



# **CONTEXT**

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# About the Project

The need for climate action and sustainable resources management is more important than ever. The Green Deal presented by the European Commission on 11th of December 2019, sets the goal, Europe to be a climate-neutral continent by 2050. The Green Deal addresses the immediate need for specific actions that support Circular Economy, helping to reduce CO2 emissions, transform the energy industry, move the production to a more environmental-friendly stage and many more.

The way to becoming Climate-Neutral continent will put in front of us new types of challenges. One of them lay in front of small and midsized enterprises (SMEs) which have an essential role in achieving a greener economy as it is indicated by the Green Action Plan.

The upcoming regulations based on the Green Deal are extremely needed, but also they put many of the traditional business models in a transitional situation. The small business struggled in the past decay to recover from a financial crisis and now is facing new challenges operating in COVID-19 world. This business finds it hard to adapt quickly to the needed.

The most sensitive are the SMEs, where change management is challenged by the lack of present financial or human resources, sustainability and knowledge, especially for micro-SMEs.

BALANCE is a project that steps on the key learning points from the Green Action Plan for SMEs, to combine best practices around EU and back them up with financial knowledge in order to create a valuable and training program which curriculum is based on ECVET for the transformation of the small business into more greener without having to sacrifice the financial sustainability of the enterprises and allow them to keep their employees.



The Balance project aims to develop and provide SMEs decision makers with an innovative program that will help them transform into greener operations while improving their financial literacy and enhancing their environmental awareness. The project addresses a key priority of the EU related to environmental and climate goals. Supporting individuals in acquiring and developing basic skills and key competencies is the horizontal priority underpinning this project.







# Objectives and Conduct of the research

The main purpose of the research is to discover and examine successful implementations of green practices in different Bulgarian companies. One of the main objectives is to show a diverse set of measures proven effective in the national business context and to increase environmental awareness. The research shows companies which have implemented in their operations green practices and/or have been successfully transitioned into a greener way of operations.

The conduction began as desk research of the biggest companies in Bulgaria and their activities. All companies with international Headquarters were excluded to focus over the polities created and implemented in Bulgaria. Simultaneously the Green awards initiatives were researched, and all awarded companies contacted. One this stages we selected around 15 Bulgarian companies with sustainable policy and proven green practices. We excluded the companies who conduct green practices only in a form of an event or donation for green causes.

All of those companies were contacted via email or/and phone for more detailed information and clarification. However, due to COVID lockdown, it was difficult to reach the management of the companies by phone or email. During the email exchange, we chose five companies which fit the most of our criteria. With 2 of the companies we had a video interview with their Sustainability, HR and marketing department, with another two we had phone interviews and with one we collected the information via the Internet using their websites and later one we confirmed with a PR employee.

# **National Context for SMEs**

The Bulgarian economy is highly dependant of the SMEs performance. The data for 2018 shows that €19.6 billion is the total value added is due to SMEs business operations which equals to 65% share of the total value-added in Bulgaria. ¹ In 2019 in Bulgaria, the 419 681 operating on the market Non-Financial Enterprises, 418 922 of which have employed under 250 employees (one of the classification criteria of SMEs). The biggest share has enterprises with less than 10 people employed -388 980 in total. The SMEs have employed 1,652,870 people in 2019 which is almost 75% of the total Bukgaian employment. ² These figures make SMEs extremely important for Bulgarian economical performance.

The SBA Fact Sheet 2018 – 2019 suggests that in terms of Environmental indicators the SMEs in Bulgaria perform below the EU average on environment principles. There has been a 6% drop since 2015 of the share of SMEs that have implemented resource-efficiency actions due to public support measures. An increased is observed in the share of SMEs who has received public support for the production of green products (9% for the period 2014-2018), but still, Bulgarian SMEs have one of the lowest proportions among EU states for offering green products.

The Eco-Innovation reporting also states that Bulgaria performs almost 3 times below the EU average.<sup>3</sup> A high number of organizations per population, however, have been ISO 14001 registered. All resource productivity indicators mark an extremely low score index which is concerning



<sup>&</sup>lt;sup>1</sup> SBA Fact Sheet 2019 - https://ec.europa.eu/growth/smes/sme-strategy/performance-review\_en\_

<sup>&</sup>lt;sup>2</sup> https://www.nsi.bg/en/content/8237/employed-enterprises

<sup>&</sup>lt;sup>3</sup> https://ec.europa.eu/environment/ecoap/bulgaria en



observation and shows that the main activities in Bulgaria for SMEs concerning the environment should be directed for the promotion and implementation of such practices.

