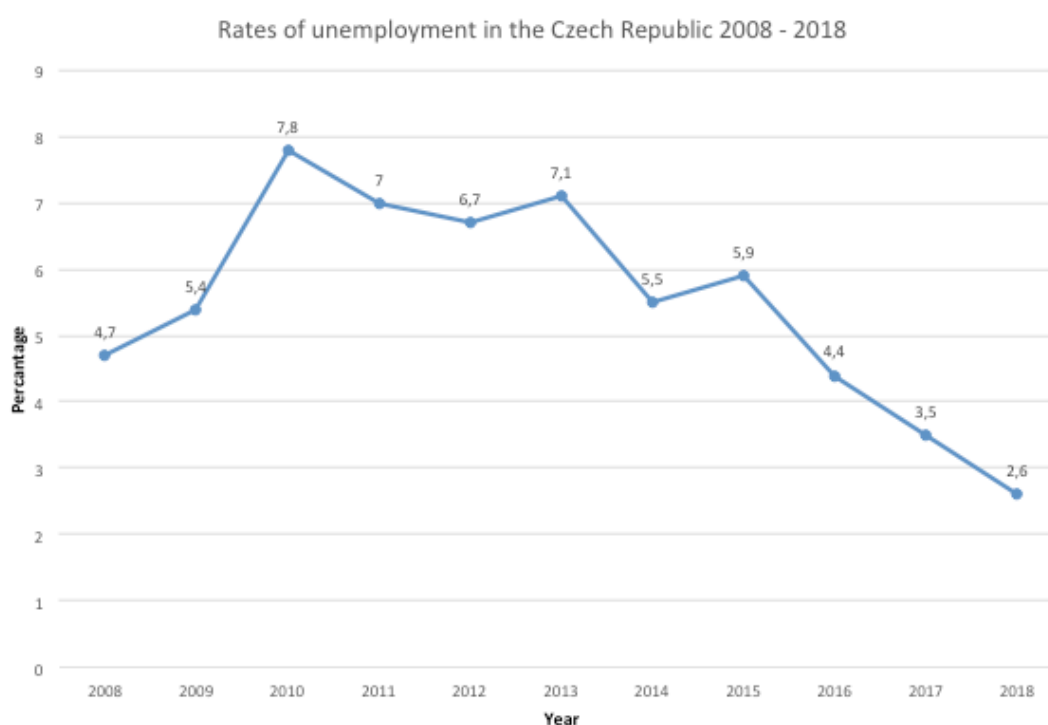


Figure. 2 Rates of unemployment in the Czech Republic 2008 - 2018

Source: Own interpretation based on ČSÚ data

Another economic indicator is inflation. Inflation means growth in prices, last year the prices went up by 2.5 %, which is the most in the last 5 years. Inflation rates in the Czech Republic from 2007 – 2017 can be found in a graph below. Inflation was mostly influenced by growth in prices of food, alcoholic and non-alcoholic beverages, rents and fuels. When we take into account the brewery industry, higher rents and fuel prices can mean higher expenditures for breweries and higher prices of beer can mean potential loss of some customers. (České noviny, 2018) [Opp.] [Thr.]

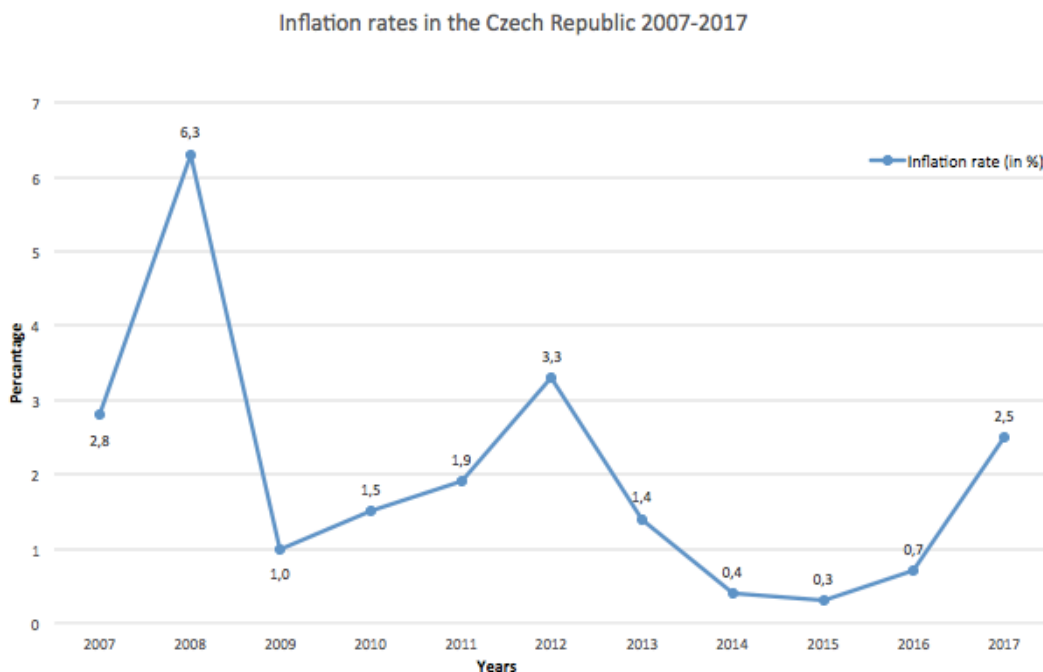


Figure. 3 Inflation rates in the Czech Republic 2007 - 2017

Source: Own interpretation based on ČSÚ data

Change in prices can also be caused by exchange rates and given that some breweries buy raw materials from foreign suppliers, exchanged rates should be discussed. When it comes to exchange rates, currency appreciation and depreciation should be taken in account. Currency appreciation is both a threat and an opportunity. It is an opportunity when Czech breweries are importing raw materials for example yeast or malt or equipment. It means they are going to pay less. And it is a threat for breweries, which are exporting their goods. When a currency appreciates it is less beneficial for Czech breweries, because they will get less profit for their products compared to the currency rate before appreciation. Currency depreciation is both a threat and an opportunity as well. It is and opportunity when breweries are exporting their goods, it can be said that one basic currency depreciates against another - is higher and therefore Czech breweries get higher profit from exporting their goods. Slight depreciation is happening at the moment. And it is a threat when Czech breweries are buying raw materials or new equipment abroad. It means they are go-

ing to pay more. Another example is transporting goods abroad it means they will pay more for the fuel. [Opp.] [Thr.]

Tab. 6 Economic factors of PESTE analysis

Factors	Opportunities	Threats
Economic growth	Stable economy	Low unemployment
Inflation	Inflation decrease	Inflation growth
Prices	Decrease of prices	Growth of prices
Exchange rates	Appreciation/Depreciation of a currency	Appreciation/Depreciation of a currency

Source: Own interpretation

4.1.3 Socio-cultural factors

The population of the Czech Republic grows in the long term both naturally (birth) and by migration (balance 20 100). Even though the people who move into the Czech Republic are mostly among the age of 20 to 34 years, the highest additions in the number of inhabitants have been mostly concentrated in age group 65 years and more in the past few years. As of 31st December 2017 the population of the Czech Republic is 10 610 055 inhabitants. Czech Statistical Office also states the decrease of married couples. (ČSÚ, 2017) It can be said that such people are consumers of beer and therefore it can be assumed that beer consumption will go higher. Results of the newest research by Czech Union of Breweries and Malthouses shows that 88 % of men and 57 % of women drink beer in the Czech Republic. Men are having a beer 3 times a week and women 2 times. On average men consume 8 half litres of beer per week and women 2,5 half litres. (Český svaz pivovarů a sladoven, 2016) [Opp.]

The relation between primary education, lower secondary education, upper secondary education and tertiary education has changed during the past few years. There are much less people with only primary education and much more people with tertiary education. This change affects wages. The average wage in the Czech Republic is 31 646 CZK as of 9th March 2018, which is a record sum, and has gone up by 5.3 % (after the subtraction of inflation). Development in the average gross nominal wage per full-time equivalent employee can be seen in a graph below. (ČSÚ, 2018) [Opp.]

