

Musala Soft

Corporate Citizenship and Environmental Performance Report 2016



**"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 2016



Musala Soft is national champion at the European Business Awards 2016/2017 in the category “Employer of the Year” — a high-level ceremony, endorsed by business leaders, academic representatives, media and politicians from around Europe.

More information about the European Business Awards you can find at:

<http://www.businessawardseurope.com/>

Musala Soft won the prestigious E-volution Awards 2016 in the category “Going Abroad” with the Qivicon project. E-volution Awards is a ceremony organized by Forbes Bulgaria which honours the most innovative practices in the area of information technologies.





Musala Soft is a finalist at the prestigious European IT & Software Excellence 2016 Awards (www.iteawards.com). The company project, awarded in the category „Service Provider of the Year” was Qivicon — Smart Home platform for Deutsche Telecom, developed by the teams of the German telecom and Musala Soft.

Musala Soft is the only Bulgarian company with the prize Ruban d`Honneur at the European Business Awards 2016/2017. The company is a winner in the category “Employer of the Year” and is among the 110 best business practices in Europe.

More information about the European Business Awards you can find at:
<http://www.businessawardseurope.com/>



Musala Soft received two 1st place awards in the categories “Client Politics” and “Service Quality”, as well as 2nd place in the category “Human resources Development” in the Forbes Business Awards 2016.



Award by the Bulgarian Association of IT for contribution to the development of information and communication technologies at BAIT Awards 2016.

Musala Soft received the recognition "Bulgarian business with economic relations in Bavaria 2017" by the Bavarian Representation in Bulgaria. Musala Soft was honored for its successfully established partnership with the German leader ESG Elektroniksystem und Logistic GmbH. The prize was awarded by Dr. Marcus Witman, Head of International Economic Relations Department.



Green Events



August — Musala Peak climbing in Rila Mountain.



October — Autumn table tennis tournament.

Botev Peak climbing.

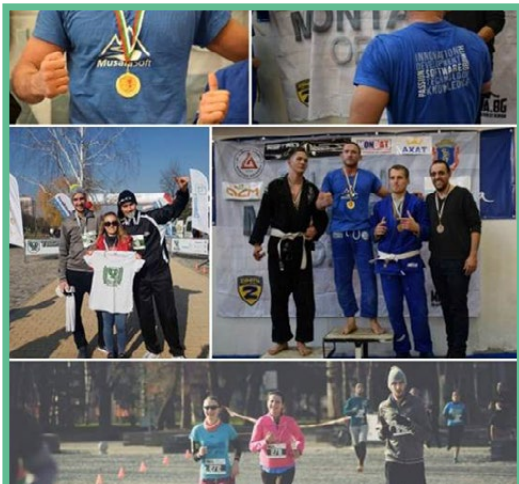


September — Orlovetz Peak climbing in Rila mountain.

August — Musalympics 2016. The outdoor adventure to the fabulous fountain "The Living Water". Sunny emotions, games and smiles for children and adults.



February — Musala Soft snow walk adventure at Yonchevo Lake.



November — Musala Soft sports weekend — 10 km marathon. TechRUN.bg and a gold medal for Delcho Dimitrov in a Jiu-Jitsu competition.

July — Vihren Peak climbing in Pirin Mountain.



July — Musala Soft sunny kayaking adventure at Tundzha river and Zhrebchevo dam.

June — Musala Soft at Software Tennis Cup, Nikola Sadzhakliev won 3rd place in the doubles race.





June — Musala Soft teams took part in Postbank Business Run, organized by Begach and Postbank (Eurobank Bulgaria Ltd.)

April 29 — Musala Soft supported the champions football league SU Football Cup.



April 23 — Musala Soft Team Building 2016 — funny and creative outdoor challenges that united the colleagues from Sofia, Burgas, Ruse and Skopje.



April 21 — Musala Soft winner in the individual ranking of the Spring IT Table Tennis Tournament.



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:

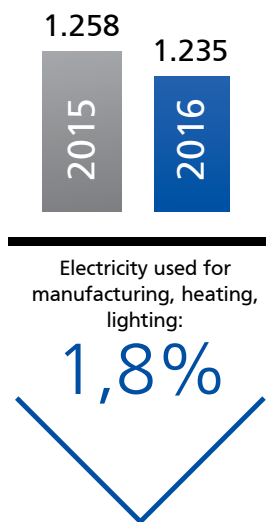
- **Emissions to air**
 - • **Transportation (flights, cars, taxies, public transport - bus)**
- **Generation of waste**
 - • **Paper and cardboard**
 - • **Toners**



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

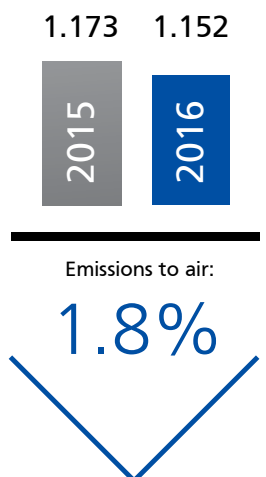
For each significant environmental aspect there is a quantitative representation in terms of an environmental indicator, which is used as a tool for assessing environmental performance and reporting on progress towards sustainable development.

