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## People vs. Profit: A Misleading Dichotomy



## Good Practices of Social Entrepreneurship and Corporate Social Responsibility

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**CENTRE for SOCIAL INNOVATION  
and ENTREPRENEURSHIP**

## **Compendium of good practices of corporate responsibility, social entrepreneurship, and social innovation**

This compendium is developed within the frame of Project: BUSINESS EDUCATION FOR SUSTAINABILITY: TEACHING CORPORATE SOCIAL RESPONSIBILITY AND SOCIAL ENTREPRENEURSHIP FOR SUSTAINABLE LOCAL AND REGIONAL DEVELOPMENT

*Photo on front cover: depicts the work of the social enterprise Bread Houses Network – Bulgaria*

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<b>Introduction.....</b>	<b>5</b>
<b>United Kingdom: Good Practices of Social Entrepreneurship .....</b>	<b>7</b>
CASE.....	7
The Jericho Foundation .....	11
Access2Business .....	14
The Big Issue.....	17
<b>United Kingdom: Good Practices of Corporate Social Responsibility.....</b>	<b>22</b>
Birmingham City Council (public sector).....	22
Severn Trent Water (STW) .....	27
Whitbread .....	30
Willmott Dixon .....	36
<b>Bulgaria: Good Practices of Social Entrepreneurship.....</b>	<b>40</b>
The Bread Houses Network - Bulgaria .....	40
Maria’s World Foundation .....	45
Social Enterprise “Pchela” .....	50
Betel Bulgaria Foundation.....	54
Pia Mater Home Patronage.....	58
<b>Bulgaria: Good Practices of Corporate Social Responsibility .....</b>	<b>62</b>
IKEA Bulgaria .....	62
Telenor.....	66
Mobiltel EAD .....	72
Danone Serdika AD .....	75
LEV INS .....	78
<b>Spain: Good Practices of Social Entrepreneurship .....</b>	<b>81</b>
Mas la Llum .....	81
ATADES-GARDENIERS .....	83
Aportia Consulting (LLC) - Special Center of Employment.....	87
<b>Spain: Good Practices of Corporate Social Responsibility.....</b>	<b>89</b>
SARGA, Aragonese Society on Agro-environmental Management.....	89
INSTRUMENTACIÓN Y COMPONENTES S.A .....	94

MAZ Mutua Colaboradora con la Seguridad Social nº 11 (MAZ Mutual Insurance Company collaborating with Social Security n. 11).....	98
Company name: IMPLASER 99 S.L.L. ....	101
Company name: INDUSTRIAS QUÍMICAS DEL EBRO .....	105
<b>Portugal: Good Practices of Social Entrepreneurship .....</b>	<b>107</b>
EPIS – EMPRESÁRIOS PELA INCLUSÃO SOCIAL.....	107
BANCO DE INOVAÇÃO SOCIAL - BIS, SANTA CASA DA MISERICÓRDIA LISBOA.....	110
PROVE – Promover e Vender .....	113
IPAV – Instituto Padre António Vieira - “More Employability” programme.....	116
<b>Portugal: Good Practices of Corporate Social Responsibility.....</b>	<b>119</b>
DELTA CAFÉ.....	119
Câmara Municipal de Torres Vedras (public sector) .....	121
EAmb - ESPOSENDE AMBIENTE, E.M. ....	124
Águas do Noroeste, S.A. (AdNw).....	128
F3M – Information Systems S.A. ....	132
Caixa Geral de Depósitos .....	135
<b>Greece: Good Practices of Social Entrepreneurship.....</b>	<b>138</b>
“ΜΥΓΔΟΝΙΑ” - “MYGDONIA” .....	138
«ΑΜΦΙΤΡΙΤΗ» - “AMFITRITE”.....	140
“Καλλονή - Κελιά Τήνου” – “Kalloni – Kelia Tinou” .....	143
Κοιν.Σ.Επ. “Γη Θεσσαλίας” – Koin.S.Ep. “Gi Thessalis” .....	145
“ΦΥΛΩ” Κοιν.Σ,Επ. – “ PHILO” Koin.S.Ep.....	147
<b>Greece: Good Practices of Corporate Social Responsibility.....</b>	<b>149</b>
EPSA SA .....	149
Athens Brewery .....	151
CABLEL .....	153
FOURLIS GROUP .....	156
Cooperative Bank of Thessaly .....	158
<b>Turkey: Good Practices of Social Entrepreneurship .....</b>	<b>161</b>
Cop(m)adam.....	161
Genctur .....	163

The Buğday Association .....	165
The Dreams Academy .....	167
<b>Turkey: Good Practices of Corporate Social Responsibility .....</b>	<b>170</b>
THE BODY SHOP .....	170
COCA-COLA .....	173
PEPSICO .....	176
TÜRKİYE İŞ BANKASI .....	178
ŞİŞECAM .....	180
List of other Corporate Social Responsibility projects in Turkey .....	184
<b>Lithuania: Good Practices of Social Entrepreneurship .....</b>	<b>185</b>
NGO „SOCIAL SUPPORT PROJECTS” - Salad Bar “MY GURU” .....	185
Joint stock company (AB) “VILNIAUS BALDAI” - subsidiary company UAB “ARI-LUX” .....	188
Private Joint-Stock Company (UAB) „BSS Grupe“ .....	190
Private Joint-Stock Company VIREMIDA .....	192
Private Joint-Stock Company REGSEDA .....	194
<b>Lithuania: Good Practices of Corporate Social Responsibility .....</b>	<b>196</b>
Lietuvos energija .....	196
PakMarkas .....	202
Klaipėdos baldai AB .....	205
MG Baltic Group .....	208
Concern Achema Group .....	212

## Introduction

This compendium presents case studies of social enterprises and corporate social responsibility from seven countries: Bulgaria, Greece, Lithuania, Portugal, Spain, Turkey and the UK.

### *Good practices of social entrepreneurship*

The selected social enterprise case studies depict entities that develop social-impact driven business activities rooted in the local context of the specific country and serve the needs of the community in which they operate. Yet they offer insights and transferrable solutions for social enterprises elsewhere. They contribute to our understanding of how social enterprises in Europe operate by blending social and financial goals, how they struggle to create a workable business model, how they grow or fail to grow and what they, as well as states and societies, can do to make the social enterprise sector sustainable.

In this compendium we use “social entrepreneurship” as an umbrella term for a variety of case studies of social economy organizations, social enterprises and classical social entrepreneurs (as defined by the Anglo-American approach). The following general observations should be taken into account when using the case studies:

- In the project countries the distinction between private and public sector is not clear cut when it comes to the operations of social enterprises. The same is true of the distinction between social enterprises and non-profit organizations. An obvious market / commercial approach and a high degree of self-funding and financial sustainability (two features that are highly valued in the Anglo-American approach) are not particularly common among the social enterprises in the project countries. The case studies presented here point to a tendency to maintain a funding mix of commercial earnings and non-market resources such as public funds, donor-provided financing and EU funding, with non-commercial resources typically being indispensable for financial sustainability. Many of the case studies point to the conclusion that the social enterprise solutions have originated in a non-profit activity that has taken a more market-oriented turn, yet still depends heavily on donor support to be viable on the market.
- Despite their intermediate and hybrid nature, the social enterprises presented here are still closer either to the public or the non-profit sector. In a few cases they are closer to the private sector. Questions have arisen as to whether public and non-profit entities meet respectively the “autonomy from the state” and the “substantial economic activity” criteria that are vital if they are to be called social enterprises in the first place. Some public sector organizations and traditional non-profit organizations can be borderline cases that cannot be easily excluded from the social enterprise category, yet can fit into this category only if several criteria are relaxed. This are the cases of public sector organizations that are only partially independent from the state budget but do engage in economic activity or provision of services, or the cases of traditional non-profit organizations engaged in activities that are not directly commercial or economic but may be directly related to the development of economic activities (e.g. non-profit organizations providing entrepreneurship training and mentorship support). In the course of this project, several such borderline cases appeared and there was notable disagreement as to whether or not they are social enterprises. In this compendium

they are labelled as “borderline” cases. We believe they still present some important insights about the development of the social enterprise sector.

- The case studies suggest that in Europe social enterprise is about collective solidarity-based efforts and solutions rather than about individual business leadership and visionary strategies.
- Social enterprises in the project countries are frequently too new to be regarded as best practices. We have labelled them as good practices and we wish to note that almost all of them are subject to further research in order to measure their impact and sustainability.

#### *Good practices of Corporate Social Responsibility*

The compendium presents socially responsible practices of for-profit business in the seven countries. Research for this compendium suggests that it is rare to find companies whose corporate responsibility is directly and strongly integrated into core business operations and is thus geared toward creating shared value, i.e. creating value for the business and shareholders in a way that also brings value for external stakeholders and society at large. Most of the companies in the project countries maintain a corporate social responsibility mix of sponsorship, engagement with social causes in line with the company’s values (and not so much with the company’s market operations) and efforts aimed at creating shared value. All of these case studies, however, demonstrate that socially responsible behaviour of business can bring about a competitive advantage that outweighs the costs associated with responsibility. They also stress the importance of adapting Corporate Social Responsibility practices to the specific needs of societies and local communities. Finally, the examples also demonstrate that business can contribute to a shift toward an economy that is socially inclusive, just and environmentally sustainable, and that each future business leader can be an agent for change and a force for good.

## United Kingdom: Good Practices of Social Entrepreneurship

**Company name:** CASE

**Author:** *Charlotte Carey*



**Country/region of operation:**

UK

**Thematic area:**

Education/Business support

**Description of the social enterprise:**

CASE is ostensibly a self-sustaining business support agency for social enterprises. Specifically, profits from paying customers (social enterprises, universities' and other businesses) are used to provide free business support to new, social enterprises from the student body and alumni. Although strictly speaking CASE is not a social enterprise (due to its close affiliation with the University of Huddersfield) it operates using the principles of a social enterprise. As such its inclusion is seen as worthy case study offering insight to new and emerging hybrid models of social enterprise and social innovation.

CASE runs out of the University of Huddersfield's Enterprise Team. The organisation was established with funds from UnLtd.

“UnLtd is the Foundation for Social Entrepreneurs, a UK registered charity set up in 2002. Our job is to reach out and unleash the energies of people who can transform the world in which they live. We call these people social entrepreneurs. Social entrepreneurs seek to solve social problems through entrepreneurial solutions. This can be anything from improving your community, breaking the cycle of re-offending, closing the attainment gap in education, solving health issues we face as a nation, or reducing isolation amongst elderly. UnLtd helps social entrepreneurs at the early stages of their journey.” (UnLtd, 2015)

Philip Clegg who co-runs CASE bid for funds through the UnLtd 'SEE-Change' programme, which sought to raise the profile of social enterprise.

### **Social impact sought:**

Having been developed through the University's Enterprise Team who operate from the Duke of York Young Entrepreneur Centre, which is located in the 3M Buckley Innovation Centre, the social impact sought is driven from a desire to widen participation and take-up of social enterprises amongst the student and alumni body.

The ethos of CASE is to operate to a social enterprise model. Whilst it is still very developmental they have recently developed and have increasing international work.

“CASE Future, (conceived to increase awareness and knowledge of the Social Enterprise ethos), has a key objective: to establish sustainable and specific Social Enterprise Business Support at the University of Huddersfield (UoH).

Importantly, CASE also operates to this ethos: trading services externally to generate income, and delivering free support alongside building a ‘Proof of Concept’ fund for students and graduates. Thus, the service will meet two further objectives: to be independent of short-term funding constraints in maintaining this important activity, whilst demonstrating genuine Social Impact and credibility” (Philip Clegg, Co-founder)

### **Stakeholders:**

- The university
- The network of associates that they draw upon to deliver business support
- Students and alumni
- The student-run societies
- The students' union of the university
- The social audit network
- External ‘clients’ e.g. local community social enterprises; charities

### **Approach applied:**

The idea of CASE is to provide a sustainable model of business support for students and graduates (up to 5 years) who are establishing social enterprises. CASE, whilst seed funded by the successful bid from UnLtd, has developed into a self-sustaining model whereby they have paying customers. These include other University departments, external Social Enterprises and other institutions seeking to enhance their support provision of Social Enterprises. In addition CASE runs on a network principle. Their work is delivered by establishing and drawing on a network of ‘associates’ who are social enterprise specialists. Delivering bespoke training and consultancy, they are partnered with the Social Audit Network and are able to advise businesses about their approach to the capture, measurement and dissemination of social impact.

### **Innovation applied:**

This is a unique model: working to the principles of a social enterprise whilst also benefitting from being positioned within a university setting. This offers access to a number of key stakeholders: the students and alumni and the knowledge and expertise associated with the university; thus, it bridges the commercial, academic and social enterprise worlds.

### **Social impact and business results achieved:**

Clearly, impact can be measured in a number of ways through the number of individuals and organisations they have delivered support to and importantly the number of social enterprise start-ups they have supported, through their activity, that are still trading. A number of these are highlighted as case studies via the Enterprise Team's web pages.

Within the university the staff are all encouraged to be enterprising. As such this type of activity would be generally encouraged. Moreover Philip Clegg, the co-founder of CASE was also informed by the work of Ashoka.

“Ashoka is best-known as the leading global network of social entrepreneurs. We build networks of pattern-changing social innovators and find high-impact entrepreneurs who creatively solve some of the world's biggest social challenges” (Ashoka.com, 2015)

Philip was influenced by their work in terms of viewing all people as potential ‘change-makers’; whether that is as a business owner, social enterprise or employee. They work with universities with a view to making them accredited with Ashoka status, underpinned by the ‘change maker philosophy’.

An important element of the development of CASE is the Doctor of Enterprise programme Philip is currently enrolled on: The EntD (and Masters level equivalent, MEnt) offered at the University of Huddersfield, are Post Graduate Research Degree options where the research question posed, underpins a new business or social enterprise start-up. Philip's research will seek to establish what the essential elements of an effective, early stage Social Enterprise Business Support interventions are, via case studies of successful Social Enterprises and an examination of specific Social Enterprise programmes both in the UK and overseas. The results of this research will then shape and influence the development of the CASE business model.

### **Financial situation / sustainability of the business model:**

CASE's activity is unique within the institution where they sit. Arguably the activity is currently co-dependent in the regard that CASE benefit from the infrastructure and reputation of a HEI, while the university benefits from having social enterprise provision and insight from an organization that operates as such.

While CASE could financially operate without the university, insomuch that they have a sufficiently big customer base and the income would cover the costs of the business, a stand-alone business would have to operate differently. Currently this hybrid approach offers optimum benefit for both parties.

### **Key success factors:**

- Income generated

- Number of commercial clients assisted and their subsequent impact
- Increase in the range and diversity of student and graduate ideas presented to the Enterprise Team
- Opening up an 'enterprise opportunity' to students and graduates who are motivated by factors other than pure commercial
- Number of Social Enterprises created
- Increased awareness of the opportunities, which a Social Enterprise model offers

### **Challenges and problems:**

There were some key challenges in terms of getting this work funded in the first instances. Getting buy in from the university and then both funding bodies HEFCE (Higher Education Funding Council - who fund UK universities), and UnLtd, both considered that the other would be responsible for funding this type of activity. In addition, making the case internally for making a 'self-sustaining eco-system for social enterprise' and were looking for seed-funding to pilot this.

When they first became established, before they were in a position to trade they had a great deal of interest. An additional barrier was that while they had more work than they were able to fulfil, this was further hampered by the desire to trade as a social enterprise but within the confines of an existing organization. At first they did not have a clear method of how they could operate. They knew that they benefited from the credibility of being part of the university. In addition the staff were university employees. Eventually a decision was made to trade through the universities trading arm. There had been some concern that the idea was 'too innovative' initially and with no historical precedent to compare to; uncertainty as to how to proceed.

**Year when the enterprise was created:** October 2013

**Contact person for more information:** Phillip Clegg [p.j.clegg@hud.ac.uk](mailto:p.j.clegg@hud.ac.uk) or [case@hud.ac.uk](mailto:case@hud.ac.uk)

### **Elements of the approach/innovation transferable to other countries:**

Clearly this is an interesting and arguably replicable model. It is an organization which is situated within a university, but operates as an independent organization with its own ethos, heavily based operationally on social enterprise principles. This could be described as a hybrid social enterprise. While it could run as a university 'spin-out' the position it holds bridging the commercial, social and education worlds offers it a unique insight and opportunity.

Establishing CASE has proved a long and somewhat challenging process however this has resulted in specific expertise which could now be used as a further income stream as CASE is considering developing a quick-start 'toolkit' to help other universities replicate the model.

**Company name: The Jericho Foundation**

*Author: Charlotte Carey*



**Country/region of operation:**

UK

**Thematic area:**

Unemployment

**Description of the social enterprise:**

Jericho began life as an informal gathering of local residents in a deprived ward in Birmingham. Once a week they would meet and offer support to others looking for employment. This developed into the Jericho foundation established in 1993. With a focus on unemployment they provided the resources (computers, etc.) to support the unemployed in making job applications.

What started as a charity has significantly evolved to being a suite of social enterprises working within a variety of industries. Each of them offers employment and specifically ‘supported apprenticeships’. “Placements are available in Retail, Printing, Graphic design, Administration, Driving, Landscaping, Catering, Recycling, Construction and Commercial Cleaning.” (Jericho, 2015)

“Jericho Foundation runs six social enterprises within construction, printing, landscaping, catering, design and cleaning helping disadvantaged people overcome social problems and get back into employment.

It changes lives through enterprise, offering training, opportunities and work experience to some of the hardest to clients in Birmingham.”

(SEWM, 2015)

**Social impact sought:**

The following quote from Jericho sums up the social impact they seek through their various activities:

“We seek out and engage people who experience significant barriers to being fulfilled, skilled and employed. We aim to help them overcome these barriers and gain relevant vocational skills to secure sustainable employment. We do this through providing real work experience in one of our social enterprise businesses combined with an individually tailored package of personal development support for our clients.” (Jericho, 2015)

Clearly this ambition has wider social impacts within the local and wider community, in terms of alleviating poverty and unemployment.

### **Stakeholders:**

- The staff
- The local community
- The apprentices (past, current and future)
- The local authority
- Their community and business partners (a full list of whom can be found here: <http://jericho.org.uk/partner-with-us/>)

### **Approach applied:**

The overall approach has been one of developing businesses which offer different services while simultaneously providing a supportive training and skills development environment for those who may be suffering low self-esteem, long-term unemployment and in some instances multiple disadvantage. Some of Jericho’s work has been with particularly vulnerable individuals, for example those who have been victims of human trafficking - a group which they have identified to be particularly vulnerable and at risk of homelessness and destitution.

The support offered to individuals being supported by Jericho follows the “Glasgow Works” ILM model, where 60% of time would be engaged in real paid work experience in the business, 20% on personal development and 20% on some sort of accredited formal training.” (Jericho, 2015: about us page). This model is further described as “Providing a 'whole needs' approach to the issues and barriers encountered by workless and disadvantaged clients” (Glasgow works, 2015).

### **Innovation applied:**

Jericho is continually developing and innovating. Each of the businesses is run as social enterprises and new businesses are emerging and developing from that core; the latest being a co-working space ‘The loft’. This offers room rental, desk rental and packages for co-working. In addition they offer reduced rental for ‘co-worker members, community groups and charities’. All of the businesses offer apprenticeships to enable skills and vocational development and increased employability.

“We deliver a commercial standard job for a commercial price. The difference is with Jericho we’re delivering social outcomes at the same time” (Richard Beard, CEO Jericho 2015)

An interesting aspect of all of Jericho's businesses is that they have positioned themselves as environmental and ethically minded; as such their customer base, which tends to be B2B will be those businesses seeking out a service which also has a social impact, for example cleaning or printing - jobs businesses frequently outsource - this way they get to do so and feel they are doing some social good too.

**Social impact and business results achieved:**

“Jericho employs approximately 65 core staff with a further 50 apprentices undertaking supported work placements in one of our 8 social businesses. Our turnover is approx. £2m – £2.5m” (Jericho, 2015)

**Financial situation / sustainability of the business model:**

Jericho has been in operation, growing and developing for over 20 years. Arguably this evidences the sustainability of their business model. However, as with all registered UK businesses their accounts can be found here at Companies' house: <https://www.companiesintheuk.co.uk/ltd/the-jericho-foundation>

**Key success factors:**

- the number of staff employed and the development and sustained nature of the businesses;
- the growth of the organization to encompass further social enterprises under the Jericho umbrella.

**Year when the enterprise was created:** 1993

**Contact person for more information:** Dr Charlotte Carey

**Elements of the approach/innovation transferable to other countries:**

This should be a reasonably straightforward approach to replicate.

**References:**

Jericho (2015) Jericho website about page <http://jericho.org.uk/about/>

SEWM (2015) Social Enterprise West Midlands  
<http://www.socialenterprisewm.org.uk/members/jericho-foundation/>

**Company Name: Access2Business**

**Author: Inge Hill**



**<http://www.access2business.co.uk/>**

**Country/region of operation:**

UK, West Midlands

**Thematic area:**

Employability and business start-up for the unemployed, office services, business services in recruitment and related areas; training for businesses,

providing volunteering opportunities.

### **Description of the social enterprise:**

Access to Business was set up in 2004 by two founders, supported by funding by Wolverhampton City Council Community Initiatives. It is a registered charity and incorporated as a company limited by guarantee with Companies House. At the end of March 2015 it had 14 staff and 49 volunteers, and had a turnover of just over £ 500,000 in 2015. The charitable objectives are “the relief of unemployment for the public benefit in such ways as may be thought fit, including assistance to find employment.”

Services: They provide services supporting local people into employment and self-employment and also recruitment services, office services and training courses for local businesses. They actively contribute to Council and local enterprise partnership regeneration targets. Over the 10 years they have developed a strong reputation in the region for our professional approach and our quality services. In 2011, Access to Business was awarded the Social Enterprise Mark and also was named as no. 41 in the RBS top 100 social enterprises.

“Our knowledgeable team have a real passion for helping those seeking a pathway into employment or training, and a strong commitment to tackling unemployment in the Black Country region. Access To Business has become an organisation that both job seekers and businesses can trust to deliver reliable and valuable services.”

Access to Business works with two core groups of clients: job seekers and businesses. Services for businesses include recruitment support, training or office by offering professional and competitively priced services. They support companies keep up to date with legal training requirements and undertake additional administrative support.

They also work with larger multinational companies who have branches in the Black Country and who, as part of their Corporate Social Responsibility (CSR), are committed to employing a percentage of their workforce from those currently unemployed or disadvantaged. ‘**The Recruitment Pledge**’ is an innovative initiative.

**Social impact sought:**

Reduce unemployment and contribute to regeneration in Wolverhampton and the Black Country.

**Stakeholders:**

Disabled citizens, long-term unemployed, Wolverhampton City Council, self-employed, people with mental health issues that prevent them from gaining employment; a number of public private partnerships, enterprise networks, and local social enterprise networks.

**Approach applied:**

Winning contracts to deliver services for local Councils; working with European funding to finance services provide some of the key funding sources.

**Innovation applied:**

*Launch 1000 Appeal*

<http://www.access2business.co.uk/index.php/support-us/launch-1000.html>

The aim is to raise money (£ 200,000.-) from local businesses to be able to provide support for 1,000 disabled people towards employment / self-employment.

**Financial situation / sustainability of the business model:**

Accounts are published annually and can be accessed via the Charity Commission website:

<http://apps.charitycommission.gov.uk/Showcharity/RegisterOfCharities/CharityWithPartB.aspx?RegisteredCharityNumber=1138761&SubsidiaryNumber=0>

The business model is sustainable and is constantly adapted to the changing situation in society and economy.

**Key success factors:**

- Grounded in the local community;
- Working with local staff that are committed to make a difference;
- Highly qualified staff.

**Challenges and problems:**

Reduced public funding; increased competition from national and international companies offering the same services in the local area without local contacts; European funding requiring match funding and paying most often after delivery and then even late creating sometimes cash flow challenges.

**Year when the enterprise was created:** 2004

**Contact person for more information:** Dr. Inge Hill, +44 79 411 99 172

**Elements of the approach/innovation transferable to other countries:**

- 1) Offer for volunteering opportunities by the organization that develop skills;
- 2) Launch 1000 (see above).

**Company name: The Big Issue**

**Author: Charlotte Carey**



**Country/region of operation:**

UK

**Thematic area:**

Homelessness

**Description of the social enterprise:**

The Big Issue was launched in 1991 by Gordon Roddick (of the Body Shop) and A. John Bird, who himself had had issues of homelessness and rehabilitation following a period of imprisonment. The Big Issue is an organisation made up of two halves. One part is a charity and the second is a business; a social enterprise that publishes and distributes a magazine via a network of homeless street vendors. The charity part of the organisation is concerned with rehabilitating and addressing the needs of the vendor and the homeless.

The magazine is weekly and has news, current affairs and entertainment type content, as such it is identified as a 'hybrid' genre of magazines (Edsutes media, 2015). The vendors or 'Big Issue sellers' are all or have all been homeless. They buy copies of the magazines for half of the retail price. In addition any further profit made by the magazine is then passed to the charity. The selling of the Big Issue and making an income from it is seen as the first step out of poverty and homelessness. Currently the magazine is bought by vendors for £1.25 and sold for £2.50. The Big Issue has a circulation of around 100,000 and during 2015 had a national network of street vendors of around 2,000 (The Big Issue, 2015).

**Social impact sought:**

The social impact sought is evident in terms of offering the homeless a means of making a living and a route out of poverty and homelessness, but it goes beyond this as the following extracts suggest:

“The Big Issue Foundation seeks to deliver social & financial inclusion by supporting Big Issue vendors in the self-help process of buying & selling the Big Issue Magazine. Our services are ‘vendor centric’ meaning that we favour a holistic approach on a journey to a better future that is led by the vendor.” (The Big Issue, 2015)

The Big Issue go onto suggest that through this holistic activity they are able to offer the following to the vendors of the magazine:

- somewhere meaningful to call home
- access to a doctor and equality of access to health care opportunities
- the essential support that is needed to overcome addictions
- direct help with business skills to maximize independent earnings
- the crucial personal identification that opens so many doors
- access to additional financial support and secure saving opportunities
- the opportunity to re-connect with family members and loved ones”

(The Big issue, 2015)

### **Stakeholders:**

- The staff, editorial board and founders
- The vendors
- The public
- Advertisers
- Charities and their charitable arm: the Big Issue foundation

### **Approach applied:**

The approach was to develop a good quality product that they could build an appetite and audience around and have homeless individuals operate as small, micro-businesses. The ethos was always that sellers should sell the magazine, that the public should buy it. That the public should not simply give sellers money as this would deem them beggars. The approach is ‘holistic’, attempting to support the individual by providing them with a means of making a living, while also through the charity providing them with a support mechanism to deal with issues of addiction or ill-health.

### **Innovation applied:**

While to an extent the Big Issue was semi-replicating a model first attempted in New York (USA) with their street newspaper (Streetwise) the social enterprise aspect of the Big Issue is that it offers vendors a means of making a living, that it has a charitable arm which enables vendors to be supported. The Big Issue continue to evolve and innovate. For example, initially the magazine was only sold by homeless. They soon realized that they were withdrawing support too soon and so vendors are able to remain selling the magazine once they are housed.

A more recent innovation is the development of ‘Big Issue invest’. This is a new aspect of the Big Issue brand, and investment arm that aims to: “The investment objective of BII’s Social

Enterprise Investment Fund LP is to provide growth capital to high impact social enterprises and financial and social returns to investors” (BII, 2015).

### **Social impact and business results achieved:**

Following the success of the Big Issue Magazine the Big Issue Foundation was established in 1995. This is the charitable arm of the business with the aim of linking “vendors with the vital support and services which help them address the issues that led to and have arisen as a result of experiencing homelessness.” (The Big Issue, 2015). These two parts (the magazine and the charity) of the organisation work in tandem with profits from the magazine (as well as other charitable donations) feeding into the provision of the charity.

Together they have been able to “address issues around housing, health, finances, education, employment and personal aspirations; helping Big Issue vendors to regain their independence and turn a livelihood into a life. In the last decade we have achieved over 40,000 positive outcomes with our vendors alone, life improving steps one and all” (The Big Issue, 2015).

### **Financial situation / sustainability of the business model:**

The Big Issue foundation is financially relatively stable and although it has had many ups and downs over the years it continues to develop and diversify.

### **Key success factors:**

As well as the statistics of how many homeless individuals and vendors have been supported UNESCO, through some earlier analysis, identified some less tangible, positive outcomes from the Big Issue has:

- “Changed the relationship between homeless people and the public...
- Keeps the issue of homelessness in the media
- The Big Issue gives homeless people a voice
- In the inner city, The Big Issue has developed a partnership with the police who view the initiative as a positive way to tackle a social problem, and to cut down petty crime
- It has altered the way in which the government view homeless people...
- The Big Issue has also challenged perceptions in the media...”

(UNESCO, 2003: website)

### **Challenges and problems:**

There have been issues which have ranged from domestic in terms of individuals who are not official vendors are passing themselves off as such and using a copy (of the magazine) to aid begging, an act that goes against the whole ethos of the magazine: ‘a hand-up not a hand-out’. In

addition the press have at times highlighted or tried to emphasise that Big Issue sellers are frequently migrants and criticized the magazine for the lack of UK citizens selling the paper (The Daily Mail, 2012).

Issues with the magazine over the years have ranged from serious issues in 2002 with redundancies and cuts due to shortfall of advertising revenue (The Guardian, 2002). At that time, due to a lack of confidence in the leadership of the magazine, sales fell and vendor numbers dropped. However, the magazine subsequently recovered but went onto receive criticism that it had become too commercial with too heavier a focus on advertising.

All of these issues have been met with a strong defence from John Bird, who still writes a weekly column for the magazine. The magazine has a strong code of conduct and ethos, in terms of how the vendors should behave. The criticisms discussed and others are explored further on the Big Issue website (See <https://www.bigissue.org.uk/news/2014/october/6/setting-record-straight> for further information).

**Year when the enterprise was created:** 1991

**Contact person for more information:** Dr Charlotte Carey

**Elements of the approach/innovation transferable to other countries:**

The magazine is said to be based on a New York based magazine called ‘Streetwise’ which was also sold by homeless people. However the Big Issue has grown extensively; not only is it national throughout the UK but it is also produced and sold in Australia, Ireland, South Korea, South Africa, Japan, Namibia, Kenya, Malawi and Taiwan. Arguably it already is transferable as a model.

(Note from the editor: a similar model exists in the Czech Republic since 1999. The magazine is called “Nový Prostor” and is operating under a very similar business and social impact model. More information is available at: <http://www.novyprostor.cz>. This confirms the model’s transferability to the East European context. )

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## United Kingdom: Good Practices of Corporate Social Responsibility

*Author: Sarah Digby*

**Company name: Birmingham City Council (public sector)**

**Country/region of operation:** Birmingham, West Midlands, UK

### **Company description:**

Birmingham City Council (BCC) is the local government body, which has been responsible for the governance of the City of Birmingham since 1974. It is the most populated local council in the United Kingdom (excluding counties) with Birmingham City Councillors representing over one million people, in 40 wards. The council headquarters are based at the Council House in Victoria Square in the heart of the city centre. The council is responsible for running nearly all local services, with the exception of those run by joint boards.

BCC were partners in a funded European project, COGITA. Other Partners included Cyprus University of Technology, Local Development Agency (Poland), General Council of the Catalan Chambers of Commerce (Spain) and Eindhoven City Council (Netherlands). The objectives of the COGITA project were to improve public policies aimed at supporting the uptake of an integrated concept of Corporate Social Responsibility (CSR), combining social and environmental aspects in small and medium sized enterprises (SMEs). The integrated COGITA approach consisted of three dimensions: i) CSR public policy themes ii) CSR public policy instruments iii) CSR fields of action. The project aimed at exploring how public authorities across Europe could select an optimum mix of these dimensions to support SME CSR activities.

As part of this project an online survey was conducted to provide insight on the perceptions of European companies in relation to CSR. Highlights from the survey (of a total of 230 companies from 12 countries who participated) identified included: Companies considered leadership as the most important CSR field of action and that public authorities should take this important role seriously, leading by example; Companies consider CSR capacity building and building awareness raising as important policy themes; Companies placed an equal importance to all categories of CSR public policy instruments, but legal instruments were ranked lower. The overall results demonstrated that 81% of the companies advocated some selective public intervention in supporting companies in CSR. After extrapolation of the data of the survey a number of recommendations emerged in relation to aligning the scope of public policy CSR interventions with companies' expressed desires for public CSR support:

- Recommendation 1: The overall support provided by public authorities in relation to CSR could be further improved if support was provided to enable companies to benefit their workforce and there was less focus related to the environment.
- Recommendation 2: There should be a shift in public policy theme from awareness raising to development of CSR capacity.

- Recommendation 3: Public authorities should aim towards increasing the capacity of companies to develop towards increasing the effectiveness of Economic and Partnering instruments.
- Recommendation 4: CSR support should not take the form of ‘hard’ legislation.
- Recommendation 5: Public authorities should intensify their support to companies in relation to CSR.

**Thematic area of CSR:** support for SMEs to adopt CSR

**Concrete issue causing social concern:**

The findings of the survey informed the COGITA project partners in terms of the direction of the project and BCC appeared to focus their contributions towards recommendations 3 and 4 in terms of their contribution. As such BCC identified opportunities to develop more effective partnering instruments and also methods of encouraging SMEs to adopt CSR without the need for legislative intervention.

**Solutions applied, key success factors and main challenges and problems:**

What emerged, were two elements of good practice in CSR, in particular reference to responsible procurement. The first was the online procurement portal: finditinbirmingham (FIIB) and the second the Birmingham Charter for Social Responsibility.

Finditinbirmingham portal

The purpose of the portal was to boost business activity throughout the West Midlands region of

the UK in both the public and private sector. In 2010 BCC launched FIIB as a tool to transform the way in which local businesses access both private and public sector procurement opportunities. The web-based portal enables business to boost the West Midlands economy by showcasing its supply chain. Contracts and tenders are advertised on the site from both public and private sectors and appeal to all various sizes of business. The FIIB portal actively encourages businesses to post opportunities enabling them to build local supply chains that save time and money, keeping the money in the local area, which supports local economic growth through jobs and training opportunities.



The main features of the site include:

- A supply directory offering businesses the opportunity to showcase their products and services they provide
- A facility to match buyers with suppliers, whereby a buyer registers their supply need through the website and an email alert is sent to all businesses registered under the relevant supply sector
- Notification of good news stories through the website, to inspire and motivate businesses to innovate.

By adopting recruitment procedures that encourage council officers to pass all of their buying requirements on the website, ensures that time is saved and a degree of transparency has been achieved.

Contributory success factors to the portal included:

- Identifying and addressing the need for understanding and commitment from BCC to support local businesses to win business from public and private sector organisations.
- Development of a software platform and support infrastructure to ensure that opportunities advertised are maximized and promoted to local businesses.
- Promoting good inter-departmental and collaborative working relationships within the local authority and particularly between Development and Procurement departments.

However, since its inception in 2010, FIIB portal has not been without its challenges and many lessons have been learnt, according to Karen Jenkins of BCC. Such lessons and points for consideration include:

- Identifying to what extent work is carried out within BCC, or contracted out to local businesses
- Deciding how the key performance indicators are to be measured:
  - Number of opportunities advertised
  - Value of opportunities advertised
  - Number of registered companies
  - Number of opportunities won by local companies
  - Number of opportunities won by small companies

One of perhaps the key challenges of measuring the performance of FIIB is actually identifying to what extent social and environmental metrics have improved and their sustainability. This is a key ongoing challenge in terms of measuring the social and environmental value of undertaking more responsible procurement and one which in partnership with University of Northampton, is presently being explored.

### Birmingham Charter for Social Responsibility

As part of signing up to the FIIB portal, public and private organisations are encouraged to also adopt, what is known as the 'Birmingham Charter for Social Responsibility'. The Birmingham Charter is a set of guiding principles to which BCC adhere to and which invite contracted suppliers, wider business community and other public and third sector bodies to adopt. Those who adopt the principles of the Charter are expected to describe how they can improve the local economic, social and environmental well-being of Birmingham through their business activities.

The key principles require businesses of all sizes and scale to demonstrate both mandatory and above threshold business practice which encompass:

- Local Employment
- Buy Birmingham First
- Partners in the Community
- Good Employer
- Green and Sustainable
- Ethical Procurement



### *Local Employment*

Those who sign the Charter are required to demonstrate how they will create employment opportunities and training for local people, including those who belong to target groups, such as people with disabilities and those who have been long term unemployed

### *Buy Birmingham First*

Charter signatories must demonstrate that they take account of buying locally as part of their routine business practices, which will ensure local economic and social impacts are improved. There are overt links as part of the mandatory requirements to demonstrate sourcing of supply chains through FIIB.

### *Partners in Communities*

Businesses must demonstrate that they play an active role in the local community and with local community support organisations. Mandatory requirements include: improving local facilities, for example staff volunteering schemes; providing support to third sector organisations; working with Schools and Colleges offering, for example, work experience.

### *Good Employer*

Each signatory must demonstrate they provide a supportive environment for staff to work in which promotes their well-being and that they adopt the Birmingham Living Wage within their own organisation and any organisation within their supply chain.

### *Green and Sustainable*

Each business must demonstrate their commitment to protecting the environment, minimizing waste and energy consumption and using other resources efficiently. The mandatory requirements include: eliminating unnecessary waste; being a good neighbour and minimising negative local impacts (such as noise and air quality); improving green areas and reducing carbon footprint.

### *Ethical Procurement*

Businesses must demonstrate their commitment to the highest ethical standards in their own business and in the operation of all businesses within their supply chain.

What is of interest is that whilst adopting the Birmingham Business Charter principles are not mandatory to be registered as a business user of FIIB, it is clearly indicated within the Charter as being of significance:

“future commissioning and contracting decisions will take account of the principles of this charter and it will form part of the terms of the new BCC contracts and conditions of Grant Aid. All the principles and policies of the Charter will be mandatory for organisations with individual contracts or grants over £200,000 per annum and for those that have aggregate annual contracts or grants above £500,000.” (p1)

There are presently 256 companies who have adopted the Charter, with examples from all industry sectors to include, KPMG, Birmingham Samaritans, Highway Traffic Management Ltd, Blakemore Foodservice and Black Country Housing Association.

### **Elements of the solution transferable to other countries:**

As part of the now completed COGITA project, the good practice demonstrated by BCC was shared with the other partners and it is believed that the other countries are considering the adoption of a similar based portal and Charter. This demonstrates that the model of public sector support to SMEs is transferable, at least across Europe.

Portals such as FIIB were the starting point for other such platforms to emerge and demonstrate that Birmingham is a city which is focusing on responsible procurement, whether it is businesses to business or business to consumer, as the more recent platform, Trading for Good has started to demonstrate.

**Year when the solution was first applied: 2010**

**Does the practice continue: Yes**

<b>Company Name: Severn Trent Water (STW)</b>
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**Country/Region of Operation:** UK/Midlands

**Company Description:**

STW provides water and waste water treatment to 4.3 million homes through the Midlands and Wales. It employs over 15,000 people throughout the UK and North America, in STW and Severn Trent services.

As of 2012, STW supplied 1.8 giga-litres per day (Gl/day) of drinking water from 126 water treatment works to 4.6 million business and household customers across a 46,000 kilometres (29,000 mi) network of water mains. It likewise collected and treated 1.4 Gl/day of wastewater across a 92,000 kilometres (57,000 mi) sewer network to 1,026 sewage treatment works.

**Thematic area of CSR:** renewable energies / green energies

**Concrete issue causing social concern:**

Renewable energies / green energies is an area in which STW have been extremely proactive within and they have focused part of their operation on addressing the issue of burning of fossil fuels (non-renewable) to provide heat and power.

This particular area has been of world-wide concern in relation to global warming due to the destruction of the protective ozone layer, mainly through the buildup of carbon dioxide (CO<sub>2</sub>) in the atmosphere. Global concern in this area led to the historic summit at Kyoto in 1997. An outcome of this conference was that the UK government were set targets to supply 10% of all energy used from “green” sources by the year 2010.

**Stakeholders (beneficiaries of CSR activities):** STW customers; society at large

**Solution applied:**

Combined Heat and Power (CHP) engines used on all digestion sites, take methane produced in the digestion process to produce energy that heats the digesters. Excess energy is provided to the energy grid for general use. This reduces power use through STW sites and provides a green energy source for the UK (Biomass sludge’s are produced as part of the sewage treatment process. These require treatment to stop contamination of land and water bodies, Mesophilic Anaerobic Digestion (MAD) reduce volume through biomass destruction and also treats the sludge so that it is safe for use on land, reducing the pathogenic organisms contained within.)

The introduction of the “climate change levy” in 2001 saw a new tax on the use of fossil fuels. In 2002 New Electricity Trading Arrangements (NETA) were announced. These provided incentives for companies to invest in and provide renewable energy. This was achieved by:

- Allowing a premium value to be charged for the sale of “green energy” i.e. power which has been produced from non-fossil fuels (e.g. digester gas).
- Setting green energy targets on electricity suppliers in the UK of up to 10%.
- Ensuring that all relevant processes were registered to ensure that generating equipment complies with regulatory (OFGEM) requirements. (This includes metering all digester gas used by the CHP equipment). The Renewable Obligation Certificates (ROC’s) guaranteed the premium which could be charged above this standard electricity selling price.

These incentives triggered a business case for investment by Severn Trent and between 2003 and 2007 the number of digestion sites equipped with CHP rose from 4 to 38 representing a total investment of £24M. Since 2008 investment has continued with additional engines, upsizing engines and general refurbishment.

STW are currently researching, and installing, Thermal Hydrolysis Plants (THP) as a way of improving the MAD process. These are an extra step prior to traditional MAD that breaks down the sludge releasing larger amounts of biological material tied up within the sludge to create better gas production during MAD. It is predicted to increase biogas yield by a third. It also creates an enhanced product (better pathogen kill) that can be used in more locations including farm land. The reduction in ‘cake’ (digested and treated sludge) volume also reduces vehicle movements to transport the treated product.

#### **How did the solution benefit the stakeholders:**

There are key benefits to all STW stakeholders, for example STW customers received a reduction in bills for direct customers, paying for less energy costs to treat the sewage. From an environmental perspective STW processes lead to an increase in green energy and a reduction in fossil fuels used to heat and provide energy to homes in the UK.

STW aim to produce all energy for digestion sites through bio gas production and to increase biogas yield by 30% through implementing THP at suitable MAD sites.

“Water Company Severn Trent has built the UK’s largest energy crop anaerobic digestion plant to help meet 30% of its electricity needs from renewable sources by 2015. The plant is converting 37,000 tonnes of maize silage each year into 15GWh of electricity (enough to supply 4000 homes), using maize grown on contaminated land not suitable for food production. A biogas-to-grid plant will come online in 2014. Severn Trent has come a long way since 2002, when it generated just 5% from renewable sources. It now produces 24% of its energy needs in a sustainable way, delivering a 212GWh reduction in fossil fuel imports annually, equating to a yearly carbon saving of over 100,000 tonnes of CO2.”

#### **Did the solution bring benefits to the company:**

The company benefit from financial rewards in reduction of energy costs. Furthermore, a significant benefit is the environmental credentials for the company. STW emerges as essentially an environmental company protecting the environment from abstraction to discharge.

**Challenges and problems:**

Some of the challenges that STW has experienced include ensuring the correct conditions to allow MAD to work, for example the temperature: sludge mixture. Furthermore, normal operation has always been a priority over digestion that was considered a secondary process. To ensure good biogas yield the importance of digestion within the process and in creating a product needed to be communicated. Considerable investment in telemetry was required to monitor and control the works to ensure future performance of these processes.