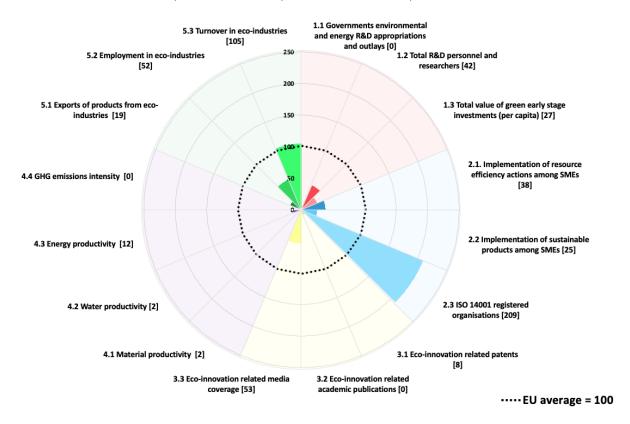


Diagram: https://ec.europa.eu/environment/ecoap/bulgaria en

The Bulgarian Ministry of the Environment and Water is promoting and managing the voluntary certification by the EU Eco-Management and Audit Scheme (EMAS). EMAS is a European Commission management instrument for companies and other organisations which aims to evaluate, report, and improve their environmental performance. Between 2013-2020 15 Bulgarian companies have been successfully certified. <sup>4</sup> Additionally, the ECOLABEL which aims at the promotion of products with reduced environmental impact and in informing consumers with accurate and scientific information about products that they choose to use is used by the Ministry, but there are no direct actions for deeper implementation or promotion undertaken. <sup>5</sup>

Under the Bulgarian Ministry of Economy the Bulgarian Small and Midsized enterprises promotion agency (BSMEPA) has been established, with the main aim of providing support to Bulgarian enterprises for their stable development, successful integration into the European and world economy and expanding their presence on target markets. The BSMEPA has focused its efforts on developing a digital platform to provide broad opportunities for the Bulgarian enterprises to establish interactive contact with their potential foreign partner. The agency provides also consultancy and informational services to SMEs and focuses on their internationalization. <sup>6</sup>

<sup>&</sup>lt;sup>4</sup> https://www.moew.government.bg/en/prevention/emas/register/

<sup>&</sup>lt;sup>5</sup> https://www.moew.government.bg/en/prevention/eu-ecolabel/legislation/

<sup>&</sup>lt;sup>6</sup> https://www.sme.government.bg/en/?page id=2001



The access to financing for the Bulgarian SMEs is highly dependable on the EU structural funds and The Financial Mechanism of the European Economic Area – Norwegian Financial mechanism.

In the Operational Programme Environment 2014-2020 under the European Regional Development Fund, Bulgaria has focused on the following Priority Axes: Water, Waste, Natura 2000 and biodiversity, Flood and landslides risk prevention and management. None of this axes focuses on SMEs directly as beneficient. <sup>7</sup>

However, under the Operational Programme Innovations and competitiveness, the priority axis Energy and Resources efficiency has created a special Procedure – Energy Efficiency for SMEs <sup>8</sup>. The procedure has had 68 SMEs as beneficiaries in 2017. During 2018 and the first quarter of 2019, no significant new measures were announced in term of supporting SMEs in their environmental performance. Due to the COVID-19 pandemic, the indicative programs for Operational Programme Innovations and competitiveness were changed to redirect the available funds under the 5 axes for overcoming the economic consequences of COVID-19. <sup>9</sup>

The main program supporting the innovation of SMEs is under the Norwegian Financial Mechanism. The second call of Project Proposals of the Business Development, Innovation and SMEs Programme Bulgaria, focus area "Green Industry Innovation" has been closed on 30<sup>th</sup> of September 2020. The first call closed on 21<sup>st</sup> of March 2019. The program aims to support the implementation of innovative technologies, processes and services, Sustainable business development, Greening of existing businesses and processes and Development and implementation of innovative products and services. The aim is 75 % of the program budget which has a total value of € 28,500,000, to be allocated to small and medium-sized enterprises. <sup>10</sup>

 $\frac{\text{http://2020.eufunds.bg/en/5/0/Project/Search?Prior=\%2FaWur0rQh9Q\%3D\&Proc=\%2BP8WkA18Nv0\%3D\&ShowRes=True\&IsProgrammeSelected=False\&IsRegionSelected=False}{}$ 

<sup>&</sup>lt;sup>10</sup> https://www.innovasjonnorge.no/en/start-page/eea-norway-grants/Programmes/business-development/Bulgaria/



<sup>&</sup>lt;sup>7</sup> http://2020.eufunds.bg/en/6/0/PriorityLines

<sup>9</sup> https://opic.bg/news



# National and other initiatives

# Awards for corporate green initiatives:



"The greenest companies in Bulgaria" (<a href="https://green.b2bmedia.bg/">https://green.b2bmedia.bg/</a>) is a competition among Bulgarian companies for green innovations and CSR initiatives. The competition has been organized since 2010 by 2b2

Media and divides the awards into 30 different categories. 16 of the categories are dedicated to different industries and 14 are categorized based on the time of the green innovation. Each year the companies can apply via an application and receive an evaluation by a special jury. The contest receives high media coverage in Bulgaria. <sup>11</sup>

### Green accelerator:



Cleantech Bulgaria (<a href="https://cleantech.bg">https://cleantech.bg</a>) is managing and executing the Climate-KIC Accelerator in Bulgaria which is Europe's largest green-tech accelerator for early-stage startups. The programme is

part of the largest public-private partnership in Europe in the field of climate change. In Bulgaria, during its three editions, the programme has invested in 24 teams which have attracted over 1 000 000 BGN (approx. € 511 296.92) external investment and have launched several innovative products on the market. The accelerator is divided into three main phases. In the first phase a selection panel, the showing potential startups receive up to € 10 000 for business model development, during the second up to 15 000 € for customer validation and first sales. The final stage prepares the startups for investors and provides them with up to € 50 000 for scaling up.

