



**CSR ACTION PLAN OF EXTREMADURA,  
SPAIN  
Partner 3**

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## 1. Brief Description of the ROAD CSR project

Road-CSR helps EU member states apply corporate social responsibility principles to SMEs to help them become more competitive, sustainable, innovative and accomplish long term profitability with social justice and environmental protection.

Specific objectives of the project are:

- Increase awareness of CSR and capacity building among policy makers, groups of interest, SMEs and the general public.
- Exchange experiences and share knowledge among partners, project stakeholders, policy makers on good practices related to CSR principles and initiatives.
- Contribute to reduce the existing gap in the development of CSR policies for SMEs from more experienced countries (sources of knowledge) to those less advanced (the recipients of knowledge).
- Increase the number of companies that adopt CSR principles and receive support through improved policies.
- Improve the policies of the participating regions by integrating CSR principles into their policy instruments (programs) and laws.
- Offer policy recommendations for the implementation of EU Directive 2014/95 to integrate the principles of CSR in the core business of SMEs.

Expected results are the following:

- Identification of the level of integration of CSR principles in national and regional legislation and programs of European countries and estimate the existing gap between some regions and others.
- Knowledge of the effects of the integration of CSR principles and CSR reporting in SMEs.
- Knowledge of the needs of European SMEs to move towards the integration of CSR principles in their core business.
- Create the capacity of the stakeholders and the staff of the organizations to participate in projects related to the principles of CSR.
- Capitalize existing knowledge of previous experiences.
- Identify good CSR practices in the EU28.
- Policy recommendations for EU Directive 2014/95 and dissemination of them beyond the geographical scope of the project.
- Action Plans for the integration of CSR principles in the ERDF / ESF programs and legislation of the partner regions.
- Promotion of the network work of the project partners in the achievement of CSR objectives in future regional, national and European policies.
- Improve the political instruments of the participating regions to allow access to finance SMEs for the implementation of CSR.

## 2. Summary of the Action Plan

The action plan of the Region of Extremadura is based on the dialogue with the most representatives social and economic agents of the region that have been working together with the regional administration to make this action plan a reference document for the promotion of CSR in our region.

The main aim of the Action Plan is to incorporate sustainability, good governance, social action, integration of disability and responsible innovation as elements of a new, more egalitarian society and therefore as elements of competitiveness of our companies.

This Action plan is connected with the Sustainable Development Goals (SDGs).

Regional administration of Extremadura is aware of the important role it can and should play in the development of the Sustainable Development Goals approved by the United Nations in 2015 and which entered into force on January 1, 2016. For this region, Junta de Extremadura joins to the collective efforts for their fulfilment and integrate them in this Action Plan as an opportunity to carry out a social transformation based on the eradication of poverty and the fight against inequalities at a global level.

This Action Plan is based on Law 15/2010 of CSR of Extremadura and the Corporate Social Responsibility Strategy 2018-2020 of Extremadura, that has three main strategic lines:

- o **DEVELOPMENT OF A SOCIAL RESPONSIBILITY LEADERSHIP MODEL IN PUBLIC ADMINISTRATIONS.**

Corporate Social Responsibility applied to public institutions should be strengthened as a tool to recover lost confidence and encourage greater commitment on the part of companies, third sector organizations and civil society

It should be the responsibility of Public Administrations to ensure that the assumption of social responsibility by organizations is to promote the dissemination of CSR so that it reaches the society as a whole, to ensure that CSR is penetrated in all stages of the production structures without this implying the inclusion of new administrative or other burdens. Be established as clear examples of responsible entities in each and every one of their areas of influence.

Beyond the important role that public administrations can and should play in the promotion, impulse, dissemination and support of social responsibility in the field of companies and the rest of organizations, attention should also be paid in their own model and functioning. These organizations provide services to citizens and, therefore, must be increasingly efficient in their activities since

they interact in a social and environmental environment that they must respect and improve, while at the same time they must ensure professional development and well-being of public employees.

