

# CODE OF ETHICS ANALYSIS OF CZECH COMPANIES TO ADDRESS CSR AND SDGs

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## Abstract

Codes of ethics are documents that regulate general and specific rules of activities in individual organizations and professions. These are also documents, that are part of the organization's communication with the public and the PR tool. Also, some organizations, associations or companies may create a code for their employees, either binding or voluntary. There is a general recommended content of codes of ethics, which should currently correspond to the overall mission, vision, and mission of the organization, as well as to the generally accepted goals of corporate social responsibility and the goals of sustainable development. In this context, there is the 2030 Agenda with 17 Sustainable Development Goals, which are fundamental policies recognized at international, regional, national, and individual levels. Organizations have no legal obligation to adhere to the goals of sustainable development, to participate in the involvement of stakeholders. The adoption of internationally set goals for sustainable development is the result of the exercise of their freedom of will, moral values and ethical obligations reflected in the codes of ethics that organizations publicly present. The analysis of the codes of ethics of the largest Czech companies is an effort to understand, appreciate and assess the content of these codes and to extract their attitudes towards CSR and SDGs. Qualitative and quantitative meta-analysis revealed a fundamental shortcoming, confusion, and unsuitability of a systematic conceptual approach to the content of individual codes of ethics. This, of course, cripples the aspirations of these codes as tools to address CSR and achieve SDGs.

## Keywords

Code of Ethics, Corporate Social Responsibility, Sustainable Development Goals, Delphi Method

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## I. Introduction

Codes of ethics are still among the most important and most used tools of ethical management of companies, enterprises, and organizations in general. The area of codes of ethics is a discussed topic in the Czech Republic, but it is still insufficiently developed. Not many entrepreneurs are aware of the benefits of ethical business conduct. For many entrepreneurs, the priority is economic results, which are often achieved at the expense of business ethics. An ethical document does not guarantee the organization ethical behavior, it only serves as a model, a guide in the application of ethical behavior in business practice and in decision-making in controversial situations. Thanks to the ethical program, they can gain the necessary competitive advantage, the trust of customers, but also suppliers, and also improve the relationship of employees to the company (stakeholders).

In reality, however, the creation of a code of ethics is a process with certain clearly defined steps that are important to follow. Thanks to them, we obtain a document that reflects the real needs of the organization and ultimately becomes an effective tool for managing the organization and solving ethical issues that may arise in the company. When defining the

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content of codes of ethics, it is possible to rely on the characteristics according to Remišová (1998), who states that through codes of ethics an institution, company or other group of people informs its members and the environment that ethics has become a necessary part of its activities. Friedel (2003) states that the code of ethics is a tool that helps to ensure that the day-to-day activities of the company and the actions of all its employees (members) comply with the established principles. It is a set of specific rules that are based on the values and principles of the organization and define the standard of professional conduct. The provisions of the Code of Ethics serve to promote ethical behavior and decision-making and thus help to improve the overall environment within the company, and thus the entire business environment. Although the code of ethics is not legally valid, its violation may lead to certain sanctions. For employees, this can be reflected, for example, in their personal evaluation, or it can bring companies negative publicity or exclusion from the professional association.

The structure and content of the codes of ethics of individual companies obviously differ. These deviations in content are caused mainly by differences mainly in traditions, in the moral maturity of management and employees, but also in the activities or size of the company. The Code of Ethics is considered to be a relatively extensive document, which usually contains, defining in particular the following parts (Putnová, Seknička, 2007): *preamble, customer relations, relations with shareholders and other investors, relations with employees, relations with suppliers, relations with competitors, relations with the government and local authorities*. Bláha, Černek (2015) emphasize the importance of the preamble, which should not be missing in any code of ethics. The preamble emphasizes the need for a code of ethics for organizations, expected standards of conduct, rules for using the code of ethics in decision-making, and the validity of the code of ethics. Although the codes of ethics of individual companies differ, they are mostly the same. The content and semantic validity of the code of ethics should correspond to the current development of the organization and the external situation of the society as a whole. The extended content of the thematic areas of the code of ethics, which can be generally applied in business management, basically includes the following moments: *respect for the law, safety and quality of production, health and safety at work, conflicts of interest, recruitment procedures, relations with suppliers, protection environment, corruption, political activities, information about property, corporate espionage, use of inside information, concluding contracts, obtaining and using information about others, protection of company interests*.