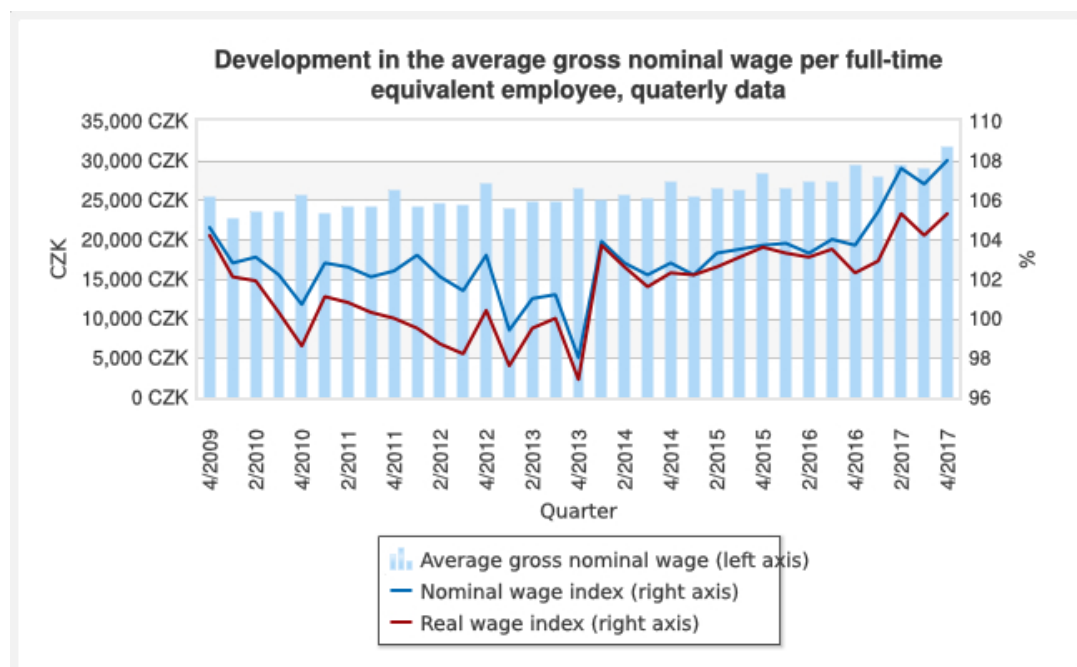


Figure. 4 Development in the average gross nominal wage per full-time equivalent employee
Source: ČSÚ, 2018

According to the research of Centrum pro výzkum veřejného mínění (Centre for Research of Public Opinion) the amount of beer consumption is lowered by higher education of consumers. For example university students drink around 6 beers per week. When it comes to women the biggest consumers are women with primary education. But compared to men, women with tertiary education drink more than women with upper secondary education. It is also worth to mention, that people drink more beer at home. (tyden.cz, 2018) The fact that beer has an old tradition and is called “the nation of beer drinkers” in the Czech Republic has a big influence on beer consumption and therefore it is no surprise, that Czech people have the highest rate of beer consumption per person. [Thr.]

Tab. 7 Socio-cultural factors of PESTE analysis

Factors	Opportunities	Threats
Population growth and distribution	Higher consumption	x
Education	Higher salaries	Lower consumption

Source: Own interpretation

4.1.4 Technological factors

A beverage similar to beer was made 6 000 years ago. Since that time the technology of brewing has changed a lot. There are many theories on how the first beer was made but the most common one is that the discovery was completely random. Somebody accidentally left a pot with grain mash outside their house, then it rained in it and when the sun came up the content fermented. Later people figured out its intoxicating characteristic and started to ferment malt and bread on purpose and so the production of beer started to improve. The beer was of course non-filtered and they didn't use hops until Babylonians came with it. Later on the Slavs – Czech ancestors – started to develop monastery breweries. The oldest one in the Czech Republic was founded in year 993. In year 1516 the law about cleanness of beer to which many breweries refer to until now. According to this law beer could be only made from water, malt and hops. The industrial revolution affected also the brewery industry and from then on, beer was made in big industrial breweries. (Alkoholium.cz, 2016) [Opp.]

Researchers in beverage field in cooperation with microbiologists from Brno brewed first probiotic beer. It is known that consumption of beer has also negative effects on a human body in big amounts but in a small dosage it supports correct function of metabolism thanks to vitamin B. Consumption of probiotic beer can lead to extraordinary benefit in a form of digestion support and would be useful to end diarrhoea or after antibiotic treatment and would be also useful for a good immunity. This Czech product is unique in the world and therefore gives a great opportunity to Czech brewing industry. (Novinky.cz, 2018) [Opp.]

Brewery from Žatec came up with a beer called Celia – light gluten-free lager, which is an absolute number one among gluten-free beers. Even though barley (contains gluten) is used for the production, by using special technological solution – special enzyme – substance called prolym gets separated from the gluten. [Opp.]

Another uniqueness of Czech breweries is that they use original combination of colourful malt to darken a beer instead of the normal technology when sugar is added and caramelized. (Vitalia.cz, 2014) [Opp.]

In the past years practically all breweries in the Czech Republic got modernized, those who couldn't do it, ceased to exist. One of the exceptions was Radegast brewery, which got established in a very modern way in 1970's. Ex-

perts say that new technologies have great benefits – mostly quality and economic. However they also come with a risk in a form of fading of beer variedness, some beers started to taste similar. In addition new technologies enable traditional strong brands to produce beer in the same quality in foreign breweries, for example some Pilsner brands are made in Slovakia or Poland. (Pivo-Pivo.cz, 2003) [Opp.]

Technology called High Gravity Brewing (HGB) was supposed to help brewmasters that brew very strong beer because of the impact of unstable property of raw materials. Even a little difference caused the rise of consumption tax of beer. So, if a brewmaster that was cooking a beer of 11,9 % degrees of EPM, but as a result got a beer of 12,1 % degrees of EPM, he could dilute such a beer by using HGB, with a bit of water. The difference in the amount of taxes is quite significant in such a case. Some Czech brewmakers are taking advantage of this for better economic results and lower expenditures and thus are giving up on the traditional ways of beer brewing and lowering the beer quality. (Alkoholium.cz, 2016) [Opp.][Thr.]

Cylindrical-conical beer fermentation tanks (CC tanks) are very good for process control and temperature regulation. Also the risk of contamination of beer by a strange microflora, falls off. Cleaning and sanitization are easier too. As a result comes out a higher quality beer. However also CC tanks can be taken advantage of. They can be used for main fermentation but also for final fermentation, while using the same tank for both. Which can be a problem, because then the process can take place while using nonsense pressures and temperatures. This can make the beer taste differently. (Alkoholium.cz, 2016) [Opp.][Thr.]

Instead of using air compressors to tap beer, technological gases made especially for beer tapping should be used according to experts. They don't cause oxidation of beer and thus don't affect the taste of a beer. Compared to the air compressors, technological gases are not significantly more expensive. When investing into the equipment, which uses a mix of carbon dioxide and nitrogen, the costs for one beer are 0,15 CZK higher. (Plzeňský Prazdroj, 2015) [Opp.]

Tab. 8 Technical factors of PESTE analysis

Factors	Opportunities	Threats
Innovation	Probiotic beer Gluten free beer	x
Modern technologies	Economic and quality benefits High Gravity Brewing Cylindrical-conical beer fermentation tanks Technological gases	Taking advantage of High Gravity Brewing and Cylindrical-conical beer fermentation tanks

Source: Own interpretation

4.1.5 Environmental factors

For a few years the Czech Republic has been experiencing some weather changes, like no snow in winter and heat waves during the summer, when the temperature has reached up to 39 °C. These temperature changes have may have effect on people. We can find out on the graph on the next page, that Czech people are drinking more beer when it's warmer. We can see that the results are unequivocal. During years 2007 and 2015 when the average temperature went rapidly higher, Czech people consumed more beers and when the average temperature went lower during years 2005 and 2006, the consumption of beer went lower. However from 2009 to 2013 when the average temperature was higher, the consumption of beer was lower. As a result it can be said that Czech people may have a tendency to consume more beer when the weather temperature is higher. [Opp.][Thr.]

