






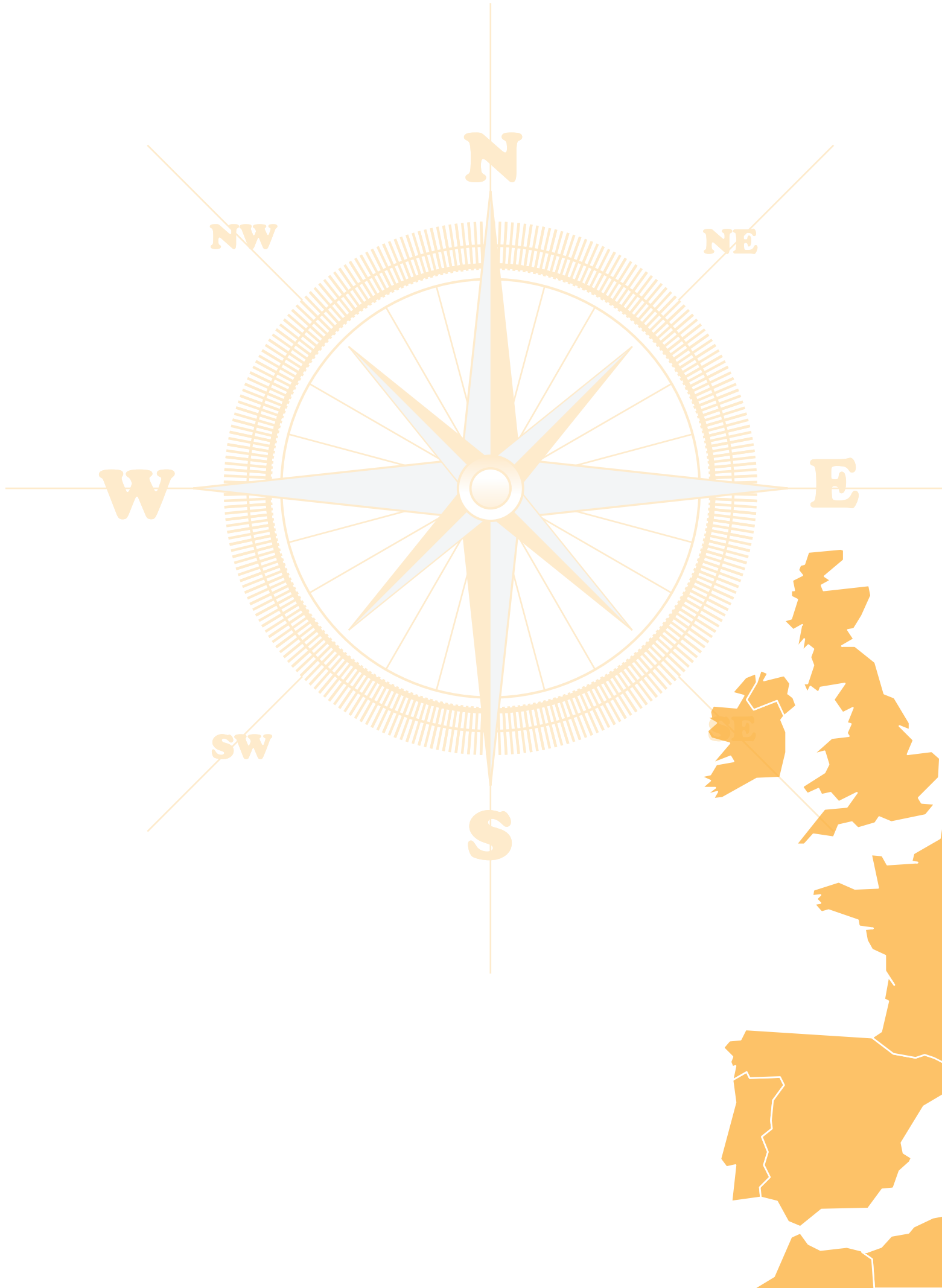




Sustainability Travel Guide 2011

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1 ABOUT THIS REPORT



At **denkstatt**, our understanding is that business and sustainability are inextricably linked. We see our sustainability report as part of our organisational development and our journey towards sustainability. Our Sustainability Report 2011 helps us to work on core issues, identify new solutions and continually set goals accordingly.

This is our second Sustainability Report. It demonstrates our commitment to understanding the current challenges related to our business activity. Going through the report, you will find that we passionately strive to achieve our mission, which is the primary goal in performing our services.



“Leading economy, society
and our living environment
towards a sustainable future”

Our route in the travel period is from January 2009 to December 2011 (as 2007 is set as a base year for this trip).

The travellers with us are the established offices of **denkstatt**, the offices opened in 2011 are limited source of statistical data and figures (the locations in Serbia, Spain, and the second office in Vienna) and therefore are not counted. For reasons of completeness, data for Slovakia is included in the average and total figures, however excluded from the comparison with other offices founded before 2011 regarded as inaccurate analysis in time.

Main places to visit are our achievements, challenges and new goals - set within the framework of our economic, social and environmental performance.