Codes are multifunctional and may be more general and abstract (codes of ethics), or more specific and practical in detail (codes of conduct), but are always associated with social commitment, response or prevention of events that are not fully covered by law and have a strong impact on all stakeholders expecting specific compliance by the company (Hoover, Pepper, 2015; Adelstein, Clegg, 2016). Sustainability, CSR and codes are increasingly seen as guidelines for creating a future world that balances economic, environmental and social factors in a fair and sustainable way (Zikic, 2018) in the context of a highly competitive knowledge economy (Dima et al, 2018). CSR e-reporting is a hallmark of the current relationship and interaction of a wide range of stakeholders in the internal single market (Piekarczyk, 2016), which is only partially covered by binding, expressed and explicit legal norms (MacGregor Pelikánová, 2018b; Bansal, Song, 2017). The values and interests of stakeholders are promoted as a guiding principle by company executives and other internal and external stakeholders. The scientific community still has low knowledge of the processing of these values and the mechanisms of their final projection into reports and CSR codes (Washburn et al, 2018).

The first purpose is to understand, appreciate and assess the nature of these codes of ethics in the context of relevant international, regional, and national legal systems, in particular the codes of the largest Czech companies. The second purpose is to extend the case study of these codes, to analyze them from different perspectives and to extract their attitudes towards the sustainable

development goals as directed by the CSR categories, including the interaction of 17 sustainable development goals with the 6 main CSR categories.

## **II. Current state of CSR, SDGs rules and policies**

The UN 2030 Agenda set out 17 Sustainable Development Goals (SDGs), based on five aspiration action plans for people, the planet, prosperity, peace, and partnership. These are basic policies that are a recognized platform at the international, regional, national, and individual levels. This agenda has been quickly recognized by the EU, and so this soft instrument of international law influences EU law and the national laws of EU Member States, such as sustainability concerns reflected in corporate social responsibility (CSR) rules on non-financial corporate statements. For decades, CSR has been widely perceived as an essential part of an ethical approach to business activities, not only by large international corporations, but also as part of small and medium-sized enterprises (Alm, Torgler 2011; Abend, 2013; Sheehy, 2015). Sustainability and CSR are understood dramatically heterogeneously (waste) as a source of competitive advantage, as a basic commitment and prerequisite for (not only economically) successful operation (Girard, Sobczak, 2012; Rodriguez-Fernandez, 2016; MacGregor Pelikánová, MacGregor, 2019).

However, due to the division of competences and the doctrine of the institutions, there is neither international law nor EU law forcing EU Member States to include binding provisions on SDGs in their national laws. Most EU member states, including the Czech Republic, have neither the obligations of SDGs nor the obligation to issue a code of ethics or code of conduct (codes) in their national laws. European businesses therefore have no legal obligation to adhere to the Sustainable Development Goals, to participate in multi-stakeholder involvement and related partnerships (Schaltegger et al, 2018). The interaction between law and trade, more specifically the interaction of legal, moral, and social obligations regarding business behavior, is full of contradictions (Vivant, 2016). Since the 1970s, these contradictions have led to the realization that there is a conflict between the commitment to support globalized economic growth and the issue of the growing needs of the world's population, along with the deteriorating ecological situation (Meadows, 1972). The leading institution recognizing this was the United Nations, which considered reflections on how to achieve global prosperity without deteriorating the world's environment, both in developed and developing countries (MacGregor Pelikánová, 2019a). This gave rise to the concept of sustainability, based on environmental, social, and economic pillars, and aimed at matching available resources as the world's growing population emerged (Meadows et al., 1972).