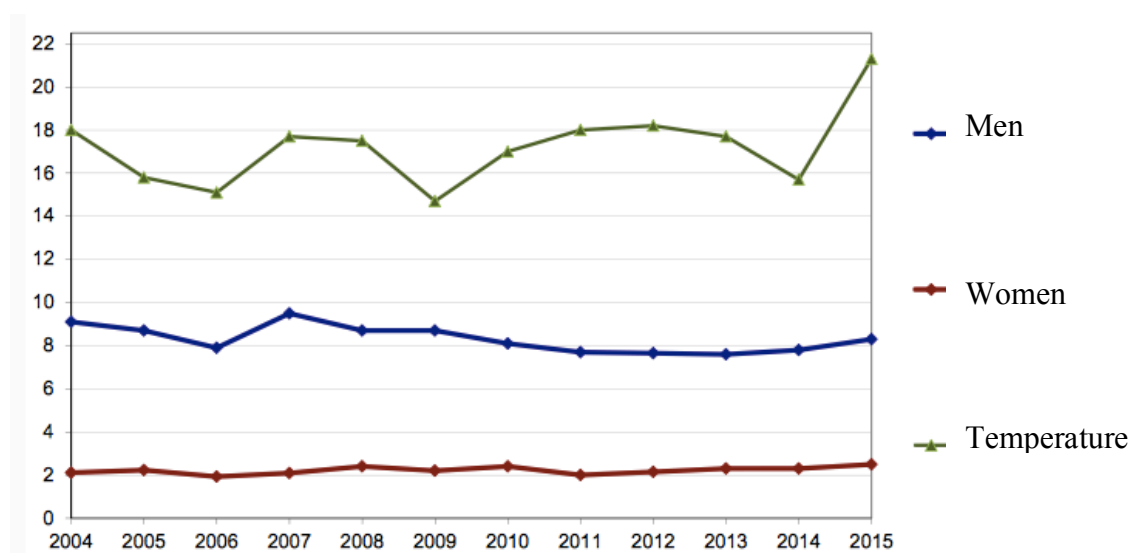


Figure. 4 Consumption of beer regarding the temperature between years 2005 and 2015
Source: Český svaz pivovarů a sladoven, 2015

With weather change may also come the lack of rainfalls, which the Czech Republic experienced in the past year 2017. Czech hops regions experienced different weather conditions given to their geographic locations, some harvested less and some harvested more. In total the whole Czech Republic harvested 6 796.79 tons of dry hops. Even though the harvest of hops was slightly above the average, it was 11.86 % lower compared to year 2016. (Agrární komora České republiky, 2017) [Opp.] [Thr.]

Czech brewery industry is environmentally friendly, given that most of the beer produced is stored in bottles (41 %) that can be recycled again and in kegs (38 %) that can be used over and over again. However the likability of these types of containers went down and on the other hand the likability of beer in plastic bottles, cans and tanks went up.

Tab. 9 Packaging consumption in the Czech Republic in 2014

Type of container	Index 14/13	Share of total consumption
Bottled beer	99 %	41 %
Kegged beer	99 %	38 %
Plastic bottles	111 %	13 %
Cans	116 %	5 %
Beer in tanks	106 %	3 %

Source: Český svaz pivovarů a sladoven, 2015

The ratio of consumption in favour of packaged in shops went up to 61:39. That means, that in restaurants and pubs are drunk about 4 beers out of 10.

The situation got vividly worse. (Česká televize, 2017) This means more waste, since having a beer from a keg in restaurant is more environmentally friendly. [Opp.][Thr.]

The trend of organic growing has reached also the hop-growers. Growing of this raw material is risky for farmers, because it is more complicated and revenue is not certain. Although the Czech people spend more and more money for ecological food every year, there is a low demand for organic beer in the Czech market. However the hop growers found a solution a form of exporting the beer. The biggest market for this beer is Scandinavia, Great Britain, Canada and the USA, 95 % of production goes there. (Český rozhlas, 2017) [Opp.][Thr.]

Another factor is level of water consumption. Demographers predict that the Earth's population will rise from seven to nine billion people by mid-century and that half of the population will be vulnerable to water shortages. (Pacific Standard, 2018) The amount of water that is necessary to make beer is great. Not only many litres of water are necessary for beer brewing but also water necessity for the growth of hops and malt has to be considered. Therefore breweries have to pay attention to water usage and try to find a way how to lower the water consumption. [Thr.]

Tab. 10 Environmental factors of PESTE analysis

Factors	Opportunities	Threats
Weather	Higher consumption High harvest of hops	Lower consumption Low harvest of hops
Type of containers	Recycled	Non-recycled
Organic agriculture	Organic hops	Organic hops
Water	Low water consumption	High water consumption

Source: Own interpretation

4.2 ISO 26000 method

4.2.1 Czech microbrewery Chomout

Organizational governance

Accountability and transparency

- Microbrewery Chomout from Olomouc doesn't have the CSR strategy implemented, because they think CSR strategy is beneficial only for big companies. However the brewery shows the signs of social responsibility, because they believe social responsibility is tied up with economical part of business. They also like to support local producers and small enterprises, because according to their beliefs it is the right thing to do.
- Chomout does not write any CSR reports
- Neither they have any special position, that takes care of social responsibility
- Their employees are not involved in the social responsibility activities

Respect for stakeholder interests

- Chomout brewery is owned by two partners, one is responsible for the production of beer and the whole brewery and the second one is responsible for a restaurant, which is a part of the brewery. They trust each others judgements when it comes to decisions and they have regular meetings, where they discuss problems, consumption and production of beer and the future development of their company

International norms

- The Czech microbrewery respects the emission norm Euro 5. All of their vehicles meet this norm.
- Chomout has never heard about the ISO 2600 norm nor has established any of the CSR norms. In case of applying the ISO 26000 norm, the brewery does not expect any benefits, because according to them it is nothing new.

Human rights

Human diligence

- Chomout macrobrewry cares about observance of the human rights of both customers and their employees. They find it automatic.

Human rights risk situations

- The brewery has not yet encountered a problem regarding extreme health conditions, natural disasters, corruption nor with child labour

- However since beer consists of water from 95%, its consumption is very high. With population growth the water consumption grows also. Climate changes also cause the loss of surface water. Water is not a problem for now but may be in the future. The brewery is trying to reduce water consumption by reusing washing solutions and revolving rinsing jets.

Resolving grievances

- The microbrewery cares about their customers' feedback. They have a Facebook page, where customers can send their question and feedback. They have been responding to customer's negative experiences by apologizing and providing them a discount. Also customers have an option to contact the brewery on their website.

Discrimination and vulnerable groups

- Chomout provides paid job opportunities to visually disabled people from TYFLO centrum Olomouc. They let them plaster labels on beer bottles. Disabled people are also the only ones, who get a discount for their beer tours.
- The brewery employs people of different ages and genders. For example they also employ students for part-time jobs and traineeships.
- They have 0 % of women in the top management
- The company has no steps established regarding revelation of discrimination

Civil and political rights

- Chomout respects the civil and political rights of their employees and customer and has not yet encountered with discrimination regarding private life or family

Economic, social and cultural rights

- Chomout respects economic, social and cultural rights and has not yet encountered with discrimination regarding religion, education nor cultural rights and health disabilities

Fundamental principles and rights at work

- Chomout supports freedom of association and has not encountered with forced or child labour and neither discrimination regarding employment

Labour practices

Employment and employment relationships

- Chomout microbrewery follows the labour law and protects personal data and privacy of workers
- Chomout provides paid job opportunities to visually disabled people from TYFLO centrum Olomouc. They let them plaster labels on beer bottles. Disabled people are also the only ones, who get a discount for their beer tours.