Further, we introduced **some changes in our route** - as the previous time, the relative indicators referring to the number of employees concern the full-time equivalents (FTE), if not stated otherwise. Because of improved data collection through the established environmental and quality management systems as well as updated emission factors, data on several indicators differs from previously reported. All introduced changes are in line with the GRI principles.

2 denkstatt ON THE MAP: OUR COMPANY

Statement on behalf of the Managing Board

We deal with the future. Our business is to support enterprises and public administration to find new and promising ways towards their future. This is a fulfilling and encouraging business.

In addition, there are several challenges to be faced. Upcoming unexpected developments in the society resulting in changing markets and new decision-making processes, technology breakthroughs in energy and mobility, where new business models are required.

Related with this, we have to establish ways to explore potential requirements of our future environment. Like every organisation, for **denkstatt** the information and knowledge management and the people management (in terms of achieving organisational human sustainability) is crucial to increase organisational maturity and professionalism. We hope that the esteemed reader can learn something about our efforts to cope with these necessities – and maybe adapt some ideas for their own organisation.

Christian Plas
Managing Partner



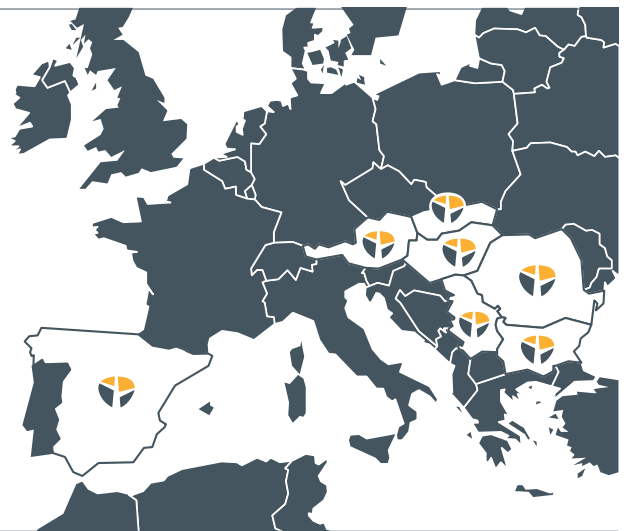
2.1 Getting there: Business Overview

denkstatt is among the first consultancy companies in the field of sustainability and environmental management, operating in a number of countries in Eastern Europe, in Austria and Spain. We assist our customers in achieving maximum benefits for the environment and society, while sustaining economic profitability and developing innovative solutions that meet sustainability challenges and strengthen their competitive advantage.

denkstatt GmbH was established in Austria in 2007 through the merger of **denkstatt** Umweltberatung und Management GmbH and GUA – Gesellschaft für umfassende Analysen GmbH. In addition to the head office in Austria, **denkstatt** developed a presence in other countries across CEE – Hungary, Romania and Bulgaria. In 2011, we established offices in Slovakia, Spain and most recently in Serbia.



denkstatt World



Austria, Hungary, Romania, Bulgaria, Slovakia, Spain and Serbia.

2.2 In Focus: Corporate Governance

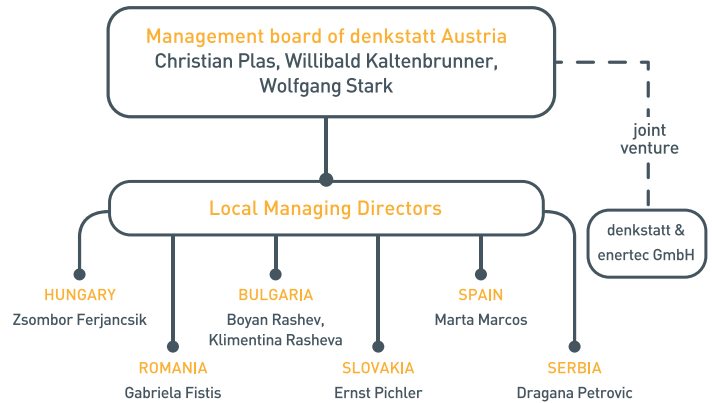
denkstatt GmbH is the main shareholder of all subsidiaries (except the office in Hungary, where **denkstatt** shareholders directly own shares) and is organized as a network of equal partners (all offices are individual legal entities). **denkstatt** is governed by the managers of all offices applying consensus in decision making during strategy meetings held twice a year. Employees are considered active stakeholders in the strategy development process and are provided with many opportunities to contribute, both before and during the meetings.

The management board of **denkstatt** Austria, comprising also the shareholder majority is considered as the highest governance body in **denkstatt** group. Governance is realised under the principles of subsidiarity so that every issue has to be scrutinised and solved by the most direct organisational entity possible. The Austrian board thus serves as the ultimate governance level. In **denkstatt**, there is no official process for determining the composition, expertise and gender of the highest official body, as up until now there is no need for enlarging it.