During the UN Summit in September 2015, world leaders adopted a resolution called Transforming Our World: Agenda for Sustainable Development 2030 (Agenda 2030) with its 17 sustainable goals for sustainable development and 169 related goals. In January 2016, these sustainable development goals became universally applicable to mobilize efforts and stimulate action on them for the next 15 years, i.e. by 2030. Because the sustainable development goals are the result of international law and are not enforceable per se (MacGregor Pelikánová, 2018a), it is up to the states whether they embody them in their legal systems or not (MacGregor Pelikánová, 2018a). So far, states have demonstrated different approaches to sustainability and have appropriately "delegated" certain tasks and responsibilities to stakeholders, including businesses (MacGregor Pelikánová, 2019a).

However, it should be noted that the implementation of CSR and the use of codes of ethics is not mandatory (MacGregor Pelikánová, 2019a) and that it will be freely accepted by national, especially private, entities that gradually recognize its benefits. First, there is EU legislation addressing other issues that have an impact on CSR reporting and codes, see the Unfair Commercial Practices Directive of 2005. Second, EU law, and often national law, aimed to

establish legal obligations for companies in terms of their transparent CSR, ie some private law entities have to accept and report on CSR. Formal and publication requirements lead to BRIS, while content requirements such as Czech companies mean a combination of the requirements of Directive 2013/34 and the 1991 Act. (Pelikánová, 2019c):

1. environment protection
2. employee matters
3. social matters and community concerns
4. respect for human rights
5. anti-corruption and bribery matters
6. R&D activities.

These six categories of CSR naturally reflect the sustainability structure of the three pillars and the sustainable development goals, and therefore, based on previous studies (Ting et al, 2019), together with the Dow Jones World Sustainability Index, a preliminary comparison table can be structured as below (Table 1).

**Table 1 The comparative table of SDGs and 6 CSR categories (key word)**

CSR 1 (Environm)	CSR 2 (Employee)	CSR 3 (Social)	CSR 4 (Human Rights)	CSR 5 (Rule of law)	CSR 6 (R&D)
<b>SDG 6</b> <b>(water)</b>	SDG 8 (growth)	SDG 1 (poverty)	SDG 4 (inclusion)	SDG 11 (safety)	SDG 7 (energy)
<b>SDG 13</b> <b>(climate)</b>	SDG 12 (consumption/production)	SDG 2 (hunger/food)	SDG 5 (discrimination)	SDG 16 CSR (peace)	SDG 9 (innovation)
<b>SDG 14</b> <b>(sea)</b>		SDG 3 (health)	SDG 10 (equality)	SDG 17 (partnership)	
<b>SDG 15</b> <b>(ecosystem)</b>					

*Source: Prepared by the Authors based on EurLex and Agenda 2030.*

### III. Materials, Data and Methods

The materials and methods used are directly determined by the two interrelated purposes of this article. The first purpose is to understand, appreciate and assess the nature of the codes of the largest Czech companies. The second purpose is to extend the case study of these codes, to analyze them from different perspectives and to extract their attitude towards sustainable development goals as guided by CSR categories, including the interaction of 17 sustainable development goals against the 6 main CSR categories. This requires the creation of a theoretical basis and case studies of these codes, in particular their internal and external descriptive analysis, using quantitative content methods focused on automatic keyword frequency and qualitative content methods using the manual Delphi approach.

Data are obtained by multidisciplinary and multicultural survey of primary and secondary data. The studied materials include legislative documents accessible from the EurLex database, academic files accessible from the WoS and Scopus databases, codes of these companies published on their Internet domains. The interdisciplinary and multi-jurisdictional nature of the survey requires holistic processing using meta-analysis (Silverman, 2013). The interplay of economic, legal, and technical aspects forms the focus, focusing on qualitative and quantitative data and includes deductive and inductive aspects of legal thinking (Matejka, 2013).

Quantitative research and data are therefore complemented by qualitative research. This holistic and comparative processing through critical meta-analysis is an indicator of a trend (Cerchia, Piccolo, 2019). It is suggested that both company size and financial performance affect CSR and CSR reporting much more than its affiliation to a particular type of industry (Arminen et al, 2018). The analysis needs to be performed through dynamic and comparative research with respect to the types of information on CSR (R&D) leading to innovation (Dima et al, 2018; Pohulak-Žoledowska, 2016), environmental protection, employment issues and others.