Conditions of work and social protection

- Chomout has not experienced any work risk situations
- The work conditions of work comply with national laws and regulation
- Chomout provides good work condition, wages, working hours, holidays, health and safety and they compensate workers for overtime
- The brewery provides 50% support for food and employees can have their beer for free, apart from this, the employees have no other benefits

Social dialogue

- Employees have meetings with the owner where they can discuss problems and tell him their ideas
- The owner deals with employees complaints

Health and safety at work

- Chomout follows the set safety standards and provides safety trainings for its employees
- To ensure the employees' physical and mental health, the brewery does not provide them any tickets for sport activities, wellness and culture events.

Human development and training in the workplace

- The brewery provides variety of trainings for their employees like work safety training, beer tapping, tap sanitization, beer tasting and training of beer defect.

Environment

Prevention of pollution

- Chomout microbrewery tries to lower traces of CO₂ by using vehicles with Euro 5 emission norm, which is the 2nd best. They have a distribution policy of supplying their beer no too far from Olomouc (60 % of

their beer is drunk in the Olomouc region), and their distributors try to use one route for more orders if possible.

- They use gas boiler, which discharges less harmful substances than other boilers. However their gas boiler is not so cost effective and therefore discharges more harmful substances compared to more ecological ones.

Sustainable resource use

- They try to lower the water consumption by reusing washing solutions and revolving rinsing jets.
- Chomout take 80% amount of raw materials from local producers, to be more precise, the brewery takes: 70 % of hops from Tršice region, which is close to Olomouc and the rest from Žatec region; 80 % of yeast from Czech breweries Platan and Bernard and the rest they take from the Netherlands. However when it comes to barley, they take 80 % from Germany.
- Chomout reuses 90 % of its packaging in a form of aluminium kegs.
- The microbrewery doesn't recycle their packaging even though they would like to, but because of the high expenditures that would follow, it is impossible for them.
- Chomout donates 1 CZK from each sold beer in a plastic bottle to a campaign called Uklid'me Česko whose goal is to clean the Czech Republic and to point out the problematic of illegal landfills.

Protection of the environment

- Chomout recycles their waste.
- They use the waste from production, brewer's grains, as a feed material for animals and provide it for free to farmers.

Fair operating practices

- Chomout microbrewery does not have any concept or practise established when it comes to anti-corruption, responsible political involvement, fair competition, promoting social responsibility in the value chain and respect for property rights.

Consumer issues

Factual and unbiased information

- Chomout has an age confirmation enquiry on their website.
- The brewery shares its location, postal address, telephone number and e-mail address on their website.
- Chomout doesn't provide prices of beers on their websites.
- Chomout provides characteristics of all of their beers on the website.

- Chomout brewery provides information about brewery tours on their website.
- They also share places where their beer can be bought.

Sustainable consumption

- The brewery doesn't provide either any warning about irresponsible alcohol consumption on their website nor on the beer labels.
- Chomout microbrewery doesn't provide nutritional values neither on their packaging of beer and nor on their website.
- Chomout reuses 90 % of its packaging in a form of aluminium kegs.
- The microbrewery doesn't recycle their packaging even though they would like to, but because of the high expenditures that would follow, it is impossible for them.
- Their products are high quality. Their beer is non-filtered and non-pasteurized.

Community involvement and development

Community involvement

- Chomout's employees are not involved in any community activities
- The microbrewery sponsors organizations for disabled people by providing a free keg of beer for their events and by giving them the opportunity of paid jobs
- Disabled people are the only ones who get a discount for the brewery tours
- Chomout has their aprons for their pub made in a protected workroom
- They provide gifts to winning competitions (tombola)
- Their Up Ale is the official beer of Palacký University in Olomouc

Education

Chomout cooperates with high school students giving them the opportunity to undergo a traineeship in their brewery

- The microbrewery has cooperated with the Palacký University on two researches
- Chomout also cooperates with university students on their theses and answers student's questionnaires

4.2.2 Irish microbrewery XXX

Organizational governance

Accountability and transparency

- The Irish microbrewery XXX doesn't have established the concept of Corporate Social Responsibility, because it is not useful for them. However they think that a company should also actively care about the company development apart from making profit.
- They do not write any CSR reports and neither have any special position, that takes care of social responsibility

Respect for stakeholder interests

- XXX is a family owned microbrewery, brewpub and sport's bar. They have around 30 full time employees at this time. The brewery has 1 owner and 2 managers. The owner has meetings with his managers. Sometimes the owner's family who help at the brewery join. Together they discuss their ideas and go through their statistics and reviews.

International norms

- The Irish microbrewery XXX uses Euro 6 vehicles and thus respects the emission norm Euro 6, which is the most recent one.
- XXX has never heard about the ISO 2600 norm nor has established any of the CSR norms. In a case of application of the ISO 26000 norm, the brewery expects an external benefit and thinks it will have a positive image on their microbrewery.

Human rights

Human diligence

- The Irish microbrewery cares about observance of the human rights of both customers and their employees. They find it automatic.

Human rights risk situations

- XXX brewery has not yet encountered a problem regarding extreme health conditions, natural disasters, corruption nor with child labour.

Resolving grievances

- The Irish microbrewery cares about customers' feedbacks. They have a Facebook page where customers can post their experiences and can also contact them if they have a question.
- Customers cannot contact the brewery directly on their website by using a special form, they can only find their e-mail and telephone number there.

- They also actively responds to customers feedback on Tripadvisor website.

Discrimination and vulnerable groups

- XXX employs people of different ages and genders.
- Women take about 30 % of the top management – general manager.
- General manager or the owner is set to deal with discrimination in case it happened.

Civil and political rights

- XXX microbrewery respects the civil and political rights of their employees and customer and has not yet encountered with discrimination regarding private life or family.

Economic, social and cultural rights

- XXX microbrewery respects economic, social and cultural rights and has not yet encountered with discrimination regarding religion, education nor cultural rights and health disabilities.

Fundamental principles and rights at work

- XXX microbrewery supports freedom of association and has not encountered with forced or child labour and neither discrimination regarding employment

Labour practices

Employment and employment relationships

- The microbrewery follows the labour law and protects personal data and privacy of workers.

Conditions of work and social protection

- XXX microbrewery has not experienced any work risk situations.
- The work conditions of work comply with national laws and regulation.
- The brewery provides good work conditions, wages, working hours, holidays, health and safety and they compensate workers for overtime.
- The Irish brewery provides their employees health insurance, free consumption of the beer they make and discount for their products.

Health and safety at work

- XXX follows the set safety standards and provides safety trainings for its employees and first aid training.
- To ensure the employees' physical and mental health the microbrewery provides their employees tickets to sports and cultural events.

Human development and training in the workplace

- The Irish microbrewery provides variety of trainings for their employees like how to tap a beer, beer degustation and flavours academy, history of beer, food and beer pairing but also first aid.

Environment

Prevention of pollution

- XXX microbrewery tries to lower traces of CO₂ by using vehicles with the newest Euro 6 emission norm. They also cooperates with as many local producers as suppliers as possible.

Sustainable resource use

- They try to lower the water consumption by reusing water for cooling their compressors.
- The Irish microbrewery takes around 70 % of raw material from local Irish producers. The biggest disadvantage for them is lack of hops in Ireland given the bad climate, they have to import majority of hops from the UK and Germany. Malted barley and yeast are from Ireland
- XXX reuses 90 % of its packaging in a form of aluminium kegs.
- The microbrewery focuses on production of beer in aluminium kegs and has only started to expand on the market with bottled and canned beer, so therefore the brewery doesn't recycle their packaging.
- They use LED fluorescent lamps.

Protection of the environment

- XXX microbrewery recycles their waste.
- They use the waste from production, brewer's grains, as a feed material for animals and provide it for free to farmers.

Fair operating practices

- Chomout microbrewery does not have any concept or practise established when it comes to anti-corruption, responsible political involvement, fair competition, promoting social responsibility in the value chain and respect for property rights.

