

CSR Joint Thematic Study

ROAD-CSR country Study: Slovenia

Prepared by: Maruša Babnik, Aleš Kranjc Kušlan

Content:

Summary.....	2
1. National CSR priorities (ROAD-CSR countries)	4
2. National Action Plan on CSR.....	8
3. Legislation on CSR.....	12
4. Alignment with Global CSR Approaches (basic analysis)	14
5. CSR in SMEs	19
6. Human Rights and Responsible Supply Chain Management	21
7. Social and Employment Policies.....	23
8. Consumer Awareness and Responsible Business Promotion	28
9. CSR Reporting and Disclosure	31
10. CSR in Education and Training.....	33
11. Sustainable Public Procurement.....	35
12. Socially-Responsible Investment	38
13. Financial Obligation and Anti-corruption	43
14. CSR approaches to Tackling Climate Change and Environmental Sustainability.....	47
ANNEX II: BEST PRACTISES	52
Researcher's Note	53

Summary

This Study offers an overview of policies and measures taken by Slovenia to introduce and promote corporate social responsibility (hereinafter CSR) among Slovenian companies.

As Slovenia is yet to develop its CSR strategy or CSR National Action Plan and with the reported lack of activities in this direction by the National Contact Point on the implementation of the OECD Guidelines for Multinational Enterprises, established within the Ministry of Economic Development and Technology, the discussion on CSR and promotion of CSR is currently led by civil society and businesses.

The Study focuses on identifying the factors that could outline the national CSR priorities and the CSR priorities emerging from the activities of Slovenian Government, NGOs and business. Secondly, it addresses the lack of promotional activities among the (Slovenian) business to promote the international frameworks and guidelines such as OECD Guidelines for Multinational Enterprises, UN Guiding Principles of Business and Human Rights, ISO 26000 and Global Reporting Initiative, as well as the issue of word-by-word transposition of EU directive on non-financial and diversity reporting for large businesses in the national legislation.

The research then offers an overview of other legislative and strategic documents relevant for development of different aspects of CSR field in Slovenia. Research visits the Slovenian Industry Policy 2014, which is the only document directly addressing CSR in Slovenia, but it seems not to be a relevant document for the current government. It looks into new Smart Specialisation Strategy of Slovenia and Vision Slovenia 2050 and their commitment to social responsibility. Further, it presents the social and employment policies and promotion of employee friendly measures, building consumer awareness and responsible business promotion (through awards and labels and NGO activities). Emphasis is given to promotion of green and social public procurement and the development and promotion of social enterprises. It also explains the mechanisms and system set for fighting corruption and regulating lobbying through an independent Commission for the Prevention of Corruption of the Republic of Slovenia. And provides an overview of environmental policies, which purpose is environmental protection and not environmentally sustainable business promotion.

Finally, the Study identifies seven good practices in the field of CSR in Slovenia. Most of them are specific activities and measures taken by NGOs and businesses, promoting CSR (awards and certificates) or implementing the national policies in their operations (environmental sustainability, social enterprise).

1. National CSR priorities (ROAD-CSR countries)

This section considers which factors shape the national/regional CSR priorities and approaches. It also discusses the patterns emerging in relation to core areas of CSR policy and provides an overview of the main priorities emerging in the partner counties.

Slovenia is so far lacking a national document on CSR priorities and measures. There is, however, a number of activities and practices undertaken for the purpose of promoting CSR in Slovenia. These are initiated both within the government and various other public organisations, and in the private sector¹ (NGOs, networks and companies).

According to the Slovenia's report to the European Commission published in 2014 Compendium of "Corporate Social Responsibility: National Public Policies in the European Union"² the practices reveal following CSR priority areas Slovenia is active in:

- *Consumer awareness and responsible business promotion* by supporting activities such as Best practice award (Horus), CSR knowledge exchange and Family-Friendly Enterprise certificate (promoting the implementation of work-life balance, diversity and intergenerational cooperation measures in businesses).
- *Social and employment policies* play an important role due to the effects of financial and economic crisis. According to the report, Slovenia focuses mainly on promotion of older workers and support of lifelong learning opportunities for them.
- *Green and socially responsible public procurement*. Transposition of relevant EU directives into Slovenian legislation and active promotion of it among public entities.
- *CSR Reporting and disclosure*, establishing legal requirement for larger companies to report on their CSR performance. Slovenia transposed the Directive 2014/95/EU.
- *Alignment with Global CSR approaches*, namely (some) support to UN Guiding principles in national policy frameworks.
- Aiming to further develop *Social entrepreneurship*, also by inclusion in the public tenders.
- Further improvement to the legislation defining the work of *Anticorruption Commission* to better combat corruption and enhance lobbying transparency in Slovenia.

Factors that are influencing CSR activities and could influence national priority setting:

- **Economic:**

¹ CSR in Slovenia, Jure Zrilic, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

² Corporate Social Responsibility: National Public Policies in the European Union, Compendium 2014 (available at <https://ec.europa.eu/digital-single-market/en/news/corporate-social-responsibility-national-public-policies-european-union-compendium-2014>, last accessed: 18.5.2017)

Slovenia has export-driven economy³ with a predominance of SMEs and micro-companies (99,8% of companies with under 250 employees: 49% of sole proprietorships)⁴. It is currently facing an ongoing privatisation processes and increase in foreign investment (related).

- **Economic development/impact of the crisis:**

Slovenia is among the countries, who intensely felt the effects of the crisis and its recovery so far can be mostly contributed to the recovery of its biggest foreign partners (Germany, Italy, Austria, and France). It still has high unemployment rates (7,8 %⁵).

- **Low level of institutionalisation of stakeholder engagement** as businesses (SMEs) are fragmented and less representative in the dialogues.

- **Lower level of awareness of CSR**

“Level of awareness of CSR is growing among the business community, but is not yet a common practice. However, to raise their public profile and improve their image with the public, larger international companies have increasingly undertaken RBC activities such as sponsoring sports teams and community events in the name of corporate social responsibility. Larger companies in Slovenia have also focused developing environmentally friendly image by implementing green technologies and adhering to high environmental standards.”⁶

- **The prevailing definition of CSR is that of a PR tool**

Often CSR is seen and used as a marketing tool, at the same time “some stakeholders see such approaches as a remnant of the socialist times”⁷ and, which can be a difficult perception to overcome. Awareness raising and education is therefore a key part of the approach towards CSR. In previous years, NGOs led the dialogue on CSR. However, dialogue with government seems to be slowly reopening in anticipation of the development of the NAP on Human Rights in Business and CSR NAP in 2017⁸.

- **The existing policy and regulatory framework**

³ Slovenian Economy, The Government of Republic of Slovenia, official web-site:

http://www.vlada.si/o_sloveniji/gospodarstvo/ (last accessed: 31.5.2017)

⁴ Republic of Slovenia Statistical Office, official web-site: <http://www.stat.si/statweb> (last accessed: 31.5.2017)

⁵ Republic of Slovenia Statistical Office, official web-site: <http://www.stat.si/statweb> (last accessed: 31.5.2017)

⁶ Slovenia - Corporate Social Responsibility, Portal Export.gov
<https://www.export.gov/article?id=Slovenia-Corporate-Social-Responsibility> (last accessed: 31.5.2017)

⁷ Peer Review Report: Peer Review on Corporate Social Responsibility – Paris (France), 22 October 2013 (ICF GHK) (available at <http://ec.europa.eu/social/BlobServlet?docId=11477&langId=en>, last accessed: 31.5.2017)

⁸ as stated in the report to OECD by the National Contact Point. See Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

Slovenia is lacking a comprehensive policy document on CSR as working group dissolved after the lack of involvement from the government.⁹

According to a study by IRDO¹⁰, the biggest factor in CSR development or lack of it in Slovenia is unfamiliarity with and misunderstanding of the concept of CSR among the public, entrepreneurs and public officials. The Partnership for CSR, established in 2011, ceased to exist after 2013, as there was, to public's knowledge, no single person competent and responsible for CSR ever indicated from the government's side. Therefore, Slovenia is still lacking clear policies and requirements, and the development views on CSR. This in turn means that majority of officials, the public and companies considers CSR as less important, secondary and merely charitable in nature. Other factors listed as reasons for the status of CSR in Slovenia are: lack of respect for oneself and others, attributing the superiority to foreign experts and countries; lack of support given to each other and a lack of positive attitude of Slovenians to the success of other Slovenians; lack of perseverance.

In interviews with 12 opinion leaders conducted by IRDO in 2016 they have identify the following factors contributing to passive approach to CSR by many in Slovenia: "irresponsibility towards oneself and others, leisureliness and the pleasure of being in the "comfort zone" /.../. Too much bureaucracy and unclear legislation, partial decisions of state bodies, local authorities and some companies without a structured approach /.../. There is a lack of coordination at the state and local levels. One major obstacle is the lack of interest of politicians for CSR in its actual implementation in their practices and the lack of their interest for the transfer of CSR in Slovenian law."¹¹

Above described reasons are presented also in the following *Table 1* of obstacles for CSR development in Slovenia¹²:

⁹ See chapter on National Action Plan on CSR

¹⁰ Hrast, A.: Model večdeležniškega dialoga za več družbene odgovornosti podjetij na nacionalni ravni; magistrsko delo, UL FDV, Ljubljana 2016 (available at http://dk.fdv.uni-lj.si/magistrska/pdfs/mag_hrast-anita.pdf; last accessed: 31.5.2017)

¹¹ Hrast A., Golob U.: Kako slovenska podjetja razvijajo družbeno odgovornost?, available at <http://www.irdo.si/irdo2016/referati/hrast-golob-podnar.pdf> (last accessed: 31.5.2017)

¹² Hrast, A.: Model večdeležniškega dialoga za več družbene odgovornosti podjetij na nacionalni ravni; magistrsko delo, UL FDV, Ljubljana 2016 (available at http://dk.fdv.uni-lj.si/magistrska/pdfs/mag_hrast-anita.pdf; last accessed: 31.5.2017)

Table 1: Obstacles for CSR development in Slovenia (source: Hrast)

Obstacle Category	Subcategory
Decision-making	No clear direction, directive No clear responsible institution or person for planning, implementation and reporting on progress in relation to CSR on national or local level Partial decision-making by authorities Advocating of partial actions and interests
Bureaucracy	Too much bureaucracy Unclear legislation
Education	Lack of education for all stakeholders CSR courses are not included in all curricula
Communication	Misunderstanding the concept of CSR Unresponsiveness of the government and local authorities for CSR Insufficient interest of the media to support CSR No communication strategy for CSR at the national level
Economic	Lack of funding for CSR Lack of time, will and power of key stakeholders in the country to develop CSR Corruption hinders development of CSR and creates a collective depression in the country Good companies do not want the media exposure due to the pressures of invisible networks
Cultural	CSR is too much on the side-lines in the society Lack of interest in innovating practices at all levels of society There is no guaranteed sources of information to support individuals and stakeholder groups in changing their habits

As the Peer Reviews by ICF GHK¹³ showed, there has been a gradual shift of ministerial responsibilities for CSR policies from ministries of social affairs and labour to economics and trade ministries. Which is also true for Slovenia. Unfortunately, that also meant further stagnation in CSR efforts. However, according to the Slovenia's report to the OECD regarding National Contact Point on the implementation of the Guidelines for Multinational Enterprises activities year 2017 will mark a beginning of the development of the CSR NAP.

¹³ Peer Review Report: Peer Review on Corporate Social Responsibility – Paris (France), 22 October 2013 (ICF GHK) (available at <http://ec.europa.eu/social/BlobServlet?docId=11477&langId=en>, last accessed: 31.5.2017)

At the same time, there has been an increase in activities by the Ministry of Foreign Affairs-led inter-sectorial workgroup on the NAP for the implementation of UN Guidelines on Human Rights in Business. In their internal documents they have defined the Slovenia's national Human Rights in Business priorities as follows:

1. Prevention of discrimination and inequality and promotion of equal opportunities;
2. Promotion and protection of fundamental workers' rights, including in transnational corporations, e.g. in the entire production chain;
3. Prevention and combating human trafficking;
4. Fight against corruption;
5. Environmental protection and sustainable development;
6. Development of due diligence commitment (duty to care for Human Rights).

2. National Action Plan on CSR

If a country doesn't have one to describe what steps have been done for developing one.

Slovenia is yet to develop its National Action Plan on CSR or a strategic approach to development of such NAP.

In 2005, the Government appointed an Interdepartmental Working Group for Corporate Social Responsibility composed of representatives from all ministries involved in promoting CSR in their respective fields and coordinated by the Ministry of Labour, Family and Social Affairs. However, the group only met once, before the government changed (and the responsible line ministry) and the group dissolved.¹⁴ The tasks of this group included drawing up reports on past activities and results (e.g. the National Report on Public Policies in CSR in 2006), drawing up proposals for future governmental policies in this area (including National SR development Strategy), and coordinating different activities within the field of CSR.¹⁵ No formal comprehensive CSR policy has been adopted so far by the government. The work on some of background documents needed for development of national CSR strategy continued in 2012 on voluntary basis by representatives of civil society and business, active in CSR field, joined in a network and an informal Partnership for Social Responsibility of Slovenia.¹⁶

¹⁴ Štika Debevec, M., Hrast, A., Mulej, M.: Nacionalna strategija spodbujanja razvoja družbene odgovornosti (podjetij) v Sloveniji; available at <http://www.irdo.si/skupni-cd/cdji/cd-irdo-2013/referati/e-debevec-hrast-mulej.pdf>, last accessed: 31.5.2017

¹⁵ CSR in Slovenia, Jure Zrilc, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

¹⁶ Štika Debevec, M., Hrast, A., Mulej, M.: Nacionalna strategija spodbujanja razvoja družbene odgovornosti (podjetij) v Sloveniji; available at <http://www.irdo.si/skupni-cd/cdji/cd-irdo-2013/referati/e-debevec-hrast-mulej.pdf>, last accessed: 31.5.2017

Major actors in the field are therefore NGOs, assuming the role of a promoter and educator, and in most cases, bigger companies with their good practices.

Having no one ministry with overall responsibility for CSR policy and in the context of economic difficulties in past years, Slovenia continues to address the matter of NAP on CSR slowly and with a delay. Several ministries are currently responsible for different aspects and international policy implementations in the field of CSR and/or the field of Human Rights in Business:

- the Ministry of Foreign Affairs has the lead role in relation to the UN Guiding Principles on business and human rights,
- Ministry of Economic Development and Technology is responsible for the OECD National Contact Point and implementation of Directive 2014/95/EU (non-financial reporting) into national legislations (e.g. Companies Act),
- Ministry of Labour, Family, Social Affairs and Equal Opportunities is represented on the Health Level Group on CSR and was responsible for the Act on Social Entrepreneurship (now moved to Ministry of Economic Development and Technology).
- Ministry of Public Administration: regulation on and promotion of green public procurement.
- Ministry of the Environment and Spatial Planning: regulation on environment protection and green economy.