In particular, the research and processing of these data from codes is performed using textual content analysis (Kuckartz, 2014), which allows replicable and valid conclusions about texts and is considered an established research method with regard to business ethics and CSR issues (MacGregor Pelikánová, 2019b). Qualitative content analysis using the simplified Delphi method (MacGregor Pelikánová, 2019a) involves manual sorting of data from these four codes by three experts focusing on four ethical principles and six categories of CSR and using (+) or (++) or (+++) and quotes. Quantitative content analysis is performed by automatically scanning the number of pages and frequency of keywords and refocusing on four ethical principles. These four ethical principles stem from the metaphysics of morality (Kant, 1785) adapted to our time (Taylor, 2018) and reflect the fact that the CRS integrates into all activities and policy areas, in particular:

- the principle of personality to enhance autonomy and authenticity of the individuals;
- the principle of solidarity which requires being and working together;
- the principle of subsidiarity against unreasonably distant decision-making leadership;
- the principle of the environmental protection to respect the world.

The selected sample includes the 20 largest Czech companies that have their codes of ethics available online and in English. The "largest" criterion reflects the total annual income in 2019. All these companies have more than 500 employees and store their annual reports in the Czech Commercial Register. The list below (Table 2) lists their name, identification number and industry.

**Table 2 Case study – the largest Czech business with Codes based on Revenue – identification**

	Business	ID	Industry	Revenue in bil. CZK
1.	Škoda Auto, a.s.	00177041	automobiles	416
2.	ČEZ, a.s.	45274649	electricity	185
3.	Agrofert, a.s.	61672190	agricultural	160
4.	Energetický a Průmyslový Holding, a.s. (EPH)	28356250	energy	160
5.	UNIPETROL, a.s.	61672190	chemicals	130
6.	RWE Supply & Trading CZ a.s	26460815	oil and gas	104
7.	Foxconn Technology CZ, s.r.o.	27516032	electronics	104
8.	Continental Automotive CZ s.r.o.	62024922	automobiles	57
9.	Kaufland Česká Republika, v.o.s.	25110161	grocery	57
10.	Albert Česká repulika, s.r.o. (Ahold)	44012373	grocery	49
11.	ČEPRO, a.s.,	60193531	oil and gas	48
12.	Finitrading a.s. (Třinecké želez.)	61974692	iron, finance	47
13.	MOL Česká republika, s.r.o.	49450301	gas	50

14.	E.ON Česká republika, s.r.o.	25733591	energy	45
15	O2 Czech Republic a.s.	60193336	telecom.	38
16.	České Dráhy, a.s.	70994226	railways	35
17.	Metrostav a.s.	00014915	building	35
18.	VEOLIA ČESKÁ REPUBLIKA, a.s.	49241214	water supply	27
19.	T-Mobile Czech Republic a.s.	64949681	telecom.	14
20.	Skanska, a.s.	26271303	building	14

Source: Prepared by the Authors based on justice.cz

Regarding the second purpose, this article relies mainly on further expanding and exploring this pioneering Czech case study, which includes a description and a deeper understanding of whether and how the codes address the six main sustainable development goals and 17 sustainable development goals. The quantitative aspect was solved by calculating the total number of pages and keywords, ie how many pages the entire Code lasted and how many times the keyword was listed for each CSR or SDGs category. The keywords used reflect the designation and content of each CSR and SDG category and are listed in parentheses in Table 3. The need to respect these keywords was behind the requirement to include only large companies with English codes available.

#### IV. Results

The case study shows that Czech companies (at least large companies) are at least partially interested in correctness and fairness either of their own free will or from public pressure. But what kind of morality and ethical commitment is expressed? Is it guided by four ethical principles: personality, solidarity, subsidiarity, and environmental protection? (Table 3).