For all these reasons, Administrations, as organizations, must apply to themselves the same criteria that inspire the concept of social responsibility and do it, in addition, with an exemplary character.

The transversal inclusion of CSR in the several axes of work in the Regional Administration is a key element to be able to pass from theory to practice in CSR issues. CSR cannot be an isolated policy but must give a sense to an entire management and leadership style.

At the same time, the capacity of changing the behaviour of enterprises is being influenced by the start-up of initiatives in public administrations, which reward and/or recognize the responsible behaviour of enterprises. This responsibility of the Administration is embodied in Law 15/2010, where it is clearly indicated a voluntary character for private enterprises and compulsory for Public Administrations. In addition, it is included in title II, article 13: Promotion of corporate social responsibility, which reads as follows:

*"Junta de Extremadura and Extremadura local authorities as public authorities, within the scope of their powers, will promote and encourage social responsibility in Extremadura. To this end, they shall adjust their activities to the principles, actions and measures established in the following articles."*

o **PROMOTION OF CSR AS THE ENGINE FOR ECONOMICAL AND SOCIAL TRANSFORMATION.**

Social responsibility involves a set of values on which a cohesive society must be built and on which to base the transition to a more sustainable economic system. In addition, it can help reduce the effects of the economic crisis, such as the loss of jobs, and promote effective equality of treatment and opportunities, as well as social inclusion.

Taking into account the current socioeconomic context, it is appropriate to influence those aspects of corporate social responsibility that can improve the indicators most related to the productivity and credibility of the companies, which will end up having a positive impact on the competitiveness of our organizations and, as a consequence, of our region.

Social responsibility, both in companies and in public administrations, can undoubtedly contribute to the creation of sustainable management models over time and generate competitive advantages that allow increasing competitiveness and growth of Extremadura's economy

The commitment of companies with corporate social responsibility generates a more innovative corporate culture, more internationally attractive, with

more resources to anticipate and adapt to the challenges of a global and changing market.

La aplicación de los criterios y valores de la RSE, en colaboración efectiva con los grupos de interés, contribuye a generar y reforzar el impacto positivo. Al mismo tiempo, contribuye a identificar, prevenir y eliminar los impactos negativos y crear más valor no sólo para la propia organización que los aplica, sino también para aquellos con los que lo comparte que son los principales grupos de interés involucrados en su actividad y la sociedad en general.

The application of the criteria and values of CSR, in effective collaboration with stakeholders, contributes to generating and reinforcing the positive impact. At the same time, it helps to identify, prevent and eliminate negative impacts and create more value not only for the organization that applies them, but also for those with which it shares, which are the main stakeholders involved in its activity and the society in general.

The objective is to extend the CSR culture to society as a whole through actions such as the promotion of its principles, the recommendations of international consensus on this matter and the dissemination of good practices in this field.

o **PROMOTE THE INCORPORATION OF CSR IN BUSINESS SECTOR, THIRD SECTOR AND EXTREMADURA CITIZENSHIP.**

The implementation of actions in the field of social responsibility can be identified as a commitment to excellence in the management of companies that results in the improvement of their positioning in the market, in their productivity, profitability and sustainability. Social responsibility facilitates innovation by incorporating new forms of management that stimulate the creation of new products and services, responding to social and environmental challenges. A just and responsible evolution towards a more competitive economy that leads to sustainable development and achieves social progress is possible.

In short, what is intended is that citizens identify CSR as a vehicle for competitiveness, sustainability and social cohesion and, therefore, as a way to understand business as something that not only takes into account the results, but also the way to obtain them, which is materialized in the generation of shared value and confidence in the long term through the integration and management of risks and opportunities derived from economic, social and environmental development.

### 3. General information

Project: **ROAD CSR**

Partner organization: **General Directorate of Labor, Regional Ministry of Education and Employment of the Government of Extremadura.**

Country: **Spain**

NUTS2 REGION: **Extremadura**

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### 4. The policy context

The Action Plan aims to impact: **Law 15/2010, December 9, of Corporate Social Responsibility in Extremadura.**

The main aim of this Law is the promotion of corporate social responsibility in Extremadura.