Consumer issues

Factual and unbiased information

- XXX doesn't have an age confirmation enquiry on their website.
- The brewery shares it's location, postal address, telephone number and e-mail address on their website.
- The microbrewery doesn't provide prices of beers on their websites.
- XXX provides characteristics of all of their beers on the website.

- XXX microbrewery doesn't provide information about brewery tours on their website, only their price.

Sustainable consumption

- The microbrewery doesn't provide either any warning about irresponsible alcohol consumption on their website however they provide it on the packaging.
- XXX microbrewery doesn't provide nutritional values neither on their packaging of beer and nor on their website.
- XXX reuse 90 % of its packaging in a form of aluminium kegs.
- The microbrewery doesn't recycle their packaging since they have only started to make bottled and canned beer.
- Their products are high quality. Their beers are chemical and additive free and brewed in small batches.

Community involvement and development

Community involvement

- XXX's employees are involved in a community activity – they help on a Townlands Carnival, a festival promoting music, arts and culture.
- The microbrewery also sponsors the Townland Carnival.

Education

- The Irish microbrewery cooperates with university students on their theses and answers student's questionnaires.

4.2.3 Conclusion of ISO 26000 method for a Czech and Irish microbrewery

Based on the performed ISO 26000 analysis, the strengths and weaknesses of the Czech microbrewery can be found. They can be found in the table below.

Tab. 11 Strengths and Weaknesses of Chomout microbrewery

Strengths	Weaknesses
Trying to reduce water consumption	No CSR concept
Employing disabled people	No CSR norm established
Providing discount to disabled people	No women in top management
Variety of trainings	Few benefits for employees
High proportion of local raw materials	Employees are not involved in social activity
High percentage of reused packaging	Boiler with higher pollutant discharge
Cooperation with Uklid'me Česko	No recycling of packaging
Waste recycling and reusing brewer's grains	No energy saving lamps
Sponsoring organizations for disabled people	No fair operating practices
Customers of a protected workroom	Prices of beers are not provided on their website
Sponzoring winning competitions	No irresponsible usage of alcohol warning
Cooperation with Palacký University	No nutritional values information
Cooperation with students	

Source: Own interpretation

To interpret the results in the best way I have decided to assign scores to individual core subjects: organizational governance, human rights, labour practices, environment, fair operating practices, consumer issues, and community involvement and development where 1 = bad, 2 = sufficient, 3 = average, 4 = good and 5 = excellent. The full possible score is 35.

Tab. 12 Scores of core subjects of Chomout and XXX microbrewery

Core subject	Chomout	XXX
Organizational governance	2	2
Human rights	3	3
Labour practices	4	3
Environment	3	3
Fair operating practices	1	1
Consumer issues	3	3
Community involvement and development	4	2
Total score	20	17

Source: Own interpretation

Organizational governance

It can be seen that both Chomout microbrewery and XXX microbrewery have the same score 2 for organizational governance. The biggest influence had the fact that neither of the microbreweries has established a CSR concept in their firm and therefore doesn't publish any CSR reports however they respect stakeholder interests.

Human rights

Both microbreweries have gotten the same score again. They are very similar regarding this subject, yet have small differences. The Irish XXX microbrewery has an advantage regarding employment of women in the top management. However on the other hand Chomout microbrewery is better at resolving grievances.

Labour practices

Chomout got a one point higher score because it's cooperation with disabled people, which the Irish microbrewery doesn't do. They did not reach the full score because they could still improve and they could take an example from XXX microbrewery and start providing first aid or beer and food pairing train-

ing for their employees and give them the benefit of sport or wellness tickets that are good for their employees' health.

Environment

It can be seen that the breweries are very similar regarding the ISO 26000 norm as they have got another same score when it comes to the environment. The score is average both breweries could do better. Their biggest disadvantage is lack of their packaging recycling, which they cannot effort because of the high costs. However both microbreweries reuse aluminium kegs. Both breweries also recycle their waste and reuse brewer's grains as a feed material for animals. Chomout could change their lighting system for LED lighting like the Irish brewery did.

Fair operating practices

Both breweries got the lowest score because none of them have any concept or practices established for fair operating practices. I think this core subject is meant mostly for big companies and corporations, where they have to pay more attention to this topic.

Customer issues

The average score for customer issues got both breweries because they have similar problem in a form of not providing the nutritional values on their website and neither the beer packaging. Chomout doesn't provide either warning about irresponsible consumption of beer but on the other hand they provide better information on their website. Both microbreweries are missing prices of beers on their website, so the consumers are not fully informed.

Community involvement and development

The biggest difference between the two microbreweries is when it comes to community involvement and development practices. The Czech microbrewery scored 4 points but the Irish brewery only 2 points. It is because Chomout's cooperation with students from high schools and universities, and also the cooperation with a university itself. And also Chomout's involvement with organizations for disabled people. On the other hand XXX microbrewery's employees are involved in a community activity unlike the Czech microbrewery.

In the graph below it can be seen that the breweries have similar scores of core subjects regarding the ISO 26000 norm. The biggest difference between them is the level of community involvement and development, and labour practices where the Czech microbrewery Chomout is better.



Figure. 5 ISO 26000 core subject comparison
Source: Own interpretation

4.3 Comparison of similar CSR practices

4.3.1 Plzeňský Prazdroj

A great example of social responsibility gives a Czech brewery Plzeňský Prazdroj, which got the title of Top Responsible Big Company of 2015 and The Sustainable Development Report 2015 was awarded by company Deloitte as the best report of CSR activities in the middle Europe. They believe that the real business success can be reached only by respecting the surrounding, in which we work and live. Their strategy of sustainable development is voluminous.

Plzeňský Prazdroj is the biggest purchaser of barley with geographical name Czech beer in the domestic market. They purchase 100 % of local barley. This mark is a guarantee of quality for customers, but on the other hand it is also a commitment for the brewery. Observance of raw material composition and brewing procedures is necessary. They also cooperate with barley breeders and with the Brewery and Malting Research Centre when breeding and introducing new varieties of barley malt. They also organize meetings with Czech barley growers and inform them about the newest trends and they get to share their experiences.

Thanks to economy technologies and their employees, the brewery has lowered the consumption of water by 33 %. Water consumption is also influenced by changing of customers preferences regarding packaging. Customers still prefer bottled and canned beer more then beer in kegs. These factors influence water consumption not only in the production phase but also during the following package washing. The brewery also focuses on sewage cleaning. One of the projects is the pond cleaning system next to Radegast brewery. The system of ponds, collects drain and rain water, which comes from the brewery and thus cleans the water in natural way.

The company also cares about the highest environmental standards according the norms. They support investing into new technologies with the goal of lowering energy, water consumption and emissions of greenhouse gasses, they use recyclable packaging materials, they direct production towards zero waste in waste dumps and they support purchases of energy saving services and products. Plzeňský Prazdroj has certifications: ISO 14001: Environmental Management, ISO 9001: Quality Management, FSSC 22000 and GMP+: Food Safety, ISO 50001: Energy Management, OHSAS 18001: occupational health and safety.

During the past years the habits of beer consumption has changed. The consumers consume more beer bought in shops than in restaurants, pubs and bars, thus there is a higher consumption of plastic bottles and cans. The structure of packaging can be seen in the graph below. Their plastic bottles are 100 % recyclable. However they prefer returnable packaging like kegs which have a long lifespan and are also 100 % recyclable. In addition they also have a more ecologic way in a form of beer tanks, which 12 % of draft beer is supplied in and has a high quality.