**Table 3 Case study – Adherence of Codes to 4 ethical principles (0 no, + weak, ++ medium, +++ strong)**

	Business	Personal. (trusting)	Solidarity (sharing)	Subsidiarity (participati)	Environm.
1.	Škoda Auto, a.s.	+	+++	0	+++
2.	ČEZ, a.s.	++	++	++	++
3.	Agrofert, a.s.	0	++	0	++
4.	Energetický a Průmyslový Holding, a.s. (EPH)	+++	++	+++	+++
5.	UNIPETROL, a.s.	++	++	++	++
6.	RWE Supply & Trading CZ a.s	++	++	++	++
7.	Foxconn Technology CZ, s.r.o.	+++	++	+++	+
8.	Continental Automotive CZ s.r.o.	0	++	0	+
9.	Kaufland Česká Republika, v.o.s.	+	+	+	+
10.	Albert Česká repulika, s.r.o. (Ahold)	+	+	+	+
11.	ČEPRO, a.s.,	++	++	+	++
12.	Finitrading a.s. (Třinecké želez.)	++	++	+++	++
13.	MOL Česká republika, s.r.o.	+	++	+	++
14.	E.ON Česká republika, s.r.o.	++	++	++	++
15	O2 Czech Republic a.s.	++	++	+++	++
16.	České Dráhy, a.s.	+	+	+	+
17.	Metrostav a.s.	+	+	+	+

18.	VEOLIA ČESKÁ REPUBLIKA, a.s.	+++	++	++	+++
19.	T-Mobile Czech Republic a.s.	++	+	+	+
20.	Skanska, a.s.	++	++	++	++

Source: Prepared by the Authors based on Codes obtain from Websites on Domains of businesses.

The principle of personality to strengthen the independence and authenticity of individuals means to respect individuals and their private lives, to promote trust, to value responsible people with social awareness. According to the principle of personality, man is neither a means nor a means to achieve a goal; instead, every action must lead to respecting the autonomy and authenticity of the person (Kant, 1785; Taylor 2018). The principle of personality requires trust and respect, as in the case of EPH or Foxconn, while other codes show significant shortcomings in this respect, such as Škoda or Agrofert.

The principle of subsidiarity against unduly distant decision-making allows for a diversity of business models and promotes the sharing of expertise and skills, encourages stakeholder dialogue with final internal decision-making bodies. The principle of subsidiarity means participation, even in the decision-making process. There are significant differences between the codes, some show real closeness and active involvement in policies by all stakeholders, including lower employees, see EPH, while others indicate real distance from power and avoidance of lower employees in policy making and implementation, see very hierarchical approach of companies Škoda or Agrofert.

In short, with regard to these four principles, three groups of codes have emerged: Highly encompassing all four principles (EPH, Foxconn, EON, O2, Veolia), weakly encompassing all four principles (Albert, Czech Railways, Metrostav) Codes failing with respect to the principle of personality and the principle of subsidiarity, but as for the other two principles (Škoda, Agrofert), it is going really well. It is positive that some codes deal with the UN International Compact on Human Rights and the OECD Guidelines for Multinational Enterprises (RWE, Veolia, partly Kaufland). It is worrying that the 3rd group includes absolutely top Czech companies such as Škoda and Agrofert, ie these top companies show a crippled multi-stakeholder approach, strong hierarchy rigidity, reduced human capital appreciation and active involvement, and a general lack of sustainability partnerships.

Codes of ethics of top Czech companies vary in name and size, but all include four discussed ethical principles (see above), 6 categories of CSR and partly even SDG (Table 4). It is very instructive to compare their size (number of pages) and the quantitative aspects of the CSR categories (keyword frequency: *employee, environment, social rights, human rights, anti-corruption, bribery and R&D*) as well as the qualitative aspects of the CSR categories (+ to +++ in terms of the intensity, specificity and authenticity of these CSR categories). In addition to these dry data, it is worth noting that some codes provide a positive incentive for CSR partnerships and the involvement of various stakeholders, see the ČEPRO reward system to prevent criminal behavior, or behavior with a negative impact on sustainability and CSR.

