



Promoting **Trust** in Business Initiative

Many future-oriented businesses are implementing environmental, social, and governance (ESG) standards to give back to their local communities, ensure their own development, and build trust-oriented organizations.

LEARN ABOUT THE
TRUST-BUILDING
INITIATIVES AND
GET INSPIRED!

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Introductory Letter by the Center for International Private Enterprise

The [Center for International Private Enterprise](#) (CIPE) and [AmChams in Europe](#) present the **Promoting Trust in Business Initiative**, part of a larger effort by CIPE to strengthen trust in business and market institutions around the globe.

This brochure contains eight case studies of local initiatives in Southern and Eastern Europe through which companies and other organizations implemented changes in their operations and launched strategic programs to help improve trust in business among their local communities. These examples include projects that companies implemented around environmental, social, and governance (ESG) factors, voluntary standards they adopted to build trust with local stakeholders, ways they enhanced the standards of partners and suppliers, or ways they strengthened local market institutions. The profiled companies come from various sectors such as food & beverage, textiles, and energy. One additional example illustrates the meaningful impact a business association can have on facilitating cooperation between the public and private sectors.

AmCham Slovenia, in its capacity as Secretariat of AmChams in Europe, solicited submissions from 19 AmChams in Europe members based in Southern and Eastern Europe. The call for examples received an enthusiastic response from both local companies and subsidiaries of multinational enterprises. CIPE and AmCham Slovenia shortlisted the top eight submissions, working directly with selected companies to develop their example into a longer case study that described what issue the company addressed, the local context, outcomes and impact, and lessons learned.

These case studies go beyond traditional stories of corporate social responsibility (CSR) or philanthropy. The selected examples are linked to each company's core operations and relationships with its local supply chains and communities, with an emphasis on how the company has contributed to strengthening local trust in business.

CIPE and AmChams in Europe hope that by providing comprehensive case studies explaining how a company made a strategic decision to address a particular issue directly relevant to its operations – and by evaluating the challenges and outcome of its efforts – other companies and business associations will be inspired to replicate some of these initiatives. By showcasing these examples and best practices, our goal is to provide useful information and evidence that will foster dialogue, spark ideas, and encourage bold thinking about ways in which the private sector can enhance trust.

Acknowledgements

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1 | AmCham Slovenia

Partnership for Change

Local Context and Background

There is a bias in the Slovenian working environment that spreads stereotypes about the *modus operandi* of the public and private sectors. One of these is a belief that the public sector and its employees are inefficient and bureaucratic. Meanwhile, private sector employees are often characterized as hardworking but driven by profits. Such stereotypes, whether positive or negative, badly influence the perceptions employees from both sectors have of each other and of themselves. AmCham Slovenia (the American Chamber of Commerce in Slovenia), members of a think tank *Snežna kepa*¹ (Snowball), and the Ministry of Public Administration decided to tackle this problem by creating a national platform for cooperation between employees in the Slovenian public and private sectors.

The pilot program started in 2015 after employees of AmCham Slovenia, the Minister of Public Administration, and members of *Snežna kepa* came up with the idea of a cross-sectoral exchange between employees of private and public organizations. Now, after 7 years, the project is in its 8th round. Every year, the project begins by identifying challenges, considered crucial by various stakeholders in society, and solving those challenges in sectorally-mixed

working groups. By changing mindsets, teaching and promoting cooperation, and strengthening the role of the individual, Partnership for Change has introduced the concept of innovative co-creation in Slovenian society in a way that did not exist before.²



Photo Source: AmCham Slovenia

Employees from public and private sectors with former Slovenian Prime Minister Miro Cerar.

The creators of the project recognized the need to facilitate better public-private cooperation so it could lead to the development of both sectors. The project's added value lies in the creation of solutions to complex tasks, which can be incorporated into various working environments of participating individuals and organizations. Partnership for Change is a program in which people employed in civil service and business prove that cooperation can bring economic benefits such as innovation and benefits to culture by breaking down stereotypes.

What Issues did the Initiative Address and How?

Partnership for Change is a program of innovative collaboration between employees in the Slovenian public and private sector to transfer good ideas, best practices, useful solutions, and facilitate employee exchange. The fundamental parts of the program are (1) exchanges between employees, (2) mixed working groups that identify and solve challenges in the fields of education, taxation, labor market, economy, digitalization, security, quality of living, and others, and (3) implementation of those solutions, enabled by the participation of ministries, public agencies, and private companies.

Each year, different public administration bodies decide to participate in the project, and so far several ministries and other state institutions³ have been involved in the project. The private partners and other institutions participating in the project range from companies in telecommunications, healthcare, food and beverages, education, law, transport, finance, insurance, media, and other sectors.

The purpose of the exchanges is for people from both sectors to share knowledge, solve problems, and to better understand work processes in both public administration and business. In the exchange process, a ministry invites participants to apply, upon which they write a motivational letter and conduct an interview. The exchange is arranged once a participating company confirms its interest in an employee. At the exchange, employees are presented with the organization's work, assigned tasks, and included in the daily work of various units. Once the exchanges are concluded, employees can return to their organizations and share new knowledge with their colleagues. In turn, new lessons learned for the sending organization can facilitate greater added value from its employees.

The coordinators of Partnership for Change, AmCham Slovenia, and the Ministry of Public Administration, call for the participating organizations to identify relevant issues to find solutions that could push positive change and improve overall quality of life. The coordinators then design complex challenges that working groups of employees need to solve. Some examples of these challenges are:

▶ **Talents in the Economy**, proposed by the think tank *Snežna kepa*. The task was to identify talent, and how to attract, develop and retain people, by designing a prototype of an attractive work environment. The long-term goal is for Slovenia to become a digital and green country that attracts young talent.

▶ **Added Value: Consistency between University Knowledge and the Labor Market**, proposed by the University of Ljubljana Knowledge Transfer Office. This task was to find a solution to connect the knowledge learned at Slovenian universities with the needs of the labor market. In addition, two hackathons were organized within the project, where relevant stakeholders searched for ways to harmonize the expectations of employers and educational programs by including new competencies and knowledge in the educational process. Such events have proven to be an effective way of solving challenges, as user-tailored solutions can only be found through inclusion and co-creation.

▶ **Proton Therapy in Slovenia**, proposed by Institute of Oncology Ljubljana. The task was to look for solutions on facilitating a responsible contribution to society and the public health system.

¹ *Snežna kepa* (Snowball) is a think-tank of young people, assembled within the Young Leaders Club under the auspices of AmCham Slovenia. It is a group of more than 75 active young people between the ages of 25 and 45, employed in Slovenian and international companies and the public sector, who share a common vision on ensuring a high quality of life in Slovenia. The think-tank operates without a program or structure but meets regularly to discuss ambitions and ideas about improvements in the fields of education, taxes, labor market, economy, regulations, security, and quality of living. AmCham Slovenia. (2021). *Snežna kepa* <https://amcham.si/amcham-young/snezna-kepa/>

² AmCham Slovenia. (2021). Partnership for Change. <https://amcham.si/en/advocacy/partnership-for-change/>

³ The ministries involved in the project are: Ministry of Public Administration, the Ministry of Finance, the Ministry of Education, Science and Sport, the Ministry of Foreign Affairs, the Ministry of the Interior, the Ministry of Economic Development and Technology, the Ministry of Infrastructure, the Ministry of Justice, the Ministry of the Environment and Spatial Planning, Secretariat-General of the Government, and the Government Office for Development and European Cohesion Policy.

► **»I am a Teacher!«** proposed by the AmCham Future of Work and Education Committee. The aim of this task was to promote the teaching profession by highlighting outstanding teachers and their best practices. With distance learning becoming a significant part of the educational process, a manual for distance learning was prepared by teachers and principals participating in the project.

► **Clean Slovenia of Paper Invoices**, proposed by Managers' Association of Slovenia. The aim was to examine the benefits of using e-invoices. Through the implementation of the project by the participating businesses and public institutions that decided to shift to e-invoices, around 30,000 EUR was saved.

Companies and public institutions are invited to participate in the project through the official project website www.partnerstvozaspremembe.si/. News about the project and its timeline is also posted on the official web pages of AmCham Slovenia www.amcham.si and the Slovenian government www.gov.si.

Outcomes and Impact

In June 2015, the pilot project was launched, involving 27 employees, 23 companies, and the Ministry of Public Administration. Entering its 8th round in 2021, the program has reached 500 employees, 180 companies, and 30 ministries and public administration bodies. As the Partnership for Change is about cooperation and breaking down barriers



Photo Source: AmCham Slovenia

Employees from the public and private sectors tested their problem-solving skills.

between the government, businesses, and other stakeholders in society, cross-sectoral cooperation proved to be the right approach to overcome many differences.

The results of the challenges were the improvement of the participants' problem-solving skills and real change in the policies of both public and private organizations. One of the tangible results achieved was a change in legislation in the field of construction permits -- a construction permit can now be filled out by a list of project designers.⁴



Photo Source: AmCham Slovenia

So far, 500 employees have joined the project.