Important role in developing CSR in Slovenia is played by civil society, organised in a network. "The National Action Plan is still very much in the planning phase, and based on an agreement between the Ministry of Labour and the CSR network from 2012, a bottom up approach is being taken to help to ensure maximum buy-in from the business community. It was also agreed that it was important to ensure:

- real-life implementation of selected policy priorities developed in a way that the economy and enterprises could and would subscribe to and follow them;
- that selected priorities need to take into account the current difficult economic situation;
- that selected priorities need to be complemented by existing relevant government policies."¹⁷

The next step was that the CSR Network develops a list of CSR priorities and submits them to responsible Ministry (previously Ministry of Labour, Family, Social Affairs and Equal Opportunities, now Ministry of Economic Development and Technology). Although the NGOs repeatedly provided the materials needed to continue the process (last occasion was in March 2015), it is still on hold.

Meanwhile, according to the peer-review report, (2013) Slovenia is linking the issue of CSR to that of Social Entrepreneurship:

"This is being promoted as a business model for the future. A series of seminars and one-stop shops are being organised to promote understanding and take-up of this

¹⁷ Peer Review Report: Peer Review on Corporate Social Responsibility – Paris (France), 22 October 2013 (ICF GHK) (available at <http://ec.europa.eu/social/BlobServlet?docId=11477&langId=en>, last accessed: 31.5.2017)

model. The concept is also being marketed to consumers as one offering greater transparency, as a mistrust of business is being detected among the population. The development of this approach has also involved good cooperation with the Chamber of Agriculture, with the establishment of a working group taking in representation from across the country. The chamber provides counselling services to everyone in the countryside keen to establish rural businesses. The Ministry of Labour is also developing the model through its programme of youth entrepreneurship, including the use of incubators to support new business ideas. Young people are seen as an obvious target group for a CSR approach and are considered to have a good understanding and appreciation of the underlying concepts. The combination of the two approaches is presented as a win-win situation. Particular emphasis is also being placed on developing family-friendly enterprises and to achieve a change in culture in established businesses. The Ministry has sought to involve social partners closely in these measures. Furthermore, the Ministry of Finance is working on regulation on green procurement, which is yet to be completed. The ministry of agriculture and the environment is also working on procurement and responsible supply chain management measures. Significant emphasis is being placed on bottom up approaches. The use of legislation on Social Entrepreneurship has also helped to drive this agenda forward.”¹⁸

However, NGOs and private sector understand that CSR means and needs more than just social entrepreneurship.

Following is a short overview of mentions of CSR in some of the governmental documents¹⁹:

- Slovenian Development Strategy adopted in 2005 includes sustainable development; however, it does not mention (corporate) social responsibility. The strategy defined as its fifth development priority an integration of measured for achieving sustainable development in following fields: sustained population growth, balanced regional development, ensuring optimal health conditions, improved spatial management, integration of environmental criteria in European policies and consumption patterns, the development of national identity and culture.
- Slovenian Development Strategy for the period 2014-2020 (still a draft) includes social responsibility in the chapter “Priority areas and short-term measures”. Among other it includes a commitment to promotion of:
 - o responsible management of natural resources (including space) and recognition of development opportunities presented by environmental capital;
 - o corporate social responsibility;
 - o development of socially responsible conduct on national, regional and local level;

¹⁸ Peer Review Report: Peer Review on Corporate Social Responsibility – Paris (France), 22 October 2013 (ICF GHK) (available at <http://ec.europa.eu/social/BlobServlet?docId=11477&langId=en>, last accessed: 31.5.2017)

¹⁹ Hrast, A.: Model večdeležniškega dialoga za več družbene odgovornosti podjetij na nacionalni ravni; magistrsko delo, UL FDV, Ljubljana 2016 (available at http://dk.fdv.uni-lj.si/magistrska/pdfs/mag_hrast-anita.pdf; last accessed: 31.5.2017)

- processed for active youth involvement in social development and intergenerational cooperation;

Furthermore, in the chapter “Competitive economy”, the government commits to implement corporate social responsibility and in the chapter “The conditions for realisation of the objectives of the Strategy by 2020” the government plans to ensure a high degree of legal certainty, human rights and responsibility. Again, in time of preparation of this report (May 2017) this strategic document was yet to be confirmed or adopted.

- In 2015 government adopted the Smart Specialisation Strategy of Slovenia, which includes the countries commitment to CSR in only one sentence in chapter “Growth and development of SMEs”: “Development of socially responsible internal entrepreneurship in companies at the management level and as well at other employee levels.” We were unable to detect other phrases in connection to “social responsibility” in the document.
- In the Vision of Slovenia 2050, published in 2016, the Slovenian Government Office for Development and European cohesion policy highlighted the increased quality of life for all, which can only be achieved through trust and open and innovative society. Mental shift towards social responsibility will only be possible through a process of education, based on the empowerment of individuals and not just society. All this will lead to positive changes as well as common values, which in turn strengthen our identity (Government of the Republic 2016). In the preparation of this document, approximately 50 experts from various fields took part, including some experts in the field of CSR.

Although not directly mentioning CSR again, Smart Specialisation Strategy of Slovenian (S4) (in accordance with the Vision 2050’s Green Slovenia Brand) is including a number of CSR issues: from environmental protection and healthy living environment, green public procurement to new approaches to human resource management, including work-life balance and intergenerational cooperation.

Apart from in above mentioned documents, social responsibility as a required characteristic of Slovenia is mentioned in the Social Contract for period 2015-2016. “Only development-oriented, socially responsible and economically and socially prosperous Slovenia, with a secured comparable business environment will indeed be able to provide the well-being of the population and the quality level of the welfare state.”²⁰ It continues to describe the objectives of the Social Contract, among others: “Social contract defines basic commitments and directions of employers, unions and the Slovenian government for the implementation of activities in period 2015-2016, aimed to:

²⁰ Social Contract 2015-2016:

http://www.vlada.si/fileadmin/dokumenti/si/projekti/2015/Socialni_sporazum/Socialni_sporazum_2_015_-_2016.pdf (last accessed: 31.5.2017)

- New development momentum based on knowledge, experience and innovation for new high-quality jobs, a higher added value and sustainable development of socially responsible business and public sector.”²¹

3. Legislation on CSR

Relevant legislation for CSR as well as for the alignment with Directive 2014/95/EU.

On March 21st 2017, Slovenia adopted the Act Amending the Companies Act²² with which it introduces the EU Directive 2014/95/EU on the disclosure of non-financial and diversity information by certain large undertakings and groups into the national legislation. According to the Directive, companies will have to disclose information on policies, outcomes and risks related to at least: Environmental matters, Social and employee aspects, Respect for human rights, Anticorruption and bribery issues, Diversity in their board of directors.²³

Directive 2014/95/EU and its predecessor directive 2013/34/EU have already been transposed into Slovenian legislation – namely with Companies Act (ZGD-1J). As the transposition is literal and limited to one Act, we discuss this more in the chapter CSR Reporting and Disclosure.

As Slovenia is yet to develop a comprehensive policy document on CSR, other current legislation relevant for promotion and implementation of CSR in Slovenia is presented in following chapters of the Study according to corresponding topics (e.g. policy on green procurement in Sustainable procurement Chapter, Environmental Protection Act in Chapter on CSR approaches to Tackling Climate Change and Environmental Sustainability etc.).

The most notable policy that specifically mentions the greater need of the integration of CSR to ensure long-term economic development with the principles of sustainable is the Slovenian Industrial Policy (SIP, 2013). SIP is an inter-sectoral strategic document recognising the importance of industry in economic development and containing guidelines for implementation of measures to support the development of industry and the economy. It also represents an important step in preparation for the next EU financial perspective 2014-

²¹ Social Contract 2015-2016:

http://www.vlada.si/fileadmin/dokumenti/si/projekti/2015/Socialni_sporazum/Socialni_sporazum_2015_-_2016.pdf (last accessed: 31.5.2017)

²² Companies Act (ZGD-1J), available in full at

<http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO7316>, last accessed: 31.5.2017

²³ Directive 2014/95/EU of the European Parliament and of the Council, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014L0095&from=SL>, last accessed: 31.5.2017

2020. The document addresses CSR in a specific chapter as “a concept that allows companies to coordinate their own interests with the interests of their stakeholders”²⁴ and a key tool. Furthermore, it defines ways of how companies can show social responsibility, listing the following measures, awards, certificates, standards and guidelines available to the companies²⁵:

- by including attitude to all stakeholders in their missions, strategies and activities,
- by being included in assessments based on national and international models and competing for recognition (e.g. Horus),
- through the adoption of appropriate codes of behaviour, including working conditions, environmental orientation, transparency of information and issues related to the protection of human rights,
- with socially responsible investment, where companies consider not only financial gain but also take into account social and environmental criteria, and ensuring business activities over the long-term (which are not based on short-term and speculative effects),
- with measures to promote lifelong learning and employee development, improve the flow of information in businesses, including the transfer of knowledge between generations; improve the balance between work, family and leisure; provide equal opportunities for promotion and payment for work; enhance employability and job security; increase opportunities for the employment of difficult-to-employ groups; update youth training programmes and programmes for training the elderly; with measures to improve health and safety culture of employees,
- with measures to promote organisational and financial employee participation,
- with measures to promote environmental awareness and the rational use of natural resources in companies,
- through appropriate employment conditions and job opportunities for vulnerable groups - young and old workers (there will be more of these due to prolonged working lives),
- by introducing a ‘Family Friendly Company’ certificate,
- by implementing the ISO 26000 social responsibility standard,
- by knowing and complying with the OECD Guidelines for Multinational Enterprises.

In SIP Guidelines for CSR, it references United Nations guidelines on human rights (‘UN Guiding Principles’) for the formation of priority areas and measures for the promotion of social responsibility. Other guidelines also addressed to MLFSA, MEDT and/or MFA are: providing support to projects promoting the formation and exchange of good practices in companies (emphasis on social enterprises and social impact) and promoting CSR by considering social responsibility in the allocation of resources through public tenders.

²⁴ Slovenian Industrial Policy, available at http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/DPK/SIP/SIP_-_vladni_dokument_EN.doc, last accessed: 31.5.2017

²⁵ Slovenian Industrial Policy, available at http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/DPK/SIP/SIP_-_vladni_dokument_EN.doc, last accessed: 31.5.2017

4. Alignment with Global CSR Approaches (basic analysis)

Various international guidelines have been developed by international organizations. For example:

- *OECD Guidelines for Multinational Enterprises (national contact points, supporting the adoption of OECD Guidelines in SMEs, awareness raising, etc)*
- *UN Global Compact*
- *UN Guiding Principles of Business and Human Rights*
- *ISO 26000 and Global Reporting Initiative*

Some countries have specifically set out how their National Action Plans and other policies and strategies are aligned to the goals of these internationally recognized guidelines and standards. The focus of the partners will be to provide in this section on those, which have made these links explicit. In other words, to see how partner's countries are aligning their National Action Plans or policies to international guidelines.

- **OECD Guidelines for Multinational Enterprises**

(national contact points, supporting the adoption of OECD Guidelines in SMEs, awareness raising, etc)

The OECD National Contact Point (NCP) for the implementation of OECD Guidelines for Multinational Enterprises was established as an interagency in 2009 by the Decision of Slovenian Government (19/03/2009)²⁶. It is composed of representatives of various Ministries: Ministry of Economic Development and Technology, Ministry of Finance, Ministry of Labour, Family, Social Affairs and Equal Opportunity, Ministry of Justice, Ministry of Environment and Spatial Planning⁽²⁷⁾. Ministry responsible for the NCP is the Ministry of Economic Development and Technology. This structure was implemented since each Ministry is responsible for different issue covered by the Guidelines.²⁸ Head of Slovene NCP and the members of the inter-ministerial working group are confirmed by the Government²⁹. However, the representation in the interagency (working group) is not based on a specific function in a Ministry. Government agencies of non-governmental bodies such as business,

²⁶ 2016 Annual Report to OECD. Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

²⁷ According to the internal documents of the working group on HR in business, the membership in CSR NCP has been unresolved for the past year as Ministries are yet to name their current representatives.

²⁸ 2012 Annual Report to OECD. Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

²⁹ 2013 Annual Report to OECD. Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

trade unions, civil society etc. have no representation in NCP. Also, there are no advisory or oversight bodies.

NCP's tasks as presented by the Ministry are³⁰:

- Active promotion of OECD Guidelines for Multinational Enterprises
- Familiarizing the companies and wider public with the content of the OECD Guidelines for Multinational Enterprises
- Management of mediation procedures and conciliations on the basis of received complaints of violations of the OECD Guidelines for Multinational Enterprises (special cases)
- Monitoring the work of local multinational companies and foreign multinational companies in Slovenia
- Within its competence the cooperation with the leading institution in promoting the principles of corporate social responsibility (CSR)
- Connecting to other NCPs
- Annual reporting to the OECD Committee for investments and regular consultations within the framework of the OECD

The activities NCP reported to OECD between 2012 and 2016 are mainly promotional activities such as presentation of the OECD Guidelines on national and international business conferences in the field of Corporate Social Responsibility organised by CSOs (Slovenian CSR network, IRDO), cooperation with investment promotion agency (SPIRIT) and building NCP capacity.

In 2014, guidelines were included in strategic documents such as Slovenian Industrial Policy and Social Contract for period 2015-2016. Other activities included the preparation and distribution of a leaflet on OECD Guidelines for Multinational Enterprises and the NCP.

In 2016, the Ministry translated The OECD Guidelines for Multinational Enterprises 2011 edition. NCP plans to adopt a promotional activities plan in 2017. It also plans to start developing the CSR NAP.³¹

Nationally NCP is required to report only to the Government through "established reporting channels"³², however these are not defined in the reports to OECD and are not regular (no

³⁰ Ministry of Economic Development and Technology: OECD Guidelines for Multinational Enterprises, leaflet, available at:

http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/SEKTOR_ZA_INTERNACIONALIZACIJO/OECD_NKT/NKT_zgibanka_120829_1.pdf, last accessed: 31.5.2017

³¹ Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

reporting at all for example in 2013³³). Other than the Annual Report to OECD, it seems no other reports on the matter are prepared.

NCP employs 1 part-timer and in 2015 they have reported that although the adequate funding is provided the NCP is lacking capacity and support from the government as well as it is having difficulties in engaging the business community, worker organisations, other non-governmental organisations and other interested parties to carry out its mandate.

