COMMUNICATION ON ENGAGEMENT (COE)

Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic

Period covered by this Communication on Engagement

From: 20. 1. 2019 To: 20. 1. 2021

Part I. Statement of Continued Support by the Chief Executive or Equivalent

To our stakeholders:

I am pleased to confirm that the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic (AMSP ČR) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

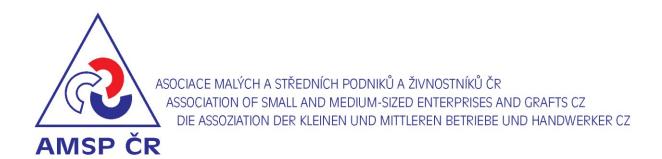
In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Chairman of the Board of Directors

hand John

Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic



Part II. Description of Actions

The Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic (AMSP ČR) provides an open, apolitical platform for small and medium-sized enterprises, self-employed persons and their organisations across the Czech Republic. The number of members and the overall influence of AMSP ČR have risen significantly in the recent years. The Association cooperates with the government, individual ministries, and over recent years has initiated a host of statutory measures which are helping to create the business environment in our country. This important role of the Association has doubled in the pandemic period (2020-2021, Covid-19). The association has become a major support point for small and medium-sized entreprises and crafts. We provided information services to companies, processed comments and proposals for support programs, recommendations, compensation programs and more. Most of our members operate in the following fields: transport telematics, marine industry, metallurgical and machinery industry, plastics and rubber manufacturing, electrical engineering, textile industry, construction industry, gastronomy, crafts, services, and other fields of business. Members do not need to meet the SME criteria stipulated by the EU, i.e. a company of up to 250 employees – the association welcomes larger enterprises as well.

The association, which presents the opinion of the important majority from the sphere of SMEs in the Czech Republic, has an important place within the framework of European structures. The AMSP ČR informs all its members of the possibilities of cooperating within the framework of the EU and offers them assistance and consultation when selecting suitable projects.

The AMSP ČR collaborates closely with **CEBRE** (the Czech Business Representation). Many of our members have already availed themselves of these contacts and the services on offer. The AMSP ČR is a member of the **Confederation of Industry of the Czech Republic** and cooperates closely with other specialist and professional federations.

The **most important priorities** for the continued development of small and medium-sized businesses, which the AMSP ČR advocates with state bodies, can be summarized in the following points:

- The enforceability of the law;
- The statutory responsibility of the state for the decisions reached by its civil servants;
- The simplification of taxes and easier access to loans;
- State support for employment;
- Support for CSR in SMEs (including exchange of good practice and information);
- Promotion and support of the concept of corporate social responsibility and social dialogue;
- Reduce inequality within and between countries;
- Digitization in administrative processes;
- Support of innovation and local production;
- Promote development-oriented policies;
- Achieve higher levels of economic productivity.

Through its members the association promotes its opinions regarding current economic and social problems being debated in administrative and legislative bodies and thus assists in the creation of a favorable framework and climate for business. The AMSP ČR requires on bodies of the state administration constant interest, effort and specialist ability in order to create a realistic strategy for developing and viable business activities and ensuring suitable conditions for the business climate in the Czech Republic.

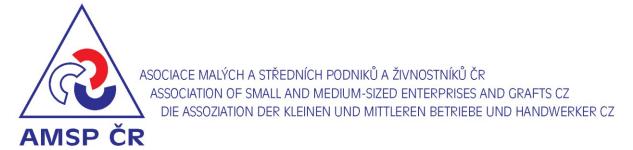
The Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic is a legal entity established in accordance with Act 83/1990 Coll., on federations of citizens, as amended. AMSP ČR is registered under case number 12282 L by the Municipal Court in Prague (initial registration at the Ministry of Interior, No. VS/1-1/48 640/01.

Part III. Sustainable Development Goals (SDGs)

The association has identified a protocol of several Sustainable Development Goals (SDGs). The goals of several Sustainable Development Goals of the Association are published on the Association's website HERE. The document is processed only in the Czech language (date of publication: April 2020).

Sustainable Development Goals of the Association:





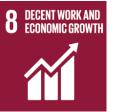
Part IV. Measurement of Outcomes

PARTNERSHIPS

Creating partnerships and coordination to achieve a stable economy is the mission of the Association. Our Association is an important organization for partnerships between the private and public sectors and thus contributes to effective cooperation.