To indicate the critical governance areas for the business **denkstatt** uses its Code of Conduct, which is perceived as a permanently developing instrument to give guidance to our learning organisation. Critical governance issues and lessons learned are subject to the annual management review.

denkstatt is flexible and adapts quickly to markets and changing environments. All country managers are local, which provides the company with a deep understanding of the market requirements and developments. Subsidiaries are managed by a team composed of national and headquarter managers, which provide the company with a deep understanding of the local market conditions together with a regional and global perspective.

Thus, **denkstatt** nurtures a diverse spectrum of knowledge and cultures, mobilizes a high level of involvement and commitment of staff members and cultivates continuous innovation and fresh perspectives.



2.3 Past, present and future: Appeal to Sustainability

We understand sustainability as a paradigm in which companies increase long-term shareholder value by exploring new opportunities and by identifying, measuring, and mitigating economic, social, and environmental risks and developing strategic opportunities arising from new or future market demand. We do not consider sustainability as an extra percentage diminishing the bottom line, but as a fundamental and strategic change of the overall business approach.

We believe that promoting sustainability will trigger a societal and economic transition that cannot rely on the common ways of thinking and behaviours and might put us temporarily out of our comfort zone. Einstein said: "Our problems are the result of outdated ways of thinking. We cannot solve the problem using the same way of thinking with which we created the problem".



MISSION
Leading economy, society and our living environment towards a sustainable future.



VISION
Leading sustainability consultant in CEE.

"We see our role in society as a Catalyst"

"We are a value-driven company"

The most effective way we contribute to sustainability is by accelerating the market penetration of our services and strengthening our impact on decision-makers. More projects means bigger steps forward.

"People management and knowledge management are the most important spheres in which we have focused our efforts in the reporting period"

We see our role in society as a catalyst. We influence the important decisions made by our clients through the provision of balanced options and solutions, striving for strategic consultancy. We combine this approach with continuous growth. This is linked with the constant development of our products and quality of services.

Our beliefs and our passion about the societal development and environment shape the way we live and do business. Our mission guides each activity and operation. This facilitates our decisions, keeps us focused and motivated.

In order to support our mission and values we have created a Code of Conduct, which reinforces the moral principles and commitments of our responsible behaviour. Our Code of Conduct clearly states what we stand for and what others can expect when doing business with us.

Running with denkstatt: Our Challenges

Sustainability is a fundamental part of our company's operations, as it lays the foundations of our reputation. We encounter several major challenges along our sustainability journey.



Our challenges towards Sustainability

Our clients and our employees form the foundation of our company. Our biggest challenges are related to the constant expansion of know-how and its efficient management in the context of work-life balance.

Investment in employee development is crucial to ensure a competitive advantage in the knowledge economy. However, we need to find the organizational paths to make the best of our investment in employee development. On the other hand, the dynamics of our daily business and dedication to meet customer needs often confront the notion of a healthy and enjoyable life. We realize that work-life balance is not only important for the physical state of our employees; it is the foundation of happiness within our team.

Developing our business requires adaptation of our services to the local market. We work in countries at various development stages. In some countries, we cover the demand, whereas in others we strive to create the market for sustainability consultancy.

The business environment in Central and Eastern Europe is still marked by the challenges and experiences encountered during the economic transition process. The dramatic system changes had led to uncertainties enabled legal loopholes and favoured unfair business practices. While in overall the situation has improved greatly, some issues remain unsolved.

One of our key principles is to operate in an honest and responsible manner in full compliance with all relevant legal requirements and we oppose any type of corruption and unfair competition – which might result in constraints in market penetration and lead to market disadvantages. No legal actions for anticompetitive behaviour, anti-trust, and monopoly practices as well as fines and sanctions for noncompliance with laws and regulations have been undertaken against any of our offices.

In line with our commitment to high quality services and continuous improvement, we have a strategic objective to establish ISO certified integrated (quality & environment) management system throughout the group by 2013. It provides us with a tool to systematically manage and improve our quality and environmental performance and to meet our company goals. In 2011, 50% of our offices (Austria, Hungary, Bulgaria and Serbia) have already established certified management systems.

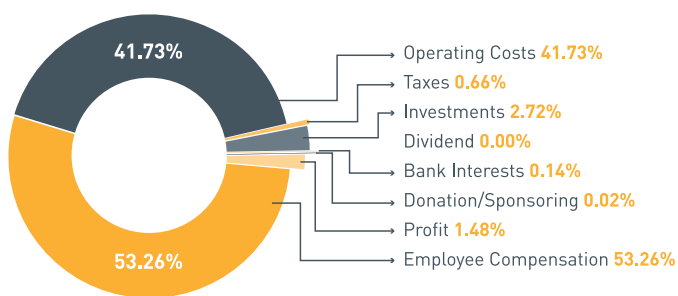
On the environmental side, we recognize business travel as a very important direct aspect. Moreover, being consultants requires close relations with our clients and their operations. We cannot avoid the consequences of our growth as a company in terms of people and new offices. Travelling more seems unavoidable, but we do apply different measures in order to limit the impacts, among which there is an increasing use of telephone- and video-conferencing.