According to the reports, it seems that cooperation NCP has with national agencies is limited to cooperation with the Entrepreneurship, Innovation, Development, Investment and Tourism Public Agency of the Republic of Slovenia (SPIRIT) in the field of promotion of Guidelines, used in the public tender for attracting foreign investors. “Foreign investors which apply for public tender declare that the recipient of the co-financing will abide by the OECD Guidelines for Multinational Enterprises and the principles laid down in the Declaration on International Investments and Multinational Enterprises”.³⁴

- **UN Global Compact**

The Slovenian chapter of the UN Global Compact (UNGC Slovenia) was established on May 24th 2007 by the initiative of the Dean and President of the IEDC-Bled School of Management. Originally, it was founded by 16 companies, of which now 9 remain as founding members. UN Global Compact Slovenia currently has 28 member-organizations, however with no reporting requirements to the UNGC Slovenia.³⁵ Established as a business association, the network is governed by a Supervisory Board, appointed by the General Assembly of the network, and managed by the Secretariat.³⁶

“The central goal of the UN Global Compact Slovenia is to help Slovenian companies realize strategic opportunities offered by sustainable and socially responsible practices, increasing, therefore, the overall competitiveness of Slovenian economy.”³⁷ In 2011, UNGC Slovenia

³² 2015 Annual Report to OECD. Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

³³ 2013 Annual Report to OECD. Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

³⁴ Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

³⁵ On-line information revised by phone 23.5.2017; 28 organisations have paid the last membership fee; UN Global Compact Slovenia (Slovensko društvo ZN za trajnostni razvoj) <http://www.ungc-slovenia.si/eng/about/>

³⁶ UN Global Compact official web-site: Slovenian branch <https://www.unglobalcompact.org/engage-locally/europe/slovenia>, last accessed: 31.5.2017

³⁷ UN Global Compact official web-site: Slovenian branch <https://www.unglobalcompact.org/engage-locally/europe/slovenia>, last accessed: 31.5.2017

released a Declaration of Honest Business and invited companies and organisations to commit to transparent and honest business conduct.³⁸ The Declaration is aligned with the 10th principle (the anti-corruption principle) of the UNGC's Ten Principles³⁹ on human rights, labour, environment and anti-corruption. 54 Slovenian organisations signed the declaration in the period 2011-2016⁴⁰.

To realize its goal, the association is partnering with several other Slovenian NGO's to organize annual conferences and regular meetings, roundtables and individual meetings related to issues of environment, labour, human rights, and corruption, while it is also offering consulting in the field of sustainable development.⁴¹

No explicit links to UNGC Ten principles are made in any policies relevant for CSR in Slovenia. The closest link is made with the direct transposition of Directive 2014/95/EU in Companies Act, where it is stated that in terms of non-financial reporting companies can rely on international frameworks such as the United Nations (UN) Global Compact etc⁴². The Companies Act itself does not mention the framework.

- **UN Guiding Principles of Business and Human Rights**

Ministry of Foreign Affairs has leading and coordinative role in regards of UN Guiding Principles of Business and Human Rights. In order to develop a national action plan on business and human rights the Inter-Ministerial Commission on Human Rights formed a subcommittee (Expert Subcommittee for the Preparation of National Action Plan on Business and Human Rights) in May 2014. Members of the subcommittee are line ministries (Ministry of Labour, Family, Social Affairs and Equal Opportunities, Ministry of Finance, Ministry of Economic Development and Technology, Ministry of Infrastructure and Spatial Planning, Ministry of Agriculture and the Environment, Ministry of the Interior, Ministry of Justice, and Ministry of Health) as well as representatives of non-governmental

³⁸ More in chapter *Financial Obligation and Anti-corruption*

³⁹ See <https://www.unglobalcompact.org/what-is-gc/mission/principles/principle-10>

⁴⁰ UN Global Compact Slovenia (Slovensko društvo ZN za trajnostni razvoj) official web-site, available at <http://www.ungc-slovenia.si/eng/about/>, last accessed: 31.5.2017

⁴¹ UN Global Compact Slovenia (Slovensko društvo ZN za trajnostni razvoj) official web-site, available at <http://www.ungc-slovenia.si/eng/about/>, last accessed: 31.5.2017

⁴² »In providing this information, undertakings which are subject to this Directive may rely on national frameworks, Union-based frameworks such as the Eco-Management and Audit Scheme (EMAS), or international frameworks such as the United Nations (UN) Global Compact, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the International Organisation for Standardisation's ISO 26000, the International Labour Organisation's Tripartite Declaration of principles concerning multinational enterprises and social policy, the Global Reporting Initiative, or other recognised international frameworks.« Directive 2014/95EU, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095> (last accessed: 31.5.2017)

organizations and academic sphere. The Office of the Ombudsperson has a standing invitation.⁴³

However, in 2017 Slovenia is still in progress of developing National Action Plan implementing UN Guiding Principles of Business and Human Rights.^{44,45} In the response to the UN Working Group surveys on implementation of the Guiding Principles the Ministry of Foreign Affairs named lack of understanding or awareness of business & human rights in government and challenges of coordinating across government departments as main factors impeding the government's ability to take action on business and human rights.⁴⁶ Another significant factor mentioned is lack of resources for enforcement, monitoring and prosecution. This is also evident from the response of the Ministry naming National Contact Point for implementation of OECD Guidelines for Multinational Enterprises located at the Ministry of Economic Development and Technology of Slovenia also as a "kind of a mediation body for addressing received notifications of violations of the guidelines (also in the field of human rights)". Many promotional activities were made to promote this grievance mechanism also in the field of human rights. More on NCP see in chapter OECD Guidelines for Multinational Enterprises.

So far, only Slovenian Industrial Policy, a strategic document, in its guidelines for chapter on Corporate Social Responsibility (2014) explicitly references the Guiding Principles. The mentioned guideline to Ministries reads "The formation of priority areas and measures for the promotion of social responsibility in accordance with the United Nations guidelines on human rights ('UN Guiding Principles')." ⁴⁷ A less evident link to the UN Guiding Principles is also made in Companies Act with the 2017 amendment of Article 70 in accordance with the EU Directive 2014/95/EU. Although the Act itself does not reference the Guiding Principles, the Directive does as one of the frameworks big companies can rely on for non-financial reporting.

In preparation of the development of NAP to reduce companies' negative impact on Human Rights Slovenia has translated UN Guiding Principles on Business and Human Rights into

⁴³ Business & Human Rights Resource Centre: Action Platforms: Slovenia, available at <https://business-humanrights.org/en/slovenia>, last accessed: 31.5.2017

⁴⁴ Business & Human Rights Resource Centre: National Action Plans: <https://business-humanrights.org/en/un-guiding-principles/implementation-tools-examples/implementation-by-governments/by-type-of-initiative/national-action-plans>, last accessed: 31.5.2017

⁴⁵ United Nations Human Rights - Office of the High Commissioner Official Web-site: State national action plans, available at: <http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>, last accessed: 31.5.2017

⁴⁶ Business & Human Rights Resource Centre: Action Platforms: Slovenia, available at <https://business-humanrights.org/en/slovenia>, last accessed: 31.5.2017

⁴⁷ Slovenian Industrial Policy, available at http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/DPK/SIP/SIP_-_vladni_dokument_EN.doc, last accessed: 31.5.2017

Slovene (in December 2013) and posted them on its official site. They have also organized a multi-stakeholder Forum on Business and Human Rights in Ljubljana (December 2013) to present the UN Guiding Principles. Representatives of line ministries, the Parliament, the Slovenian Chamber of Commerce, trade unions, businesses, media and academia attended the Forum.⁴⁸

Ministry also prepared a translation of European Commission's Manual on Human Rights for small and medium-sized enterprises "My company and human rights" prepared in accordance with the UN Guiding Principles of Business and Human Rights.⁴⁹

- **ISO 26000 and Global Reporting Initiative**

Implementation of the ISO 26000 social responsibility standard as a method how companies can "show social responsibility" is mentioned in before mentioned Slovenia's Industrial Policy. Also both ISO 26000 and Global Reporting Initiative are referenced as frameworks companies obliged to disclose non-financial and diversity information under EU Directive 2014/95/EU can rely on, which is transposed to Slovenian Companies Act. Again, the Act itself does not reference the ISO 26000 and Global Reporting Initiative (GRI).

Awareness raising, education, business consultancy and trainings on topics of ISO 26000 and GRI are mostly in the domain of the non-governmental sector in Slovenia (Ekvilib Institute⁵⁰ and Institute for the Development of Social Responsibility (IRDO)⁵¹).

5. CSR in SMEs

To investigate if SMEs in each participating country have begun to make progress towards implementing CSR activities. This section should cover the barriers that prevent SMEs from engaging with CSR and to what activities are implemented for overcoming the barriers (trainings, raising awareness, tools, programmes, etc and give a small description of them.)

In 2015, more than 190.000 business entities were operating in Slovenia. 99,8% of these were micro, small and medium-sized entities (SMEs) with less than 250 workers. 48% were

⁴⁸ Business & Human Rights Resource Centre: Action Platforms: Slovenia, available at <https://business-humanrights.org/en/slovenia>, last accessed: 31.5.2017

⁴⁹ Slovenian translation of "My company and human rights" manual, available at http://www.mzz.gov.si/fileadmin/pageuploads/foto/1312/Prirodinik_oilovekovihpravica_hajhna_in_srednje_velika_podjetja_-_Evropska_komisija.pdf, last accessed: 31.5.2017

⁵⁰ Ekvilib Institute: CSR and sustainable business consultancy, official web-site: <http://ekvilib.org/en/csr-and-sustainable-business-consultancy>, last accessed: 31.5.2017

⁵¹ <http://www.irdo.si/>

sole proprietorships. Slovenian SMEs exceed the average contribution of European SMEs in terms of employment and contribution to added value in the economy. They contribute 63% to the added value and 70.6% of the employment in the private, non-financial sector.^{52, 53} Statistics counts only 326 companies as large enterprises (with more than 250 workers).⁵⁴ Therefore, majority of CSR activities and practices presented in this Study are evidence of progress of SMEs implementation of CSR. The National Action Plan for implementation of Small Business Act 2012-2013⁵⁵ also includes most of the measures described in this study, from green procurement to environmental protection acts. However, there is tendency that EU directives transposed to national legislation (word by word), such as EU 2014/95/EU on disclosure of non-financial information for large companies, are not adopted to national reality. EU for example defines large companies in relevant directives as companies with more than 500 employees/workers, and Slovenia with more than 250.

Slovenia incorporated the SMEs policy in the governmental document “Slovene Industrial Policy” that is focused on improvement of business environment, strengthening of entrepreneurship and innovation, responses to social challenges and long-term development. This document also addresses ways to demonstrate CSR and references a number of international frameworks included also in this Study.

“One of the biggest achievements in the field of CSR in the private sector is a result of a project called Code to Smart Reality for Small and Medium Enterprises (SMEs) initiated by the Slovenian Chamber of Commerce and its partners and funded by the EU. The project was aimed at raising Slovenian companies’ awareness of the relevance of CSR, exchanging best practices and developing tools for the implementation of CSR policies in practice.”⁵⁶

One of the results of the project are the Guidelines for Corporate Social Responsibility⁵⁷, which can serve as a model for companies when developing their own codes of conduct or

⁵² European Commission: Small and medium sized enterprises in 2011: situations per EU Member State, available at http://europa.eu/rapid/press-release_MEMO-12-783_en.htm?locale=en, last accessed: 31.5.2017

⁵³ Slovenian Industrial Policy, available at http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/DPK/SIP/SIP_-_vladni_dokument_EN.doc, last accessed: 31.5.2017

⁵⁴ Republic of Slovenia Statistical Office: In 2015, 191,863 enterprises were registered, which is 2.9% more than in the previous year, available at <http://www.stat.si/StatWeb/News/Index/6328>, last accessed: 31.5.2017

⁵⁵ National Action Plan for Small Businesses 2012-2013, available at (in Slovene): http://www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/DPK/SBA/AN_2012-2013_k.DOC.DOC, last accessed: 31.5.2017

⁵⁶ CSR in Slovenia, Jure Zrilc, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

⁵⁷ Smernice za družbeno odgovorno ravnanje podjetij (Oct 2017) – provided by the Regional Chamber of Commerce of Štajerska (currently not available on-line)

ethical codes. The Guidelines present a set of general rules for socially responsible business conduct in any sector, size or organisational structure. They focus on: socially responsible behaviour towards people (employees), attitudes to natural and urban environment, fair trade and relationship with external stakeholders (suppliers/buyers/other), attitude towards the community in which the company operates, socially responsible investment, attitude toward the general public, and ongoing dissemination of the principles of socially responsible conduct.

According to a study among the companies in South-eastern statistical region in Slovenia the arguments against the implementation of socially responsible practices in the company is associated with the size of the company. The survey conducted for the study showed that smaller companies (up to 50 employees) are more likely to dismiss such plans due to lack of financial resources, lack of adequate staff and lack of time.⁵⁸

More factors for lack of development of CSR in Slovenia were presented in previous chapters.

6. Human Rights and Responsible Supply Chain Management

As emphasized by the Commission, a key area of CSR is the extent to which companies manage their supply chains responsibly, particularly in relation to operations within developing countries. Countries have taken different approaches to this area although not all countries make it explicit in terms of future actions within their NAPs. What we want to see if is partner countries specifically reiterate their commitment and implementation of human rights within their legislation. For example, if there is any structure and institutions (in Cyprus we have committees which focus on particular aspects for responsible supply chain management which is the Commissioner for Children's Rights, and the Bioethics Committee). Also, if there is any partnership development with third countries or any awareness raising programs or even a relevant legislation on this issue.

Slovenian companies are in general still not aware enough of the benefits of CSR certificates (including in field of human rights), to demand them from their suppliers. On the other hand, some companies, acting as suppliers in the international supply chain are being directed into

⁵⁸ Horvat, T.: Corporate Social Responsibility depending on the Size of Business Entity, available at: <https://repozitorij.upr.si/lzpisGradiva.php?id=6826>, last accessed: 31.5.2017

compliance with CSR standards and certificates.⁵⁹ Slovenian companies can for example apply to Bureau Veritas Certification for the social responsibility certificate SA 8000, which focuses on human and employee rights.⁶⁰ More of the larger companies might be obliged to add reports on Human Rights and Responsible Supply Chain Management with the adoption of the new Companies Act and the requirement of disclosing non-financial and diversity information in annual reports.

Slovenia is currently in process of developing its National Action Plan on business and human rights as part of the State responsibility to disseminate and implement the UN Guiding Principles on Business and Human Rights^{61,62}. However, it is already active on some issues such as precarious work and mobbing, human trafficking, health promotion in workplace and international developments cooperation, which are covering some aspects of Business and Human Rights. Promotion and protection of fundamental workers' rights, including in transnational corporations, e.g. in the entire production chain is also listed as one of the priority areas for the NAP⁶³.

The responsible ministry for the implementation of UN Guiding Principles on Business and Human Rights is Ministry of Foreign Affairs. Although the responsible ministry for the CSR NCP and also acting as a grievance mechanism also in the field of human rights⁶⁴, is Ministry of Economic Development and Technology, which has no awareness raising programs on this issue (due to lack of qualified staff).⁶⁵

Also, according to the Human Rights Ombudsman Act the Human Rights Ombudsman has jurisdiction only over authoritative part of the public sector. Ombudsman's intervention in the field of violations of labour and social rights in the economy/private sector would be admissible only if it was established that the cause of such violations lies in the systemic deficiencies and irregularities.⁶⁶

⁵⁹ CSR in Slovenia, Jure Zrilc, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

⁶⁰ Bureau Veritas Slovenija, SA 8000:
http://www.bureauveritas.si/wps/wcm/connect/bv_si/Local/Home/bv_com_serviceSheetDetails?serviceSheetId=13803&serviceSheetName=SA+8000 (17.01.2011).