Scope of the Law: all enterprises that develop their activities in Extremadura, besides public administrations of the region.

**Law 15/2010** presents CSR recommendations distributed in five axes:

- 1.- Ethics and Values
2. Human Resources and Labour relationships
3. Environment
4. Social relationship of the enterprises
5. Responsible treatment of information and communication

Law 15/2010 of CSR in Extremadura is structured in two Titles:

**Title I**, defines the concept of corporate social responsibility, establishes the CSR evaluation instruments for the enterprises and the verification of the CSR by external specialized entities, in order to be incorporated in the Corporate Social Responsibility Register of Extremadura.

This is the main contribution of the law.

In this title the benefits for the enterprises certified as socially responsible are also included. (grants, tax benefits, priority in awarding procurements in case of a tie, publicity)

**Title II** regulates Social Responsibility in the public sector of Extremadura.

Law considers that it wouldn't be reasonable to demand some requirements to our enterprises of Extremadura while public sector remains unmoved.

It also considers that it is not possible to introduce a new way of acting, new principles and new values without the creation of an appropriate cultural framework.

Besides, the Government of Extremadura considers that there is not better discourse of persuasion than **the example**. In this sense, public administration of the Government of Extremadura and their public institutions are employers, consumers, investors and contracting entities and as such, they must assume their concrete obligations about consumption, responsible investment, fair and integrating employer and as contractor that gives priority to socially responsible enterprises.

The novelty that this Law brings is **the assessment of corporate social responsibility** of the enterprises and their inclusion in a **Register** of socially responsible enterprises.

The recommendations included in the five axes of the law are a guide that enterprises should take into account if they want to achieve the certification as socially responsible enterprise. But this Law lacks of appropriate measures and actions that help businesses to incorporate CSR into their daily management in order to achieve this certification. So, here is where the CSR Action Plan proposed can help enterprises to fulfil the recommendations included in Law 15/2010.



## 5. Overview of the current situation.

### Current situation at a national level.

Over the past few years, a variety of initiatives to promote corporate social responsibility at national and regional level have been introduced in Spain. These include the Commission of Experts on CSR (2003), White Paper of Corporate Social Responsibility (2006), State Council for CSR (2008), Sustainable Economy Act (2011) and the Spanish CSR Strategy, approved in 2014 and based on six principles:

- Competitiveness
- Social cohesion
- Creating shared value
- Sustainability
- Transparency
- Voluntariness

It also includes a series of priorities, which will, together with the principles set forth, point out the development of a series of measures that will allow the setting up of the established priorities.

- Promote measures to maintain and create stable, good-quality employment to contribute to sustainable development for society
- Promote the improvement of conditions for equality, work-life balance, non-discrimination and employment for those groups that face the greatest difficulties to access or stay in the labour market and those at risk of social exclusion.
- Create a common reference framework for the entire territory regarding CSR, and others strategies: ODS and circular economy.

### Current situation in Extremadura

Extremadura is one of the most important autonomous regions in the field of CSR, mainly because of the advances created by the approval of the Law 15/2010. Two priorities were identified in 2010:

- The promotion of Social Responsibility
- Recognising those entities that have the capacity to exercise this type of responsible leadership.

Corporate Social Responsibility in Extremadura has been developed into three phases:

- 1) **Training, dissemination and awareness raising**
- 2) **The creation of the CSR verification system**
- 3) **Participation in national and European networks**

In Extremadura, the most relevant factors regarding the adoption of CSR action plan are as follows:

- The need to **modify production models** to consume less resources.
- An imperative need to **be competitive**
- **The need to add social and environmental factors to the economic factor** to measure the development of a society in more comprehensive and not exclusively economic terms.