**Year when the solution was first applied:**

MAD for pathogen kill = 1920

CHP = 1921

First used in STW and water companies to produce power to run sites

THP use in STW: 2015 onwards. Asset Management Plan 6 (AMP – the 5 year planning time STW are assessed on by the government (OfWat), AMP 6 started 2015)

**Does the practice continue:**

STW continue to further investment in research each AMP to improve the processes year on year. It is a key measurable for all waste and water companies in the UK. The process is sustainable but would most likely be discontinued as more efficient processes are designed. These would be phased in as the old works are decommissioned in later years. Sludge / sewage treatment will only become slicker and more cost effective, creating a better quality product in the future.

**Elements of the solution transferable to other countries:** The practice is not dependent on local or national context. However, it requires significant investment.

**Company Name: Whitbread**

**Country/Region of Operation:** UK

**Company Description:**

Whitbread was founded in 1742 to make beer in the north of the City of London. Whitbread is one of the few companies founded in this period to remain independent; it has established itself as one of the top 100 companies in the United Kingdom. They employ 45,000 people in over 2,500 outlets across the UK, serving over 25 million UK customers every month. Whitbread's portfolio includes leisure companies such as David Lloyd Leisure, T.G.I. Friday's, Costa Coffee, Beefeater Inn and Pizza Hut, as well as the Marriott Hotel Group, Premier Travel Inn, Thresher and beers such as Heineken, Stella Artois, Murphy's Irish Stout and Boddingtons.

Whitbread has outlined growth milestones for 2016, 2018 and 2020. The 2020 milestones are to increase the number of Premier Inn UK rooms to around 85,000 and to achieve global system sales of around £2.5bn for Costa. Whitbread PLC is listed on the London Stock Exchange and is a constituent of the FTSE 100. It is also a member of the FTSE 4 Good Index.

**Thematic area of CSR:** community development and employability; customer wellbeing; environmental sustainability and resource efficiency

**Concrete issues causing social concern:**

Whitbread have embedded CSR into their corporate strategy and have implemented this in a branded programme called 'Good Together':

"Good Together is our corporate responsibility programme and is part of our Customer Heartbeat model. It is a fundamental and integral part of how we do business at Whitbread and we aim to be 'a force for good' in all of the communities in which we operate." (Whitbread Corporate Responsibility Report 2014/15)



Whitbread demonstrate an awareness of the need for successful CSR to go further than single, standalone initiatives: they establish and communicate ongoing commitment in a comprehensive and complementary programme of CSR – underpinned by their designing the Good Together programme to comprise three fundamentals, or 'pillars' as they are termed by the company:



These components are complementary not only in a social sense, but, in a business sense too. Teams and Communities focus, amongst other things, upon supporting their own needs for skilled and trained labour, as well as raising the company profile in local communities. Customer Wellbeing not only focuses upon an ethical supply chain and responsible sourcing, but also serves the business in menu and product development and thus enhances the customer experience. Energy and Environment not only raises Whitbread's profile for CSR, but also provides for an efficient and sustainable business model.

**Solution applied:**

Teams and Communities



One element of this is the WISE programme - Whitbread Investing in Skills and Employment. This programme focuses upon how Whitbread address the skills required in and the perception of hospitality careers. The programme includes an apprenticeship scheme; an outreach programme of visits to schools, further education colleges and universities; the provision of work

experiences placements for 14-18 year olds; and adult work placements through partnerships with Job Centre Plus and The Princes Trust.

	2014/15 performance	Delivered up to end Feb 2015	2020 Target (reset in April 2015)
APPRENTICESHIPS DELIVERED	26*	998	6,000
APPRENTICESHIPS IN LEARNING	949		
WORK EXPERIENCE PLACEMENTS (aged 14-18 years old)	1,193	2,420	7,500
EMPLOYMENT PLACEMENTS	1,288	2,339	6,500

\*this number is low as we changed the programme and reporting methodology during the year

*Whitbread Corporate Responsibility Report 2014/15*

Within the WISE, as well as focusing upon skills and employment for young people, Whitbread also focused upon ‘giving back to communities’. Their management, customers and suppliers provide practical support for of Great Ormond Street Hospital Children’s Charity and the Costa Foundation. Whilst the Great Ormond Street funding support saw Whitbread focus upon a high profile UK charity, the Costa Foundation extended that support into the international arena with support for coffee growing communities. The Costa Foundation promotes and supports collaborative education projects to over 50 farming communities in Colombia, Costa Rica, Ethiopia, Guatemala, Honduras, Peru, Uganda and Vietnam. Whitbread has set a target to raise £15 million by 2020 to support 100 school projects. Whitbread ensure they keep the local/international mix with Costa also active in the local UK communities

Customer Wellbeing

*Ethics and sustainability in the Supply Chain*

The second strand to Whitbread’s CSR programme is customer wellbeing. This satisfies two broader elements of their operation, not just CSR:

“We are committed to ensuring that all of our buying practices are carried out in the most sustainable and responsible way possible, and in 2014/15 we introduced our Responsible Sourcing and Commodity Policies focused on ten main commodity categories. These policies have been developed by working collaboratively with our own suppliers, and in consultation with NGOs and trade organisations.” (Whitbread Corporate Responsibility Report 2014/15)

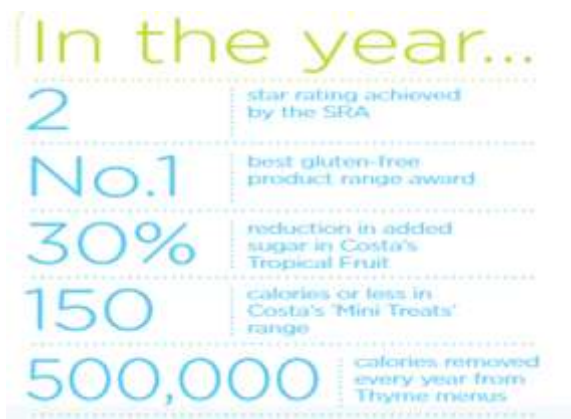


Whitbread has identified ten commodity groups contained within their supply chain and created an assessment and reporting system to provide each supplier with a database where they complete assessment questionnaires to assess their approaches to responsible sources. The system provides Whitbread with an assessment of each supplier, giving a red, amber, green rating; these ratings relate to whether the supplier meets Whitbread’s standards for ethical and responsible sourcing, or whether further development is required. A desire to work alongside suppliers is seen in the company working on a principle of continual improvement – working with their supply chain to raise ethical sourcing rather than disengaging with suppliers in the first instance.

*Menu development and nutrition*

This aspect of the customer wellbeing complements the ethical sourcing and insistence of engaging with an ethical supply chain. It also taps into current and topical interests with healthy eating. Whitbread is part of the Government’s Responsibility Deal on Public Health: they agree to work towards meeting targets for salt and saturated fat reduction, calorie reduction and removal of transfats wherever possible. The company are compliant with the new EU legislation that came into effect in December 2014, relating to the provision of allergen information for consumers and employee training to support this.

In 2014:



Whitbread’s Costa chain developed an independently verified internal assessment tool to assess and rate the nutritional content of their food and drink products. This information is used in product development and to create nutritionally balanced menus.

## Energy and the environment

This is the third strand to Whitbread's CSR strategy, building on the Teams and Communities and Customer Wellbeing, and addresses the element of sustainability and ethical approaches to the environment.

“At Whitbread our goal is to be a successful business without impacting our environment. This principle runs deeply through the strategy and culture of our company and is closely connected to the motivation of our teams. Our targets for reducing carbon and water consumption, and increasing recycling rates are ambitious, and we relentlessly strive to set a standard of environmental leadership for the hospitality sector.” (Whitbread Corporate Responsibility Report 2014/15)

	2014/15 Performance/£1m turnover	2020 Target (reset in April 2015)
<b>CARBON</b>	36.00%* improvement in carbon efficiency against 2009 baseline	Reduce carbon by 15% (against a new 2014/15 base line)
<b>WATER</b>	29.91% water consumption reduction against 2009 baseline	Reduce water by 20% (against a new 2014/15 base line)
<b>WASTE</b>	83.98% of operational waste diverted from landfill	Increase direct operations recycling rate to 80% across hotels, restaurants and coffee shops

\*Inclusive of new Costa stores within the 2014/15 period of which we did not have data for at the time Whitbread's Annual Report was published.

With a commitment to reducing water consumption, Whitbread formed a partnership with Waterscan, winning the 'Water Management' prize at the Sustainability Leaders Awards and 'Water Efficient Project of the Year'. Whitbread also became the first UK hospitality company to receive the Carbon Trust Triple Standard Award for significant achievements in carbon, water and waste reduction.

In November 2014, the company opened the first 'hub by Premier Inn' hotel, in London and saw it rated 'Outstanding' by BREEAM – the environmental assessment rating system for buildings, the first hotel in the UK to achieve the highest rating. The site uses 100% renewable certified energy from a variety of sources, including wind, hydro and bio-mass fuel.

### **Key success factors:**

Whitbread demonstrate a strategic approach to CSR and embed its focus, design and remit across all areas of its operation within a branded 'Good Together' programme. The three 'pillars' of the programme are complementary; they work to demonstrate effective CSR, to raise the company's profile, to develop the company's products, services and operational efficiencies, and to strengthen links with the customer base.

### **Did the solution bring benefits to the company:**

Teams and Communities enable the company to fund and support skills development and recruitment, whilst also supporting the communities whose products provide the company with one of its more successful operations - Costa Coffee. Customer Wellbeing sees Whitbread focusing upon creating and supporting an ethical supply chain, and in so doing, enhances the

supplier relationship essential to all businesses. Menu development and nutrition not only ensures the company's offer stays current and relevant, but also raises the profile of their offer in the context of healthy eating and nutrition. Energy and the Environment demonstrates not only a commitment to ethical and sustainable use of resources, but also ensures the company can benefit from operational best practice and the resulting efficiencies.

Whitbread's CSR strategy is a branded, interlinked and complementary design with clear targets and associated metrics. It gives the company a PR friendly media profile whilst simultaneously allowing it to secure operational gains in the fields of recruitment, skills development, supply chain relationships and product development.

**Year when the solution was first applied:** 2014

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

- engaging with ethics and sustainability in the whole supply chain, as well as with customer wellbeing;
- developing a branded and comprehensive CSR strategy whose elements are interlinked and complementary (rather than standalone initiatives);
- developing a CSR strategy that can ensure a PR friendly media profile of the company whilst simultaneously bringing benefits in the fields of recruitment, skills development, supply chain relationships and product development.

**Company name: Willmott Dixon**

**Country/region of operation:** Multiple locations across England and Wales (Head office in Hertfordshire)

**Company description:**

Willmott Dixon (WD) are the largest privately owned construction, housing regeneration and support services company in the UK. WD is the founding Gold-leaf member of the UK Green Building Council (UK-GBC); a member of Business in the Community; a member of the Considerate Constructors Scheme (CCS) and is certified to the Carbon Trust Standard.

WD are a national construction contractor building multi-million pound commercial projects and are the UK's largest builder and developer of homes. WD provides interior fitting, repairs and maintenance and supports local authority and private landlords with energy efficiency schemes for their properties and tenants. In addition be:here is part of the WD company and develops homes specifically for private rental.

**Thematic area of CSR:** carbon management

**Concrete issues causing social concern:**

WD pride themselves on running a sustainable business. Areas of operational practice are categorized into 4 key themes: putting people first, responsible business, natural resources and climate change and energy efficiency. These critical areas form part of WD's corporate strategy and notable achievements in each area from 2014 are summarized below:

Putting People First

WD have an initiative to 'enhance the life chances of 3000 young people' by the end of 2015, their annual report in 2014 demonstrated that they were more than half way to achieving this goal, citing 1,546 young people. In addition 1,700 students and school children visited WD sites to enhance their knowledge and learning and 1,854 young people were mentored by employees within the organisation. WD invested £2.4m into employee development and as a result now have 110 management trainees, 99% of employees receiving sustainability training and a 2% increase in employee engagement. Furthermore and perhaps indicative of greater engagement, 59% of employees took part in community based activities in 2014. In relation to such wider external areas of impact, WD have donated £2.27m to local communities through their 'Willmott Dixon Foundation'.

Responsible Business

WD was awarded 'The Queen's Award for Enterprise' in 2014 in the sustainable development category, maintained an average of 39.9 out of 50 by the 'Considerate Constructors Association' and contributed to the Government's review of the Social Value Act 2012 and as part of this review was recognized for community investment best practice.

## Natural Resources

In 2014, 96% of waste from their operations was diverted from landfill and they received a biodiversity award via the CIRIA BIG Challenge.

## Climate Change and Energy Efficiency

WD achieved a 30% reduction in carbon intensity which doubled the target they set in 2010 to be achieved by 2014. 94 bicycles were purchased for use by employees via the bike4work scheme and 18,237 cycle miles were reimbursed. WD awarded employees a total of £23,400 in rewards for choosing low emission cars and 560,293 car share miles were reimbursed. WD was recognized as being carbon neutral for the third year running.

## Summary

The impressive summary of achievements by this organization is commendable and demonstrates an organisation that is developing a reputation as being a leader in responsible practice. With such wide ranging achievements it would be easy to fill multiple pages with good practice. However, for the purposes of this case study the focus will be on WD achievements in relation to Carbon and this case study will present the variety of strategies and activities that WD adopts as part of their operations.

## **Solution applied:**

### Carbon Management Strategy at Willmott Dixon

On their website, WD present ‘our commitment’, which acknowledges that climate change is the single ‘biggest threat to our planet’ and asserts that the WD ambition

“is to reduce [...] carbon footprint, maintain carbon neutrality and work towards decoupling carbon emission from business growth.”

What is first and foremost to highlight is that as a privately-owned company, WD is not subject to regulated emissions reductions presently in the UK. However, WD have elected to voluntarily commit to responsible practice and as such make it a company priority to increase efficiency and reduce emissions.

Given the nature of the WD business operations, committing to a reduction in energy and fuel is not without its challenges. Construction obviously attracts a high reliance on machinery and multiple teams of workers moving around the country. However, WD made the decision in 2010, that not only was exploring opportunities to reduce emissions responsible practice, the increases in fuel prices, also meant that it was also good economic practice. As a result WD worked closely with the Carbon Trust and developed its own Carbon Action and Management Plans, which are also in line with the World Business Council for Sustainable Development Green House Gas Protocol.

### Willmott Dixon Carbon Management Plan 2010-2014

According to the WD Carbon Management Plan 2010-2014 their target is to reduce carbon intensity by 50% by 2020, compared to 2010 emissions. In addition to this objective, the following sections highlight some of the key strategies which have been put in place by the

organisation as part of their ongoing commitment to responsible operation. In September 2015, WD was conferred as maintaining its status of carbon neutrality in line with PAS 2060:2014 reporting requirements by the British Standard Institute (BSA).

### Transport

The very nature of WD business operation very much relies on movement, as such transport to various worksites and locations is imperative for the businesses operational function. However, several strategies have been adopted to ensure that the WD carbon footprint is significantly reduced. Such strategies include the implementation of ‘The Miles Consultancy (TMC)’ which monitors the mileage of all fleet and company vehicles. Also the introduction of the bikes4work scheme has encouraged alternative modes of transport where possible. Furthermore, WD is a certified member of the Energy Savings Trust’s Motorvate Scheme, which includes investment in low-carbon solutions for commercial vehicles. Other interventions include: encouraging car sharing; incentives for staff to purchase low emission vehicles; fitting eco-tyres to fleet vehicles; flexible working and the introduction of a Driver Efficiency League Table, aimed at creating an element of responsible competition across the various branches. Finally, heavy plant and machinery, wherever possible is powered by electricity rather than diesel.

### Sites and Offices

All of WD work sites have been installed with energy monitoring equipment (such as an online reporting tool – Environmental Data System), which enables the company to better understand the impact of building projects. Similarly, Energy Advisors have been appointed to help with on-site management. On site cabins and offices are all eco-friendly, being furnished with energy-saving technologies, such as lighting and temperature controls.

### Reducing Carbon through responsible construction

The very nature of WD business means that not only can it behave in a responsible manner in relation to its own operation, but as the UK’s largest construction company, it can also ensure that construction projects for client organisations create low-carbon working, learning and living environments.

According to the company’s low carbon project statement (2015)

‘We [WD] follow the classic hierarchy: reducing and minimizing energy use; improving energy efficiency; and using renewable energy wherever possible’

As such when building new sites or retro-fitting existing premises, WD seek to:

- Reduce embodied carbon in construction materials;
- Adopt a sustainable construction process;
- Ensure sustainable procurement, using local suppliers wherever possible;
- Construct energy efficient buildings;
- Install photovoltaics and on-site renewables and
- Retrofit existing buildings with energy efficient measures

### Carbon Offsetting

To offset carbon WD in 2014, invested in three key projects which were located in Uganda (improved cookstove project), Brazil (alternative fuel project focusing on biomass) and also Kenya (reforestation project near Mt. Kenya).

#### Founder member of the Passivhaus Trust

It is worth acknowledging that WD are the patron member of the Passivhaus Trust. Passivhaus, for those who are unfamiliar with the term, describes the energy performance of a building. According to BRE (2015) a truly Passivhaus has an optimized thermal performance which does not need a conventional heating system. Heating is mainly covered by solar and internal heat gains. Energy losses through ventilation are significantly reduced through controlled ventilation of living spaces combined with a heat recovery system.

The original Passivhaus dwelling were constructed in Germany; however, WD is building the UK's largest Passivhaus-certified development, to date in Camden, London and the largest non-residential project at the University of Leicester.

**Did the solution bring benefits to the company:** CSR activities related to reducing carbon intensity are evaluated by the company as good economic practice in view of the high fuel prices.

#### **Key success factors:**

- Comprehensive approach to carbon management (covering all key aspects of business);
- Adoption of measureable targets for reducing carbon intensity.

#### **Challenges and problems:**

Given the nature of the WD business operations, committing to a reduction in energy and fuel is not without its challenges. Construction obviously attracts a high reliance on machinery and multiple teams of workers moving around the country.

**Year when the solution was first applied:** 2010

**Does the practice continue:** Yes

#### **Elements of the solution transferable to other countries:**

- Comprehensive approach to carbon management (covering all key aspects of business – transport, sites and offices, production process and product);
- Adoption of concrete targets for reducing carbon intensity.

## **Bulgaria – Good Practices of Social Entrepreneurship**

*Authors: Gergana Dimitrova and Tzvetalina Genova*

### **Company name: The Bread Houses Network - Bulgaria**

**Country/region of operation:** Gabrovo, Sofia, likely opening in Plovdiv (Bulgaria)

**Thematic area:** community cohesion, integration of people from vulnerable and disadvantaged groups (focus on Roma minority)

#### **Description of the social enterprise:**

The social enterprise grew out of a non-profit community-based initiative launched by the Bulgarian cultural anthropologist Nadezhda Savova-Grigorova. In 2008, while working as a consultant for UNESCO in Paris, she founded the International Council for Cultural Centres (I3C) - a global network of community cultural centres. This international network connects more than 50 national networks on 6 continents, each with a number of local centres in various parts of the world, ranging from rich urban areas to marginalized neighbourhoods.

The Bread Houses Network emerged as part of the International Council for Cultural Centres. The Network took up bread-making as a group activity that would engage and unite diverse community members, since it does not require any talent, education, physical capabilities, or even linguistic proficiency for immigrants.

The first Bread House in Gabrovo was the house that Nadezhda Savova inherited from her grandmother. Nadezhda turned it into a cultural centre, open to the Gabrovo community.

The Bread House created a further social innovation – a social franchise. The idea of the social franchise is that volunteers or other organizations can apply the model of the Bread House and create one in their home town. The original Bread House provides training and supports the franchise with methods, ideas and partners. The franchise carries a moderate license fee to support the development of the network. So far, 8 such Bread Houses have been created across Bulgaria.

The Bakery at the Bread House in Gabrovo was the first proper social enterprise created by the non-profit network. It started operating in 2013. Its equipment was fully donated and the bakery was opened in an abandoned old factory building. The venture received project-based financial support from the Trust for Social Initiative (funded by the America for Bulgaria Foundation). Now it sells more than 100 traditionally made breads daily. Workers at the Bakery are Roma youth from the local institution for children without parents. They receive proper training. In 2014, another bakery was opened in Sofia - Nadezhko Social Bakery. Financially, both ventures are fully self-sustainable.

The Bread House Network plans to open a social bakery in Plovdiv, too, as well as to explore the possibility to create a new social enterprise based on the Bread in the Dark activity (see below)

**Social impact sought:**

- To foster community cohesion and creativity;
- To provide job opportunities for persons from vulnerable social groups;
- To promote participation of people in community socio-cultural life.

**Stakeholders:** people from disadvantaged social groups, primarily people with disabilities, Roma in vulnerable position, children and youth without parents (especially Roma); local communities in Gabrovo and Sofia; established companies seeking innovative approaches to improving organizational culture.

**Approach applied:**

The Bread House uses a triple approach to achieve the desired social impact.

1. It employs people from disadvantaged groups (the focus is on the Roma minority and on those from this minority who are raised at institutions). The employed persons undergo a year-long training in the baker profession.
2. It develops innovative social services:
  - Innovative teambuilding exercises for companies (this service usually carries a fee) – “Breadbuilding”. The focus is on developing soft skills, coaching, leadership, teamwork, communication, and task management and task allocation in the process of baking bread. Among the corporate clients of the Bread House are established companies such as Generali, Raiffeisenbank, the Bulgarian Red Cross, Overgas, HP, Lumos and BulAgro;
  - Bread in the Dark – a team activity focused on promoting community cohesion and personal transformation. The activity involves people with severely impaired vision as facilitators and persons without such disability. Together the group bakes bread in full darkness. The method has been developed and perfected in the framework of several international projects financed by European donors such as the European Culture Foundation and the Spanish National Association of the Blind (Organización Nacional de Ciegos Españoles, ONCE), as well as through a partnership with the social enterprise with a global outreach Dialogue in the Dark (Dialogue Social Enterprise GmbH, <http://www.dialogue-in-the-dark.com/>);
  - Bread therapy - an innovative method of using art – i.e. the art of bread making- to provide psychological and social support to vulnerable groups. The service is offered to the following vulnerable groups: children and youth without parents; Roma youth (school drop outs or unemployed); persons from disadvantaged or impoverished social groups; long-term unemployed; persons with visual impairment; persons with hearing impairment; persons with disabilities; persons diagnosed as autistic; persons with psychological problems; victims of violence and traumas; youth with special learning needs; persons dealing with addictions; persons with oncological diseases;

- Theatre of Crumbs – an innovative community activity method involving the development of scenarios and the making of bread dolls for a theatre performance. The groups are expected to focus the theme of the scenario on local problems common to the community members;
  - Alternative Career Guidance – Sifting (Skill assessment) –Shaping (Skill learning) –Sharing (Skill practice) – i.e. the 3 “S” - is an innovative career counselling tool, where the stages of bread-making are used as metaphors to help people rethink their lives and imagine alternative - more creative and more social - career and personal paths. The method targets young people searching for career paths, as well as professionals seeking creative ideas and inspiration for change, but in particular in the social, non-for-profit sphere;
  - Social Enterprise School – offers Bulgarian and international trainings in social entrepreneurship. The trainings are based on the practical experience of the Bread House Network and the Social Bakeries in starting and managing social enterprises, as well as on foreign good practices and the results of international work.
3. The social enterprise uses the financial resources collected through sales of bread and through paid services to offer a number of services for free:
- Regular weekly sessions of bread therapy for the target groups (see above). It should be noted that the Bread House Network is actively looking for and contacting potential participants in the sessions (rather than waiting for those groups to express interest);
  - Regular weekly community baking events for mixed groups fostering social cohesion and integration across all ages and special needs;
  - Ovens for Peace program – this activity aims at uniting refugees and local people to make bread and share their diverse traditions in order to foster the refugees’ local social integration.

### **Innovation applied:**

The Bread House Network and the Social Bakeries are probably the best developed good practice of social enterprise in Bulgaria precisely because of the level of innovation applied. Three innovative aspect of the approach stand out:

- Innovative programmes and services, united around a common theme (bread making);
- Breadth of the targeted social groups – from refugees and disabled persons, through Roma minority and persons in vulnerable position in society and on the labour market, to established companies;
- Strong reliance on international partnerships and experience, which fosters the flow of innovative ideas;
- The development of a “social franchise” has proved very successful and the number of Bread Houses in Bulgaria and internationally is growing. This is also an innovative method of scaling a social enterprise;

- This is probably the only social enterprise in Bulgaria that fulfil at the same time several of the criteria for a truly “social enterprise”- it employs persons from disadvantaged groups, it allocates profit from profit-making activities to social-impact driven activities; and it relies on social innovation in developing methods and approaches for achieving social impact. It should be noted that most of what we would consider social enterprises in Bulgaria would only fulfil one or two of these criteria.

### **Social impact and business results achieved:**

#### ***Social impact***

- The social impact is strong;
- The innovative social services have reached a considerable number of users from a diverse target group);
- Employed persons from disadvantaged backgrounds have undergone training and retain their jobs;
- The social enterprise and the Bread House Network is dynamic and appears to be set to expand and get more diverse in its outreach and services. New services are added regularly. The leadership has clear ideas for the future of the enterprise and the Network.

The Bread Houses (in both their Bulgarian and international formats) have received substantial media attention (including from the Bulgarian National TV), as well as attention from relevant organizations and renowned researchers. The case study is included as best practice in the European Social Innovation Network, the European Network of Cultural Administration Training Centres, the Global AGENDA 21 for Culture, National Geographic. It is also included as a case study in the academic work of John Thackara (*How to Thrive in the Next Economy: Designing Tomorrow's World Today*. Thames & Hudson, published 2015.). It should be noted that the Bread Houses Network also has impressive online self-presentation.

#### ***Business results:***

The product itself – the traditionally made bread – is recognized by customers as a very high quality product, which ensures viability on the market (i.e. the social bakeries need not rely on the social responsibility of customers because the product is sold for its quality).

### **Financial situation / sustainability of the business model:**

The social bakeries – i.e. the true social enterprises - are fully sustainable financially. Some of the Bread Houses, however – the non-profit elements of the initiative - rely on projects and donors to continue their operation.

The social enterprise has proved financially feasible due to the capacity of the leadership to combine sources of financing: own funds, project-based financing, sales, and service provision carrying a fee.

### **Key success factors:**

- High level of social innovation involved;
- Clear unifying theme of the social services;
- Committed leadership knowledgeable in the sphere of social enterprises and their management;
- Strong and relevant international partnerships focused on scaling and sharing of innovations;
- Clear approach to scaling through the development of a “social franchise”, and attention to scaling at international level (this can open up financing opportunities);
- Clear communication strategy and strong attention to publicity;
- Broad target groups and openness to new partnerships;
- High quality of the produced product (traditionally baked bread);
- Capacity of the leadership to combine sources of financing according to need;
- Commitment to change, scale and growth.

**Challenges and problems:**

- Costs for the social bakery are high due to the need for specialized equipment;
- Employees from vulnerable social groups present challenges – they tend to exhibit traits of the psychology of victims, their work ethics and desire to work tend to be lower; they lack initiative.

**Year when the enterprise was created:** 2013

**Elements of the approach/innovation transferable to other countries:**

- the innovative services;
- strong and relevant international partnerships focused on scaling and sharing of innovations;
- combination of project-based financing with financing from sales;
- approach to scaling through the development of a “social franchise”, and attention to scaling at international level (this can open up financing opportunities);
- providing services to business for profit and redistributing the profit to provide services to vulnerable groups for free.

**Contact person:**

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**Company name: Maria's World Foundation**

**Country/region of operation:** Sofia

**Thematic area:** social integration and improving the quality of life of people with intellectual disabilities, with a special focus on young people with mild intellectual difficulties aged 16 to 39.

**Social impact sought:**

People with intellectual difficulties in Bulgaria are one of the most discriminated and isolated groups in society. Their participation in the social, economic and cultural life of the communities is severely limited. The mission of Maria's World Foundation is to improve the quality of life of these people and their families. It seeks to support people with intellectual disabilities to achieve their full potential as individuals by providing access to high-quality services, developmental training and opportunities for suitable employment.

The Foundation works for the benefit of the 46 313 people with intellectual difficulties in Bulgaria, with a special focus on the 1 000 young people with mild intellectual disability living in Sofia.

Despite regulations and measures designed to reduce discrimination and promote the equality of people with intellectual difficulties, Bulgaria still lacks effective programmes for supported employment and job brokerage services for disabled job seekers. Finding work remains a major challenge for young people with intellectual difficulties, due to social stigma, long periods of isolation and lack of incentives and support for employers to employ people with intellectual disabilities (incentives do exist but apply to all people with disabilities, making those with intellectual disabilities the least preferred employee choice).

**Description of the social enterprise:**

Maria's World Foundation was established in February 2012 in Sofia as a public interest foundation by the family of Maria, a young woman with intellectual disabilities. It is the outcome of a very personal engagement with the plight of youth with mild intellectual difficulties.

The Foundation has several projects aimed at achieving its desired social impact:

- Day Care Centre:

Since July 2013 it has provided social, economic, emotional, educational and cultural development training, enabling 30 young people with intellectual difficulties to acquire work and life skills in order to improve their personal independence and quality of life. The focus is on teaching the trainees to communicate, deal with the demands of daily life, take care of themselves, orientate themselves in space, time and amongst other people. Valuable work skills (such as cooking, candles and soap making) are taught, too. The training team is composed of professionals. The Centre was opened in 2013.

- A sheltered café:

This is a fully privately-funded initiative of Maria's World Foundation. The café is a place for work rehabilitation and acquisition of skills that take into account the individual needs of people with intellectual difficulties. The café is a tool for professional integration of people with intellectual difficulties at suitable workplaces. It implements an integrated working process model, which enables people with and without disabilities to work side by side. The café is a sheltered workplace where people with intellectual disabilities can work but can rely on assistance in order to be able to gradually and without unnecessary stress to learn and reiterate their skills in a sheltered environment. They do not receive a salary for the work performed at the sheltered café. At the same time, the people from the local community visiting the café are motivated to accept the idea of living side by side with people with intellectual difficulties and to revisit their level of tolerance and acceptance.

- Pilot programmes for supported employment

These programmes seek to provide assistance to people with disabilities to find and keep a paid job. They are developed at Maria's World Foundation in cooperation with foreign partners. The task of the social service team involved in supported employment is to perform the role of job mentors, i.e. they accompany the person with intellectual difficulties at his/her job site and help him/her to understand and get accustomed to the nature and duties associated with the job. They are expected to gradually withdraw as the new employee becomes self-supporting and gets accustomed to the job. They also communicate with the manager and colleagues in order to prepare them for their interactions with the intellectually disabled employee and help resolve issues and possible conflicts and misunderstandings. Maria's World has concluded two contracts for supported employment for persons trained in the Day Care Centre.

- Awareness raising campaigns, Open Doors days, and promotion of the active participation of people with intellectual difficulties in the social and cultural life of Sofia
- A promotion and fund-raising campaign in support of the functioning of the Day Care Centre for people with intellectual difficulties: In support of its efforts to promote and nurture a more tolerant and sensitive society and raise funds for its Day Care Centre Maria's World Foundation has launched the BE ONE OF A KIND FOR A KINDER WORLD campaign.
- A shop selling products made in the Day Care Centre's workshop.

**Stakeholders:** people with intellectual disabilities and their families, business with corporate social responsibility initiatives, local authorities and community centres, local community in Sofia.

**Approach applied:**

As the activities described above demonstrate, Maria's World Foundation is primarily a charitable non-profit entity engaged in advocacy and social service provision for a severely disadvantaged group. Entrepreneurial activities are only part of the overall non-profit work and are designed to increase their social impact and contribute to financial sustainability.

**Innovation applied:**

The sheltered café is the first cafeteria in Sofia where clients are served by people with intellectual difficulties. The approach of sheltered/ assisted learning of professional skills by enabling people with intellectual disabilities to work alongside and under the supervision of people without such disabilities is a true innovation for Bulgaria and an excellent best practice.

The programmes for supported employment are entirely new for Bulgaria and are a welcome contribution to the policy of social and economic integration of people with intellectual disabilities.

**Social impact and business results achieved:*****Social impact:***

The social impact of the Foundation's activities is strong and fully in line with its mission

***Business results:***

The Sheltered Café and the shop are the only truly *entrepreneurial* activity of the Foundation.

**Financial situation /sustainability of the business model:**

Maria's World Foundation largely depends on project-based financing and sponsorship from companies and individuals. It maintains a strategic partnership with the Mobile Operator Telenor. Sponsorship is provided by a number of Bulgarian companies.

The Day Care Centre was implemented in the framework of the project "Maria's World: Setting up a Day Care Work Centre for people with mild and moderate intellectual difficulties – an innovative model of daycare for people with intellectual difficulties". Financing was provided from April 2013 until March 2015.

The awareness raising campaign were implemented in the framework of a project with the financial assistance of the Europe 2013 Programme of the Sofia Municipality in support of Sofia's bid for 2019 European Capital of Culture.

The BE ONE OF A KIND FOR A KINDER WORLD campaign was implemented with the financial support of Bulgarian Donors Forum and the Trust for Civil Society in Central and Eastern Europe. The support was provided in 2013.

A Public campaign aiming to alter public perceptions to people with intellectual difficulties was implemented with support from the Bulgarian-Swiss Cooperation Programme, Partnership Fund in 2014-2015.

A project aiming to facilitate the access of young people with mild to moderate intellectual difficulties to the labour market was implemented in 2015 with support from the Bulgarian Agency for People with Disabilities.

Maria's World Foundation will continue to rely on future project-based financing from TELUS International Europe, the Culture Programme of the Sofia Municipality, the Europe Programme of Sofia Municipality and Raiffeisenbank's charity initiative Choose to Help 2015, with the

intent to maintain the work initiated at the Day Care Centre, promote the active participation of people with intellectual disabilities in the cultural life of Sofia and support their meaningful inclusion in a variety of activities.

All in all, this is an active and well managed advocacy non-profit organization. The only real social enterprise elements in its work are the Sheltered Café and the shop (which is less important and less innovative). While the Café may be able to sustain financially its own operation, it does not make a strong financial contribution to the other activities of the Foundation. At the same time, the Café does not provide paid work for the Day Care Centre clients, which undermines some of its credentials as a social enterprise and makes it much more of an element in an ongoing non-profit social service provision, advocacy and charity work. The professional support for the Day Care Centre clients in the Café is strongly interrelated to the work of the Day Care Centre and is meaningless without it. The Foundation would either need to continue the work of the Day Care Centre using project-based financing or – alternatively and more in line with the idea of a social enterprise - redefine the business model of the Café, turning it into a truly self-sustainable social enterprise employing people with intellectual disabilities. If the latter approach is chosen, it will probably need to expand the business in order to achieve scale and profit.

**Key success factors:**

- Innovative approaches, especially the idea of assisted/sheltered professional training in a real working environment;
- Well managed partnerships with media and very strong publicity;
- Well managed partnerships with businesses (primarily as sponsors but also as potential employers of people with intellectual disabilities) and other non-governmental organizations;
- Sound attention to volunteering.

**Challenges and problems:**

The social enterprise does not appear to have achieved financial and business model sustainability. It has very good potential (especially in view of its innovative approach, the widely accepted and relatively uncontroversial social cause, and the overall ability of the Foundation to achieve high visibility in media) but its scale is not yet sufficient.

**Year when the enterprise was created: 2014**

**Elements of the approach/innovation transferable to other countries:**

- The assisted/sheltered professional training for people with intellectual disabilities in a real working environment is a very innovative and easily transferrable element of the social enterprise;

- Strong partnerships with the media and high visibility are an easily transferrable element able to guarantee the marketing success of social enterprises that pursue a relatively uncontroversial cause easily accepted by the vast majority of the population;

- Maria's World Foundation demonstrates that reliance on a mix of resources - volunteering, sponsors from the world of business, project-based financing and profit-making activities - can achieve a strong social impact. This element is a transferable good practice on condition that the market-based elements of the true social enterprises are made more prominent in this mix and are designed to achieve scale and economic viability.

**Company name: Social Enterprise “Pchela”**

**Country/region of operation:** Vratsa (North-western region of Bulgaria)

**Thematic area:** providing opportunities for professional training for persons from vulnerable social groups, with a strong focus on the Roma minority; social inclusion of the Roma minority and persons from vulnerable social groups, including people with disabilities.

**Description of the social enterprise:**

The social enterprise was created by the non-profit Association “Nov Pat” (New Way) in the Hayredin Municipality in North-western Bulgaria. The association, which was founded in 2004, is by now well established and active in social support programmes – i.e. employment support and creation; social activities and services; health; education; youth activities and Roma inclusion. It is active in the wider North-western region of Bulgaria. It maintains a network of partners in other regions, incl. Kozloduy, Sofia, Burgas, Stara Zagora and Veliko Tarnovo. The organization is a member of the National Network for Children. A representative of Nov Pat is a member of the National Council for Cooperation on Ethnic and Integration Issues at the Bulgarian Council of Ministers, which facilitates dialogue between institutions and citizens, provides civilian oversight over the implementation of the National Roma Integration Strategy of the Republic of Bulgaria 2012-2020 and participates in the process of planning grant support distribution through Operational Programs for the implementation of integration policy goals.

The social enterprise was the result of a project initiated in 2010 and supported by the Project Generation Facility of the Open Society Foundation in Bulgaria. This facility is focused on maximizing the impact of EU funds on Roma inclusion. In the period 2010-2011, the social enterprise has received financial support for the EU Operational Programme “Human Resources Development”. The funding is used to renovate a building and turn it into a beekeepers’ workshop and to buy 50 honey bee families, hives and equipment.

**Social impact sought:**

The idea itself grew out of a genuine social need: the level of economic development in the North-western region of Bulgaria was the highest in the country. Unemployment in Hayredin Municipality was nearly 80%. Employment is primarily in the agricultural sector. Eurostat reported that 30% of the population in North-western Bulgaria was at risk of poverty (the figure is the same in 2015) and 45% of the population was living in conditions of severe material deprivation (this figure has dropped to 35% in 2015 but is still very high compared to the EU average). The region traditionally holds the title “EU’s poorest region” with its regional GDP (PPS per inhabitant) ranging between 27% to 30% of the EU28 average in the period 2010-2015.

A genuine opportunity was present, too. The Municipality has traditions in beekeeping. Yet production as a rule is small scale and many small beekeeping businesses produce small amounts of honey, working in isolation from each other. The lack of cooperation and the lack of contact with national associations of beekeepers has prevented the introduction of new methods in

beekeeping. The leader of the social enterprise, who himself has professional experience in beekeeping, saw a genuine potential for the development of this sector in the poor municipality.

The social impact sought by Pchela is to improve the living conditions and to reduce the social isolation of vulnerable groups in the Hayredin Municipality, concretely by providing possibilities for professional training, conditions and support in starting own business and sustainable jobs in the beekeeping sector.

**Stakeholders:** local communities in Hayredin municipality, businesses and entrepreneurs in the beekeeping sector, non-profit organizations and providers of social services.

**Approach applied:**

The social enterprise trains persons from vulnerable social groups (Roma minority, persons with disability, long-term unemployed) in the beekeeping profession in real working environment. Trainees receive support for creating their own beekeeping business. Other trainees are employed as beekeepers in the social enterprise itself.

**Innovation applied:**

The social enterprise is the first initiative in this region that seeks to provide support for the target group (vulnerable social groups) that is not conceived as provision of social services but as an attempt to activate their initiative and self-sustainability on the labor market. The social enterprise is focused on teaching a profession, activating or developing working habits in real working environment and motivating the trainees to assume an active position on the labor market or the create their own business. The enterprise describes its mission as “help for self-help”.

Apart from the creation of the social enterprise, the initiative of Nov Pat included training in social service provision and social entrepreneurship for other non-profit organizations from the municipality and the broader North-western region in order to maximize social impact and ensure sustainability of all social-impact driven initiatives.

**Social impact and business results achieved:**

***Social impact:***

The social enterprise has trained around 30 persons and opened 10 new sustainable beekeeping jobs.

The social enterprise has been relatively successful in creating publicity and raising awareness of its activity. Efforts continue even after the end of project financing.

***Business results:***

Annually, Pchela produces 1.5-2 tons of honey and its average income amounts to 2000 euro. The social enterprise has registered a trademark. For its current scale, it is well equipped to

maintain its core operations. To minimize costs, the social enterprise has developed internal capacity to make some of its equipment.

### **Financial situation / sustainability of the business model:**

Project-based financing has been crucial and indispensable in the initial period. The financial viability of the social enterprise without further project support will be conditional on the development of the market, the product line, the distribution network and the ability to attract customers.

### **Key success factors:**

- Vast experience of the non-profit organization that created the social enterprise in both the professional/business aspects of its core operation and in attracting donor funds, both of which proved crucial for the success in the start-up phase;
- The social enterprise can capitalize on the many other social-impact driven projects of the Nov Pat association which created it, including by creating strong ties to the target vulnerable groups;
- Good cooperation between the local and regional authorities and the social enterprise. Further support for Pchela and for similar social enterprises has been planned in the Regional Strategy for the Development of Social Services in the Vratsa District, even though the strategy is very vague concerning concrete plans to support the social enterprise sector in the region (and even more vague concerning resources). It is very likely that the regional authorities simply lack the resources and expertise to provide such support, yet the fact that the strategy does mention this sector demonstrates some policy commitment to raising awareness and garnering public support;
- Strong links between the local communities and the social enterprise and good reputation of the social business (this business is virtually the only job creator in the municipality);
- Well selected target niche in view of the economic opportunities and the social and economic challenges in the region;
- The commitment and experience of the leadership is strong and likely to ensure the sustainability of the enterprise, if not its scaling.

### **Challenges and problems:**

- Creating and sustaining the right working ethics and culture among the persons from vulnerable social groups employed in the social enterprise has been difficult. The same problem is routinely reported by other social enterprises and non-profit organizations in Bulgaria and is largely unsurprising given the low education levels and the general lack of proper prior learning and working habits among the vulnerable communities;
- Finding markets for the produced honey has been difficult;

- The social enterprise has struggled to widen and diversify its product line;
- The social enterprise has struggled to develop a distribution network and sales points for its products, as well as to raise customers' awareness of the benefits of buying products produced in local social enterprises;
- Scaling the social enterprise will be difficult without further donor support;
- The region has very poor infrastructure which generally hinders all business (including social business).

**Year when the enterprise was created: 2010**

**Elements of the approach/innovation transferable to other countries:**

- Combination of project-based financing with financing from sales;
- The grassroots bottom-up approach is particularly suited for poor regions in which there are large number of persons from vulnerable social groups;
- This is a good example of identifying and using even very limited economic opportunities in backward regions to create sustainable jobs and professional skills – the key is to allow the concept of the social enterprise to grow “organically” on the basis of locally identified opportunities and needs rather than use donor financing for ideas that are defined elsewhere.

<b>Company name: Betel Bulgaria Foundation</b>
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**Country/region of operation:** Sofia and Pernik region

**Thematic area:** support and reintegration of people with addiction problems (alcohol, drugs and gambling)

**Description of the social enterprise:**

Betel is an international Christian organization supporting persons with addiction problems. Internationally, it operates support programmes in over 100 urban areas in 24 countries. Betel Bulgaria Foundation is a branch of Betel International and exists since 2004.

The Foundation operates a protected home for persons with addiction problems in the village of Vladimir in Pernik region. Persons living in the protected home receive long-term therapeutic help based on labor therapy. They live and work in the protected home for around a year and a half without permission to leave it, followed by a 1-year period of reintegration in the society when they are being closely monitored. Betel Bulgaria frequently mediates the process of job seeking for the rehabilitated addicts by presenting the case to employers and seeking to reduce the impact of prejudices and discrimination and to prepare the employer for dealing with the new employee. Since 2005, a total of 2800 persons with addiction problems have been included in the therapeutic programme of Betel Bulgaria.

The social enterprise element of this programme is the involvement of the protected house inhabitants in the provision of services (in this way work therapy is combined with paid services): provision of transport, construction work, cleaning, moving, loading and unloading furniture.

A key service is the restoration and sale of second-hand furniture. This is a typical approach used by almost all Betel centres around the world: furniture received as donations is renovated and then sold in social sales centres.