2.4 Central highlights: Economic Performance

denkstatt has always pursued a constant and long-term economic growth, thereby creating benefits for our employees, customers and society. The results of the last three years show that we are successful in this endeavour – a stable rising trend of the **denkstatt** group revenue is observed, even in the crisis time. Additionally, there is a steady increase in the revenue per employee.

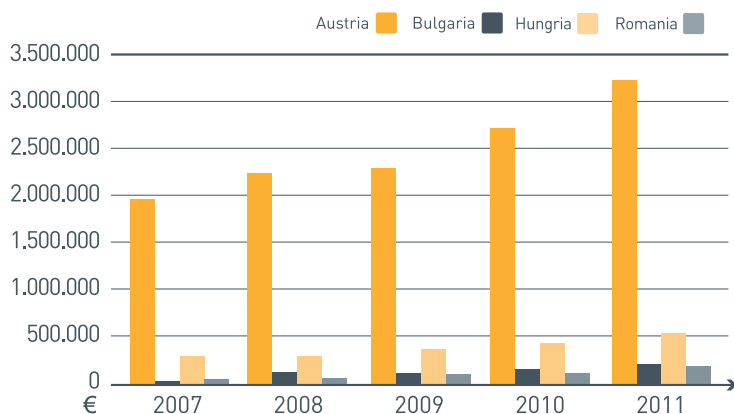
“We have achieved a stable growth in the reporting period”






This indicates higher productivity, which is the pay-off of our investments in employee and organisational development. Further, managers remuneration is influenced directly by the company economic performance. We do our business mainly with private organisations, public organisations at local level and recently we started enriching our experience and knowledge by becoming partners in EU grants for RTD projects, (Romanian and Bulgarian offices).



 **Group Revenue Distribution**

The group revenue shows an increasing trend over five consecutive years. The contribution per employee varies depending across offices, as there is a significant increase in 2011 for the office in Austria. The majority of the **denkstatt** group revenue is spent on employee compensation and operating costs, which proved to be a steady trend from the existence of the company.



	 Austria	 Bulgaria	 Hungary	 Romania
2007	100.4	3.7	49.0	11.0
2008	94.2	28.1	48.7	12.8
2009	96.5	21.4	45.9	31.5
2010	96.9	29.8	53.5	28.5
2011	123.7	26.1	52.0	35.7

in 1000€ / FTE

 **Group Revenue**

 **Group Revenue per Employee (FTE)**

2.5 Stakeholder engagement


We enjoy travelling towards sustainability, supported by all connected parties to our business activities. Among our key stakeholders, we identify our clients, employees, business partners, shareholders and external public and private organisations that we cooperate with. Networks and partnerships are important instruments in triggering wide-ranging change.

Approaches to stakeholder engagement vary according to the type and group they belong. We treat our employees and clients with priority as they form the basis of our development. High level of employee engagement ensures commitment to pursue business goals and bring a change following the company principles and mission statement.

Keeping in line with our vision for noticeable influence, we participate in different expert groups and thus contribute our opinion on the policy development. One of our goals is to have impact on decision-making on the EU level, within the field of sustainable development. We aim to support this process by engaging in expert groups. Via these bodies, we participate in the process of policy making concerning the framework conditions for environmental and sustainability policy.

We encourage close cooperation with our stakeholder through various communication channels:

Main activities for stakeholder engagement

TYPES OF STAKEHOLDERS	EVENT	REGULARITY	TOPICS MANAGED
Employees			
	Employee satisfaction survey	once per year	Personal business goals evaluation, teamwork, working environment, work-life balance, etc.
	Performance evaluation meetings	once or twice per year depending on the office	Personal business quantity & quality goals evolution, work load efficiency, needed changes by the end of the year, etc.
	All employees attending the strategy meetings	once per year	Regular check of the company mission, vision & values; company performance review; setting goals & strategy development, important issues, raised by employees, etc.
	Team Building	several times per year depending on the office	Reinforce the team relations
	Vienna City Marathon	once per year	Part of the social benefits; opportunity for health improvement (identified as important issue from our employees)
Customers			
	Customer satisfaction survey	depending on the office	General level of satisfaction; quality of project implementation and achievement of final results; new ideas brought to the client; future opportunities
Expert groups			
 Austria			
Austrian Society for Sustainable Real Estate (ÖGNI)	As a founding member of we are in regular contact with the group and participate in their development actively	once per month	Standardisation, integration of market requirements, quality management
Member of the Waterfootprint Network		once per year a Partner Forum meeting; every two months Webinars	Application of tools in private sector
Member of the Austrian Federation of Industries	Meeting of various appearance	once per month (quarterly for energy, environment and society each, general assembly and others)	Lobbying for sustainability issues in applicable committees
Member of respAct, Austrian Business Council for Sustainable Development	General assembly and working groups	Annual General Assembly, ad hoc working groups (about five times per year)	Austrian CSR action plan Sustainability consulting
Board member of the Federation for Sustainable Environmental Management (VNU), Germany	Board meetings	twice per year	Fostering of environmental management and sustainability in industries
Board Member of WWF Austria	Board meetings	six times per year	Safeguarding of environmental protection
Member of the Scientific Board of the Upper Austrian Future Academy	Board meeting	once per year	Integration of state-of-the-art sustainability issues into the governmental strategies