Based on these factors, a series of priorities to be addressed are established, based on the results of a situation diagnosis carried out in the Region in 2015:

- o **Generate wealth and employment:** CSR should be configured as a fundamental element to improve growth, create jobs and generate wealth in Extremadura.
- o **Strengthen the social model:** CSR should be configured as an element that allows companies to incorporate the necessary capacities to face the economic, social and environmental challenges of Europe.
- o **More business innovation:** Increasing the commitment of Extremadura SMEs to Social Responsibility should generate a more innovative business culture, more internationally attractive and with more resources to anticipate and adapt to a changing global market.
- o **CSR for SMEs and the self-employed:** Provide SMEs and the self-employed with the necessary capacities and resources to achieve the full implementation of social responsibility in company management to make benefits of CSR more tangible.
- o **Transparency:** CSR configures the framework of a culture of mutual demand between companies, society and public administration, a cultural framework that requires building together with stakeholders the skills and abilities that allow an active incorporation to the transparency process.
- o **Strengthen market unity:** CSR initiatives promoted by the public or private sector should seek to preserve market unity, creating a more favourable environment for competition and investment without limiting the voluntary development of CSR.
- o **The link between public and private sectors to improve CSR:** CSR public policies must overcome work in terms of company or public administration. It is necessary to carry out policies that link public, profit and non-profit organisations.

## 6. Actions.

This plan has the purpose of materializing the identified priorities in initiatives. For this, the following lines of action are proposed, which include specific measures aimed at companies, organizations and public administrations themselves:

### **PRIORITY AREA 1. GIVE RELEVANCE TO ORGANIZATIONS WORKING SOCIAL RESPONSIBILITY**

Action 1.1: Award "Socially Responsible Enterprise of Extremadura"

Action 1.2: Aids for integration of CSR in SMEs and micro SMEs.

Action 1.3. CSR Mentoring Program

### 6.1. Action Description

#### **PRIORITY AREA 1. Give relevance to those organizations working in social responsibility**

##### **Background**

Companies play a very important role in the development of the society which they operate in. It is not coincidence that the most advanced economies and those which provide best levels of welfare to their citizens are those that have a more dynamic, modern business sector and with more sustainable management models

The ability to grow, to create jobs and generate wealth of enterprises depends on the quality of their management models, participation of stakeholders and distinctive capabilities that are able to develop, which can end up becoming competitive advantages.

What is intended is that citizens identify CSR as a vehicle of competitiveness, sustainability and social cohesion and therefore, as a way to understand business as something that not only takes into account results but the way to obtain them, which is materialised in the generation of shared value and confidence in the long term through the integration and management of risks and opportunities derived of social, economic and environmental development.

A socially responsible company complies with its tax obligations, invests more in human capital, in technologies, performs business practices that respect the environment, applies stricter rules in terms of training and establishes working conditions that encourage good relations with the employees in order to increase its competitiveness

This action is based in lay 15/2010 of CSR of Extremadura which, in its Article 12 establishes. "Benefits of conferring the declaration of "Socially responsible company of the Region of Extremadura":

Granting subsidies

Tax benefits

Priority in awarding contracts

Publicity

**Actions to be taken**

<b>Action 1.1</b>	<b><u>Award Corporate Socially Responsible Enterprise of Extremadura".</u></b>
<b>Background</b>	<p>Article 9 of Law 15/2010 of CSR of Extremadura establishes: "the Socially Responsible Enterprise of Extremadura Award will be created with the aim to awarding those enterprises that, having got the certification as socially responsible enterprise of Extremadura, have been more prominent in the promotion of the values of social responsibility.</p> <p>After analysing the experience of Czech Republic CSR national Award and that of Cyprus, we pretend to modify the regulation of this Recognition in Extremadura. Initially, Law 15/2010, only provides for recognition of companies already certified with the ORSE methodology. This fact greatly reduces the universe of possible candidate companies and what is more important, we give recognition to companies already committed with CSR.</p> <p>The modification derived from the lessons learnt from the Czech Republic and Cyprus partners is to give recognition to companies that, without being certified by the ORSE system of Extremadura, demonstrate good practices in CSR in some of the axis recognized by Law 15/2010 or even, in some SDGs.</p> <p>This modification will allow to work in the base of those companies working in isolated areas which can act as tractor elements of a more global strategy.</p>
<b>Description of the action</b>	<p>According to the established in the law and based on the development of the award made by the Czech Republic and Cyprus partners, their experience in the development of these awards celebrated for years and presented as best practices in the exchange of experiences, we</p>