Betel Bulgaria's shop for renovated furniture is located in Sofia (Lyulin quarter). Initially, the social enterprise was created with the help of a small-scale financing from Foundation America for Bulgaria in the framework of the competition "Best Business Plan for a Social Enterprise of a Non-Governmental Organization". Betel Bulgaria won second prize in this competition and invested the 3200 euro award into buying equipment and materials. The Protected House inhabitants received informal professional training. The profit made from selling the first renovated furniture (initially donated from Germany) were reinvested in materials, rent of a sales point, new equipment and salaries. The shop got established and created a stable clientele, including antiquarians.

The social enterprise of Betel Bulgaria is currently in the midst of transformation and has a plan for scaling. It has received the right to use a large parcel of land with several old buildings (a former military training camp) near Sofia and to turn it into a large residence centre for rehabilitation of people with addiction problems. The furniture restoration workshop will be moved there. Currently, the inhabitants of the Protected Home are renovating the buildings

themselves. Betel Bulgaria has also received project-based funding for the training of the rehabilitated persons in the field of wood processing. It has arranged for donations of old and valuable furniture from abroad and has plans to start selling the furniture through bidding in order to be able to receive a good price for the valuable pieces. The social enterprise also plans to introduce web-based sales and to explore the possibility to sell the furniture during open market campaigns twice a week in order to increase the volume of sales.

Betel Bulgaria plans to open a Protected Home for women, as well as protected homes for males with addiction problems in other parts of the country.

### **Social impact sought:**

The Foundation's programmes and the social enterprise aim at reintegrating and ending the social isolation and exclusion of persons with addiction problems by restoring their life and motivation, rebuilding relationships with their families and contributing to a positive growth in their value systems and life goals.

**Stakeholders:** persons with addiction problems (so far only males) and their families; local community in the region near the protected home; local authorities, public health and social service authorities; NGOs in the field of public health, youth and social services; authorities and community organizations focused on crime prevention among youth.

### **Approach applied:**

The approach is borrowed from Betel International and is a classical approach of combining work therapy for persons with addiction problems with realizing financial gain from the results of this therapy. The profit is entirely reinvested into sustaining the social enterprise. The social enterprise also relies on donations of old furniture and the work of volunteers.

Betel Bulgaria also makes conscious efforts to build ties with the local communities in the areas where the protected home is located.

### **Innovation applied:**

The innovation of Betel International is in the treatment of persons with addiction problems: instead of focusing on the health-related elements of rehabilitation, this approach is based on long-term integration into a community and the creation of opportunities for the meaningful employment and engagement of the rehabilitated persons. The approach is focused on creating preconditions not just for the physical elimination of addiction but also for the successful integration of the rehabilitated persons in social and economic life through the development of professional skills and work experience.

### **Social impact and business results achieved:**

The social impact of the approach is strong and sustainable. While there is no research on the long-term sustainability of the rehabilitation of the involved persons with addiction problems,

Betel Bulgaria does achieve social reintegration of the target group and creates conditions for their long-term rehabilitation. Post-rehabilitation, personal and chance factors outside of the reach of the social enterprise may or may not interfere in the personal fate and life of the rehabilitated men, but this does not nullify the impact of the social activity.

The local community in which the Protected home is located is also an important stakeholder affected by the social enterprise. Betel Bulgaria reports that the local community was initially wary of the initiative and reserved regarding the persons with addiction problems. In a short time, however, the protected house was accepted by the community and it is reported that the local people started referring to the house inhabitants as “our children” (most of them are young people) and welcome their attempts to help out with daily issues in the village.

The social enterprise – the renovation of old furniture – is not an entirely self-sustaining and certainly not a very sophisticated business but it appears to have found a stable market for the products and an approach of minimizing costs. The social enterprise has plans for scaling and improving the sales and distribution channels. However, it can benefit from better promotion and publicity and should engage in social marketing in order to attract responsible customers.

#### **Financial situation / sustainability of the business model:**

The social enterprise combines funding received for small-scale projects, profit made from the services offered through the social enterprise, donations and volunteer work. Notably, project-based financing is very small-scale but is apparently used particularly effectively to achieve impact.

In 2011 work on creating and maintaining the protected home was supported by a less than 2500 euro project funded by Lale Foundation. A Best Business Plan award of 3200 euro was used in the start-up phase. In 2013, the Municipality of Radomir decided to support the social services offered by the protected home by applying for public funding for 2014. Currently, Betel Bulgaria does not receive state funding. More recently, the Foundation has received project-based funding from the Ministry of Culture and the Financial Mechanism of the European Economic Area.

#### **Key success factors:**

- commitment of the leadership and creation of strong culture of responsibility among the rehabilitated men;
- successful combination of funding sources and general independence from large-scale project-based financing; grants are used for crucial activities such as procurement of equipment and training rather than “soft” activities such as conferences and workshops;
- strong links to international branches of the Foundation allowing for opportunities to receive donations and volunteers, which can compensate for the general lack of such opportunities in Bulgarian society;
- direct and personal engagement with the community with a focus on building trust and acceptance;
- commitment to and a clear business plan for scaling and growth.

**Challenges and problems:**

- General lack of awareness and tolerance toward people with addiction problems in the society and community, which is exacerbated by an overall lower propensity and capacity to provide donations and act as volunteers. The social “shop” cannot rely on a vast group of responsible customers;
- Relatively high turn-over of inhabitants of the protected home which may prevent the social enterprise from building a strong organizational culture, a strong core of loyal and experienced employees and will necessitate almost incessant focus on mutual training among the rehabilitated persons;
- The social “shop” needs to work more on marketing and publicity.

**Year when the enterprise was created:** 2011

**Elements of the approach/innovation transferable to other countries:**

The approach is transferable by default as it is implemented by different branches of the Betel Foundation. The following key success factors are especially replicable by other similar social enterprises:

- Combination of funding sources and general independence from large-scale project-based financing; grants are used for crucial activities such as procurement of equipment and training rather than “soft” activities such as conferences and workshops;
- Direct and personal engagement with the community with a focus on building trust and acceptance.

<b>Company name: Pia Mater Home Patronage</b>
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**Country/region of operation:** Sofia

**Thematic area:** social and care services for elderly people and people with health problems or disability

**Description of the social enterprise:**

The social enterprise is run by Foundation Pia Mater. The Foundation was established in 2010. It provides social and care services in the user's own home by respecting his/her autonomy and enabling his/her independent living. The social enterprise offers a diverse package of different types of social and care services to suit the needs of users. It takes responsibility for training of the caregivers and ensures high quality of the service. It also seeks volunteer and donor support for the provision of services free of charge.

**Social impact sought:**

The Foundation seeks to contribute to improving the quality of care and social services in Bulgaria. Generally, it propagates the introduction of the so-called voucher model for social and care services in Bulgaria as a replacement of the ineffective free state-run services. In its work, however, it seeks ways of improving the situation until the voucher model is adopted (if it will be adopted) by developing a package of high quality services.

**Stakeholders:** persons in need of care and social services and their families, social service providers and other non-governmental organizations; volunteers, local communities in Sofia.

**Approach applied:**

The gist of the approach is to offer high quality care services at reasonable prices, foregoing profit-making in order to find resources to improve and sustain quality and to be able to offer free services to people in crisis situations.

The social enterprise provides a package of high quality social and care services in the user's home, in shared home, or through telephone-line assistance suitable for active elderly people. The services are provided for a reasonable fee by minimizing the amount of time when the caregiver is engaged. The funds received in the form of fees are invested in employing and training caregivers to ensure higher quality of the services, providing caregivers with sustainable and well-paid jobs in order to minimize the "grey" care sector in Bulgaria, and coordinating charitable and volunteer activities for users who cannot afford to pay. The services are also specially designed to ensure maximal support for the families of the persons who need care.

Pia Mater has developed the Teletask Info service located at the Teletask.org platform which connects in real time the customer, the client, the service delivery organization and the caregiver.

It integrates the available data in order to generate “evidence” for the service which allows the client to monitor the service delivery: i.e. was the service completed at all, how long it lasted and did it correspond to the service plan timetable. The Teletask Info service is intended for users in several countries and is particularly useful for the families of clients with memory problems. It should be noted that this is a paid service.

Pia Mater provides additional social services related to prevention of psychological diseases: consultations with medical professionals; social rehabilitation and trainings in group format; social rehabilitation and training for individual users. The services carry fees.

The Foundation has also developed a care service for “people in crisis” which is entirely free of charge and has a limited duration of up to 4 weeks. This service is available only on the territory of Sofia. The users are evaluated based on eligibility criteria to determine if they are really in a crisis situation. Pia Mater has the capacity to support up to three crisis social services per month. In 2014, Bulgarian Charities Aid Foundation supported the “crisis service” in Sofia with additional funds.

Pia Mater has also launched a donation and volunteer programme to find additional resources for sustaining the crisis service. Citizens are encouraged to make fixed donations to ensure the provision of free care to people who cannot afford to pay and have no families, to volunteer between 2 and 3 hours per week, or to donate equipment.

### **Innovation applied:**

The main innovation of the Pia Mater Home Patronage Scheme is at the policy level – it demonstrates that a novel user-oriented approach to social services is possible. Under the current policy and legal framework, social services in Bulgaria are provided by municipalities. Municipal social services are free of charge but the general perception is that they are not sufficiently suited to the needs of the users and their quality is dubious at best. Municipalities are allowed to create their own social enterprises (social providers) or contract out services to non-public providers. Currently, only about 20% of the social services are “externalized”, i.e. provided by entities other than the Municipalities. Municipal social enterprises can be partially or fully dependent on the budget of the Municipality. Some of them work as competitive enterprises but when faced with financial difficulties they will receive support from the Municipality. Non-municipal social providers currently only target those users that can allow to pay the full price of their services. Needless to say, in view of the target users (elderly people, people with disabilities or serious health issues), such users in Bulgaria are very few. Essentially, the trade-off in Bulgaria is between price and quality. Free services come with low quality, while paid services may be of high quality but carry substantial fees. Pia Mater has sought to devise a solution that offers a reasonable compromise between price and quality. At the same, it uses profit generated from the provision of paid care services to finance a certain volume of free services for socially vulnerable users.

A service innovation (it can be regarded as innovation at least in Bulgaria, not least due to the outdated structure of the care and social services sector) is introduced in those care services that are provided free of charge, i.e. the so-called “crisis social service”: the social service is geared towards achieving independence and improving the situation of the affected person. This approach is indispensable in view of the effectiveness of the service as it is only provided for a

short period of time (up to 4 weeks). This crisis-management element of the service includes two sub-elements:

- The affected person is supported in his/her efforts to mobilize his/her own resources in order to get help. Such own resources can include relatives, neighbours, colleagues, friends or other persons in need of support (mutual help).
- Exit plan – a clear plan for finding a solution to the “crisis situation” that can include measures to end the crisis situation itself, hospitalization, redirection to a care institution, training of relatives to overtake the care responsibilities, switching to paid care services at manageable fees (e.g. from relatives, neighbours or volunteers).

In 2012, Pia Mater received “The Best Quality of Service” award from Forbes magazine for the introduction of its Teletask Info service. The service is an innovation that meets the need for evidence-based services at the user’s home.

### **Social impact and business results achieved:**

#### ***Social impact:***

The social enterprise achieves its desired social impact – it provides high-quality care services, while seeking ways to extend the service on the basis of need to persons who cannot afford to pay. The area that needs improvement is the scale and coverage, but the solution is dependent on the capacity of the social enterprise, the geographical scope of activities and the availability of users who can afford to pay for the care services.

#### ***Business results:***

Pia Mater has established itself as a care service provider in Sofia. It provides on average over 6,000 hours of care services monthly. It is also an established training provider. It has a fully equipped training centre which allows for both theoretical and practical training. The service and training package is well developed and continuously updated. The Foundation employs qualified personnel, including nurses, certified social assistants and assistants with non-formal work experience in caring for the elderly or with experience as medical orderly.

### **Financial situation / sustainability of the business model:**

The Foundation started the social patronage service with the help of donor financing in the form of an award won in the competition “Empower 2010” organized and funded by Empower United Foundation and US AID. Pia Mater has received financial support from the Operational Programme “Human resources Development” in the period 2012-2013. This project-based funding was provided to support the training of qualified staff.

All in all, the social patronage service has proved financially self-sustaining through a combination of provision of paid services and mobilization of volunteer work and donations.

### **Key success factors:**

- Innovative approach to the provision of care and social services respecting the independence and autonomy of the user and providing diverse tailor-made solutions;

- The focus on training and employing qualified staff and providing them with sustainable and dignified jobs has ensured good reputation and business results of the enterprise;
- There is a focus on the effective management of social services which ensures stronger business results;
- The social enterprise was able to find a market niche by focusing on quality and reasonable price of the care services and by exploiting the weaknesses of the municipal social service sector.

**Challenges and problems:**

- The social impact on vulnerable groups is relatively low (the volume of care services for such groups is limited) compared to the provision of paid care and social services for people able to afford them;
- The number of potential users of paid social services in Bulgaria is relatively low which prevents the achievement of scale and the financing of stronger social impact.

**Year when the enterprise was created:** 2010

**Elements of the approach/innovation transferable to other countries:**

- combination of project-based financing with financing from the provision of paid services;
- the focus on investing profit into improving the quality of care and social services as alternatives of state-run service provision;
- the overall approach of focusing on the independent living and autonomy of the user of care services.

## **Bulgaria- Good Practices of Corporate Social Responsibility**

*Authors: Gergana Dimitrova and Tzvetalina Genova*

### **Company name: IKEA Bulgaria**

**Country/region of operation:** Bulgaria but the company is multinational (headquartered in Sweden)

#### **Company description:**

IKEA is a multinational group of companies that designs and sells ready-to-assemble furniture (such as beds, chairs and desks), appliances, small motor vehicles and home accessories. It was founded in Sweden in 1943. The company stands out for its innovative designs and its interior design is geared towards achieving simplicity through environmentally-friendly solutions. The company pays attention to cost control and continuous product development. The IKEA group has a complex corporate structure and is controlled by several foundations based in the Netherlands, Luxembourg and Liechtenstein. As of August 2015, IKEA owns and operates 373 stores in 47 countries. The company is responsible for approximately 1% of the commercial-product wood consumption in the world, and is thus one of the largest users of wood in the retail sector. IKEA has established the IKEA Foundation which coordinates and implements all of IKEA's socially responsible activities. The focus of corporate social responsibility in IKEA is children and women. IKEA Foundation works in close partnership with UNICEF, Save the children, Half the Sky, Refugees United, etc.

**Thematic area of CSR:** Children, parents, women, environment, education, youth crime prevention.

#### **Concrete issue causing social concern:**

- One area of work is children and education, without focusing on concrete social groups. The efforts go into promoting educational opportunities and opportunities for children to develop their creativity and intellectual capacity;
- Specific efforts focus on children from risk groups and target issues such as prevention of criminalization and violence;
- Environmental issues related to the production process in the company but far above legal requirements.

**Stakeholders (beneficiaries of CSR activities):** Children at risk, children living in poverty, children with development problems, children victims of crime, young users of the National Library in Sofia, customers buying IKEA furniture.

## **Solution applied:**

### - *Support for education*

IKEA Bulgaria has donated furniture for the National Library in the capital city – Sofia. In 2013 IKEA sponsored the opening of a room for early start in reading. In 2015 IKEA Bulgaria supported the library in creating a modern reading space for teenagers.

### - *Support for children from risk groups*

IKEA Bulgaria, as part of the global IKEA brand, maintains a partnership with UNICEF. In Bulgaria IKEA supports UNICEF in the field of education. They partner to remove barriers to access to education for children from risk groups – including children living in poverty, children living in disadvantaged areas, children living in institutions, children with disabilities, children refugees; children and youth in conflict with the law; children from ethnic minority groups.

Typically, IKEA Bulgaria participates in global IKEA initiatives such as „Soft Toys for Education“ which is implemented by IKEA Foundation in partnership with UNICEF and Save the Children. In the course of implementing these initiatives, IKEA Bulgaria raises additional funds to fund local initiatives for early education, support and protection for children at risk:

- IKEA contributed to the in-house comfort and friendly environment for the children in the Centre for Early Child Development in Kotel. 28 children aged between 3 and 4 years from risk families (children which have been left outside the traditional kindergartens) have had the opportunity to participate in different educational activities there. For only a year they succeeded in achieving equal educational results compared to children from the same age group attending kindergartens, and this despite the fact that some of them had never had access to books, toys and other work materials before.

- IKEA has equipped an innovative services center working with children in conflict with the law and children at risk in the town of Sliven. It includes a Centre for intensive social-educational support, Observed home (for youths aged 18) and Transitional home (for children under 18) - in all of them there is furniture from IKEA. The Centres opened in September 2015 and offer individual and group work with girls and boys, activities with their parents, support for education, legal help, temporary accommodation, resocialization and reintegration for the children in the community.

### - *Children safety*

IKEA donated furniture to create a family-house-like comfort in the centres for advocacy and support – Zone for Protection in Sofia, Montana and Shumen. This is an innovative social service supporting women and children who are victims of violence. The zones provide support, therapy, legal assistance, advocacy and physical security for children victims of crime and their families. The innovative service will work with all cases of violence against children including prevention of bullying in school.

### - *Environment*

IKEA Bulgaria strives to reduce energy consumption and to optimize the recycling process. It uses sustainable transport. In developing new products and services IKEA tries to reduce the potential harm to the environment (for example energy consumption, pollution, possibilities for

recycling, etc.). IKEA strives to present clear and prompt information to the customers, suppliers, the local community, etc. about the impact of their products on the environment. IKEA at the same time tries to reduce expenses by reducing its environmental impact (by recycling, reducing the energy consumption, and preventing pollution).

As of September 2015, IKEA became the first company to entirely switch to sustainable sources of cotton for its products. The initiative applies to products sold in Bulgaria, too.

### **How did the solution benefit the stakeholders:**

Generally, the initiatives achieved their desired impact. It could be argued that the initiatives focused on vulnerable target groups have been more optimal in terms of investment vs. effect and have achieved a more tangible impact. The environmental initiatives, however, are more long-term, more strategic and more clearly integrated in the company's production process and core business.

Notably, the approach chosen by IKEA, i.e. donating a percentage of the price of specific commodities, is both transparent and sustainable, giving customers a fair chance to participate in the social-impact driven company actions. The approach also maintains a direct link between the core business of the company, i.e. its products, and its corporate social responsibility. It is a positive break from the more widespread sponsorship activities of companies on the Bulgarian market where both the volume and the target of corporate social responsibility activities are chosen internally. IKEA's environmental commitments have been in the past, and continue to be, a textbook example of successful and ground-breaking corporate social responsibility in the environmental field strategically embedded in the core company's business, mission and values. While IKEA Bulgaria generally does not make additional efforts in this area, the application of the global IKEA approach itself suffices to make a strong impact on the Bulgarian market. In addition, such comprehensive environmental responsibility (as opposed to ad hoc actions) is not particularly widespread among Bulgarian business and is a welcome best practice locally. It should be noted however, that IKEA Bulgaria could step up efforts to underscore the environmental elements of its mission in its marketing and PR campaign in order to exert a more pronounced positive influence on the business environment and on consumer awareness.

**Did the solution bring benefits to the company:** The sustainability of IKEA's products and services (for example the possibility for recycling of the products, energy efficiency, etc.) tends to create competitive advantages for the company and its products. It also improves public awareness of the company and its activities.

### **Key success factors:**

- Good operational management of the activities;
- A notable level of transparency and direct involvement of customers (at least against the background of the widespread practices in the Bulgarian business environment);
- Long-term engagement;

- Clear link between CSR and company products;
- Activities that are not directly linked to the activities of the company are being implemented in cooperation with relevant and engaged non-governmental organizations (e.g. Unicef in the case of the Zones of Protection) which guarantees effectiveness of the efforts.
- Corporate social responsibility in the environmental field is particularly well designed and strategically embedded in the core business of the company (globally).

**Challenges and problems:** IKEA does not report serious challenges that hinder the realization of initiatives in the field of CSR. The main setback according to IKEA is that the expenses for the implementation of corporate social responsibility initiatives are not sufficiently compensated by potential benefits and development of competitive advantages. The company stated that the market in Bulgaria and the customers do not appreciate corporate social responsibility efforts.

**Year when the solution was first applied:** 2013

**Does the practice continue / year when it was discontinued:** Yes, the key practices continue and are designed to be sustainable

**Elements of the solution transferable to other countries:**

IKEA provides the following good practices transferrable to other countries:

- In Bulgaria IKEA invests efforts in actions that are part of global initiatives. This improves effectiveness by ensuring scale. It also serves to raise awareness of certain global problems within Bulgarian society, which is otherwise not particularly high (e.g. the use of sustainable sources of cotton).
- Initiatives that are specifically developed for the Bulgarian conditions are implemented in cooperation with non-governmental organizations invested in the topic. This ensures strong social impact.

**Company name: Telenor**

**Country/region of operation:** Bulgaria

**Company description:**

Telenor is a leading telecommunication company that offers a full range of services: mobile, fixed and data, to 3.8 million active subscribers in Bulgaria. Since March 2015, the company's services are available to 99.98% of Bulgaria's population, covering over 99.50% of the country's territory, and Telenor UMTS network covers 99.87% of the population. The company employs over 2,300 qualified professionals. Telenor's products and services are offered at around 370 points of sale throughout the country, including about 230 Telenor stores and 140 stores of the company's official partners Global Net Solutions and Internity. Until November 2014, Telenor operated under the GLOBUL brand. The company is present on the Bulgarian market since 2001. In the first year of its existence, it was proclaimed to be the biggest green-field investment and received the distinction 'Investment of the Year'. In 2008 Telenor invested over half a million lv. in employee training to improve efficiency in customer service and achieve higher level of satisfaction. In the same year the company was the first in Bulgaria to launch long-term environmental strategy which includes a set of initiatives aimed at reducing the environmental footprint, promoting recycling and re-use of mobile phones and accessories, and support of public 'green' projects. In 2011, Telenor celebrated their 10th anniversary by donating 10 ambulances to Bulgaria's Emergency Medical Service Centers. The company was also among the first owners of 100% electric-powered automobile in Bulgaria.

**Thematic area of CSR:** Environment, Medicine, Children care, Education, Amateur Football

**Concrete issue causing social concern:**

- social causes: a) safe and clean environment; b) support for children's education; c) online safety of children;
- solutions for social needs/deficits: a) support for the development and modernization of Bulgarian schools; b) support for homeless people in view of improving their living conditions; c) support for amateur sport and widening access to sport;
- training for students (with a long-term focus).

**Stakeholders (beneficiaries of CSR activities):** children, people in need of medical care, homeless people, students, amateur football clubs

**Solution applied:**

*Environment*

*@Invoice – with care for our nature.*

Telenor's mission is to act responsibly in their use of natural resources. They offer a user-friendly way of tracking monthly usage and charges via email.

*“Make your old mobile useful - recycle!”*

In the last three months of 2014 every customer had the opportunity to get a discount of up to 250 leva (approximately 130 Euro) on 30 smartphone models in exchange for a returned old mobile phone. The initiative was held for a second consecutive year and addressed a growing demand for affordable phones. It also sent a message that development should happen in a sustainable and environmentally friendly manner. By involving the customers in the environmental protection cause, Telenor are furthering their commitment and engaging society in it. In 2014 Telenor collected 2.7 tons of obsolete devices, batteries and accessories.

*Participation in “Earth Hour”*

Every year millions of people and organizations around the world switch off their electric appliances and lights for an hour in support of the efforts to fight climate change. For several consecutive years Telenor supports the annual initiative of the World Wildlife Fund (WWF) - The “Earth Hour”. At the exact hour the company switches off lights in the administrative buildings as well as advertising signs in stores across the country. For the “Earth Hour”, a total of 25 company neon advertisements are switched off in Sofia, Burgas, Varna, Veliko Tarnovo, Pleven, Ruse, Yambol, Dobrich, Plovdiv, Stara Zagora, Haskovo, Blagoevgrad, Kyustendil and Pazardzhik. Only the systems providing the seamless network operation and customer service remain online. In addition to being a participant, the company is also an ambassador of the initiative. Every year it organizes an awareness campaign among customers, partners, employees and users through social media.

*Green Re-Industrialization Forum*

In 2014 together with Manager Magazine Telenor organized the fifth consecutive edition of the annual green business forum under the motto “Green Re-Industrialization”. Representatives of leading Bulgarian companies, government institutions and media, diplomats and experts discussed green topics such as the possibilities for a circular economy in Bulgaria, returns on investment from green projects, innovations in sustainable development, etc.

***Children***

*“Maria’s world” foundation*

At the end of 2014 Telenor and “Maria’s World” Foundation received the award for “Best partnership” at the 9th annual Biggest Corporate Donor ceremony organized by the Bulgarian Donors Forum in cooperation with the President of Bulgaria Rosen Plevneliev. The goal of the project, to which Telenor contributed, was to create a better environment for young people with mild to moderate mental difficulties, by providing opportunities for them to improve their skills for independent life, to create new friendships and to work in a team. The day care center “Worlds” organizes a lot of different activities that offer its members the opportunity to acquire skills in cooking, baking and crafts, and supports them to manage their social contacts and friendships, to develop better skills for teamwork, housework and health maintenance. The support for “Maria’s World” cause is also one of the payroll giving options employees have.

Christmas, Easter, and 1st of March bazaars are another tradition maintained by Telenor employees and the young people attending the Day Care Center.

### *Children safety online*

In September 2014 Telenor was the first company to introduce a child sexual abuse filter following the best practice of Telenor Group. The initiative was launched in cooperation with the Bulgarian Interior Ministry. The filter is effective for all users of the operator's mobile data services. In case subscribers try to access a website with child abuse content via the company's mobile network, they will be automatically redirected to a "Stop Page" notifying them that the website they are trying to access is banned. Telenor supports a series of online safety trainings and seminars for pupils from fifth to seventh grade which will be held in five Bulgarian cities – Smolyan, Vidin, Pleven, Shumen and Targovisthe. The 'Cyber Scout' program is aimed at raising awareness of students and teachers about the risks on the Internet and ways of overcoming them. The educational initiative is implemented in partnership with the National Safer Internet Centre and the Ministry of Interior. The first training within the campaign took place on 20-21 April at the Regional Directorate of the Interior Ministry in the city of Smolyan. During the two-day workshop, children had the opportunity to acquire knowledge and practical skills about the risks of online communication and learn how to use internet and social media. Trainees also received advices on how to deal with cases of virtual violence and other problems on the Internet. Telenor's educational campaign is part of the company's long-term commitment to provide the safest internet experience possible. Back in 2011 the company supported the launch of the first Bulgarian Online Safety Helpline, which provides consultations on issues related to the safety of young internet users.

### *Homeless people*

#### *"Team of hope"*

For a third consecutive year the Bulgarian "Team of Hope" took part in the Homeless World Cup with the support of Telenor. The team is part of the "Homeless World Cup Bulgaria" project, a tournament for disadvantaged youth that aims at social integration. The tournament is a step in the selection and training of a national team representing Bulgaria at the Homeless World Cup. Almost all players in the Team of Hope have grown up in foster homes which they left at the age of 18. Some of them live in temporary accommodation centres, but every once in a while they find themselves living on the streets, without shelter or food. The social inclusion results of the project are promising. Thanks to the initiative hundreds of young people deprived of homes, family or social opportunities, regain hope and take control of their lives. During the Homeless World Cup in Chile in 2014 the Team of Hope achieved its best results so far - 12th place from 42 participating teams.

### *Education*

#### *I, the engineer*

The company was the general sponsor of the first of a kind technological event for young engineers in Sofia: "I, the Engineer". Leading Bulgarian technology companies joined efforts to support the professional development of young people in the country. Within a one day event high-school and university students and technology fans had the opportunity to meet engineers, inventors and business people and to learn about their work and the prospects within the profession. Every company had a workshop and an info desk where they presented their

activities and invited visitors to join in solving problems and business cases. Telenor's network renovation program provided career opportunities to 10 young people who joined the company.

#### *Manager for a day*

Telenor's CEO Stein-Erik Vellan gave a personal welcome to 5 young people, who spent a day at the company HQ, as part of Junior Achievement Bulgaria's initiative "Manager for a Day". The participants went through a special induction program which familiarized them with the Telenor corporate culture, history, organizational and portfolio structure. The youth met some of the most experienced company professionals and managers in the fields of law, trade and finance who shared details about their responsibilities and challenges at work.

#### *Green entrepreneurship for sustainable development*

As part of the company's continuous efforts to support young people and build a bridge between business and academia, Telenor supported Junior Achievement's new green initiative "Green Entrepreneurship for Sustainable Development". The project was developed jointly with the Norwegian Young Enterprise Sognog Fjordane and aimed at giving students the opportunity to learn how a business can be sustainable, as well as try to create a "green" business themselves. A special video-course was designed.

#### *A Scholarship Program*

Traditionally, participants in the program receive a monthly scholarship until obtaining their Bachelor Degrees. In addition, they have the opportunity to gain valuable practical experience by working with a personal tutor and taking part in the company's summer traineeship program. Each scholar will join a different team in the following divisions: Strategic Finance, Legal Affairs, Consumer Segment, Value Creation, Consumer Services, Technology Implementation, Technology Planning, Technology Operations and Technology strategy and network performance.

Telenor scholarship and traineeship programs are the company's most popular youth initiatives. Over 400 students have participated so far. In 2013 Telenor launched a new annual campaign aimed at socially engaged young people. It provides two Bulgarians with the chance to take part in the international Telenor Youth Summit held in Oslo.

#### *Modernization of school environment in Bulgaria*

Telenor launches contest for projects aimed at modernization of the school environment in Bulgarian educational institutions. The goal of the 'Digital Classroom' initiative is to encourage the use of modern technologies and methods which will improve working conditions in schools and will increase the efficiency of the educational process. Telenor contest is open to all public schools. The prize fund of the contest is BGN 200,000 as the selected proposals will receive funding of up to 90% of the total project's cost. The maximum amount that is provided for each winning project is BGN 100,000. Telenor aims at encouraging youth to use modern technologies in order to facilitate their access to information and knowledge. Among the projects which were implemented so far, was the modernization of the Leadership Centre in the 19th Elin Pelin School in Sofia. In end-2014, Telenor donated 107,000 lv. to the school for the renovation process. The Leadership Center consists of nine labs, including entrepreneurship space, English, German and Norwegian language labs, mathematics, geography and IT labs, as well as a library. Thanks to Telenor's donation, the learning spaces will be equipped with interactive whiteboards, multimedia, laptops and ultrathin energy-efficient personal computers. The high-tech classrooms

also feature student response system, which allow students to participate in lectures by submitting responses to interactive questions using the remote clicker devices. Responses are collected by specially designed software and displayed on the teacher's laptop.

### ***Amateur football***

Telenor supports the annual edition of the biggest amateur soccer tournament in Bulgaria. The annual sports initiative attracts thousands of soccer fans and amateur football clubs who have the chance to compete for Bulgaria's National Champion title, to practice their favourite sport and win various prizes. As an official partner of Kamenitza Fan Cup, Telenor provides special prizes for the guests and participants in the event. During the tournament, the company organizes a series of promotional activities and games, in which it gives away 12 Telenor Smart Plus smartphones and various smaller prizes. Telenor supports Kamenitza Fan Cup soccer tournament for several consecutive years, including in 2015 and 2016. In 2014 over 18,000 people took part in it and more than 40 000 fans watched the games. The initiative provides excellent playing conditions, professional equipment and accredited soccer referees. Moreover, participants have the chance to play at the stadiums of their favorite local teams and meet some of Bulgaria's world-famous soccer stars.

### **How did the solution benefit the stakeholders:**

Each initiative had clear and practical social goals which were achieved due to sustainable effort and substantial investment of resources. Telenor has chosen important social causes and has contributed to raising awareness about them. In addition, some of the initiatives were targeted at people from disadvantaged groups where the social impact is more immediate and tangible.

**Did the solution bring benefits to the company:** Improved awareness of the company, awards from prestigious institutions (Red Cross, for example).

### **Key success factors:**

- strategic orientation of corporate social responsibility initiatives: almost all the activities are linked to the core business and products of the company;
- long-term commitment;
- a fair mix of support for social causes (strategic approach) and sponsorship;
- Telenor is able to use good practices from its parent organization and adapts them successfully to the Bulgarian conditions;
- success is the function of sheer volume of investment and effort which stands out as substantial against the background of the activities of other business actors in Bulgaria;
- successful and well-selected partnerships with key non-governmental organizations committed to the selected social causes;
- good communication with the media;
- good organization of the activities;

- strategic use of important and popular figures to popularize the initiatives.

**Challenges and problems:** Telenor has reported that it faces challenges in realizing initiatives in the field of corporate social responsibility due to the economic downturn. According to the company, the market and the customers do not appreciate the activities related to corporate social responsibility.

**Year when the solution was first applied:** 2001

**Elements of the solution transferable to other countries:**

- Strategic orientation of corporate social responsibility initiatives: almost all of the activities are linked to the core business and products of the company;
- Successful and well-selected partnerships with key non-governmental organizations committed to the selected social causes;
- Well-performed transfer of initiatives designed by the multinational/foreign company in a way that makes them suitable for the local context.

**Company name: Mobitel EAD (popularly referred to as Mtel)**

**Country/region of operation:** national, but part of Telecom Austria Group, which operates in 8 countries in Central and Eastern Europe.

**Company description:**

Mobitel was established in 1994 and was the first mobile operator in Bulgaria. It provides mobile and fixed voice services, broadband Internet, DTH service and IPTV. Currently, its market share is 39% and it serves around 4.2 million clients. It has leading position in the provision of mobile voice services. After acquiring Blizoo in 2015, it is the largest company in Bulgaria in terms of fixed internet clients and the second largest in terms of number of TV clients. In 2015, Mtel reported revenues of EUR 364.7 billion and EBITDA of EUR 132.8 billion. With over 1.7 billion euro investments since its incorporation, Mtel is an important player in the Bulgarian economy.

**Thematic area of CSR:** children, environmental issues

**Concrete issue causing social concern:** Notably, Mtel differentiates sponsorship from strategic corporate social responsibility, which is not typical for many Bulgarian companies that tend to conflate these two approaches. Its focus is on children and the need to ensure their future. Based on this overarching theme, the corporate social responsibility approach, termed “Generation with a Future” includes 4 basic directions: foster care for children without parents (“Foster the Future”), education (“Education with a Future”), sport activities among children (“Sportsmen with a Future”) and environmental issues (“Nature with a Future”).

**Stakeholders (beneficiaries of CSR activities):** children (primary stakeholder), children without parents (specific targeted activities)

**Solution applied:**

*Foster care*

The “Foster the Future” initiative of Mtel is implemented in partnership with the National Foster Care Association. It supports the development of opportunities and incentives for the provision of foster care for children without parents as a superior alternative to institutionalized care. Mtel has provided support amounting to 240 000 lv, using different forms of financing. Activities that have been supported include an annual boot camp for affected children, stationery and books for pupils in foster families, career guidance services for students from foster families, and financial contribution for the building of a Support Centre for Foster Parents.

In addition to the “Foster the Future” project, since 2007 Mtel has adopted a family in SOS Children’s Villages Bulgaria.

### *Education for children and young people*

The initiative “Internet for Everyone” addresses the digital gap/ digital divide in Bulgarian society. It is based on the mission to enable every child, young person and citizen to be able to use the Internet and the digital media by removing social barriers to their use. In the framework of this initiative Mtel provides technical equipment in social and educational institutions in Bulgaria. Parallel to such social-impact driven investments, the initiative includes efforts aimed at improving young people’s media skills. In cooperation with experts with competencies in the child development and social field, Mtel employees have developed specialized learning programmes that are offered to children free of charge. The learning programme was launched in 2014 when nearly 500 children were trained. Some of them were children involved in the company’s other social projects and some were children of Mtel employees. The training was carried out by volunteering Mtel employees. In 2015 the number of children included in this initiative was increased to 1500 and the training was differentiated according to age group. In 2016 the company plans to offer the training to parents, too.

#### - Mtel Talent

This initiative aims to support the development of young talents and the realization of their projects in the field of art, science and sport. The basic approach is to provide publicity for the young people’s projects and some selected individual talents.

#### - Mtel Football Cup for Children

This initiative supports children’s sport activities. It is a programme with a national scope and is implemented in several Bulgarian towns. The beneficiaries are children up to 12 years of age. The main approach of the company is to provide equipment, balls, awards and publicity.

#### - Support for Foundation “Eyes on Four Paws”

This initiative is essentially sponsorship even though the company lists it as corporate social responsibility, apparently due to the social character of the supported charitable work and the duration of the support. Foundation “Eyes on Four Paws” works for the rehabilitation and reintegration of people with impaired vision, including by training dog guides.

#### - Mtel Eco Grant

This is an annual donor programme which is focused on selecting and funding small environmental projects of non-governmental organizations working for the public benefit. Preference is given to projects that raise awareness of environmental issues and include the local community. The donor programme is implemented in partnership with Bulgarian Charities Aid Foundation. The overall sum of the support is officially set at 25 000 lv (around 12 500 euro) but in 2015 over 44 000 lv worth of projects were funded.

The company has been nominated for corporate social responsibility awards several times by the Bulgarian Donors Forum. In 2014 and 2015 it won the award “Most substantial contribution through volunteer work of the company employees”.

**How did the solution benefit the stakeholders:** The initiatives directed at disadvantaged groups (children without parents, people with visual impairment) are essentially sponsorship/charitable activities. Their positive effects on the targeted groups are undoubted and

they are achieved through the work of the supported partner foundations/ non-governmental organizations. The initiative aimed at addressing the digital divide is much more suitable for the strategic corporate social responsibility category due to its relation to the company's core business. The volunteer involvement of employees is notable as it is not common in Bulgaria. The support for young people's activities is essentially a classical example of corporate social responsibility directed at community engagement. The impact of these initiatives is fairly substantial given their scope and outreach. The Eco Grant, while unrelated to the company's core business, has elements of proper corporate social responsibility engagement. Its impact is probably limited by the size of the invested funds and the sustainability of the funded projects but the company demonstrates commitment to proper evaluation and monitoring of the selected applications.

**Did the solution bring benefits to the company:** Awareness for the company and its activities

**Key success factors:**

- solid partnerships at national level;
- visibility of actions;
- engagements with corporate social responsibility SR related to the company's core business;
- volunteer engagement of employees in corporate social responsibility activities;
- long-term engagement with the corporate social responsibility actions.

**Challenges and problems:** Mtel manages to maintain long-term commitment to corporate social responsibility corporate social responsibility activities, mainly by limiting their number. The company does not experience serious challenges in terms of its financial situation, which positively impacts corporate social responsibility activities. The major challenge is the overall low level of appreciation and awareness of corporate social responsibility activities in Bulgarian society.

**Does the practice continue / year when it was discontinued:** Yes, the described practices are sustainable.

**Elements of the solution transferable to other countries:**

- Focus on a manageable number of CSR practices in order to ensure sustainability;
- Efforts to involve employees in the implementation of CSR activities;
- Searching for social causes (closing the digital divide) that are relevant to the company's core business and the expertise of its employees (thus enabling employee volunteering);
- Social causes not directly related to the company's core business are implemented in close cooperation with relevant NGOs and government authorities.

<b>Company name: Danone Serdika AD</b>
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**Country/region of operation:** multinational, case study focuses on Bulgarian branch

**Company description:**

Danone was officially established in Bulgaria in 1993 when Groupe Danone bought the formerly state-owned company “Serdika”. Internationally, Danone is a successful company on the market of healthy foods. It has around 160 facilities and around 100 000 employees. The company does business on 5 continents and over 140 countries. It occupies leading market positions in four business divisions: fresh milk products, bottled water, baby food and clinical food. In Bulgaria, since 1995 Danone has leading position on the market of fresh milk products. The company’s portfolio includes 50 products. The company strives to combine European standards with the specificity and conditions on the Bulgarian market and the preferences of Bulgarian clients. Generally, the company’s mission is to produce wholesome products and encourage healthy eating.

As a multinational company, Danone has become engaged with corporate social responsibility as early as 1972 when it adopts the dual model of business management, i.e. a model that combines the pursuit of business success and profit with creating social value. The company has viewed this model as a demonstration of its belief that successful business is dependent on investment in society.

**Thematic area of CSR:** healthy living, children’s health and wellbeing

**Concrete issue causing social concern:** Danone Serdika mostly focuses on the issue of healthy living. The two basic directions of work have been the promotion of healthy eating and physical activity. According to official statistics, every fifth child in Bulgaria is overweight and 12% of all children are obese. This puts Bulgaria among the countries in the world with highest obesity rate among schoolchildren. Danone Serdika believes that providing more attractive opportunities and more physical spaces for children to practice sport and eat healthy could help reverse this trend.

**Stakeholders (beneficiaries of corporate social responsibility activities):** children (primary stakeholder), children with hematological and oncological diseases and their families (specific targeted initiatives)

**Solution applied:**

During its presence on the Bulgarian market the company has developed a number of corporate social responsibility initiatives, some of which were centrally-developed from the multinational company and implemented locally in Bulgaria. Other initiatives have been purely local. Several initiatives have been targeted exclusively at company employees but a number of key projects have been targeted at the external environment. The overall strategy has been to maintain support for a small number of initiatives but ensure that this support lasts for a long period of time.

The following most successful initiatives have been implemented:

- Danoniada

In 1998 shortly before the World Football Club Danone-Serdika organized a national children's football cup with the participation of more than 1000 school football teams from around the country. This purely local initiative was met with enthusiasm, prompting the company headquarters in Paris to duplicate it at international level. The first International Danone Cup was thus organized in 2000 with the participation of 8 football teams. In the following years the initiative was becoming increasingly popular and now 40 countries participate at the international finals. Currently, the International Danone Cup is the only football tournament for children until the age of 12 that is officially recognized by FIFA. The international football star Zinedine Zidane is the initiative's global ambassador. The Cup's ambassador for Bulgaria since 2008 is Bulgaria's most successful football player Dimitar Berbatov.

In 2007 Danone Serdika won the Bulgarian Business Leaders' Forum Responsible Business Awards in recognition of the social impact of the Danoniada.

- Active and Healthy

In 2009 Danone Serdika launched the Active and Healthy Campaign in cooperation with the Dimitar Berbatov Foundation, the Ministry of Physical Activity and Sport and the Ministry of Education and Science. The initiative was focused on implementing concrete projects at school such as building and renovating gyms, swimming pools, football playfields and multifunctional sport areas. It had an element of social marketing as funding for the project was based on a percentage (5%) of sales on selected products. The programme was implemented most actively in 2010 and 2011. It received awards from the Bulgarian Business Leaders' Forum – in 2010, 3<sup>rd</sup> place in the category "Social marketing" and 1<sup>st</sup> place in the same category in 2011, and from the Bulgarian Donors Forum – award for Best Donor Programme.

- The Hour of the Child

This is a social project aimed to support the Specialized Clinic for Children with Hematological and Oncological Diseases. The engagement was initiated in 2005 and enabled the purchase of equipment and consumables for the hospital. In addition, Danone Serdika maintains a children's playroom and social programme. The initiative is based on volunteer work by the company employees, who donate for the cause their remuneration for the volunteered working hours.

The company has been nominated for CSR awards several times by the Bulgarian Donors Forum. In 2015 it won the award for volume of non-financial donations.

**How did the solution benefit the stakeholders:** The Danoniada has been successful in achieving the desired results in terms of creating attractive opportunities and encouraging children's sport activities. Understandably, however, the impact has been limited to the participating schools (teams need to register on their own initiative in order to participate), which raises the question of outreach especially as schools in disadvantaged areas are concerned. All in all, however, the initiative stands out for its substantial scale and impact. Physical improvements on school's premises intended to facilitate access to sport and healthy living habits have undoubted benefits, although again outreach is an issue. Support for the Specialized Clinic for Children with Hematological and Oncological Disease has been by definition more limited in its intended impact, i.e. the benefits are limited to the recipient hospital and its patients.