⁶¹ <http://www.ohchr.org/EN/Issues/Business/Pages/NationalActionPlans.aspx>

⁶² Annual reports on the OECD Guidelines for Multinational Enterprises available at <http://mneguidelines.oecd.org/annualreportsontheguidelines.htm> (last accessed: 31.5.2017)

⁶³ Internal documents of the inter-sectorial workgroup for the development of Slovenian Action Plan for the implementation of the UN Guiding Principles on Business and Human Rights

⁶⁴ Internal report to the HR in Business workgroup by MFA

⁶⁵ Internal report to the working group on HR in Business by MGRT

⁶⁶ Internal report to the working group on HR in Business by Ombudsman

7. Social and Employment Policies

Basic standards regarding human and employment rights and anti-discrimination legislation exist in all EU Member States. Regarding social and employment policies, this includes initiatives regarding equality and diversity, and access to employment and social inclusion. In this respect, many of these measures are in line with the priorities of the Europe 2020 Agenda and its flagship initiatives. Many counties are developing awards or labels to recognize business' achievements in social, diversity and employment policies. Therefore, partners should cover in this section issues like: [listed below]

Socially responsible practices in Slovenian companies demonstrate that companies are tending to implement more initiatives in the internal dimension of social responsibility than external. Companies are implementing activities for employees and demonstrating social responsibility of the managerial level of the company, such as concern for the employee welfare and happiness, education and training, cooperation with employees, non-discrimination measures, workplace safety and social security. On the other hand, socially responsible practices such as employment of vulnerable groups, new jobs creation, customer and other business partner relationships as well as fostering relationships with local, social, natural and wider environment, are less likely to be implemented.⁶⁷ According to a study by agency PIAR⁶⁸ on the understanding of CSR, at least half of the organisations in the study plans on focus their efforts on employees, a bit smaller percent on ecology, and only 28% of them will focus on systemic regulation of social responsibility in the organisation.

In the field of social and employment policies the Slovenian Ministry of Labour, Family and Social Affairs promotes respect for working standards and labour rights in Slovenia, promotes social inclusion of vulnerable groups, fosters social dialogue and collective bargaining between employers and employees, promotes health and safety at work⁶⁹, equal rights and opportunities, family-friendly working environment through awards and certificates.

- Integration of people furthest from the labour market

(tax incentives, business initiatives to offer opportunities to low skilled young people, etc)

⁶⁷ IPMMP: Slovenska podjetja in družbena odgovornost, available at: <http://ipmmp.um.si/slovenski-podjetniski-observatorij/spo-monografije/>, last accessed: 31.5.2017

⁶⁸ PIAR: Research on understanding of social responsibility, available at: <http://www.piar.si/sekcije-drustva/sekcija-za-spodbujanje-druzbene-odgovornosti/raziskava-razumevanje-druzbene-odgovornosti/>, last accessed: 31.5.2017

⁶⁹ Ministry of Health: Guidelines for promotion of health in the workplace, available at: http://www.mz.gov.si/fileadmin/mz.gov.si/pageuploads/javno_zdravje_2015/zdr_na_del_mestu/Smerice_promocija_zdravja_na_delovnem_mestu-marec_2015.pdf, last accessed: 31.5.2017

Ministry of Labour, Family and Social Affairs implements Active employment policy – a measure with which the state contributes to the increase of employment in the labour market and consequently the decrease in unemployment. Active employment policy is implemented jointly with other relevant policies such as labour market policies, Labour Law, education and economy policies. Labour Market Regulation Act⁷⁰ provides guidelines for the implementation of the Active employment policy, which is the relevant strategic document. Active employment measures: education and training, incentives, job creation, promotion of self-employment⁷¹.

Active employment policy is promoting and providing incentives with following target groups:

- older unemployed population
Slovenia has one of the lowest rates of employment among the people between 55-64 years of age; 23,7 % of all participating in Active employment policy measures are older people. Slovenia has 3 programmes implemented for this group: Promotion of employment of older workers, 50plus and Labour participation of the elderly.
- young unemployed and low-skilled unemployed (with low educational attainment)
The Youth Guarantee programmes are implemented for the group with 14,8 % of unemployment rate (the number presents the unemployed after the completion of higher education programmes (age group 25-29), for age group 15-24 is 8,3 %). Main reason for unemployment is lack of work experiences; therefore, Ministry is implementing training and educational programmes. Other programmes are aimed in promotion of self-employment (now replaced with a programme called “Entrepreneurial in the world of entrepreneurship”).
- long-term unemployed
Slovenia is noting an increase in long-term unemployment (mostly of older workers and low-skilled unemployed. Programmes promoting short-term employment

Active employment policy is not a set of measures for job creation. It is meant to motivate unemployed to re-enter the labour market, to provide additional training and education and raise the skill level of unemployed and to provide an opportunity for unemployed to reach out to the employers.⁷²

⁷⁰ PISRS: Labour Market Regulation Act, available at:

<http://pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5840>, last accessed: 31.5.2017

⁷¹ Ministry of Labour, Family, Social Affairs and Equal Opportunities News: Za ukrepe aktivne politike zaposlovanja v 2016 in 2017 več kot 182 milijonov evrov, available at

http://www.mddsz.gov.si/nc/si/medijsko_sredisce/novica/article/1939/7847/, last accessed: 31.5.2017

⁷² Guidelines for the implementation of Slovenian Active employment policy, available at (in Slovene): http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti_pdf/zaposlovanje/Smer_nice_APZ_2016_2020_final.pdf, last accessed: 31.5.2017

“The 2013 labour market reform and the phasing out of preferential treatment of student work in 2015 were bold steps in the direction of reducing labour market duality. /.../ By loosening one of the most restrictive employment protection legislation (EPL) for permanent contracts in the OECD and fostering the convergence of employers’ termination costs across contract types, the government has removed an important roadblock along the way to integrating the least employable groups into the labour market. Another reform, launched in February 2015, phased out the preferential treatment of student work, which was another major factor behind labour market duality in Slovenia.”⁷³

Vocational Rehabilitation and Employment of Disabled Persons Act⁷⁴

Slovenia strictly differentiates between social enterprises and disability organisations. The later fall under the jurisdiction of the Directorate for disabled (MLFSA), which deals with matters concerning the position of disabled people, their integration into society, training and employment, and participation in employment programmes. The Directorate also supervises a company’s eligibility for obtaining the status of a disability company/organisation, keeps records of disability companies and organisations and cooperates with them in join programmes.⁷⁵

The Ministry and the Employment Service of Slovenia promote employment of disabled with measures such as an established quota system for the employment of people with disabilities (at least 20 employees for at least 20 hours per week), allowing companies reaching the quota to benefit from a partial exemption from the payment of contributions and an award for exceeding the quota. Other incentives are also wage subsidies for disabled person, covering the costs of adapting the workplace to suit the needs of a disabled person and if necessary providing support from a vocational rehabilitation provider.⁷⁶

- Awards and certificates for such measures and promotion of CSR and diversity in workplace policies

Family Friendly enterprise Certificate is promoting implementation of measures for creating working conditions to support employees in balancing their professional and private lives. It also promotes diversity in companies and intergenerational cooperation as well as internal

⁷³ OECD: Active Labour Market Policies to Fight Unemployment in Slovenia, available at: <http://www.oecd.org/slovenia/slovenia-active-labour-market-policies-to-fight-unemployment.pdf>, last accessed 31.5.2017

⁷⁴ PISRS: Vocational Rehabilitation and Employment of Disabled Persons Act, available at <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO3841>

⁷⁵ Ministry of Labour, Family, Social Affairs and Equal Opportunities: Areas of Work: Disabled Persons; official web-site: http://www.mddsz.gov.si/en/areas_of_work/invalidi_vzv/

⁷⁶ Sabina Lokar: Zaposlitveni sejmi za invalide, article in newspaper Dnevnik, available at <https://dnevnik.si/1042726962>

communication. To date, more than 250 Slovenian companies have entered the certification process.⁷⁷

Zlata nit (“Golden thread”) is an Employee of the Year choice award organised by one of the biggest Slovenian daily newspapers Dnevnik with cooperation of expert of University of Ljubljana (Faculty of Economy, Faculty of Social Sciences and Faculty of Arts). It is an annual media-research project selecting best employers in the categories of small (10-50 employees), medium (51-250 employees) and large companies (with more than 250 employees). Its aim is to recognise and promote best employees and at the same time assesses the quality of organisation-employee relationship. With the promotion of best practices in the field of employment, it wishes to influence a more dynamic development of jobs and contribute to increased competitiveness of Slovenian economy.⁷⁸

- **Volunteering programmes**

Slovenia is actively promoting volunteering programmes, including corporate volunteering. In 2011, Slovenia adopted the Volunteering Act⁷⁹ for systemic regulation of volunteering and national recognition of volunteer work (National Award of the Republic of Slovenia for volunteering is awarded annually by the President of Republic of Slovenia). The Act defines volunteering as a socially beneficial unpaid work and gives measures to recognise knowledge and skills gained for volunteers. It defines basic principles of volunteering, conditions for the provision of organized volunteering rights obligations of volunteers in voluntary organizations and the role of states, local communities, volunteering in non-profit organizations engaged in volunteering in monitoring and promoting the development of organized volunteering. Also, it introduces uniformity and systematic record-keeping on volunteers and volunteer work. Slovenia also adopted Rules on voluntary work areas and Register⁸⁰ and Regulation on detailed arrangements to grant awards and recognitions of the Republic of Slovenia for volunteering⁸¹ providing further frameworks and measures for promotion and implementation of volunteer work. Currently, the government and other stakeholders are preparing a Strategy for development of volunteering, which will further define policies and measures for promotion of volunteering. The Act also specifies that 10%

⁷⁷ Certificates Family Friendly Enterprise, official web-site, administrated by Ekvilib Institute, available at <http://certifikatdpp.si>, last accessed: 31.5.2017

⁷⁸ Newspaper Dnevnik: Golder Thread Award, official web-site: <https://www.dnevnik.si/zlatanit>, last accessed: 31.5.2017

⁷⁹ PISRS: Volunteering Act, available at <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5532>, last accessed: 31.5.2017

⁸⁰ PISRS: Rules on voluntary work areas and Register, available at: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=PRAV10787>, last accessed: 31.5.2017

⁸¹ PISRS: Regulation on detailed arrangements to grant awards and recognitions of the Republic of Slovenia for volunteering, available at: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=URED5698>, last accessed: 31.5.2017

of public funds allocated to areas, which are also areas of work of voluntary organisations, need to be reserved for voluntary projects and activities of the said voluntary organisation. The implementation of the Act is monitored by NGO Slovenian philanthropy, which is also the coordinator of Slovenian network of voluntary organisations.⁸² In 2014, government amended social legislation to include volunteers on social assistance as beneficiaries for additional social assistance, if they work in voluntary organizations and have reached an appropriate arrangement for the provision of voluntary work.⁸³

Increasingly more companies in Slovenia are recognising that CSR is not only about sponsorships and donations and is turning to innovative forms of cooperation with all stakeholders of the local environment in form of corporative volunteering. Slovenia is actively promoting the development of corporate volunteer programs also through the work of organisations like Slovenian Philanthropy and measures as in Family Friendly Enterprise certificate. Corporate volunteering include voluntary unpaid work by employees for the benefit of the wider community, with various initiatives supported by the employer or the company.⁸⁴

- Social dialogues

In 2010, European Commission reported Slovenia being one of the countries, next to Austria, Belgium, Sweden, France and Finland, with the strongest social dialogue, however also being one of the six countries where social dialogue failed.⁸⁵ Indeed in the field of labour rights, the Ministry of Labour, Family and Social Affairs promotes respect for working standards and labour rights in Slovenia, and fosters (tripartite) social dialogue and collective bargaining between employers and employees.⁸⁶

As defined in Slovenian Social Contract for 2015-2016 “Social dialogue represents a cornerstone for achieving broad social consensus on the future development of Slovenia and an important democratic value, which it is necessary to strengthen, develop and deepen. Successfully managed and respected social dialogue is a prerequisite for a successful and sustainable development of the country. The core of such discussions will be the Economic

⁸² Slovenian Philanthropy: Volunteering Portal: Volunteering Act, available at:

<http://www.prostovoljstvo.org/o-prostovoljstvu/zakon-o-prostovoljstvu>, last accessed: 31.5.2017

⁸³ CNVOS – Centre for information service, co-operation and development of NGOs: Z današnjim dnem višja denarna socialna pomoč za prostovoljce, available at

<http://www.cnvos.si/article/id/10604/cid/23>, last accessed: 31.5.2017

⁸⁴ Slovenian Philanthropy: Volunteering Portal: Corporate Volunteering, available at:

<http://www.prostovoljstvo.org/korporativno-prostovoljstvo>, last accessed: 31.5.2017

⁸⁵ News portal Siol.net: Article on EC report, available at <http://siol.net/novice/svet/ek-socialni-dialog-v-sloveniji-mocan-a-tudi-porazi-354873>, last accessed: 31.5.2017

⁸⁶ Zrilic, J.: CSR in Slovenia, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at

https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

and Social Council, which will continue to provide an appropriate framework for discussion.”⁸⁷

“Social partners in Slovenia are almost always involved in the discussion about public policies. They give their views and opinions regarding national strategies, action plans and other important documents such as Slovenian industrial policy, which has been discussed by social partners, representatives of business, academia and the Ministry of Economic Development and Technology. But less often are social partners actively involved in the shaping of industrial policies and being able to contribute to their outcomes.”⁸⁸

In Annual Review of Labour Relations and Social Dialogue in Slovenia in 2016 (report to Friedrich-Ebert-Stiftung), author notes: “On the level of tripartite social dialogue, there has been quite a lot of tension regarding the work of the Economic and Social Council (ESC). In June, the Employers Association of Slovenia announced its decision to no longer attend the sessions of the ESC until conditions that would enable tripartite social dialogue on a suitable level were met. The other employers' organizations and chambers of commerce joined this decision. This led to new rules for the functioning of the ESC presented in December, bringing the employers' organisations back to the table.” It also notes the rise of self-employed service providers, several trade union actions and strikes and severe breaches of labour and social legislation by some private companies leading to amendment of legislation.⁸⁹

- **Social entrepreneurship**

See chapter on Socially-Responsible Investments.