# Coalition Green Restart:



The Coalition for Green restart is a union between four major NGOs operation in Bulgaria: Move.bg, Greenpeace – Bulgaria, WWF – Bulgaria and Institute For Circular Economy. Together they develop different policy recommendations for the implementation of the Green deal and Just transition mechanism. As well they provide in diverse formats education and support to the business to stimulate sustainable operations

and to minimize the impact on the environment. 13



<sup>11</sup> https://green.b2bmedia.bg/

<sup>12</sup> https://cleantech.bg/en/project/climate-kic-accelerator-bulgaria/

<sup>13</sup> https://move.bg/pismo-january-bg



# List of references, web links:

European Commission, SBA Fact Sheet 2019 Bulgaria - <a href="https://ec.europa.eu/growth/smes/sme-strategy/performance-review">https://ec.europa.eu/growth/smes/sme-strategy/performance-review</a> en

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INFORMATION SYSTEM FOR MANAGEMENT AND MONITORING OF EU FUNDS IN BULGARIA, 2020 - <a href="http://2020.eufunds.bg/en/5/0/Project/Search?Prior=%2FaWur0rQh9Q%3D&Proc=%2BP8WkA18Nv0">http://2020.eufunds.bg/en/5/0/Project/Search?Prior=%2FaWur0rQh9Q%3D&Proc=%2BP8WkA18Nv0</a> %3D&ShowRes=True&IsProgrammeSelected=False&IsRegionSelected=False

Directorate General "European Funds for Competitiveness", 2020 - https://opic.bg/news

The EEA and Norway Grants, 2020 - <a href="https://www.innovasjonnorge.no/en/start-page/eea-norway-grants/Programmes/business-development/Bulgaria/">https://www.innovasjonnorge.no/en/start-page/eea-norway-grants/Programmes/business-development/Bulgaria/</a>





# Green Practise 1 - Bottled water without a plastic label

Company name: Aspasia-92 LTD

Size: 100 - 250

Industry: Manufacturing soft drinks, Bottled water

Years of Existence: 29

# Description of the green practices involved:

- Goals

Aspasia-92 LTD is the first company in Bulgaria to produce plastic bottle water without plastic labelling. The company operates in the Bulgarian market since 1992 and due to the new progressive leadership in 2018 begins to produce new plastic bottles due to transition into greener operations.

They have implemented a new way to stamp the necessary information and logo on the bottle itself. This new practice eliminates more than 1,5 tons of labels per year, which saves not only costs and resources but also significantly reduce waste.

The unique bottle also contains Braille inscription which makes the product suitable for visually impaired people as well, it is 100% recyclable and in lighter packaging.

For every 1000 bottles sold Aspasia is planting 2 trees. An alternative campaign is running as well for every 1000 bottles sold with the usual plastic label for which the company is donating the plantation of 1 tree.

The company also makes regular donations of bottled water in different cities in Bulgaria.

- Procedures, Activities, Phases

The idea of the new way of bottling the water comes from the management of the company that wants to empower a new set of corporate values into daily operations. They have made a research on different technical solutions in terms of production and environmental footprint. After the research, they have decided to invest in a new production line and to launch to the market water first bottles without labels.

## Description of the implementation:

Investments and running costs

A relatively big investment was made in order to be able to produce such bottles. They have expectancy this investment to be returned in 5 to 6 years.

The new production is connected with a heating system of the administrative building of the company. This way they use the energy produced during the bottling for heating purposes. This allows them to reduce a big part of their previous heating costs.

- Challenges

This practice is facing challenges when it comes to customers and their way of perceiving the new labelling of the bottles. A group of customers does not recognize the bottle as a water





product. Another group of customers has the reception of a low range price segment product since the lack of label.

The company has made a research among different target groups to get more information and how to increase the interest of the customers.

Because of the market resistance, the company launches the initiative for tree planting for every 1000 bottles of water realized on the market. For those 1000 bottles with the plastic labels, they plant one tree, for 1000 bottles with the new stamp technology they plant 2. By this campaign, they try to educate the market about the benefits of using less plastic while bottling.

- Results of implementation

Currently, the water is performing well on the market. The environmental impact is estimated to 1,5 tons of reduced labels per year and a drastic drop in external energy usage by the administrative buildings of the company.

# Description of the communication:

- Internally (towards the employees)

Before the start of the implementation of the new production process, the management has released a survey among the employees about the different options for labelling (stamping and using plastic rings). Due to the surveys' results, the management has seen the need for training to the employees. Most of the employees did not recognize the water with no plastic label as a water product. Some of them shared the thoughts that the plastic bottle is refilled and used the second time. These negative associations are still bottlenecked for the whole product. But the company invests in different marketing and communication approaches in order to overcome the negative assumptions.