**Table 4 Case study – Codes and their adherence to selected 6 CSR categories (number of words/quality)**

	Business	#pp	Empl.	Envir.	Social	HR	Anti-Cor	R&D
1.	Škoda Auto, a.s.	40	51/++	15/+	6/+	10/++	7/++	1/+
2.	ČEZ, a.s.	11	18/++	6/+	2/+	1/+	3/++	1/+
3.	Agrofert, a.s.	5	54/++	7/+	4/+	0/0	2/++	1/+
4.	Energetický a Průmyslový Holding, a.s.	112	98/+++	103/+++	2/+	3/+	56/++	3/++
5.	UNIPETROL, a.s.	14	45/+++	24/+++	3/+	0/0	0/0	0/0

6.	RWE Supply & Trading CZ a.s	8	25/++	8/+	6/+	4/+	6/++	0/0
7.	Foxconn Technology CZ, s.r.o.	12	24/++	12/++	3/++	3/++	3/++	2/+
8.	Continental Automotive CZ s.r.o.	13	29/+++	12/++	2/+	6/++	1/+	0/0
9.	Kaufland Česká Republika, v.o.s.	4	31/++	7/+	4/+	2/+	2/+	0/0
10.	Albert Česká repulika, s.r.o. (Ahold)	14	10/++	9/++	0/0	4/+	3/+	0/0
11.	ČEPRO, a.s.,	24	68/+++	17/+++	1/+	0/0	0/0	0/0
12.	Finitrading a.s.	6	12/++	11/++	1/+	0/0	2/+	0/0
13.	MOL Česká republika, s.r.o.	30	61/+++	37/+++	2/++	37/++	16/+++	2/+
14.	E.ON Česká republika, s.r.o.	36	31/++	16/++	1/0	5/++	9/++	0/0
15.	O2 Czech Republic a.s.	7	10/++	3/+	1/0	1/+	1/+	0/0
16.	České Dráhy, a.s.	6	10/++	9/++	3/+	0/0	4/++	0/0
17.	Metrostav a.s.	2	4/++	2/++	2/+	0/0	1/+	0/0
18.	VEOLIA ČESKÁ REPUBLIKA, a.s.	20	53/+++	18/++	8/++	2/+	8/++	1/+
19.	T-Mobile Czech Republic a.s.	6	18/++	9/++	1/+	4/+	1/+	0/0
20.	Skanska, a.s.	8	15/++	12/++	0/0	3/+	6/+	0/0

Source: Prepared by the Authors based on Codes obtain from Websites on Domains of businesses.

The analyzed codes differ dramatically in approach to SDGs and oscillate between express links, implied links, no links, or even against SDGs. Therefore, it is very instructive to compare how they approach the goals of sustainable development, which are conveniently grouped into 6 groups. Quantitative aspects are presented (frequency of key pairs in general: sustainability, partnership, water and climate for SDGs 6,13,14,15, etc.), as well as qualitative aspects of evaluation (Table 5. In order to avoid the risk of misleading overlaps, this The wording for each category differs from the keywords used for the 6 categories of CSR EPH data should also be understood with the reservation that it is not just a code of ethics, but also a sustainability report.

**Table 5 Case study – Codes and their adherence 16 SDGs (number of words/quality)**

	Business	SDG (key word)	SDG – 6 groups (key word)					
			(sustainabilit, partnership)	6,13, 14,15 (water, climat)	8,12 (growth, product)	1,2,3 (poverty hunger)	4,5,10 (inclusion discrimination)	11,16,17 (safety, peace)
1.	Škoda ....	8/+	0/0	6/+	0/0	5/+	9/+	2/+
2.	ČEZ....	0/0	0/0	1/+	0/0	3/+	1/+	1/+
3.	Agrofert	0/0	0/0	1/+	0/0	2/+	4/+	1/+
4.	EPH	152/++	95/++	80/++	0/0	3/+	35/++	174/++
5.	UNIPET...	3/+	0/0	4/+	0/0	2/+	9/++	2/+
6.	RWE	2/+	0/0	0/0	0/0	1/+	4/++	1/+
7.	Foxconn	0/0	0/0	2/+	0/0	3/+	1/+	1/+
8.	Contin...	1/+	4/+	8/+	0/0	4/+	11/++	4/++
9.	Kaufland	0/0	1/+	1/+	0/0	2/+	7/++	0/0
10.	Albert	2/+	0/0	1/+	0/0	5/+	13/++	1/+
11.	ČEPRO	2/+	0/0	0/0	0/0	5/+	10/++	0/0
12.	Finitr...	0/0	0/0	1/+	0/0	3/+	5/+	1/+

