

Musala Soft

Corporate Citizenship and Environmental Performance Report 2015



**"If we lose the forests,
we will lose the fight against climate change"**





Top Management Message

Musala Soft is committed to be a socially responsible company. We support our employees to be citizens of the World and together inspire and implement positive ideas for the sustainable growth of the society. The impact of such a behavior is not only “here” and “now” but also “in the future.”

Elena Marinova, President of Musala Soft

Sustainability Strategy

Musala Soft’s emphasis on sustainability is meant to ensure that the actions we take today do not jeopardize the future generations’ ability to realize their goals and dreams. We recognize that an effective strategy addresses the environmental, social, health and safety, product, supplier and economic components of sustainability.

Environmental

- Drive continuous improvement in environmental sustainability through recycling, conservation of resources, prevention of pollution, product development, and promotion of environmental responsibility among our employees.
- Ensure our operations comply with relevant environmental regulations.
- Conduct our operations in a manner committed to the conservation of resources, prevention of pollution and promotion of environmental responsibility.

Social

- Conduct our business with uncompromising integrity and promote human rights within the company’s sphere of influence.
- Ensure employee engagement in the success of the company.
- Be an economic, intellectual and social asset to each nation and community in which we operate.

Health and Safety

- Create the health and safety practices and work environments that enable our people to work injury and illness free.
- Ensure our operations comply with relevant occupational health and safety regulations.

Products

- Ensure our products meet or exceed their published specifications.
- Ensure our products comply with relevant safety and environmental standards and regulations.

Supplier

- Inform suppliers and contractors of our environmental and social responsibility expectations. Require them to adopt management practices aligned with our expectations.

Economic

- Create economic value for our shareholders.
- Achieve our financial objectives in a sustainable and responsible manner.

Governance, commitment and engagement

Musala Soft's Corporate Citizenship Statement

Musala Soft is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. Our Citizenship Objective is to be an economic, intellectual and social asset to each nation and community in which we operate. [Musala Soft's Community Relations programs](#) are tangible examples of our commitment to exemplary Corporate Citizenship.

Musala Soft's Corporate Citizenship commitment is consistent with our [CSR and Environmental Policy](#) and [Musala Soft Code of Conduct](#) - all essential for continued business success. **The Musala Soft ISO 14001** certified company-wide environmental management system is used to manage and drive continuous reduction of adverse environmental impacts.

Musala Soft and ISO 26000

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

Organizational Profile

Musala Soft is a leading Bulgarian software engineering services company, specialized in the delivery of complex and large-scale software projects, IT consulting and solution implementation.

The overall company goal is to enable our clients to leverage cutting edge information technologies while focusing on effectively using their existing assets. The company's reputation of a reliable service provider owes to a track record of successful projects and satisfied clients.

Awards received in the reporting period:



Musala Soft is the National Champion of the **European Business Awards** - a prestigious competition, supported by business leaders, academy, media and political representatives from all over Europe.

The category in which the company was awarded is "**Best Employer**". This is yet another recognition of the corporate culture of sharing and growth, investments in human development, a positive work environment and especially professional, straightforward smiling team of Musala Soft.

Forbes Magazine Bulgaria awarded Musala Soft with two first places in categories "**Software Development**" and "**Going Abroad**" of E-volution awards 2015, among 180 applications from 82 companies.





Musala Soft grabbed the prize for “Innovation of the Year 2014” at the annual awards of b2b Media. Business Awards of b2b Media are held for the first time and aim to promote innovation and socially responsible activity of Bulgarian enterprises.

Musala Soft received two first prizes - “Human Resources Development” and “Quality of Service” in the prestigious competition Forbes Business Awards 2015. The company was ranked for the fourth time at 1st place in the category “Human Resources” of Forbes magazine. Forbes - 2011 2013, 2014, 2015.



The DSK Bank service “Virtual check” developed by a team of Musala Soft won first place in category E-business awards of the Bulgarian Association of Information Technologies - BAIT Awards 2015.