8. Consumer Awareness and Responsible Business Promotion

Consumer demand drives business and raising consumers' awareness of CSR enables them to make responsible decisions about products and services. This may include raising their general awareness around what CSR is, awards and labels to allow consumers to make choices based on business' behaviors and developing better dialogue and communicating with local communities and businesses. Therefore, partners should cover in this section what

⁸⁷ Social Contract 2015-2016

http://www.mddsz.gov.si/fileadmin/mddsz.gov.si/pageuploads/dokumenti_pdf/mddsz/Socialni_sporazum_podpisi_5.2..pdf, last accessed: 31.5.2017

⁸⁸ Eurofound: Slovenia: Role of social dialogue in industrial policies, available at:

<https://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/slovenia/slovenia-role-of-social-dialogue-in-industrial-policies>, last accessed: 31.5.2017

⁸⁹ Annual Review of Labour Relations and Social Dialogue 2016: Slovenia, Goran Lukić, February 2017 (available at <http://library.fes.de/pdf-files/bueros/bratislava/13219.pdf>; last accessed: 31.5.2017)

they have developed for consumer awareness and responsible business promotion (for example campaigns, labelling and benchmarking, awards, dialogue etc).

Although general understanding of CSR concept in Slovenia is low as mentioned in previous chapters, there are several activities and projects aimed to change that. In this chapter, we list what different actors have developed for consumer awareness and responsible business promotion in Slovenia.

Raising general awareness with campaigns and awareness-raising projects:

- NGOs: fair trade (first fair trade store in Slovenia is operated by NGO - 3Muhe⁹⁰), human rights in supply chain (Make Fruit Fair – Association Focus⁹¹), corporate and tax transparency etc.
- State and business initiatives: promoting procurement of local goods;
- Slovenian Consumers' Association - an independent, non-profit, internationally renowned non-governmental organisation for protection and advocacy of consumer interests. Their mission are informed consumers, who know and exercise their rights, and on the other hand consumer-friendly society, who respects and protects consumer rights. Their activities are informing, consulting, product testing, education, advocacy (in this capacity also acting in behalf of its members in legal proceedings and claims against business).⁹²
- Corporate Integrity Guidelines Portal aims to enable companies in Slovenia with an overview and practical support in implementation of measures and activities for lawful and ethical business conduct. Companies decide whether and to what extent they will follow the Slovenian Corporate Integrity Guidelines in their business as the Guidelines main purpose is to provide a guide in activity development as well as to provide sources, materials and good practices.⁹³

Labelling and benchmarking:

- Rising offer of goods with international fair trade labels in bigger stores.
- Promotion of ECOLabel Flower (okoljska marjetica) – environmental label of EU: “an interesting instrument for ensuring environmental protection – voluntary and based on the market”⁹⁴. Reserved for products and services meeting high environmental standards and usability criteria.

⁹⁰ Fair Trade Shop »3 Muhe« in Ljubljana, Slovenia – official web-site: <http://www.3muhe.si/>

⁹¹ Focus Association for Sustainable Development: Project Make Fruit Fair, official web-site: <http://focus.si/projekti/sadje-naj-bo-pravicno/>

⁹² Zveza potrošnikov Slovenije, official web-site: <https://www.zps.si/index.php/component/content/article?id=5967:drubena-odgovornost-v-deeli-igra>, last accessed: 31.5.2017

⁹³ Corporate Integrity Portal: Guidelines, available at [http://www.korporativna-integriteta.si/Smernice/Smernice\(SSKI\).aspx](http://www.korporativna-integriteta.si/Smernice/Smernice(SSKI).aspx), last accessed: 31.5.2017

⁹⁴ Slovenian Environment Agency: ECOLabel Flower: <http://www.arso.gov.si/o%20agenciji/okoljski%20znaki/ECO%20Label/ecolabel.html>

Awards and certificates are the most popular tools for promoting responsible business through public recognition in Slovenia. At the same time, they usually provide much needed opportunities to share good practices in CSR and for exchange of knowledge between different stakeholders.

- Horus Slovenian Award for Social Responsibility⁹⁵ (2009-ongoing) for promotion of holism in thinking, innovation in working and responsibility in conducting Slovenian companies', organisations' and individuals' activities. Award wishes to strengthen the awareness of the meaning of social responsibility and warn on humans' interdependence.
- Project European CSR Award⁹⁶ 2011-2013 coordinated in Slovenia by Slovenian CSR Network and Ekvilib Institute aimed to highlight the best European multi-stakeholder CSR projects and to increase the exchanged of best practices.
- Newly developed CSR certificate by Ekvilib Institute (completed pilot phase in 2016) – an analytical and consulting process for companies and organisations covering approach towards and care for employees, environment and/or society as well as the managing aspect of CSR.
- Well established Family Friendly Enterprise Certificate – a consulting and auditing process addressing a specific CSR issues of work-life balance, diversity and intergenerational cooperation - awarded by the Ministry of Labour, Family, Social Affairs and Equal Opportunities to more than 250 Slovenian companies. Holder and coordinator of certification process is Ekvilib Institute.
- Green Frog Award – a Deloitte Central European Sustainability Report Award is an award for best sustainability reports – assessed on national and EU level. The contest aims to identify and reward excellence in corporate non-financial reporting in Central Europe.⁹⁷
- Competition for best annual report organised by Business Academy Finance⁹⁸ (Newspaper Finance). Submitted annual reports compete in categories based on the size of the participating company and also for special awards for different report sections (financial report, annual communication report, risk management report etc.) and are separated based on the sector company is a part of (economy, financial institutions, NGOs and institutes etc.).⁹⁹

Dialogues, promotion and protection of consumer rights:

- Market Inspectorate of Republic of Slovenia is a constituent body of the Ministry of the Economic Development and Technology. Inspectorate is responsible for surveillance of implementation of Slovenian legislation on areas of consumer

⁹⁵ Horus Award official web-site, administrated by IRDO: www.horus.si; see also Good Practices

⁹⁶ Slovenian CSR Network: European CSR Award Scheme: http://mdos.si/si/arhiv_eunagrada.html

⁹⁷ Deloitte: Green Frog Award: <https://www2.deloitte.com/global/en/pages/about-deloitte/articles/green-frog-award.html>

⁹⁸ Official web-site of Najletno poročilo Award, by newspaper Finance: <http://www.najletno-porocilo.si/>

⁹⁹ Official web-site of Najletno poročilo Award: Awards: <http://www.najletno-porocilo.si/nagrade/>

protection, product safety, trade, catering, crafts, services, pricing, tourism, competition protection and copyrights. Their main goal is to work according to the legislation in order to help businesses, organizations and consumers when meeting on the internal market of European Union. Important part of their work is to actively cooperate with consumers from Republic of Slovenia and other member countries.

100

9. CSR Reporting and Disclosure

Reporting on non-financial aspects of business performance is becoming an increasingly common measure of assessment of business' CSR achievements. Different rules apply in relation to what has to be reported, by whom, and as part of which official reporting procedure. We want to see what exists in the following: Legislation and reporting requirements/ support for reporting (mandatory reporting or compulsory reporting, etc)

Reporting on non-financial aspects of business performance is becoming an increasingly common measure of assessment of business' CSR achievements, however the legal reporting requirements were introducing in Slovenia only with the transposition of directives 2013/34/EU on disclosing information about diversity policy and 2014/95/EU on disclosing non-financial and diversity information.

As mentioned, disclosure of diversity information was adopted to national legislation already with the transposition of the directive 2013/34/EU, however this was also amended by the 2014/95/EU directive. Under the new Companies Act, transposing the mentioned directives, only companies required to have an audit¹⁰⁰ are also required to include in their annual business report a corporate governance statement, which includes a description of the diversity policy in accordance with EU Directive 2013/34/EU. This is "applied in relation to the company's administrative, management and supervisory bodies with regard to aspects such as, for instance, age, gender, or educational and professional backgrounds, the objectives of that diversity policy, how it has been implemented and the results in the reporting period. If no such policy is applied, the statement shall contain an explanation as to why this is the case."¹⁰² In Companies Act ZGD-1I (preceding the current ZGD-1J) this requirement was for all companies required to prepare and submit a business report. For

¹⁰⁰ Market Inspectorate of Republic of Slovenia official web-site: <http://www.ti.gov.si/en/>

¹⁰¹ Companies Act – bill proposal (1J), available at: www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/predpisi/ZGD-1J_gradivo.doc, last accessed: 31.5.2017

¹⁰² Directive 2014/95EU, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095> (last accessed: 31.5.2017)

2016, 64.445 annual reports were submitted to AJPES, only 15 audited reports and 9 consolidated annual reports.¹⁰³ The corporate governance requirement is also reference and further explained with provided guidelines in Slovenian Code of Corporate Governance, amended in 2016 and signed by Association Manager, Association of Supervisory Board Members of the Ljubljana Stock Exchange¹⁰⁴.

Regarding the disclosure of non-financial information the Directive 2014/95/EU clearly references several frameworks relevant in CSR field. "In providing this [non-financial] information, undertakings which are subject to this Directive may rely on national frameworks, Union-based frameworks such as the Eco-Management and Audit Scheme (EMAS), or international frameworks such as the United Nations (UN) Global Compact, the Guiding Principles on Business and Human Rights implementing the UN 'Protect, Respect and Remedy' Framework, the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises, the International Organisation for Standardisation's ISO 26000, the International Labour Organisation's Tripartite Declaration of principles concerning multinational enterprises and social policy, the Global Reporting Initiative, or other recognised international frameworks."¹⁰⁵ However, this reference was not transposed in the national law, as even the draft law¹⁰⁶ with its justifications and clarifications does not provide the information on frameworks companies could rely on for guidance in reporting. It may be that the Ministry is waiting for the EU guidelines, which were supposed to be published last December.

On the other hand, the transposition of the article on non-financial reporting into Slovenian legislation is literal (word for word)¹⁰⁷ and thus presents a minimum commitment by the Slovenian government to CSR reporting. There is presumably less than 50 companies¹⁰⁸, which are required to report on non-financial and diversity information in Slovenia as per the Directive. However, this is a rough estimate provided in the draft law. According to

¹⁰³ Agency of the Republic of Slovenia for Public Legal Records and Related Services: Public posting of annual reports, available at: <https://www.ajpes.si/jolp/>, last accessed: 31.5.2017

¹⁰⁴ Ljubljana Stock Exchange: Slovenian Code of Corporate Governance, available at <http://www.ljse.si/media/Attachments/Izdajatelj/2016/NovKodeksCG2016.pdf>, last accessed: 31.5.2017

¹⁰⁵ Directive 2014/95/EU, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0095> (last accessed: 31.5.2017)

¹⁰⁶ Companies Act – bill proposal (1J), available at: www.mgrt.gov.si/fileadmin/mgrt.gov.si/pageuploads/predpisi/ZGD-1J_gradivo.doc, last accessed: 31.5.2017

¹⁰⁷ See Companies Act (Article 70c) (ZGD-1J, available in full at <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO7316>, last accessed: 31.5.2017) and Directive 2014/95/EU (Directive 2014/95/EU of the European Parliament and of the Council, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:32014L0095&from=SL>, last accessed: 31.5.2017)

¹⁰⁸ Portal Unija: News on Companies Act – bill proposal, available at: http://www.unija.si/news/1240/95/Spreminja-se-ZGD-1/d,novice_detail/, last accessed: 31.5.2017

AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services managing the Business Register) there might be as low as 10 companies apart from insurance companies (13¹⁰⁹) and banks (6¹¹⁰) that would need to report¹¹¹. In addition, subsidiaries are not required to report if the parent company published a consolidated report in which the subsidiary is included.

The auditors need to check if a company provided required information for both, the description of the diversity policy and the “non-financial report”, but they are not required to provide a substantive assessment for all the information¹¹².

10. CSR in Education and Training

CSR in education and training is becoming more common in Member States, particularly regarding higher education, executive education, continuing education and training, and short courses for business leaders. Partners should report the introduction of CSR in education or training on CSR outside educational institutions.

With growing discourse on social responsibility, especially of modern companies, the topic started to reflect also in the university educational programmes in Slovenia. This is especially true for faculties focused on economy or management sciences, which started integrating CSR topic early in educational curricula within courses as business ethics, strategical management, marketing etc. predominately in the context of analysis of participants, business environment or the role of a company in the society.¹¹³ Nowadays the topic of corporate social responsibility in higher education is approached more holistically and in many cases at the level of special university courses at different faculties, including covering the fields of social sciences and administration:

¹⁰⁹ Insurance Supervision Agency: List of insurance entities: <https://www.a-zn.si/zavarovalnice-pokojninske-druzbe/register-subjektov-nadzora/>, last accessed: 31.5.2017

¹¹⁰ Data provided by Bank of Slovenia on May 29th, 2017 based on public registers data. The following credit institutions operating in Slovenia meet the criteria of 500 or more employees: NLB, NKBM, Abanka, SKB, Unicredit and Intesa Sanpaolo.

¹¹¹ AJPES' reply to the inquiry (received on May 23rd, 2017). Unofficial estimate: there is less than 50 companies (insurance companies and banks not included) which have so far identified themselves as subjects of public interest (noting that identification is not mandatory and is not subject of a check by AJPES or other authorities at this point, therefore the provided statistics can have substantive errors). Of those less than 10 companies reported in their published revised annual reports for 2016 to have 500 or more employees.

¹¹² INSOLV-INFO Portal: Obvezna izjava o nefinančnem poslovanju, available at: <https://www.insolvinfo.si/DnevneVsebine/Aktualno.aspx?id=193322>, last accessed: 31.5.2017

¹¹³ Knez-Riedl, J.: Social Responsibility and University, UM Faculty of Economics and Business, published by IRDO : http://www.irdo.si/skupni-cd/cdji/cd-irdo-2006/images/referati/knez_riedl_referat.pdf, last accessed: 31.5.2017

- “Corporate Social Responsibility” at University of Ljubljana Faculty of Economics¹¹⁴;
- “Corporate Social Responsibility” at University of Ljubljana Faculty of Social Sciences¹¹⁵;
- “Social Responsibility” at University of Ljubljana Faculty of Administration¹¹⁶;
- Guest lectures and workshops at University of Maribor Faculty of Economics and Business¹¹⁷
- etc.

In 2009, University of Primorska – Faculty of Management¹¹⁸ in cooperation with Faculty of Health Sciences and Faculty of Humanities in 2009 developed the first study programme on Management of Sustainable development in Slovenia.

Management training on CSR outside educational institutions is again mostly in the domain of non-governmental organisations, CSR networks and private sector.

There are two annual conferences on CSR organised in Slovenia with several years of tradition:

- by Slovenian CSR Network and UN Global Compact: “Trends of Corporate Social Responsibility” (networking conference mostly organised to provide an opportunity for mutual learning and presentation of good practices)
- by IRDO - Institute for the Development of Social Responsibility: “Social Responsibility and current challenges” (annual research conference with 11 years of tradition, organised mostly to provide an opportunity to strengthen social responsibility through comparison of research, practical and theoretical positions from governmental, ethical, entrepreneurial, media, educational, research and other views;¹¹⁹).