They have received great support from environmental NGOs in terms of improving the awareness of the environmentally friendly bottle.

The resistance from the internal sales and distribution department was overcome by providing different educational pieces of training for the benefits of the reduced plastic usage and the branding of an eco-friendly product.

Externally

The company's direct customers are the big retail chains, so they focused on providing information via the sales department. Besides that, they had several product give-aways and standard digital communication channels

Possible alignment with the company's CSR
 The practise is aligned with the new set of corporate values that the company has adopted.

# Financial details explanation:

Expected ROI in 5-6 years.

# Lessons Learnt

That there is some market resistance when launching new products with non-conventional design. However, with good education, this can be easily overcome.





One very important finding was that the water performed much better when it was introduced to the higher segment of the market.

In their opinion, the Bulgarian customer is still not ready to embrace such changes in products.

# Visual materials and links:

https://ekoh2o.bg/















# Green Practise 2 - Eco at the core

Company name: Musala Soft

Size: **500** 

Industry: IT-Software Services

Years of Existence: 20

# Description of the green practices involved:

Goals and Procedures, Activities, Phases

The company has implemented directly in its culture and values a strong holistic environmental responsibility policy.

Musala Soft has demonstrated its effectiveness in managing environmental impact by maintaining an ISO 14001 and ISO 26000 compliance and achieving certification by the standard.

The direct measures: to reduce energy consumption, air emissions and waste.

Main goals of the practises:

Musala Soft has integrated into their culture and values environmentally friendly thinking and way of operating. Each employee that joins the company gets involved in this way working, following the example of their coworkers, and in this manner, it is formed a strong and consistent responsibility to the environment.

Musala Soft tracks every year and keep records and set goals of its Significant Environmental Aspects. For each significant environmental aspect, there is a quantitative representation in terms of an environmental indicator, which is used as a tool for assessing environmental performance and reporting on progress towards sustainable development.

Electricity consumption:

Measures that were taken:

- Virtualization of storage space, servers, and network resources where reasonable reduce power consumption, noise and heat output, as well as hazardous waste;
- Use an external Data Center for high consuming devices;
- Observe energy efficiency policies.
- Generated GHG emissions to air company use a vendor calculator to reveal what is their impact on air pollution. Metric is GHG emissions generated by electricity use and Unit of measurement tCO2/MWh (per employee). They make calculations about the use of fuel for transportation Fuel use for a company car, Fuel Used for Air Travel, Kilometers travelled by taxies. Measures were taken:
- Observe using tele- and video-conferencing when possible





- Preferably use of eco-friendly airlines for business flights
- Use of public transport, instead of a company car or taxies when possible
- Alternative ways for going to work use a bicycle, go walking when reasonable
- Generation of waste

#### Measures taken:

- Paperless office continue and extend where possible usage of internal systems for automating business processes and administration activities
- All documentation is kept digitally
- Usage of high-quality equipment for printing/faxing with economical use of consumable materials
- Waste separation eco-bins for PLASTIC, PAPER and separate storage rooms for

Aspect	Objective	Target 2019
Electricity use	Increase efficiency, reduce electricity use and reduce GNG emissions	2% reduction of electricity use compared to 2018 2% Reduce emissions compared to 2018
Consumption of paper for copying, faxing, printing	Reduce annual paper & printing purchases	3% reduction of paper purchased compared to 2018
Generation of waste paper and cardboard	Recycle paper & cardboard waste	5% reduction of waste from paper compared to 2018
Generation of waste from batteries, toners	Recycle waste where possible	10% reduction of waste from batteries and ac- cumulators compared to 2018
Generation of waste from plastic materials	Reduce waste	5% reduction of waste from plastic compared to 2018
Use of fuel for air travel	Reduce emissions	1 % Reduce emissions per employee compared to 2018

paper/cardboard waste, toners, batteries and obsolete equipment

- Waste recycling use only licensed companies for waste disposal, authorized for recycling waste in a sustainable manner
- Economic use of paper Print double-sided, Print More than One Page Per Sheet, Use Print Preview and Shrink to Fit, Only Print the Selection You Need, Print to PDF Instead of Paper
- Environmental company awareness initiatives focused on promoting waste segregation.

### Goals for 2019:

Musala Soft has organized and participated in many green events externally and internally. During all events the company follows the same practices as in the office – recycling of the waste, using reusable or environmentally friendly materials and minimize their impact on the environment.

Some examples: participation at the World Cleanup Day, Green workshop for the children of the Musala Soft's colleagues. Event part of the initiative "Да изчистим България заедно", — Musala Soft sports weekend— 10 km marathon, Musala Peak climbing in Rila Mountain and etc.

Musala Soft and ISO 26000





ISO 26000 is a voluntary International Standard providing guidance on social responsibility. Musala Soft recognizes ISO 26000 as a reference document which provides guidance on social responsibility. Musala Soft aligns with the ISO 26000 standard as part of their social responsibility practices.