**Did the solution bring benefits to the company:** Awareness for the company and its activities

**Key success factors:**

- solid partnerships at national level;
- high visibility of actions;
- engagements with corporate social responsibility strongly related to the company's business, products and overall mission, i.e. the engagements are less reminiscent of charity and have strong elements of strategic corporate social responsibility embedded into the company's overall business strategy.

**Challenges and problems:** The economic recession appears to have adversely affected the company's capacity to sustain some of its corporate social responsibility initiatives. After 2013 there is a tendency to focus on sustaining the Danoniada as opposed to the other initiatives.

**Year when the solution was first applied:** 1998, 2009, 2005 for the three featured initiatives

**Does the practice continue / year when it was discontinued:** Yes, some practices, most notably the Danoniada, are sustainable.

**Elements of the solution transferable to other countries:** the Danoniada has proved transferrable; the other initiatives are perfectly adaptable to any EU country. All of the solutions, however, are preconditioned on the maintenance of strong national-level partnerships to ensure high visibility and perceptible impact of the actions.

**Company name: LEV INS**

**Country/region of operation:** Bulgaria

**Company description:**

Lev Ins AD Insurance Company was established in 1996 and became one of the first privately owned companies in Bulgaria's insurance sector. The Company's own capital was raised by Israeli and Bulgarian investors. It is a part of a financial group operating in the fields of general insurance, life insurance, secondary retirement provision and health insurance.

Over the last several years Lev Ins AD became the leader in Motor Third Party Liability Insurance which forms the biggest share in the portfolios of the general insurance companies in Bulgaria.

Lev Ins AD is the company with the largest insurance reserves. Now it is one of the most stable insurance carriers on the Bulgarian insurance market.

The company strategy for sustainable growth is to a large degree driven by an anticipatory approach to risk management which is put in practice by applying an Active Corporate Security philosophy. Lev Ins AD's self-perceived key to success is its excellent communication with customers.

In 2013 Lev Ins AD was awarded the prize for Most Trustworthy Insurer in Terms of Insurance Compensation Payment.

Lev Ins AD has earned the trust and support of large international reinsurers and maintains high-capacity reinsurance programs for the main lines of its business. Some of the major reinsurers the company works with include Swiss Re, Lloyds, Sirius, and Scor among others.

**Thematic area of CSR:** Sports and Arts; Emergency; Children Safety

**Concrete issue causing social concern:** a) perceived deficit in state support for arts and sports; b) social cause: faster provision of emergency first aid and emergency health care.

**Stakeholders (beneficiaries of CSR activities):** key stakeholders are: sportsmen and athletes, including women and children, the general population.

**Solution applied:**

- Children safety on the road:

The Association of Automobile Importers in conjunction with LEV INS and the Traffic Police launched a nationwide campaign entitled *Save the Child* to raise awareness and bring down the number of children dying in traffic accidents. Special road signs were installed at and around 67

schools, and 27 kindergartens in Sofia, Plovdiv, Varna, and Burgas to improve safety - 27 schools and 2 kindergartens are in Sofia, 16 schools in Plovdiv, 11 in Varna, and 11 in Burgas. Apart from physically improving traffic safety near schools, the campaign attempted to raise public awareness of the issue by distributing information materials in the public transportation system, in car dealership companies that are members of the Association of Automobile Importers, and in the offices of LEV INS throughout the country. The funding required to fuel the project till 2010 (500 000 lv.) were donated from the Prevention Fund of LEV INS. The project benefited schools and kindergartens located in traffic hotspots throughout the country. The initiative has been completed.

- Emergency:

The project “*Active Care*” is a public-private partnership between the Bulgarian Red Cross and “Club Active Security”. It is supported by Lev Ins. It was launched in 2014.

Active Care supports the government’s efforts in the field of first aid and emergency medical assistance by offering the services of its crews which operate in accordance with the best European standards.

The objective is to provide access to first aid to a large number of people across the country and to cover as many accidents as possible by offering adequate help and by upgrading existing capabilities. This is achieved with the help of specially equipped helicopters and qualified specialists, and by training paramedics. At the suggestion of the Bulgarian Taxi Drivers and Carriers’ Branch Chamber and the Association of the Insured Victims of Traffic Accidents, the Project is implemented by using the services of taxi drivers. For the purposes of the project, a group of taxi drivers will go through a paramedic training course.

Active Care will provide first aid and medical assistance in line with the best European standards. The crews will also be involved in cases when the Emergency Assistance Services have asked for help – industrial incidents, minor domestic accidents, deterioration in the condition of chronically ill persons, as well as various incidents taking place in Bulgaria’s tourist resorts.

- Sport sponsorship:

LEV INS understands sport sponsorship as a policy of corporate social responsibility. It views it as contribution to improving the wellbeing of children, young people, and all Bulgarian citizens. LEV INS was the main sponsor of the women’s basketball team of Levski Spartak. Since 2005, it has been the main sponsor of the Bulgarian National Karate Federation. The company supports karate as a sport based on the conviction that it is also an educational tool able to prevent aggression and drug addiction among youngsters. In 2007 the city of Varna hosted the World Karate Championship. LEV INS pitched in 150 000 lv. to help with the organization of the event.

Recently, LEV INS became the general sponsor of Football Club Levski. The company has emphasized its support for the development of the youth and children’s teams in the club.

**How did the solution benefit the stakeholders:**

The initiatives focused on children safety on the road and emergencies are closely related to the core business of the company, so even though the company provides only financial support, they

can be considered strategic corporate social responsibility actions. While the impact of the emergency-focused initiative is yet too early to assess, these corporate social responsibility activities are well selected and were able to raise awareness of important issues. Sport sponsorship, while included in the list of the company's corporate social responsibility actions and undoubtedly positive for the supported teams, is not strategically related to the company's business.

**Did the solution bring benefits to the company:** Awareness for the company and its activities

**Key success factors:**

- Reliance on strategic partnerships with public authorities and non-governmental organizations involved with the social causes addressed;
- Good communication of the aims and results of corporate social responsibility activities.

**Challenges and problems:** LEV INS did not report serious challenges met in the course of implementing its corporate social responsibility strategy. However, it stated that the economic recession has adversely affected its capacity to engage more actively with future corporate social responsibility initiatives.

**Year when the solution was first applied:** 2005

**Does the practice continue / year when it was discontinued:** Some of the practices continue (as indicated above)

**Elements of the solution transferable to other countries:**

- Issues related to road safety and emergency can be tackled by business successfully if strategic partnerships are formed;
- Adequate communication of corporate social responsibility activities, especially when the latter concern broader target groups and audiences rather than specific disadvantaged groups.

## Spain: Good Practices of Social Entrepreneurship

*Author: Beatrice Bellet*

**Company name: Mas la Llum**

**Country/region of operation:** Spain, Aragón, Matarraña region

**Thematic area:** Environmental activities and education (rural eco-tourism and active education)

### **Description of the social enterprise:**

The enterprise features a rural house of shared lodgings and education classroom. It promotes energy self-sufficiency by means of the use of renewable energy, eco-tourism and sustainable tourism, efficient use of resources, minimizing and reusing waste, healthy and sustainable house criteria, among others, by means of good practice in the management of MAS LA LLUM and through leisure and educational activities for environmental education.

### **Social impact sought:**

- Education and awareness raising in the field of sustainability, reducing the use and waste of resources, a better management of waste and greater environmental conscience.
- Increasing energy efficiency of houses (both in terms of construction and at user level) with natural elements, reducing the use of energy in the household.

The enterprise raises awareness of the fact that natural resources have to be respected and managed in an efficient way, and highlights the responsibility of acts, behaviours and consequences for the environment. Being in a house with such peculiar features, persons can understand in a more personal way all the gears of “resource-waste-resource” which is why it is termed eco-tourism and responsible tourism.

### **Innovation applied:**

The House innovates in two different aspects:

- 1) In construction: the building is a pioneer in Spain in terms of its construction (it employs a hybrid system of straw and wood) and in terms of the legalization of the building and dry toiler level.
- 2) An integral concept in eco-tourism is sustainability. The eco-tourist becomes aware and learns about sustainability during their stay in MAS LA LLUM, as they are staying in a straw, mud and wood house, free of toxic substances, self-sufficient and energy efficient. The eco tourists participate actively in processes of self-management and saving of natural resources: from their gathering until their reutilization. This allows the social enterprise to nurture stronger environmental conscience.

**Social impact and business results achieved:**

MAS LA LLUM is a sustainable and self-sufficient estate. It strives to be a role model at the European level, both in eco-tourism and in the promotion and sustainability, energy self-sufficiency management and in social and environmental respect, through responsible and sustainable tourism and leisure and educational activities.

MAS LA LLUM strives to be a coach of sustainability, through management, and of conscious and responsible eco-tourism, through dissemination and education.

**Financial situation / sustainability of the business model:**

The business model is based on global sustainability, management and integration in the local environment and territory.

A viability plan has been elaborated and is revised continuously. It pays attention to financial viability, but also to viability in the territory, in synergy with the activities of small local suppliers that manage CSR projects, the social policies of public and private entities that promote territorial cohesion and sustainability.

**Key success factors:**

This establishment is unique in its features, both in construction and global management of resources and waste.

Authenticity of the project and all the elements that make it: each of the elements is based on coherence and sustainability criteria, from the natural construction materials free of toxic materials, to the ecological and regional products in the territory.

Constant evolution, it is a living project that is always evolving and introducing new concepts and sustainability experiments.

**Challenges and problems:**

The biggest challenge that the enterprise faces is mostly the regulations and the archaic Spanish public administration that do not facilitate innovation in sustainability and environmental and social coherence. This leads to loss of time and constant difficulties as the basic concepts of sustainability and self-sufficiency are not particularly well integrated in current laws. In some cases laws prohibit some solutions and in some cases there are legal vacuums that.

**Year when the company was created:**The eco-tourism rural house opened its doors in April 2014 but project was initiated in 2011.

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**Company name: ATADES-GARDENIERS**

**Country/region of operation:** Zaragoza (Aragon), Spain.

**Thematic area:** Social and economic integration of disadvantaged and excluded persons (ecological agriculture and social gardening)

**Description of the social enterprise:**

Gardeniers is a Special Centre of Employment dedicated to Gardening and Ecological Agriculture, which took its first steps in October 2011. Its mission is to facilitate the integration of people with intellectual disabilities into the labour market. It achieves this through two kinds of activities: ecological agriculture and maintenance of parks and gardens. The project started with two training courses for people with intellectual disabilities, with help from the Employment Institute of Aragon (INAEM) of the Aragon Government. The courses were followed by a selection process and 15 people were chosen to be a part of the work group of the Special Center of Employment Gardeniers.

Nowadays, there are 30 people working at GARDENIERS, 27 of them with disabilities and most of them with intellectual disabilities. They are supervised by a team of 3 agronomists and agricultural engineers. The initiative is supported by ATADES ASSOCIATION which has 53-year experience in working with people with intellectual disabilities in Aragon. GARDENIERS is a part of the Aragonese Committee of Ecological Agriculture of the Department of Agriculture, Cattle Industry and Mountains of the Aragon Government, and the Seeds Network of Aragon which is composed by a group of farmers, technicians and persons interested in responsible agriculture with the common goal to preserve agricultural biodiversity, especially in Aragon.

Ecological Agriculture Area: The ecological garden of GARDENIERS is located in the Residential City Sonsoles, property of ATADES, in Alagon (Zaragoza) where there are 18 hectares of land dedicated to the growing of green and seasonal vegetables certified by the Aragonese Committee of Ecological Agriculture (CAEE). Another 4 hectares of land in the town of San Mateo de Gallego are used to grow different vegetables respecting the natural cycles of the plants. The products are directly sold to: stores specialised in ecological products, traditional Fruit Shops, online selling through [www.gardeniers.es](http://www.gardeniers.es) and companies for collective restoration like Aramark or Combicatering.

Gardening Area: This area is used to design, execute and maintain green spaces, both public and private. Nowadays, there are 12 people doing cleaning work in green spaces, work related to the establishment and maintenance of gardens, and all the tasks related to this area, irrigation reparation, pruning and plantations. Located in Clara Campoamor 25, in the Actur neighbourhood, the Gardening Area sells various decorative plants, fruit trees, farming plants, gardening tools and materials and carries out garden projects for public and private spaces. It also provides counselling and gardening tasks for clients. The gardening center employs 6 people. The clients are varied - both public and private institutions, and individuals, including Aragonese Corporation of Radio and TV (CARTV), the Cooperative Autotaxi of Zaragoza, the

Department of Taxes and Public Administration of the Aragon Government, the La Caixa Banking Foundation.

### **Social impact sought:**

ATADES-GARDENIERS' goal is to enable full job placements for people with dysfunctional diversity, adding product and service quality and values that improve their quality of life. GARDENIERS is involved with society, nature and people with the biggest difficulties in terms of social inclusion.

### **Stakeholders:**

There are two different groups of stakeholders. On the one hand, the logical group of direct stakeholders that are people with an intellectual disability, part of the GARDENIERS project in their program of Work Placement Promotion. On the other hand, the group of indirect stakeholders are all the final clients of the different sales itineraries, both national and international.

### **Strategy applied:**

Collaborative Effort: This is an open project for all ecological producers in Aragon. All producers of ecological agriculture in Aragon can find in the brand GARDENIERS an opportunity to work united, sharing efforts and looking for synergies in production, processing, marketing and sales. GARDENIERS is aware that it needs to reach the market with a wide and sufficient offer, produced with efficient costs and organized in such a way that it can meet the commitments it has made with regard to distribution.

Ecological Agriculture in Aragon: Since this need is common to all producers of ecological agriculture in Aragon, there are opportunities to coordinate, share costs, divide efforts and use synergies in production, processing, marketing and sales.

Internationalization; Opening Markets: The main goal of GARDENIERS is to be a sustainable and growing company. Facing insufficient demand on the local market, it turns to markets that are more mature in the consumption of ecological vegetables, e.g. Germany, Benelux and Scandinavia.

### **Applied Innovation:**

The GARDENIERS approach to promotion of consumption of ecological products of gardens in Zaragoza contributes with the following key innovations:

1. Search of new profiles of ecological agriculture consumers
2. Strategies for branding
3. Innovative dissemination actions
4. Mobile Phone App for the orders basket

5. Propelling the GARDENIERS brand and disseminating the underlying mission of the project, namely the integration and inclusion of people with intellectual disabilities
6. Coordination and collaboration with other farmers of ecological products in the area to unify productions
7. Good coordination and collaboration with agencies and bodies that support the internationalization of the companies
8. Improved knowledge about outside markets
9. Improved the internal management of GARDENIERS adapting their procedures to the European regulations.

### **Social impact and business results achieved:**

The evolution of GARDENIERS in the last few years is important. We attach data from 2014:

The results are as follows:

Points of sale: Nowadays, GARDENIERS products are sold in the following points of sale: 5 stores specialized in ecological products: Bio Bio, IKKO, La Huertaza, La Natural and La Oliva; 5 Simply stores all over Zaragoza; 5 conventional fruit stores that also offer ecological products: Zampa y goza, Las mil y una frutas, Frutas y letras, Frutas Visiedo and La Casa de la Huerta; Service of orders basket to individuals in 6 different points of sale within the town; 2 gourmet stores that offer canned products of Gardeniers: Sedetania and Almacén Coloniales; Agroecological market located in José Sinués Square. Every Saturday morning GARDENIERS runs the initiative “Fruit seller for a day”.

### Awards for good practice in social entrepreneurship:

2011. Award “Axa de todo corazón”

2015 May. Award “Aragón, business and future of the business” for social business of Heraldo de Aragón

Appearance in Press: Since June 2014, there have been 40 articles, features or reviews in the press about the band GARDENIERS.

Appearance in Social Networks: The enterprise has 1.226 followers on Instagram; more than 586 followers in Twitter and 761 likes on Facebook. (Data as of September 2015)

### **Financial situation / sustainability of the business model:**

Results from the last financial review point to an ascending progression in the number of sales, mainly due to the increasing number of distribution points, optimized by the huge boost in investments directed to a greater diffusion and by the media impact of the project.

The budget of GARDENIERS has been increased by 40% in two years, and the number of employees has been increased from 14 to 27 in three years.

BUDGET

2012	2013	2014
220,050.64	345,096.98	395,593.58

One main point demonstrating the sustainability of the enterprise is the balance between the increase in fixed expenses and the increase in sales for the different ways of marketing. Another point is the investment for the creation and consolidation of a visible brand, recognized at a local and exterior level.

**Key success factors:**

- Impact on media and social networks. Viral and social marketing
- Expansion of the transnational markets
- Human potential in the project
- Product quality

**Challenges and problems:**

- Increasing fixed expenses
- Market competition
- Culinary demands from the northern Europe clients
- Balance between production and social attention

**Year when the company was created:** 2011

**Contact person for more information:**

Felix Arrizabalaga / Joaquin Arque / José Asensi

**Elements of the approach/innovation transferable to other countries:**

- A Project integrated in society through specific marketing campaigns (Fruit seller for a day, school campaigns...)
- Fusion of ecological and educational issues
- Visibility and dynamism on social networks
- Appealing design of the brand
- Multiple marketing lines (accessibility for the client).

<b>Company name: Aportia Consulting (LLC) - Special Center of Employment</b>
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**Country/region of operation:** Zaragoza, Spain

**Thematic area:** Social and economic integration of disadvantaged and excluded persons (General services and specialized services for enterprises, consulting services in Management, consulting services in new technologies, Hotel and Restaurant Sector)

**Description of the social enterprise:**

Aportia is a Special Center of Employment, authorized as a Limited Liability Company, currently with 25 employees and 33 partners, among them, workers with a disability and a services company. It is a private company.

Aportia's activity started in 2010 and, in the middle of the economic crisis, it has grown in billing, number of employees and partners. Aportia seeks stability and growth in the future.

**Social impact sought:**

- Creating employment for disabled workers;
- Quality services for companies;
- Generating work enclaves in companies.

Final goal: integration of the disabled workers in ordinary companies.

**Stakeholders:**

- Disabled workers and their families;
- Society: lower social and medical costs;
- Ordinary companies: saving in costs and promoting company responsibility.

**Strategy applied:**

The enterprise searches for general services and business lines that allow it to develop independent and small branches within the company which will generate a great versatility, working with a wide variety of clients and look for collaboration strategies with companies, social entities and others.

**Innovation applied:**

The company acts as partner to the workers, opening different lines of business (the last one was the Restaurant Shona in Bauhaus Shop).

The activities of the company are connected to assisting the labour-management circuit.

The company looks to create partnerships with businesses outside of the LISMI (Law on Social Integration of the Disabled). Small companies and self-employed people can develop Corporate Social Responsibility, too.

**Social impact and business results achieved:**

- Created 25 employment positions
- Integrated two people with disabilities in companies
- Financial sustainability: From 2012 to 2014, income was multiplied by 10; the company expects to double the income in 2016; 2014 finished with benefits

**Financial situation / sustainability of the business model:**

Funding was initially very low, but the company kept its activity going even during the economic crisis, with self-funding by the partners (whether it is workers or not). The company got to a balanced point, and right now it is sustainable and can grow in the current context of Spanish economic growth.

**Key success factors:**

- Tenacity, personal and economic involvement of the promoters, caution, expertise provided by promoting partners from different areas and branches of the economy.
- Strategic vision and generation of small and varied business branches.

**Challenges and problems:**

The main challenge is to stabilize business lines and achieve liquidity without depending on external funding. Outdated laws that hinder the dynamism of a Special Center of Employment, including the unbearable bureaucracy. Delays of almost eight months in the update of grants and aids. Lack of coordination between training activities for disabled people and the real need on the labour market.

**Year when the company was created:** 2010

**Contact person for more information:** Dr. Oscar Egea Per. 673070777. [egea@aportia.es](mailto:egea@aportia.es)

**Elements of the approach/innovation transferable to other countries:**

The whole model is transferrable. The company is participating in the First Conference of Disability of Latin America in Oaxaca-Mexico, and we are going to evaluate an Assisting Service for disability by a local association, the establishment of some business models.

## **Spain: Good Practices of Corporate Social Responsibility**

*Author: Beatrice Bellet*

**Company name: SARGA, Aragonese Society on Agro-environmental Management**

**Country/region of operation:** Spain, Aragón

### **Company description:**

SARGA is the instrumental public company of the Government of Aragón, created to manage all kinds of public infrastructures and offer agro-environmental services that contribute to the sustainable development of the autonomous community. The company's strong specialization in all farmland and environmental matters comes after years of experience to the service of farmland and environmental policies of the Agriculture, Cattle and Environment Department.

The company works towards the benefit and improvement of the quality of farmers, cattle breeders and rural residents lives, as well as the maintenance and conservation of natural places and flora and fauna wealth that surrounds the towns of the community.

SARGA is a company with great experience in the environmental consulting sector. It does technical work in Environmental Services specialized in different sectors of the environment. The main actions are related to planning and managing, among others, of the conservation and management of species and habitats, of the public use, of the social and economic development and environmental education in protected natural spaces, as well as the consulting, processing and environmental surveillance and the management of equipment related to the urban environment.

The Natural Network of Aragón (RNA) consists of the Protected Natural Spaces of Aragón, spaces included in Red Natura 2000, the Reserves of the Biosphere, Ramsar's Wetlands, wetlands and singular trees, as well as any other habitats of interest. Nowadays, almost 40% of the aragonese territory is part of the RNA.

The main lines of the company's CSR action linked to RNA are: education and environmental awareness, managing 19 centres of interpretation and visitor attention and educative programs, planning and management of Protected Natural Spaces through the elaboration of managing plans and the organization of public use through information, maintenance and surveillance works. Social and economic dynamization of the territory, promoting the improvement of life quality, support to employment and the creation of opportunities linked to natural spaces. The company is working towards the Q certification of Tourist Quality in several spaces, in universal accessibility plans and the establishment of the European Letter of Sustainable Tourism (CETS).

**Thematic area of CSR:** Environment / Accessible Tourism

**Concrete issue causing social concern:**

Accessibility represents an adaptation to the Natural Network of Aragón and their Protected Natural Spaces (ENP) to the new necessities of the population. Accessibility has to be understood as one more service that enables the socialization of the enjoyment of nature by all.

In 2009, the Government of Aragón, through the Environment Department, started an initiative directed towards the creation and adaptation of accessible ENPs in the autonomous community and elaborated a joint project of accessibility in which several aspects were involved:

- Educational: designing specific activities for disabled groups;
- Management of public use: adapting lookouts, paths, interpretation centres;
- Technical-Training: training and recreational activities linked to disabled groups;
- Business: company development through adapting infrastructures;
- Information: advising in matters of accessibility through training of different agents in the territory.

### **Stakeholders (beneficiaries of CSR activities):**

Administrations, companies and users of products and services linked to tourism, as well as people and institutions interested in accessible tourism.

Direct stakeholders are people with disability who can benefit from protected and accessible natural spaces.

### **Solution applied:**

The following actions have been realized in matters of accessibility in the Natural Network of Aragón.

#### **1 - ACCESSIBILITY PLANS**

2008. Elaboration of the Integral Plan of Accessibility of the Parque Natural de la Sierra and Cañones de Guara. (Vía Libre – FUNDOSA Foundation).

2009. Elaboration of the Plan of Accessibility of the Natural Network of Aragón (Environment Department of the Government of Aragón. SODEMASA). A project that gathers inventory and evaluation of the most highlighted services and equipments which make up the Natural Network of Aragón and the basic actions to improve its accessibility and social inclusion.

Stages of the Plan of Accessibility of the Natural Network of Aragón:

- 1<sup>st</sup> stage: Evaluation of the infrastructures of the Natural Spaces and general assessment through a series of files on each infrastructure.
- 2<sup>nd</sup> stage: Evaluation of the cultural and tourist heritage
- 3<sup>rd</sup> stage: Program of actions and their prioritization

#### **2 – COLLABORATION AGREEMENT**

**A – FRAMEWORK AGREEMENT ARAGÓN GOVERNMENT – ONCE FOUNDATION**

- 2009. Framework agreement between the Environment Department of the Government of Aragón and ONCE Foundation for the promotion of accessibility and awareness in Natural Spaces.
- 2013. Framework agreement between the Agriculture, Cattle and Environment Department of the Government of Aragón and ONCE Foundation for the realization of actions to promote accessibility in Natural Spaces.

#### B – IMSERSO-ONCE FOUNDATION-GOVERNMENT OF ARAGÓN AGREEMENT (SODEMASA)

- 2008. Drafting of the Integral Plan of Accessibility of the Parque Natural de la Sierra and Cañones de Guara.
- 2009. Execution of several projects of adaptation in the Parque Natural de la Sierra and Cañones de Guara.
- 2010. Execution of several projects in the Parque Natural de Los Valles Occidentales.
- 2011. Execution of several projects in the Parque Natural de la Sierra and Cañones de Guara.
- C – OBRA SOCIAL DE LA CAIXA AGREEMENT
- Adaptation of the path in the National Park of Ordesa and Monte Perdido
- Adaptation of several infrastructures in the Saladas of Sástago and Bujaraloz

#### **How did the solution benefit the stakeholders:**

Since the beginning of the project until the execution of the remodelling, including the drafting of the Integral Plan of Accessibility of the infrastructures of Public Use of the ENPs, there have been multiple benefits for the users and an overall improvement of the image of the Natural Network of Aragón.

Permanent and temporary residents, business people and workers, associations, regions, local governments, Leader groups, etc., who live, feel and work in the Influence Area of ENPs see this project with great satisfaction. They have been involved in it, participating in the different events or courses, as well as in the improvement or adaptation of infrastructures.

The concept of accessible ENPs will be extended to all levels in the future, so the universal accessibility criteria are taken into account when adapting public spaces, creating new infrastructures, organizing events, etc.

A significant number of public and private entities have been involved in the execution of the project. Associations of business people have encouraged their partners to adapt their establishments and educate themselves in customer service in the framework of the several events and seminars held. The teachers of the Interpretation Centres themselves received a course on service to disabled people.

Local governments and regions have already taken into account the necessities of the disabled, so lookouts, centres of interpretation, children parks, information offices, public restrooms, etc. have been adapted.

**Did the solution bring benefits to the company:**

- In 2001, the company was awarded the Universal Accessibility Prize in the Parque Natural de Guara, by the DFA Foundation (Physically Disabled People in Aragón) due to the actions taken in matters of accessibility.
- In 2013, the Parque Natural de Guara was awarded the EDEN Prize (Excellence European Destinations) between 18 European countries that run for the candidacy. This prize is given by the European Commission and gave great international prestige to Guara.

**Key success factors:**

The success of this initiative is due to the implication, cohesion and cooperation of all the agents in the territory that participated in a coordinated way in starting up this project. The involvement of the autonomous government was especially relevant, since it would have been difficult to carry out this project without their financial support.

On the other hand, we also have to highlight the important social factor in the project which was essential for success: the adaptation of some infrastructures of the ENP so that all groups can enjoy them. The introduction of universal accessibility criteria in the infrastructures, contrary to what happens with other tourist specializations, does not limit or exclude any kind of public, which means expansion of the customer segment.

**Challenges and problems:****CHALLENGES:**

Creating a unique tourist offer, covering characteristics that traditional tourist packages do not have.

Business participation in the generation of products in the different destinations does not cover all the spectrum of experiences that could be commercialized. There is a wide margin of product growth in aspects that are yet to be developed, like accessible natural tourism.

**PROBLEMS:**

Adapting public infrastructures for accessibility requires important investments that sometimes cannot be found.

Difficulty in the access to some infrastructures prevents their adaptation due to the land's complexity.

**Year when the solution was first applied:** 2008, through the first agreement between ONCE-IMSERSO Foundation and Government of Aragón

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

Same accessibility problem can be found in other nature spaces. In these cases, the same approach can be used:

## a) Plan

- 1<sup>st</sup> stage: Evaluation of the infrastructures of the Natural Spaces and general assessment through a series of files on each infrastructure.
- 2<sup>nd</sup> stage: Evaluation of the cultural and tourist heritage
- 3<sup>rd</sup> stage: Program of actions and prioritization of them

## b) Collaboration agreements in order to find funding.

**Country/region of operation:** Spain and Europe (the Netherlands, England)

**Company description:**

Inycom is the commercial brand of a group of technological companies managed by the same Management Committee and specialized in several lines of action:

- Information Technology
- Analytical Instrumentation for Laboratory
- Diagnostics Equipment for Hospital Environments
- Electronic Instrumentation for Testing and Measurement

The main company of this group is Instrumentación y Componentes, S.A., a company founded in Zaragoza in 1982, whose goal was the commercialization, counselling and technical service of Electromedicine equipment and components, and electronic equipment. Soon, the company's activity expanded to the electronic instrumentation destined for industry, universities, research centres and teaching. After the establishment of the Electronics Division, in 1984, the IT Division was created, with the intention of supporting the Electromedicine and Electronics areas that were becoming more dependent on external processors. With the Analytical Division, created in 1986, whose goal was to counsel, commercialize and offer technical services for laboratory equipment, the basic structure of INYCOM was completed. In 2013, INYCOM launched an internationalization project with the opening of the office in Enschede (the Netherlands). This branch is a first step towards introducing the company to the European market and reaching more international and European clients. At the same time, the company bets on diversifying the business. INYCOM Biotech S.A. was born as a result of this diversification strategy: it is a new business project oriented towards biotechnological products for laboratories. The company is focused on innovation, on implementing a Management System based on Business Excellency and the principle that people are generators of value.

**Thematic area of CSR:**

The company has a comprehensive CSR strategy. For this case study, however, it provided specific information regarding social actions within the community, namely university students all over the country.

The company's main innovative strategic lines in matters of Social Responsibility can be put into several groups:

a) Innovation on the basis of Excellent Management through the proper governance of the company, namely one promoting:

- A transparent leadership, honesty and respect.
- Economic and financial policies that guarantee the sustainability of the company and the jobs.

- A desire for continuous improvement of efficiency in all processes of the company, to the benefit of all stakeholders.
- b) Innovation based on INYCOM People, through:
- A proper approach and implementation of the process of Work Environment, which is of key importance in the Management System of People. It establishes the promotion of a good working environment as a goal and prioritizes actions aimed at the involvement and motivation of employees.
  - The development of people through skills management, assessment of performance and continuous activities of training and knowledge management.
- c) Social innovation with regard to the environment, based on:
- The company's strong commitment with the environment, through the continuous improvement of our Environmental Management System, certified ISO14001 ( Management Systems - > Methods and Standards - > Environmental Management System)
  - Social actions within the community where the company operates, many of them led by employees of the company
  - Participation of company leaders in several initiatives where they share their knowledge and offer active collaboration.
- d) Responsible innovation in products and services through the consolidation of an organizational unit focused on R&D with a clear commitment towards designing products and services that respect legality, quality, safety, reliability and respect for the environment.

**Concrete issue causing social concern:**

One of the problems the company is working on has to do with the improvement of the labour market integration and the employment conditions of new employees. As a cutting-edge technology company, INYCOM tries to collaborate with training centres in order to make this integration easier.

**Stakeholders (beneficiaries of CSR activities):** For this specific action, society in general and young people in particular.

**Solution applied:**

The CSR initiatives of INYCOM in the area of labour integration of young people are implemented on the basis of alliances with key stakeholders. INYCOM maintains a Chair (Cathedra) at the University of Zaragoza. This Cathedra was created in 2010, after 25 years of collaboration between the University of Zaragoza and INYCOM in the R&D field, especially in the IT, analytics, electronics and medicine areas. The INYCOM Cathedra focuses on innovation, technology and quality promotion through the realization of several training and dissemination activities, as well as promoting R&D projects.

Examples of the last new practices are presented below:

- “INYCOM Talent” Program

The program attempts to promote the labour market integration of young graduates of the University of Zaragoza, offering them the possibility of entering a company with a personalized professional plan. The support offered through the program is divided into three modules:

- “Stage Tecno Inycom” Support: for IT and Telecommunications Engineering students of the University of Zaragoza.
- “Inycom Programming Language” Support: a short program for students in scientific and technical macro-areas, it consists of theoretical and practical training in JAVA technology or other programming fields that allows students to enter the company after the training.
- “Stage BI Inycom” Aid: a long program that gets students closer to the business reality through practical training in Business Intelligence and Business Consulting in the Data Exploitation and Analysis area.

- 1st Research Award

The first Edition of the INYCOM Cathedra Award of the University of Zaragoza aims to award innovative research papers. INYCOM Cathedra holds the 1st award oriented to research applied to health science. It is a national-wide award for PhD students of Spanish universities. The papers must be on the topic of “IT applied to Health Science”. With this award, the INYCOM Cathedra wants to contribute to research development so that the researcher can carry out the study in the chosen field.

**How did the solution benefit the stakeholders:**

People who participated in these initiatives entered the labour market. The initiatives contributed to generating high qualification employment.

**Did the solution bring benefits to the company:**

The company attracts people with high and applicable qualifications.

**Key success factors:**

Key success factors are the coordination of actions and the creation of alliances. It is also important to have a good communication and dissemination of these practices.

**Challenges and problems:**

- Responsible innovation of products and services for customers
- Improvement of the People Management Processes

**Year when the solution was first applied:** 2010

**Does the practice continue:** Yes

**Contact person for more information:**

Rocío Álvarez Moret, Director of Organization and Processes

[Rocio.alvarez@inycom.es](mailto:Rocio.alvarez@inycom.es)

**Company name: MAZ Mutua Colaboradora con la Seguridad Social nº 11 (MAZ Mutual Insurance Company collaborating with Social Security n. 11)**

**Country/region of operation:** Spain

**Company description:**

The mutual insurance company is a business owners association created with the aim of collaborating in the management of Social Security. This collaboration involves the following activities:

- Collaboration in the field of work related accidents and professional illnesses
- Collaboration in the field of benefit management for temporary inability to work
- Prevention and recovery activities mentioned in the General Law of Social Security
- Benefits, services and activities legally linked to Social Security

**Thematic area of CSR:** Community, opportunities for disadvantaged groups

**Concrete issue causing social concern:** fear and lack of knowledge about the world of disability, more specifically intellectual disability.

**Stakeholders (beneficiaries of CSR activities):** intellectually disabled people and their families

**Solution applied:**

The company has signed a Collaboration Agreement with FEAPS Aragón (Federation of Intellectually Disabled People) with the final aim of promoting quality of life and equal opportunities for intellectually disabled people. In 2014, four students of FEAPS Aragón with an intellectual disability took a training course at the company, two went to Human Resources and Management, and two went to the security guard service of the Hospital of Zaragoza.

In 2015, the company repeated the experience, but this time 2 students went to the management Department in the Hospital of Zaragoza, and two went to the Records Management Department. An informative session for students was also held. The company organized different conferences on "Employment, company and disability" in 6 different locations in the three provinces of Aragón: Calatayud and Zaragoza (held on November 25 and December 16, 2015); Alcañiz (27 January 2016); Teruel (24 February 2016); Huesca (30 March 2016) and Monzón (April 27, 2016). The aim of the conferences was to highlight and increase the visibility of the opportunities and problems people with intellectual disabilities experience in their development within the workplace, as well as to promote meeting spaces between business sector and intellectual disabilities organizations. The overall objective was to inform companies about the labour potential and productiveness of this group. The company has collaborated with the University of

Zaragoza, FAMCP (Aragonese Federation of municipalities, regions and provinces) and different experts in CSR.

**How did the solution benefit the stakeholders:**

This measure has helped improve the quality of life of intellectually disabled people and helped work towards equality for these people. These measures prove that intellectually disabled people can be a part of the world of work. At the same time, the initiative has raised awareness among other interest groups such as patients and clients through the establishment of relationships between them and the intellectually disabled people during the training periods.

**Did the solution bring benefits to the company:**

Yes, this measure has strengthened the company's commitment to intellectually disabled people, which in turn has increased its reputation.

**Key success factors:**

First of all, it is fundamental that the CSR alliance is based on transparent communication between the company and the beneficiaries. Both teams need to have clear profiles of people who can be a good fit for the initiative and the training, so that the person with the required abilities is selected.

It is necessary to assess both the person and the post in order to find a job for an intellectually disabled person. The first aim is to raise awareness and improve the knowledge about intellectually disabled people. The company has therefore involved in this initiative Departments that have contact with stakeholders (patients, suppliers) to allow students to build a relationship with people within the company and with the external clients.

**Challenges and problems:**

The biggest problem the company has faced is fear. There is a general mistrust towards intellectually disabled people because there is lack of knowledge about what intellectual disability is, which causes fear and uncertainty. That is why this CSR practice is a long-term engagement.

The company is not looking for direct employability of the intellectually disabled people in the short term. It seeks to raise awareness, to let people get to know intellectually disabled people, to promote their socialization, to support indirect employability (through service contracts) and to gradually integrate them in the world of work.

**Year when the solution was first applied:** 2014

**Does the practice continue?:** Yes

**Contact person for more information:** Silvia Lobarte, in charge of CSR in MAZ

**Elements of the solution transferable to other countries:**

This measure is transferable regarding the training and provision of integration opportunities for intellectually disabled people.

**Company name: IMPLASER 99 S.L.L.**

**Country/region of operation:** Alfajarin (Zaragoza), Spain.

**Company description:**

IMPLASER 99 S.L.L. is an aragonese factory specialized in printing texts, drawings and images on metal and flat plastic materials, but also to RDI (Research, Development, Innovation) of new products and procedures. The main production procedure of Implaser is silk-screen printing, but thanks to improvement and development projects the company is able to lean on other more specific technologies that take into account the desired final product.

The company started out as a sticker factory in 1998, with a solid business plan for the short, medium and long term. This led to controlled growth: the initial 5 workers in a rented space increased to 40 workers with three own spaces, social capital of 600.000€ and sound financial stability. The work and achievements registered in the field of signposting and photoluminescent products has been essential. These achievements were due to substantial amount of technical and human resources, and also due to RDI in the frame of the company's own projects and projects funded by CDTI, CENIT, PROFIT, and collaborations with other companies. The company managed to improve the characteristics and features of signs, getting into the business of signposting of road and train tunnels. Having developed its products, in 2005 it focused on export through PIPE 2000, a program of ICEX. It is now billing 15% in international markets. From the beginning, management standards have been present in the business philosophy and strategy, introducing since the very first year a quality management system and certifying it again three years later in the UNE EN ISO 9001:2000 version. The company also worked in RDI, being the first SME in Spain to certify its system with the UNE 166.002 regulation. Nowadays, it has all photoluminescent signposting certified as a product with the brand N of AENOR.

IMPLASER has progressed in other strategic areas, too, with the program CERO ACCIDENTES (zero accidents) of the Government of Aragón. It has basically managed to eradicate all working related accidents in the company. Regarding environmental matters, past work of the company involved change in technology to erase ink with volatile organic compounds. Nowadays and through the ECO and PINE projects the company has calculated the environmental impact through the carbon footprint indicator for sign manufacturing: the result was 257 tonnes of CO<sub>2</sub> in 2013 (this data and study is necessary in order to decrease and compensate the impact). The company has also studied its energy efficiency to diagnose and identify the strongest and most favourable areas to work.

Since 2009, the company has published CSR Memoirs, as an exercise of transparency and public commitment,. Nowadays, these memoirs are published in the GRI G4 ESENCIAL Database. The quality of service towards the client has been a primary concern for the company. Besides ensuring delivery results with a Charter Service and a 24 hour delivery, the company also offers direct and individual technical counselling in matters of signposting.

**Thematic area of CSR:** Workplace practices and labour relations

The Harassment Prevention Project was developed within the “Leonardo Da Vinci’s Lifelong Learning Program – Innovation Transfer”.

Implaser, collaborating with FEUZ (Business Foundation of the University of Zaragoza), designed and implemented all procedures and activities needed for the detection of harassment and for corrective actions. An exercise of transparency was developed and implemented in order to educate the staff about the unacceptability of this conduct and the proper protocols in situations like this. The aim was to achieve a better working environment through training, information and structures created for harassment prevention.

This model follows a global approach in matters of Health, Work Environment and Security and Prevention. It is, however, also directly linked to the in-company personal relations, especially to conflict resolution that is frequently overlooked in management models.

### **Concrete issue causing social concern:**

Work harassment is a serious problem for many workers. According to a European study, around 5% of workers feel harassed in their working place, which leads to negative consequences for the victims and their co-workers, but also for the company they work for. Moral harassment, intimidation and badly managed conflicts decrease productivity and damage work environment quality. The existence of these situations, which are more frequent than one would imagine, creates a necessity to develop materials, guides and procedures that help prevent and manage conflicts at the work place. SME are the backbone of the European economy. Nine of every ten companies in the EU employ less than ten people. In general, however, materials, guides and procedures to prevent and manage conflicts and moral harassment at the work place are designed for big companies and their needs, while small companies tend to be overlooked.

With this new approach the company aims to train staff to see conflict as something inherent to personal relationships and conflict resolution as possible opportunities of improvement in the search of a creative and innovative resolution.

### **Stakeholders (beneficiaries of CSR activities):**

The Project itself is based on communication, dialogue and transparency; opinion was received from all employees. Cooperation with the project partner FEUZ has been very beneficial, based on sharing of knowledge at theoretical and practical level. Within the company itself, people in charge of relevant proceeding were informed and trained about situations that could be considered harassment and the procedures in such cases. With the rest of staff, making the most of the program “IMPLICATE un año lleno de información” (in this programme once a month all staff gathers to be informed about new developments in the company, informative signs are created and posted in several places on the premises), staff was informed about the importance of a good environment at the work place of work and of early communication of suspicious situations that could turn into a conflict. Externally, the company presented the good practice to Aragonese companies through FEUZ. In addition, FEUZ has published a guide for “Prevention and Management of Conflicts in SME”, disseminating the experience. The company further disseminates the practice during meetings with clients and suppliers.

**Solution applied:**

Conflicts are not destructive nor constructive by themselves, the way that we handle them is what determines their consequences. Ability to develop procedures and methods for an efficient management of conflicts allows for the creation of a dynamic work environment and win-win situations. The innovative aspect of the project is the attention paid to early detection and prevention of conflict before it happens through educational actions. However, the project also created an efficient structure to manage and resolve conflicts. The model is transferrable to other companies. Additional benefits of the model can be observed outside of the working environment – at a personal level.

**How did the solution benefit the stakeholders:**

At an internal level, since companies are defined by the people they are made of, IMPLASER believes that the bigger benefit is the satisfaction employees receive. This affects their performance. Through this project, the company provides the harassed person with the defence mechanisms and channels of communication needed so that they can address their situation and stop the harassment. In addition, preventive measures are likely to improve company culture in general. At an external level, the publication by FEUZ of a guide for Prevention of Harassment in SMEs is an important contribution to the promotion of conflict prevention in small and medium companies through the sharing of practices and knowledge.

When someone takes time off work due to harassment (this is usually a long time), this has a social impact and a high cost (medical, pharmaceutical, social security, etc.) so prevention mechanisms in companies are beneficial for society as a whole. In addition, employees that are aware of the negative aspects of harassment at the work place are likely to avoid conflictual behaviour in the life of the community, too.

**Did the solution bring benefits to the company:**

In an initiative such as this one, benefits come from creating structures, education and transparency in conflict resolution and they pertain to the strengthening of trust and the improvement of the work environment, which indirectly impacts positively on results. Since the initiative has prevented any harassment, the possibility of employees taking a sick leave due to harassment or engaging in absenteeism is minimized. SMEs tend to be more vulnerable regarding such sick leaves because they increase the workload for the rest of workers in the company. Another benefit is the creation of accessible communication channels which allow the company to detect situations of possible harassment and to shorten the time of response and reaction. Results collected from personal satisfaction surveys within the company have improved. Absenteeism is still under control with very low figures.

**Key success factors:**

The results of the project have been incorporated in IMPLASER's management strategy and the approach fits the company's previous experience in the field of quality management.

**Challenges and problems:**

Conflicts are hard to deal with because power, interests and needs interfere and create tension and emotions. It is a good thing to train the staff to understand the nature of conflict and lay the foundation of the management and action procedure when facing these situations.