Lessons Learned and Potential for Replicability

Partnership for Change found and practically implemented solutions for the greater motivation of government employees, strengthened inter-ministerial cooperation due to the fact that most Ministries of the Republic of Slovenia participate, outlined teaching curricula adapted to the 21st century to meet the digital standards of today, formed user-friendly online services, and increased the visibility of the "I Feel Slovenia" trademark in business.

Optimism and opportunities are what the project aimed to encourage, and that can only be achieved through cooperation and mutual respect. One of the main lessons for public and private sector employees was that the workplace should not be a battleground, but rather a cooperative environment with teamwork and friendly relations at the core. The project put forward the notion that being bold, innovative, and creative leads to successful solutions to modern challenges. At the same time, it is always necessary to remain responsible, either to people or to the environment, which should guide all activities carried out in both sectors. The Partnership for Change program has received foreign awards. In 2016, the program received the Creative Network Award for best practice from the AmChams in Europe network, which connects 44 countries and 46 AmChams in Eurasia.

In July 2016, the project was also recognized by the OECD for innovations in the public sector. Among more than 150 applications, the project reached the shortlist and was presented at one of the largest annual government conferences in Dubai. Many countries expressed interest in the program and hope to implement it. Every year, more and more individuals, new companies, and new state bodies join Partnership for Change, proving that belief in the project is shared by many stakeholders.

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⁴ eUprava. (2021). Construction Permits. Republic of Slovenia. <https://e-uprava.gov.si/en/podrocja/real-estate-and-environment/real-estate-buildings/construction-permit.html>



2 | Ekopak

Development of packaging waste recycling system

Local Context and Background

Each inhabitant of the European Union (EU) produces approximately 500 kilograms of household waste per year of which packaging waste constitutes about 25%. In Bosnia and Herzegovina (BiH), a potential member to the EU, the Agency for Statistics estimated that in 2016 the nationwide average municipal waste was 354 kg per person per year, and the amount of packaging waste has steadily increased from 8% in 2011 to 30% in 2018¹

The data spurred governmental action, and in response, very ambitious targets were set with the new EU Directive 2020. Plans are underway for even higher recycling targets in the European Commission's Circular Economy Package.² BiH is aware of the importance of keeping up with environmental standards, but has only recently started to incorporate environmental policies into domestic law. One example was the response to the EU's Packaging and Packaging Waste Directive and transposition of the *acquis communautaire*³ into the legislation of BiH – which, as part of accession to the EU, is actively harmonizing the EU's Directives, even in the field of environmental protection.

All of this resulted in the Ministry of Environment

and Tourism of BiH publishing an Ordinance on Packaging and Packaging Waste Management whose objective is to establish a sustainable packaging waste management system at the lowest possible cost and deliver the maximum benefit for the environment. Such positive environmental legislation has indications for the private sector as well.

Companies, active in packaging production and trading of packaged goods in BiH, aimed to meet more effectively their legal obligation for proper waste management and recognized the need for better waste management and environmental protection. As a response, local (Banja Luka Brewery, Bihac Brewery, Violeta), regional (Argeta – Atlantic Group, Orbico, Bimal-Studen Group) and multinational (Coca-Cola) companies got connected and initiated the foundation Ekopak to address waste issues and to ensure better sustainability standards in BiH.

What is Ekopak?

Ekopak is a non-profit entity established in 2011 by the above mentioned companies to ensure proper waste management on behalf of packaging producers, importers, fillers, distributors, and merchants. By obtaining a permit from the Federal Ministry of Environment and Tourism on May 29, 2012, Ekopak became the first and leading system operator of packaging waste management in BiH and the first with activities based on the best practices from the EU.⁴ Ekopak is financed from the packaging fees paid by the companies who place packed products in the BiH market, and in turn, Ekopak provides proper coordination of the products' life cycles. The company also generates income from licensing of the internationally protected Green Dot trademark (♻️) since Ekopak is the exclusive provider of the

¹ European Environment Agency. (2019, April 9). Bosnia and Herzegovina - Municipal waste factsheet 2018. <https://www.eea.europa.eu/themes/waste/waste-management/municipal-waste-management-country-profiles/bosnia-and-herzegovina-municipal-waste/view>
² All EU Member States had to introduce systems for the collection and recovery of packaging and to recover between 50% as a minimum and 65% as a maximum of the packaging waste (European Environment Agency, 2019, April 9).
³ The EU has recognized BiH as a potential candidate country for accession. The obligations to be fulfilled to achieve this include, inter alia, harmonization with (environmental) EU Directives. Therefore, the entities in BiH and Brčko District have adopted waste management strategies to improve and develop the waste management situation in Bosnia and Herzegovina (Terzić, 2021, February 16).
⁴ Ekopak (2018). Ekopak: Company. <https://www.ekopak.ba/en/pages/1/about>

right to use this mark in BiH. Although established as a company, Ekopak operates on the non-profit principle, meaning that profit that is gained is not reimbursed to the founders in the form of dividends, but remains for financing the development of the packaging waste management system. This enables the company's operations to not be governed by profit, but instead, for the benefit of public interest.

What Issue the Initiative Addressed and How?

Ekopak was founded on the concept of Extended Producer Responsibility, which is, according to the OECD, a policy approach under which producers are given significant responsibility, financial and physical, for the treatment or disposal of post-consumer products.⁵ The concept has evolved into a proven

practice in many countries as an implementation of the European and national policy targets. With the implementation of Extended Producer Responsibility, Ekopak constitutes an exceptionally successful example of cooperation among the packaging producers placing their products in BiH.

Ekopak represents a system of coordination among packaging producers, packaging importers, collectors of packaging waste (private and public waste management companies), and local authorities who are legally bound for the collection of municipal waste. Such systemic coordination ensures more efficient use of packaging, transport, and waste management, and thus reduces the carbon footprint. Through effective waste prevention techniques, and responsible recycling, less energy can be used, which would reduce greenhouse gas emissions and contribute to a healthier climate.



Photo source: Ekopak

⁵ OECD. (2021). Extended Producer Responsibility. OECD. <https://www.oecd.org/env/tools-evaluation/extendedproducerresponsibility.htm>

Ekopak has also worked on awareness projects, which are mainly focused on the following two areas:

- ▶ **Support to the local communities** – The company supported communities in the establishment of a recycling system by providing necessary equipment, such as waste bins, trucks for waste collection and transport, and recycling yards. This project enabled recycling and separate collection of waste in the municipalities of Bihac, Posusje, Gracanica, and others.
- ▶ **Education** – projects aimed at raising awareness of the importance of waste recycling, with a special focus on children attending schools and pre-schools. Ekopak’s educational projects are titled “Planet’s Smile is in your hands” and “Recycling is not a hassle.” Additionally, Zekopak, the mascot of Ekopak, and Maja, the Bee, teach children about recycling.

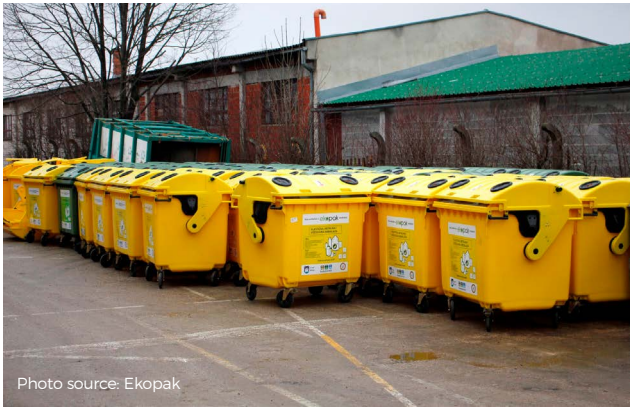
Outcomes and Impact

For ten years, Ekopak has been actively working on developing a packaging waste recycling system adapted to the best European practices and for the good of the whole community. So far, Ekopak has contributed to recycling nearly 90,000 tons of packaging waste through coordination among the packaging members and supplying recycling infrastructure. The packaging that would have ended up discarded in nature or disposed in landfills ended up in the recycling process, where packaging waste was given new value.

Until now Ekopak has been invested in sorting and recycling infrastructure in 19 municipalities in BiH. The emphasis was put on spreading awareness and educating children about the importance of recycling and environmental protection through Ekopak’s educational projects. More than 60,000 citizens, the majority children from schools and preschools, have participated in Ekopak’s projects, and were educated

on the importance of recycling. Spreading awareness with a far-reaching campaign should have a long-term impact on the amount of landfill waste and the recycling culture in BiH.

Ekopak is also active internationally, as a member of two European packaging organizations based in Brussels, EXPRA and Pro Europe. All of Ekopak’s operations are carried out by only four employees, the lowest sustainable costs, and for the benefit of the whole community.



Lessons Learned and Potential for Replicability

The aim of Ekopak is to ensure the recovery and recycling of packaging waste in the most economically efficient and ecologically sound manner.