	<p>will establish the bases for its publication, with the aim of encouraging the incorporation of CSR criteria in enterprises and give them visibility. The main requirement for this Award will no longer be exclusively to have the CSR Certification that gives the Government of Extremadura, based in the CSR ORSE self-assessment tool, as indicated in the Law, but the award will have an approach associated with identifying good practices in some of the axes of the law, or in some of the SDGs.</p>
<b>SDGs related:</b>	<p>SDGs 8: Decent work and economic growth.</p> <p>SDGs 9: Industry, Innovation &amp; Infrastructure.</p> <p>SDGs 11: Sustainable cities and communities.</p>
<b>Expected impacts</b>	<p>The main objective of this measure is to achieve a dissemination of corporate social responsibility values in order to incorporate the CSR criteria in the management of Extremadura organizations in a generalized way, for which a series of incentives are offered that will allow an approach of our SMEs and micro SMEs to the values and criteria of CSR.</p>
<b>Stakeholders involved</b>	<ul style="list-style-type: none"> <li>○ Regional Ministry of Education and Employment.</li> <li>○ General Directorate of Labour</li> <li>○ CCOO Extremadura, one of the relevant social agents of Extremadura.</li> <li>○ UGT Extremadura, one of the relevant social agents of Extremadura.</li> <li>○ CREEX, Extremadura Business Regional Confederation, the most relevant economic agent in Extremadura.</li> </ul>
<b>Timeframe</b>	<ul style="list-style-type: none"> <li>○ 2020</li> </ul>
<b>Cost</b>	<p>This action is included in the paragraphs:</p> <ul style="list-style-type: none"> <li>- "Technical Assistance for the promotion and dissemination of CSR in the Region</li> <li>- Dissemination and execution of the CSR Strategy of Extremadura 2018-2020.</li> </ul> <p>(Section 7. Cost and financing sources)</p>
<b>Funding sources</b>	<p>Regional Funds</p>

<b>Action 1.2</b>	<b><u>Aids for the integration of CSR in SMEs and micro SMES.</u></b>
<b>Background</b>	<p>This action is derived from the visits made to Norwegian companies and the discussions carried out there about the special situation of SMEs, where all the partners agree that the implementation of CSR is a medium - long route element that initially may have a low return in its initial stages.</p> <p>It was considered necessary to design a system of aids that can encourage SMEs to work in the medium term. A system of competitive regime of aids is established, financed with regional funds and which will be managed by the General Directorate of Labour.</p>
<b>Description of the action</b>	<p>There will be two lines of aids:</p> <ol style="list-style-type: none"> <li>a. Aids for the audit of the SMES in order to get the ORSE certification as Socially Responsible Enterprise of Extremadura</li> <li>b. Aids for hiring experts on CSR in order to integrate social and environmental criteria in the management of enterprises.</li> </ol>
<b>SDGs related:</b>	<p>SDGs 8: Decent work and economic growth.</p> <p>SDGs 9: Industry, Innovation &amp; Infrastructure.</p> <p>SDGs 11: Sustainable cities and communities.</p>
<b>Expected impacts</b>	<ul style="list-style-type: none"> <li>- Aids will focus on two elements:</li> <li>- Encourage the incorporation of people trained in CSR who can provide a vision of the business with the focus on CSR, that is, innovate thanks to CSR</li> <li>- Motivate the company to certify its intangible performance associated with CSR as a market value that can open new markets, reach new customers, new partners and why not, even thanks to Socially Responsible Investment, new financing.</li> </ul>
<b>Stakeholders involved</b>	<ul style="list-style-type: none"> <li>o Regional Ministry of Education and Employment.</li> <li>o General Directorate of Labor</li> <li>o CCOO Extremadura, one of the relevant social agents of Extremadura.</li> <li>o UGT Extremadura, one of the relevant social agents of Extremadura.</li> <li>o CREEX, Extremadura Business Regional Confederation, the most relevant economic agent in Extremadura.</li> </ul>
<b>Timeframe</b>	<ul style="list-style-type: none"> <li>o 2019</li> </ul>
<b>Cost</b>	<ul style="list-style-type: none"> <li>o 20.000€</li> </ul>
<b>Funding sources</b>	Regional Funds