**Year when the solution was first applied:** the Project was implemented in 2012 and ended in 2013.

**Does the practice continue:** the practice consists of introducing an action protocol which is still used in management structures by the company.

**Contact person for more information:** Yéresi Arnal Pérez and Javier Arilla Rived

**Elements of the solution transferable to other countries:**

This is a case study coming from “The Harassment Prevention Project”, developed within the “Leonardo Da Vinci’s Lifelong Learning Program – Innovation Transfer”. The whole practice is designed as transferable to other countries.

**Company name: INDUSTRIAS QUÍMICAS DEL EBRO**

**Country/region of operation:** Spain

**Company description:**

Industrias Químicas del Ebro is the main company of the IQE Group, located in Zaragoza. Their activity started in 1958, manufacturing sodium silicate and metasilicate in their old facilities located in downtown Zaragoza. They moved in 1977 to the Industrial Estate in Malpica, near Zaragoza, and it was a turning point in the company's trajectory, making an expansion possible. The said expansion has been happening for 50 years. The company has diversified their range of products, markets and applications, becoming a major supplier at the national and international level in areas such as detergents, ceramics, construction, water treatment, paint, electrodes and paper, among others.

IQE Group is a group made of three companies from Zaragoza and Barcelona that develop their industrial activity around chemical products manufacturing (basic inorganic chemistry) (CNAE 2013). Industrias Químicas del Ebro is the leading company in the group, they provide raw material to the other companies and they are self-sufficient when it comes to manufacturing derivative products.

IQESIL was created in 1988 by IQE and they distribute more than half of their products outside the country. They already are the Spanish leader company in precipitate silica, whose main application is in rubber products manufacturing. DESILSA (Detergents and derivatives from alkaline silicates) is nowadays, from their strategic location in Santa Perpetua de la Moguda in Barcelona, leader in their area of influence and an important silicate supplier to the industry of detergent and paper.

INDUSTRIAS QUÍMICAS DEL EBRO are certified ISO 9001:2000 for their quality management system, ISO 14001:2004 for their environmental management system, UNE 166002:2006 for their RDI management system and OHSAS 18001:2007 for their Security and Hygiene management system. IQESIL is also certified with ISO 9001, ISO 14001 and UNE 166002, while DESILSA is certified with ISO 9001.

The company is present nowadays in more than 50 countries from the five continents.

**Thematic area of CSR:** work related risks prevention

**Concrete issue causing social concern:**

Lack of awareness for use of individual protection equipment in the work place; accidents happening due to not using the said equipment; failure to follow security rules.

**Stakeholders (beneficiaries of CSR activities):** workers and the company itself

**Solution applied:**

Individual awareness campaigns, awareness signs on prevention of work related risks and environment, having the workers themselves serve as models.

The signs are an additional measure that goes beyond mandatory signposting on security matters, following the RD 485/1997 about minimum dispositions on security signs and health at work.

**How did the solution benefit the stakeholders:**

These campaigns have raised awareness among the staff that and have motivated them to help with the realization of the campaign, to feel responsibility to obey rules, and to act as a model for their colleagues. The campaign has caught the attention of external stakeholders such as outsourced companies.

**Did the solution bring benefits to the company:** The campaign has increased the level of compliance with basic rules in matters of work-related risks prevention, thus making it safer to work in the company.

**Key success factors:** Involvement and collaboration of the staff in signposting making.

**Challenges and problems:**

Economic costs related to signposting, not only in terms of time dedicated to it by the staff, but also time dedicated for the design, photography, layout and printing of the departments.

**Year when the solution was first applied:** Two campaigns have been organized - in 2010 and 2015.

The company intends to update the signs changing the message and models every 4-5 years so that, campaign after campaign, everyone in the staff can participate actively in the making of the said signs.

**Does the practice continue:** Yes

**Contact person for more information:** Fernando Goñi

**Elements of the solution transferable to other countries:** This best practice is transferable to any company in any country.

## Portugal: Good Practices of Social Entrepreneurship

*Authors: Cátia Furtado and João Gonçalves*

**Company name: EPIS – EMPRESÁRIOS PELA INCLUSÃO SOCIAL**

**Country/region of operation:** Portugal

**Thematic area:** Drop-out, Absenteeism and School Failure.

**Description of the social enterprise:** EPIS (“Empresários Pela Inclusão Social” - Entrepreneurs for Social Inclusion) aims to be a national centre in the development, incubation and internationalization of new methods to promote the success in school, the quality of teaching and training systems and the employability and professional integration of Portuguese young people. It grew out of the efforts of a group of 100 Portuguese entrepreneurs and managers to contribute to preventing school drop-out by increasing society’s involvement in the challenges of Portuguese education and social inclusion.

EPIS works in partnership with several corporate and institutional investors committed to its sustainability in a long-term perspective. This initiative is managed by a small professional team, whose strategic focus is provided by a Directorate - composed by affiliates of EPIS, a Scientific Council - composed of renowned experts and researchers, and by an Advisory Council – formed by leaders of member-companies and other partners with relevant experience in the pursuit of its mission.

**Social impact sought:** fighting school failure, dropout rate the social exclusion among children and young people aged 6 to 24.

**Stakeholders:** Children and young people dealing with school failure

**Approach applied:** EPIS’s mission is to promote social inclusion in Portugal. Since 2006, it has been focusing on the empowerment of needy young people to achieve their potential in life through trough education, training and professional insertion. EPIS seeks to have a significant impact in the entire country by: focusing its attention on working with schools (through the program “Escolas do Futuro” – School from the Future); developing innovative solutions; sharing knowledge, experience in the development of non-cognitive skills and good management practices in school with the help of students (through the program “Mediadores para o sucesso escolar” – Mediators for school success); and orienting and creating integrated opportunities in a professional environment for the young people (through the program “Vocações EPIS” – EPIS Vocations).

The following activities should be highlighted:

- Implementation of the initiative Future Schools - Good Management Practices in Schools (“Escolas de Futuro - Boas Práticas de Gestão nas Escolas”): development, throughout the school years, of initiatives that strengthen the methodologies and dimensions used in schools, as well as good management practices;
- Implementation of Mediators for School Success (“Mediadores para o Sucesso Escolar”): integrated mediation program to eradicate the school drop-out phenomenon and to combat school failure, and of professional insertion of youth from risk groups aged 6 to 24;
- Vocational Guidance, Training and Professional Insertion (“Vocações Orientação, Formação e Inserção Profissional): creating opportunities for professional achievement of young people, through initiative such as volunteering, internships, vocational workshops, EPIS internships (“Fundo de Inserção Profissional” – Professional Insertion Fund) and professional internships, always involving Associates and Partners of EPIS.

**Innovation applied:** EPIS employs innovative methodologies based on good practices, with capacity to expand them to a national scale. As key factors we can distinguish:

- Network partnerships with local authorities, schools and local and national companies;
- Integrated meditation program to support the students;
- Continuous evaluation of the good practices;
- Creation of opportunities for professional achievements by young people;
- Incubation of change on the ground with quantitative results;
- Promotion of internalization of change by the state and local authorities, based on the principle of “universal service”.

This methodology was developed by a scientific council that gathers specialists from many universities in the country and is validated by the Ministry of Education.

**Social impact and business results achieved:** The following social impact should be highlighted:

- Social inclusion through education;
- Reduction in failure and dropout rates;
- Dissemination of the tested methodologies with quantitative demonstrated results to promote internalization in the communities in an economically sustainable way;
- Development, incubation and internalization of new methodologies that promote success in school, the quality of teaching and training systems and the employability and professional integration of Portuguese young people.

**Financial situation / sustainability of the business model:** In 2013, 81.6% of the total budget was provided through donations of associates, partners, support programs and the value received from the IRS consignment for 2011; 17.1% comes from financial gains from deposit interest made through funds owned by the Association in associated banks and partners; 1.3% comes from services provided to municipalities.

**Key success factors:** The following success factors should be highlighted:

- The existence corporate and institutional investors focused on the sustainability of EPIS in a long-term perspective;
- Leverage of the incubation investment with local and institutional partners;
- The exploration of self-financing models of the projects.
- The existence of strong partnerships with a total of 153 partner companies that cooperated directly with the EPIS in its activity (40 members, 33 partners, 16 partner-suppliers, 45 supports targeted to specific initiatives and 19 municipalities; data is from 2013)

**Challenges and problems:** Ongoing effort to broaden the association's support base in order to reduce dependence on donations. This challenge has prompted the ongoing identification of self-financing models of the projects.

**Year when the enterprise was created:** 2006

**Contact for more information:** <http://www.epis.pt/homepage>

**Elements of the approach/innovation transferable to other countries:** Implementation of civic action projects in the field of combating failure and school dropout, with particular attention towards the training of young people at risk who attend the 1st, 2nd and 3rd cycle of education and the dissemination of good management practices in schools.

**Company name: BANCO DE INOVAÇÃO SOCIAL - BIS, SANTA CASA DA MISERICÓRDIA LISBOA**

**Country/region of operation:** Portugal

**Thematic area:** Social Innovation

**Description of the social enterprise:** BIS - Bank of Social Innovation was launched on April 30<sup>th</sup>, 2013 by the Santa Casa da Misericórdia de Lisboa, one of the most relevant and oldest private Charities in Portugal. BIS is an informal collaborative platform that aggregates 27 of the most relevant Portuguese public, private and social institutions and invests their assets (knowledge, experience, technical skills, financial resources, infrastructures, training, networks, etc.) in the organization.

**Social impact sought:** BIS's mission and purpose is to promote social innovation in Portugal by stimulating society to actively participate and collaborate in the development of innovative and sustainable solutions to societal problems, needs or challenges that are of general interest.

**Stakeholders:** Entrepreneurs

**Approach applied:** In order to pursue its mission, BIS – Bank of Social Innovation develops the following actions, amongst others:

- a. Social Entrepreneurism Program, to support business with social value to the community and its promoters;
  - b. Program of Support to Social Innovation that promotes social experimentation with a scientific base and practical application in a systematic and organized way;
  - c. Program of Promotion of a Social Innovation Culture, especially amongst the younger population;
  - d. Operational BIS Platforms in the territory are aimed at enhancing its operation, the impact and the visibility of the local BIS actions and the development of initiatives that promote local society's participation and collaborations – institutions and citizenships - in projects of social value and impact;
  - e. Social Investment Fund – BIS Fund is mainly oriented to invest in projects and social innovation initiatives. The BIS Fund is a financial reservoir that will be transformed in a fund structure with legal personality in order to develop a Social Investment Policy defined by the members;
- BIS Tutoring Program aims to support the promoters of social entrepreneurship and/or innovation under any of the previous actions. Any citizen that identifies himself with the

mission, the strategy and action of BIS can give away his personal time and skills/knowledge for the sake of BIS Programs.

**Innovation applied:** BIS – Bank of Social Innovation is the first cooperative network and platform to support the social innovation in the country. It is composed by 27 public and private institutions and ensures the sustainability of social impact and value through financial mechanisms.

**Social impact and business results achieved:** BIS has:

- Boosted social creativity and social entrepreneurship;
- Developed social experimentation;
- Given support to innovative and sustainable social business through social investment funds;
- Promoted social innovation in the country through the development of BIS territorial platforms gathering local public, private and social institutions based on innovative and collaborative forms of governance.

**Financial situation / sustainability of the business model:** BIS is an initiative led by the “Santa Casa da Misericórdia de Lisboa” (Lisbon’s House of Mercy). To develop its initiatives and organize the participation of the BIS partners, the following bodies were created:

- BIS Operational Council: constitutes the governing body of the platform. It is formed by one representative of each partner and presided by the representative of the House of Mercy;
- BIS Strategic Council: formed by the highest-level representatives of the partners and by two personalities with a recognized prestige in matters of social, economical and scientific innovation, whose duties are to define the BIS strategic lines of action and the admission of new members;
- The Advisory Council, formed by five relevant representatives in matters of social innovation, invited by the Strategic Council after hearing the Operational Council.

The BIS Fund has its own structure and is only composed by four of BIS’ partners: House of Mercy of Lisbon, House of mercy of Oporto, “Montepio Geral” (mutual association) and “Caixa de Crédito Agrícola” (bank).

**Key success factors:** The following can be highlighted:

- BIS promotes the creation of social enterprises but pays special attention to ensuring the sustainability of their projects by focusing on supporting the enterprises through financial mechanisms;
- Manages to involve civil society in its initiatives, namely by encouraging skilled volunteering.

**Challenges and problems:** A Procedures and Good Practices Manual is being developed. A web satisfaction quiz allows the citizens to evaluate the quality of the services provided.

**Year when the enterprise was created:** 2013

**Contact for more information:** <http://www.bancodeinovacaosocial.pt/>

**Elements of the approach/innovation transferable to other countries:** Launch of informal collaborative platform that aggregates relevant public, private and social institutions and invests to promote social innovation.

BIS has been promoting the Operational Platforms replicable model in order to develop initiatives of consensual social experimentation that have great social value and impact.

**Company name: PROVE – Promover e Vender**

**Country/region of operation:** Portugal

**Thematic area:** Agriculture – Local Products

**Description of the social enterprise:** The International Cooperation Project – PROVE – Promote and Sell (“PROVE – Promover e Vender”) intends to incentivize proximity commercialization by selling order baskets. Its purpose is to strengthen the relations between the local producer and costumer, to eliminate intermediates in the commercial chain and consequently to ensure a fairer final price for the producers, better quality products for the buyers as well as a better flow of production.

**Social impact sought:** Development of local communities, enhancing the economy of proximity and aiding it to become more inclusive and balanced.

**Stakeholders:** Agriculture producers, consumers

**Approach applied:** Project PROVE’s methodology seeks to support rural territories in which traditional quality products are produced locally by small producers. PROVE contributes to the flow of local products, fostering close relationships between those who produce and those who consume, establishing small commercialization channels between small agriculture producers and consumers, using ICT.

The consumer has the possibility of trying a wide range of products, by acquiring baskets of selected high quality fruits and vegetables.

PROVE has tested and developed this proximity commerce system in Palmela and Sesimbra (two Portuguese villages). The good results achieved allowed its replication in other territories. Nowadays, the PROVE methodology is fully operational in the municipalities of Lousada, Penafiel, Paços de ferreira, Montemor-o-Novo and Mafra. Its implementation proves to be more favourable in peri-urban territories.

**Innovation applied:** The innovative approach follows four steps:

1. Three to five farmers gather to constitute a PROVE core in their territory;
2. Periodically, producers meet and organize the baskets according to the costumers’ orders and the products of the season;
3. On the delivery day, the producers prepare the baskets and make the distribution in the selected locations;

4. On the following week, producers meet again to divide the earnings from the previous week and resume the entire process of organizing the baskets.

**Social impact and business results achieved:** With support from local partners, the dynamics created by the PROVE project boosted local producers and the flow of products. Production has been encouraged and the financial situation of the involved rural citizens has been improved.

**Financial situation / sustainability of the business model:** This Project is sustained by a partnership between the association MINHA TERRA and eight local action groups (“Grupo de Ação Local” – GAL). It is coordinated by ADREPRES (Associação para o Desenvolvimento Rural da Península de Setúbal” - Association for the Rural Development of the Setúbal Peninsula). Is it the result of an application approved under Action 3.4.1 – Inter-territorial Cooperation within the LEADER Cooperation for Development in the PRODER program (“Programa de Desenvolvimento Rural do Continente” – PRODER) which provides financial support.

**Key success factors:** As success factors, the following can be highlighted:

- Local development of the population, enhancing a more cohesive, sustainable and balanced economy of proximity;
- Promotion and reinforcement of the entrepreneurial capacity of small producers;
- Stimulation of local sustainability processes through the commercialization of proximity;
- Development of proximity dynamics between producers and consumers;
- Technical advice provided to producers;
- Knowledge of the importance of agricultural activity to the sustainability and development of the territory;
- Opening of new possibilities for commercialization due to the development of new local platforms of trade.

**Challenges and problems:** Taking into consideration the results already achieved, the project has been able to grow and is dependent on the following conditions:

- legal and juridical framework of the sale and transformation of favourable agro-food products;
- continuing institutional support for establishing the cores;
- appropriate dimension and composition of the cores and dynamics of the producers;
- Ensuring consumers’ commitment.

**Year when the enterprise was created:** 2011

**Contact for more information:** <http://www.prove.com.pt/>

**Elements of the approach/innovation transferable to other countries:** Bringing consumers, producers, municipalities, local and regional development associations together in a sale and purchase platform.

**Company name: IPAV – Instituto Padre António Vieira - “More Employability” programme**

*(borderline case study: non-profit work in support of social entrepreneurship)*

**Country/region of operation:** Portugal/Lisbon

**Thematic area:** support activities for the development of social entrepreneurship

**Description of the social enterprise:** IPAV is a non-profit civic association, recognized as a private social welfare institution (IPSS) and a Non-Governmental Development Organization (NGDO), its objective being reflection, education and action in the promotion of human dignity, social solidarity, sustainability, development, diversity and dialogue between civilizations/cultures. The organization promotes the “More Employability” programme, which can be considered a good practice of a support activity

**Social impact sought:** The project provides young adults with tools that facilitate their access to the labour market, while promoting equal opportunities and social inclusion. A key element of this training process is improving the ability to work in multicultural contexts and reinforcing skills such as tolerance, creativity, open-mindedness and resilience. The initiative aims to strengthen soft skills, digital literacy, teach young people to write a résumé adjusted to the labour market, promote actions that prepare young people for active life and instil a proactive and caring attitude towards job-seeking.

**Stakeholders:** Mainly young people (unemployed youth, youth out of school and youth at risk) under the age of 30, without a higher education degree.

**Approach applied:** The approach seeks to leverage the national network of higher education and professional institutions regarding the training of their students and the guidance to young people who are not in school. Six actions involving thousands of young people are implemented: they include seminars, training activities, self-help groups, peer training, teaching materials, preparation of trainers and bridging actions between business and educational institutions. Within this programme, many actions have been developed:

- Vitamins for Employment: One day seminars for college and VET schools students and "alumni" dedicated to the theme of cross competence/soft skills.
- Job Parties: Workshops with presentations by former students of educational institutions, created to share experiences and to attract young people to the labour market.
- Europass CV Junior: One-day seminars with practical component, where students and "alumni" reflect about their personal strengths and learn how to fill a curriculum, in order to increase their opportunities for employability.

- Open Day in Enterprises: companies open doors to students, so that they can have the opportunity to absorb information about the jobs and participate in the working process.
- Co-working towards Employment: Seek and find employment through a collaborative model, following a very practical approach with the support of technical education institutions.
- Promoting Entrepreneurship: formative action model in b-learning format, with a component of soft skills (promoting entrepreneurship, innovation, creativity and other skills components for business plan development, designed for young people). The "Junior Entrepreneur" is a MOOC (Massive Open Online Course) on entrepreneurship for young people attending VET and secondary schools, or young people who are not working or studying.

**Innovation applied:** As main differentiating factors we can distinguish:

- The programme aims to promote active life and instil into young people a proactive and caring attitude towards job-seeking;
- Activities with attractive names (e.g.: “Vitamins for Employment” and “Job Parties”) motivate participants to be creative and dynamic, a successful approach considering the young target group;
- Diversity of topics and action contents covered: through six diverse and dynamic actions, the initiative aims to provide important tools that may strengthen young people’s soft skills, digital literacy, and other skills adjusted to the labour market.

**Social impact and business results achieved:** The development of initiatives, programs and activities aimed to:

- Promote capacity building for employability, with priority given to vulnerable young people, including the development of soft skills and the acquisition of competences required for the labour market.
- Foster entrepreneurship and job creation, with priority given to vulnerable young people, including training and monitoring of new entrepreneurs.
- Contribute to the social inclusion of vulnerable children and young people.

**Financial situation / sustainability of the business model:** “More Employability” is supported by Cidadania Ativa Programme, an instrument that supports Non-Governmental Organizations (NGOs), in force between 2013 and 2016 and funded by the Financial Mechanism of the European Economic Area (EEA Grants). The project has a budget of 109.348€.

**Key success factors:** The following can be highlighted:

- Several actions based on non-formal and informal education are developed, through group dynamics that help trainees to achieve the expected results.

- The project provides young adults with practical tools that facilitate their access to the labour market, while promoting equal opportunities and social inclusion.
- The project has a coordinator, a project manager and trainers (including external staff) that develop actions of non-formal and informal education (from social and human resources areas, mainly).

**Challenges and problems:**

- Difficulty to measure effective results as it is not possible to estimate if trainees use the soft-skills and other tools they have learned;
- The actions may be too short for the amount of information that needs to be delivered.

**Year when the enterprise was created:** (the project has started in 2014)

**Contact for more information:** <http://www.maiorempregabilidade.pt>;  
<http://www.ipav.pt/index.php/en>

**Elements of the approach/innovation transferable to other countries:** using youth-friendly approaches to promoting active life and instilling into young people a proactive and caring attitude towards job-seeking

## Portugal: Good Practices of Corporate Social Responsibility

**Company name:** DELTA CAFÉ

*Authors: Ana Paula Carvalho do Monte and António Borges Fernandes*

**Country/region of operation:** Portugal

**Company description:** Delta Cafés is a company specialized in roasting and marketing of coffee. Delta is a leader in the domestic market and exports to dozens of countries. Ever since the company was founded, in 1961, Delta has based itself on solid values and human principles which are reflected in the creation of a considerate brand based on the authenticity of its relations with all stakeholders. The Guiding Principles of the business are therefore developed to serve as a management tool compliance with which is vital to the development of a healthy and long-lasting relationship with stakeholders.

**Thematic area of CSR:** Local development

**Concrete issue causing social concern:** Delta Cafés has always maintained that competitiveness depends on economic, social and environmental performance, striving to balance the different needs of stakeholders by means of dialogue. A concern in relation to developing the communities they are active in has always been a priority and is evident in several different forms: investment in infrastructure to meet latent needs, corporate volunteerism, sponsorship and support.

**Stakeholders (beneficiaries of CSR activities):** Communities

**Solution applied:** The Foundation of CORAÇÃO DELTA ASSOCIATION, the Grupo Nabeiro social solidarity association was created with the aim of developing social projects involving volunteer work and social support in the communities. It is a non-profit organisation that aims to develop activities to support children, families, seniors and disabled people, as well as actions of social and community integration, humanitarian assistance, education and training and of health protection and promotion, namely through the provision of medical curative care and rehabilitation. Assuming moral duty of solidarity and justice amongst the individuals as its engine, the area of operation covers both national and foreign territory.

**How did the solution benefit the stakeholders:** The Coração Delta Association has recently created several facilities and services necessary for the development of communities, such as the Alice Nabeiro Educational Centre: a support service for children and youths, volunteer work and projects focused on environmental issues and citizenship. The Alice Nabeiro Educational Centre

Project has set itself the objectives to promote social responsibility attitudes in the younger population, to develop entrepreneurial skills, to encourage the spirit of citizenship and to promote the balance between work and leisure. The Educational Centre Coração Delta is designed to serve community children aged between 3 and 12, and it is capable of sheltering a hundred individuals. It has employees in different areas (kindergarten and primary school teachers, education assistants, socio-cultural animators, music, dramatic expression and sports specialists). The initiative provides opportunity for community children to learn in a different and innovative way.

**Did the solution bring benefits to the company:** Delta Cafés practices social responsibility through all sorts of actions, aligning CSR practice with Promotional Marketing, thus strengthening the brand.

**Key success factors:** Delta has achieved long-term differentiation, because since it was founded it has developed a strategy of social responsibility that incorporates the needs of all the stakeholders, bringing about the Human Face system, which is characterized by dialogue, responsible entrepreneurship and disruptive innovation. Through this interaction it has developed standards, orienting business principles and a code of ethics that condition the objectives, the policies and the management system.

**Year when the solution was first applied:** 2005

**Does the practice continue:** yes

**Contact for more information:** <http://www.grupo-nabeiro.pt/index.php?id=118>

**Elements of the solution transferable to other countries:** In this good practice, the fact that large companies create social solidarity companies with the intent of promoting activities to organize and optimize their support for children, families, seniors and disabled population can be highlighted as a transferable solution.

**Company name: Câmara Municipal de Torres Vedras**  
**(public sector)**

*Authors: Ana Paula Carvalho do Monte and António Borges Fernandes*

**Country/region of operation:** Portugal

**Company description:** Municipalities are autonomous bodies of the Public Administration included in the local authorities. The City Council of Torres Vedras is the executive body of the municipality of Torres Vedras, created on the basis of a public initiative to ensure the pursuit of public interest. This body possesses public powers, is subjected to public duties and has to act in favour of the collective public interest of the entire county. The Torres Vedras City Council's general objective is the production of public utilities, i.e., the production of tangible and intangible assets as a provision of services for the public good. Apart of the management of public issues connected to the public services like security, health and education, Municipalities also may engage in social responsibility policies in order to promote local development, human rights, environment education and health and safety at work among their employees as well as overall community wellbeing.

**Thematic area of CSR:** Active aging and / or combating of isolation; accessibility and security at public spaces

**Concrete issue causing social concern:** The main issue of concern is the social isolation of senior population and its reduced income. Simultaneously, the projects address other problems in the local community, such as the closure of spaces of public interest (or working hours unsuitable to the tourist demand) and the insecurity in crossing crosswalks near primary schools.

**Stakeholders (beneficiaries of CSR activities):** The project's beneficiaries are: 14 retired citizens per year; 1.000 primary school students from 4 different schools in the municipality of Torres Vedras; drivers and pedestrians that circulate daily in places where the "ISA Prevenção Rodoviária" project is implemented; visitors of the religious heritage of 5 county churches; the local economy.

**Solution applied:**

The program Healthy and Active Seniors ("Idosos Saudáveis e Ativos" – ISA) has two sub-programs: the first relates to the heritage ("ISA Património" – ISA Heritage) and the second to road safety ("ISA Prevenção Rodoviária" – ISA Road Safety). Participants should be over 55 years-old, retired and having residency in the Torres Vedras county.

The "ISA Património" sub-program intends to create a historical tourist route involving 5 churches of the Torres Vedras county, allowing it to be open for the entire day (from 10am to 6pm). The roles of the participating seniors are to ensure the smooth functioning of the area, to

provide guided tours to interested people and to contribute to a thorough examination by completing quantitative analysis. For that, the seniors receive training in the beginning of the year. The teams change every year, in order to give the opportunity to as many people as possible and priority is given to those that have never participated before. The teams are constituted by two people that alternatively take on the operation of the spaces where the project takes place and the seniors receive a monthly remuneration for their work.

The “ISA – Prevenção Rodoviária” sub-program is based on the collaboration of retired people, properly identified and trained for this purpose, at the beginning of the year, on a classroom and then on site. The seniors’ role is to stand close to the busiest primary-schools zebra crossings during the periods of peak flow of pedestrians and traffic (like at the entry and exit time of classes) and ensure the safe crossing of students and other pedestrians. The local police authorities (GNR and PSP) collaborate in the program, by helping identify the most dangerous pedestrian crossings and choosing the fittest seniors. These seniors also receive a monthly remuneration for their work.

**How did the solution benefit the stakeholders:** The project has the following benefits:

- Decreases of social isolation of each the seniors;
- Creates incentive towards healthier life habits;
- Increases the senior’s financial capacity;
- Improves appreciation of retired seniors and their skills.

**Did the solution bring benefits to the company:** For the Torres Vedras City Council, this Project has the following benefits: the mobilization and profitability of local resources; opened and maintained spaces of public interest (cultural and historical); availability of information for tourists; improved road safety near schools; engagement of senior population in an enriching activity for the territory; and the reinforcement of citizenship, by enhancing opportunities of active participation in the community.

**Key success factors:**

The highlights are the following:

- Impact of the program in the community (the churches receive, annually, an average of 68 thousand visitors);
- Active participation of seniors in the exercise of their citizenship;
- Increase of the participants’ income, given in a non-charitable way, hence allowing them to live with more dignity;
- Increase in the network of social relations and the establishment of a relationships between generations;
- Increase of children’s safety by the zebra crossings under the program;

- The regular operation of public interest spaces (historical and cultural) and its impact in tourism.

**Challenges and problems:**

- The ability to diversify the sources of financing of the program to allow its expansion to other sites of the county (currently, the funding is completely provided by the Torres Vedras City Council);
- The existence of English speaking applicants;
- The investment in the training of the seniors under the program.

**Year when the solution was first applied:** January, 2003

**Does the practice continue:** Yes

**Contact person for more information:** <http://www.cm-tvedras.pt/seniores/isa/>

**Elements of the solution transferable to other countries:** The Project presents a high level of transferability to other local administration authorities, namely by creating active programs for residents over the age of 55 and retired. Regarding the heritage component, the opening and operation of the public interest spaces can be replicable. In terms of road safety, the creation of public safety support programs at zebra crossings, such as schools, is transferrable.

**Company name: EAmb - ESPOSENDE AMBIENTE, E.M.**

*Authors: Ana Paula Carvalho do Monte and António Borges Fernandes*

**Country/region of operation:** Portugal

**Company description:** EAMB - Esposende Ambiente, E.M. is a local business of municipal nature under Law No. 50/2012 of 31 August. It started its activity in 2005 and follows the transformation of Municipal Services Water and Sanitation Esposende. Its main activities are water supply for human consumption, including the construction and maintenance of the distribution system, sewage collection and treatment; solid waste management, including public cleaning and maintenance of green spaces in the area of the Esposende Municipality; storm water system management and maintenance; management of all environmental issues in the Municipality.

EAMB is committed to contributing to the sustained and harmonious development of the Municipality of Esposende, where it operates, and the continuous improvement of the quality of life of its citizens and employees. It is also committed to preventing any pollution that may result from its activities, products and services and in this regard is continuously looking for opportunities to improve its environmental performance by applying the best environmental solutions whenever they are economically viable. EAMB also promotes the protection and enhancement of existing resources. The company develops and implements good practices related to its relations with employees as a way to improve the performance of their duties and responsibilities and to increase their personal satisfaction.

EAMB has applied the ISO 9001 (Quality) since September 2005, ISO 14001 (Environment) since January 2007, OHSAS 18001 (Health, Safety and Health at Work) and SA 8000 (Social Responsibility) since 2013, as part of its sustained efforts to contribute to the development of the company and county.

In regard to social responsibility, since May 2010 the EAMB has accepted voluntarily the ten UN Global Compact principles, thus committing itself to work towards the achievement of targets in the areas of the environment, human rights, labour rights and combating corruption. In June 2010, the company joined the Portuguese Global Compact Network (RPGC), whose mission is to contribute to the dissemination, implementation and promotion in Portugal of the UN Global Compact. With this formal membership, the company expressed its intention to support and implement these principles within its sphere of influence, and to extend this commitment to its stakeholders and the community in general.

In the recent years EAMB has received several prizes (national and international) related to its efforts in the field of corporate social responsibility and sustainability.

**Thematic area of CSR:** Local community, environment

**Concrete issue causing social concern:** The main issue of concern is the promotion of an effective sustainable growth of the company and the surrounding community. In line with its

corporate values, EAMB seeks to prevent any form of pollution that may result from its activities, products and services, by applying the best environmental solutions where feasible, and promoting the protection and enhancement of existing resources.

It also aims to promote the professional and personal development of its employees and to facilitate the process of reconciling their professional and personal lives.

**Stakeholders (beneficiaries of CSR activities):** The project's beneficiaries are the local community of Esposende County, EAMB's employees, customers and suppliers.

**Solution applied:**

The EAMB joined several non-profit organizations focused on CSR and sustainability and adopted the principles of the United Nations Global Compact. It has aligned its business operations with the principles promoted by several CSR networks like GRACE and *Rede Portuguesa Global Compact* (Portuguese Network of Global Compact). It is also member of the *Conselho Local de Acção Social do Concelho de Esposende* (Local Council of Social Action of Esposende Municipality). The company invested considerable effort in order to be certificated in the fields of Social Responsibility, Health and Safety at Work, combined with aspects of Quality and Environment. To develop projects related to environment education, it has created an Environmental Education Center.

**How did the solution benefit the stakeholders:**

EAMB has developed numerous activities and CSR projects, namely the following,

- Annual evaluation of the risks associated with the company's activity in the workplace and conducting training activities and awareness of good security practices at work.
- Allocation of scholarships to its most economically disadvantaged employees, enrolled in public or private higher education in order to promote in the professional and human development of its employees and to facilitate the reconciliation of their professional and personal lives.
- Phased payment facilities, existence of a tariff scheme for large families and a social tariff for clients.
- Integration into the national corporate volunteering action entitled GIRO, participating as organizer and volunteer organization, having received 65 volunteers from many companies (such as ANA Aeroportos, DHL, Grupo CH, Fundação EDP, NYSE Euronext, Pousadas de Portugal, Wipro and Eurest).
- Information sessions for the promotion of social responsibility addressed to all employees.
- Preparation of the Environmental Improvement Plan of parishes in the municipality of Esposende, a project implemented in close partnership with the Municipal Parish

Councils with a view to preserving the natural heritage present in each of them and defining guiding strategy in terms of territorial development.

- PLATFORM GPS – *Grandes e Pequenos Sorrisos* (Large and Small Smiles Platform), which involved holding various actions like exchange of textbooks and exchange of goods. This platform was established as a virtual space for donation of goods, which necessarily have associate volunteer time in the Social Solidarity Network Store, facilitating in this way the demand and supply of reusable goods. On the other hand, the actions of direct exchange between employees intend not only to boost solidarity and greater interaction between colleagues, but also to raise awareness of ways of reducing consumption by reusing goods.
- Providing assistance in transport for the delivery and / or collection of goods and food, carpentry services, painting, electricity and repair of appliances, and serving as a collection point for goods for the Social Solidarity Network Store.

The company is also implementing a wide range of policies and decent work practices, part of the Reconciliation of Family Life and Career Program of EAMB.

All in all, the company's social responsibility strategy focuses on providing support for the community and on measures related to the quality of life of employees.

**Did the solution bring benefits to the company:**

These measures have achieved tangible impact in the recipient community and in turn have been recognized by the community. EAMB has been referred to as an example of good practice. The award “Socially Responsible Practices Recognition”, sponsored by *Associação Portuguesa de Ética Empresarial* (Business Ethics Portuguese Association) has been an additional recognition of the social responsibility practices of the company.

**Key success factors:**

- commitment and competent and transparent performance by the executive board, the shareholder (Esposende Municipality), managers, and the employees involved;
- involvement of stakeholders.

**Year when the solution was first applied:** initiated in 2005, but more substantial efforts are evident after 2010

**Does the practice continue:** yes

**Contact for more information:** <https://www.esposendeambiente.pt/>

Reference: most of the information presented in this case study was obtained from the website of EAMB – Esposende Ambiente, E.M.; the company's sustainability reports (from years 2011 to 2015); Communication on Progress to UN Global Compact (from years 2012 to 2014) and from

the report “Manual da Responsabilidade Social e a Competitividade Empresarial – estudos de caso” by Alminho – Associação Empresarial.

**Elements of the solution transferable to other countries:** collaboration of medium sized companies with other companies and NGOs with the ultimate goal to better organize and optimize corporate support for the community and other stakeholders and to spread the principles of the UN global compact.

**Company name: Águas do Noroeste, S.A. (AdNw)**

*Authors: Ana Paula Carvalho do Monte and António Borges Fernandes*

**Country/region of operation:** Portugal

**Company description:** Águas do Noroeste, S.A. (AdNw) is a company of the group Águas de Portugal, SGPS. It was established by Decree-Law No. 41/2010, of April, 29, by merging the companies Águas do Ave, SA (AdAve), Águas do Cávado, SA (AdC) and Águas do Minho e Lima, SA (ADML). In 2015, it was merged with Águas do Norte, S.A., which was established by Decree-Law No. 93/2015 of May, 29, by aggregating companies Águas do Douro e Paiva, SA; Águas de Tras-os-Montes and Alto Douro, SA; Simdouro – Saneamento do Grande Porto, SA and Águas do Noroeste, SA, incorporated in Águas de Portugal Group. The company was awarded by the Portuguese State, on an exclusive basis for the period of thirty years, the right for multi-municipal system management of water supply and sanitation in northern Portugal.

The AdNW system replaces the multi-municipal system of collection, treatment and northern water supply of the Greater Porto area, which integrates users in the municipalities of the northwest of Portugal. The Corporate Responsibility System (SRE) is part of the Águas do Noroeste Management System, which promotes and manages the definition, implementation and continuous improvement of processes and maintenance of the company's certifications: Quality (NP EN ISO 9001), Environment (NP EN ISO 14001), safety (OHSAS 18001) and Social Responsibility (SA8000).

The company's mission is to design, build and operate the water supply infrastructure and sanitation of the multi-municipal system within a framework of economic, social and environmental sustainability, contributing to improving the quality of life of citizens, the environment and the socio-economic development of the region. The company aims to be a national reference in the water sector in terms of quality of service, and an active partner for the sustainable development of the region. The values and strategic objectives of the company include the following:

- Satisfaction of customers and other stakeholders;
- Increasing employee motivation and promoting personal and professional development of the employees, through the adaptation and development of skills, awareness raising, training and good working conditions. The company promotes employee involvement, personal responsibility and creativity. It respects the principles of gender equality and recognizes the importance and added value of a balanced participation of men and women in professional activities. It seeks to facilitate the reconciliation of professional and family obligations, implementing policies such as flexible work practices and otherwise promoting the balance between personal, family and professional life.
- Investing in economic, social and environmental issues; complying with all applicable laws and requirements, as well as all the expectations of stakeholders; fostering an organizational model for development that does not undermine the needs of future generations.
- Respecting freedom and the rights of employees and other stakeholders; zero tolerance for child labour; respecting freedom in relation to work, freedom of association and representation and

equal opportunities; promoting safety and hygiene; preventing injuries and health risks at the workplace; promoting the same values within the supply chain.

**Thematic area of CSR:** Local community, employees, environment

**Concrete issue causing social concern:** The main issues of concern are a) the promotion of sustainable growth of the company and the local community b) improving employee satisfaction and welfare. The company has different programs for social responsibility, internally and externally.

**Stakeholders (beneficiaries of CSR activities):** employees and local community (the society).

**Solution applied:** As good examples of CSR practices in this company, we note the following:

a) Related to employees:

- Health insurance is extended to members of their households;
- Improving relations among employees and their family members through events such as Christmas dinner/ lunch, Christmas party for employees' children (including a Christmas gift to each child and a Christmas basket to each employee);
- The animation components of all events were organized by the company's employees;
- The company supports the initiatives organized by the Recreation Club, which significantly improve the existing work environment in the company;
- The Recreation Club also has a leisure occupation room where outside their working hours employees can spend some time socializing through activities such as karaoke, table football, snooker, puzzles, reading, etc.;
- The company maintains a space for sport activity: a room for gymnastics practice which takes place twice a week at the end of the day;
- A canteen service is available to employees in order to increase convenience and save their time wasted in travelling to catering establishments in the vicinity;
- The company provides its employees with medical consultations in curative medicine and promotes anti-flu vaccination campaigns and periodic preventive examinations in the frame of Occupational Medicine;
- In order to promote better health among employees, the health risks related to some positions in the company were evaluated;
- The company maintains periodic consultation with employees on Safety, Hygiene and Health at Work, in the form of an online questionnaire;
- The company has a Performance Evaluation and Performance Award;

b) related to employees and external community

- analysis of the evolution of the Employee Basic Needs, i.e. analysis of salaries paid *versus* national minimum wage (the calculation is provided in the Guidance Document for Social Accountability SA8000);
- code of Conduct and Ethics which binds all employees of Águas do Noroeste, SA.;
- channels for internal communication which allow all employees to actively participate in the Corporate Responsibility System. Such channels are for example: intranet system, meetings / lunches between employees and management, trainings, awarding of prizes for innovative projects; workshops; talent shows, etc.

c) Related to society, sponsorship and volunteerism:

- welcoming trainees in various areas of activity;
- dialogue with local authorities and education establishments for the development of projects with mutual added value. An example is the company's involvement in the development of scientific technology optimization projects, hosting study visit tours to some of the company's facilities.
- local authorities' involvement in internal procedures such as emergency situation simulations;
- road shows and institutional promotion of the sustainable use of water;
- sponsorship provided to outside initiatives on the basis of a clear process of evaluation;
- promotion of volunteerism among employees, including by lending employee working time and company equipment for the implementation of volunteer projects;
- active participation at the Food Bank against Hunger.

**How did the solution benefit the stakeholders:**

The activities have clear benefits to employees. Additional benefits to stakeholders include:

- - support to cultural and sports institutions;
- - support for trainees;
- provision of sponsorship for socially beneficial activities for which there is no public budget support;

**Did the solution bring benefits to the company:**

The activities have improved the image of the company within the community and have brought greater employee satisfaction and motivation.

**Key success factors:**

- the concept of Corporate Responsibility is integrated in the entire management system;
- the concept is broader than the concept of social responsibility brought by SA8000: the recently published ISO 26000 is used, which, though not certifiable, is a source of important guidelines.

**Year when the solution was first applied:** since 2010

**Does the practice continue:** yes

**Contact for more information:** <http://www.adnorte.pt>

Observation: most of the information presented in this case study was obtained from the website of Águas do Norte, S.A., the sustainability reports (from years 2011 to 2014) and from the report “Manual da Responsabilidade Social e a Competitividade Empresarial – estudos de caso” by Alminho – Associação Empresarial.

**Elements of the solution transferable to other countries:** The practices, especially those related to employees do not depend on contextual factors and are fully transferable. A transferable practice that stands out is the collaboration with local authorities and education institutions for the development of projects of common value.

<b>Company name: F3M – Information Systems S.A.</b>
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**Country/region of operation:** Portugal

**Company description:** F3M – Information Systems S.A. was founded in July 1987. Its headquarters are located in Braga and it has branches in Lisbon, Luanda and Maputo. It is one of the biggest Portuguese companies specialized in Information, Technology and Communication products and services. F3M– Information Systems S.A. has achieved a leading position in the design, production and implementation of software for vertical markets, ICT solutions, technology infrastructures, telecommunications, management software (ERP) and specialized services. The corporate structure has undergone several changes over the years. In 2007, the company has been transformed into a limited company, assuming the designation F3M Information Systems, S.A.

The company has acquired a wide range of certifications and distinctions:

- Certificate in Research, Development and Innovation (NP 4457);
- DGERT Certification (Directorate - General for Employment and Labour Relations);
- Member of Innovative SME Network COTEC;
- Considered one of the 100 best companies for a third consecutive year (2011, 2012 and 2013 - Exame / Accenture).

F3M-Information Systems, S.A. is today one of the seven Portuguese companies integrating the European Guide on Corporate Social Responsibility in its CSR practices. It is part of the National Network for Corporate Social Responsibility (RSOPT). F3M's company values are:

- Results and customer orientation;
- Planning and management by objectives;
- Team spirit in relationships with all stakeholders in the value chain (customers, employees, suppliers / subcontractors, partners);
- Creativity and innovation;
- Guidance for continuous improvement;
- Integrity, ethics and professionalism.

The company strives for continuous innovation and sustained growth. One of the critical advantages in its growth strategy is the promotion of the growth of the social and environmental dimension of the company. The company sees itself not only as a producer of financial wealth for its shareholders and employees, but as an entity able to participate in the process of collective development.

**Thematic area of CSR:** education, workforce, volunteering, environment, health

**Concrete issue causing social concern:** Rather than sponsoring Social Responsibility actions, F3M is striving to be a promoter of the involvement of all employees, customers, partners, etc. Involvement is the key to its policy of Social Responsibility.

**Stakeholders (beneficiaries of CSR activities):** employees, local communities.

**Solution applied:** F3M is one of seven Portuguese companies following the European Guide on Corporate Social Responsibility and is part of the National Network for Corporate Social Responsibility (RSOPT), an open, multi-functional association, which brings together leading institutions of business and civil society in Portugal. The CSR strategy of the company aims at mobilizing people inside and outside the company to be better citizens.