March, 2020: The association elaborated a strategy <u>Sustainable Development</u> <u>Goals (SDGs)</u>. The sustainability strategy is based on the analysis of many factors, topics and implemented projects of the Association, the results of surveys the

including current topics and implemented projects of the Association, the results of surveys, the opinion of employees and members of the organization, the National Strategic Framework of the Czech Republic 2030, and analysis of trends in charity in the Czech Republic. The strategy was developed in cooperation with the consulting company <u>Fair Venture s.r.o.</u> The board of directors, employees, and members of the association are acquainted with its content. The strategy is one of the cornerstones for deciding on the activities of the association and further cooperation with external entities. The association is proud to support this concept and is thus an example for partners and members.



The association supports economic diversification, technological development, and innovation. We're building a long-term balanced system for small and medium-sized enterprises.

2019 – 2021 (educational events): The association organized more than 250 educational and networking events, workshops, and training for our members not

only by the Association but also in cooperation with other member organizations from the Czech Republic. All own seminar and conference activities were provided to the members of the Association free of charge. An overview of all events can be found here - event calendar. From the reason for the COVID-19 pandemic, many events moved to the online version, and the seminars were supplemented with educational videos and podcasts.

2019 – 2021 (other economic growth activities):

- Permanent SOS service for members of AMSP ČR who are systematically bullied or abused from a dominant position;
- Regular monthly European Union news;
- Monthly territorial news focused on the states of the European Union;
- Publishing and distribution of own magazine AMSP CR (bimonthly) focused on trade Trade News;
- Regular weekly legal newsletter;
- Issuing a regular newsletter for exporters;
- Publishing professional monthly newsletter to individual projects of the Association;
- Several foreign delegations of SME entrepreneurs were received. Dozens of meetings with ambassadors of foreign states and our ambassadors or economic diplomats. (weekly frequency);

- Active solution of serious problems with state institutions (bullying by state institutions, recognition of innovation costs, execution, statutes, Law on significant market forces, unethical behavior of corporations towards dealer networks, etc.);
- The association actively participates in the work of the Expert Group for Reducing the Administrative Burden of Entrepreneurs;
- The association has also acted as a legislative point for small and medium-sized enterprises and advocates policies that support productive activity, the creation and growth of microenterprises, small and medium-sized enterprises, and entrepreneurship in general. It's exactly the development of entrepreneurship of young people (startups) and women (business woman) that hides the potential for quality development of the economy and society.

June – July, 2019: The association has established cooperation with professional partners, which are renowned law companies. On the <u>website of the Legislative Council</u> is a total of 10 law companies and two professional partners - the Chamber of Certified Accountants and Environmental Consulting.

2019 – 2020: The association continued to conduct independent surveys on the views of entrepreneurs on problem areas of business (implemented by <u>IPSOS</u> - market research agency).

Survey topics in 2019:

- · Digital craft;
- Business 4.0;
- Family businesses successors;
- Services 4.0;
- Industry 4.0;
- Export of small and medium-sized companies;
- Digital farm;
- Innovation and the role of the bank in the implementation of innovations;
- Corruption in the Czech Republic;
- Company 4.0.

Survey topics in 2020:

- Business financing;
- Innovation and digitization;
- Family business and restart economy;
- Export and COVID-19;
- Innovation in SMEs;
- Employees in SMEs.



The association also acts as an intermediary that transfers the experience of small business abroad and directly contributes to the prosperity of the developing countries of the so-called Global South (Aid for Trade). The Association will continue to help companies and entrepreneurs develop its activities and thus also help developing countries. **The Aid for Trade program** is focused on supporting the development of the business sphere, supporting export capacities, supporting

the digitization and automation of production processes for SMEs, etc. Below you will find selected projects implemented in the last 2 years and their focus.

<u>Strategic Partnership Projects (Erasmus+ Program):</u>

2019 - 2021:

- SUFABU Succession in Family Businesses | Training Model for Sustainable Succession Process in Family Businesses;
- DIGTEACH Digital Entrepreneurship Innovative Teacher Training.

2020 – 2023: BECOMING - Being in Continuous Innovation and Growing ENTREDU - Entrepreneurship Education as a Part of Lifelong Learning.

<u>Czech Republic's foreign development cooperation projects (program Aid for Trade and Ministry of Industry and Trade of the Czech Republic):</u>

2019:

- Republic of Moldova Support for the growth of small and medium-sized enterprises and their export capacities;
- Zambia Study visit to the Czech Republic for representatives of the Zambia Development Agency;
- Ethiopia Training of representatives of the Ministry of Trade and Industry of Ethiopia in the Czech Republic.

2020: Bosna and Hercegovina – Assistance to Foreign Trade Chamber of Bosnia and Herzegovina and local SMEs towards digitization.

2020 - 2021:

- Vietnam Training of representatives of the Hanoi Association of Small and Medium-sized Enterprises on capacity building methods and start-up support strategies;
- Myanmar Transfer of the Czech Republic's experience in the field of healthcare especially focusing on health insurance and overall economic management.