Non-governmental organisations also provide information, training and opportunities for mutual learning on how to implement CSR in business such as:

¹¹⁴ UL Faculty of Economics: course description: http://www.ef.uni-lj.si/content/static_slovene/predmet/predmet.asp?l=5&li=22&predmet_id=196172,

¹¹⁵ UL Faculty of Social Sciences: course description: <http://www.fdv.uni-lj.si/en/news-and-information/subjects/5392>

¹¹⁶ UL Faculty of Administration: course description: <http://www.fu.uni-lj.si/programi/dodiplomski-studij/univerzitetni-studijski-program-upravljanje-javnega-sektorja-1-stopnja/predmetnik-izbirni-2014/828-druzbeno-odgovornost/>

¹¹⁷ UM Faculty of Economics and Business: course description: <http://www.epf.um.si/o-fakulteti/predstavitev-fakultete/druzbeno-odgovornost/>

¹¹⁸ UP Faculty of Management: news: http://www.fm-kp.si/novice/trainostni_razvoj_moznost_in_priloznost_za_rast_posameznika_in_druzbe

¹¹⁹ proceedings, monographies and other publications by IRDO available at <http://www.irdo.si/skupni-cd/>

- training and individual consulting on Sustainable reporting in accordance with GRI guidelines (Ekvilib Institute)
- consulting and training module for strategic implementation of social responsibility in the business in accordance with ISO 26000 social responsibility standard (Ekvilib Institute)
- Corporate Social Responsibility Certificate¹²⁰ - first analytical-consulting process based on socially responsible business management in Slovenia. It is based on gap analysis of key elements of CSR in accordance with ISO 26000 and GRI indicators in the areas of care for employees, environment and society.
- Certificate Accredited Manager for Social Responsibility and Sustainable Development (IRDO – Institute for the Development of Social Responsibility)

11. Sustainable Public Procurement

Many countries are recognizing the powerful incentive available through public procurement strategies to encourage various aspects of CSR. Many public administrations are therefore developing toolkits for sustainable public procurement. Partners should report any legislation or strategies or any other measure for promoting sustainable public procurement (e.g. through programmes, partnerships and practical tools)

Slovenia is also recognising the strength of incentive available through public procurement strategies to encourage various aspects of CSR as the state/government is a large buyer.

With the introduction of green public procurement, the government can set an example and influence the market. By promoting green procurement, real incentives for developing green technologies have been provided. For certain products and service sectors the impact can be particularly significant, as public purchasers command a large share of the market (in computers, energy-efficient buildings, public transport etc).¹²¹

The field of public procurement in Slovenia is regulated by EU and national legislation; the latter being in accordance with the first. In 2016, Slovenia amended the Public Procurement Act (ZJN-3) to transpose Directives 2014/24/EU and 2014/25/EU in national legislation. The

¹²⁰ CSR certificate official web-site, administrated by Ekvilib Institute: <http://druzbeno-odgovorno-podjetje.si/>

¹²¹ CSR in Slovenia, Jure Zrilc, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017)

amendments were to simplify, increase flexibility and efficiency of public procurement as well as highlight the aspects of social, environmental and innovation policies.¹²²

The new rules on public procurement introduce environmental and social inclusion principles as well as anti-social dumping instruments.

The public procurement contract now include a contractual social clause: “In implementing procurement economic operators must comply with the applicable obligations in the field of environmental, social and labour law laid down in European Union law, the regulations applicable in the Republic of Slovenia, collective agreements or regulations of international environmental, social and labour law.” (Article 3). If this clause is violated the company can be excluded from the procurement process or the contract terminated if already in the implementation phase.

In addition, any unusually low offers must be excluded from the procurement process if not in accordance with the environmental, social and labour laws etc. With this the Act presents a new instrument of combating “social dumping”.

Other social and environmental criteria can also be added. Including reserving individual public procurement calls for specific providers such as sheltered workshops, employment centres and social enterprises – companies which would not be competitive on the conventional playing field.

The new Act continues to highlight the transparency of the subcontracting chain. Contractor are obliged to disclose their subcontractor and on the other hand have the right to ask the client to pay the costs of the subcontractor directly to the subcontractor.

Introducing environmental aspects to procurement has improved with the new Act as well: promotion of the approach to calculating the lifetime costs, the possibility of including environmental criteria and when procuring food: mandatory priority consideration in food quality schemes.

Furthermore the Act sets clear rules and mechanisms for verification of conformity of the supplier and their offer, also introducing IT solution to support the verification process (Applikacija e-Dosje). It also re-introduces some transparency measures:

- to ensure the integrity in public procurement by publishing decisions in public procurement calls and introducing IT solution STATIST collecting all public procurement calls in one place and
- mandatory disclosure in cases of possible conflict of interests.

¹²² Internal documents provided to workgroup on Business and human rights by Ministry of Public Administration

Green Public Procurement

As described above some elements of green public procurement are already included in the Public Procurement Act. However in 2011 Slovenia adopted the Decree on green public procurement, based on EU Manual for green public procurement and made green public procurement obligatory for 12 groups of products and services for all state bodies and local authorities. The aim of the document is to reduce negative impacts on the environment by the public sector.¹²³ The Decree was designed almost as a procurement call sample¹²⁴ with the awareness that green public procurements is a more demanding than regular public procurement and demands more preparations and better knowledge of the subject of procurement subject. Green Public Procurement is mandatory for the following products and services:

- Electricity
- Food, drinks, farm products, agricultural products for food and catering services
- office paper and hygiene paper products
- electronic office equipment
- audio and video equipment
- refrigerators, freezers and their combinations, washing machines, dishwashers, dryers, vacuum cleaners and air conditioners,
- buildings
- furniture
- cleaners, cleaning and laundry services
- cars and trucks and buses
- tires
- electrical lamps and luminaires

The Decree is currently in the process of reform to update it in accordance with technological progress and changes in market situation. The interministerial working group for the reform of the Green public procurement Decree prepared a draft in which they propose to remove some of the restrictive mandatory environmental requirements to diversify the public procurement subjects. These environmental requirements and criteria would be optional and the ministry would publish examples to make them publicly available as recommendations. At the same time, the draft proposes expansion of the pool of products and services subject to green public procurement to 21 groups.

Awareness raising on introduction of environmental and social principles in public procurement

¹²³ Internal documents provided to workgroup on Business and human rights by Ministry of Public Administration

¹²⁴ Prepared following the example of GPP Training Toolkit manual

Ministry of Public Administration is continuously implementing awareness-raising events, trainings, exchange of good practices, providing help desk assistance, easily accessible information (on web-sites) and publishes developed guidelines for public procurement.

The green public procurements is also mentioned in several strategic and policy documents as one of the priority measures: Operational Program of measures to reduce greenhouse gas emissions by 2020, Action Plan for Energy Efficiency for 2014-2020, Framework Program for transition to a green economy, Strategy for development of public administration 2015-2020, Slovenian Industrial Policy, Smart Specialisation Strategy, Strategy for development of social entrepreneurship.

12. Socially-Responsible Investment

*Initiatives on socially-responsible investment have increasingly come to the fore because of the financial crisis and a number of measures in this area are therefore rather new. Partners should report if there is any **legislation, guidance and incentives** for the promotion of socially responsible investment (example promoting social entrepreneurship, especially through networks*

There is no evidence of Slovenia promoting any of the international standards such as the Santiago Principles for sovereign wealth funds or the International Finance Corporation's Performance Standards on Environmental and Social Sustainability, and there is also no Slovenian asset owners, investment managers or services providers among the UN Principles for Responsible Investment (UN PRI) signatories¹²⁵.

There is very limited activity in socially responsible investment field in Slovenia. If any changes in this direction are being made, experts say is due to investor pressure or on individual institute's accord and not the regulation. For example, NLB Skladi (Funds) use services such as Robecosam¹²⁶ and Sustainalytics¹²⁷ as tiebreakers when making investment portfolio decisions as per their internal plans.¹²⁸

While the Securities Market Agency¹²⁹ does not address responsible investment, Slovenian Sovereign Holding is addressing it in its Corporate Governance Code for Companies with Capital Assets of the State. The code was amended in 2014 based on OECD Principles for corporate governance and OECD/G20 Guidelines for corporate governance of Companies with Capital Assets of the State. It promotes social responsibility, transparency and

¹²⁵ UN Principles for Responsible Investment: signatory directory: <https://www.unpri.org/signatory-directory/?co=&sta=&sti=&sts=&sa=join&si=join&ss=join&q=slovenia>, last accessed: 31.5.2017

¹²⁶ Robeco SAM official web-site: <http://www.robecosam.com/>

¹²⁷ Sustainalytics official web-site: <http://www.sustainalytics.com/about-us/>

¹²⁸ Information provided by a NLB Skladi employee in a shorty phone inquiry

¹²⁹ Securities Market Agency Official web-site: <http://www.a-tvp.si/eng/>

disclosure of non-financial information. Including progress reports for non-financial goals, referencing European EFQM Excellence Model as a tool for assessment of benefits and opportunities in the fields of human resource management, sustainable development, customer partnerships etc.¹³⁰ The code also promotes the adoption of Ethical Code and Corporate Integrity, which should include a responsible behaviour of companies towards wider community (environmental protection and social responsibility).

Social entrepreneurship

However, Slovenia is actively promoting social entrepreneurship, as it is one of priority areas of Slovenian government and is included in its strategic projects¹³¹. Among others, promotion of social entrepreneurship is included in Slovenian Industrial Policy and Smart Specialization Strategy of Slovenia¹³². Latter is focusing on locating, integrating and joining information provision of all existing stakeholders active in the field of social innovation in the regions, promotion of already established models (social cohesion or cooperatives), preparation legislative and supportive environment for the transfer of the ownership of companies to employees (workers' cooperatives) and increasing quality of support services for social innovation by specialising the stakeholders. While trying to develop a stronger sector of social enterprises, Slovenia is witnessing a strong increase in enterprises offering support to potential and new social entrepreneurs.

As of May 2017, there is 253 companies on the list of social enterprise published by the Ministry of Economic development and technology.¹³³ Still, Slovenia has a very diverse social economy, which is demonstrated in over 33.000 civil society organisations that are not included in the social entrepreneurship¹³⁴, but are making a great impact to the Slovenian economy. Removal of administrative obstacles and with financial incentives and funding calls the number of social enterprises among the CSOs is on the rise.

End of 2014 Ministry of economic development and technology took over the responsibility in the field of social entrepreneurship from the Ministry of Labour, Family, Social Affairs and Equal Opportunities in order to strengthen the segment of social enterprises and innovative forms of corporate market activity. However, Ministry of Labour, Family, Social Affairs and

¹³⁰ Slovenian Sovereign Holding: The Corporate Governance Code for Companies with Capital Assets of the State: <http://www.sdh.si/sl-si/upravljanje-nalozb/kodeks-upravljanja-kapitalskih-nalozb-republike-slovenije>, last accessed: 31.5.2017

¹³¹ Portal Novi podjetnik: News: <https://www.podjetniski-portal.si/index.php?t=news&id=2111>

¹³² Smart Specialization Strategy in Slovenia S4, available at: http://www.svrk.gov.si/fileadmin/svrk.gov.si/pageuploads/Dokumenti_za_objavo_na_vstopni_strani/S4_document_2015_ENG.pdf, last accessed: 31.5.2017

¹³³ http://www.mgrt.gov.si/si/delovna_podrocja/socialno_podjetnistvo/evidenca_so_p/

¹³⁴ Portal Novi podjetnik: Social Entrepreneurship: <https://novipodjetnik.si/socialno-podjetnistvo-cemu-kako-bi-se-ga-lotili/>

Equal Opportunities is still responsible for the field of social inclusion of vulnerable groups.¹³⁵

In 2011, Slovenia adopted the Social Entrepreneurship Act¹³⁶. The Act defines a social enterprise, conditions of operation and the direction of development.

The Act states that promoting the development of social entrepreneurship is provided through the implementation of various measures¹³⁷:

- Promotion of social entrepreneurship

“Measures for promotion of social entrepreneurship include: financial and other measures for promotion of social entrepreneurship, for development of information and education system, for providing finance for the creation of a fund to promote the development of social entrepreneurship, for the development and support services for social enterprises (including services for the creation of social enterprises and advisory services for restructuring of a social enterprise, which currently does not meet the criteria in the Act), for inclusion of municipalities in the implementation of policies in measures, searching for new business opportunities for social enterprises (including the implementation of market research for social entrepreneurship in identifying opportunities of public service delivery in social enterprises).”

For example free “Regional (social) entrepreneurship training academy” organised by SPIRIT Slovenia - Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology¹³⁸ for building capacities of (potential) social entrepreneurs in the fields of business idea creation, market positioning, development of services and products, successful implementation of operation and growth of entrepreneurial ventures.

- Shaping of favourable business environment,

“These measures include financial and other measures to ensure spatial, technical and other conditions for the creation and operation of social enterprises, including business incubators for social enterprises, start-up co-financing and co-financing for job creation, co-financing for start-ups of social enterprises offering support services to social enterprises and other measures for the implementation of support services for social businesses whose target group are people who start these businesses.”

¹³⁵ Portal Novi podjetnik: News: <https://www.podjetniski-portal.si/index.php?t=news&id=2111>

¹³⁶ PISRS: Social Entrepreneurship Act: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO6175>, last accessed: 31.5.2017

¹³⁷ Portal Social Innovators: How to finance social enterprise’s activities <http://www.socialni-inovatorji.si/knjiga/socialno-podjetnistvo/54-kako-financirati-dejavnost-socialnega-podjetja>

¹³⁸ SPIRIT Slovenia: regional educational academies on social entrepreneurship: <http://www.spiritslovenia.si/novice/2013-10-28-Regijske-socialno-podjetniske-izobrazevalne-akademije>, last accessed: 31.5.2017

- Promotion of employment

“Measures to promote employment in social enterprises include the implementation of active employment policy measures, targeted at social enterprises or persons who establish a social enterprise or will be employed in one, arising from the most vulnerable groups in the labour market, whom social entrepreneurship is intended for.” Policies for active employment and social inclusion of vulnerable groups are actively promoted and supported by the Ministry of Labour, Family, Social Affairs and Equal Opportunities.

- Measures to facilitate access to finance investments in social enterprises.

Measures to facilitate access to finance investments in social enterprises for the establishment and operation of social enterprises include the provision of favourable loans (The Slovene Enterprise Fund^{139,140}), guarantees and subsidies from the budget resources through the fund to promote the development of social entrepreneurship and European resources for social enterprises (e.g. public tenders to promote projects of social entrepreneurship in different regions, public tenders for financing social entrepreneurship).