 Bulgaria			
Bulgarian Green Building Council	General assembly & regular member meetings	quarterly	Green building issues; EPD of building materials
Bulgarian Electromobility Association	General assembly & regular member meetings	quarterly	Project opportunities to develop the electromobility concept in Bulgaria; electromobility issues
Bulgarian Chamber of Mining and Geology	General assembly & regular member meetings	quarterly	Elaboration of the first Sustainable Mining Standard
 Hungary			
Association of Environmental Enterprises (KSZGY SZ)	Participant on regular education workshops and conferences	quarterly	Changes in environmental legislation
KÖVET Association for Sustainable Economies	Cooperation in organization of professional workshops	once per year	Management systems
Joint Venture Association Business Alliance of Foreign and Domestic Investors	Regular workshops	quarterly for the workshops	EHS Project management
	Meeting of the Environmental committee	once per year	Public awareness and advocacy in the area of environmental protection

3 TRAVEL ESSENTIAL: OUR MARKETPLACE

denkstatt develops its business primarily in CEE, where we expect the demand for sustainability services to grow. An increasingly broad range of services, high customer satisfaction, and successful projects prove that **denkstatt** is capitalizing on its potential to unfold new markets.

3.1 Places to see: Our Services

We provide consultancy services and trainings, development of strategies, elaboration of reports and feasibility studies in four major fields: Environmental Protection, Management Systems, Social Development, Sustainability Consulting.

"We assist clients in creating sustainable value"

 **Management Systems 30%**

- . Audits
- . Energy Management Systems
- . Environmental Health and Safety Management System (EHS)
- . Integrated Management Systems
- . Legal Compliance
- . Process and Quality Management
- . Risk Management
- . Tools
- . Training Programmes

 **Environmental Protection 32%**

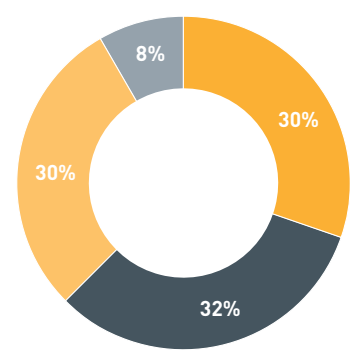
- . Assessments
- . Climate & Energy
- . Legal Tools
- . Nature Conservation
- . Waste & Resource Management

 **Social Development 8%**

- . Communication
- . Social Design
- . Stakeholder Involvement

 **Sustainability Consulting 30%**

- . Product Sustainability
- . Sustainable Building
- . Sustainable Development/ Business



Management Systems (orange), Environmental Protection (dark blue), Social Development (grey), Sustainability Consulting (light orange)

Our main services

As the nature of our business is to work together with manifold industries and institutions, the diversity of our services makes us adaptive at the local and international level. All offices offer the whole range of sustainability services. At the same time, each country office has developed expertise in specific fields, according to the market situation. Overall, there is a good balance – product groups generate similar number of projects and revenue.

Turnover distribution per product group

The services we provide are in line with the legal requirements and no fines have been issued for non-compliance.

3.2 Travellers' needs: Exceed Customer Expectations

Long-term prosperity in the consultancy business is only possible by achieving a high level of customer satisfaction and constantly exceeding expectations – this is what we try to do with each project. We create sustainable value for customers by promoting practices that lead to less environmental and social burden and more economic value. We succeed in this endeavour by looking for opportunities that can move the client further along the sustainability path and thereby continuously improving the quality of our services.

denkstatt is uniquely positioned in the area of environmental sustainability. Through working closely together, we have received leading edge research results on water stewardship and the development of a water footprint impact assessment. By developing new strategies and gaining insights on sustainability and environmental impacts, **denkstatt** has supported TCCC to develop the next level of objectives and programs, and deliver prominent results against global goals. In our work with **denkstatt** we appraise exclusively the values of trust, transparency and timely communication, which proved to be of significant importance for sustaining a fruitful and long-term business relationship.”

Dr. Klaus P. Stadler
Director Environment & Water Resources Europe
The Coca-Cola Company



We measure the quality of our services through a customer satisfaction survey. It includes the overall impression of the client, the quality of planning and implementation of the specific project and the performance of the individual consultants who worked on it. As expected, we have set challenging goals for customer satisfaction.

Since early 2000, PlasticsEurope has worked with **denkstatt** to carry out scientific studies evaluating the contribution of plastics products to resource efficiency. These studies looked specifically into the savings of energy and greenhouse gas emissions achieved by the total market of plastics application in Western Europe.

By evaluating the full life cycle, it became clear that the use phase of the application is often much more dominant than the production or end-of-life phases. The study was used for webinars to equip PlasticsEurope's employees and member companies with much welcomed fact-based information they can use when addressing their various stakeholders. PlasticsEurope highly appreciates the pragmatic approach of **denkstatt** to reach maximum resource efficiency: doing 80% of the work with 20% of the effort (and thus with low costs), but with sufficient accuracy to come to robust conclusions.