Companies that place products on the market are individually responsible for their proper end-of-life management. In practice, however, producers work collectively to exert this responsibility by setting up Packaging Recovery Organizations, also manifested as Extended Producer Responsibility or compliance schemes. Such a scheme then enables cooperation for each of its member organizations to meet their recovery and recycling obligations. This creates a process for proper, sustainable, and long-term waste management.

Industries in more than 30 countries all over the world are already using Extended Producer Responsibility as one economic tool to ensure the collection and recycling/recovery of used packaging. Extended Producer Responsibility has contributed to significant increases in recycling rates and public spending savings on waste management.

Ekopak directly addresses Goal 12 of the United Nation’s Sustainable Development Goals – Responsible Consumption and Production. Ekopak represents the interests not only of its shareholders, but all companies that place packed products in BiH, which transfer their obligations to Ekopak. Currently, Ekopak represents about 800 members, and helping them efficiently comply with the environmental standards can change production patterns towards greater sustainability. This is done by managing waste through cross-enterprise cooperation in a systematic way.

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3 | Dewesoft

Katapult (The Catapult)

Local Context and Background

The Central Sava Valley (Zasavje), a region in central Slovenia, has long been known as one of the first industrialized regions in the country with a long-lasting mining tradition for the last 250 years. The region experienced an economic boom based on coal mining, which also led to the development of other industries.¹ When coal started being phased out as a source of energy due to its highly pollutive properties, and with Slovenia becoming

an independent state in 1991, the region faced the challenge of restructuring. The formerly prosperous valley lost some of its economic strength as several large companies were shut down. As a result of the mining industry's stagnation, the local population faced a lack of job opportunities, especially for the youth, which was the reason for migration to other regions in Slovenia. Despite this lack of opportunities, the region has always enjoyed a strategic location and good infrastructure inherited from its industrialized past with inhabitants who have historically possessed rich technical knowledge, especially in the electrical, chemical, foundry, glass, and machine industries.

The region's challenges, along with its potential, were recognized by Dewesoft, a Slovenian privately owned multinational engineering and electronics company headquartered in Trbovlje, the largest city of the Zasavje region. The company employs more than 200 people worldwide with a special model of ownership



Photo source: Katapult.

¹ Regionalna razvojna agencija Zasavje. (2020). Zasavje v številkah. <https://www.rra-zasavje.si/si/zasavje/>

that offers share purchases to its employees. As a result, Dewesoft is a 100% employee-owned company.

The company realized that creating a supportive entrepreneurial environment via a business incubator would give the local community a more positive economic outlook and opportunities to leverage local talent. Therefore, Dewesoft established Katapult, an incubator that eliminates business obstacles for young entrepreneurs and gives them the means to succeed. Katapult officially opened in 2016 in the town of Trbovlje. It was founded as a private limited company (Ltd.) set up as an incubator, primarily oriented towards those who wish to create physical products. The incubator operates as a non-profit, although formally an Ltd., and acts as an example for young entrepreneurs to prove that a purpose-driven company can survive in the market even though profit is not the key objective.

Dewesoft's role in the incubator has also been to set up the logistics and means of production within the Katapult facilities. Dewesoft provided a building for the incubator and a pool of mentors who share valuable tools and knowledge with the entrepreneurs. With Dewesoft's equipment and technology, entrepreneurs can make prototypes and manufacture the initial series of their products.

About Katapult and the Issues the Initiative Addressed

The core issue the project addressed was the socio-economic stagnation in the region: the idea was to give the valley a path to restore its entrepreneurial spirit, especially among the youth.

Katapult is an innovative resource center for like-minded people that offers support to companies at all stages of growth. Entrepreneurs who join Katapult can more easily overcome many organizational obstacles and focus on the creative part of their business, which brings the most added value. As the representatives of

Katapult put it, "We believe that creativity makes life meaningful, and innovation has the power to change the world. To help foster that change, there is a need to keep a positive mindset in the working environment and encourage entrepreneurship."

Katapult offers unique support by providing and sharing Dewesoft's machinery and measuring devices. The devices provided by Dewesoft are then used by smaller companies, and can significantly accelerate the development and improve the quality of their products. Additionally, Katapult offers the necessary infrastructure (offices, meeting rooms, conference rooms, relaxation corners, and other facilities), knowledge (a pool of mentors, internationally



Photo source: Katapult.

The facilities are modern and well adapted to the needs of young people. Member entrepreneurs can work on cutting-edge technology, such as robotics, creating great added value.

recognized speakers, educational programs), services (accounting, business administration, audit, law, grants, and funding), and other tools and resources for the development of businesses of young entrepreneurs.

The target group is the youth with promising ideas or other innovators who have designed an idea or a product and need support to facilitate their launch in the market. The name Katapult (The Catapult) was chosen to illustrate the powerful and effective boost that Dewesoft can provide to young companies.

Katapult further addresses the social needs of the region by having a strong influence and recognition in the local community. What is more, it addresses the environmental considerations by adapting a post-industrial location to new use. The incubator is located in a former building of the company Iskra, an industrial conglomerate that used to provide many jobs in Central Sava Valley. With the creation of Katapult, a building in decay was renovated and designed in a modern manner to improve safety and limit impact on the environment.

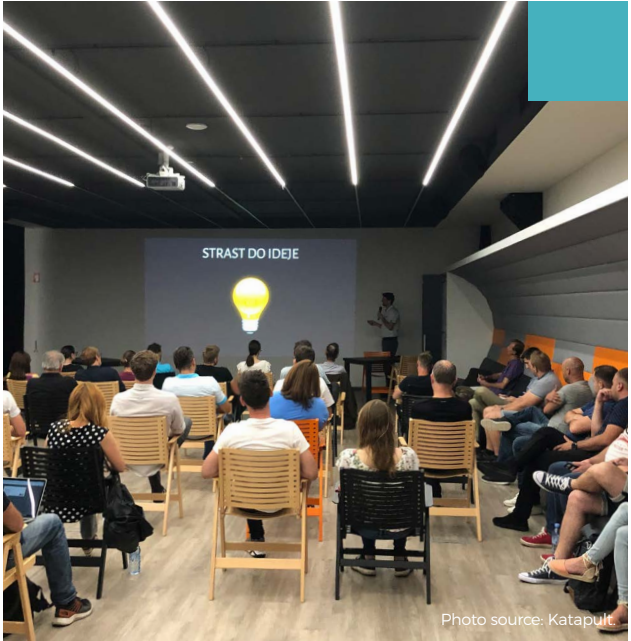
Outcomes and Impact

Young people need success stories of start-ups and innovation to give them motivation, hope, and confidence to follow through with ideas that could turn into similarly successful stories. Cooperating with a wide range of entrepreneurs, Katapult has helped convert smart ideas into businesses with tangible products. The quantity and quality of Katapult’s members speak for the incubator’s impact on the region and the wider national environment for entrepreneurship.

An example of a success story with Katapult’s help is Chipolo. This company had produced an initial prototype keyring tracking device and posted the idea on Kickstarter. Because there is a long way to go from prototype to a fully developed product, and Chipolo had very little time, Katapult came to its aid, providing the opportunity to test the product along with technical knowledge and useful contacts. Today, after five years, Chipolo makes about € 4 million in annual turnover.

Chipolo isn’t the only example. Other companies that operate within Katapult include: Monodaq (measurement instruments); RUK – DDTlab (research center at the intersection of art, science and technology); L-tek (manufacturer of printed circuit boards); SuperTrening (services for athletes); KUOLMi (jewelry made of coal); More Than Beauty (fashion); 5KA Publishing (assistance in book publishing); and many others.

Today, Katapult has 2,500 square meters of office space, production facilities, and meeting rooms. Some companies and entrepreneurs that joined the incubator operate in the building, some are part of the programs, and others come only for specific support to use machines or services offered by Katapult. There are currently 15 entrepreneurs in the Entities of Innovative Environment (SIO) program intended to increase the survival rate of start-ups, and 15 incubated companies or individual entrepreneurs operate in the building. Katapult also supports five to six teams annually under its Hardware program, a knowledge-exchange meant to increase the number and growth of startup companies



Gaining knowledge represents significant added value for young entrepreneurs trying to break into the market.

in the field of hardware development. Currently, six teams are operating under this program.

The once-stagnating Central Sava Valley is now considered technologically advanced and innovative. As a result, the patterns of migration are also changing for the better. The region has risen in status

since Katapult’s creation, emerging from the bleak post-industrial state and finding its niche in the 21st century. Above all, Katapult’s influence lies in the fact that many people would not be able to make the leap from prototype to mass production on their own. This is the point of growing a new business where most entrepreneurs give up. For many, this leap was made possible with the help of Katapult and its partners at Dewesoft.

Business communities on regional, national, and international levels recognized Katapult’s potential and many institutions, organizations, and individuals have been eager to cooperate within the project. As a result, Katapult received support from notable partners such as the Ministry of Economic Development and Technology of the Republic of Slovenia, the European Regional Development Fund, and SPIRIT Slovenia, a public agency for the promotion of entrepreneurship, internationalization, foreign investments, and technology.