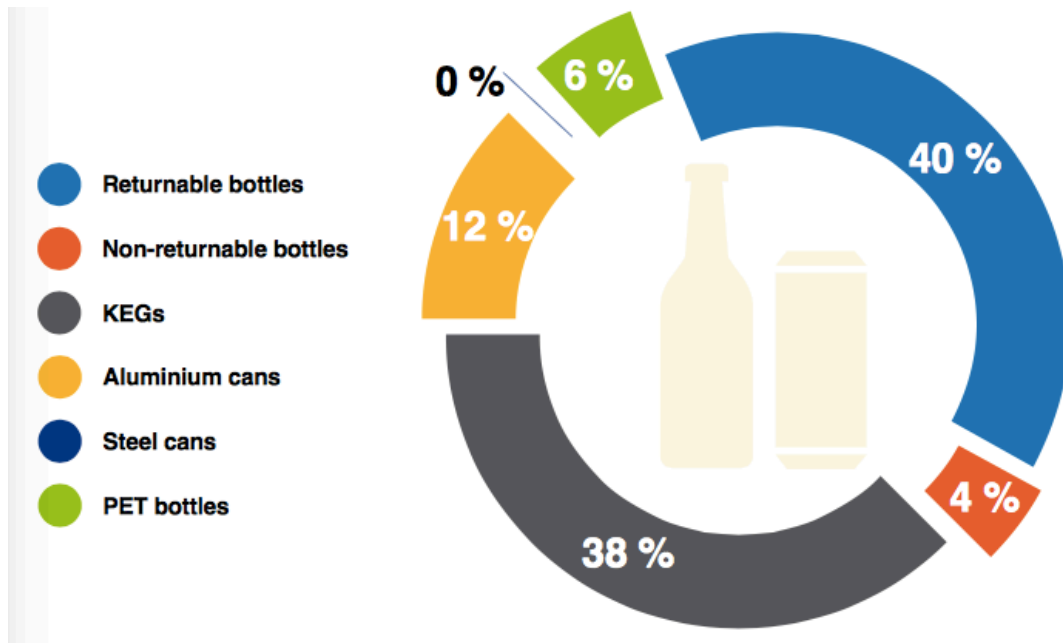


Figure. 6 Packaging structure of Plzeňský Prazdroj in year 2015
Source: Plzeňský Prazdroj, 2017

The company recycles or reuses almost 98.9 % of waste. Most of it is of a natural origin so it is secondarily used by supplying the waste into agricultural production or for production of green energy. Yeast and malt waste is used as a feed. Sewage sludge is added to soil as a fertiliser.

Since 2001 Plzeňský Prazdroj has donated over 85 million CZK for improvement of life quality and creating of good relationships in regions of their business. They have supported hundreds of projects focused on the environment, social development, culture and preservation of traditions. Supported projects are for example DFS Ostravička (international folklore festival), Zoologická zahrada Ostrava (water preservation in Zoo Ostrava), TRIANON, z. s. (books digitisation – a chance for women with handicap)

The goal of Plzeňský Prazdroj is not to drink more, but they want people to drink better. They also realize the negative consequences of irresponsible consumption of alcohol so they focus on prevention of irresponsible consumption of alcohol from the beginning of production though beer production and marketing communication to their consumers. 87.6% of their employees

have been trained in the ABC Alcohol training. They are also a signatory to commitments like, Responsible Marketing Pact or Beer, wine and spirits producer's commitments. 100% of their labels and packaging have a responsibility message pointing out the risks of irresponsible alcohol consumption. The brewery regulates access of minors to their advertisement by controlling the time of TV adverts, filtering the content for minors on social networks and by confirmation of age when accessing their website.

In 2015 as a first brewery in the Czech Republic they published the list of nutritional information about their beer on their website, so the consumers can find out about the energy value, fats, content of sugars, salt and proteins in the products.

Plzeňský Prazdroj cherishes their employees and provides them with a lot of benefits in a form of entertainment – providing sponsored tickets for culture and sport events, travelling contributions and the possibility of breweries excursions, health and care – extra health care, sport activities and relaxation in wellness centres, future – contribution to life insurance or additional pension insurance. Their employee also gets a dietary support and may get a bonus for above-standard performance or blood donation. A special contribution in a form of 2 days of paid leave to engage in activities for the public benefit is provided for volunteers. (Plzeňský Prazdroj, 2017)

4.3.2 HEINEKEN Ireland

Even though Heineken is originally a Dutch company, a few of their breweries can be found in Ireland. Also Murphy's Brewery, a famous brewery in Cork, that makes the popular Murphy's Irish Stout was purchased by HEINEKEN International.

HEINEKEN Ireland continues to maintain their leadership position as one of the most water efficient Heineken breweries worldwide, their usage in 2016 was 20 % below the average of Heineken company levels. They work with water metering systems and partners such as Ecolab –water, hygiene and energy technologies and services that provide and protect clean water and abundant energy, to optimise their water usage. All wastewater produced at Heineken brewery is treated before being returned to the municipal wastewater treatment plant in the city.

Thanks to purchasing 100 % of electricity from renewable resources in 2016, the CO₂ emissions of HEINEKEN Ireland were 3.6 kg CO₂ – eq/hl beer, which is a 41 % decrease compared to year 2015. Such a reduction of CO₂ in distribution emission the result of: working with customers, new packaged beer supplier, increase in the number of loads going directly to customers and increase in self collectors. All of the company's fridges are 'green' and use a hydrocarbon refrigerant, are LED illuminated and have an energy management system, which results in high increase in energy efficiency in cooling. The Irish based branch is one of the largest volume members of non-profit company REPAK, which collects fees from its members and uses them to diminish the collection and recovery of waste packaging.

Their local sourcing initiative had as a result 100% usage of malted barley from Irish farmers and thus supported Irish farm families by investing 4.5 million euro in the local agricultural economy. They also believe in their four step Supplier Code which expresses integrity, environment and human rights towards their suppliers.

As an industry leader, HEINEKEN Ireland has a responsibility to pay attention to the problems that come with alcohol usage. They work closely with industry groups, government and non-governmental organisations such as Drinkaware, whose vision is to reduce alcohol-related harm by helping people make better choices about their alcohol usage. They also support Responsible Marketing Code and all of their employees that come in contact with customers have to undergo training on codes basis and regulations. In 2016, as first on the Europe market, they launched Heineken Light with lower ABV 3.0% and lower calories content.

The brewery's number one behaviour is 'Put Safety First!', whose goal is to achieve a zero accident environment and invest in training programmes for promotion of increasing behavioural safety awareness. They also have their HEINEKEN Life Saving Rules, which consist of 12 rules that set out clear and simple instructions for their highest risk activities. (HEINEKEN Ireland, 2017)

4.4 Recommendations

Based on performed PESTE analysis of Czech brewery industry, comparison of an Irish microbrewery with Czech brewery Chomout while using questionnaire structured by ISO 26000 norm and CSR review of similar companies, following recommendations are provided.

Benefits for employees

Given that the brewery's employees don't have other benefits apart from 50% cover of meal allowance and unlimited consumption of beer, there is space for improvement. Employees can get benefits and do something good for the society at the same time. If Chomout implements 1 day of paid leave per year for execution of socially beneficial activities such as collection of waste participating in social events like Children's Day.

Tab. 13 Expected expenditures for socially beneficial activities

Average salary in Chomout per day	1 000 CZK
Number of employees	9
Number of days for socially beneficial activities	1
Expected expenditures	9 000 CZK/year

Source: Own interpretation

It is important for an employer that his employees are in a good mental and physical condition. This can be ensured, by providing vouchers to wellness centres or sport activities to their employees. Tickets to culture or sport events can be provided as well.

Tab. 14 Expected expenditures for employees' benefits

Average price for voucher/ticket	500 CZK
Number of entitled vouchers/tickets per employee	2/year
Number of employees	9
Expected expenditures	9 000 CZK/year

Source: Own interpretation

LED fluorescent lamps

Chomout brewery uses fourteen 120 cm long standard fluorescent lamps with power input of 36 W and average acquisition price of 65 CZK. Each fluorescent lamp has 2 tubes. This makes total input power of brewery 1008 W/h (36 W x 2 pcs x 14 fluorescent lamps). The life span of one standard fluorescent lamp is maximally 20 000 hours.

The brewery could save energy by investing into LED fluorescent lights. 120 cm long LED fluorescent lamps have the power input of only 18 W/h.

$$36 \text{ W} \times 2 \text{ tubes} \times 14 \text{ LED fluorescent lamps} = 504 \text{ W/h}$$

This would result in 50% saving of energy. Also the lifespan of a LED fluorescent lamp is much longer, up to 50 000 hours.