# Description of the implementation:

- Investments and running costs

Due to the consistent tracing of the company's fuel and energy consumption and the implemented measures in the aim of reducing pollution, the organization has decreased its costs for these resources.

- Role of digital technologies

In the current situation with COVID-19 and shifting from working in the office and group meetings in person to home office and work from anywhere the digital technologies are paying extremely important role. Due to this change the company has significantly decreased the air and card travel for work as most of the conferences and meetings are conducted online. Musala soft uses different communication platforms like MyMusala - a mobile application and web portal that informs colleagues about all current news and events and VING – a company solution for conference video calls and meetings.

# Results of implementation

As a consequence of ongoing partnerships and the integration of newly employed people in different locations, additional business travels take place. However, Musala Soft managed to decrease the level of harmful emissions from air transport through 2018 in comparison with the previous period. Electricity used for manufacturing, heating, lighting has decreased by 1,8%, Emissions to air -1,8%, Kilometers travelled by taxies -20%, Paper, and cardboard -8%, Batteries -3%, Plastic -10%

Following a Code of Conduct, they have strived to facilitate the communication between the employees in the different locations in order to provide opportunities for better integration of the team members and to create an efficient working environment.

They develop an internal communication platform that will help them to achieve these goals. Furthermore, they are implementing a new way of calculation of emissions in the company as per employee, in order to determine more accurate indicators, to measure that we will meet the company long-term plan, considering the business growth.

# Description of the communication:

- Internally (towards the employees)

As the company has implemented in their values and cultural preservation of the environment, their employees are motivated to act and participated in the green practices.

The company is encouraging employees to propose and discuss ideas and initiatives that are ecofriendly. The department of Public communications and people care of Musala Soft organizes Creative





pool every few months so employees can present their ideas with a clear goal, budget, and timeline which later or are presented to the management for approval.

In addition to that, the department has created a green skype chat where participates can discuss and exchange ideas.

Due to the openness of the management towards environmentally friendly ideas and events, the employees feel motivated and encouraged to take part and share ideas.

- Externally

Website, social media & company identity.

- Alignment with the company's CSR

Musala Soft's Corporate Citizenship commitment is consistent with the CSR and Environmental Policy and Musala Soft Code of Conduct - all essential for continued business success. The Musala Soft ISO 14001 certified companywide environmental management system is used to manage and drive a continuous reduction of adverse environmental impacts.

# Financial details explanation:

All measures are directly incorporated into the company's budget. They have no limited amount per year. Instead, they are investing in everything they find reasonable as a change/initiative.

# Lessons Learnt

The most remarkable thing about Musala Soft's green initiatives is the fact that the company has been established as a sustainable one and managed to transfer the belief that everyone is responsible for the environmental footprint during its growth up to 500 employees.

The environmental action is not just an addition but a core value that is visible at every layer of the company and communicated constantly.





# Visual materials and links:







 $\underline{\text{http://www.musala.com/wp-content/uploads/2019/09/Corporate-Citizenship-and-Environmental-Performance-}\underline{2017.pdf}$ 



# <u>Green Practise 3 - Smart Farming - Implementing an</u> innovative digital system in farming production

Company name: Otbrani

Size: 30 + with seasonal workers 300

Industry: Farming

Years of Existence: 20

# Description of the green practices involved:

- Goals

The farm "Otbrani" grows different types of berries on the area of 900 hectares and has more than 20 years of experience. They operate in the Bulgarian market by selling directly to the big retail chains.

The grows crops in which the precise irrigation and fertilization, in accordance with the climatic conditions and the stage of growth is of utmost importance.

In conditions of frequent droughts, adapted irrigation is needed, while at the same time it is important to save the available water resource.

Due to the need to optimize costs and to become more resource sustainable, the farm is looking for solutions to implement automation of irrigation and fertilization.

- Main goals of the practises.

The farm "Otbrani" grows different types of berries on the area of 900 hectares and has more than 20 years of experience. They operate in the Bulgarian market by selling directly to the big retail chains.



The crops are grown with precise irrigation and fertilization, in accordance with the climatic conditions and the stage of growth is of utmost importance.

In conditions of frequent droughts, adapted irrigation is needed, while at the same time it is important to save the available water resource.

Due to the need to optimize costs and to become more resource sustainable, the farm is looking for solutions to implement automation of irrigation and fertilization.

Procedures, Activities, Phases.



Since the business is family-owned they are in capacity to introduce and decide over the investment in the automatized system relatively fast.

After research for innovative solutions, they choose a system that is digitally controlled. The optimization of this process includes controls over 1 main pump or 1 main valve, 12 irrigation valves and 1 water meter. In terms of fertilizer application controls up to 3 dosing channels and 1 dosing booster pump.

An innovative software platform allows the creation of programs for irrigation programs and visualizes historical data about the processes, allows activation of alarms in case of accidents and adaptation of irrigation and fertilization according to the weather forecast for the next 3 days.