**How did the solution benefit the stakeholders:** F3M have developed several campaigns, projects and CSR activities in the following CSR areas: workforce, environment, society and education. Examples are presented below:

- Workforce

Recognizing that the lack of reading habits is one of the problems that Portugal is facing, the company carries out a set of actions aimed at promoting reading habits among employees' children. The actions include book fairs, gatherings with writers, storytelling sessions, etc.

- Health

F3M promotes awareness campaigns, prevention and screening (anti - smoking, visual, cardiovascular, etc.) and in partnership with the Portuguese Institute of Blood conducts two campaigns per year.

- Education

Currently F3M and its employees support 5 children in the Chimpaca village, Mozambique, providing them with scholarship. Alongside this sponsorship, F3M practices an open door policy for schools, institutes and universities.

The F3M provides an annual grant of €250 for each employee who has children attending primary school. This benefit applies to all employees with a permanent contract with the company, provided that such contract has existed for over 12 months.

F3M covers fully or partially the costs of employee enrollment in postgraduate courses. This benefit applies to all employees with a permanent contract with the company, as long as the contract has existed for more than 48 months.

- Environment

F3M has consolidated recycling process and has introduced everyday practices to rationalize energy consumption, water consumption, recycling of paper and plastic, automobile travel, etc.

- Society, Volunteering and Sponsorship

Volunteer activities, as well as the collection of material goods and food for charities are held throughout the year. This is an area where the involvement of company employees is extremely significant. The company's activity in this area has been remarkable.

The Project "Tampinhas" was launched in 2003. It originated in the initiative developed by Enf.<sup>a</sup> Guadalupe Jacinto (a nurse). The idea of the project is to contact recycling companies, collect plastic covers, sell them for recycling and use the funds to provide orthopedic supplies to those in need of them. This initiative initially targeted the municipalities of Almada and Seixal but was so successful that it was extended throughout the whole country. The leaders and employees of the company have participated in this initiative.

Other initiatives developed:

- Support the Homeless initiative, every week, on Sunday evening.
- Continuous collection of goods for people in need;
- Providing one working day a year for actions in the social or environmental area that any employee may wish to make.

**Did the solution bring benefits to the company:** The company has received recognition within the community. It is considered a CSR case study.

**Key success factors:**

- strong involvement of all employees, not least due to favourable conditions for such involvement created within the company;
- multifaceted activities;
- long-term commitment to CSR activities.

**Year when the solution was first applied:** more significant efforts are visible after 2007

**Does the practice continue:** yes

**Contact for more information:** <https://www.f3m.pt/>

Observation: most of the information presented in this case study was obtained from the website of F3M Information Systems, S.A. and from the report "Manual da Responsabilidade Social e a Competitividade Empresarial – estudos de caso" by Alminho – Associação Empresarial.

**Elements of the solution transferable to other countries:** Some of the CSR practices of the company can be transferred to small and medium size companies without spending too much financial resources. The promotion of strong employee involvement is one of them.

**Company name: Caixa Geral de Depósitos**

**Authors: Cátia Furtado and João Gonçalves**

**Country/region of operation:** Portugal

**Company description:** Caixa Geral de Depósitos S.A. (CGD) is the biggest bank in Portugal. Ownership is 100% public. Founded in 1876, the corporation includes a plurality of banking subdivisions: commercial banking, investment banking, brokerage and venture capital, real estate, asset management, specialized credit, among other. Nowadays CGD has 8,858 employees and a total of 15,896 in the whole group. 1,246 agencies are open to the public, of which 787 are located in Portugal and 459 in Europe and overseas.

**Thematic area of CSR:** volunteering; community outreach

**Concrete issue causing social concern:**

The Young VolunTeam Programme of Caixa Geral de Depósitos aims to raise awareness in the educational community to the practice of volunteering as an expression of active citizenship. The programme also aims to highlight the importance of volunteering for the development of skills in young people in a number of potential areas: social inclusion, education, entrepreneurship, employment, and citizenship.

Promotion of volunteering in Portugal has been a commitment of Caixa Geral de Depósitos, and its volunteering projects have been taken as an example of innovation in this area. With this programme, CGD intends to promote the topic to schools, based on concrete experiences and platforms, raising awareness and mobilizing students.

**Stakeholders (beneficiaries of CSR activities):**

Main project partners: Entrajuda e a Sair da Casca. Entrajuda is an organisation of the social sector (IPSS) that manages a pool of social volunteers. Sair da Casca is a consultancy in the field of corporate social responsibility and sustainable development.

As the project became better known, a number of additional partners were added: SEA -Agency for Social Entrepreneurship, the Presidency of Portugal, Directorate-General of Education of the Ministry of Education and Science, Portuguese Institute of Sport and Youth (national public body responsible for managing youth volunteering in Portugal) and the Programme Youth in Action of the European Commission .

Beneficiaries of CSR activities are young people and their communities.

**Solution applied:**

The Young VolunTeam is a programme aimed at young people and it seeks to mobilize their capacity for social action. The approach promotes the responsibility of young people to drive an idea or project forward. Organised in groups, they are responsible for identifying an issue, reflect on it, create an action plan and implement it with a view to success. The actions unfold during the school year and each school may participate with teams of 12 students and a teacher in charge. Between 2012 and 2013, CGD developed a Young VolunTeam pilot project, involving 25 secondary schools, through which the feasibility and rationale for the programme was tested and confirmed.

At the outset, the project was entirely privately-funded (by CGD) as a result of its social responsibility programme. However, as the project has become better known, a number of organisations and sponsors have co-funded the project.

The solution is marked for the following innovations:

- Full ownership of a project is assumed by the group of students with the backing and support of the stakeholders.
- Detailed measurement of “inputs”, “outputs”, outcomes and impacts of each project.

#### **How did the solution benefit the stakeholders:**

According to CGD, results and developed projects exceeded expectations, and have benefited more than 500 social entities, especially IPSS.

In the pilot year, about 25 schools joined the project. During the 2014-2015 edition, this number rose to 90, including an extension to the insular autonomous regions of Madeira and Azores. The last year, 2015-2016, 200 schools declared an interest in the project.

At the end of 3 academic years, change in attitudes and a greater receptivity to volunteer work are visible, from both youths and school teachers and headmasters. To date 2,680 students, as ambassadors of their own initiatives, managed to impact 120,960 colleagues, with diverse but significant results, such as: 8,2 tons of food, more than 4 tons of books, clothes and toys, and almost 20 tons of material have been recycled, collected or raised as a result of the various actions undertaken.

#### **Did the solution bring benefits to the company:**

CGD is the winner of Best Ethical Practices Awards in the category of 'Social Responsibility', an initiative to identify, highlight and reward ethical practices implemented in Portugal. The main benefit is thus improved public image and credibility of the bank as a socially responsible business.

#### **Key success factors:**

The implementation of a pilot project, communicating results and opening the programme to new partners were the main success factors. The fact that the initial results attracted other partners who shared a similar vision and interest for youth volunteering (DGE, IPDJ, SEA, Youth in Action) was particularly important.

**Challenges and problems:**

The increasing scale of the project complicates the task of the project promoters to play an effective role in each school. This is relevant as there is a clear focus in effecting real change in the communities, past normal school activities. Intervention from both Sair da Casca and Entreajuda were paramount in supporting the development of interesting projects. On the other hand, each edition included a tutorial and the argument for “real” communitarian projects directed to school representatives.

An additional challenge is the measurement of social impact from each project. In order to collect relevant data, the partnership developed four different questionnaires:

- Volunteer Action Sheet
- Data Collection Sheet
- Habits Assessment Questionnaire
- Perception Assessment Questionnaire

Data is collected before and after each project, and on a regular basis in order to measure impact on school performance and indicators of social activities.

**Year when the solution was first applied:** The project started in 2014

**Does the practice continue:** Yes

**Contact for more information:** [youngvolunteam@servicopedagogico.info](mailto:youngvolunteam@servicopedagogico.info);  
<https://www.facebook.com/CGDYoungVolunTeam/>

**Elements of the solution transferable to other countries:**

The approach is fully transferable. Info and materials are available in the site <https://programayvt.wordpress.com/>

## Greece: Good Practices of Social Entrepreneurship

*Authors: Sofia Kessopoulou and Nikolaos Triantafyllopoulos*

**Company name: “MYΓΔΟΝΙΑ” - “MYGDONIA”**

**Country/region of operation:** Greece / Central Macedonia

**Thematic area:** Promotion of local rural development and job creation based on Herb-based health and personal care products

**Description of the social enterprise:** Mygdonia KOIN.S.EP. is a social enterprise with collective and production purposes. It was established in August 2012 with the aim to pursue collective benefit and to serve broader social interests, contributing to economic growth through job creation, education and community empowerment for rural development.

From antiquity herbs have played and continue to play an important role in traditional medicine in many cultures. To many people, the alternative way of addressing health care through herbs now has the same value it had thousands of years ago. Mygdonia KOIN.S.EP., taking advantage of the knowledge and experiences of a long tradition, has modernized recipes that have been transferred from grandmother to daughter and granddaughter. The enterprise has created a series of products based on herbs for relieving health problems (primarily skin and hair). It produces handmade soaps with olive oil, soda and herbs, herb oils (votanolada), salves with honey, beeswax, olive oil and herbs, herbal beverages and foodstuffs.

Mygdonia is constantly experimenting with new product creations in cooperation with herbalists and chemists and soon plans to create a new line of skincare products for men as well as a line of generalised household soaps.

Mygdonia’s future goals include:

- creation of a herb garden;
- becoming a center of preservation and propagation of native aromatic and medicinal plants;
- establishing a centre for Lifelong Learning focused on the agri-food chain as well as on environmental awareness
- creating a Workshop on traditional handmade herb creations

**Social impact sought:** Mygdonia aims to pursue collective benefit and serve broader social interests, contributing to economic growth through job creation, education and community empowerment for rural development.

**Stakeholders:** Residents in the area of Langadas in Thessaloniki, local authorities, consumers, local businesses.

**Approach applied:** Mygdonia's approach is very active. Centered on the production and sale of herb-based products, Mygdonia intends to promote and implement a number of supplementary activities which include the creation of a thematically relevant lifelong education center, an environmental children's camp, a herb garden and an export platform for similar businesses.

**Innovation applied:** Mygdonia innovates by using local traditions to encourage community development.

**Social impact and business results achieved:** Through their commercial activity, Mygdonia contributes modestly to economic growth through job creation. Besides their commercial activity, the organization supports the operation of a local Traditional Mini Market, in which local producers are encouraged to display their products. Mygdonia also mixes the economic impact with education and community empowerment for rural development.

**Financial situation / sustainability of the business model:** Mygdonia has currently reached a satisfying economic situation, with a number of future development plans ready to be implemented. It has already began growing, especially through expansion on the Greek market, despite the financial crisis.

**Key success factors:** Key success factors include:

- wide range of activities with both economic and social impact;
- wide range of partnerships formed by Mygdonia
- personal commitment of the people in charge: all members have long previous experience in their respective posts within the enterprise.

**Challenges and problems:** The main problems reported concern the extensive bureaucracy and the long waiting times in all dealings with government agencies.

**Year when the enterprise was created:** 2012

**Contact person for more information:** Mr. Androklis Giatsoglou, email: androklisg@yahoo.gr

**Elements of the approach/innovation transferable to other countries:** The most interesting element, which might be well worth replicating, is the exploitation of the local, regional and national flora biodiversity in order to produce top quality natural products in support of local rural development.

**Company name: «ΑΜΦΙΤΡΙΤΗ» - “AMFITRITE”**

**Country/region of operation:** Greece / Attica

**Thematic area:** Accessible tourism; welfare of people with disabilities

**Description of the social enterprise:** The "Amphitrite SCOIP(KOINSEP)" is a Social Cooperative Integration Enterprise (according to Law 4019/ 11) whose aim is the integration of vulnerable groups of people into the economic and social life. Amphitrite SCOIP includes the following sections of activity:

- the formation of the platform "Greece4all.eu", the first multilingual web-based application in Greece for the presentation of the local accessible facilities and services for tourists – destinations and tourist offers (accommodation, entertainment, culture, attractions, etc.) are rated in terms of their accessibility for people with disability.
- the provision of consulting and educational services relevant to improving accessibility utilizing the know-how of specialized scientists, good practices of the international community and also the experiences of its members.

The "Amphitrite SCOIP" has been created with the support of the Developmental Partnership “PROSVASIS”, established under the Program "Regional Integration Actions for Vulnerable Groups" (TOPEKO), in order to promote employment and entrepreneurship of unemployed people with special needs.

In order to strengthen its position, Amphitrite implemented a networking program to set up international partnerships and transfer expertise and best practice applications from abroad. The first strategic partnership was completed by Amphitrite’s integration in ENAT (European Network for Accessible Tourism). The second European collaboration was with the CEFEC social firms Europe.

**Social impact sought:** To promote and contribute to the development of tourism in Greece in the direction of making it accessible to persons with disability:

- a) by offering to potential national and international tourists credible and accurate information concerning accessible tourism in Greece;
- b) by providing consulting and educational services relevant to improving accessibility utilizing the know-how of specialized scientists, good practices of the international community and also the experiences of its members.

**Stakeholders:** Partners of A.S. PROSVASIS are:

- The "Greek Association of Protection and Rehabilitation of Disabled Children" which has provided its services to children with disabilities for 45 years;

- The "Greek Federation of Corporation of Parents and Guardians of Disabled People" which consists of 230 unions, representing parents and guardians of 200.000 children;
- The "Chamber of Commerce and Industry" which contributes to the development of healthy entrepreneurship and supports the needs of thousands of small, medium and large corporation members;
- The Mentoring S.A., a specialized consulting company and member of the Greek international organizations (SESMA, EU consult, EBAN) which support entrepreneurship and innovation.

Other stakeholders include: tourism companies, tourists with special needs

**Approach applied:** By targeting a niche market and providing specialised services for it, Amphitrite sought to occupy an underdeveloped market, while at the same time helping to improve accessibility of major tourist attractions and points of interest in frequently visited areas of Greece. Information provided to users is very specific and specialised as well as peer reviewed and evaluated. What is more, this information is available to both users and related businesses.

**Innovation applied:** Besides targeting the often overlooked (at least in Greece) target group of persons with disability, and providing customised services to it in a new and flexible way, Amphitrite also innovates by working to improve the experience of accessible tourism on all ends: by increasing accessibility and providing the means to a better experience for users and helping businesses improve their accessibility to attract customers from a niche market.

**Social impact and business results achieved:** It is very difficult to measure social impact as the company is very new and no statistics are available. Equally problematic is the measurement of business results, for the same reason.

**Financial situation / sustainability of the business model:** While there is no data available to support this claim, the company's founders claim that their extensive market analysis (contained in Amphitrite's business plan) shows great potential for sustainability and growth. Another factor contributing to the potential for sustainability is the low cost of operation.

**Key success factors:** One of the key success factors is the choice of partners Amphitrite made, creating partnerships with heavily involved actors. Another success factor is the employment of people that are actually part of the target group and are able to provide valuable insight. The attractiveness of many Greek tourist destinations is another success factor.

**Challenges and problems:** One of the challenges faced is to provide services for a wider geographical area, as the company only covers six areas in Greece at the moment. Another challenge seems to be gaining further visibility, especially in countries with large numbers of visitors in Greek destinations (e.g. Germany), as well as gaining credibility.

**Year when the enterprise was created:** 2013

**Contact person for more information:** Mrs. Viki Vraka, e-mail: [vvr@greece4all.eu](mailto:vvr@greece4all.eu)

**Elements of the approach/innovation transferable to other countries:** Amphitrite's approach is in every way transferable as it is not dependent in any kind of requirements (legal or otherwise). Increasing accessibility to points of interest and helping businesses become more accessible is desirable in most situations and every country. Another transferable part of Amphitrite's activities is the involvement of volunteers for on-site checks and validation of information.

**Company name: “Καλλονή - Κελιά Τήνου” – “Kalloni – Kelia Tinou”**

**Country/region of operation:** Greece / South Aegean

**Thematic area:** Waste management - recycling

**Description of the social enterprise:** Kalloni – Kelia Tinou is a social enterprise engaging in waste management and recycling activities. Its activities include:

- recycling of non-hazardous materials such as glass, aluminium, paper and plastic,
- collection of cooking oils to use in the production of biodiesel,
- biomass management for compost production,
- creation of renewable energy projects and
- the promotion and standardisation of locally-produced products

The social enterprise organizes conferences and seminars to inform and sensitize the local community in thematic areas that include environmental protection and production and standardization of local products, as well as educational programs in collaboration with appropriate experts. It also cooperates with a number of other social enterprises and NGOs at national and international level (e.g. is a member of REScoop) in joint projects and in know-how and experience exchange and works with Universities and Research Institutes to promote knowledge transfer and innovation.

**Social impact sought:** To contribute to the sustainable development of the island of Tenos, with the active participation of its inhabitants, by using all available resources while respecting the environment and the islands’ tradition and history.

**Stakeholders:** local authorities in the Island of Tenos, local population, waste management / recycling companies

**Approach applied:** One of the most important aspects of the company’s operation has been – from the very beginning – the effort to involve the local population to the highest degree possible. The idea was to plan and take action with the island’s inhabitants, in order to improve their environmental, economic and social situation, while protecting and emphasising the local history and tradition.

**Innovation applied:** Innovations adopted by the social enterprise concern the involvement of the local population in a number of the company’s activities (especially environmental ones), the collection and separation of waste at the site of collection (zero transport cost of waste to be

recycled for separation) and the production of ready-to-use recyclable material without the use of industrial equipment. It is worth mentioning that the Kalloni – Kelia Tinou received the Social Innovation Award in 2014, at the Social Entrepreneurship Awards organised by the National Documentation Centre and other agencies (under the auspice of the Ministry of Development).

**Social impact and business results achieved:** While no measurable data exist so far, it is generally acknowledged that the involvement of the island's inhabitants has been achieved to a high degree (mostly on environmental protection activities) and the local population's awareness on environmental protection, waste management and recycling has been significantly raised.

**Financial situation / sustainability of the business model:** While the first year of operation was financially marginal for the company, by their more recent planning they estimate that their 2<sup>nd</sup> year of operation will bring a profit of roughly 40.000€, and will provide full time employment for 1 person and seasonal employment for 1 more person (in addition to the cooperative's members). There also seems to be good potential for expansion of activities.

**Key success factors:** One of the key success factors was the wide acceptance of the social enterprise's vision and, consequently, the involvement of the local population. Another factor for success was the adoption of appropriate methods, tools and activities to achieve the set objectives.

**Challenges and problems:** One of the greatest challenges was to find donors for some of the more expensive equipment needed, as the financial crisis has made potential donors very reluctant. Another challenge has been trying to change attitudes, both towards waste management (e.g. the common perception that "garbage is garbage") and cooperatives in general. Also, bureaucracy is reported as a major challenge that has to be addressed.

**Year when the enterprise was created:** 2012

**Contact person for more information:** Mr. Politopoulos, email: koinsepikalloni@gmail.com

**Elements of the approach/innovation transferable to other countries:** The methods used and the results achieved regarding waste management and recycling in the island of Tenos can serve as a good practice for similar areas (hard to reach areas with waste management difficulties). Another element that can be transferred is the way the local population is involved and constantly included in the social enterprise's activities.

**Company name: Κοιν.Σ.Επ. “Γη Θεσσαλίας” – Koin.S.Ep. “Gi Thessalis”**

**Country/region of operation:** Greece / Thessaly

**Thematic area:** collective economy solutions in the area of agriculture

**Description of the social enterprise:** This is a social enterprise (Koin.S.Ep.) founded in 2013 by 46 beneficiaries of a TOPEKO programme titled “Be a Producer”. Their goal is for the cooperative’s members to produce and directly sell agricultural products, without the use of intermediaries. The company’s products, besides fixed points of sale (which are to be announced), can be purchased through the internet (either at the e-shop or via e-mail), as well as by telephone or fax. In this way consumers can order fruit, vegetables and other products directly from the producer’s field – freshly cut – and delivered promptly at home at no extra charge.

Products available include (depending on the season):

- Fresh garden vegetables
- Fruit
- Wine
- Aromatic plants
- Legumes
- Pasta
- Sweets and marmalades
- Beauty products

“Gi Thessalis” also provides handmade sweets, decorated appropriately, for christenings.

Immediate plans include the application of an Integrated Cultivation Management System (standard AGRO 2.1-2.2). Producing quality / certified products will constitute a competitive advantage, increasing the product value. At the same time, environmental, as well as consumer protection, will be achieved by producing safe products.

**Social impact sought:** to supply quality, safe local agricultural products to the area of Larissa and the region of Thessaly and to support sustainable agricultural production. The main social impact sought is one of improving the welfare of local people by means of collective economic activities in which the distribution of economic costs and benefits is more equitable (intermediaries are avoided, so both consumers and producers get a fairer price).

**Stakeholders:** Cooperative members, consumers.

**Approach applied:** The approach applied in this case puts emphasis on the supply of agricultural products (mainly foodstuff) directly to the consumers, bypassing intermediaries (thus reducing delivery time and cost).

**Innovation applied:** The innovation applied in this case concerns the creation of a brand name for the products produced by the cooperative's members that is easily recognised and the application of an Integrated Cultivation Management System (standard AGRO 2.1-2.2), as well the sale of agricultural products through the internet directly from the producer's field.

**Social impact and business results achieved:** Not possible to determine yet, due to the limited time of operation and the complete lack of statistics.

**Financial situation / sustainability of the business model:** The company's business plans predicts a positive cash flow from the first year.

**Key success factors:** One key success factor has been the local character of the project and managing to reach and convince local consumers to become involved in this collective economic activity. Another success factor has to do with the fact that the cooperative's members received specialised training and consulting during their participation to the TOPEKO Programme through which the enterprise was created.

**Challenges and problems:** One challenge was to change the habits of consumers regarding the purchase of agricultural product (i.e. they are not used to shopping online). Another challenge was to coordinate and plan with a large number (more than 40) of the members involved in the early stages. The unstable economic and political environment and the lack of programmes aiming at supporting social entrepreneurship prevent the (smooth) implementation of the company's business plan.

**Year when the enterprise was created:** 2014

**Contact person for more information:** Mrs. Stavroula Argyriou, email: [info@githessalis.gr](mailto:info@githessalis.gr)

**Elements of the approach/innovation transferable to other countries:** One critical element that can be transferred in other cases is the process of supplying agricultural products directly from the field to the consumer's home, on demand and without intermediaries – i.e. a more equitable collective economy solution for poorer local population.

**Company name: “ΦΥΛΩ” Κοιν.Σ,Επ. – “ PHILO” Κοιν.Σ.Επ.**

**Country/region of operation:** Greece / Thessaly

**Thematic area:** Personal care and cleaning products

**Description of the social enterprise:** “Philo” is a Social Cooperative Enterprise with production and distribution purposes. In particular, its goal is the full utilization of local products and the creation of jobs in the area of residence of all the members of the cooperative (province of Magnesia). The primary objective is to produce completely natural products for body care and cleaning of clothes and surfaces via a company which will ensure quality of work for active members of the local community and will utilize local produce.

The company’s goal is to combine traditional techniques with the methods and tools of modern technology and science. Materials are carefully selected and only local and natural materials whose quality can be controlled and ensured are used. They do not use synthetic additives, chemically processed materials and improvers, so as to arrive at the desired effect by combining the properties of natural products, after systematic experimentation and testing. “Philo” offers completely natural cleaning and care products, which leave no burden on the environment, i.e. they are completely biodegradable and absorbed naturally.

“Philo” has 15 retail spots in areas all over Magnesia prefecture and, recently, in Athens.

**Social impact sought:** As a social cooperative “Philo” seeks to promote the local and collective interest, contribute to employment, and strengthen social cohesion and regional development. A major objective concerns environmental protection.

**Stakeholders:** Magnesia residents, local authorities, local businesses, consumers.

**Approach applied:** Philo’s commitment to local ingredients adds value to local production and also allows it to lower the cost of their finished products. They focus on the real value of the products’ use and not on artificial characteristics. They allow the herbs to give their beneficial properties, combined with fresh quality olive oil and raw beeswax. The cooperative has adopted a policy of rapid market expansion.

**Innovation applied:** Regarding business innovation, the characteristics and the nature of the ingredients used (local, natural high value added) is one innovation applied in this case. Another innovation is the use of high quality unprocessed olive oil, which has many beneficial properties. Also, they offer products such as handmade natural washing machine detergent which are unavailable elsewhere.

The social innovation applied is the purposeful pursuit of both local development and positive environmental impact in a business endeavour.

**Social impact and business results achieved:** The social impact is in the area of local economic development (support for local producers) and environmental protection. There is no way to measure exactly the achieved social impact as yet. It is also very early to measure any business results.

**Financial situation / sustainability of the business model:** As the company has been in full operation for only a couple of months no financial data is available. Their business plan, however, predicts a positive cash flow in the first couple of years and it identifies opportunities for expansion and exports which will allow for significant growth.

**Key success factors:** Participation in the University of Thessaly Innovation and Entrepreneurship Unit's Programme "Together at Start-up" (Incubation services). Previous extensive experience in cooperatives and social enterprises.

**Challenges and problems:** One of the main challenges was the lack of funding at the early stages. Another challenge they face is to manage to adapt to suddenly increasing demand, especially when engaged in exports. At the same time, they have to increase their visibility and gain the trust of their potential customers.

**Year when the enterprise was created:** 2014

**Contact person for more information:** Mrs. Maria Routsia, e-mail: philo.koinsep@gmail.com

**Elements of the approach/innovation transferable to other countries:** One element that may be worth duplicating is the use of thoroughly tested and standardised local products for the production of the environmentally friendly products. This achieves a double sustainability effect on both local economic development and the environment.

## Greece: Good Practices of Corporate Social Responsibility

*Authors: Sofia Kessopoulou and Nikolaos Triantafyllopoulos*

**Company name: EPSA SA**

**Country/region of operation:** Greece /Thessaly/ Attica

**Company description:** In 1924, Kosmadopoulos Brothers envisaged the establishment of an innovative bottling unit in Volos, together with their already existing cooling/refrigerating storage facilities. The production began, while the operation of the EPSA factory provided electricity to the wider geographical area. In 1936 The National Bank of Greece took over the ownership of EPSA while the company continued investing in modern facilities and machinery. In 1969, 45 years after the establishment of EPSA, the National Bank of Greece accepted the proposal of Moskachlaidis Brothers and Mr. Nikos Tsaoutos and EPSA's ownership came to the hands of its present owners. The new investments increased the production to 20,000 bottles per hour. Recent machinery upgrades boost productivity to 30,000 bottles per hour. Since then, the EPSA product line has developed impressively. With modern facilities, biological purification systems, HACCP – ISO – IFS certificates, new packing and products, such as soda water, carbonated orangeade, lemon cola, tonic, lemon tea, peach tea, pomegranate tea, full line of juice, etc, are developed.

**Thematic area of CSR:** Engagement with the community

**Concrete issue causing social concern:** Contributing to the community in which the company (as a family company) grew and operates for almost a century. Strengthening the company's ties with the local people and businesses and supporting activities implemented within the local community.

**Stakeholders (beneficiaries of CSR activities):** Suppliers, clients, employees, society, public authorities

**Solution applied:** The company has set up and operates a small museum about the origins and history of EPSA and the first soft drinks produced in the region and regularly hosts school and other visits in its facilities. It systematically sponsors local events (especially in collaboration with the region's University), as well as other region-wide events (such as annual marathon events, cinema premieres etc.). The company also participates in various projects, utilizing its resources to promote and support project activities. The most noteworthy case concerns printing and circulating soft-drink cans with positive messages supporting the social economy, over a period of six months (there was a chance to win various presents, which increased the attractiveness of the cans). The company had to allocate significant resources to change

production specifications, but the message it promoted was introduced to a multitude of sale points and reached large numbers of people.

**How did the solution benefit the stakeholders:** By getting involved in community issues and providing sponsorship and support for activities implemented in the region, the company contributes to local development and improvement of the local people's lives.

**Did the solution bring benefits to the company:** Contributing to the community and supporting local actions helps improve consumers' attitude towards the company and builds trust relationships that can have significant benefits (e.g. customer loyalty).

**Key success factors:** Strong local community ties, continuous and substantial presence in local affairs.

**Challenges and problems:** Lack of resources to allocate to CSR actions, especially in times of economic crisis, when CSR is not perceived as crucial to business survival.

**Year when the solution was first applied:** 2006

**Does the practice continue / year when it was discontinued:** yes

**Contact person for more information:** Panagiotis Milis, Marketing Director (milis@epsa.gr)

**Elements of the solution transferable to other countries:** Two elements of the company's CSR practices seem to be interesting cases to be transferred to other countries. On the one hand the fact that the company continuously runs activities that engage it with the local community (museum, school visits, sponsoring local events etc.) keep the company's CSR activities in the spotlight. On the other hand, using the company's business operations in order to promote causes and support development in the region is a practice that is rather rare and plays to the company's strengths and increases effectiveness.

<b>Company name: Athens Brewery</b>
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**Country/region of operation:** Greece / Attica

**Company description:** Athens brewery is one of the most important companies producing and selling beer in Greece. It was founded in 1963 by a group of Greek businessmen and is now part of the Heineken N.V Group. It is based in Athens. The company's first factory began operating in Athens in 1965, with a second factory opening in Thessaloniki in 1975. A third factory was bought in 1985 in Patras and since 1993 a new factory bottling natural mineral water has begun operating in the city of Lamia. Today, the company produces and bottles some of the best known beers. The total of 25 products produced and distributed are available in 11 countries, while further expansions are underway.

**Thematic area of CSR:** Environmental Impact

**Concrete issue causing social concern:** protection of the environment and implementation of environmentally friendly methods, tools and practices in order to reduce the environmental impact of businesses is an issue of major concern, especially in the last decade.

**Stakeholders (beneficiaries of CSR activities):** Suppliers, consumers, employees, local communities

**Solution applied:** The solution applied in the case of Athens Brewery involves the reduction of water and power consumption and the reduction of CO2 emissions during production, storage and distribution on the one hand (reduction of environmental footprint), and the application of "green" processes and methods at the whole sale and retail level on the other hand. This is achieved through the energy consumption reduction for refrigeration, the use of "green" and recyclable packaging, as well as the implementation of "green" logistics for product transport.

As far as reducing the environmental impact is concerned, the company:

- invests in new – cleaner – technologies and applies the most appropriate energy conservation and recycling practices;
- follows an integrated control system on environmental impact;
- Applies appropriate waste management methods to reduce waste.

At the wholesale and retail level, the company:

- achieves a 35% reduction on energy consumption, by using environmentally friendly refrigerators for the cooling of their products;
- uses recyclable packaging and puts emphasis on the re-use of glass bottles;

- applies solutions offered by green logistics methods in order to reduce CO2 emissions from the company's vehicles during inner city and intercity transport.

In 2010 – 2011, the company has invested more than 15million euro on new equipment and another 15 million euro on returnable packaging, trying to maintain a high standard for environmental protection.

**How did the solution benefit the stakeholders:** The benefit of a cleaner environment positively affects all stakeholders and the society at large

**Did the solution bring benefits to the company:** Some of the practices adopted (e.g. green logistics, energy and water conservation) result in cost reductions for the company. At the same time, the reputation of the company has been improved and customer loyalty has increased, while the level of employee satisfaction has risen.

**Key success factors:** A key success factor has been the fact that the company's suppliers and business partners have shared the environmental values and goals set by the company and have enabled and even supplemented the relevant activities. It is important to note that, as part of the Heineken N.V. Group, Athens Brewery follows a broader CSR strategy and receives support from the CSR Department of a large multinational company.

**Challenges and problems:** The greatest challenge for the company has been to maintain high standards on environmental protection while trying to manage the effects of the current economic crisis. Another challenge has been to convince business associates to adopt and maintain the same high environmental standards, as high standards translate into high costs. The lack of an environmental protection culture among the public (the consumers) is another challenge that had to be overcome.

**Year when the solution was first applied:** 2010 (current cycle of CSR), but the company has a comprehensive CSR plan since before 2006.

**Does the practice continue / year when it was discontinued:** The practice is still in effect

**Elements of the solution transferable to other countries:** The activities of the Athens Brewery are in no way new or unique and are already applied in many cases all over Europe. The range and scope of the company's activities, however, and their level of strategic integration into all aspects of the companies operation (from supply and production to storage, logistics and waste management) is a much more interesting practice that presents opportunities for replication.

**Company name: CABLEL**

**Country/region of operation:** Greece / Attica

**Company description:** The Cablel<sup>®</sup> Hellenic Cables Group represents the cable production and marketing sector of Viohalco SA. The Company started its activities in 1950 as a Viohalco plant and in 1973 was incorporated as an independent subsidiary under the name Hellenic Cables, expanding its production and trade operations. Today, the Cablel<sup>®</sup> Hellenic Cables Group consists of Hellenic Cables S.A. which operates three plants in Viotia, Greece that produce cables, enamelled wires and plastic and elastomer compounds; the Fulgor S.A. plant in Corinth, Greece, which manufactures power cables, power and fibre optic submarine cables and copper wires; Icme Ecab S.A., a power and telecommunication cable manufacturer in Bucharest, Romania and Lesco Ltd Blagoevgrad, Bulgaria which manufactures wooden reels and pallets.

With a strong export orientation and focus on development of value added products, such as high and extra-high voltage cables and submarine cables, the Group implements significant investments towards enriching its product portfolio and enhancing its sustainability profile. The company implemented an approximately 60 million euro investment plan for the manufacture of high-voltage submarine cables in Fulgor's plant. The wide product range, which is sold internationally under the Cablel<sup>®</sup> trademark, extends to PVC, EPR and XLPE insulated power cables (rated up to 500kV), marine and low smoke halogen free cables, fire resistant cables, telecommunication, signal and data cables with copper conductors or optical fibres, as well as fire retardant halogen free plastic and elastomer compounds and enamelled wires.

Cablel Hellenic Cables Group and its subsidiary companies have integrated the principles of CSR into their business operation and activities, recognizing that long-term development and societal progress can be achieved only through sustainable development and sustainable business activities.

The Group's CSR commitments focus on efforts to promote employee health and safety and respect for the environment, meeting comprehensive customer needs and coexisting productively with the local communities in which they operate. Towards this objective, the Group implements a comprehensive CSR and Sustainable Development policy, reflecting corporate values, through its subsidiary companies and across its industrial facilities.

**Thematic area of CSR:** Workplace Practices

**Concrete issue causing social concern:** Employee safety and health, as well as employee welfare and satisfaction, have been a major concern for many companies, since human resources are often critical for success and sustainable development.

**Stakeholders (beneficiaries of CSR activities):** Employees, employee's families.

**Solution applied:** The company has been implementing a number of measures regarding their employees. These include:

- Measures to ensure the health and safety of the employees (from information and seminars to external inspection and monitoring systems and from targeted programmes to safety infrastructure).
- Employee training (from technical training to management skills training, with the latter increasing in importance).
- Employee assessment and evaluation (internal Assessment and Development Centres, Annual Performance Evaluation etc.).
- Measures to insure equality and meritocracy (no-discrimination policy, international work ethics standards applied).
- Respecting Collective Work Agreements.
- Providing additional benefits to employees (additional health coverage, disability coverage, life insurance, meals, children summer camps, etc.).
- Rewarding employees (employee reward programme) and measuring employee satisfaction.

**How did the solution benefit the stakeholders:** The company seeks to create an inspiring workplace environment, where everyone has equal opportunities for development. Key elements of their policy include the creation of a positive climate among the employees, the fostering of a constructive cooperation, as well as the promotion of the values of responsibility, honesty, integrity, justice and polite behaviour towards colleagues, customers, partners, suppliers and the local community. The employees work in a safe environment, enjoy equal opportunities and a number of additional benefits and are assessed on a regular basis.

**Did the solution bring benefits to the company:** The Company places great emphasis on the lifelong education and training of its personnel, which are the most important asset of the Company and, thus, invests considerable funds in this direction. New technologies and current business administration practices and tools are taught in seminars attended by the company's executives, which are organised by universities and specialised institutions in Greece and abroad. Thus, the personnel enrich their knowledge and skills, while at the same time new career opportunities are opened up for them. Aiming at the ongoing improvement of its executives, HELLENIC CABLES also finances postgraduate programmes, thus enabling them to expand their knowledge and ensure their overall development in the company

Recognising that employees give the necessary impetus to the company and contribute to the achievement of its goals, the Group's top priority is to ensure a safe working environment offering equal opportunities. At the same time, the Hellenic Cables Group is committed to the implementation of specific policies that ensure the continuous improvement of employee skills and knowledge.

**Key success factors:** Support from employees, increasing employee satisfaction, acquiring and processing feedback.

**Challenges and problems:** The biggest challenge has been finding a balance between maximizing benefits for employees, addressing real needs and keeping the cost of CSR activities under control.

**Year when the solution was first applied:** 2009

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:** By investing in their employees, making sure they can better and evolve themselves and keeping them satisfied, the company receives in return increased HR capabilities and a number of other benefits which are based in employee motivation, loyalty etc. This example could be followed easily by other companies that rely heavily on their human resources.

<b>Company name: FOURLIS GROUP</b>
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**Country/region of operation:** Greece / Attica

**Company description:** The Group dates back to 1950 when A. Fournalis & CO O.E. was founded. Initially, the company imported and sold electrical appliances from Germany, having secured for itself the exclusive representation of leading post-war branded products. In 1973, FOURLIS BROS. moved from central Athens to new company-owned facilities located near the 17 km mark on the Athens- Lamia highway. At the end of 1999, the FOURLIS Group concluded a franchise agreement with Swedish IKEA, regarding home furnishings and appliances for the Greek market. At the same time, the company undertook the exclusive representation in Greece of Intersport, the world's largest sporting goods chain. Another milestone was reached with the decision to spin off the company's commercial and industrial operations (incorporating them into the newly formed FOURLIS TRADE), converting, as of 1/1/2000, the parent enterprise into a holding company able to further develop operational synergies between Group members.

Today the Company is active in three major areas:

- Retail Home Furnishing and Accessories (IKEA)
- Retail Sporting Goods (INTERSPORT)
- Home Electrical Appliances wholesale

**Thematic area of CSR:** Engagement with the community

**Concrete issue causing social concern:** Local authorities, especially with the current economic crisis, are struggling to support a number of cultural, educational and welfare activities. Often, additional support is needed (in many forms: fiscal, equipment, volunteers etc.) to realise those activities.

**Stakeholders (beneficiaries of CSR activities):** Local authorities, community residents (children, senior citizens and other groups)

**Solution applied:** Since 2008, when it was first established, the FOURLIS Group Social Responsibility Department has been continuously operating focused on its three pillars: People - Society - Environment.

The Social Responsibility Department designs and implements the CSR Programme and ensures the necessary funds from the Group's companies aiming at "creating a better today and an even better tomorrow". FOURLIS Group has recently joined the United Nations (UN) Global Compact which is the world's largest voluntary corporate responsibility initiative covering four core areas: human rights, labour standards, protection of the environment and the prevention of corruption.

In response to the increased difficulties faced by local communities in which the Groups is active, the Group's companies plan and implement a number of activities. These include:

- Volunteer blood donations;
- Public athletic events (marathons, walks, senior citizens exercises, etc.);
- Refurbishing public schools and nurseries;
- Supporting children's foundations and agencies and other organisations (e.g. UNICEF);
- Supporting charity and other organisations (e.g. UNICEF, ELEPAP, Medicines Sans Frontiers);
- Promoting local products and producers;
- Refurbishing public / municipal libraries;
- Donations (food, clothes, furniture, etc.) to people in need.

**How did the solution benefit the stakeholders:** The above mentioned activities helped provide some measure of relief to people in need, helped improve education conditions in several areas, promoted culture and sports and helped improve the quality of life for people residing in the communities in which these activities took place.

**Did the solution bring benefits to the company:** The company's CSR activities have increased consumer trust and improved the company's reputation.

**Key success factors:** Key success factor include the involvement of appropriate local actors and stakeholders, the selection of widely and publicly accepted causes and charities to support, as well as joining the UN Global Compact, which provides a strong focus for the company's CSR activities.

**Challenges and problems:** One of the most common challenges faced is overcoming bureaucracy in cases where government agencies or local authorities are involved.

**Year when the solution was first applied:** 2008

**Does the practice continue:** The practice continues.

**Elements of the solution transferable to other countries:** Joining the UN Global Compact which is the world's largest voluntary CSR initiative is one element of the Group's practices that is transferable.

<b>Company name: Cooperative Bank of Thessaly</b>
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**Country/region of operation:** Greece / Thessaly

**Company description:** The Cooperative Bank of Thessaly was founded in the city of Trikala (Region of Thessaly) in 1994, as a Limited Liability Credit Cooperative with the title “Credit and Development Cooperation of Trikala”. It was an initiative of the major business and professional organisations and agencies in the prefecture of Trikala (Chamber of Commerce, commerce associations and other organisations). After accumulating the required capital and obtaining the permission from the Central Bank of Greece to operate regional branches, the Bank was renamed to “Cooperative Bank of Thessaly” in 2007. The Bank, today, operates out of 9 locations in the region of Thessaly and offers to its members/clients all banking services (excluding underwrite), 24-hour ATM service, Internet Banking, credit and debit card services and a wide array of retail banking products and services.

For its CSR activities the Cooperative Bank of Thessaly was awarded a distinction from the European CSR Awards in Greece (a relatively new institution), recognizing the CSR activities of the Bank as a good practice, responding to the criteria of cooperation, innovation and results.

**Thematic area of CSR:** Engagement with the community

**Concrete issue causing social concern:** Increased unemployment and poverty due to the continuing economic crisis have led to a part of the local population having difficulties in accessing basic services (e.g. healthcare).

**Stakeholders (beneficiaries of CSR activities):** Local authorities, local (Region of Thessaly) residents

**Solution applied:** The Cooperative Banks CSR activities are centered on a thematic area called “People” according to the Bank’s CSR Department. In this context on a yearly basis the Bank publishes Calls inviting organisations and agencies active in the region to submit proposals for actions in the above-mentioned thematic area (e.g. handling poverty issues, enabling access to employment, supporting vulnerable groups, creating support centres for counselling and helping vulnerable groups, promoting gender equality, enabling access to health care services, etc.).

To this end, the Bank collaborates with the Greek Network for Corporate Social Responsibility, which is the main agency for the promotion and development of CSR in Greece. By implementing these CSR activities, the Bank aims at positively contributing to social issues that are relevant to local communities (as stated by the Banks president).

The Bank has committed to allocating 2% of its net profits, on a yearly basis, as a CSR resource to be used in CSR activities in the region of Thessaly. So far projects that have been financed include:

- Donation of specialized medical equipment to a medical facility in the city of Larisa (60.000€);
- Donation of specialized medical equipment to 2 clinics of the University Hospital of Thessaly (60.000€);
- Donation of a school bus to the 1<sup>st</sup> kindergarten and elementary school in Trikala;
- Creation of a re-use and recycling Workshop for shoes and clothing (to operate in the Municipality of Pyli).

The Bank received a commendation at the 2013 European CSR awards for its activities.

**How did the solution benefit the stakeholders:** The Bank's CSR activities allowed specific local social actions to be financed and provided a systematic source of support for social impact organizations at regional level.

**Did the solution bring benefits to the company:** The benefits to the company include:

- Increasing trust towards the Bank and creating a sense of common goals;
- Stimulating a positive response in the community;
- Improving the Banks image and reputation;
- Contributing to developing moral values;
- Improving communication and cooperation with local businesses;
- Increasing satisfaction of the shareholders;
- Increasing the Bank's attractiveness to both consumers and employees;
- Providing moral incentives for increased employee efficiency;
- Recognition at local, national and international level.

**Key success factors:** The Bank considers reputation, credibility, constant support and delivering on time and as promised to be critical success factors of its CSR activities. We may add that the decision to allocate a fixed portion of net profit to CSR (rather than making ad hoc decisions on funding social in initiatives) allows the bank to maintain systematic and strategic social involvement even in times of economic crisis.