Memberships in industry associations and national/international advocacy organizations

Musala Soft participates in industry and professional organizations - local, national and global. Participation helps us achieve business and citizenship goals by enabling us to work with other companies on issues that affect our industry. Memberships also keep Musala Soft abreast of industry issues and best practices and provide vehicles through which we can contribute to and influence public policy. Examples of these memberships are:

- Bulgarian Association of Software Companies (www.basscom.org)
- Bulgarian Association for Information Technologies (www.bait.bg)
- Bulgarian Chamber of Commerce and Industry (www.bcci.bg)
- Confederation of the Employers and Industrialists in Bulgaria (www.ceibg.bg)
- Enterprise Europe Network - the largest information and consultancy network in Europe (<http://enterprise-europe-network.bg>)
- American Chamber of Commerce in Bulgaria (www.amcham.bg)

List of stakeholder groups engaged by the organization

Musala Soft's stakeholders include:

- Employees
- Customers
- Academic institutions
- Technological partners
- State and other institutions
- Suppliers
- Media
- Memberships of the Musala Soft President
- Branch organizations
- NGOs

The feedback from our stakeholders provides us with information to help improve our environmental, social and economic performance. Our Corporate Communications department uses the input it receives to help guide our community programs, such as volunteerism and grants.

Environmental Performance

Musala Soft is committed to conducting its business in an ethical, socially responsible and environmentally sustainable manner by reporting performance and ensuring that production and operations meet relevant environmental legislation and regulations. We operate under a company-wide Social Responsibility and Environmental Management system, that applies to our design, development, manufacturing, distribution and service operations. **Musala Soft has demonstrated its effectiveness in managing environmental impact by maintaining an ISO 14001 compliance and achieving certification by the standard.** Our Social Responsibility and Environmental Management system is a tool to drive continual improvement in environmental performance and pursuit of sustainability.

1. Musala Soft's Environmental Aspects

As a software company, Musala Soft's impact on the environment from its own operations is relatively low. But we realize that like every other company with office and administrative activities, we use electricity, paper, electronic equipment, consummative for printing, faxing, scanning. All of them are related with natural resources depletion, emissions to air, land contamination, and therefore considered as environmental aspects, having impact on the environment.

Environmental aspects are a key component in Musala Soft's environmental management. They define the scope of the responsibility of an environmental management system as well as give input to other actions related with sustainability strategy development, and are therefore the ones that focus the environmental work on.

1.1. Significant Environmental Aspects

Significant environmental aspects are the most important environmental aspects which cause the highest environmental impact or are important due to legislation and other requirements.

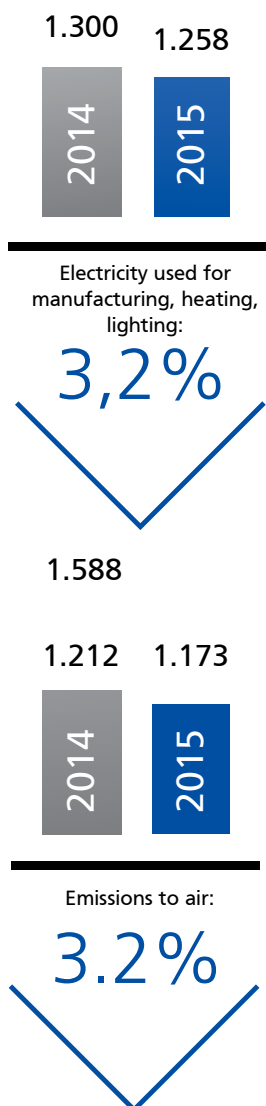
Generally the following significant environmental aspects are prioritized at Musala Soft:

- **Emissions to air**
 - • **Transportation (flights, cars, taxies)**
- **Generation of waste**
 - • **Paper and cardboard**
 - • **Tonnors**



- • Batteries and accumulators
- • Electronic equipment
- Use of natural resources
 - • for transportation (flights, cars, taxis)
 - • for electricity
 - • for paper consumption

For each significant environmental aspect there is a quantitative representation in terms of an environmental indicator, which is used as a tool for assessing environmental performance and reporting on progress towards sustainable development.



1.1.1. Electricity consumption and generated GHG emissions (Scope 2)

Electricity used for manufacturing, heating, lighting:

Metric	Unit of measurement	2014	2015	comparison 2014/2015
Electricity use	MWh/per employee	1.300	1.258	3.2%