13.	MOL	9/++	1/+	3/+	1/+	9/++	2/+	9/++
14.	E.ON	14/++	0/0	1/+	0/0	1/+	5/+	6/++
15.	O2	2/+	0/0	0/0	0/0	1/+	0/0	0/0
16.	ČD	1/+	0/0	0/0	0/0	2/+	2/+	0/0
17.	Metrostav	0/0	0/0	0/0	0/0	1/+	0/0	0/0
18.	VEOLIA	7/++	3/+	0/0	0/0	3/+	6/+	5/++
19.	T-Mobile	1/+	2/+	0/0	0/0	1/+	2/+	1/+
20.	Skanska	2/+	1/+	2/+	0/0	5/++	6/+	2/+

*Source: Prepared by the Authors based on own field search and research.*

This is a weak result beyond general expectations, ie the codes of the 20 largest Czech companies in general do not mention or consider SDGs in general, and if they approach their content in terms of terminology, the meaning seems completely different. Boldly, these codes do not follow the "roadmap for a better and more sustainable future for all", as expressed in UN Agenda 2030. These grim statements need to be distinguished, as the overall lack of interest in SDGs 1-3 is partially offset by a slight interest in SDGs 4, 5, 10 and SDGs 11, 16, 17 and especially SDGs 7, 9. In fact, some companies are even to be commended for their efforts to combat discrimination (SDGs 5, 11) and to support results-oriented research and development (SDG 9). This is the case of Continental, MOL, EON and Veolia, but certainly not the top trios of Škoda, ČEZ, Agrofert.

## VI. Conclusion and Discussion

It is known that competitiveness lies not only in basic economic performance and outputs, but also in social, environmental, cultural, and other elements (Dima et al, 2018). Sustainability is a new postmodern scientific discipline, which implies that the main role of sustainability is the systematic and scientific support of issues of social justice, the impact of globalization on the environment and the position of transnational organizations in society (Kourula et al, 2017). Mechanisms, better ways to address social justice and environmental justice are being sought (Van Tulder, 2017). Increased business complexities associated with increased global transformation have led companies to behave responsibly in managing the sustainability agenda (Schaltegger et al, 2018). The 2030 Agenda has brought 17 goals for sustainable development, but there are many different ideological, regional and contextual attitudes and commitments to sustainability. The complexity of this agenda is becoming an increasingly complex problem for other methodological approaches to sustainability (Lu et al, 2015; Van Tulder, Keen, 2018) and is confirmed by a case study of the codes of the largest Czech business.

We suggest that the moral responsibility set out in codes of ethics be more in line with the CSR trends reported, as they vary considerably (MacGregor Pelikánová, 2019a) across industries (MacGregor Pelikánová, 2019d) and at EU and national level (Fura et al 2017) and that conflicts are not only between different stakeholders but even between different sectors (Hahn et al, 2018). There is a debate as to whether moral liability codes should remain outside the scope of legal liability legislation, or should only be subject to disclosure rules, or whether they should be regulated together with CSR and in a more binding way (Bernardová, 2016). As this discussion did not lead to a legislative result, companies remain free and generally decide, like large Czech companies, to show moral responsibility (Sroka, Lőrinczy, 2015) and issue and publish codes that mention or address CSR and SDG to some extent and which they often have perfect form but less perfect content. In this respect, we can observe a parallel with CSR reporting (Čevela, Bílková, 2016; MacGregor Pelikánová, 2018b). The audience for reading these codes is very diverse and expects that a reasonable amount and quality of data will be

provided in a search engine friendly manner (MacGregor Pelikánová, 2019d). Because such an audience includes current or potential clients as well as business partners (Solesvik, Gulbrandsen, 2013), entrepreneurship better meets the concepts and values they expect and prefer (Plank, Teichmann, 2018; Sroka, Lőrinczy, 2015). Interestingly, it seems that the codes of the largest Czech companies are often even more employee and provider oriented, and therefore correspond to new trends in CSR reporting, especially in Central Europe (Bode, Singh, 2018; Chassé, Courrent, 2018; Sroka, Szanto, 2018). In addition, their analysis contributes to the current debate on the urgent need for cross-sectoral partnerships (Van Tulder et al, 2016).