By using precise irrigation and fertilization, the team of "Otbrani" ensures that the plants are supplied with the optimal amount of water and nutrients. Thanks to this innovation the farm registers a significant increase in production. The technical team manages and controls the irrigation from their mobile devices even before they reach the farm. The farm also registers significantly less water consumption compared to previous years.

# Description of the implementation:

- Investments and running costs

The initial investment has been returned in 8 months due to the saved water, natural fertilizers, and increased production.

Challenges

The management shares that they have faced almost no major challenges during the transition of the irrigation.

- Role of digital technologies

In this practise, digital technologies play an incredibly important role. The software of the system calculates the usage of the resources by tracing different indicators such as weather forecast.

- Results of implementation
  - o 30% less water consumed
  - o 20% less use of fertilizers
  - o 20% increase in production

All of this let to more sustainable farming and less impact on the environment.

## Description of the communication:

Internally (towards the employees)

During the transition, the employees received extensive training on how to control and manage the system via their smartphones.





# Financial details explanation:

One of the main costs – water was reduced significantly because of the investment.

# **Lessons Learnt**

The overall impression of the owner was extremely positive over the digitalization and the optimal usage of the water resources. He beliefs that digital technology and automatization is a key for a producer – big or small.

Visual materials and links





https://ondo.io/bg/clients/otbrani





# <u>Green Practise 4 – "Eco-employer" 2019 award winner</u> PostBank creates diverse initiatives and Green Board

Company name: PostBank

Size: >250

Industry: Banking

Years of Existence: 30

# Description of the green practices involved:

- Goals

The main aim behind the implementation of the green practises starts in 2013 with the clear goal to be created sustainable corporate social responsibility policy with a focus on the environment. In 2017 - 2020 is established a wholistic system for corporate social responsibility with strong bottom-up culture.

- Procedures, Activities, Phases

The main aim behind the implementation of the green practises starts in 2013 with the clear goal to be created sustainable corporate social responsibility policy with a focus on the environment. In 2017 - 2020 is established a wholistic system for corporate social responsibility with strong bottom-up culture.

The first eco campaigns of the company started in 2008 under the initiative "Green start with PostBank" which is an internal campaign dedicated to increasing the environmental awareness among the employees.

The second major phase was in 2013 when the bank established a Green Board. Some of the board members are representatives of structural units in the bank, which are essential for the implementation of its environmental policy ("Operations", "Buildings", "Human Resources", "Corporate Communications" and "Information Technology"). The other members are colleagues who hold various positions in the company. The Bank's Green Board operates according to a pre-approved annual strategy and holds regular meetings.

Between 2013 and 2017 the bank realized diverse micro initiatives in order to promote "green behaviour" among the employees and the local communities.

In 2017 PostBank restarts the green project for corporate social responsibility of the bank, which already has a new name and a new logo. "Green Together" unites in one complete program all activities of Postbank to promote environmentally responsible behaviour. The main focus is on the little things that each of the employees can do "here and now". The goal for 2017 - 2018 is to analyse and minimize the negative environmental impact of the bank on the environment by reducing electricity consumption, paper consumption, carbon





emissions of the bank as a whole and to implement the strategy "Reduce" adopted by our Green Board.

"Heroes in Green" is internal competition between the employees. They are given the opportunity to propose their own ideas under the program "Green Together". Each year different teams form based on interest and realise a diverse set of internal and external projects. Some of the winning proposals that the bank has implemented are:

- o Changing the bank's internal procedures to ease the regime for issuing paper statements for business clients.
- o Switching entirely to electronic archives and document exchange, and the symbolic project "Electric Diet", held in the hours with a smaller flow of customers in one of the branches of the bank.
- o Installing a special highly innovative foil on the building of its Head Office, which acts as insulation and leads to a significant improvement of the microclimate in the building of about 20,000 square meters, which employs nearly 1,000 employees of the bank.
- o using a special camera for thermographic inspections of buildings and equipment. It allows for extreme precision in the preparation of analyzes of energy efficiency, as well as problem areas in its buildings and the equipment in them.
- o developing a comprehensive waste management policy. The main types of banking waste paper and toners are recycled.
- o Equipping the Central Office building with tap water treatment machines, which eliminates the use of plastic bottles of mineral water. This significantly reduces the amount of waste plastic that the bank uses.

"Outdoors Green Stories" is an additional project aiming to renovate different trekking paths in Vitosha mountain. Regularly employees of the bank volunteer to work towards protection of the Bulgarian nature. They install information signs for the typical plant species in the area, assemble a wooden bridge, clean the area and refresh the benches and swings so that there is a place to rest in the comfort of the majestic native mountains.

## Description of the implementation:

- Investments and running costs

Main investments are made in the development of sustainable practices both in terms of its business processes, leading to the reduction of resources used and environmental risk management in corporate lending, and for the formation of socially responsible behaviour in its employees and the general public.

Some of the largest environmental investments of Postbank are for optimizing the energy efficiency of its office buildings and the development of projects of public importance, including - cleaning of polluted public areas, afforestation campaigns.