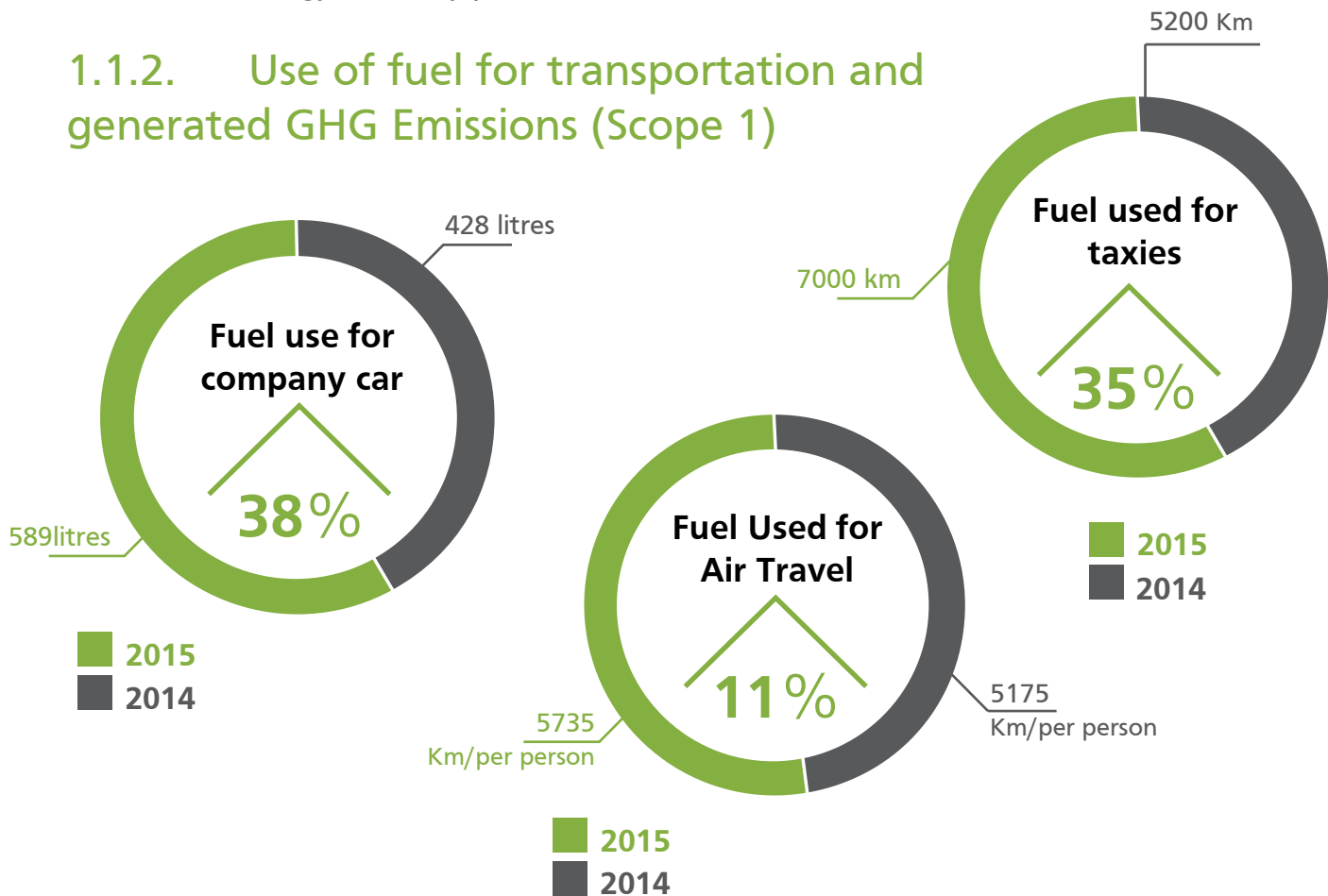
Emissions to air:

Metric	Unit of measurement	2014	2015	comparison 2014/2015
GHG emissions generated by electricity use	tCO ₂ /MWh (per employee)	1.212	1.173	3.2%

Measures to reduce indirect energy consumption




- Virtualization of storage space, servers and network resources where reasonable - reduce power consumption, noise and heat output, as well as hazardous waste;
- Use an external Data Center for high consuming devices;
- Observe energy efficiency policies.

1.1.2. Use of fuel for transportation and generated GHG Emissions (Scope 1)



Metric	Unit of measurement	2014	2015	comparison 2014/2015
Fuel used for company car	Liters	428	589	37,6%
Fuel used for taxis	Km	5200	7000	34.6%
Fuel used for Air Travel	Km per person	5175	5735	10.8%





Emissions to air:

Metric	Unit of measurement	2014	2015	comparison 2014/2015
GHG emissions generated by company car	CO2 kg	1146	1576	 37.5%
GHG emissions generated by use of taxis	CO2 kg	1235	1662	 34.6%
GHG emissions generated by Air Travels	CO2 kg per person	32775	45907	 40.1%