Tab. 15 Expected expenditures of LED fluorescent lamps

Average price of 120 cm LED fluorescent tube	180 CZK
Number of necessary tubes	28
Expected expenditures	5 040 CZK

Source: Own interpretation

An investment of 5 040 CZK will cause the brewery 50% saving of energy, twice as long lifespan of the lamps and mainly long-term return on investment.

New boiler

The brewery itself has said they would like to get a new gas boiler. The one they are using now consumes more energy than they would like and therefore it discharges higher traces of pollutants. The new gas boiler would be twice as expensive, which would be a big investment. However I was not able to find any material to support this recommendation.

Nutritional values

The awareness of customers about all information is very important. Chomout brewery does not provide nutritional values on the packaging of their beers and neither on their websites. To do so, each of 28 beers that they have made so far, would have to undergo a beer analysis which costs 5 000 CZK. This would mean for them an expenditure of 140 000 CZK. Given that there is no space for the nutritional values on their labels and a responsible consumption warning, an enlargement of their labels would have to be done. Currently they are paying 1.30 CZK/label. Enlargement would mean an additional expenditure of 0.5 CZK/label. Concerning their website, given the fact, that the owner's wife takes care of its maintenance, there would be no additional cost neces-

sary, except for time invested, for posting the nutritional values on the brewery's website.

Tab. 16 Expected expenditures of providing nutritional values

Expenditure	Price
Beer analysis for 28 types of beer	140 000 CZK
Label enlargement	0.5 CZK/label
Website editing	0 CZK

Source: Own interpretation

Responsible usage of alcohol

Chomout does not provide either any warning about irresponsible alcohol consumption on their website nor on the beer labels. If the case that label enlargement has happened as a result of addition of nutritional values, there would be no additional expenditures. However if the enlargement would not happen, in that case the enlargement were to happen now and the same amount of expenditure would occur – 0.5 CZK/label.

Regarding their website a subsection about responsible usage of alcohol could be added. For example, where customers could find information about alcohol consumption, its influence on human body and psyche, and information about beer production. The expenditure would be again none apart from time invested.

Tab. 17 Expected expenditures of website editing

Expenditure	Price
Label enlargement	0 – 0.5 CZK/label
Website editing	0 CZK

Source: Own interpretation

Providing prices of beer

By adding beer prices on the microbrewery's website, the customers will be more informed about the product they are interested in. It is known that Czech people care a lot about prices and therefore a higher satisfaction of customers would follow.

5 Discussion

In today's world companies should consider their effect on society and not only to make sure they are profitable, and ensure the planet and people are treated in a good way. The way how to ensure it, is corporate social responsibility. As Pavlík and Bělčík say (2010) CSR is raising the value of intangible assets such as the reputation of an organization, the value of a brand and human capital.

On the other hand Friedman and Jensen say that the government is the one that is supposed to address social concern, not business, so they should leave the social problems to those who are responsible to address them. There may also be a cost for the society when the companies are ignoring the rules and operate in their own self-interest and thus producing negative consequences for the society. (Blowfield and Murray, 2011)

This thesis is based on a desk and qualitative research conducted on corporate social responsibility of microbreweries. In order to propose recommendations to Czech microbrewery Chomout a qualitative survey in a form of a questionnaire was made and structured by one of the worldwide accepted standards – ISO 26000. The ISO 26000 norm was chosen because unlike the other standards, ISO 26000 norm is not certified and serves as a guide for companies who want to start with CSR strategy or just want to get inspired. Therefore ISO 26000 norm is good for small and medium enterprises to which microbreweries come under.

The Guardian (2012) states, that ISO 26000 norm is also intended for any sort of organizations, large or small, public or private. However there were some disagreements about how successfully it has met the needs of smaller organisations.

Adrian Henriques (2011) says that ISO 2600 is unique compared to the other ISO norms partly because of its subject matter that is a key issue of current social concern and its scope is much broader. He also believes there are few major issues of sustainability covered by ISO 26000.

PESTE analysis was used in the thesis for helping to learn about the opportunities and threats that can be encountered in brewery industry. It was chosen because it points out the most important factors that have to be considered when it comes to microbreweries and corporate social responsibility which are political, economic, socio-cultural, technological and environmental. PESTE analysis is one of the most famous macro-environmental analysis. The key parts of this analysis are: political and legislative, economic, socio-cultural, technological, environmental.

These basic factors include variety of different elements, which impact organizations in many different ways. The importance of individual factors is dependant on a specific industry, characterization of a company and other individual situations. (Tichá and Hron, 2003)

The Economic Times state that PESTE analysis serves to help organizations to make better business decisions and improve efficiency by studying the

given factors, which might influence a business. It also helps to make strategic business decision, marketing activities, product development and research. (The Economic Times) Therefore it is also helpful for planning CSR strategy and that is the reason this macro-environmental analysis was performed.

6 Conclusion

The bachelor thesis was focused on corporate social responsibility regarding microbreweries. The objective was to propose corporate social responsibility recommendations to a chosen Czech microbrewery by performing an original CSR analysis by using ISO 26000 method for the internal environment and comparison with a chosen Irish microbrewery, and PESTE analysis for the external environment of the chosen Czech microbrewery Chomout from Olomouc and Czech brewery industry.

In the first part of results, PESTE analysis was modified from the view of corporate social responsibility was performed. It was discovered that the biggest number of the opportunities come from political factors and that the biggest number of the threats arise from environmental and also political factors. Microbreweries can benefit from the open economy thanks to the European Union, from the support of the Czech Republic on international trade and good attitude towards social responsibility. However microbreweries have to follow the laws issued by the government, have to consider the risks of climate changes and high water consumption, and the fact that customers have started to prefer consumption of packaged beer.

In the next part of the thesis a comparison of Czech microbrewery Chomout and an Irish microbrewery XXX was done. Both microbreweries responded to a questionnaire structured by the ISO 26000 norm. Based on the seven ISO 26000 norm core subjects, scores were appointed to both Chomout and XXX microbreweries. It was discovered that the breweries have similar level of practices but the biggest difference between them is in the level of community involvement and development, and labour practices where the Czech microbrewery Chomout is better because of its cooperation with students from high schools and universities and its involvement with organizations for disabled people. On the other hand they both got minimum points when it comes to fair operating practices. In total Chomout scored 20 points and XXX microbrewery 17 points out the maximum 35 points. Chomout's social responsibility practise can be characterized as slightly above average.

CSR reviews of similar companies from the industry, Plzeňský Prazdroj and HEINEKEN Ireland were studied with the help of their sustainability reports and considered as another factor for reaching the recommendations.

All above mentioned analysis and factors helped to reach the recommendations for Chomout microbrewery. Even though the microbrewery has good socially responsible practices, there is a chance for improvement mostly regarding organizational governance, human rights and consumer issues subjects.

7 Bibliography

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Appendixes

A Chomout's response to questionnaire

This questionnaire was inspired by Ortová (2011) and Sustainable Development Report of Plzeňský Prazdroj from year 2016.

Name of your firm **Chomout s.r.o.**

Legal form **s.r.o.**

Number of employees **9**

Share of a foreign stakeholder in your firm **NO**

Do you know the term Corporate Social Responsibility (CSR)?

YES/NO

Person filling in this questionnaire is:

CSR manager/owner/HR manager /other

1. Should company apart from making profit also actively care about the company development?

DEFINITELY YES/MOSTLY YES/MOSTLY NO/DEFINITELY NO

2. What is Corporate Social Responsibility according to you?

YOUR BRIEF RESPONSE:

To look at how a firm is influencing it's surroundings and not only their profit

3. Do you have established the concept of Corporate Social Responsibility in your firm? YES/**NO**/I DON'T KNOW

If YES, why?