Lessons Learned and Potential for Replicability

The Katapult project highlighted a common pain point for young entrepreneurs: despite creative ideas with great market potential, many of them do not have enough funds to buy all the necessary machines and equipment. At the same time, they do not have enough work to use those machines 24 hours a day. Cooperating and sharing the costs of production, administration, accounting, packaging, and shipping can thus launch successful businesses and reduce their environmental footprint.

The concept of a shared production space, combined with knowledge sharing and support, has proven to be a success helping many local startups. Instead of high upfront investments, Katapult allows them to incur very low initial fixed costs, which is crucial to facilitate a move into mass production. This concept began to spread to other places and industries in Slovenia.

An example is Kooperativa 103, a cooperative located in Pesnica pri Mariboru, a town in the Drava region. The cooperative offers production facilities with more than 50 machines for small startups involved in the food industry. Initiated by founders of three separate food companies, Kooperativa 103 was created to share costs of production, produce larger batches, and provide mutual support for the member companies (knowledge, experience, networks). Another example is 5KA Publishing House, a publisher that operates within Katapult, which brings together many small authors. By themselves they do not have the opportunity to become larger players, but being connected as a community within Katapult makes each member stronger. The core concept of Katapult is therefore quickly expanding, and its implementation is encouraged in many other institutions, industries, and environments.

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4 | EVN Inc.

Reducing Air Pollution in North Macedonia - Popularization and Enabling of E-Mobility



Photo source: Severin Wurnig / Studio Totale

Local Context and Background

Cars that operate on crude oil are a major source of global warming emissions. In an attempt to fight pollution, companies and individuals are developing alternative solutions for transportation. One is electric mobility (e-mobility). The eternal dilemma for e-mobility, however, is where to start for it to become the norm – the dominant means of transport. Should one wait for the charging infrastructure to be fully built, or buy electric vehicles and then wait for the infrastructure?

EVN, an energy company located in North Macedonia decided that waiting is not a viable option. It chose to act first and act early by building the infrastructure to enable a quick shift to e-mobility. The company recognized its responsibility as a big actor in the energy sector to enable charging infrastructure for all. When the project started at the end of 2018, there were no public charging stations in North Macedonia, very few electric cars, and the region was just beginning to build its charging infrastructure. With the help of EVN, North Macedonia is becoming more future-oriented, sustainable, and green.

EVN Macedonia AD Skopje, is an energy company that has operated in the country since 2006. It is a part of EVN AG, a leading European brand for energy and environmental-related services. With its local family of companies, EVN invests in the improvement of the overall quality of the electricity supply and distribution.

The company serves more than 700,000 customers, including households and small businesses and a significant portion of large business customers. In recent years, apart from improving the overall quality of the electricity supply, distribution, and customer service overall, EVN has introduced several innovative services in the area of energy efficiency, renewable energy, and electromobility. The company integrates sustainability in all areas of its work.

What Issue the Initiative Addressed and How?

Transportation is one of the largest sources of pollution. It represents almost a quarter of Europe's greenhouse gas emissions and is the main cause of air pollution in cities. However, the sector has not seen the same gradual decline in emissions as other sectors.¹ The struggle to make transportation greener has become one of the greatest challenges, with e-mobility being the most widely accepted solution. Recognizing global trends and local needs, EVN established a nationwide infrastructure for charging e-vehicles, a key prerequisite for broader adoption of e-mobility in North Macedonia. With this, EVN is working to mitigate the negative impact to the environment from carbon emissions, while reducing air pollution. Thus, the project supports environmental protection, preservation of natural diversity, and is enhancing quality of life.

Before EVN built the charging infrastructure, owners of electric vehicles could only charge their vehicles in their own homes. Electric car owners from other countries traveling to the Balkans had no place for charging. For these drivers, it was practically impossible to arrive and stay in North Macedonia. With the new infrastructure, all drivers, both domestic and foreign, can charge their vehicles for free on EVN chargers that are set up in all urban areas in the country. Furthermore, this initiative does not only benefit the current owners of electric cars. Anyone hesitating to purchase an electric vehicle can now do so.

Due to the limitations of current technology, without proper charging infrastructure, long trips with e-vehicles are difficult. EVN financed the building and installation of more than 40 charging stations in Skopje and 17 other cities throughout the country since 2018. The company installed the charging stations while cooperating with local authorities

to choose the locations and obtain licenses for installment. The chargers are positioned in central, publicly available locations such as parking lots, hospitals, and frequently visited business venues. EVN has established a website, emobility.evn.mk/, participated in various educational events, and transparently communicated the progress of the project in the media. The company also implemented e-mobility in its transport infrastructure with e-cars, e-scooters, and e-fork lifters.



Photo source: Severin Wurnig / Studio Totale

Outcomes and Impact

Since the establishment of the national charging infrastructure, the number of domestic electric vehicles on Macedonian roads has risen by 70%. With the rise in the number of electric cars, the positive environmental impact should also increase.

The project also enabled greater mobility for all e-vehicle owners due to better charging infrastructure. Community awareness for greener transport has been raised, and CO2 emissions along with air pollution have decreased – 45,000 kWh have been used for

¹ European Commission, (2021). Transport emissions. https://ec.europa.eu/clima/eu-action/transport-emissions_en

charging, which can be converted to c.a. 0.913g CO₂ savings per 1kWh.²

The rise in the number of electric vehicles in North Macedonia is in large part a result of EVN's comprehensive efforts to popularize e-mobility. Because so many different types of vehicles use electricity for mobility via EVN chargers, it is impossible to calculate other environmental outcomes precisely. But more than 41,000g of CO₂ have been cut due to charging via EVN's infrastructure. As the chargers are used more, the company plans to invest more in the quality of the overall network infrastructure. The company's strategy is to build, promote, and provide solar power as an alternative, which should further promote e-mobility and minimize environmental impact.

Lessons Learned and Potential for Replicability

During the project, EVN experienced various challenges. Most chargers are set up in public parking spaces where many cars park during the day. Drivers of non-electric cars often park their vehicles in the charging spots designated for electric cars. For that reason, electric car owners often leave their cars

parked in charging spots overnight. This indicates the need to educate all drivers on the rules of charging spot usage. This effort should also be expanded to local authorities to enable seamless charger use. In response, EVN is now working on educating existing electric car owners as well as advocating for putting in force a "fair charger use" policy.

The need for new chargers is continuously growing and many businesses and individuals have contacted the company about the potential of building more chargers. EVN is currently working on calculations for expansion of its charging network, but also considering upgrading it with the addition of fast chargers in certain high-frequency areas.

Charging is currently enabled with the use of an e-card. By the end of the year, the company intends to launch an app that will perform this action, thus enabling full modernization and digitalization of the charging process.

Sources

- ▶ European Commission. (2021). Transport emissions. https://ec.europa.eu/clima/eu-action/transport-emissions_en



Photo source: Severin Wurnig / Studio Totale

² The data listed in this document are part of the analysis conducted by EVN – the charger monitoring system recorded the kWh, the savings were converted using data about North Macedonia's energy profile acquired from IRENA (International Renewable Energy Agency).



5 | Hemofarm

Unbreakable

Local Context and Background

As a consequence of events in Serbia in the last two decades - wars in the region, hyperinflation, sanctions, transition, financial crisis, high unemployment rates, and the pandemic - the number of stress-induced mental disorders there is on the rise. Depression, murders and suicides, substance abuse, psychosomatic disorders, and violence are all strong indicators of the work to be done in that area.

A survey conducted in 2020 by the scientific research team from universities in Belgrade and Kragujevac on a sample of 1,057 adults from Serbia showed that depression, anxiety, and stress prevailed in the population during the COVID-19 pandemic. One month after declaring the state of emergency, almost 29 % of respondents reported moderate to severe depression, 37 % reported anxiety, and 38 % reported moderate to severe symptoms of stress.¹ According to data from the Batut Institute for Public Health, in 2018, mental health disorders were among the first six most common diseases in Serbia, while depression and abuse of psychoactive substances accounted for more than 90 percent of cases. Considering statistics of people suffering from depression, with 5 % of mentally challenged persons, Serbia was above the world average already before the COVID-19 pandemic.² Relying on WHO (World Health Organization) and European Mental Health Strategy, and in consultation with Serbian non-

governmental organizations and other key partners, Hemofarm Foundation has developed a campaign to support people, NGOs, and the state in improving people's mental health and wellbeing, and public policies in the future.



Photo source: Nebojša Babić.

Founded in Vršac in 1960, Hemofarm A.D. is currently the leading generic pharmaceutical company in Serbia and the region. Providing more than 70% of the total exports of pharmaceutical products, it operates on three continents and has a team of some 3,000 employees. The company is present in 36 markets globally through the STADA Group, of which Hemofarm has been a part since 2006. Hemofarm pays special attention to sustainable operations harmonized with the Business Social Compliance Initiative (BSCI) Code of Conduct in terms of social responsibility and respecting human rights. The BSCI compliance of 97.6% is the best result among all companies operating in Serbia.

What Issue the Initiative Addressed and How?

In recent years, the Hemofarm Foundation has been working to help prevent hardships facing Serbia's population.