- Role of digital technologies

One of the key technologies used for achieving the goals connected with the strategy "Reduce" is the implementation of digital signatures. Alone this change leads to 40% less paper usage in a year.

- Results of implementation

The direct result of "Heroes in Green" is the optimisation of corporate processes which leads to reducing the time for serving a client and increased customer satisfaction. The bank has also reduced the costs for office supplies by introducing more responsible behaviour of the employees. The reduction in energy costs is achieved as well.

# Description of the communication:

- Internally (towards the employees)

The first campaign "Green start with PostBank" was completely dedicated internally. It was created a variety of infographics with useful daily tips. The infographics were distributed in the office areas to encourage responsible behaviour among the employees. In order to provide additional engagement with the campaign — it was introduced an internal competition between the different branches of the bank with rewards.

Better communication is achieved because of the way the Green Board is designed. The key department managers are members, so they spread better the information and serve as ambassadors of the diverse campaigns.

"Heroes in Green" gives the opportunity to the employees to realise their own environmental ideas supported by the bank. They also can propose a change in the conduct of the operations which empowers and stimulates a bottom-up culture.

Communication campaigns are held annually among employees on the importance of recycling and separate waste disposal.

- Externally

Website, a dedicated section for Green Initiatives and other dedicated section for the outdoors projects, green business awards participation.

Green Together is communicated by a series of short videos with recommendations and tips.

Possible alignment with the company's CSR
 Yes, there is a clear focus of the wholistic CSR policy that has 2 pillars – environment and financial literacy.

### Lessons Learnt

Establishing a Green Board with members from different departments plays a key role in ambassadorship of the programs. The high engagement levels are based on the freedom that the employees have to propose their own projects within the bank's strategies.





However, one of the key measures was the consistent communication towards the employees and the initial investments in campaigns increasing environmental awareness. **Visual materials and links** 

## Visual materials and links

Green Together video: https://www.youtube.com/watch?v=WS8FouP4W\_A

https://www.youtube.com/watch?v=kZh-YMHxuIo

https://www.youtube.com/watch?v=TIQeRemovKQ

https://www.youtube.com/watch?v=fNaZlOZuxkA











Outdoors Green Stories:

Video: https://www.youtube.com/watch?v=kmuFbxM5QBw&feature=emb\_title



https://mediacenter.postbank.bg/category/social\_responsibility/green\_initiatives/

https://mediacenter.postbank.bg/category/social\_responsibility/zeleni-istorii-na-otkrito/

# <u>Green Practise 5 - IT company switches to zero-waste</u> <u>alternatives</u>

Company name: Melon AD

Size: 170

Industry: IT

Years of Existence: 17





## Description of the green practices involved:

- Goals
- 1) Melon Offices

The main goal was to eliminate all single-use plastic items in our offices and switch to ecological and/or zero-waste alternatives. In order to reduce the company's environmental footprint, they have focused on recycling at all their offices and decided to go plastic-free.

# 2) Organization of E-waste day

Since they have recognized only 20% globally of the E-waste in 2019 is formally recycled, decided to have a dedicated day to gather different equipment was from employees and partners and recycle it with a partnering company. The main goal was to increase the awareness over the produced E-waste and to encourage people to act sustainably promoting to Repair and Reuse the devices and if not – to treat them properly.

- Procedures, Activities, Phases

The project started with a detailed analysis of the use of disposable plastic in their offices in Bulgaria and in the Republic of North Macedonia – all usages were listed and described accordingly.

Afterward, it was conducted research for possible alternatives and picked the most suitable ones.

The criteria that were used to determine the replacement were divided into 3 main areas:

- ecological impact calculating the impact on the environment.
- availability what was available on Bulgarian market as a replacement product with proven benefits over the environment.
- price what were the cost-effective solutions.

The exact measures were following:

- They have provided all employees with shared glass lunch boxes to take with them when they buy ready-made food. After each use, the lunch boxes are properly washed and made available again, just like ceramic plates.
- They have replaced plastic water gallons with installed machines for filtered tap water in our offices.
- No more plastic containers for hand & dishwashing soap. They have ordered reusable containers, and we are exploring other options for detergents.
- The dish sponges and kitchen cloths were replaced with biodegradable cellulose alternatives.
- No more regular trash bags. Since the biodegradable alternatives were quite expensive, they have decided to switch to using recycled trash bags until the biodegradable solution becomes more accessible.
- All plastic cups, dishes, and cutlery were replaced with ceramic reusable ones.





- They have replaced wet wipes with bio-friendly hand sanitizers.
- Since coffee is pretty important, and they could not simply stop ordering it, but we've switched from plastic or aluminium packages to freshly baked coffee in paper bags.
- All physical marketing supplies are from recyclable materials.

Additionally, at all offices located in Bulgaria, they have containers for plastic bottle caps. They gather them to give them to a charity organization that collects around 70 tons of plastic caps and using the money, they raised from the recycling supported 35 hospitals to buy incubators for new-borns.

## 2) E-waste day.

First, they have informed the employees over the definition of E-waste and presented data from the Global E-waste Monitor report for 2017.