In its Public Procurement Act, Slovenia also allows a chance for public purchasers to reserve a public procurement call for social enterprises only. This one social enterprises do not need to compete directly with other enterprises.¹⁴¹

The government is providing support in the field, however the initiatives and financial support mechanisms show the lack of understanding of the role of social entrepreneurship. Mechanisms and support are not always well distributed, as they focus mostly on employment for vulnerable groups in the labor market, or properly defined.¹⁴²

The most common and the best developed support mechanism for the Slovenian social enterprises are consultancy services – there are many consulting firms which are counselling on the field of supporting potential social entrepreneurs and business counselling and education for new entrepreneurs¹⁴³. However, these services are not always available to all as they are not free of charge.

¹³⁹ Public Fund of Republic of Slovenia for Entrepreneurship or shortly The Slovene Enterprise Fund (the Fund or SEF): <http://www.podjetniskisklad.si/sl/produkti-sklada/program-mladi/mikrokrediti/neposredni-krediti-za-podjetja-s-statusom-socialnega-podjetja-p7-sop>

¹⁴⁰ Slovene Enterprise Fund: 12 mio euos in microloans for social enterprises in 2016 <http://www.podjetniskisklad.si/sl/novice-in-objave/novice/sporocila-za-javnost/303-12-milijonov-evrov-mikrokreditov-za-socialna-podjetja>, last accessed: 31.5.2017

¹⁴¹ See Sustainable Public Procurement Chapter

¹⁴² Gea College: State of the Art report: CSR in Slovenia: <http://gea-college.si/wp-content/uploads/2016/06/StateOfTheArtReportSl.pdf>, last accessed: 31.5.2017

¹⁴³ Gea College: State of the Art report: CSR in Slovenia: <http://gea-college.si/wp-content/uploads/2016/06/StateOfTheArtReportSl.pdf>, last accessed: 31.5.2017

The current government launched so called (strategic) Project 9: Promoting the development of social enterprises, cooperatives and economic democracy with the purpose of¹⁴⁴:

- Updating legislation in the field of social economy (to remove administrative burden preventing entrepreneurs to register social enterprises).
- Establishing a comprehensive system of organizational structures in the field of social economy.
- Preparation and approval of Strategy of development of social economy, and establishment of a system for monitoring, measuring and evaluating the social impacts.
- Preparation and approval of the Action Plan for facilitating the implementation of processes of deinstitutionalisation (currently a large part of social welfare and health services is implemented by the public sector, which represents big burden for the state budget).
- Preparation and implementation of procedures to provide financial support for the development of social entrepreneurship and cooperatives in all phases of development (and not only providing financial measures for inclusion of disadvantaged (with less employment possibilities) in the labour market (as in the previous financial perspective)).

The implementation of the P9 project activities in Slovenia is taking longer than planned due to inter-ministerial coordination issues¹⁴⁵, however the government is taking active steps in promotion social entrepreneurship in the wider region of SSE. At the Regional conference on the development of the social economy in South East Europe, held in Ljubljana in April 2017, they adopted The Ljubljana Declaration. Ljubljana Declaration aims “for stronger and structured cooperation between EU and South East Europe. Declaration recommends increased visibility and acknowledgement of social economy and social economy enterprises. It further advocates reduction of different conditions in access to funds provided by EU institutions as well as supports creation of network of social economy organizations on the regional level. Ljubljana Declaration also states that the European Union and the countries of SE Europe should take appropriate actions to create an ecosystem for social economy enterprises in the process of tackling the emerging challenges concerning migrants and refugees.”¹⁴⁶

¹⁴⁴ The Government of the Republic of Slovenia: Project P9 – promotion of social entrepreneurship development...

http://www.vlada.si teme_in_projekti/projektna_pisarna/p9_spodbujanje_razvoja_socialnega_podje_tnistva_zadrznstva_in_ekonske_demokracije/, last accessed: 31.5.2017

¹⁴⁵ The Government of the Republic of Slovenia: Progress Report in Strategic projects: http://www.vlada.si/fileadmin/dokumenti/si/projekti/2015/PP/porocilo_VPP_maj17.pdf, last accessed: 31.5.2017

¹⁴⁶ The Government of the Republic of Slovenia: News: Ljubljana Declaration http://www.vlada.si/en/media_room/newsletter/slovenia_weekly/news/article/ljubljana_declaration_scaling_up_social_economy_enterprises_in_sse_59693/, last accessed: 31.5.2017

The delays in the implementation of this strategic priority project of the state and the fragmented measures introduced for social enterprises are felt by the enterprises themselves. According to the interview with the director of one of the social enterprises¹⁴⁷ the state is eager to promote the establishment of a social enterprise. The number of social enterprises grew exponentially in the last couple of years. It is easy to acquire the status of a social enterprise and the newly established social enterprises can participate in funding calls through Ministry of Economic Development and Technology (in one of the last calls 50% of social enterprises receiving the funds were established only a month earlier). However, the state should do more in the field of awareness raising about what a social enterprise actually is, inspect the compliance of the operation of businesses with this status and promote the (longer) operating social enterprises as well. Currently, the promotion of social enterprises is carried out more by other companies, using their services/products, and less by the state, which is more reluctant to purchase the services/products from social enterprises. The state should be more involved in the shifting of the mindset of the society. As in case of green public procurement, it would help to promote social enterprises to have more emphasis put on social public procurement. For example, public procurement calls designed to first accept offers from social enterprises and, if there is no suitable provider found, open the call to other providers in the field. Currently, social enterprises also often found themselves in a situation of a unfair competition with state/municipality funded public institutes. As a social enterprise, they can not receive the support from local authorities sometimes required in a call as it is given to the public institutions. Furthermore, the lack of necessary acts and regulations covering social enterprises or their enforcement is causing confusion and operational issues within social enterprises. A specific case mentioned were an incoherence of the accounting standards.

13. Financial Obligation and Anti-corruption

Member States have set out specific structures or institutions in their National action plans in order to tackle anti-corruption. Partners should report if any structures, institutions, legislation exist for this.

Slovenia is 31st out of 176 countries on the Corruption Perception Index (CPI) in 2016.¹⁴⁸ Thus, the CPI for Slovenia has not changed visibly since 2012. The CPI is based on how the business representatives, lawyers, analytics and experts detect corruption in public sector,¹⁴⁹ therefore noted in European Commission's report on CSR in national policies: "Supporting businesses working in countries which are high on the Corruption Perception Index will be a

¹⁴⁷ Phone interview with Ana Pleško, Simbioza Genesis social enterprise (see best practices for more).

¹⁴⁸ Transparency Slovenia: News: <http://www.transparency.si/8-novice/313-korupcija-v-javnem-sektorju-je-posledica-slabega-upravljanja>

¹⁴⁹ Transparency Slovenia: News: <http://www.transparency.si/8-novice/237-neznaten-napredek-na-lestvici-zaznave-korupcije>

challenge for the future, as well as creating sufficient links with the supply chain initiatives.”¹⁵⁰

Structures and Legislation to combat anti-corruption

Since 2002¹⁵¹ Slovenia has a dedicated independent office/body¹⁵², established with a specific Act, to combat corruption and bribery and enhance transparency in areas such as lobbying.¹⁵³ The current Commission for the Prevention of Corruption of the Republic of Slovenia (CPC)¹⁵⁴ was established with the Integrity and Corruption Prevention Act (ZIntPK)¹⁵⁵ in June 2010. The current law set out to extend the previous body’s mandate, independence, functions, and powers as well as put in place some additional safeguards.¹⁵⁶ “The mentioned Act expanded some of the investigative and sanctioning powers of the CPC and made it not only the national focal point for prevention of corruption on systemic level (GRECO, OECD, UN, EU ...), but also for lobbying oversight, whistleblower protection, integrity of public sector and expanded its reach beyond the public into the private and business sector.”¹⁵⁷ The CPC is a part of the public sector, however not subordinate to any other state institution or ministry or subject to any direct instructions from either the executive or the legislature. It is also not a part of the law enforcement or prosecution system of Slovenia. The Act is now in process of being amended.¹⁵⁸ However, they do have broad legal powers to access and summon “financial and other documents (notwithstanding the confidentiality level), question public servants and officials, conduct administrative

¹⁵⁰ Corporate Social Responsibility: National Public Policies in the European Union, Compendium 2014 (available at <https://ec.europa.eu/digital-single-market/en/news/corporate-social-responsibility-national-public-policies-european-union-compendium-2014>, last accessed: 18.5.2017)

¹⁵¹ The predecessor of the CPC was Government's Office for the Prevention of Corruption established in 2002 on the recommendation of the Council of Europe Organization GRECO (Group of States against Corruption EC). In 2004 the National Assembly of Republic of Slovenia passed The Prevention of the Corruption Act in the Republic of Slovenia (ZPKor). By the adoption of the Prevention of Corruption Act the Office was replaced with the Commission for the Prevention of Corruption as an independent state body (appointed by and accountable to the Parliament) with a number of corruption-preventive tasks.

¹⁵² Similar in Slovenia to the Human Rights Ombudsman, Information Commissioner and the Court of Audit. To strengthen CPC’s independence, the law provides a special procedure for appointment and dismissal of the leadership of the CPC. (<https://www.kpk-rs.si/en/the-commission>)

¹⁵³ Corporate Social Responsibility: National Public Policies in the European Union, Compendium 2014 (available at <https://ec.europa.eu/digital-single-market/en/news/corporate-social-responsibility-national-public-policies-european-union-compendium-2014>, last accessed: 18.5.2017)

¹⁵⁴ Commission for the Prevention of Corruption of the Republic of Slovenia (CPC) official web-site: <https://www.kpk-rs.si/en/the-commission>, last accessed: 31.5.2017

¹⁵⁵ PISRS: Corruption Prevention Act: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO5523>

¹⁵⁶ Commission for the Prevention of Corruption of the Republic of Slovenia (CPC) official web-site: <https://www.kpk-rs.si/en/the-commission>

¹⁵⁷ Commission for the Prevention of Corruption of the Republic of Slovenia (CPC) official web-site: <https://www.kpk-rs.si/en/the-commission>

¹⁵⁸ News portal 24ur.com: <http://www.24ur.com/novice/slovenija/pravosodno-ministrstvo-v-javno-obravnavo-poslalo-novelo-zakona-o-integriteti-in-preprecevanju-korupcije.html>

investigations and proceedings and instruct different law enforcement bodies (e.g. Anti-money laundering Office, Tax Administration ...) to gather additional information and evidence within the limits of their authority". The CPC can also issue fines for different violations, and sanctions can be appealed to the Court and substantive decisions of the CPC (ruling on corruption, conflict of interest, violations of lobbying regulations etc.) are subject to judicial review of the Administrative Court. In addition, decisions of the CPC (with few exceptions) must be published on the internet and various provisions require the CPC to publicise its work and its findings. The CPC presents yearly report to the Parliament for elaboration. It is also subject to periodic external audit the reports of which are submitted to the Parliament and the President and publicly available. It also offers consultations to the private sector on prevention of corruption, preparation of integrity plans etc.

The CPC works in accordance with its NAP based on the Resolution on the prevention of corruption in Slovenia, prepared by the Parliament. The CPC's yearly budget is also determined by the Parliament. The CPC is autonomous in allocating and organising its resources (financial and human) as well as setting up the priorities within the budget. "While the legal framework safeguarding the independence of the CPC and the material conditions for its work (facilities, information technology, etc.) are generally satisfactorily, the CPC – due to fiscal restraints – remains seriously understaffed – in particular given the broad new mandate under the Act of 2010."¹⁵⁹

In 2012 CPC also financed and published a monography "Public Ethics and Integrity: Responsibility for Common Values", which includes a chapter on Social responsibility and business Ethics.¹⁶⁰

»Resignation of the entire senate of the Commission for the Prevention of Corruption in 2013 also presents important signal that addressing corruption remains systemic problem. As a one of the reason for their resignation, the Commission stressed that current legislation does not allow them to perform their tasks effectively, highlighting serious absence of political will to address corruption.«¹⁶¹ Since the change of senate members and leadership

¹⁵⁹ Commission for the Prevention of Corruption of the Republic of Slovenia (CPC) official web-site: <https://www.kpk-rs.si/en/the-commission>

¹⁶⁰ JAVNA ETIKA IN INTEGRITETA: ODGOVORNOST ZA SKUPNE VREDNOTE:

VI. poglavje: Družbena odgovornost in poslovna etika (Monografija je financirana s sredstvi Komisije za preprečevanje korupcije in je brezplačna)

[https://www.kpk-rs.si/upload/datoteke/Zbornik_Javna_etika_in_integriteta_odgovornost_za_skupne_vrednote.pdf\(1\).pdf](https://www.kpk-rs.si/upload/datoteke/Zbornik_Javna_etika_in_integriteta_odgovornost_za_skupne_vrednote.pdf(1).pdf)

¹⁶¹ Parallel Report By the Coalition of NGOs on Economic, Social and Cultural Rights in Slovenia On the 2nd Periodic Report of the Republic of Slovenia To the International Covenant on Economic, Social and Cultural Rights (ICESCR), available at:

of the CPC in 2013, the reputation of CPC is steadily declining due to new senate's internal discourse in public. For 2016, the committee reported a significant drop in the number of received reports of corruptive acts as the public (e.g. potential notifiers) is losing confidence in the CPC.^{162,163} In 2016 CPC also received a letter from the OECD anti-bribery work group due to it failing to put into practice the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.¹⁶⁴

NGO initiatives and Private Sector

As noted previously the civil society is an important and active actor in CSR field in Slovenia. Also lately, private sector, wishing for a healthier and more transparent competitive business environment, is getting actively involved in issues related to corruption in public sector. Here are some initiatives and actions:

Transparency International Slovenia's Forum of business integrity and transparency¹⁶⁵ presents a platform connecting companies trying to address the challenges of corruptive deeds and their consequences (lack of public trust in law and state institutions, limited market competition, smaller state budgets and reduced integrity of companies).¹⁶⁶ The forum enables companies (including SMEs) to gain new knowledge, skills and tools to build their own programme for combating corruption. The work of Transparency International Slovenia is based on Transparency International's Business Principles for Countering Bribery that provide a practice framework for developing anti-bribery programmes or benchmarking existing programmes in the private and public sector. Business Principles are recommended by UN Global Compact as a tool for implementation of the 10th Principle against Corruption.¹⁶⁷

In 2011, **UN Global Compact Slovenia** within its project Ethos started a call to legal entities to sign the **Declaration for Honest Business**. Declaration for Honest Business is a document committing its signatory to a transparent and honest business, to including an anticorruption

http://www.ekvilib.org/images/stories/Sencno_porocilo/parallel_report_EN_final.pdf, last accessed: 31.5.2017

¹⁶² Transparency Slovenia: News: <http://www.transparency.si/8-novice/252-se-dalec-od-ucinkovitega-preprecevanja-korupcije>

¹⁶³ Transparency Slovenia: News: <http://www.transparency.si/8-novice/239-pismo-delovne-skupine-oecd-dodatno-potrjuje-slabo-stanje>

¹⁶⁴ Transparency Slovenia: News: <http://www.transparency.si/8-novice/239-pismo-delovne-skupine-oecd-dodatno-potrjuje-slabo-stanje>

¹⁶⁵ Transparency Slovenia: Forum of business integrity and transparency: <http://www.transparency.si/forum> (Initiated in Slovenia in 2016.)