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



Electricity used for manufacturing, heating, lighting:

Metric	Unit of measurement	2015	2016	comparison 2015/2016
Electricity use	MWh/per employee	1.258	1.235	1.8%



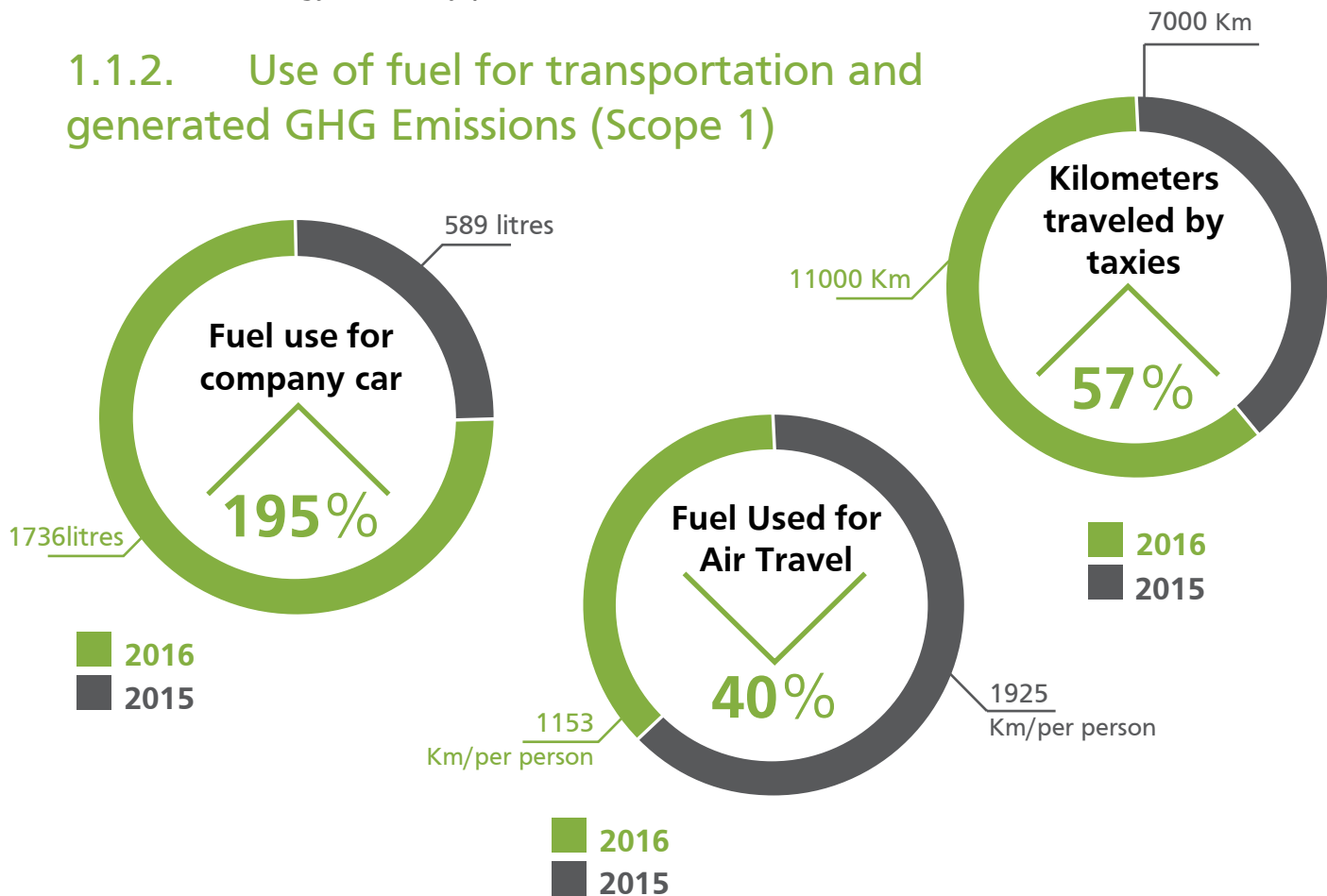
Emissions to air:

Metric	Unit of measurement	2015	2016	comparison 2015/2016
GHG emissions generated by electricity use	tCO ₂ /MWh (per employee)	1.173	1.152	1.8%

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	2015	2016	comparison 2015/2016
Fuel used for company car	Total liters	589	1736	195%
Kilometers traveled by taxis	Total km	7000	11000	57%
Kilometers traveled by Air Travel	Km per person	1925	1153	40%






Emissions to air:

Metric	Unit of measurement	2015	2016	comparison 2015/2016
GHG emissions generated by company car	Total CO2 kg	1576	4646	 194.7%
GHG emissions generated by use of taxis	Total CO2 kg	1662	2612	 57.1%
GHG emissions generated by Air Travels	CO2 kg per person	169.33	101.42	 40.1%