The peer reviewers of these projects confirmed our observations: neutral, unbiased studies, built on robust data – there was no need for any major changes.

Patricia Vangheluwe
Director of Consumer & Environmental Affairs
PlasticsEurope

In December 2011 **denkstatt** Bulgaria won in two categories of the Forbes magazine awards "Forbes business awards 2011":
1-st place for Peter Seizov in Clients relationship employee category;
2-nd place for **denkstatt** Bulgaria in Customer policy category.



“...and though we are a small enterprise we are strong in terms of ideas, creativity and aspiration and this is why we consider ourselves as big.”

“Winning the Forbes' client relationship award was exciting! I enjoyed it mostly because it was both a recognition that environmental consultancy is a valuable contribution to Bulgarian business and a proof for the quality of **denkstatt**'s services. Although I see this award as a result from team efforts, it is also important from a personal point of view. Four years ago, I started working for **denkstatt** as an experiment, since this was a major career change for me and I am happy that the experiment turned out to be successful. The award is a confirmation that when you enjoy what you do, the results are valuable.”

Peter Seizov,
Senior Consultant
denkstatt Bulgaria

Data security and privacy of corporate data of our customers is essential for **denkstatt**. We do not share personal information of our customer and abide by all laws, regulations and standards. In this direction **denkstatt** Austria implemented a management system following ISO 27001.



3.3 Activities: Market Development

The concept of sustainable development is quite new to most of our countries of operation. It is often a challenge to persuade clients that the use of international standards and best practices makes sense in the local business environment.

On the other hand, sustainability is frequently used in the shortsighted context of specific problems (e.g. management systems or life cycle assessment), as opposed to the embracement of sustainable solutions as tools for broader change and understanding.



“We create the market for sustainability services in CEE”

Different countries have various requirements and we struggle to equally share and distribute our knowledge. Services, well developed in Austria, have no application in other countries at the moment. For example, product sustainability services are highly demanded there, however, in Eastern Europe this is not yet a priority for companies. Thus, managing market penetration, positioning, knowledge sharing, and people with different speed on different markets, puts us under pressure.

Among the main obstacles to the development of markets is the lack of uniform, national, or sectorial policies and strategies for sustainability. The absence of a multilateral format coordinating all stakeholders on sustainability issues is also a challenge. Additionally, despite the potential benefits from operating in a new way and become competitive, governments are offering very little in the way of incentives. Therefore, we take into account the economic and political development in the countries of operation and focus on a twofold approach: create markets by offering new services and at the same time implement projects by delivering demanded services.



Water Footprint Sustainability Assessment of Refined Sugar

The Water Footprint concept is an evolving method for managing the overall impact of a company on the water situation in their regions and among their stakeholders. Just like other footprints, it takes the whole lifecycle of a product or service into account. With the support of **denkstatt** The Coca Cola Company was one of the first corporations worldwide which had measured the water footprint of its product. Sugar beet proved to be one of the most important components of the water footprint. In this project, the Coca Cola Company and **denkstatt** went a step further: After calculating the amount of water required, **denkstatt** analysed in which European countries the water footprint of sugar beet constitutes a threat to sustainability. For this **denkstatt** and the Institute of Water Quality, Resources and Waste Management from the Vienna University of Technology compared the regional available water to the water used for the local production of beet sugar due to pollution, irrigation and other water consumption related to beet sugar cultivation and refining. Results of this study were released in the publication “Towards sustainable sugar sourcing in Europe” by The Coca-Cola Company within the Stockholm World Water Week in August 2011.



Krumovgrad Gold Mine Project

Balkan Mineral & Mining (BMM) had an investment proposal to develop an open pit gold mine near the town of Krumovgrad, Bulgaria. The project had faced strong resistance by environmental NGOs and local community as it went through an EIA procedure, resulting in government refusal of the proposal. Additionally, it fell within the boundaries of the newly established NATURA 2000 network.

In 2008, **denkstatt** Bulgaria was commissioned to manage the Natura 2000 assessment of the project. After studying it, we opted for a risky solution – to hire the leading NGO scientists to make the assessment.

The initial proposal was based on cyanide extraction, the affected territory was more than 200 ha and a standard tailings pond was to be built. The intensive interaction between our experts and the investor changed the technology and parameters of the project. The final version covers a territory of about 85 ha, extraction technology is based on flotation, no tailings pond will be built and wastewater will be of potable quality.

The leading environmental NGOs in Bulgaria no longer object the project, local people are ready to accept it and the Bulgarian Ministry of Environment and Water has granted its approval of the project for the EIA in 2011.



Smart City Vienna – Liesing Mitte

Main objective of this project is to develop a smart cities concept for the target area “Liesing Mitte” in Vienna. **denkstatt** was responsible for “smart social design” as crucial topic for smart cities.