Measures to reduce consumption of fuel and GHG emissions generated:

- Observe using tele- and video-conferencing when possible
- Preferably use of eco- friendly airlines for business flights
- Use of public transport, instead of company car or taxis when possible
- Alternative ways for going to work — use bicycle, go walking when reasonable

1.1.3. Generation of waste

Metric	Unit of measurement	2014	2015	comparison 2014/2015
Paper and cardboard	kg	369	273	 26%
Batteries	kg	133.1	128	 3.8%
Toner cartridges	number	19	24	 26.3%
Plastic	kg	1358	1480	 9%
Electronic equipment	kg	0	0.07	0

Measures to reduce waste generation:

- Paper- less office — continue and extend where possible usage of internal systems for automating business processes and administration activities
- All documentation is kept electronically
- Usage of high quality equipment for printing/faxing with economical use of consumable materials
- Waste separation - eco-bins for PLASTIC, PAPER and separate storage rooms for paper/cardboard waste, tonners, batteries and obsolete equipment
- Waste recycling — use only licensed companies for waste disposal, authorized for recycling waste in a sustainable manner
- Economic use of paper — eco - friendly printing rules:
 - • Print double sided
 - • Print More than One Page Per Sheet
 - • Use Print Preview and Shrink to Fit
 - • Only Print the Selection You Need
 - • Print to PDF Instead of Paper
- Environmental company awareness initiatives, focused on propagating waste segregation



1.2. Objectives and targets related with Musala Soft's Significant Environmental Aspects:

Aspect	Objective	Target 2014
Electricity use	Increase efficiency, reduce electricity use and reduce GNG emissions	2% reduction of electricity use by 2015 2% Reduce emissions by 2015
Consumption of paper for copying, faxing, printing	Reduce annual paper & printing purchases	1% reduction of paper purchased by 2015
Generation of waste paper and cardboard	Recycle paper & cardboard waste	2% reduction of waste from paper by 2015
Generation of waste from batteries, tonners	Recycle waste where possible	4% reduction of waste from batteries and accumulators by 2015 (per employee)
Generation of waste from batteries, tonners	Recycle waste where possible	3% reduction of waste from tonners by 2015 (per printer) Start recycling
Generation of waste from plastic materials	Reduce waste	1% reduction of waste from plastic by 2015
Use of fuel for air travel	Reduce emissions	1 % Reduce emissions by 2015
Use of fuel for travel by cars (company car, taxis)	Reduce emissions	1 % Reduce emissions by 2015

1.3. Other Environmental aspects

Musala Soft's environmental aspects include also other environmental aspects, considered as non- significant due to the low environmental impact and/or low level of occurrence. Controls for reducing environmental impact for all Musala Soft's aspects are established and considered during evaluating environmental performance. All Musala Soft's environmental aspects are evaluated during management reviews, upon changes in legislation or changes in business operations, having impact on the environment.

Other environmental aspects:

Aspect	Impact	Rationale	Controls in place
Generation of general waste	Land contamination Air pollution	General waste is generated from household activities. Considered as non-significant due to the small quantity, not related with business operations	General waste is gathered and controlled by the building landlord
Generation of waste from company cars maintenance	Land contamination Air pollution	Small number of cars, rarely used	Use of licensed services for car maintenance
Use of water in toilets	Use of limited water resources	Only used for washing, not related with business operations	
Storage & use of chemicals for cleaning	Water or land pollution	Limited usage, not related with business operations	Using chemicals marked with eco-signs

Musala Soft is growing and expands its business.

Over the past two years, the staff grew by 30%, and new offices were opened in Burgas, Ruse and Skopje. To ensure equal working conditions for all offices (administrative, technical provision, internal process training), a lot of business trips were performed and the transport costs made by the company has been increased.

Musala Soft is trusted and preferred supplier of many global companies. As a consequence of ongoing partnerships and the integration of newly employed people in the different locations, additional business travels take place. All of these led the levels of harmful emissions from air transport to increase through 2015 in comparison with the previous period.

Following our Code of Conduct, we strive to facilitate the communication between the employees in the different locations in order to provide opportunities for better integration of the team members and to create efficient working environment. We develop internal communication platform which will help us to achieve these goals and we expect that it will contribute to the positive outcome in the future.

Furthermore we are planning to review the calculation of emissions in the company as per employee, in order to determine more accurate indicators, to measure that we will meet the company long-term plan, considering our business growth.





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View Report at:
www.musalasoft.com/en/csr_main.html
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