**Challenges and problems:** The greatest challenge faced by the company has been bureaucracy, especially where public authorities or organisations have been directly involved. The public sector has proved to be highly inefficient and slow to act.

**Year when the solution was first applied:** 2009

**Does the practice continue:** The practice continues

**Contact person for more information:** Kalintzeou T. (tkalintzeou@bankofthessaly.gr)

**Elements of the solution transferable to other countries:** A transferable element in this case is the process of publishing a Call of interest in order to select and support the most appropriate and most effective activities in the chosen thematic area of CSR. Another effective and easily transferrable solution is the commitment to allocate financial resources determined as a fixed percentage on the annual financial outcome of the company – CSR funds can thus be increased or decreased depending on each year's performance, yet this solution provides a measure of stability of CSR activities because they cannot be cancelled in favour of other areas of investment.

## Turkey: Good Practices of Social Entrepreneurship

Authors: Yigit Kazancoglu, Muhittin Sagnak and Cansu Tayaksi

**Company Name:** Cop(m)adam

**Country/region of operation:** Ayvalik / Turkey

**Thematic area:** economic empowerment of women

**Description of the social enterprise:** The organization offers work opportunities to women who have never worked for pay before to utilize their hand-craft skills to make useful and stylish items out of throw-away materials. The employed women receive fair wages.

**Social impact sought:**

- to ameliorate the low self-esteem of women (in Turkey, only 25% of the female population is officially employed; the rate of undeclared work is reaching 75%)
- to break the cycles of poverty
- to increase the generally low awareness of individual responsibility for the environment.

The main impact is on raising the self-esteem of women. The enterprise is still working on translating the concept of working to reduce environmental degradation into practice.

**Stakeholders:** local communities, women in vulnerable position

**Approach applied:** The business operates a workshop in which goods are produced. The workshop tries to be a 'safe place' for women to come and spend time while also being productive. It is a step out of the normal comfort zone for the women who work in it, but the enterprise team strives to create a comfortable working environment in the workshop.

**Innovation applied:** The practice is innovative in that it combines a local approach with a dual focus on the economic empowerment of women and achieving environmental impact. The innovation is mainly in the good adaptation of the approach to the local context and the smart use of available local resources – unused labour resources (female) and usable waste.

**Social impact and business results achieved:**

Short-term environmental effects: less waste to go to the landfill (4 tons in 5 years);

Long-term environmental effects: the workshop is working to create a sustainable local approach to reducing waste;

Social effect: raised self-esteem of women. In fact, some of our women have become the main bread-winner in their family.

**Financial situation / sustainability of the business model:** The enterprise has been launched with the support of sponsors, but it is now trying to be truly sustainable financially. The use of throw-away materials reduces costs of inputs.

**Key success factors:** working closely with the local community while addressing several social issues: targeting poverty, working to improve gender equity, and environmental awareness. The local resources used are accessible (the women involved have strong motivation to participate and throw-away materials do not cost much to obtain). The enterprise also creatively utilizes local traditions of hand-craft skills.

**Challenges and problems:** achieving financial sustainability; developing a strong core of customers and widening distribution

**Year when the enterprise was created:** 2008.

**Elements of the approach/innovation transferable to other countries:**

The approach is easily transferrable into communities where female labour is underused and where local traditions of hand crafts exist. The lack of hand-craft skills could be overcome by training but this will increase costs in the business model.

**Company Name: Genctur**

*(borderline case – closer to non-profit sector)*

**Country/region of operation:** Istanbul / Turkey

**Thematic area:** International Voluntary Projects for international and intercultural understanding, diminishing prejudices and discrimination, world peace, community development, self-development

**Description of the social enterprise:** GENCTUR aims to encourage both the Turkish and other countries' youth to travel and to volunteer in order to understand each other better, to gain empathy, and to acquire new perspectives and new values by travelling and volunteering.

GENCTUR sends around 600 Turkish volunteers of all ages (14-99, but mainly 18-30) and hosts around 300 foreign (mainly young) volunteers from all over the world. All incoming and outgoing volunteers gain a very valuable life experience, get rid of their prejudices, learn about other cultures, and change their negative thoughts and attitudes through travelling and volunteering.

**Social impact sought:**

- promotion of a culture of solidarity and volunteering among youth;
- increasing inter-cultural understanding and the global competencies of young people;
- addressing local needs in communities through volunteer contributions.

**Stakeholders:** young people, local communities

**Approach applied:** GENCTUR is a member of worldwide networks of voluntary organizations like CCIVS (Coordinating Committee of International Voluntary Services), ALLIANCE of European Voluntary Service Organizations, Service Civil International. While sending Turkish volunteers to the projects organized and hosted by partners in 85 countries, GENCTUR also hosts volunteers from those countries regardless of nationality, religion, age, gender, political beliefs, etc. GENCTUR organizes voluntary work camps in cooperation with local communities in order to help for a local need. Local needs include school construction or renovation in small villages, awareness campaigns for environmental issues like pollution, tree planting projects, summer schools for disadvantaged children, digging of water channels for fresh water supplies, socializing projects for disabled people, etc.

Work camps are organized for 2 weeks, mainly in the summer. Volunteers work 6 hours per day and 5-6 days per week, and in return they receive free board and lodging from the local community for whom they work for. Although the work is important in itself, it is also a tool for

bringing different people and their cultures together in order to learn from and about each other by living together.

Apart from the voluntary work camps, GENCTUR also sends Turkish young people abroad for language courses, youth exchanges, mid- or long-term voluntary projects. The travel department identifies cheap travelling options for young travellers and students.

**Innovation applied:** The organization successfully applies the volunteer work approach in the Turkish context in close cooperation with local communities.

**Social impact and business results achieved:**

The beneficiaries both on local or national and international level broaden their mind, develop a new perspective towards life, fight their prejudices, and gain self-confidence to travel and utilize mobility opportunities.

GENCTUR is also a pioneer corporation in Turkey in encouraging unemployed youngsters to work in the field of tourist managements. It also has a reformist approach in employing and encouraging the work of women in tourism.

**Financial situation / sustainability of the business model:** The organization is financially stable.

**Key success factors:**

- application of the globally tested volunteer approach to the Turkish context;
- close cooperation with local communities.

**Elements of the approach/innovation transferable to other countries:** adopting and adapting the volunteer work approach to solving community problems

**Year when the enterprise was created:** 1979

<b>Company Name: The Buğday Association</b>
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**Country/region of operation:** İstanbul, Kayseri, İzmir / Turkey

**Thematic area:** environmental sustainability, support for small farmers

**Description of the social enterprise:**

The Buğday Association is the outgrowth of the informal Buğday initiative which dates back to 1991. It has supported environmentally friendly local food production which creates fair economic development and responsible consumption. While certified organic farming in Turkey exists since 1984, initially it was almost exclusively directed toward exports. Local demand and consumption was insignificant. The Buğday initiative has worked to redress this situation and to create inspiring models in support of environmentally-friendly living, production and consumption.

**Social impact sought:**

Buğday Association aims to create sustainable models that support wholesome living and production. Its main social objectives are:

- Enabling the small farmer to bring organic produce directly to the consumer;
- Supporting small farmers and creating awareness for organic produce in Turkey;
- Setting up 100% ecological farmers' markets.

**Stakeholders:** small organic farmers, consumers, rural communities, policymakers, NGOs and civil society

**Approach applied:**

The Buğday Association organizes its work through implementing model projects and creating awareness. It has established an ecological farmers network in Anatolia through the TaTuTa Project ([www.tatuta.org](http://www.tatuta.org)). This network coordinates visits, volunteer work and training at organic farms around Turkey. Buğday also developed the idea of public ecological markets. The first such market was opened in Şisli, İstanbul in 2006. Within 5 years, the market grew from the initial 20 stalls to 200 stalls. Currently, there are 6 such markets in İstanbul and further ones have been set up in İzmir, Samsun, Antalya, Bursa and Ankara. An additional project is developed in the field of agro-biodiversity: the Seed Exchange Network (Seed Bartering Network) (<http://yasantohumlar.org>). It aims to find and pass on local seed varieties that are no longer cultivated and share them among different ecological farms to sow them and harvest the new seeds. The association also works on policy monitoring and development in the field of organic farming, rural development, nature conservation and agricultural biodiversity.

**Innovation applied:**

The main innovation is in the approach to developing a local demand and market for organic produce through dedicated (one-day) markets. Consumers are given the opportunity to buy directly from the farmers. They are able to have direct individual contact with the farmer who produces their food. This approach enables consumers to make a connection between their lives and the food that sustains them and tends to change the way consumers look at the effects of their actions on the environment. The markets are also accessible to tourists in Turkey, which increases the economic impact. The Seed Bartering Network is a specific innovation aimed at preserving and reviving local seed varieties; it relies on collective local action and collaboration.

**Social impact and business results achieved:**

The consumers have access to organic food at a lesser price (directly from the producer). They also benefit from new information provided during regularly organized ecological workshops. The system of the 100% ecological markets support over 250 organic farmers who produce fresh fruits and vegetables. The number would be higher if packaged/processed products (olive oil, rice etc) were taken into account.

**Financial situation / sustainability of the business model:**

The business model of the ecological markets has been successful and has been scaled. The association itself relies on membership fees, donations, project grants and campaigns.

**Key success factors:**

- Development of ecological markets that fit the local context and culture and enable effective boosting of local demand (despite the higher prices of organic products);
- Direct involvement of small agricultural producers and collective action on their part;
- Buğday has active media relations and has even developed its own media – the quarterly Ecological Life Guide (a weekly newsletter).

**Challenges and problems:**

Small farmers face a multitude of difficulties with regard to ensuring their economic survival. Awareness of organic and traditional agriculture in Turkish society is far from sufficient.

**Elements of the approach/innovation transferable to other countries:**

The main elements that can be transferred are:

- Getting local small agricultural producers to work together toward collective goals;
- Developing dedicated physical ecological markets, especially in cultures and contexts where farmers' markets are widely accepted and popular with consumers.

**Country/region of operation:** Turkey

**Thematic area:** career opportunities for people with disabilities

**Description of the social enterprise:**

The Dreams Academy is an alternative arts academy that creates career opportunities and experience for young people with disabilities or in socially disadvantaged position, and aims to integrate these people into social life. Cultural and artistic training is provided free of charge for the target group. The Academy features the following studios: Vocal, Rhythm, Dance, Photography, DJ, Instrument, Painting, Design. Workshops on personality development and motivation are organized occasionally. The work of the Academy is also focused on supporting the trained target group in finding jobs in the arts field.

**Stakeholders:** young people with disabilities and their families, young people from disadvantaged backgrounds and their families and communities.

**Approach applied:**

A key element of the approach is the stress on awareness raising and advocacy activities in order to increase the capacity of society to recognize and deal with the problem. The Dreams Academy was initially a unique model project aimed at the creation of equal participation opportunities with an “art for all” approach. Further projects ensued and became independent. The Dreams Academy has thus evolved from a project into an institution (based in Istanbul). Its work is divided into several main activities:

- Social Inclusion Band formed in 2010 by Rhythm Workshop students of the Dreams Academy and volunteering professional musicians. The main purpose of the band is to raise awareness of the issue of disability and destroy prejudices. Every disadvantaged young person within the Social Inclusion Band receives free training by the volunteering professional musicians, music therapists and educators and can earn money as an artist. The Band has also created an opportunity for personal achievement for Dreams Academy participants by arranging for the band’s participation on major music stages such as Vodafone Freezone music festivals, Efes Pilsen One Love Festival, Traditional Bebek Festival, İstanbul Jazz Festival, Rock’n Coke, Akbank Jazz Festival.
- Dreams Academy Production Studios: this project is conceived as the continuation of the Dreams Academy. Its aim is to help art trainees from the Academy to pursue artistic careers as freelancers.
- Dreams Kitchen is a project consisting of workshops that provide catering services to customers. The Dreams Kitchen creates professional career opportunities in pastry-making for the participating disabled people. It is a genuine social enterprise on its own

right because it uses its own earned income in order to allow for the participation of more disadvantaged people.

- Dreams Academy Film Production is a project implemented by a team of people with hearing impairment and physical disadvantages collaborating with professional volunteers. The team offers services such as video, commercial, concert and library shoots; trailer, documentary and short movie making; organization of events.
- Alternative Camp has been offering sports, education, integration and holiday camping for disabled and disadvantaged young people since 2002. Until now, it has hosted over 8,000 young people with disabilities or from socially disadvantaged backgrounds. The initiative relies on over a thousand local and foreign volunteers and is implemented on the basis of collaboration with local NGOs in the localities where the camps are organized.
- A second location of the Dreams Academy has been set up in Kaş. Located in a rural area, it serves as an alternative provider of education, practice and community services mainly for people with disabilities and chronic diseases. It is active in the Alternative Camp initiative and in the provision of art training, it maintains a Social Innovation Park as a common production and sharing environment for civil society and leaders and it engages in ecological agricultural activities on its own farm.

### **Innovation applied:**

The key innovation is in the approach of bringing together people with disabilities and youth from disadvantaged backgrounds and professional volunteers in the art and culture fields. The enterprise strives to provide access for disabled and disadvantaged youth to high-profile artistic stages. This bold approach allows both for destroying social prejudices and for creating a sense of personal achievement and self-confidence within the target group. The approach of using art for integrating disabled and disadvantaged persons within society is itself not an innovation but the innovative element here is the goal of preparing them for an artistic professional career.

### **Social impact and business results achieved:**

As noted in the previous sections, this social entrepreneurial initiative has achieved notable success in involving both the target group and professional volunteers. Participation in high-profile artistic events has managed to raise awareness of issues related to the social inclusion of people with disability and to demonstrate their fitness for the art stages. It is beyond dispute that the initiative has positively affected their professional skills and employability in the arts field. Special attention is paid to the actual professional realization of the trainees. A real test for the social impact will be the degree to which the trainees achieve long-term professional integration as artists. More analysis on this issue is necessary on the part of the Dreams Academy itself. In this way, it will itself be able to improve its future work.

The Dreams Academy has ensured faster and easier integration of individuals with disabilities in social life. Trainings and recreation models have been developed for people with disabilities with low incomes. The initiative has functioned on the basis of eliminating all forms of discrimination with regard to gender, religion, language and income. It has been scaled and diversified.

The Alternative Camp has proved its sustainability and impact although it cannot be regarded as a social entrepreneurial activity and appears to be a non-profit activity. The Dream Kitchen functions fully under the social entrepreneurial model and its main challenge is to develop viable plans for scaling and widening its activity.

**Financial situation / sustainability of the business model:**

The Academy works with financial support from the AYDER (Alternative Life Association), the United Nations Development Program, the Ministry of Development and Turkey Vodafone Foundation, and it relies on additional support from the Municipality of Beşiktaş, Ataşehir and Kadıköy. Fundraising, however, remains a key issue for the initiative.

More analysis will also be necessary with regard to the viability of the Dream Kitchen as a genuine social enterprise able to financially sustain itself.

**Key success factors:**

- utilization of different types of voluntary contribution: national and international volunteers, private sector, volunteers with disabilities;
- volunteer contributions from professionals in the arts and culture sector have been particularly vital for the success of the initiatives;
- bold approach to seeking high-profile artistic engagement for persons with disability and persons from disadvantaged backgrounds;
- diversification and dynamic innovation in the activities and services offered.

**Challenges and problems:** Fundraising is the main problem. The long-term professional integration of the trainees into artistic professions is also a major challenge and a test for the effectiveness of the Dreams Academy practices.

**Year when the enterprise was created:** 2008

**Elements of the approach/innovation transferable to other countries:**

- making efforts to promote the professional integration of people with disabilities and persons from disadvantaged backgrounds in the fields of arts and culture (as opposed to just using art as a means for promoting the target group's participation in active social life through amateur artistic activities). The arts tend to be more flexible, diverse and open-minded as an employment field and create less barriers to professional success for this target group;
- seeking involvement of volunteers who are established professionals in the fields where social enterprises seek to achieve professional integration of people with disabilities and disadvantages.

## Turkey: Good Practices of Corporate Social Responsibility

Authors: Muhittin Sagnak and Cansu Tayaksi

**Company name: THE BODY SHOP** <sup>1</sup>

**Country/region of operation:** the company is multinational, headquartered outside Turkey (UK)

### Company description:

The Body Shop International plc is a natural and ethical beauty brand, with over 2,500 stores in over 60 markets worldwide. They are part of the L'Oréal family. The Body Shop launched in Turkey in 2003. It is an ethical brand itself. It supports community fair trade, defends human rights, stands against animal testing, and it is active in environmental protection:

- no animal testing:

Every one of the company's products is animal cruelty free and vegetarian. It was the first international cosmetics brand to be recognized under the Humane Cosmetics Standard for its Against Animal Testing policy;

- fair trade:

Over 20 years ago the company set up its own fair trade programme, called Community Fair Trade. It believes that this level of commitment to fair trade is unique in the cosmetics industry. Community Fair Trade now works with over 30 suppliers in more than 20 countries, providing over 25,000 people across the globe with essential income. Most of the Body Shop products contain Community Trade ingredients;

- five core values

The Body Shop is a leader in promoting greater corporate transparency, and they have sought positive social and environmental change through their campaigns around five core Values: *Support Community Fair Trade, Defend Human Rights, Against Animal Testing, Activate Self-Esteem, and Protect Our Planet.*

**Thematic area of CSR:** in Turkey: environmental protection, human rights and dignity

**Concrete issue causing social concern:** environmental problems in Turkey and the insufficient level of environmental awareness; support for vulnerable children

**Stakeholders (beneficiaries of CSR activities):** civil society groups receiving support, consumers

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<sup>1</sup> <http://thebodyshop.com.tr/sosyalsorumluluk.asp>

**Solution applied:**

As a multinational company, the Body Shop has set up its own charity - The Body Shop Foundation. Launched in 1990 (registered charity no. 802757) it gives financial support to pioneering, frontline organizations that otherwise have little hope of conventional funding. The Foundation's focus is to assist those working to achieve progress in the areas of human and civil rights, environmental and animal protection.

Body shop's social responsibility campaigns in Turkey started in 2012. They are organized as financial support for selected civil society associations dealing with issues of concern to the company. The company does not organize its own CSR activities, its contribution is indirect, i.e. through charitable donations (linked to sales volumes) to focused NGO campaigns. During the 2014-2016 period, the company has supported financially 3 foundations in Turkey:

- ÇEVKOR (Environmental Protection and Research Foundation): a volunteer organization whose activities are directed towards improving environmental education and raising environmental awareness through the organization of summer schools, education programmes for young ecologists, re-forestation projects, and publications.
- Kuzey Doğa Derneği (North Nature Association): an award winning organization dedicated to the conservation and protection of birds, large carnivores and their habitats through environmental education programmes for children and youths and raising the environmental awareness at local level.
- KORUNCUK (Turkey Child in Need of Protection Foundation): the Foundation runs "children's villages" where vulnerable children are provided a healthy environment starting from pre-school age through to teenagers, education, mentoring and financial support.

With every lipstick "Dragon Fruit Lip Butter" which has been bought from The Body Shop stores, customers select from one of these foundations, and The Body Shop provides a predetermined financial assistance for these Foundations.

**How did the solution benefit the stakeholders:** The solution has aimed to provide financial support for already existing social impact activities in order to allow their continuation and possibly strengthen their impact. Since the initiatives have been pre-selected and the supported Foundations are well-established, the social impact has been guaranteed.

**Did the solution bring benefits to the company:** the activities are not directly interrelated to the core activity of the company and any positive impact they may have is limited to improving brand loyalty and raising consumers' responsibility and environmental awareness.

**Key success factors:**

- The CSR activities are implemented in collaboration with established NGOs and support existing social activities. Impact is thus maximized;

- Consumers are involved in this CSR activity, i.e. they chose the Foundation that their purchase supports. In this way, the CSR activity contributes to increasing consumer responsibility.

**Challenges and problems:**

This CSR solution is essentially sponsorship on the part of business rather than strategic interrelation between the core business activities and actions aimed at achieving social change or impact.

**Year when the solution was first applied:** 2012

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:** The solution is transferable to situations where a multinational company enters a foreign market but is not strongly integrated in the local context. Supporting social impact activities that already exist locally is an effective strategy in such situations.

**Company name: COCA-COLA<sup>2</sup>**

**Country/region of operation:** the company is multinational and headquartered outside Turkey (USA)

**Company description:**

Coca-Cola is one of the leading global beverage companies. It pays a lot of attention to CSR projects and has established its own social responsibility foundation named Coca-Cola Foundation. It works with communities, with governmental organizations and with nongovernmental organizations to launch and support social impact projects. Areas of CSR initiatives include environmental protection, fitness and active lifestyles, community recycling, and education.

**Thematic area of CSR:** In Turkey: environmental protection, healthy lifestyles, gender equality

**Concrete issue causing social concern:** In the environmental area, most of the company's CSR activities concern water resources and river and lake protection but the issue of sustainable agriculture is covered, too. Active and healthy living projects are mainly targeted at youth and aim at developing healthy lifestyle habits among the younger Turkish generation. In the gender equality area, Coca-Cola has been particularly engaged with economic empowerment and entrepreneurship skills of women.

**Stakeholders (beneficiaries of CSR activities):** civil society and NGOs, public institutions, universities, communities, citizens, youth and women.

**Solution applied:**

In 2008, Coca-Cola Turkey has established the local Life Plus Foundation in Istanbul, which coordinates and implements the company's CSR activities in the key areas of protecting environmental resources, promoting active lifestyles and women empowerment.

Here are some examples of the implemented projects:

Productive Agriculture for a Clean Dicle, Province: Diyarbakır

This project involves farmers in five villages in the Diyarbakır province who are provided exemplary field farming and training programs. The beneficiaries have been encouraged to conduct farming and irrigation activities parallel to the river in order to reduce its agricultural pollution.

The Deep Side of the Sea, Province: Adana

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<sup>2</sup> <http://www.hayataarti.org/assets/files/Coca-Cola-Hayata-Arti-Vakfi.pdf>  
[http://www.cci.com.tr/UserFiles/pdf/CCI\\_Surdurulebilirlik\\_Raporu\\_2013\\_09122014.pdf](http://www.cci.com.tr/UserFiles/pdf/CCI_Surdurulebilirlik_Raporu_2013_09122014.pdf)

This project has focused on research of solid waste in the Iskenderun Bay. Since the Bay is an important tourist destination, solid waste creates risks. The project develops measures to prevent these risks.

The Mediterranean Flourishes Once Again in Artvin, Province: Artvin

This project aims to improve the damaged Mediterranean flora of Yusufeli, an area displaying the characteristics of a Mediterranean climate situated in the Caucasus Ecological Region.

Tomorrow's Sweetgum Forests, Province: Muğla

Southwest Anatolia is the only place in the world where one can find the sweetgum forests. These forests, however, are diminishing due to the lack of proper environmental protection. The project contributes to efforts to develop the sweetgum forests in Muğla – Köyceğiz.

The Oasis in the Steppes: The Seyfe Lake, Province: Kırşehir

This project aims to promote the natural wealth and to achieve the wider implementation of sustainable ecotourism activities in and around the Seyfe Lake in Kırşehir. The lake is a wetland of highest international importance.

Good Agriculture for a Clean Eğirdir, Province: Isparta

This project has encouraged apple farmers in the Eğirdir water basin (havza) to implement environmentally friendly agricultural practices and reduce agricultural pollution in the Eğirdir Lake, Turkey's second largest fresh water lake.

Sun Harvest, Province: Bursa

This project aims to achieve the instalment of exclusively solar power lightening equipment in the Four Seasons Park in Bursa, thereby providing a model for the use of renewable energy resources in public spaces.

Do Not Let the Bakırçay River Become a River of Coal, Province: Manisa

This project aims to contribute to reducing the industrial pollution of the Bakırçay River. It aims to enable the purification of waste waters emitted by coal washing establishments in the Soma Basin before they join the Bakırçay River.

Kirazlı Water Harvesting

The Kirazlı Village has been implementing organic agriculture since 2004 and is known for its local types of fruits and organic products. The village also has potential as an eco-tourism destination due to its closeness to Kuşadası, Selçuk and Ephesus. This project, implemented in cooperation with the Aegean Association and the Kirazlı Ecological Life Association, aims to accumulate the idle natural water resources of the Kirazlı Village in a depot, via the method of rainwater harvesting, to build canals and use them for irrigation of the fields and public areas in the village. Furthermore, a drip irrigation system is envisaged to be built for the fields and greenhouses engaged in organic agriculture. The drinking water resources of the village can thus be used more efficiently.

Water for Bafa

The Bafa Lake, which hosts a great variety of species, is facing a serious environmental crisis. As many other Turkish lakes, it is losing water because it is used for wild irrigation. In wild irrigation methods, 60% of the water is lost before it reaches the plants. It is necessary to

discontinue wild irrigation in agriculture in order to preserve natural water resources. The “Water for Bafa” project was organized jointly by World Wildlife Fund - Turkey and Coca-Cola and it aimed at convincing farmers around the Bafa Lake to convert to drip irrigation. The project was realized in the 2008-2013 period. It created a pilot area during the first two years and proceeded to train 3,000 farmers from 12 villages that use the lake water in irrigation to create drip irrigation guides and to organize a harvest festivity with the participation of villagers from the surrounding areas.

**How did the solution benefit the stakeholders:**

The presented projects have had positive environmental effects. The fact that they were launched with clear indicators in mind has streamlined impact. Coca-Cola has implemented 20 water projects in 17 cities. Environmental projects have resulted in over 600 million litre water replenishment. 350 farmers have received sustainable agriculture courses. 350,000 children have taken part in active living projects and game clubs have been established in many Turkish schools. Women entrepreneurship has been promoted in partnership with Small and Medium Industry Development Organization and Istanbul Chamber of Commerce. As a result of the CSR activities, 60 women received entrepreneurship training and two of them were awarded US\$26,000 start-up grants. Coaching and mentorship is offered, too.

**Did the solution bring benefits to the company:**

The CSR activities have been beneficial in terms of customer loyalty and the overall image of the company.

**Key success factors:**

- Careful selection of concrete and relevant environmental issues within localities; diversity of locations for action (ensures impact);
- Collaboration with NGOs and other social impact organizations experienced in the fields where action is taken;
- Strategic focus on the environmental protection of water resources which is related to the core business of the company.

**Year when the solution was first applied:** 2008

**Does the practice continue:** Yes, although projects and actions change

**Elements of the solution transferable to other countries:**

- Development of local environmental projects not limited to charity or sponsorship but setting concrete targets with regard to outputs and results;
- Cooperation with local NGOs and other social impact organizations.

**Company name: PEPSICO**

**Country/region of operation:** the company is multinational (headquartered outside Turkey – in the USA)

**Company description:**

PepsiCo is a leading multinational beverage company active on a global scale. The company maintains 22 successful brands in the food and beverage industry. In its global operations, PepsiCo has developed a sustainability strategy covering three impact areas:

- Human – concerning improvements in the nutritional profile of the company’s products;
- Environmental – concerning measures to minimize the company’s and the supply chain’s impact on the environment;
- Talent – concerning human resource management geared towards diversity and engagement and supporting employees and communities in the localities where the company operates.

PepsiCo is carrying out social responsibility projects in Turkey, too. The main ones fall within the third category of the overall sustainability frame of the company.

**Thematic area of CSR:** child development

**Concrete issue causing social concern:**

Children in large families in some regions of Turkey lack individual attention and development opportunities

**Stakeholders (beneficiaries of CSR activities):** children and their families, communities

**Solution applied:**

The GAP – Cheetos Project:

GAP – Cheetos child development centres are established under the leadership of PepsiCo as part of the initiative of the Regional Development Administration GAP – the Southeast Anatolia Project. The Centres function since 2003. There are 13 operational child development centres in 10 cities and the Centres are located in disadvantaged areas (Batman, Nusaybin, Adıyaman, Gölbaşı, Ömerli, Silvan, Suadiye, Hilvan, Kilis, Siirt, Kızıltepe).

Activities are aimed at assisting the personal development of children aged 4-14. They are provided opportunities to experience active life and early childhood activities, such as education, art, culture and sports activities.

Girls Are Studying project:

This project targets girls aged 14+ who want to begin their high school education but experience financial difficulties. PepsiCo covers all their expenses during high school education. This project was launched in 2009 with 20 girls.

The project won PepsiCo's Harvey C. Russell Inclusion Award. The award recognizes achievements in advancing PepsiCo's commitment to diversity and inclusion.

**How did the solution benefit the stakeholders:**

Until now, 38,784 children have benefited from early child development support under the GAP – Cheetos project.

Currently, 77 girls are receiving scholarships under the Girls are Studying project.

**Did the solution bring benefits to the company:**

These CSR activities are not directly integrated with the core business of the company. Their impact is directed toward contributing to community development and long-term improvements in the quality of the labour force and to closing gaps in the application of social public policies through financial support, rather than toward the creation of shared value. They may have been beneficial in terms of customer loyalty and the overall image of the company in Turkey.

**Key success factors:**

- Long-term approach to the implemented activities;
- Integration of the activities into the local context;
- Ensuring synergies with regional development plans by contributing to the Southeast Anatolia Project.

**Year when the solution was first applied:** 2003, 2009

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

- searching for synergies with regional development plans;
- long-term commitment.

**Company name: TÜRKİYE İŞ BANKASI**

**Country/region of operation:** Turkey

**Company description:**

Türkiye İş Bankası is one of the biggest banks in Turkey. The Bank attaches great importance to CSR Projects. Projects are currently being implemented in the fields of education, environment and culture.

**Thematic area of CSR:**

Child development (apparently with long-term orientation toward improvement of labour force quality); environmental sustainability in urban areas

**Concrete issue causing social concern:**

- Public budgets are insufficient to create ample opportunities for the early development of children within the school system;
- Public budgets are insufficient to solve adequately all issues related to landscape and environmental sustainability in urban areas in Turkey.

**Stakeholders (beneficiaries of CSR activities):**

Communities, children, families, schools

**Solution applied:**

CSR activities in the field of education:

Chess:

The bank has been the main sponsor of the Turkish Chess Federation since 2005. It supports chess because chess contributes to children's mental development and prevents them from developing harmful habits. Thanks to sponsorship from the bank, chess has been included in primary schools as an elective course. The company also provides for the training materials.

Show Your School Report, Take Your Book project:

Since 2008, Türkiye İş Bankası carries out one of the biggest book campaigns in Turkey. The aim of this project is to allow children who love to read get access to books. Recently, for students who are visually handicapped, books published with Braille Alphabet are also distributed through the project.

CSR activities in the field of environmental protection:

81 Forests in 81 Cities project:

Within the scope of the project 2,205,000 young trees have been planted in 81 cities. A distinguishing feature of the project is that Türkiye İş Bankası takes the responsibility of maintaining the newly planted trees for 5 years after planting. Any trees that die during this 5-year period will be replaced by new trees.

**How did the solution benefit the stakeholders:**

10 thousand chess classes have been created with the help of the bank's sponsorship for chess.

Until now, as a result of the Take Your Book, 1 million books have been given to primary school students who have brought their school reports to any branch of the bank.

The 81 Forests in 81 Cities project has improved urban environment and landscape and it has also raised awareness of environmental issues among the citizens.

**Did the solution bring benefits to the company:**

These CSR activities are not directly integrated with the core business of the bank and constitute a form of sponsorship rather than creation of shared value. Their impact is directed toward contributing to community development, urban space sustainability, environmental awareness and long-term improvements in the quality of the labour force. Due to their impressive scale, however, they have been beneficial in terms of customer loyalty and the overall image of the bank.

**Key success factors:**

- very simple solutions applied on a great scale and in many regions for maximum impact (including by strategically utilizing the bank's well developed branch network);
- orientation toward long-term sustainability and large scale of the impact.

**Year when the solution was first applied:** 2005

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

The solutions are simple and uncontroversial. They do not depend on context and are therefore transferable to other countries. Some of the solutions, however, depend on the operation and presence of the implementing company in many cities and regions and direct access to customers (e.g. in the case of the Take Your Book project). Hence, the solution is transferable geographically but is only implementable by companies with wide distribution networks.

**Company name: ŞİŞECAM**

**Country/region of operation:** Turkey, but the company is operating globally

**Company description:**

Şişecam is a major Turkish glass production company with an 80-year history. It has over 21,000 employees and maintains production facilities in 13 countries. Its products (flat glass, glassware, glass packaging, glass fibre, soda and chrome compounds) are sold in 150 countries. Şişecam is the third largest glassware, fourth largest glass packaging and fifth largest flat glass manufacturer in the world in terms of production capacity. Its CSR projects in Turkey are in the art, culture, environment and sports areas.

**Thematic area of CSR:** recycling and resource-efficiency; educational opportunities for employees and their families; youth employment

**Concrete issues causing social concern:**

- maximization of education opportunities for the company's own employees and their families;
- promoting the employability of young people and providing professional training opportunities (Turkey is notable for the big share of young people in the population);
- creating both awareness and capacity for glass recycling in Turkey in view of protecting the environment.

**Stakeholders (beneficiaries of CSR activities):** employees and their families, communities, young people, society at large

**Solution applied:**

Work of art collections made of glass:

527 selected valuable antique glass-made works of arts are collected and registered in the İstanbul Archaeological Museum. They are maintained and presented at a special gallery in the Şişecam corporate office. Back in 1985, the Glass Hall of the Bodrum Museum of Underwater Archaeology was opened with Şişecam's sponsorship.

Education

The company provides scholarships for its employees and their children. The company maintains its own a primary school on the Trakya factory site.

Under the terms of the Vocational Education Law, 3-year apprenticeship training has been provided by the company since 1990. Training is implemented at the Denizli Glass Plant. Youths

aged 16-21 are thus provided opportunities to gain practical and theoretical knowledge. In addition, Şişecam supports the Vocational Education Improvement Project implemented by the Governorship of Mersin and has constructed the building for the Industrial Vocational High School, complemented by one workshop at the Mersin-Tarsus Organized Industrial Site. The school has been operational since 2014.

### The environment

#### Glass and Glass Again Campaign:

This is one of the most comprehensive social responsibility projects in Turkey. It was launched by Şişecam Glass Packaging in cooperation with the ÇEVKO Foundation and local public administrations. The campaign aims at:

- creating awareness about glass recycling;
- developing the glass waste collection infrastructure ;
- modernization the glass waste processing facilities.

In the framework of this campaign, Şişecam collaborated with 134 municipalities in 21 Turkish provinces in view of increasing public awareness and improving the infrastructure for cullet collection, and developing facilities for glass recycling. Bottle banks are being positioned in restaurants and hotels located in the municipalities with which the company cooperates. Social awareness has been raised through events to distribute gifts at shopping centers and streets.

#### **How did the solution benefit the stakeholders:**

Work of art collections made of glass: the company has made its own contribution to the preservation of cultural heritage

#### Education:

- Improved educational opportunities for employees and their families: For example, in 2013, nearly 2 million Turkish Liras were given out in the form of stipends. In the same year, 81 students studied in the corporate primary school and their transportation and food costs were provided by the factory;
- The apprentice program currently has 142 registered students and the company has provided professional training opportunities at the sites of its production facilities;
- Solutions for a better work-life balance of employees have been devised (i.e. the corporate high school on the factory site).

#### Environment:

Within the scope of the Glass and Glass Again Campaign, 113,000 primary school students have attended lectures about recycling, 5,150 recycling bins have been donated, and 300,000 tons of glass have been recycled. According to the company, the recycling rate in Turkey has increased from 8% to 19%.

#### **Did the solution bring benefits to the company:**

The developed CSR activities are strongly integrated with the core business of the company and have had a positive impact on its development. Stronger employee motivation and increased satisfaction due to improved work-life balance of employees have positively affected productivity and corporate culture. Early professional training of promising young labour force through apprenticeships has created a large pool of well-qualified future employees of the company.

The company has achieved a leading position with regard to glass recycling in Turkey. Its sustainability strategy has led to major expansion of business. In 2013, the European Bank for Reconstruction and Development supported Şişecam in implementing a glass recycling project in four Turkish municipalities. The project assessed the glass recycling market potential in Turkey, developed glass recycling activities in four cities and devised a glass recycling strategy for Turkey, integrated into a broader packaging waste strategy. Funding was provided by the Government of Spain. Şişecam has now established its own recycling arm - Şişecam Çevre Sistemleri A.Ş. In 2016, the European Bank for Reconstruction and Development has provided another major loan to Şişecam to develop the glass recycling rate in the country and strengthen the competitiveness of its resource-efficient circular economy. The European Bank for Reconstruction and Development has acquired a minority stake in Şişecam Çevre Sistemleri A.Ş. and extended a 40 million euro loan to finance glass recycling equipment and energy efficiency improvements. It has also secured an additional 2 million euro loan from the Clean Technology Fund. Şişecam Çevre Sistemleri has claimed that the new investments will provide cullet suppliers with sophisticated equipment that they would not be able to procure otherwise and will thus increase suppliers' collection and treatment capacities and strengthen the entire glass recycling supply chain.

**Key success factors:**

- The key to success has been the strategic orientation of the CSR activities to major core business areas: glass recycling and employees. In addition, glass recycling has become a promising and competitive new area of business development. It is also a textbook example of CSR areas where shared value is being created, benefitting both the company and society;
- CSR activities related to glass recycling have been implemented on a large scale and they have been interrelated to EBRD loans and other funding used in the same field of social responsibility. This has guaranteed financial viability, leverage and strong impact.

**Year when the solution was first applied:** Key CSR projects related to glass recycling have begun in 2011. Projects related to culture and heritage date back to the 1980s. Apprentice programmes have been offered since 1990.

**Does the practice continue:** Yes, the practices continue and are expanding

**Elements of the solution transferable to other countries:**

- The glass recycling solution is transferrable to countries where the recycling capacity is still low;
- The apprentice programmes are transferrable to all countries dependent on local legislation;
- Solutions benefitting employees are not dependent on context and are fully transferrable.

## List of other Corporate Social Responsibility projects in Turkey

**AKBANK:** Supports Art and Culture

**ADEL:** Supports the creativity of kids

**ARÇELİK:** Supports sports in cooperation with BEKO

**GARANTİ BANKASI:** Helps disabled people

**FİNANSBANK:** Supports the education of children.

**ÜLKER:** Encourages children's participation in sport activities

**HUAWEI TURKEY:** Supports the development of information and communication technology

**ING BANK:** Supports primary school education

**MASTERCARD:** Promotes financial education of women

**MICHELIN:** Supports the education of coach drivers

**MİGROS GROUP:** Supports health projects

**NUTRICIA:** Educates 120,000 mothers

**SANOFI:** Helps diabetic kids

**P&G Turkey:** helps to solve social problems

**TEKZEN:** Finds homes for homeless animals

**UNILEVER:** Strives to reduce carbon footprint in half

## Lithuania: Good Practices of Social Entrepreneurship

*Author: Vaida Bartkute-Norkuniene*

**Company name:** NGO „SOCIAL SUPPORT PROJECTS” - Salad Bar “MY GURU”

**Country/region of operation:** Lithuania, Vilnius

**Thematic area:** assistance for socially marginalized people to help them integrate into the labour market and society.

**Description of the social enterprise:** The idea of establishing the Salad Bar belongs to three separate institutions – Vilnius municipality, Center for Addictive Disorder and a private company. The three institutions pooled their facilities to create the NGO Socialiniai Paramos Projektai (in English - Social Support Projects) which implements social reintegration projects for people who need it the most – ex-drug or alcohol addicts who finish their rehabilitation process but do not have capacity to reintegrate in society as equal members. The NGO "Social Support Projects" has been operational since 2004. It has implemented a unique and previously unknown model in Lithuania, i.e. Salad Bar “Mano Guru” (My Guru). It is an alcohol-free and non-smoking health restaurant in downtown Vilnius, which also acts as a work rehabilitation and social reintegration institution for former drug- and alcohol- addicts. The non-profit organisation Social Support Projects offers consultations on the best ways to apply the model, strives to collaborate with foreign organisations and to share their best practice examples and principles of putting the model into practice. The institution implements work rehabilitation in the salad bar “My Guru”, which was established as a social enterprise and is designed to combine business and social initiatives and to help socially excluded persons find new opportunities on the labour market. “My Guru” offers theoretical and practical training in one of the following professions: waiter, bartender, cook, carpenter, builder or fitter. Trainees receive non-formal education certificates, free support by psychologists and social workers, and assistance for the job search. All initiatives are designed for the target groups and aim to promote economic activity, deal with difficulties in the process of integrating into the labour market, and solve problems associated with dependence on social assistance, frequent relapses and repeated rehabilitation.

**Social impact sought:** As a non-profit organization, the Salad Bar “My Guru” strives to create rehabilitative conditions for people who used to be addicted to psychotropic substances or alcohol, and to integrate them into society and the labour market. Persons come to “My Guru” after a process of psycho - social rehabilitation in closed communities. The rehabilitation process, however, is inevitably followed by problems of reintegrating into society, and especially in the labour market. The typical trainees are not educated; do not have work experience and lack basic social skills. They face negative attitudes by employers and society in general. Work rehabilitation is thus an important step toward full reintegration into community life.

**Stakeholders:** Vilnius municipality (Vilnius City Council), Center for Addictive Disorder, the private company “Viršupis“; socially excluded persons, especially persons with addiction problems, and their families; local communities.

**Approach applied:** Mano Guru functions on the basis of a holistic work rehabilitation approach, where training and professional experience are combined with free social and psychological therapy. Trainees are also provided with accommodation and a stipend. Self-help and group therapy is encouraged. „My Guru” combines social goals and business opportunities. The target group is provided with a real opportunity to work: to get successfully employed, learn a profession, develop skills, receive training at the workplace, gain recommendations and work experience, and utilize opportunities to create harmonious relationships with co-workers.

**Innovation applied:** The innovative aspect of the social enterprise is the collaboration of three institutions with complementary resources. The holistic work rehabilitation approach is an innovation for Lithuania, though not at European or global level. The existence of a social-impact driven restaurant in the center of Vilnius is an innovative approach to changing existing negative perceptions of former drug and alcohol addicts in Lithuanian society.

**Social impact and business results achieved:** The NGO "Social Support Projects" has successfully implemented 5 projects financed by the European Social Fund, delivered services to more than 400 representatives of the target groups, of whom 90% have successfully reintegrated. The largest majority of the trainees find jobs in the restaurant business, others in other areas such as social work. Still others return to the education system. The NGO reports low levels of relapse. The success of “My Guru” has also been acknowledged by several awards: European Enterprise Awards 2011; in the “Europos burės 2013” (European sails 2013) contest the project won in the category “To the open roads”; in 2009 and 2010, the Salad Bar was recognized as the most hospitable café in Vilnius. In 2010, the European Commission regional development directorate „DG regio“ RegioStars nominated the „My Guru“ initiative as one of 12 best social integration projects executed in Europe in the contest „Regional innovative project awards“. In 2014, the Lithuanian Republic Ministry of Finances organized the election „Europe’s sails“, where the project „My Guru: coordination of business and social initiatives providing new opportunities in the labour market“ won in a nomination „For opened paths“.

#### **Financial situation / sustainability of the business model:**

The Salad Bar reports positive financial results. It relies on both donor and public financial support in addition to its own revenues. The social enterprise is cost effective also in terms of reducing public costs for social benefits because former drug addicts who are not successfully reintegrated into the labour market are generally dependent on social benefits. Yet as an enterprise on the free market, the restaurant had difficulties maintaining economic viability. As it does not sell alcohol and tobacco, its profit is not so high compared to other restaurants or bars. It is also burdened by a large loan from the bank.

**Key success factors:**

- team and management involvement and dedication;
- effective pooling together of the resources of three different institutions – one public one private and an institution providing expertise in rehabilitation;
- initial support by EU funds to kick-start the enterprise.

**Challenges and problems:** There were suggestions to change completely the type of the restaurant - to sell alcohol and to create a jazz club. Under the influence of the employees this idea was abandoned. As noted above, financial sustainability remains a major issue.

**Year when the enterprise was created:** 2004

**Elements of the approach/innovation transferable to other countries:**

The approach is fully transferrable and does not depend on contextual conditions.