The targets of a smart city and of Smart City Vienna – Liesing Mitte in particular are:

- massive reduction in the consumption of energy and other resources by at least a factor 10 (long-term until 2050);
- considerable reduction of the carbon footprint towards zero emission (reduction of > 20% - 40% by 2020; zero emission by 2050)
- significant improvement in quality of life in urban regions regarding the essential functions of a city (living, work and recreation spaces), whereas social aspects have to be considered particularly affordability for low-income households.

To realize these objectives, a vision and a roadmap for the target area was developed. A stakeholder process was designed and performed by **denkstatt**. Furthermore, project ideas were developed and activities on the city level pushed forward to demonstrate smart city solutions in “Liesing Mitte” until the year 2020.

3.4 Context: Business Environment

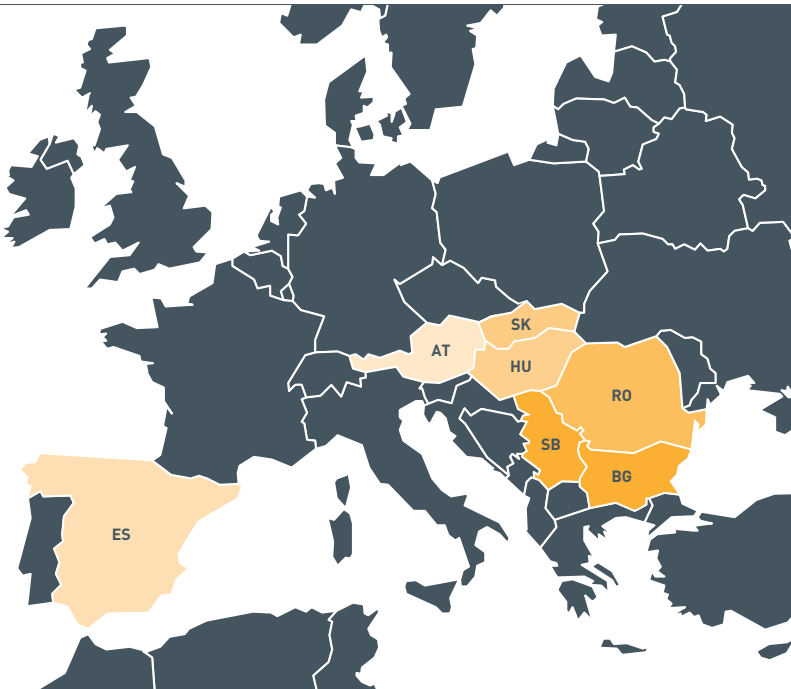
The commitment to our values ensures that we do our business honestly. Our model of corporate behaviour embraces transparency as a principle to counter any potential for bribery, since corruption is a significant factor in some of the countries in which we operate.

We provide assistance and encourage our employees to accept the basic principles of good business practice and avoid conflict of interest by following our Code of Conduct. The value of honesty is a main point reflected in the code. Maintaining honesty sets the foundation for quality relations with the stakeholders. Even though we cannot always be aware of the practices our stakeholders might have, we make sure our intention to oppose any type of corruption is clear to our partners.

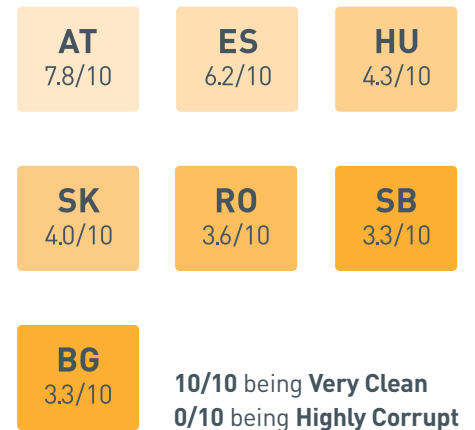
Another aspect influencing our daily business is unfair competition. According to the EC statement in its latest reports under the so-called Cooperation and Verification Mechanism for 2011, the situation with corruption in Romania and Bulgaria has improved, but still remains an important issue and it is recognized as one of the main challenges for investors. Doing business in a more transparent way sometimes turns into a competitive disadvantage in the local market, where bribery is not actively sanctioned by the society. According to Transparency International, Hungary continues to be seen as a corrupt country. Hungary's ranking in 2011 did not improve according to Transparency International's Corruption Perceptions Index. In the field of environmental management, corruption can be "observed" in public procurement, permitting procedures, tendering procedures.



Corruption Perceptions Index 2011



Source: www.transparency.org



3.5 Practical information: Project Sustainability Index

Instead of concentrating strictly on our own operations, we rather focus on the sustainability of our projects. We consider projects to be the main instrument to deliver change in a particular market. We measure a project's impact through our internal sustainability index.

Using this tool, we perform overall evaluation of the changes that occur after the completion of specific projects in all three aspects of sustainability - environment, economy and society. The sustainability index is put into practice in Austria and Bulgaria. A majority of our projects in Austria have been evaluated during the reporting period.