¹⁶⁶ Transparency Slovenia: News: <http://www.transparency.si/8-novice/313-korupcija-v-javnem-sektorju-je-posledica-slabega-upravljanja>

¹⁶⁷ Transparency Slovenia: Business Principles: https://www.transparency.org/whatwedo/tools/business_principles_faq/1/

clause in all contracts over 10.000 euros and to mutual exchange of possible violations. The call is continuing and to date 54 companies, CSO and associations signed it. ¹⁶⁸

Corporate Integrity Guidelines

See previous chapter on Consumer Awareness and Responsible Business Promotion.

Transparency in Financial Obligation

Slovenia is one of the first member states to introduce a public register of beneficial owners of companies and other legal structures that can generate tax obligations in the national legislation. The new Anti-Money Laundering Act, transposing the 4th Anti-Money Laundering Directive, was passed on 20 October 2016. The purpose of public information on beneficial owners is to “provide a higher level of legal security when entering into business relations, the security of legal transactions, the integrity of the business environment and transparency of business relationships with individuals or commercial entities that operate in the business environment and legal transactions”.¹⁶⁹ However, the registry itself is not yet established and there are still open questions on its form and functions.

14. CSR approaches to Tackling Climate Change and Environmental Sustainability

Climate change and environmental sustainability have been important issues within CSR approaches for a number of years, and several Member States are currently trying to unlock and strengthen the potential of CSR in relation to these. Partners should report here any actions that is tackling this issue.

In the field of environmental policies, Slovenia has a number of policy documents regulating different aspects of environment protection, human rights as well as reduction of country’s climate impact. Main goals Slovenia is pursuing are reduction of greenhouse gas emissions, protection and conservation of eco-systems, contribution to high-quality living standards and the social prosperity of citizens by providing a clean environment, by promoting the sustainable use of natural resources and by implementing waste management programmes.¹⁷⁰ However, “there is no comprehensive document aimed specifically at

¹⁶⁸ UN Global Compact Slovenia: project Ethos: <http://www.ungc-slovenia.si/slo/ethos/>

¹⁶⁹ Eurodad and partners: Survival of the Richest: Europe’s role in supporting an unjust global tax system 2016, December 2016, available at: <http://eurodad.org/files/pdf/1546667-survival-of-the-richest-europe-s-role-in-supporting-an-unjust-global-tax-system-2016-1481106817.pdf>

¹⁷⁰ CSR in Slovenia, Jure Zrilc, European Company Law, Vol. 8, No. 2-3, pp 119-122, 2011, University of Oslo Faculty of Law Research Paper No. 2011-13 (available at https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1774757, last accessed: 31.5.2017); based on National Environment Protection Action Programme 2005-2012

greening the national economy. Under the sustainable development priority, the focus is mostly on the reduction of pressures on the environment”¹⁷¹ by citizens and companies.

Policy

Starting with the Constitution of Republic of Slovenia, where the right to healthy living environment is defined in Article 72. It is a role of the state to ensure a healthy living environment. Environment Protection Act further defines conditions and ways in which business and other activities can be performed to protect human rights as well as protect and conserve environment. The Constitution further defines sanctions for damaging the environment and tasks the state and local communities to protect and preserve the national and cultural heritage.

In 2016, the Constitution was amended with the right to drinkable water. Article 70a states: “Everyone has the right to drinkable water. Water resources are public good managed by the state. Water resources serve primarily as the sustainable supply of drinkable water to the public and to households and in this part are not treated as a market commodity. Drinking water supplied to the public and to households is provided by the state through local communities direct and non-profit.”¹⁷² In time of privatisation of public companies and foreign acquisitions of Slovenian beverage industry with access to water sources the Parliament made supplying drinkable water to the population of Slovenia an absolute priority above economic or other water resource utilization. No one can own water resources, including the state. The state only manages them and the public water supply service can not be privatised. Companies can still utilize water resources for economic benefit as long as it does not compromise the supply to population and households.^{173,174}

The purpose of the Environmental protection Act is the protection of the environment as a fundamental condition for sustainable development. “The [purpose of the] protection of the environment is the promotion and guidance of such a social development that provides long-term conditions for human health, well-being and quality of life and conservation of biodiversity.”¹⁷⁵ As such, it defines the fundamental principles and measures of environmental protection, environmental monitoring, economic and financial instruments of environmental protection, public environmental protection services and other environmental protection related issues. The fundamental principles defined in the law are protecting on one-hand human rights and on the other hand limiting human interventions in

¹⁷¹ Eurofound: <https://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/slovenia/slovenia-greening-the-european-economy-responses-and-initiatives-by-member-states-and-social>

¹⁷² PISRS: Constitution of Republic of Slovenia: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=USTA1>, last accessed: 31.5.2017

¹⁷³ Portal Water Freedom: Right to drinkable water added to the Constitution, news article: <http://voda.svoboda.si/english/right-to-water-in-slovenia-article-of-the-constitution/>

¹⁷⁴ Internal documents Human Rights in Business Work Group

¹⁷⁵ PISRS: Environmental protection Act: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=ZAKO1545>

the environment and nature with the purpose of protection of human environment for the next generations. The Act also defines the relation between the right to protection of the environment and individual economic activities, which may threaten human environment and the right to a healthy living environment. This requires companies to “take all measures necessary to prevent major accidents and to reduce its impact on people and the environment” and acquire an environmental permit. The Act promotes the development of economic activities in accordance with protection of the environment and as well stating the right to participate in the formulation of policies.

Other relevant national programs, instruments and measures are:

- **Operational programme for reducing greenhouse gas emissions by 2020**¹⁷⁶ adopted in December 2014 introduces Green growth economy. Green growth economy aims to support the transition to economy where the efficiency and innovations reduce the greenhouse gas emissions, improve competitiveness and promote greater energy security. Green growth economy measures are aimed in sustainable consumption and production; turning waste into a source; supporting research and innovation (in accordance with later adopted Smart Specialisation Strategy), and environmentally harmful subsidies and correct pricing. Instruments to incentivise companies to limit greenhouse gas emissions were in the past limited to taxation (tax on CO emissions), however in 2009 they extended the financial support schemes for introduction of renewable energy as Eco Fund also to companies. According to the first report on the implementation of the Operational Programme, Slovenia is behind with the implementation of the Green Growth Economy measures, although the Smart Specialisation Strategy was adopted, supporting Green Growth Economy by enabling the preparation of calls for direct incentives for business development.¹⁷⁷
- **Green Economy Framework program** – Slovenia’s strategic objective
“The green economy is Slovenia's strategic objective which represents an opportunity for the development of new green technologies and green jobs, efficient management of natural resources, and the promotion and expansion of Slovenian know-how. Furthermore, it represents an opportunity for economic growth and improvement in terms of international competitiveness while also

¹⁷⁶ Ministrstvo za okolje in prostor: Operativni program ukrepov zmanjšanja emisij toplogrednih plinov do leta 2020, available at: http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/zakonodaja/varstvo_okolja/operativni_programi/optgp2020.pdf, last accessed: 31.5.2017

¹⁷⁷ Portal Energetika: Prvo letno poročilo o izvajanju Operativnega programa ukrepov zmanjšanja emisij toplogrednih plinov do leta 2020: http://www.energetika-portal.si/fileadmin/dokumenti/publikacije/op_tgp/1porocilo_optgp_2020.pdf, last accessed: 31.5.2017

reducing the environmental risks, which adversely affect the quality of life and well-being in people.”¹⁷⁸

On 29th of October 2015 Slovenian Government adopted the Framework programme for a transition to a green economy and the action programme for 2015 and 2016. At the same time, it established an interdepartmental working group to supervise the implementation of the set measures. Later on the Partnership for Slovenia’s green economy was established to connect interested parties from the economy, non-governmental organisations and local communities and provides a setting to exchange ideas, experiences and apply that to develop relevant measures and policies¹⁷⁹.

Among other things, the Ministry for environment and spatial planning wants to enhance activities in the management of natural resources and encourage the development of Slovenian know-how. To stimulate demand for green products and services both in terms of the direct role of the state is possible by two key short-term measures the increase in financial incentives to households, businesses and public sector for energy buildings renewal and the reform of the system of green public procurement.¹⁸⁰

- **Biodiversity Conservation Strategy of Slovenia** mentions public financing and tax subsidies as main incentives for preservation of biodiversity.¹⁸¹
- Action Plan and a Decree on Green Public Procurement have also been adopted (in line with the EU Guidance for Green Public Procurement).¹⁸²

In terms of support for environmentally friendly initiatives, Slovenia established different instruments providing for financial support to companies, research institutions and individuals¹⁸³:

- The primary measures to promote energy efficiency and renewable energy projects in Slovenia are low-interest loans and non-refundable financial incentives, both of which are made available to commercial applicants and private citizens on an application basis through a government-affiliated administering organisation known

¹⁷⁸ Government of Republic of Slovenia – news:

http://www.vlada.si/en/media_room/newsletter/slovenia_weekly/news/article/partnership_for_slovenias_green_economy_established_58746/

¹⁷⁹ Government of Republic of Slovenia – news:

http://www.vlada.si/en/media_room/newsletter/slovenia_weekly/news/article/partnership_for_slovenias_green_economy_established_58746/

¹⁸⁰ GreenS project official web-site: The green economy is one of Slovenia’s strategic guidelines:

<http://greensproject.eu/en/the-green-economy-is-one-of-slovenias-strategic-guidelines-2/>

¹⁸¹ Ministry of Environment and Spatial Planning:

<http://www.mop.gov.si/fileadmin/mop.gov.si/pageuploads/podrocja/narava/biotska.pdf>

¹⁸² For more see chapter Sustainable Public Procurement

¹⁸³ European Environment Agency: Slovenia: <https://www.eea.europa.eu/soer-2015/countries/slovenia>, last accessed: 31.5.2017

as the Environmental Public Fund (Eco Fund) since 2002.¹⁸⁴ Eco Fund is the only specialised institution in Slovenia that provides financial supports for environmental projects and creates financial incentives for various energy-efficient measures and renewable energy schemes.¹⁸⁵ Eco Fund is renewed every year with increases in the amount of money to be disbursed.¹⁸⁶

- The Centres of Excellence and the competence centres were established with the aim of connecting different companies with research institutions
- Slovenia's other main support for advancing the usage of renewable technologies for the production of electricity is a feed-in tariff that has been in place for a decade. The network operator (Borzen) pays a fixed annual rate for renewably generated electricity, differentiated by technology (wind, solar, geothermal, hydro and biomass).¹⁸⁷

Ministry of the Environment and Spatial Planning also promotes the international environmental labels within the Global Ecolabel Network, most notably the EU EcoLabel Flower (in Slovene okoljska marjetica)¹⁸⁸ as an approach to disclosing non-financial information concerning environment¹⁸⁹.

¹⁸⁴ Ecologic Institute: Assessment of climate change policies in the context of the European Semester Country Report: Slovenia, published by European commission at: https://ec.europa.eu/clima/sites/clima/files/strategies/progress/reporting/docs/sl_2014_en.pdf, last accessed: 31.5.2017

¹⁸⁵ ECO fund official web-site: <https://www.ekosklad.si/information-in-english>, last accessed: 31.5.2017

¹⁸⁶ Ecologic Institute: Assessment of climate change policies in the context of the European Semester Country Report: Slovenia, published by European commission at: https://ec.europa.eu/clima/sites/clima/files/strategies/progress/reporting/docs/sl_2014_en.pdf, last accessed: 31.5.2017

¹⁸⁷ https://ec.europa.eu/clima/sites/clima/files/strategies/progress/reporting/docs/sl_2014_en.pdf

¹⁸⁸ Internal documents by Workgroup on Human Rights and Business (MOP)

¹⁸⁹ See other chapters: Directive 2014/95/EU in chapter *CSR Reporting and Disclosure* and Ecolabels in chapter *Consumer Awareness and Responsible Business Promotion*

ANNEX II: BEST PRACTISES

Every partner has to identify at least 7 best practices from their country and one from another country that does not participate in the Road-CSR project.

1. Horus Slovenian Award for Social Responsibility
 - IRDO, since 2009,
 - *Awards and CSR promotion*
2. Family Friendly Enterprise Certificate
 - Ekvilib Institute & Ministry of Labour, Family, Social Affairs and Equal Opportunities
 - *Certificates and CSR promotion*
3. Holistic and integrated approach to CSR in Saubermacher Komunala
 - *CSR Strategy implementation*
4. Slovenian CSR Network and „Open Source to Sustainable Innovations“
 - *Exchange of practices, networking*
5. Simbioza Genesis, Social Enterprise
 - Intergenerational cooperation, volunteering and promotion of life-long learning
 - *Social entrepreneurship*
6. Pipistrel and Ecolution
 - *Energy Efficiency, Environment*
7. Iskraemeco's Fair Meter
 - *SR approach to product development*
8. Foreign Case Study: Serbia: Volunteering Programme of Erste Bank Novi Sad
 - *Corporate and individual volunteering*
 - *Environment protection, social inclusion, youth education, entrepreneurship development, financial literacy and EU integration*

Researcher's Note

In recent years, there were a number of high-profile tax scandals involving known multinationals. For example, in November 2014, LuxLeaks (or Luxembourg Leaks) scandal surfaced, when the International Consortium of Investigative Journalists (ICIJ) published hundreds of secret tax rulings, leaked by former PwC employees, exposing how more than 350 of multinational corporations were using the system in Luxembourg to lower their global tax bills^{190,191}. Investigations into individual corporation's tax dealings, which followed, further ignited a debate on responsible tax behaviour among the public, in parliaments, among investors and finally in the CSR community. In late 2016, network CSR Europe launched a project on tax transparency and responsible tax behaviour.¹⁹²

Paid taxes are basic (and legally required) contributions to the development of the society in which companies operate. However, taxes were rarely (almost never) discussed in the context of corporate social responsibility, which is evident also in the breakdown of CSR in this and similar reports. It is a recommendation of the researcher that project partners consider including an overview of countries' efforts (if any) to ensure tax transparency and promote responsible tax behaviour among companies.

¹⁹⁰ Eurodad and partners: Survival of the Richest: Europe's role in supporting an unjust global tax system 2016, December 2016, available at: <http://eurodad.org/files/pdf/1546667-survival-of-the-richest-europe-s-role-in-supporting-an-unjust-global-tax-system-2016-1481106817.pdf>

¹⁹¹ The International Consortium of Investigative Journalists (ICIJ): Luxembourg Leaks: Global Companies' Secrets Exposed; available at: <https://www.icij.org/project/luxembourg-leaks>

¹⁹² CSR Europe: CSR Europe to launch new project on tax transparency and responsible tax behaviour, news available at: <http://www.csreurope.org/csr-europe-launch-new-project-tax-transparency-and-responsible-tax-behaviour#.WUBII-uGMdU>