2021:

- Republic of Moldova Bringing Moldovan SMEs closer to innovation;
- Zambia SME development through e-commerce.

<u>Project within the United Nation Development Fund – Challenge Fund:</u>

2021: CACHA - Connecting Zambian Small and Medium-sized Agricultural Centres to Global Value Chains.



The association advocates the dissemination and improvement of apprenticeship education and education in general in technical and other professional fields. By developing, promoting, and improving the prestige and quality of education, increases the competitiveness and adaptation of the economy to new trends in the economy. The association reflects the challenges facing the education system and is actively involved in the debate on the form and benefits of education in

technical fields. The association has already initiated a number of changes in the educational system of the Czech Republic, especially in the field of technical education and crafts, and has established a University and high school platform for a targeted discussion of experts from companies and educational institutions.

2019:

- After three years of efforts, the association enforced the definition of the family business in Czech legislation based on instigation from the European Parliament. The association has been intensively involved in the family business and its support since 2011. The topic of family business is significantly related to the education of founders and successors in the current first wave of generational change, which is a critical point for the further development of the company.
- Educational project "Growing through learning" from the Ministry of Labor and Social Affairs. The project ends in April 2023.
- International project "Digital Entrepreneurship Innovative Teacher Education" (acronym DIGTEACH). This project aims to develop and implement innovative procedures and tools, especially for vocational education teachers, and thus develop their competencies in the field of leading apprentices to use all the possibilities of digital business.

2019 - 2021:

- Regular meetings of the University platform;
- Meeting of craft associations in September 2019 on the topics of the professional craft exam and the results of the project for the introduction of the subject Technology in Primary Schools;
- Intensive cooperation with the region and secondary schools through activities in the "Do it!"
 Project (,,Podnikni to!" in the Czech language);
- Publishing publications for SMEs (innovation, export, family businesses, intellectual property protection) also in electronic form;

• The Association is one of the guarantors of the "Qualified Employee Program". The success of the program is the mediation of a number of foreign workers for Czech small and medium-sized enterprises.

September 2019 and 2020: Participation in the Festival of Science of Secondary Schools in Prague.

2020:

- Supporting the quality of craft students dual education, introduction of the school subject
 "Technology", support for extracurricular activities (the project named "Kutil Junior" in the
 Czech language), support for apprenticeship competitions (the project named "SúSo" in the
 Czech language);
- Legislative preparation of a craft professional examination in cooperation with the Czech Chamber of Commerce;
- Education in gastronomy new project concept " Study gastronomy " to motivate secondary school students;
- Start of intensive cooperation with the Association of Regions and secondary schools of gastronomy for the project "Study gastronomy".



tackle barriers and challenges together.

The association has long been responsible for supporting women and young people in business and supports them with its own long-term projects. It is women and young people who have huge potential in their contribution to decision-making in political and public life, but also in the economic environment. The association promotes equal opportunities in employment, business, and involvement in decision-making. Young entrepreneurs and women are given space to share and

The association supports beginning entrepreneurs within the <u>Business Woman project</u>, especially from the segment of mothers with two children and women 50+ at their start. These are mainly consulting, networking events, interviews, blog articles, and sharing experiences.



By 2030, the Association wants to achieve full and productive employment and ensure decent work for all women and men, including young people and people with disabilities, and ensure equal salary for equal work.

2019: The Ministry of Labour and Social Affairs (MoLSA) approved a one-year grant project for the Association named "SILVER BUSINESS". Within the project, a significant part of the above activities was implemented. The main goal of the

project was to strengthen the use of the potential of experienced senior workers from the 55+ group in favor of the growth of SME competencies - especially startups.

2019 – 2020: Grant program named "NASTARTUJTE SE" in the Czech language for beginning entrepreneurs.

2020: Regular online meetings of beginning entrepreneurs named "MEET UP" in Prague and Brno, where there are interesting guests, project presentations, networking.



The Association's contribution lies primarily in the education and connection of smaller companies with technologies, innovations, and smart solutions that are beneficial for the company's economy and the environment.

The Association advocates expanding the possibilities of prevention and activities that'll increase the resilience and adaptability of companies to future changes.



January, 2021: Announcement of the new main project of the Association "Year of New Opportunities 2021" named "Rok nových příležitostí 2021" in the Czech language. One of the main points of the project is the topic of sustainability in companies. We present this topic intensively to our small and medium-sized enterprises from April to June 2021. We prepare trainings, lectures, courses, podcasts and more for our members.

It's in the interest of the Association of Small and Medium-Sized Enterprises and Crafts of the Czech Republic to address the issues of sustainability of companies in the coming years.