The six e-waste categories they presented:

- 1) Temperature exchange equipment such as refrigerators, freezers, air conditioners, etc.
- 2) Screens including televisions, monitors, laptops, notebooks, and tablets
- 3) Lamps like fluorescent, high-intensity discharge, and LED
- 4) Large equipment including washing machines, dish-washing machines, electric stoves, etc.
- 5) Small equipment such as vacuum cleaners, microwaves, toasters, etc.
- 6) Small IT and telecommunication equipment like smartphones, GPS, printers, etc.

Afterwards, they partnered up with a company specialized in e-waste disposal to take care of the collected waste. They asked their colleagues and neighbours and partners to bring the e-waste they have at home and have no idea how to dispose of it.

# Description of the implementation:

- Investments and running costs

They stated that unsurprisingly, most plastic-free and ecological alternatives to main-stream products are more costly, but they were willing to invest in maintaining a more sustainable business model and value higher the environmental impact contribution.

Challenges

Because of the location of some of the offices, no plastic-free substitutes for many of the commonly used items were available. However, they have made their best effort to reduce the use of such products to a minimum.





- Results of implementation
  - 1) Green Offices Their offices significantly reduced their environmental impact and became greener. After assessing the impact, thanks to our plastic-free approach, now they eliminate 160kg+ of plastic trash per year:
    - 11K+ trash bags,
    - 750 milk boxes,
    - 560 coffee packages,
    - 230 dish sponges and kitchen cloths,
    - 127 hand soap bottles,
    - 100+ soft drinks bottles,
    - 90 dish soap bottles.

## 2) E-waste

In a day, they gathered:

- Large equipment waste 120 kg.
- Small equipment waste 52 kg.
- Small IT and telecommunication equipment 143 kg. -
- Screen waste 105 kg.
- Batteries 40 kg.

Total of 460 kg.

Besides that, the biggest impact was the significantly increased awareness of the topic among the employees

# Description of the communication:

- Internally (towards the employees)

They have prepared a detailed presentation that they shared with everyone in the company. It included general information regarding the importance of the initiative and specifically calculated the impact in terms of environmental footprint.

- Externally

Via blog post and social media channels.

- Possible alignment with the company's CSR

Yes. During drafting their CSR policy, they have executed an internal survey among their employees, and it has become clear that all their developers are very eager and care deeply about preserving the environment. That is why, as a company, they have put special effort into becoming plastic-free. Environmental protection is one of the main directions of their CSR policy.

# Financial details explanation:

Their office costs increased approximately double, but in general, they are a very small percentage of their overall budget.





# **Lessons Learnt**

Even though at the beginning it seemed like a very hard and time-consuming initiative, it turned out to be easier and cheaper than expected.

It is good that the public awareness of the importance of individual and corporate environmental footprint is growing and this gradually leads to an increased amount of eco substitutes for commonly used consumables.

## Visual materials and links

https://www.melontech.com/blog/2020/melon-offices-go-plastic-free

https://www.melontech.com/blog/2019/melon-s-e-waste-day















# Conclusions & recommendations

Even before the COVID-19 pandemic, the Bulgarian business environment showed performance below the EU average. The funding opportunities for the SMEs for green innovations are limited despite the key role they have in the process of environmental transition and economic growth. Given the employment rates in SMEs (around 75%) and their added value to the economy, no actual change would be achieved without the promotion of accessible mechanisms for a transition. Regardless of the fact that their individual contribution to the climate goals might be considered small, their combined effort is a true game-changer.

Most of the needed legislation is in place, but access to funds is not strictly related to the promotion of more environmental measures. The financing is highly dependable on the EU structural funds and the Norwegian mechanism. There are very few local initiatives indicating an effort to support SMEs development.

However, the non-governmental sector possesses deep expertise and provide guidance for the Green Deal implementation and Just transition measures.

During our research of awarded companies in green performance, we concluded as well that the major award winners are the local branches of international companies. Industries such as IT, Banking and production have a leading role among winners.

Reporting on environmental measures such as sustainability reporting is adopted in very few and most international companies and it's mainly connected with the ISO 14001 requirements. The mandatory reporting managed by the Ministry of the Environment and water is limited to industries with severe environmental impact and does not stimulate measures towards the SMEs. Our research showed a diversity of CSR environmental events. However, most of those campaigns are executed as once per year events which leads to less sustainable impact.

Most of the successful implementations of green practices in the Bulgarian companies are driven by new and more environmentally responsible leadership that drives the enterprises into transformation. For some of the practises it is visible that empowering the employees and creating a bottom-up culture plays a key role. Creation of green board, open systems for communication between the employees and management company's culture and values are important aspects of the transition.

In conclusion, we would like to point out that there is a lot to be implemented in the Bulgarian environment in order for the SMEs to grow and act sustainably and with minimized footprint. The environment for that is yet to be developed. The way Bulgarian SMEs recover from Covid-19 economic consequences has a crucial role in improving the environmental performance of the country. The first step towards that is the increased environmental awareness and education.