If NO, why? **I think the concept of CSR is only for big companies**

4. Do you have a special position to take care of CSR in your company?

YES/**NO**/I DON'T KNOW

5. Have you ever heard about an ISO 26000 norm?

YES/**NO**/I DON'T KNOW

If YES, where did you get the information?

6. Do you have any of the CSR norms applied in your firm?

YES – ISO 26000

- GRI
- AA 1000 Accountability/Assurance Standard
- GRI
- SA8000 Standard
- OECD Guideline for Multinational Enterprises
- Other

NO

I DON'T KNOW

7. If you apply/have applied any CSR norm in your firm, the main benefit for you will be mostly:

- INTERNAL (CSR activity will be/is more effective)
- EXTERNAL (the norm will support/supports positive image of our firm)
- **NONE (we don't expect any benefits)**
- WE WON'T APPLY ANY NORM
- OTHER

8. What parts of individual CSR pillars are you applying in your firm?

1/3 SOCIAL PILLAR (employee care, cooperation with local community, supporting of endowments...)

1/3 ECONOMICAL PILLAR (ethical approach, correct negotiation with business partners, transparency...)

1/3 ENVIRONMENTAL PILLAR (environmental management, saving energy, recycling...)

9. Are you participating in any CSR competition?

YES/**NO**/I DON'T KNOW

10. Do you think CSR concept is beneficial only for big companies?

YES/NO/I DON'T KNOW

11. Estimate how much financial means you spend on CSR per year in your firm.

It is not measurable

12. What percentage of raw material are you taking from local producers?

Malt – 80 % (otherwise Germany, Hops – 70 % (Tršická oblast)

Yeast 80 % - Bernard, Platan breweries (otherwise the Netherlands)

We are trying to take it from Olomouc region (for example also labels)

13. What percentage of packaging are you recycling

0 %, but 1 CZK from each sold bottled beer goes to Uklid'me Česko

14. What percentage of packaging is secondarily used?

KEGs – 90 %

15. What are you doing with the waste? Do you have a secondary use for it?

YES/NO/I DON'T KNOW

If YES, what? **Waste – brewer's grains – used for feeding the animals – we give it out for free, otherwise it goes to compost**

16. Are you trying to lower CO2 traces?

YES/NO/I DON'T KNOW

If YES, in what way? **Newer cars, we don't supply anywhere far away (60 % of our beer is drunk in the region), distributors drive one route**

17. What vehicles are you using for distribution? Are you trying to use vehicles with low emissions?

Modern cars – Euro 5

18. Are you trying to point out to responsible consumption of alcohol? YES/NO/I

DON'T KNOW

If YES, in what way?

Website entrance from 18 years

19. Are you trying to reduce water consumption?

YES/NO/I DON'T KNOW

If YES, in what way? **Reusing water solutions, revolving rinsing jets**

20. Are you training your employees? (For example about the correct waiting, beer taping...)

YES/NO

If YES, how? **In everything – serving and tapping of beer, beer cooking, training about beer defects, how beer is supposed to taste, sanitization of taps**

21. Are you supporting community regarding the social responsibility? (for example supporting of projects, endowments)

YES/NO/I DON'T KNOW

If YES, how?

- **Our aprons are made in a protected workroom**
- **Cooperation with association of disabled people TREND – keg of beer for free to their events**
- **TYFLO centrum Olomouc – free beer to their events, providing paid jobs to them for example gluing labels on packaging**
- **Disabled people and their carers – as the only ones get a discount for our guided tours of the brewery**
- **Sponsor gifts to tombola**
 - **Up Ale – official beer of Palacký university in Olomouc**

22. What percentage of women is in the top management of your firm?

0 %

23. What benefits your employees have? (for example health benefits, meals contribution, tickets for culture, products of your firm....)

Paid 50 % of diet, unlimited consumption of beer

24. Are you cooperating with students? (for example providing internships, discounts...)

- **No discounts**
- **Trainings yes, for high school students**
- **2 researches with Palacký University in Olomouc and cooperation with students regarding their thesis and answering questionnairesB.**

Chomout's response to questionnaire

B XXX's response to questionnaire

This questionnaire was inspired by Ortová (2011) and Sustainable Development Report of Plzeňský Prazdroj from year 2016.

Name of your firm **XXX**

Legal form **LLC**

Number of employees **30**

Share of a foreign stakeholder in your firm **NO**

Do you know the term Corporate Social Responsibility (CSR)?

YES/NO

Person filling in this questionnaire is:

CSR manager/owner/HR manager /**general manager**

1. Should company apart from making profit also actively care about the company development?

DEFINITELY YES/MOSTLY YES/MOSTLY NO/DEFINITELY NO

2. What is Corporate Social Responsibility according to you?

YOUR BRIEF RESPONSE:

How company affects and wants to affect its community and surroundings

3. Do you have established the concept of Corporate Social Responsibility in your firm? **YES/NO/I DON'T KNOW**

If YES, why?

If NO, why?

4. Do you have a special position to take care of CSR in your company?

YES/NO/I DON'T KNOW

5. Have you ever heard about an ISO 26000 norm?

YES/NO/I DON'T KNOW

If YES, where did you get the information?

6. Do you have any of the CSR norms applied in your firm?

YES – ISO 26000

- GRI

- AA 1000 Accountability/Assurance Standard
- GRI
- SA8000 Standard
- OECD Guideline for Multinational Enterprises
- Other

NO

I DON'T KNOW

7. If you apply/have applied any CSR norm in your firm, the main benefit to you will be mostly:
- INTERNAL (CSR activity will be/is more effective)
 - **EXTERNAL (the norm will support/supports positive image of our firm)**
 - NONE (we don't expect any benefits)
 - WE WON'T APPLY ANY NORM
 - OTHER
8. What parts of individual CSR pillars are you applying in your firm?
- 1/3 SOCIAL PILLAR** (employee care, cooperation with local community, supporting of endowments...)
- 1/3 ECONOMICAL PILLAR** (ethical approach, correct negotiation with business partners, transparency...)
- 1/3 ENVIRONMENTAL PILLAR** (environmental management, saving energy, recycling...)
9. Are you participating in any CSR competition?
YES/**NO**/I DON'T KNOW
10. Do you think CSR concept is beneficial only for big companies?
YES/**NO**/**I DON'T KNOW**
11. Estimate how much financial means you spend on CSR per year in your firm.
I don't feel comfortable to answer the question

12. What percentage of raw material are you taking from local producers?
70 % in overall, Malt and yeast- 100 % , Hops - 70 % from the UK (bad climate in Ireland)
13. What percentage of packaging are you recycling
0 %, recently we have just started to produce beers in bottles
14. What percentage of packaging is secondarily used?
KEGs - 90 %
15. What are you doing with the waste? Do you have a secondary use for it?
YES/NO/I DON'T KNOW
If YES, what? **Brewer's grains used for feeding the animals**
16. Are you trying to lower CO2 traces?
YES/NO/I DON'T KNOW
If YES, in what way? **Cooperating with local producers and suppliers**
17. What vehicles are you using for distribution? Are you trying to use vehicles with low emissions? **Euro 6**
18. Are you trying to point out to responsible consumption of alcohol?
YES/NO/I DON'T KNOW
If YES, in what way? **Warning on beer bottles**
19. Are you trying to reduce water consumption?
YES/NO/I DON'T KNOW
If YES, in what way? **Reusing water for cooling of compressors.**
20. Are you training your employees? (For example about the correct waiting, beer tapping...)
YES/NO
If YES, how? **Beer tapping, first aid, beer degustation and flavours, brewing academy, history of beer, food and beer pairing**
21. Are you supporting community regarding the social responsibility? (for example supporting of projects, endowments)
YES/NO/I DON'T KNOW
If YES, how? **Townlands Carnival - Music and Arts Festival**

22. What percentage of women is in the top management of your firm?

30 % - general manager

23. What benefits your employees have? (for example health benefits, meals contribution, tickets for culture, products of your firm....)

Health insurance, tickets for sports and culture events, beer consumption, discount for products

24. Are you cooperating with students? (for example providing internships, discounts...)

Yes, on their thesis