To prevent the coronavirus pandemic from being accompanied by an epidemic of mental disorders, Hemofarm Foundation, in cooperation with the Faculty of Philosophy in Belgrade and supported by the Ministry of Health of the Republic of Serbia, launched a national campaign, "Unbreakable," for preserving mental health and fighting the stigma that accompanies those suffering from depression. The campaign launched on April 26, 2021, with billboards showing the message "Beware, Fragile" and "Don't Let It Break You" visible in 18 towns in Serbia, and with a strong presence in traditional and digital media. The campaign consists of blogs and advice by experts, psychologists, psychiatrists, and psychotherapists for the improvement of psycho-social health, as well as authentic testimonies of people struggling with depression. The most frequently asked questions and answers for overcoming mental health disorders are available on the website www.nesalomivi.rs and through the SOS line.

To point out the importance of mental health and encourage the public to seek professional help, Hemofarm Foundation launched other successful projects. One of them is "A Cup of Coffee with a Psychologist," started in 2019. A panel discussion dedicated to the topic "Depression - how this condition comes and how to overcome it" has more than 260,000 organic views on Youtube, which makes this project one of the most influential mental health projects in Serbia.

To preserve the health and well being of its employees, in 2020 Hemofarm also launched an internal program of psycho-social support: "Together We Can Do It All." The program was launched because depression among employees is a serious issue that resonates not only in their personal lives but professionally

as well, as their productivity and motivation are hampered by the disease. The project consisted of a series of conversations with prominent psychologists and psychotherapists on topics that were crucial for improving the mental health of employees. In addition to the interviews that were held once a month, the employees had the opportunity to talk to a psychologist individually, anonymously, and free of charge, and also got acquainted with techniques for improving mental health through the blogs of experts. The professional support was provided through partnerships with four Special Hospitals for Psychiatric Diseases in Vrsac, Gornja Toponica, Kovin, and Novi Knezevac.



Photo source: Nebojša Babić.

Outcomes and Impact

In the first month of implementation, 357,987 individuals and 32 stakeholders joined the "Unbreakable" movement. About 100,000 people watched the published videos and visited the website www.nesalomivi.rs. More than 2.5 million people saw the campaign on social networks, while 137 media

¹ Vujčić, I. et al. (2020). Coronavirus Disease 2019 (COVID-19) Epidemic and Mental Health Status in the General Adult Population of Serbia: A Cross-Sectional Study. International Journal of Environmental Research and Public Health. <https://www.mdpi.com/1660-4601/18/4/1957/html>

² Batut Institute. (2018). Health Statistical Yearbook of Serbia 2018. Belgrade. <https://www.batut.org.rs/download/publikacije/pub2018.pdf>

announcements were recorded.

A strong media campaign combined with the establishment of a national emergency number and a support network reached many and led to the following achievements in the first three months of the campaign:

- ▶ 472,745 persons joined the anti-depression movement Unbreakable.
- ▶ 652 stakeholders - institutions, business associations, and NGOs supported the campaign.
- ▶ 4 Special Hospitals for Psychiatric Diseases in Vrsac, Gornja Toponica, Kovin, and Novi Knezevac have been working on the SOS hotline.
- ▶ More than 4,000 people turned for help and support to the Unbreakable movement through the SOS line, special e-mail addresses and Unbreakable and Hemofarm Foundation social networks.
- ▶ 247,818 people saw the campaign Unbreakable on TV sets at 28 health centers in Serbia.
- ▶ 16 blogs on mental health were published.
- ▶ 22 confessions about fighting depression were published.
- ▶ More than 100,000 views of the video "Beware, Fragile!" and "Don't Let It Break You!" on the YouTube channel.
- ▶ More than 3.5 million people saw the campaign on social networks.
- ▶ The campaign generated some 600,000 EUR worth of free media space.



Photo source: Nebojša Babić. Nearly half a million people joined the anti-depression movement with the help of a campaign shared through TV, YouTube videos, blogs, articles, and billboards.

Lessons Learned and Potential for Replicability

The key to the success of this project was the timely recognition of the need, the importance of the topic at the relevant time, and the lack of similar activities undertaken in the local environment. Although the importance of this topic is steadily high, the timing of the project at the onslaught of the COVID 19 pandemic and resulting threats to health and life, anxiety, social distancing measures, changes of work routines, and limiting face to face contact, made the purpose of the project relatable to everyone.

The project's success is demonstrated by its large stakeholder engagement - from professionals, state representatives, international organizations, businesses, civil society, and media:

- ▶ **NGOs:** The project inspired a "Movement for mental health" to resolve the problems that people with mental health issues encounter in daily life. The movement raises awareness about the importance of mental health maintenance and advocates that authorities start the implementation of the "Program for mental health protection."
- ▶ **Businesses:** Hemofarm Foundation launched its project of psycho-social support to employees, providing blogs and sessions,

and inspiring other organizations to make similar support networks through exchanging good practices with the members of the associations such as AmCham Serbia, AHK Serbia, Serbian Philanthropy Forum, etc.

- ▶ **Individuals:** Engagement of numerous famous individuals and influencers who shared their personal experiences through blogs on fighting depression attracted additional attention and encouraged individuals to seek help.

The project inspired the Ministry of Human and Minority Rights and Social Dialogue to organize a roundtable on the topic "Protection and improvement of the citizens' rights in the area of mental health in Serbia" with a list of actionable items. Participants were representatives of the state institutions, international organizations, civil rights initiatives, media, etc. who agreed on the following list of mandatory steps for improvement of mental health in Serbia:

- ▶ Enact new laws regulating conditions for conducting a broader range of psychological activities.
- ▶ Establish a unique register of individuals, professional organizations, institutions, and private initiatives that pursue mental health improvement activities.
- ▶ Establish centers, advisory councils for prevention aimed at improvement of mental health and providing psycho-social services at the local level.
- ▶ Improve media reporting standards with the view for protection of the dignity of victims and destigmatization of users of psycho-social services.
- ▶ Mandatory education of experts in educational institutions regarding guidance of minors at risk, and recognition of mental impediments in primary health care institutions.
- ▶ Establishing tighter coordination between the relevant Ministry and NGOs in the area of mental health improvement.

In 2022, Hemofarm Foundation plans to launch a program to educate journalists on mental health reporting. This is very important for destigmatizing society and reporting with the highest standards of the journalistic profession.

The key to replicability does not need to be full project scope, but rather its different aspects, dedicated to different audiences. The starting point should be, as in the case of Hemofarm, the analysis of local needs, coupled with stakeholder mapping. Given that support is the key element of the campaign for improvement of mental health, it would be useful to share the in-depth experiences with anyone willing to venture into the area of mental health improvement.

Sources

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<https://www.mdpi.com/1660-4601/18/4/1957/htm>



6 | McDonald's Ukraine

Packaging and Recycling Campaign

Local Context and Background

According to recent research, most Ukrainians are concerned about environmental issues and problems relating to climate change, pollution, and waste. More than 80% of Ukrainians supported the 2021 legislative ban on plastic bags and reducing using plastics for products packaging.¹



Photo Source: McDonald's Ukraine

According to internal research conducted for McDonald's in Ukraine, most customers (89%) declared their willingness to sort waste in restaurants. On top of that, 93% of Ukrainians are ready to change their habits for the sake of the environment, 59% are willing to dispose of household waste, 50% to plant trees, 48% to use electricity more wisely, and 60% prefer products made by companies that demonstrate care about the environment.²

Despite the citizens' convincing stance on sustainability, the local context and Ukrainian legislation in the sphere of environmental protection still lag behind many European countries. The problem of waste sorting and recycling is still one of the main ecological problems in Ukraine due to the lack of legislation, and absence of recycling infrastructure and capacities in many cities and regions. There is also a lack of enterprises or public services that can recycle waste, and an absence of secondary raw materials on the market. Most waste and used packaging has unfortunately been burned more often than recycled.

In June 2021 the Parliament of Ukraine finally took the first step and banned plastic bags. The law will take effect in the following two years and is aimed at reducing plastic usage. Aside from that, many legislative acts and laws relating to eco-consumption and ecological production (for producers and manufacturing enterprises) have not yet been introduced. For this reason, the local eco-activists, non-governmental organizations, associations, as well as businesses remain the main drivers behind environmental protection efforts and spreading awareness to change the situation in Ukraine.

One of these was McDonald's Ukraine. Ukraine became the 102th country where McDonald's began to develop its network. The first McDonald's restaurant opened in 1997 in Kyiv. Now, McDonald's serves more than 100 million orders in Ukraine annually. Currently

the company has more than 100 restaurants in 24 cities in Ukraine and is annually included on the list of the 100 largest taxpayers, as well as on the list of the best employers. McDonald's Ukraine recognized its responsibility to raise awareness and develop both culture and infrastructure within its facilities for separate waste sorting.

What Issue the Initiative Addressed and How?