The significance and transparency of the Codes of the largest Czech companies is comparable to Western companies in terms of the number of companies involved. Morality, ethics and responsibility are key concepts in Central and Eastern Europe. In continental Europe, whose Central European countries have always been culturally involved, there was a clear distinction between morality and ethics and between moral and ethical. Today, with the growing influence of Anglo-Saxon and American culture, there is a tendency to use both terms together with more clearly defined semantic content (Brown et al., 2003; Hardy 2014). In the Anglo-Saxon literature, the most commonly used terms are code of ethics, code of conduct or moral principles. In the ethical documents of leading Czech companies, we see the designation of this document as; *code of ethics, moral principles, code of conduct, business principles, code of conduct, corporate values or code.*

Although there are still many managers, entrepreneurs, students and citizens who have doubts about the legitimacy of business ethics, and thus about the very importance of codes, which they consider unrealistic and illusory in a market environment (Somers, 2001; Černek et al., 2014), prevailing the tenor is strongly pro-Code. At the same time, a review of the literature and a case study confirm that these codes continue to follow traditional standards for immediate economic success, normative compliance, internal governance and the urgent impacts of their sector, while global issues are omitted, ie the philosophy of sustainable development goals and CSR. hardly occurs in the codes of the most respected companies (Calderón et al, 2012; Schauster et al, 2018). Progress towards the SDGs is slow, fragmented and highly diversified due to several factors, such as the need to review corporate and individual moral and ethical obligations of companies, including the absence of legal sanctions models and the lack of formal procedures to ensure sustainability. achieved (Persson et al, 2016; Van Tulder, Keen 2018). Multinational enterprises and corporations are considered to play a special role due to their global influence and activities, in which they are confronted with a number of issues, stakeholders and institutional contexts in the home and host country. Their potential to be not only part of the problem, but perhaps part of the solution, is increasingly recognized and has come to the forefront of research into CSR activities and the implications of sustainable development (Kolk, Tulder, 2010). Although incentives to implement sustainability initiatives vary, they usually include competitiveness, legitimacy, and environmental responsibility (Sarkis et al, 2012; Searcy, 2014). The production, consumption and disposal of products have a number of negative environmental and social impacts. These impacts are expected to increase significantly in the coming years, despite the development of the most environmentally friendly means of production (Kozłowski et al, 2018).

Entrepreneurship can be beneficial and desirable if it has sustainable goals such as protecting the ecosystem, combating climate change, reducing environmental degradation and deforestation, improving agricultural practices and the environment, transporting drinking water or maintaining biodiversity (Belz, Binder, 2017 Hockerts et al., 2018). The Sustainability Report appears to be a tool to address stakeholder requirements. The integration of sustainability management mechanisms and links basically seeks to integrate shareholder and

organizational-social relations. Enterprise-wide CSR management is an important step that must never be forgotten when designing effective sustainability reports (Amran, Haniffa, 2011).

Achieving the goals of sustainable development is a criterion leading to a largely sad picture. The codes seem to be much more heterogeneous and are not of interest to most SDGs. Quantitative and qualitative assessments show that there is no single code with a strong commitment to most sustainable development goals, and that most codes are only interested in achieving a few sustainable development goals. The best for SDGs are the codes Unipetrol, MOL and EON, ie Gas and energy companies with strong international connections. As mentioned above, SDGs 1-3 (*poverty, hunger*) are less popular, while SDGs 7, 9 (*energy, innovation*) are covered by almost all codes. This must be confronted with the 6 categories of CSR (R&D), which is completely underestimated by codes. Does this mean that companies want and expect innovation without research, effort, and investment?

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