Measures to reduce consumption of fuel and GHG emissions generated:

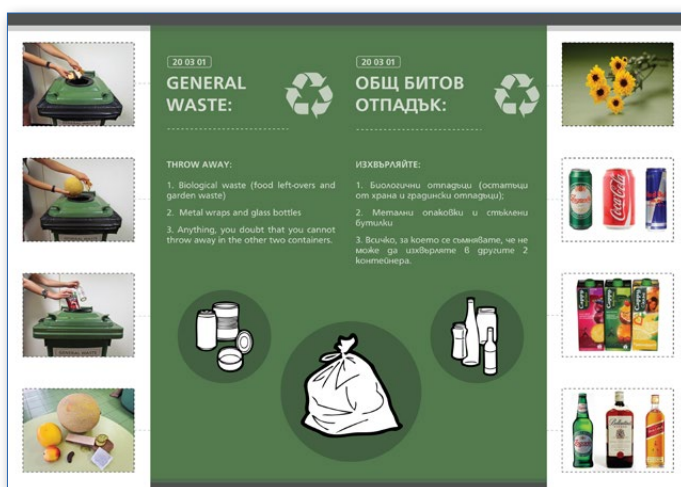
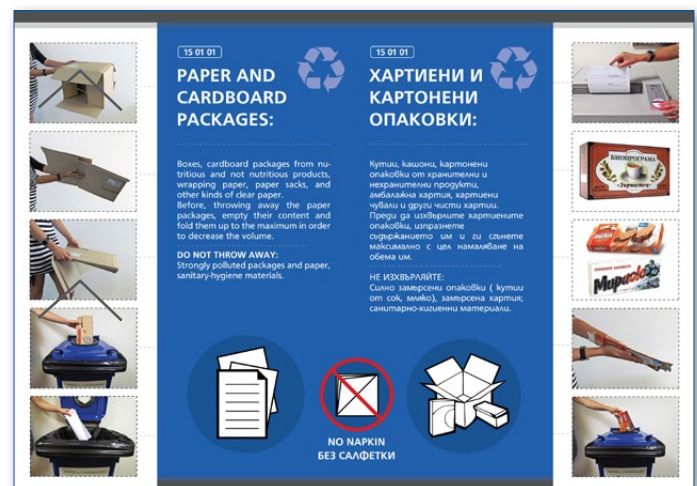
- Observe using tele- and video-conferencing when possible
- Preferably use of eco-friendly airlines for business flights
- Use of public transport, instead of company car or taxis when possible
- Alternative ways for going to work — use bicycle, go walking when reasonable

1.1.3. Generation of waste

Metric	Unit of measurement	2015	2016	comparison 2015/2016
Paper and cardboard	kg	273	304	 11%
Batteries	kg	128	42	 67.1%
Toner cartridges	number	24	21	 12.5%
Plastic	kg	1480	1258	 15%
Electronic equipment	kg	70	75	 7.1%

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/card-board waste, toners, batteries and obsolete equipment
- Waste recycling — use only licensed companies for waste disposal, authorized for recycling waste in a sustainable manner
- Economic use of paper — 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 2017
Electricity use	Increase efficiency, reduce electricity use and reduce GNG emissions	2% reduction of electricity use compared to 2016 2% Reduce emissions compared to 2016
Consumption of paper for copying, faxing, printing	Reduce annual paper & printing purchases	3% reduction of paper purchased compared to 2016
Generation of waste paper and cardboard	Recycle paper & cardboard waste	2% reduction of waste from paper compared to 2016
Generation of waste from batteries, toners	Recycle waste where possible	2% reduction of waste from batteries and accumulators compared to 2016
Generation of waste from batteries, toners	Recycle waste where possible	3% reduction of waste from toners compared to 2016 Start recycling
Generation of waste from plastic materials	Reduce waste	4% reduction of waste from plastic compared to 2016
Use of fuel for air travel	Reduce emissions	1 % Reduce emissions per employee compared to 2016

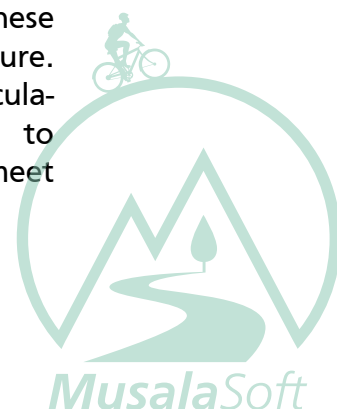
1.3. Other Environmental aspects

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 quality, 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 three 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. However, Musala Soft managed to decrease the level of harmful emissions from air transport through 2016 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 implementing a new way of calculation of emissions in the company as per employee, in order to determine more accurate indicators, to measure that we will meet the company long-term plan, considering our business growth.





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View Report at:
<http://www.musala.com/community/community/>
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