McDonald's is one of the first companies on the Ukrainian market to introduce a complex Packaging and Recycling project (in 2020). The goal of the program is to raise awareness about the necessity of waste sorting and recycling, as well as to transform traditional packaging and waste systems across the Ukrainian industry. The company's global goal is to reduce its waste impact and to lead the industry, and communities where they operate, to engage in sustainable practices.

Implementing the Packaging & Recycling program included 3 steps. The first was to minimize the usage of plastic and replace it with recycled packaging. McDonald's globally set goal is to source 100% of its packaging from renewable, recycled, or certified sources, and to recycle guest packaging in 100% of McDonald's restaurants by 2025. In Ukraine, the company has replaced almost all plastic packaging with recycled materials. This includes ice cream cups, hot and cold beverage cups, packaging for burgers and salads, and other items. The used oil is recycled into biofuel, while food scraps are made into fertilizer. From paper, McDonald's makes cardboard boxes. It produces trash bags from plastic and polyethylene, and paper cups from recycled delivery and takeaway bags. The paper packaging is certified by the Forest Stewardship Council (FSC) and the Program for Endorsement of Forest Certification (PEFC), meaning all materials the company uses come from sustainable sources.

The second step of the initiative was the launch of the Guests Sorting Program in McDonald's restaurants in



Photo Source: McDonald's Ukraine

Ukraine and the Packaging & Recycling communication campaign. The program started as a pilot program on waste sorting in 16 restaurants in several cities (Kyiv and Lviv) in September 2020. In one year, it has extended to almost all McDonald's restaurants all over the country – the recycling units are installed in 85% of the restaurants. During the pilot program and testing period, the company changed 20 prototypes of recycling units used in the restaurants. The communication campaign included an internal campaign for employees and an integrated campaign for the general public, which included publications in mass media, participation in relevant events, promotion in digital channels, TV, and social networks.

The third step of the program was to develop local eco-partnerships and local recycling infrastructure, as well as establish the demand for recycled raw materials. When the project launched in 2020, the necessary infrastructure was stagnant or absent in most regions and cities of Ukraine. The request for transporting, sorting, and further recycling of McDonald's packaging helped to develop cooperation with local services and brought some of these enterprises out from stagnation. Now, McDonald's cooperates with more than 30 local eco-partners in different Ukrainian regions, which help with the transport, sorting, and recycling waste.

¹ President of Ukraine. (2021, June 7). President signed a law banning the use of plastic bags in Ukraine. Official website of the President of Ukraine. <https://www.president.gov.ua/en/news/prezident-pidpisav-zakon-pro-zaboronu-vikoristannya-plastiko-68861>

² Gradus Research commissioned by Mastercard® and UKRSIBBANK BNP Paribas Group. (2021, April). Survey of 1,000 Ukrainians aged 18 to 60.

The key partners are Ukrainian companies, such as Obukhovgorvortorresursy, Biosfera Corporation, Zmiyov Paper Plant, and Blue Ocean Solutions.

Outcomes and Impact

The company faces systemic challenges, yet it invests and engages in strategic partnerships that advance circularity in the communities they serve. The goal is to use the company's scale to transform packaging and waste systems across Ukraine, and drive positive eco changes and unite people around an idea of a better future for the planet and the country.

The impact of the company's efforts is:

- ▶ Millions of Ukrainians have already joined sorting initiatives in McDonald's restaurants and the campaign is still in progress. The company showed the citizens the necessity of sorting and recycling by setting an example.
- ▶ The media coverage of the informational campaign reached more than 6.5 million people.
- ▶ Establishing and promoting the idea of circular economy among Ukrainian businesses - McDonald's has already established demand for recycled materials on the market and is gradually developing the culture of working with recycled materials.
- ▶ McDonald's encourages suppliers and partners to implement sorting and recycling at their enterprises. In total, McDonald's has more than 30 like-minded companies that also care about the environment in Ukraine. Those are Ecoway (Lviv), Obukhivmiskvortorresursy (Kyiv region), Blue Ocean Solutions (Kyiv), SemEkoPak (Zaporizhzhia), and others. These companies, in turn, transfer waste to their other partners. For example, disposable paper cups are sent for processing to Zmiyiv paper mill, paper and cardboard to Zhytomyr Cardboard Factory and PJSC Kyiv Cardboard and Paper Mill. Polygreen

Recycling Plant in Fastiv converts polyethylene into bags for waste. Such partnerships help develop not just companies but the economy in general, filling local budgets and creating new workplaces.



Photo Source: McDonald's Ukraine
The restaurants' recycling systems help each guest to recycle.

The company is convinced that even small changes to their packaging can make a big difference due to its widespread presence on the Ukrainian market. If packaging and plastic waste are not recycled correctly, a negative impact on the planet is inevitable as it causes littering and pollution. This is the core reason behind the change in the company's approach. All McDonald's packaging is now approved by the Forest Certification System, which includes the goal to source 100% of guest packaging from renewable, recycled, or certified sources by 2025. McDonald's Ukraine has helped customers reuse and recycle, and provided education for employees to show that recycling is not a chore but rather a necessary step to benefit everyone.

Lessons Learned and Potential for Replicability

When the Packaging & Recycling program started, the challenge was to find reliable suppliers in all the regions of the country where McDonald's operates. Since McDonald's does not have the capacity to

accumulate waste, it created possibilities for setting up waste collection systems. Together it created demand for recycled goods, using the products of recycling companies, including paper bags, cup holders, plastic garbage bags, expanding the market, providing contacts, and helping build cooperation and sales of recycled materials to the suppliers.

The lessons learned are that Ukrainians and Ukrainian businesses are ready to recycle, but it is difficult due to:

- ▶ Lack of time and knowledge on how to sort waste properly.
- ▶ Lack of organizations and locations where you can bring your waste for recycling.

- ▶ The number of fractions² to sort and keep sorted until it reaches the recycling station.
- ▶ Lack of necessary infrastructure in most Ukrainian cities and regions – transporting and recycling companies, necessary trash bins, transport, etc.
- ▶ Lack of control from businesses and the state to determine whether all waste was recycled and properly disposed of.
- ▶ Lack of necessary regulation and support provided by the state for the recycling businesses.



Photo Source: McDonald's Ukraine

² Recycle fraction is the fraction of a material that can be recycled cost effectively. IGI Global. (2021). What is Recycle Fraction. IGI Global Dictionary. <https://www.igi-global.com/dictionary/recycle-fraction/66782>

One of the main goals of the company within the initiative was to develop a culture of sorting among Ukrainians. After all, McDonald's restaurants are visited by millions of people, and many of them experience sorting of waste for the first time while visiting the restaurant. Thus, the company contributes to the development of sorting culture in Ukraine and environmental protection.

It is a great responsibility to be the leader of change both in the market and in society. McDonald's wants its own eco-initiative to act as a model for other Ukrainian businesses in terms of environmental protection. The global request for the conscious treatment of waste did not reach Ukraine as quickly as other states where McDonald's operates, but the company is proud to take a step forward and set the tone for its start. For now, the company is building momentum in the eco-initiative, aiming to inspire Ukrainian businesses and set a new trend for recycling throughout the country. The company is continuously searching for new partners to enlarge the global recycling system in Ukraine.

The great results of this eco-campaign have been recognized by the representatives of local governments. In 2021 the mayor of Lviv honored McDonald's company with a special acknowledgment and a diploma for a significant contribution to raising awareness and developing a culture of waste sorting.

The key lesson remains the importance to continue with initiatives in this direction. The company is determined to continue to use McDonald's scale to transform packaging and waste systems across the country, drive positive ecologically oriented changes, and unite people around the idea of a better future.

Sources

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7 | Pivara Skopje AD

Pivara Skopje Sustainability Initiative: ‘World Without Waste’

Local Context and Background

Packaging waste (PW) is a part of communal and industrial waste and has a high potential for recycling. All raw materials used in production and all final products that go to market are packaged, and the amount of PW that is generated in the Republic of North Macedonia is around 110,000 tons per year. It is mainly cardboard and paper (42%), plastic (29%), glass (16%), aluminum (2%), steel (2%), wood (5%) and composites (4%). North Macedonian PW per capita is 65-70 kg/year.¹

Until 2010, there was no system in the country to properly handle PW. Most of the PW in North Macedonia ended up in landfills, there was a lack of infrastructure for primary selection, and the main separate collection was done by industries and producers at their sites such as factories and warehouses. Few people in North Macedonia understood the need to for recycle packaging waste, and few thought or talked publicly about the environment or waste treatment.