**Company name: Joint stock company (AB) “VILNIAUS BALDAI” - subsidiary company UAB “ARI-LUX”**

**Country/region of operation:** Lithuania

**Thematic area:** employment for people with disabilities

**Description of the social enterprise:**

Joint stock company AB Vilniaus Baldai manufactures flat-pack furniture for the Swedish furniture retailer „IKEA“. Honey comb, veneer and UV finishing technology enable the company to provide high-quality products. Using honey comb rather than solid sheet helps not only to lighten the piece of furniture but also to save wood. Veneer also allows to produce economically and more environmentally-friendly. High resistance of UV finishing materials makes products highly durable. AB Vilniaus Baldai is a leader in the production of flat-pack furniture, with a core competence in BOF production. The production premises of the company occupy the area of 51,000 square meters. Presently, over 600 employees work in the company.

**Social impact sought:**

AB “Vilniaus Baldai” pays great attention to the employment of people who have lost their professional and general employability, are economically inactive, or are unable to compete on the labour market on an equal basis. The company promotes the return of these people to the labour market as well as their social integration in order to reduce social exclusion and develop their professional and social skills. These social problems have been successfully addressed by the subsidiary company UAB “ARI-LUX”, which has the status of social enterprise where more than 80% of employees are people with disabilities.

**Stakeholders:**

The major shareholder (over 80% of the capital) is Public company Invalda private capital, Vilnius. Stakeholders include people with disabilities and their families; communities; public services catering for people with disabilities; customers and potential customers.

**Approach applied:**

Employment of people with disabilities in regular production processes – mostly hardware assembly, manufacturing of furniture parts and packaging. 42 out of the 50 employees belong to the target group (persons working at 30 - 55 % working capacity). Production is complemented by regular sessions with social psychology and social rehabilitation specialists in view of ensuring the safety and health of workers, care for personality formation, social rehabilitation and purposeful leisure time. The subsidiary attaches great importance to job creation. The work

environment is adapted to allow people with disabilities to be involved in regular production processes.

The company has installed and certified an Integrated Quality, Environmental and FSC Chain of Custody Management System in accordance with ISO 9001, ISO 14001 and FSC-STD-40-004 standard requirements. IKEA furniture buyer's requirements are set out in the IWAY standard. In addition, the company follows a holistic sustainability strategy: it uses raw material certified FSC and acquired from responsibly managed forest, it strives to create a safe, healthy and ethical principles-based work environment; it avoids pollution; it recycles waste; and it strives to reduce its consumption of energy resources.

**Innovation applied:** The main innovation of AB "Vilniaus baldai" is that a large number of people with disabilities are employed in the production of high-quality products, i.e. their work is not confined to specialized low value-added production purposes. This allows for their full-fledged inclusion into the world of work.

**Social impact and business results achieved:**

The subsidiary has provided stable jobs for people with disabilities and has ensured that they feel comfortable in their work environment. As part of a large for-profit company, it has been able to maintain economic viability. In 2006, ARI-LUX established 7 work places for the disabled. Job creation for people with disabilities has been a priority and has been supported by the Lithuanian state.

**Financial situation / sustainability of the business model:**

Financial sustainability is achieved due to the attachment to a large and profitable company. The subsidiary in addition receives state aid for maintaining job positions for disabled persons and subsidies for the creation of new job positions.

**Key success factors:**

- attention to the motivation and comfort of the employed people with disabilities;
- attachment of the subsidiary to an economically sustainable company.

**Year when the enterprise was created:** UAB "ARI-LUX" operates in Vilnius since 1991 and since 2006 is registered as a social enterprise.

**Elements of the approach/innovation transferable to other countries:**

The approach is fully transferable to all countries where state support is provided for maintaining and opening job positions for people with disabilities.

**Company name: Private Joint-Stock Company (UAB) „BSS Grupe“**

**Country/region of operation:** Lithuania, Vilnius

**Thematic area:** employment of people with disabilities

**Description of the social enterprise:**

Social Enterprise of the Disabled “BSS Grupe” is the only company providing cleaning services in Lithuania which has been granted social status. The company provides all possible cleaning services, including daily cleaning of premises (offices, retail space, industrial and storage space), daily monitoring of sites (car parks, sidewalks and planting maintenance), after-construction cleaning, jobs requiring special facilities and other work related to the maintenance of cleanliness. The company provides services throughout Lithuania.

**Social impact sought:**

The company strives to integrate persons with disabilities into the labour market, thereby providing a source of income for them.

**Stakeholders:** people with disabilities and their families; communities; public services catering for people with disabilities; customers and potential customers

**Approach applied:**

The basic approach is employment of people with disabilities and adapting the work environment to their specific needs. One of the major objectives of the company is to create working places not only for people with mild, but also with severe physical and mental disabilities, among whom the unemployment rate is particularly high. The company is also committed to disseminating information to the public about the success stories of employing disabled people. As one of the largest social enterprise of the disabled, UAB BSS Group thus strives to change public attitudes. Only between 20 and 30% of the employed persons with disabilities reach UAB BSS Group through employment agencies. The biggest share is employed by placing advertisements or in cooperation with the Union of Disabled Social Enterprises (NSIS). The company pays special attention to increasing the competences of the staff that is working directly with disabled people in the fields of recruitment and qualified training within the company. It has created a database in which data for potential employees is collected.

**Innovation applied:**

- bold approach to employing people with both mild and severe disabilities;

- concomitant attention to the provision of market-based services and awareness raising on the issue of integrating people with disabilities;
- cooperation with other organizations working with people with disabilities.

**Social impact and business results achieved:**

As of the end of 2015, the company had 696 employees, 90% of whom were people with disabilities. In 2010 the company received an official gratitude by Vilnius Rehabilitation Centre for the Deaf for its support for to community of deaf people.

The company has been viable on the market. The quality of services is warranted by a multi-stage quality assurance system, based on partnership with the client. UAB „BSS Grupe“ has installed and certified the Quality, Environmental and Occupational Health and Safety Management Systems in accordance with ISO 9001, ISO 14001 and OHSAS 18001 standards requirements. Currently, the company has more than 50 customers, whose contracts are concluded for at least 1 year.

**Financial situation / sustainability of the business model:**

The company is financially stable. It also receives public support due to its status of a social enterprise.

**Key success factors:**

- a young and active team;
- clear plans for scaling the social enterprise and constant attention to increasing the number of employees.

**Challenges and problems:**

- negative public perceptions about the capabilities of persons with disability, which, however, is gradually changing for the better and more customers approach the company on their own (without being approached and informed about the possibility of procuring the services from a social enterprise of the disabled);
- difficulties in acquiring customers in the public sector. At the beginning "BSS Group" has worked exclusively with the private sector.

**Year when the enterprise was created:** 2009

**Elements of the approach/innovation transferable to other countries:**

The approach is fully transferable to all countries where state support is provided for maintaining and opening job positions for people with disabilities.

**Company name: Private Joint-Stock Company VIREMIDA**

**Country/region of operation:** Lithuania, Klaipėda

**Thematic area:** employment of people with disabilities

**Description of the social enterprise:**

UAB Viremida is a certified construction company. It has been awarded the Lithuanian Ministry of Environment Certificate (No. 0766) which gives it the right to perform construction works of buildings or part of buildings at specific categories of buildings. The company mainly works under the status of general contractor and is able to handle complex and large-scale building projects. It provides services to both public and private sector clients. The following construction work is carried out: general construction of buildings, inside and outside water supply and sewage disposal, heat generation (up to 1 MW) and supply of building heating, ventilation and air conditioning, electrical work (up to 1000 V), remote connection (telecommunications), safety and fire alarm, automation. The following design works are carried out: site layout (site plan), architectural, construction, water supply and sewage disposal, heating, ventilation and air conditioning, electrical work (up to 1000 V), electronic communications (telecommunications), security alarms, fire alarms, process control and automation, pre-construction and construction organization, construction of the estimated price determination, economic and fire safety, geodesy measurement. Cleaning services and environmental management services are also offered.

**Social impact sought:**

UAB Viremida provides possibilities for employment for persons with disabilities and trains them. The ultimate goal is the social and professional integration of people with disabilities. The company employs people with hearing disabilities, spinal cord damage, people who had complex operations of internal organs or people having different types of disabilities.

**Stakeholders:** people with disabilities and their families; communities; public services catering for people with disabilities; customers and potential customers

**Approach applied:**

The enterprise provides stable jobs for a large number of people with disabilities and has adapted the working environment to suit their needs. Training is provided for the employees. The company implements social integration programs for the persons with disability in order to help them to integrate and to improve their quality of life.

**Innovation applied:** The main innovation is the integration of disabled employees into the production process without any compromises with quality. This makes it possible to show that there are good examples of high quality production involving a great number of disabled employees. To achieve greater business success, the company is often working with clients beyond the guarantee liabilities. It is also continually trying to improve the quality of the services it provides.

**Social impact and business results achieved:**

Currently, Viremida employs about 30 persons with disabilities and this number is constantly growing. It received the status of a social enterprise status in 2015.

The company has achieved economic viability. It has successfully operated in Lithuania for more than 10 years. It has integrated a quality and environmental management system (ISO 9001 and ISO 14001). To ensure the safety of workers, a safety system was introduced and the company was granted a certificate OHSAS (18001:2007) in 2005.

**Financial situation / sustainability of the business model:**

The company has been financially viable but the economic crisis has led to reduced wages and unused capacity. Viremida is trying to compensate by expanding its operation to foreign markets.

**Challenges and problems:**

The main problem is the work ethics of people with hearing disabilities. In many cases, they are tempted to live on social benefits without engaging in work.

**Year when the enterprise was created:** Viremida was founded in 1988.

**Elements of the approach/innovation transferable to other countries:**

The approach is fully transferable to all countries where state support is provided for maintaining and opening job positions for people with disabilities.

**Company name: Private Joint-Stock Company REGSEDA**

**Country/region of operation:** Lithuania, Klaipėda

**Thematic area:** employment of people with disabilities

**Description of the social enterprise:**

JSC “Regседа” is a social company of the disabled, where a great part of employees consists of persons with vision impairment, as well as persons with other disabilities. The company is generally known as “Klaipėdos aklujų kombinatas”. Its main production is products of corrugated carton packages, office goods, various carton products, metal conservation lids, document clipping mechanisms from tin. The company provides also services for completion of furniture fitting. The following concrete services are offered: various folding and gluing services; completion and pre-packing of furniture fitting; packing of various products; production of self-bindings and archive boxes; production of various products from carton; production of corrugated carton boxes; production of furniture package carton fillings; production of paper trays. Currently the company has 90 employees.

**Social impact sought:**

Since its very establishment, the company has strived to ensure work places for people with vision disability. People with complete visual impairment are employed, too. They perfectly perform works such as gluing, folding, pre-packing of small parts, collection, packing, stringing etc. 86% of the employees in the company have disabilities and most of them can only perform manual work.

**Approach applied:**

The enterprise provides stable jobs for a large number of people with disabilities and has adapted the working environment to suit their needs. Training is provided for the employees.

**Innovation applied:**

This is a typical enterprise employing people with disabilities. No particular innovations can be noted.

**Stakeholders:**

People with disabilities and their families; communities; public services catering for people with disabilities; customers and potential customers

**Social impact and business results achieved:** The company was granted a social enterprise status in 2015. It is one of the eighteen social enterprises in Klaipeda region, which is involved in the project "Support to social enterprises in 2014-2015". This project is implemented throughout all Lithuania and is administered by the Ministry of Social Security and Labour. This project encourages social enterprises to keep disabled workers in jobs and improve their social integration.

**Financial situation / sustainability of the business model:**

The company strives to offer services and products at prices that are lower than the market price. It has experienced financial difficulties but has managed to stay on the market. Its long-term financial sustainability should thus be subject to further observation. Currently, due to its social enterprise status, the company receives public funding.

**Key success factors:**

- People with disabilities are employed for job positions where they feel capable and comfortable working;
- The company has cooperated with other socially responsible businesses and is active in projects dedicated to social enterprises.

**Challenges and problems:**

The main challenge is financial viability and competitiveness.

**Year when the enterprise was created:** JSC "Regseda" was established in 1959.

**Elements of the approach/innovation transferable to other countries:**

The approach is fully transferable to all countries where state support is provided for maintaining and opening job positions for people with disabilities.

## Lithuania: Good Practices of Corporate Social Responsibility

*Author: Dmitrijus Kosinovas*

**Company Name: Lietuvos energija**

**Country/region of operation:** Lithuania

### **Company description:**

Lietuvos Energija group is a state-controlled company group which is one of the largest in the Baltic States. Its main activities include power and heat distribution and supply, natural gas trade and distribution as well as construction and maintenance of power plants and grid. The rights and obligations of the shareholder of Lietuvos Energija group are implemented by the Ministry of Finance of the Republic of Lithuania. The group has more than 5,600 employees. It controls and operates key Lithuanian power plants, ensuring the security of energy supply and the operation of the nation-wide distribution network. Its services reach more than 1.6 million consumers. The group supplies electricity to customers abroad and it operates 8,200 kilometres of distributor gas pipelines. It supplies gas to more than 560,000 customers. It also implements development projects of strategic significance and pursues the objectives of the National Energy Strategy.

**Thematic area of CSR:** environmental protection, employee welfare

### **Concrete issue causing social concern:**

- decreasing consumer prices and improving the investment environment in the national economy;
- complex care for achieving employee satisfaction and professional growth;
- development of new talent;
- waste sorting and resource-efficiency;
- combating climate change;
- improving cooperation between business and science and boosting innovation in the Lithuanian economy;
- developing communities through culture, education and sports.

### **Stakeholders (beneficiaries of CSR activities):**

Employees, communities, young people, customers, society, public authorities

### **Solution applied:**

Instead of implementing *ad hoc* CSR initiatives or sponsorship, the company has chosen to develop and follow an overarching comprehensive responsibility strategy affecting all its operations. Improved value chain and operational efficiency are considered to be the main economic responsibility of Lietuvos Energija Group. Such responsible business is expected to allow for decreasing consumer prices and improving the investment environment in Lithuania.

The activities of Lietuvos Energija in the area of social responsibility are based on the corporate values and reflect the company's attitude towards its operations and the inclusion of social, environmental protection and transparency aspects in both internal processes and relations with stakeholders. For the company, the meaning of social responsibility lies in purposeful and consistent work in the following areas: relations with employees and the public, environmental protection, and market operations. The company follows the Ten Principles of the UN Global Compact, focusing on human rights, employee welfare, environmental protection and transparent operations. The company develops and implements annual CSR plans and publishes CSR Reports.

By performing the activities of social responsibility the company aspires:

- to constantly improve business practice, ensure effective management; single-mindedly implement modern methods of personnel management, actively engage with social partners, attach great significance to technical and scientific advancement and education of the specialists;
- to attract and retain qualified employees and maintain relations of long-term partnership with them by focusing on the creation of shared value;
- to consider the expectations that society has of the company and to maintain close relations with education institutions and specialized professional schools preparing specialists in the field of energy;
- to create a positive image of the company not only among employees, but also in society;
- to organize trainings and qualification courses, and to create the environment and conditions that would allow for the continuing improvement of the capabilities and skills of each employee;
- to cooperate with science institutions, support programs for education and training of specialists in energy-related fields, in order to ensure the future of the company by attracting young and capable specialists.

In the process of development of its activities and provision of its services in various communities, the company respects the principles of the human rights protection, supports international human rights protection within the sphere of its operations, does not commit any human rights violations and stands against such violations. The Company respects the rights of its employees and stands against child labour and against any discrimination both in the process of hiring employees and among current employees. Trade unions are active, and there is a valid collective agreement in the company. Objective self-assessment by the employee and an assessment of the employee's competences by his/her supervisor is the only way in which employees are assessed in the company.

The company is concerned with the improvement of employees' competences. There are transparent wage setting and payment procedures in place. The company is also concerned with

the employees' health and the creation of an organizational culture that is favourable to the employees. Informal events for employees are organized on a regular basis. The main purpose of the company's human resources policy is to attract and retain highly-qualified employees and to ensure, based on a long-term partnership and mutual value creation, a common successful future of the company.

The model of socially responsible business of the Lietuvos Energija group is implemented through targeted and consistent activities in the following areas:

### ***Environmental protection***

- In its activities the Group encourages and applies advanced measures, technologies and processes compliant with environmental standards and contributing to reduction of the environmental impact of its activities;
- In line with sustainable development and pollution prevention principles, the Group implements cost reduction activities, focuses on waste sorting and encourages efficient management and use of resources;
- The Group encourages and is actively engaged in environmental initiatives ensuring environmental protection;
- In its business operations, the Group addresses the global challenges related to climate change. In 2015, it defined wind energy as its future direction, established efficient CHP plants using waste and biofuel; disposed of inefficient production facilities (Units 5 and 6 of Elektrėnai power unit), opened a new biofuel boiler plant, propagated the use of electric cars, and plans for the establishment of a solution centre operating on the basis of the ESCO model (a model for providing solutions for creating resource- and energy-efficient cities by energy service companies).

### ***Employee relationships***

- Employees are the central and most critical success factor of the Group's operations, thus the Group aims to apply progressive performance management and remuneration systems, enable the development and improvement of personal, professional and general competencies, respect human rights and tend to their protection at work, and ensure equal employee treatment in line with non-discrimination by age, sex, origin and beliefs stipulated in the Constitution and labour laws of the Republic of Lithuania;
- The Group maintains a special focus on employee health care, occupational disease prevention and physical activity encouragement;
- The Group recognizes the employee right to unionise, the freedom of association and the right to bargain with the employer.

### ***Society relationships***

- The Group supports and encourages business and society engagement based on shared sustainable development interests, and aims to ensure long-term business and society progress, contributes to social development and wellbeing, and reports to society on its activities;

- The Group makes effort to educate society on energy-related subjects (electrical safety, energy efficiency improvement, etc.), through its own voluntary initiatives and by engaging in social initiatives; it encourages civic engagement, responsibility, sustainability and awareness, and actively cooperates with local communities;
- The Group encourages professional activities of the youth, knowledge sharing, and actively cooperates with secondary and higher education establishments and academia. Aiming at developing the link between business and science in Lithuania, in 2015 the Group opened a shared energy applied research centre in cooperation with Kaunas University of Technology (KTU). This centre will be devoted to addressing technological challenges in the energy sector and will be developing new business ideas. In 2016, Lietuvos Energija announced that it will launch the first energy innovations fund in the Baltic States. The Fund is expected to attract talent and researchers to the energy sector and to thus boost efficiency and innovation. The Group also enables student apprenticeships. In 2015, a total of 243 students completed their practical training with the Group and 15 of them were later employed there;
- The Group encourages and supports employee and society volunteering aiming at positive social impact;
- In 2015, the Group generated record level revenues and the highest net profit. This financial success was translated into increased investment into sustainability actions. The Group pledged to allocate up to 1 % of its profit to a transparently managed support fund. The Fund has allocated more than half million euro to fostering community projects at national and regional levels in the field of social development, education, art, sports, culture and science.

### ***Socially responsible market activities***

- The Group promotes ethical, transparent and integrity-based interaction with customers, suppliers, investors; it cooperates with partners that are supportive of the principles of socially responsible business;
- The Group aims to ensure that it provides information that is clear, easy to understand, timely and not misleading;
- The Group maintains zero tolerance to any form of corruption and aims to prevent it both inside and outside the Group by familiarising employees with principles of business integrity and ethical standards, by encouraging business integrity policy and transparency in Government contacts, and by cooperating with organizations which promote ethical and socially responsible approach to business in Lithuania.

### **How did the solution benefit the stakeholders:**

Due to the importance of the company on the market and the scale of its operations, ensuring maximal sustainability of its business activities has achieved tangible positive impact. The company's contribution to the development of education and science is substantial in the Lithuanian context. Financial support for community projects has achieved targeted results within concrete supported communities.

**Did the solution bring benefits to the company:**

Sustainable increase of the value declared by the Lietuvos Energija group is directly related to the economically justified selection of investments, increase of competitiveness and responsible practices.

The company's CSR efforts have received wide recognition. In 2015, the Director General of Lietuvos Energija was awarded the "Manager of the Year, 2015" title. The Group's social responsibility activities played a big role for receiving the award. During 2015, the satisfaction index of private electricity customers increased by 4% (reaching 80%), and by 2% (reaching 76%) among corporate customers. Satisfaction index of natural gas customers is 80% among private users and 77% among corporate customers.

**Key success factors:**

- large scale of socially responsible activities;
- focus on the creation of shared value and mutual benefit between the company and society;
- integration of CSR into the core business of the company;
- commitment to regular CSR reporting streamlines the effectiveness of socially responsible activities and makes CSR part of the core aspects of management.

**Challenges and problems:**

The main challenge will be to maintain the level of social responsibility even when financial results are not as good as they are currently

**Year when the solution was first applied:** 2014 (as part of the Strategy for 2014-2020)

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

- commitment to improving cooperation between business and science with a view to creating shared value and mutual benefit;
- commitment to training young talent within the possibilities and regulatory framework provided by education laws concerning internships and practical training in companies;
- adopting environmental responsibility and the responsibility for fighting climate change as an important principle in the business of energy sector companies;
- sharing good financial results with communities through dedicated support funds;

- commitment to employee welfare and professional growth, especially through fair pay, non-discrimination at work and during the recruitment process, health and safety and professional training opportunities;
- commitment to regular CSR reporting and transparency in order to streamline CSR and avoid perceiving CSR commitments as bottom-of-the-agenda issues.

**Company Name: PakMarkas**

**Country/region of operation:** Lithuania

**Company description:**

PakMarkas is one of the strongest and leading-edge companies in Lithuania offering packing and marking solutions. During its 21 years of activity on the market of packaging, it has developed the process of label/packaging production, implemented modern technologies, and built a capable team that ensures accuracy and speed of services, environmentally friendly production and high-quality of print. The main activities of the company are:

- self-adhesive label printing;
- packing and marking equipment trade;
- packing materials trade;
- gears and industrial automation systems trade.

**Thematic area of CSR:** environmental issues, employee welfare, development of young people's employability

**Concrete issue causing social concern:**

- environmental issues: reduction of waste and efficient use of resources and energy;
- employee welfare and professional development: equal pay for equal work, employee involvement in social responsibility activities, employee representation;
- internships opportunities for young people.

**Stakeholders (beneficiaries of CSR activities):** suppliers, shareholders, society, public institutions, employees

**Solution applied:**

PakMarkas' approach to work and decisions is based on responsibility. The company constantly aims at improving quality and contributing to environmental protection and social progress. The Company holds the following certificates:

- Quality management system ISO 9001 – since 2002;
- Environment protection management system ISO 14001 – since 2003;
- Good manufacturing practice (GMP) – since 2009;
- Efficient manufacturing based on LEAN and TOC principles – since 2010;

- Social responsibility management system SA 8000 – since 2012.

In 2005, PakMarkas became a member of Global Compact.

The main areas of responsibility are as follows:

- Ensuring that suppliers adhere to the company's social responsibility policy: The company follows a Social Responsibility management procedure in its relations with suppliers. The importance of each supplier is assessed on the basis of its share in PakMarkas' turnover and its impact on social responsibility objectives. Based on this assessment, PakMarkas decides how much influence it could exert over a supplier regarding compliance with SA 8000 requirements. Every year PakMarkas audits selected suppliers.
- Employee welfare and involvement: a) ensuring equal pay for equal work has been achieved through the introduction of objective work evaluation criteria; b) low employee engagement in the company's social responsibility activities has been addressed by organizing dedicated quarterly meetings with employee representatives; c) employees are provided with an additional health insurance package, which also includes wellness services; an insurance package is offered for not less than 3 months both to full-time and part-time employees; d) employee training, professional development courses, and professional trainings that are directly related to the employee's main duties are financed by the company; e) employee representatives are elected to defend employee rights and communicate with management on employment related issues; f) in 2014, production supervisors were given personal responsibility for the safety of their employees, which encourages more personalized care and attention on their part; g) business activities are based on the principles of ethical employment and employment relations policy, which is publicly available on <http://en.pakmarkas.lt/social-responsibility-policy.html>;
- Addressing environmental issues: a) the need to reduce the volume of waste water produced was addressed by investments in modern waste water treatment facilities; b) energy saving solutions were implemented by introducing a modern building management system, by replacing fluorescent lamps with LED lamps and by launching a project for installing solar panels to meet the company's hot water preparation needs; c) the identified need to promote the use of eco-friendly packages has led to the introduction of washable labels that enable manufacturers to reuse packages more efficiently and reduce environmental impact; d) the identified need to reduce the amount of raw material waste was addressed by replacing polymer plates with printed digital labels and by discontinuing the use of adhesive substances for attaching branding labels (labels are now thermally fused with the product);
- Developing young talent: the identified need to integrate young specialists in the labour market was solved through offering internships. In 2014, 3 students who successfully completed their internship in the company were offered job placement.

**How did the solution benefit the stakeholders:**

PakMarkas has been recognized as Top Employer (for good working conditions and informal attitude towards their employees) twice: in 2010 and 2013. The current policy ensures that this trend continues. Environmental solutions have measurable positive impact.

**Did the solution bring benefits to the company:**

In 2011, at the National Responsible Business Awards, the company's efforts for searching for innovative recycling solutions were recognized in the nomination Environmental Enterprise of the Year 2010, in the category of small and medium enterprises. The continuing efforts in this area are creating a positive image of the company.

**Key success factors:**

- integrating CSR efforts into the core business of the company (some sponsorship has been practiced, too, but the social responsibility initiatives that are integral to the business arguably have more durable and tangible impact);
- the introduction of a Social responsibility management system SA 8000 (which involves annual reporting and review) streamlines the effectiveness of socially responsible activities and makes CSR part of the core aspects of management;
- focus on the creation of shared value and mutual benefit for the company and society.

**Challenges and problems:**

The idea use adhesive paper to collect industrial waste for recycling from suppliers was put on hold due to high transportation costs.

**Year when the solution was first applied:** the practices presented here were mostly introduced in 2014 although efforts in the same directions started earlier.

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

- introduction of a Social responsibility management system that involves annual reporting and review streamlines the effectiveness of socially responsible activities and makes CSR part of the core aspects of management;
- commitment to improving employee welfare and efforts to increase employee participation in the social responsibility activities of the company;
- commitment to training young talent within the possibilities offered by education laws concerning internships and practical training in companies;
- adopting environmental responsibility as an important principle in business activities;
- involvement and audit of suppliers in terms of compliance with the company's social responsibility policy.

**Company Name: Klaipėdos baldai AB**

**Country/region of operation:** Lithuania

**Company description:**

Klaipėdos baldai AB is one of the biggest furniture manufacturers in Lithuania. The company has 700 employees. The factory covers an area of 20,000 square metres. The company's activity is high volume production of veneer covered natural veneer furniture. All of the company's products are exported. The furniture produced by the company is sold in Europe, Asia, North America and Australia. The company's monthly turnover is EUR 4.6 million. It constantly invests in the manufacturing process and technology development, in production efficiency increase, and in quality improvement. Those are the main strategic goals of the Company.

**Thematic area of CSR:** environmental protection

**Concrete issue causing social concern:** the need to ensure long-term environmental sustainability of production through resource efficiency and by reducing the direct impact of production on the environment

**Stakeholders (beneficiaries of CSR activities):** society at large, employees, customers, public authorities in charge of environmental issues

**Solution applied:**

The company's quality and environmental protection policy is focused on producing high-quality comfortable furniture that is safe for consumers and the environment. In 1997, the Company's quality management system was awarded a certificate of compliance with the LST EN ISO 9001 international standard. In 1999, the company's environmental protection management system was awarded a certificate of compliance with the LST EN ISO 14001 international standard. This was the first Environmental and Management Systems certificate in the furniture industry in Lithuania. Generally, the company was among the first Lithuanian companies to put a great stress on environmental sustainability. The integrated quality and environmental management was certified in 2002 and is constantly improved and recertified.

The company has developed projects focused on the following environmental measures:

- making production cleaner and reducing waste;
- increasing employee participation in corporate social responsibility projects focused on pollution prevention;
- investment into technologies that reduce the environmental impact of production – a modernized environmentally friendly heating system; rain water treatment equipment;

improvement of the air ventilation system and insulation of production premises in order to reduce wood dust emissions (a dust extraction and filter system was introduced in 1999);

- reducing the environmental impact of the furniture industry on forests: A FSC Chain of Custody system was introduced in 2010. The system complies with the requirements of the FSC-STD-40-004 V2 standard and undertook an obligation to use wood raw material and wood-based materials from responsibly-managed forests, according to the requirements of the FSC standard.

**How did the solution benefit the stakeholders:** The environmental protection measures have reduced the overall impact of production and have thus contributed to the shift toward more sustainable economy and society.

**Did the solution bring benefits to the company:**

The company regards environmental protection measures as strategic priorities for its development due to their potential to reduce costs and optimize production. The following significant positive effects on the company have been identified:

- savings due to lower energy consumption (electricity and heat energy);
- savings due to lower water consumption;
- savings from lower cost of operation and maintenance;
- reduced environmental fees;
- improvements have allowed the company to sell heat energy to neighbouring companies, on the basis of which profit has been made;
- improved employee morale and motivation (not least due to improved health and working conditions);
- improved image of the company in the community and society.

**Key success factors:**

- Strategic consideration of how CSR activities in the field of environmental protection can bring shared value and benefits for both the company and the society – i.e. the company has found ways to benefit from its responsible behaviour which ensured long-term commitment to CSR activities;
- adoption of Environmental Management Systems certificates ensures that CSR activities stay high on the management agenda and regular monitoring is performed in relation to compliance with the certifications;
- long-term commitment.

**Year when the solution was first applied:** 1998

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

- developing clear plans how to improve sustainability of production and at the same time reduce costs;
- adoption of Environmental Management Systems certification to streamline CSR activities and keep them high on the management agenda.

<b>Company Name: MG Baltic Group</b>
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**Country/region of operation:** Lithuania

**Company description:**

MG Baltic Group companies are operating in the following business sectors:

- Clothing retail (Apranga group),
- Trading and distribution of fast moving consumer goods (Mineraliniai vandenys, Tromina),
- Manufacturing (Stumbras, Alita, Anykščių vynas),
- Media and telecommunications (LNK group, Alfa Media, UPG Baltic, Mediafon),
- Real estate management and project development (MG Valda group),
- Construction (Mitnija).

MG Baltic Group consists of 67 companies. At the end of 2014, MG Baltic Group employed 3,604 people.

The history of the MG Baltic Group begins in 1992, when Lithuania's newly re-established market economy took its first steps. The shareholder-controlled investment firm Investicinis fondas ('Investment Fund'), which was established by one of the first business structures in the country - the national commodities exchange AB Lietuvos birža - was headed by Darius Mockus, current president of the MG Baltic Group. At that time Investicinis fondas managed more than 10 firms' controlling share packages and 30 firms' partial share packages and real estate sites. The firm Mineraliniai vandenys (Mineral Waters), which now belongs to the Group, began operating in 1993, when it established its first shop in the centre of Vilnius and acquired a licence to import alcohol. In 1993, when the national clothing trade centre was privatised, the shareholder-controlled trading firm AB Apranga (Apparel) was established. Subsequently, as newly-established or acquired firms were added, the investment holding company Ifanta was formed. In 1995, the Troja trading system was established. Subsequently it was merged with other real estate firms to become the real estate holding company MG Valda. In 2000, these groups of companies were merged, and the MG Baltic Group was formed. In 2000 Mineraliniai vandenys launched distribution of alcohol beverages of domestic producers; the logistics company Tromina was established. In 2002, the Tennis complex "Teniso pasaulis" was constructed and opened by the MG Baltic Group. MG Valda, the enterprise under the concern, started the formation of the complex of modern office buildings Verslo trikampis (Business Triangle) in Vilnius.

2003 was a year of substantial investments:

- The first Hugo Boss store was opened in Latvia (Riga);
- Ifanta was transformed into MG Baltic Investment, and MV Baltic – into MG Baltic Trade;

- Enterprises Mineraliniai vandenys and Trojina came into the merger;
- Mineraliniai vandenys and the State Property Fund concluded a contract on the purchase-sale of the oldest alcohol producer AB Stumbras (est. in 1906);
- MG Baltic Investment concluded an agreement with the Scandinavian company Bonnier Entertainment on the acquisition of the shares of LNK TV (est. in 1995);
- Baltic Center – a large and modern business centre in Lithuania – was officially opened in Verslo trikampis.

In 2004, MG Baltic Group was among the top ten Lithuanian enterprises in terms of revenue. The construction of the 16-level office building Victoria within the complex of administration buildings Verslo trikampis, was finalized; a franchise contract was concluded with Spanish enterprise Inditex and the first ZARA stores were subsequently opened in Lithuania, Latvia and Estonia. The interrupted production of bioethanol was launched in the factory in Silute (Lithuania). In 2006, MG Baltic Investment acquired the construction company Mitnija; a new news website Alfa.lt joined the ranks of Lithuanian Internet media. In 2010, MG Baltic Group managed to meet the challenges of the economic downturn: the main controlled companies kept their operations and cash flows relatively stable. In 2013, UAB Laisvas ir nepriklausomas kanalas (LNK) acquired 100% of UAB Baltijos TV (BTV) shares. In 2014, UAB Mineraliniai vandenys acquired the company Group Alita.

**Thematic area of CSR:** support for education; support for sports, culture, arts; environmental issues

**Concrete issue causing social concern:** unmet social needs (insufficient public resources for education, sports, culture and arts).

**Stakeholders (beneficiaries of CSR activities):** communities, employees, customers and potential customers, education institutions, young people

**Solution applied:**

MG Baltic Group is one of the largest structures in the Baltic corporate world, and its subsidiary companies have vowed to operate according to ethical and honest business principles. CSR activities are implemented in the following areas:

- support for education:

MG Baltic has been sponsoring Vilnius University since 2005: the Company gives nominal scholarships to the top fourth-year students studying in the Economics, Management and Business Administration programme as well as the Management Information Systems programme. It has also supported the Lithuanian Free Market Institute. The Group has been the general sponsor of Misija Sibiras (“Mission Siberia”), which fosters civil responsibility among youth (the project began in 2006);

- support for sports, culture and the arts:

The Group provides ongoing support to theatre, music and publishing projects, such as the reissue of Dingęs Vilnius (“Lost Vilnius”) and other books. The Company has made a significant contribution to the promotion of tennis in Lithuania and the development of young players. It is the main sponsor of the Davis Cup in Lithuania, as well as a long-time sponsor of the Lithuanian national tennis team. Vilnius’ most reputable award – the statue of St. Christopher – was given to Teniso Pasaulis (“Tennis World”) in 2013 for the Vilnius Tennis Academy: this company has been uniting the tennis community and forming traditions and a tennis culture in Lithuania for ten years already;

- environmental protection and sustainability:

MG Valda has implemented environmental projects such as cleaning up the banks of Neris river;

- social issues:

LNK TV is a constant social project initiator and partner: permanent supporter of the Food Bank, and partner of organization Save the Children and partner of Mothers' Unit.

- employee welfare and training:

The Group and its companies state that they pay considerable attention to staff training, celebrations, sports festivals and other events, both within and between companies.

#### **How did the solution benefit the stakeholders:**

The group has supported various projects in the field of sports and culture that could not be realized with public support only

#### **Did the solution bring benefits to the company:**

Yes, the CSR activities have improved the public image of the companies in the Group

#### **Key success factors:**

The Group’s CSR activities do not really amount to a case of strategic CSR integrated into the core businesses of the group’s members (with the exception of support for tennis in Lithuania, which is a case of strategic CSR). Yet the Group’s CSR policy can be evaluated as a good practice in that it has significantly raised awareness of the need for social responsibility among the numerous diverse companies that make up the Group. It has thus created a strong foundation for the development of strategic CSR in each of them in the future. It could be argued that isolated companies, especially medium or small ones, would otherwise remain relatively unaware and would not be pressured to take responsibility principles in their operation – i.e. the adoption of a CSR policy within the Group has achieved a significant awareness raising and capacity-building impact.

#### **Challenges and problems:**

The main challenge will be the development of strategic CSR focused on the creation of shared value and the adoption of responsible attitude in each of the core businesses of the Group's members. At Group level, more significant efforts in this direction will be needed to guide and help Group members move one step further in their CSR activities

**Year when the solution was first applied:** 2005

**Does the practice continue:** Yes

**Elements of the solution transferable to other countries:**

Raising CSR awareness and improving CSR implementation capacity within diverse concerns of companies operating in various sectors of the economy – through a Group- or concern-level CSR strategy. This practice is transferrable to cases of concerns and mergers where one or several enterprises have the controlling stakes in the other enterprises.

<b>Company Name: Concern Achema Group</b>
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**Country/region of operation:** Lithuania

**Company description:**

The Concern Achema Group is a local capital company. Its history started with the reorganisation of the Jonava-based nitrogen fertilizer Azotas factory into Achema company which until now remains the largest company of the group. Following the establishment of SC Achema, new business opportunities opened up in various fields, investments were made into several public undertakings, new foreign markets were sought. In parallel to the growing number of companies, the range of activities expanded, too. The family of industrial companies was soon joined by new companies in hospitality management, financial operations, food industry and mass media. In June 1999, following a successful tender, Klaipėdos jūrų krovinių kompanija (KLASCO) was privatised. Activities of the inter-war daily Lietuvos žinios were resumed, hydropower plant projects started to be designed, construction works were started. In the context of growing competitive pressure on the market, companies merged into the concern Achema Group. It was believed that a single business unit allowed for a sustainable and consistent corporate philosophy, for a more effective application of quality standards and practical implementation of business innovations. The concern Achema Group was founded in 2001.

Today the concern includes over 50 companies based in Lithuania and abroad and employs approximately 5,000 people. The member companies' production is exported to over 40 countries around the world. Achema Group was established in 2001. It includes companies engaged in the following economic areas:

The concern is active in the following sectors:

- manufacturing;
- cargo handling and logistics;
- energy;
- trade;
- accommodation and health promotion services;
- repairs;
- financial intermediation and other services;
- mass media.

Companies of the Concern have been merged into a harmonious synergy-driven system contributing to overall competitiveness. The structure of the concern allows for enhancement of managerial competences, installation of state-of-the-art technologies in a timely and efficient manner, application of the most recent quality standards and optimisation of investment planning. As a result, companies can supply productions and services to their partners and buyers at competitive prices, at the same time creating a larger value-added for the companies and shareholders of the entire Achema Group.

**Thematic area of CSR:** support for education, culture and science; environmental education and awareness within society

**Concrete issue causing social concern:** unmet social needs (insufficient public resources for education, culture and science); insufficient environmental awareness and low environmental mobilization among children and youth

**Stakeholders (beneficiaries of CSR activities):** local communities, education institutions, social institutions, customers and potential customers, young people and children, vulnerable social groups

**Solution applied:**

A key to a long-term success is not earned profit alone, but also the ability to share it. This is the approach followed by the Concern Achema Group, for which a socially-integrated business is an economic priority. In 2005, the concern Achema Group acceded to the United Nations Global Compact network and became member of Global Compact Network Lithuania. In 2013, the it became member of the Lithuanian Responsible Business Association and operates in accordance with the 10 Global Compact principles in the areas of human rights, occupational conditions, environmental protection and anti-corruption. Concrete CSR activities are implemented in the following areas:

- support for education, science and culture:

The Concern maintains continuous cooperation with scientific establishments: it supports schoolchildren, students, universities and schools. SC Achema regularly sponsors the Jonava polytechnic school which educates future workers for the construction, electro-technical and chemical industries. Achema funds were used to turn the school's economics study room into a modern facility equipped with an interactive board. In addition, the school received welding and other types of equipment.

In order to continue the philanthropic activities initiated by the founder of the concern Achema Group President Dr. Bronislovas Lubys, at the initiative of his wife Lidija Lubienė and his daughter Jūratė Žadeikienė, the Concern Achema Group Dr. Bronislovas Lubys Charity and Support Foundation was established in 2013. The primary areas of support of the Foundation are education, culture and science.

- environmental education and awareness:

The concern Achema Group initiated a joint environmental protection project of the largest Lithuanian industrial companies – SC Achema, SC Lifosa, SC Mažeikių nafta and the Ministries of Environment and Education and Science of the Republic of Lithuania which gradually evolved into the Green Generation initiative. The project was successfully run for a number of years. It was targeted at schoolchildren and youth and had as its objective the implementation of educational environmental protection activities.

The project originated in 2005 in the form of an agreement between Lifosa and Mažeikių nafta on joint efforts to reduce greenhouse gas emissions. The two companies agreed to initiate

industrial environmental impact assessment, apply modern environmental protection solutions, share data of studies conducted by each company's staff, table joint proposals to legislators as well as get engaged in various social campaigns. The Green Generation was initiated in 2006 as an interesting and attractive tool for involving youth in environmental initiatives and encouraging young people to develop and implement such initiatives on their own. During the project implementation in Lithuanian schools, green lessons were organised which broadened the horizons of schoolchildren and teachers on the principles of sustainable development and urgent environmental issues; ways of preserving nature in everyday life activities were taught. Green lessons were delivered in Vilnius by representatives of the Ministries of education and environment, as well as representatives of the Green Generation initiative.

In the course of several years, the Green Generation initiative evolved into a movement that has implemented a range of projects, all aimed at drawing the youth's attention to environmental protection challenges. A competition was organised among schoolchildren with the possibility to win a basketball field for their school; a photo exhibition was put on display in which participating young photographers recorded a clean and polluted forest as seen through their own eyes.

In 2009, the Waste to the Landfill festival was organised, during which all participants undertook to dispose of waste in disposal places. In 2010, a children's summer camp was organised. The Green Generation became a NGO with companies Achema and Lifosa as its founders and stakeholders. The project initiatives have also benefitted from EU financial support. As part of this initiative, hundreds of Lithuanian schoolchildren got involved into environmental protection activities, learned about sustainable development principles and most urgent environmental protection challenges.

Upon the initiative of SC Achema the municipality of Jonava town organised the regional business and self-government conference "Environmental Protection: Trends and Prospects". During the conference discussions evolved around the topics of sustainable use of the business environment. It was attended by representatives of the largest regional industrial companies – SC Achema and SC Lifosa, representatives of the municipalities of Jonava and Kėdainiai, representatives of Kaunas regional administration, specialists from public health and environmental protection institutions, small and medium-sized businesses.

- support for social development and inclusion of vulnerable groups:

Achema Group is also active in the area of social development and inclusion: it has provided assistance to parishes, orphanages, museums, many other institutions and organisations. The largest companies of the concern are involved in various projects at regional level addressing educational, charity and other social issues; they often initiate such projects themselves. Some of the social partnerships of companies of Achema Group last already a decade.

Various social projects have been implemented. Permanent social partners of SC Achema are Jonava Orphanage, Jonava Elderly Home, Activity Centre for the Disabled, Jonava Polytechnic School, Jonava Cultural Centre, schools in Jonava region, public organisations, etc. SC Achema is a regular and indispensable sponsor of the unique St. John festivities in Jonava region.

**How did the solution benefit the stakeholders:**

The group has supported various education institutions as well as culture projects that could not be realized with public support only. The effects of the Green Generation initiative have been very positive due to its large coverage.

**Did the solution bring benefits to the company:**

Yes, the CSR activities have led to improved image of the companies. They have also allowed concern members to expand their influence and contacts among stakeholders.

**Key success factors:**

- partnership between companies and the public authorities has been key in initiatives focused on environmental education;
- long-term involvement in social partnerships.

**Challenges and problems:**

The main challenge will be the development of strategic CSR integrated with the core businesses of the concern's members and focused on the creation of shared value. At Group level, more significant efforts in this direction will be needed to guide and help Group members move one step further in their CSR activities.

**Year when the solution was first applied:** 2006

**Does the practice continue:** some of the practices continue

**Elements of the solution transferable to other countries:**

- establishing partnership between companies and the public authorities;
- developing CSR strategy within concerns and mergers in order to promote the social responsibility of individual companies.



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