<b>Action 1.3</b>	<b><u>CSR Mentoring Program</u></b>
<b>Background</b>	<p>This action is inspired in the visits to the enterprise made in the territories of the project partners, Czech Republic, Norway, Italy... In them the stakeholders participating in the visits transmitted us that the experience of an entrepreneur transmitted directly to another entrepreneur in a mentoring process made the company reflect on how to seek value from its activity thanks to CSR. This process is more relevant in SMEs, which does not have no access to as many training resources as big companies. For this reason, is designed the mentoring program inspired by the capacity and ability that one entrepreneur has to transmit to another and the innovation that CSR can imply.</p> <p>The difference with the DIRSE Mentoring program is that DIRSE is not intended for enterprises but for people, it is not carried out in the facilities of the enterprises and is more focused in the training of the person than in the development of a business project as is pretended with this action.</p>
<b>Description of the action</b>	<p>We will develop the action in the following steps:</p> <ul style="list-style-type: none"> <li>- Selection of enterprises participating in the mentoring program.</li> <li>- Individualised mentoring developed by CSR experts. It will be developed in 4 mentoring sessions in which the selected enterprises, advised by the experts will carry out a diagnosis of the situation of the company on CSR and based on it there will be developed an action plan that will allow to incorporate the CSR principles in the enterprises.</li> <li>- Development of 4 training sessions in corporate social responsibility to provide with skills and competencies to the managers and other people in the companies</li> </ul>
<b>SDGs related:</b>	<p>SDGs 8: Decent work and economic growth.</p> <p>SDGs 9: Industry, Innovation &amp; Infrastructure.</p> <p>SDGs 11: Sustainable cities and communities.</p>
<b>Expected impacts</b>	<p>This action will develop a CSR culture into companies and will increase the level of knowledge about CSR in the SMEs of Extremadura. At the same time, it will increase skills and competences on CSR which will create capable managers that will implement a CSR strategy into enterprises, thereby enabling a change in corporate culture.</p>
<b>Stakeholders involved</b>	<ul style="list-style-type: none"> <li>○ Regional Ministry of Education and Employment.</li> <li>○ General Directorate of Labour</li> <li>○ CCOO Extremadura, one of the relevant social agents of Extremadura.</li> </ul>

	<ul style="list-style-type: none"> <li>○ UGT Extremadura, one of the relevant social agents of Extremadura.</li> <li>○ CREEX, Extremadura Business Regional Confederation, the most relevant economic agent in Extremadura</li> </ul>
Timeframe	2019
Cost	30.000€
Funding sources	<ul style="list-style-type: none"> <li>○ FEDER funds.</li> </ul>

## 7. COSTS AND FUNDING SOURCES

In general, and given the impossibility of establishing a specific cost for each of the actions described in this action plan at present, the funding sources for developing CSR in Extremadura in 2019 are included in the table below:

Budget 2019	Activities	Funding sources
59.500 €	Dissemination and execution of the CSR Strategy of Extremadura 2018-2020.	Regional
20.000 €	Aids for the incorporation of CSR criteria in the companies of Extremadura	Regional
30.000 €	Mentoring and training programs for the incorporation of CSR criteria into small and medium-size companies	FEDER (75%)
85.000 €	Technical Assistance for the promotion and dissemination of CSR in the region	Regional

Date: 25 JUL. 2019

Signature: *Sandra Pacheco Maya*

Stamp of the organisation (if available):