Pivara Skopje decided to take on this task in 2010, as it thought the only way to create long-term value for all stakeholders is through sustainable growth. As a part of the global World Without Waste Initiative

of the Coca-Cola Company, Pivara Skopje joined with 10 other leading manufacturing companies in Macedonia to found Pakomak, the first organization in the country with the goal of providing a nationwide recycling system of PW. It started fully operating in 2011.²



Pivara Skopje will be 100 years old next year. It is the biggest producer in the beer and soft drink market in North Macedonia. Pivara Skopje is a joint venture of Coca-Cola HBC and HEINEKEN N.V. The Coca-Cola brand has been present in North Macedonia since the 1970s, and in 1991 Pivara Skopje started the production of Coca-Cola Company soft drinks as an authorized bottling plant. The company produces, sells, and distributes soft drinks, water, beer, cider, and energy drinks.³

Pivara Skopje aims to have a significant socio-economic impact on the country's development. It contributes 45 million Euros per year as an added

value in the Macedonian economy. The company is cooperating with more than 13,000 businesses in the country to grow more than 15 vital sectors in the domestic economy. With every hire it makes, Pivara Skopje contributes to an additional 3.6 jobs in the country. The company's total annual contribution to the country's budget exceeds 20 million Euros each year. Sustainable development and corporate social responsibility are an integral part of the business operations and development plans of Pivara Skopje. As part of the vision for a World Without Waste, Pivara Skopje has put forward a set of commitments and action plans to achieve the following targets:

- ▶ **100% Recyclability** – The company will make 100% of its primary packaging fully recyclable by 2025. Some 95% of primary packaging is already recyclable.
- ▶ **100% Collection** – It will recover 65% of primary packaging for recycling by 2025 and 100% by 2030.

What Issues did the Initiative Address and How?

Within the World Without Waste Initiative, one of the key goals is to manage packaging recovery and minimize environmental impacts by creating effective partnerships with stakeholders, including local communities, NGOs, institutions, the public, and the media.

The first step was to unite the representatives of the main stakeholders in the process of preparation and promotion of appropriate legislation related to PW management, utilizing knowledge and experience in this area from other members of Coca-Cola and Heineken corporations. Until 2010, North Macedonia had no regulations for efficient PW management. To bring the country closer to global and EU standards, Pivara Skopje worked through the largest business association in the country, the Economic Chamber of North Macedonia. It launched an initiative to establish

an expert group to help the Ministry of Environment bring the PW management system up to global standards. Pivara Skopje implemented best practices from other countries where members of the Coca-Cola HBC and Heineken groups operate.



The second step was to encourage other companies to organize a system for the collection of PW created by their operations and sales of their products. It helped establish Pakomak to do that. Pivara Skopje is the main supporter of Pakomak, providing financial support for its work and becoming the driver of the entire PW management process in the country. With the establishment of Pakomak, Pivara Skopje's example has been followed by 10 additional large companies in the country, as well as an additional 400 small and medium companies that have joined the new PW management system. These companies

¹ The data listed in this document are part of the analysis of the situation in this sector conducted regularly by Pivara Skopje, which are based on the field figures that Pakomak collects.
² Founders of Pakomak are leading manufacturing companies in North Macedonia: Pivara Skopje AD Skopje, Prilepska Pivarnica AD Prilep, Vitaminka AD Prilep, Pelisterka DOO Skopje, Magroni DOO (Ladna, Dobra Voda), Koding Dooel Kavadarci (Gorska Voda) Kozhufchanka DOO Kavadarci; Vivaks Dooel Skopje; Blagoj GjorevADVeles; VV Tikvesh AD; VV Stobi AD.
³ The company produces soft drinks, such as Coca-Cola, Coca-Cola Zero, Fanta, Sprite, Schweppes, NEXT, and Fuze Tea, a water brand Rosa, beer brands such Skopsko, Gorsko, Heineken, Amstel, Laško; ciders such as Strongbow and Apple Bandit, and energy drinks such as Monster & Predator.

started financing the system for separate collection of packaging waste from households, which means creating a system for primary selection by:

- 1 Installing the infrastructure on the streets.
- 2 Organizing and financing separate collection and transport from containers to the secondary selection – sorting PW according to the material.
- 3 Transporting to recycling plants where the PW is recycled into new raw materials for the industry.



Photo Source: Pivara Skopje

Voluntary eco-actions involve more than 40% of the employees and members of the management of Pivara Skopje and several other partners.

Simultaneously, Pivara Skopje has introduced significant innovations to reduce the total amount of PW on the market. One is the use of recyclable packaging. Another is reducing the weight and size of polyethylene terephthalate (PET) bottles and cans.

In addition to such investments in the production process itself, Pivara Skopje also invests in education and the development of public awareness about the need for waste selection and recycling. The initiative »Are you recycling!?» was designed and implemented in cooperation with Pakomak to raise public awareness about the need to deliver a clean and healthy environment. It works to remove pollution from the waters and banks of rivers and lakes and also works to replace disposable plastic bags with environmentally

friendly alternatives. The initiative began in 2016, and consisted of three volunteer eco-actions for collecting the entire dry waste on the quay of river Vardar in Skopje (2016, 2018, and 2019); a volunteer eco-action for cleaning the shore and waters of Lake Matka (2017); an eco-action to raise awareness of the need to replace non-degradable plastic bags with alternative solutions (2018); an education project for children for proper waste treatment, which involved pupils in 52 schools in Skopje and 45 primary schools across the country (2017); and an educational caravan for children from first to fifth grade, realized through an innovative theatre play »Green Planet« and visited by about 10,000 children to motivate new generations to behave responsibly towards the environment.

These voluntary eco-actions involve more than 40% of employees and managers at Pivara Skopje. As it implements projects and activities, Pivara Skopje strives to include partner organizations that share similar values. This includes several partners from institutions at national and local levels, representatives of the diplomatic corps in the country, the NGO sector, and other public figures. Government ministers, Ambassadors from the US, Great Britain and the Netherlands, NGOs and Pivara’s business partners took part in these actions, as well as municipalities, economic chambers, and SOS Children’s Village. For example, one of the projects clearing the banks of the river Vardar involved the then Deputy Prime Minister for European Affairs. The task of replacing plastic bags with paper ones involved the president of the largest civil society organization for consumer protection in the country. Divers from the civil organization Vrelo volunteered to clean the waters in the river Vardar and in the lake Matka.

The company also cooperated with central and local level governments, which must issue legal permits to set up the appropriate infrastructure for collection, selection, storage, and recycling of PW. Particularly significant cooperation with the government includes the implementation of communication activities and actions intended to raise public awareness.



Photo Source: Pivara Skopje

The platform "Are you Recycling?" has so far engaged more than 10,000 children.

Outcomes and Impact

The company and its strategic partners are embarking on a comprehensive, multi-year plan that directly addresses issues regarding packaging. This approach – World Without Waste – aims to collect and recycle the equivalent of a bottle or a can for each one put on the market by 2030.

Through a system managed by Pakomak, during 2020, the company managed to collect 60% of the total

PW up from 12.5% in 2011. The goal is to reach 65% by 2025. By cooperating with suppliers, the company managed to achieve over 95% recyclability of the PW it produces and aims to increase this figure to 100% in the next three years. By investing in containers, trucks, sorting facilities, and public awareness, it has increased the collected PW from 6,198 tons in 2011 to 25,000 tons in 2020. Apart from the increase of recycling of PW such as cardboard and plastic, some 4,000 tons of glass PW were collected through the Pakomak system. This represents around 25% of the

total glass PW generated in the country and almost double the amount of glass PW that Pivara Skopje generates on the market.

By implementing these steps and the platform “Are you recycling!?”:

- ▶ More than 1,000 m³ of packaging waste was collected in the volunteer eco-actions.
- ▶ Pivara Skopje’s workers volunteered more than 1,200 hours.
- ▶ More than 10,000 children from 10 cities took part in the sustainable future education.
- ▶ More than 100 key external stakeholders have directly participated in the realization of activities. These include government institutions, the diplomatic community, NGOs, business partners, and media.
- ▶ More than 1.7 million people had the opportunity to get acquainted with the activities and key messages of the platform, thanks to the extensive media coverage and effective communication with the public.



Photo Source: Pivara Skopje

Overall, citizens who are using the Pakomak waste collection and recycling system have increased awareness of the general significance of recycling, increased trust in businesses, and have created additional bonds to their favorite brands. Finally,

there is an increasing trust between businesses, the Ministry of Environment, the government, and local authorities due to cooperation in projects of common interest. Additionally, experts from Pivara Skopje actively participated in the working group that was established and managed by the Ministry of Environment in the process of designing the legal framework in this area in the country.

Lessons Learned and Potential for Replicability

The PW collection and recycling system discussed above shows that investments in infrastructure and collection are more effective when backed by public campaigns and educational events in schools and universities.

To reach even higher rates of recycling, citizens needed incentives to sort their PW. With financial and operational support from Pivara Skopje, Pakomak started designing an incentive-based system, based on Reverse Vending Machines. The system provides appropriate software, a mobile app, and data stored in the cloud. Through the app, the system allocates certain green points to every user account for every plastic bottle that is put in the Reverse Vending Machines. These green points can be converted into vouchers for use at local retailers, paying public services, or donating them to charity projects.

It is expected that the amount of collected plastic and aluminum PW will increase, as will the trust among all stakeholders in the recycling supply chain.



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Prevent Fabrics

Local Context and Background

Companies around the world are increasingly realizing that investment in sustainability and adaptation to new environmental challenges is going to be of crucial importance going forward the business perspective. Beyond the intrinsic value of decreasing environmental footprint, sustainable production from the business perspective operationalizes company values and enhances the trust an enterprise enjoys among its stakeholders. To be successful, businesses need to be trustworthy partners for their employees, customers, suppliers, and local communities.

One of the most common methods for companies to protect the environment is a circular economy. Reusing and recycling not only reduces a company's environmental impact, but it can also help build trust, which puts value on sustainability. In Bosnia and Herzegovina (BiH), a good example of applying circular economy production methods comes from Prevent Fabrics, a company that found new and innovative ways to work with renewable, recycled materials. The company has embarked on a transformational journey of the entire value chain, moving from a linear to a circular business model. The key aspect of this strategic move has been the value chain's transformation to enable circular use of materials and eliminate waste.

Prevent Fabrics began its journey in 2009 and is a part of the Prevent Group, which introduced its manufacturing operations to Bosnia and Herzegovina in 1999. The Group commenced operations in the city of Visoko with production of seat covers. Its

core business is the production and finishing of textiles. The company, headquartered in Germany, makes textiles for car seats, outdoor and child seats, furniture, and more. Prevent Group is now the largest private sector company in BiH and one of the leading industrial producers in the region. To ensure an effective transformation of the company's operations towards sustainability, Prevent Fabrics engaged in partnerships with various stakeholders, such as Antex, PPH Legs Sp. z.o.o., Foam partner, Turtex, Britax Romer, DriveDressi, and Lucid Motors.

What Issues did the Initiative Address and How?

Consumer awareness of sustainability is on the rise globally, with the majority of consumers saying they expect brands to do what is right. The use of recycled raw materials aligns with the larger movements of global industries toward a circular economy and working to achieve a closed-loop production cycle. As more and more governments introduce policies that encourage recycling and reuse, and as consumer awareness around sustainability continues to grow, companies that adopt circular business models will find themselves at a clear business advantage. Circularity ultimately means a better economy for everybody. This is not just an environmental issue – it benefits the society as a whole to make better use of scarce resources by designing systems to avoid waste and keep materials in use for longer. Prevent Fabrics has decided to act accordingly and adapt its value chain to meet better sustainability standards.

The company is committed to using recycled yarns that add value to the products by leveraging environmentally friendly technologies and applying innovative, sustainable solutions in the production process. Together with its suppliers, Prevent is developing yarn from polyethylene terephthalate (PET) bottles, which are often used to produce recycled materials.

Furthermore, to have a more environmentally friendly production, Prevent also changed its water consumption

system to reduce the use of clean water. The company's annual water consumption for production needs is 91,570 cubic meters. It now uses lesser quality well water that would not be suitable for drinking but is sufficient for Prevent's technological needs. This water is further prepared and softened to the quality required for the production process.



Photo Source: Prevent Fabrics; Antex; Britax Romer.

The company's value chain has been modified to meet better sustainability standards.

Prevent's efforts are in line with the European Union's (EU) priorities. The EU currently exports half of the plastic collected for recycling for processing in non-EU countries. Reasons for exports include lack of capacity, technology, or money for local processing. To reduce the environmental impact, the EU is trying to find circular and climate-friendly ways to manage its plastic waste. The main problems hampering recycling are the properties and price of plastic products. Plastic processing requires large quantities for recycling to be possible at a competitive price. Prevent buys recycled products from the EU and processes them into

materials for the automotive and furniture industries. In this way, materials that could end up as waste gain new life.

The company has furthermore engaged in lighting modernization, replacing 80% of its existing lighting fixtures with energy-efficient light bulbs. Such measures not only increased the efficiency of electricity use, but also improved conditions in the work place through better lighting. These improvements were directly related to the satisfaction of workers, simultaneously increasing productivity and reducing emissions.

By implementing environmentally friendly technologies and sustainable solutions, and using energy more rationally, the company also strives to reduce its carbon footprint. As most electricity from the national grid in BiH is still obtained from fossil fuels (coal, to a lesser extent oil), which are the causes of CO2 emissions, energy efficiency becomes the primary measure to reduce emissions.¹

To reduce emissions in logistics, Prevent uses the services of a collective transport network as well as logistics hubs and modern management of the flow of goods to make transport efficient and economical.

Outcomes and Impact

Investment in equipping production plants with innovative technological solutions and process allowed Prevent to deliver products with better quality and lower costs. The new operating model also reduced the company's carbon footprint by 40% (simply replacing virgin polyester with recycled polyester reduces the carbon footprint by 20-30%).

The share of recycled materials in Prevent's products stands at 5.22% and is rising. The company is currently in the development and approval phase several

¹ Bankwatch Network. (2018). The Energy Sector in Bosnia and Herzegovina. <https://bankwatch.org/beyond-coal/the-energy-sector-in-bosnia-and-herzegovina>

products with a 100% share of recycled materials. Furthermore, energy efficiency and recycled polyester enable more efficient marketing of products as they meet the EU's environmental standards and appeal to a wider consumer base. Prevent's experience shows that switching to more sustainable production models makes financial sense in times when green is becoming the norm. Recycled products are easier to market as companies with sustainable business models have a comparative advantage due to changing consumer preferences. In the long term, engaging in a circular economy will become an imperative for all companies, but those that realize and act on it early will benefit the most.

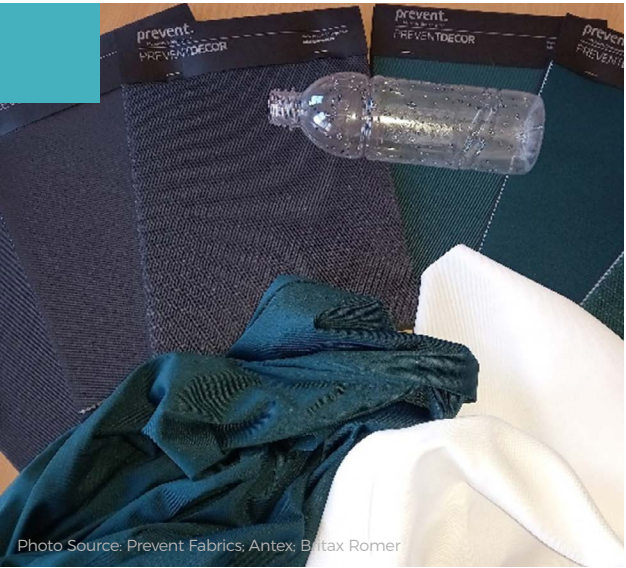


Photo Source: Prevent Fabrics, Antex, Bitax Romer

Materials that could end up as waste gain new life for the benefit of the environment.

Prevent Fabrics realized that sustainable investment in manufacturing infrastructure and innovation can be a driver of growth, and technological progress is key to finding lasting solutions to economic and environmental challenges. The sustainable approach that the company strategically chose contributes not just to its bottom line but to societal prosperity and builds trust between the local community and the company. Offering sustainable products at affordable

prices, while facilitating sustainable value chains, is a winning business proposition.

Lessons Learned and Potential for Replicability

Prevent Fabrics uses a large variety of raw materials to make its products and there is a need to make sure these materials are produced in ways that are good for the environment and society. Company representatives stress: “We believe that the positive impact needs to and can be increased, including going beyond the needs of the business and working together to transform markets and protect resources for future generations.” This approach improves relations with the local community and effectively tackles pressing environmental challenges. To achieve this transformation, Prevent works closely with suppliers, business partners, and other stakeholders to understand where its raw materials come from and support improvements at key stages of the value chain.

The potential for replicability is very high and other companies around the world can incorporate similar value chain adaptations into their own operations. It is important that companies realize just how beneficial sustainable investments are from the viewpoint of both environmental protection and business strategy.

Prevent has lead by example in sustainable value chain adaptation, emphasizing how important it is to build partnerships and encourage other stakeholders to take similar measures and help solve complex environmental problems. The time to act is now.

Sources

► Bankwatch Network. (2018). The Energy Sector in Bosnia and Herzegovina.
<https://bankwatch.org/beyond-coal/the-energy-sector-in-bosnia-and-herzegovina>

About CIPE

The Center for International Private Enterprise (CIPE) is a non-profit international affiliate of the United States Chamber of Commerce and a core institute of the National Endowment for Democracy. Founded in 1983, CIPE's mission is to strengthen democracy around the globe through private enterprise and market-oriented reform, fulfilling our vision of a world where democracy delivers the freedom and opportunity for all to prosper. CIPE does this by partnering with local business associations, chambers of commerce, universities, think tanks, and advocacy groups to advance democratic and economic reforms worldwide. CIPE is headquartered in Washington, D.C. and currently has regional offices and representatives in more than a dozen countries, as well as a vast network of partners past and present. A wide range of donors directly support CIPE's work, and CIPE regularly collaborates with other international development and democracy organizations to carry out joint projects.

About AmChams in Europe

AmChams in Europe is an umbrella organization uniting 46 American Chambers of Commerce in 44 countries in Europe and Western Asia. As a bilateral voice of American and European companies, the organization communicates the importance of the transatlantic economy, which facilitates over 20 million jobs around the globe and accounts for over \$11 trillion in investment.

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