3.6 Get inspired: Advocacy for Sustainability

We recognize the value of networking through developing like-minded contacts and boosting business through establishing active collaborations and discussion platforms. Effective networking is about expanding opportunities and creating fruitful partnerships. Developing strong relations with other organisations allows us to share our vision, to reach specific audience and enlighten particular segments of the society. Vital networking supports the outreach of our business, especially when entering a new market.

Leading the way is not an easy task. Nevertheless, we also strive for actions that raise awareness and advocate sound policies and sustainable solutions. Contributing to a large-scale change suggests that we must influence the decision-making structure.

“Significant change is possible only through partnerships with other stakeholders and impact on decision-making”

A way for public awareness



Energy day in Romania, Timisoara City Hall

Timisoara City Hall has signed the Convent of Mayors - European movement committed to increase energy efficiency and use of renewable energy sources in cities. As part of this movement, the City Hall is committed to perform this event each year. **denkstatt** Romania plays the role of a co-organizer of the event.

In connection to this has been set up an Action Plan for short and long-term measures. The purpose of the event is to communicate the City’s Climate Strategy and to involve the local stakeholders into decision-making, representing one important path towards sustainable development.



Green Innovation Forum, Bulgaria

Together, **denkstatt** Bulgaria and Dnevnik Daily have organized the Green Innovation Forum since 2009. The event is held annually in Sofia and features strong international participation as we are aiming for this to become the most influential annual green business event in Bulgaria. The overriding theme of the forum is on the business challenges and opportunities that arise from the global environmental crisis and the need to rethink the way we do business. The program typically includes lectures from representatives of environmental NGOs such as World Wildlife Fund, Birdlife International as well as leaders from international corporations such as Interface, Microsoft, T-Mobile, Aurubis, Siemens, Coca-Cola, Shell, Dundee Precious Metals, Kraft Foods, Toyota, and Globul.

3.7 On the road: International development



International development is another way to grow and spread our impact. Our international locations are strategically positioned as this allows competent support in many countries and different contexts. In 2011, we managed to open three new offices in in the Slovak Republic, in Spain and in Serbia and one joint venture in Austria.

Maintaining the identity of each office, in each country, without compromising the Group’s values and principles is a challenge. In this regard, we have begun to focus on shaping our organisational development according to each country’s profile and characteristics.

Since 2010, **denkstatt** has been a member of the INOGEN Environmental Alliance – a globally active association providing multi-national organizations with consistent high quality and cost effective environmental, sustainability, health and safety solutions. Being associate of the alliance gives us the opportunity to align local sustainability initiatives through an international strategic cooperation. As Inogen has accomplished projects in more than 120 countries with over 4,500 employees, we can serve international clients locally according to their expectations and understanding.

4 TRAVEL ESSENTIAL: OUR PEOPLE 

As we see the people being at the heart of change, we have created a thriving culture, we encourage dedication and empowerment within a competitive and supportive environment. Involving all our employees in formulating business objectives is a strategic priority for us to build and sustain a highly engaged and motivated team.

We create close relationships and extensively support each other, at all levels, to grow and achieve our business and personal goals. With a particular focus on individual abilities and qualities, we offer equal opportunities for personal and professional growth to all employees. We integrate the sustainable thinking in our daily activities by providing a stimulating, healthy and vivid work surrounding.

4.1 Survival tips: Jobs in Sustainability in Emerging Markets

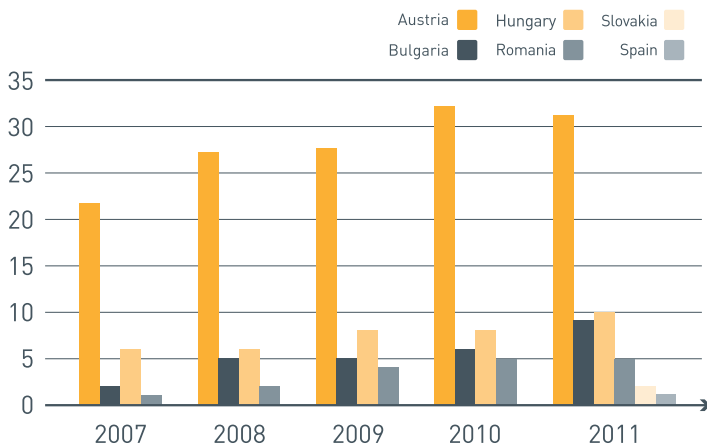
Creating jobs in the field of sustainability is a long-term investment in sustainable economic growth both regionally and at European level. We provide appealing and distinctive opportunities for career and professional development in future-oriented and dynamic areas.

TEAM DYNAMICS	UNIT	2007	2008	2009	2010	2011
Total workforce	FTE	30	37	39	45	52
Women	FTE	13	14	16	16	21
Amount of temporary work contracts	number	1	2	3	4	5
Part-time employed women	headcounts	6	3	5	5	10
Part-time employed men	headcounts	2	3	3	6	8
Employees leaving	headcounts	3	1	2	2	5
Women leaving	headcounts	2	0	2	0	2

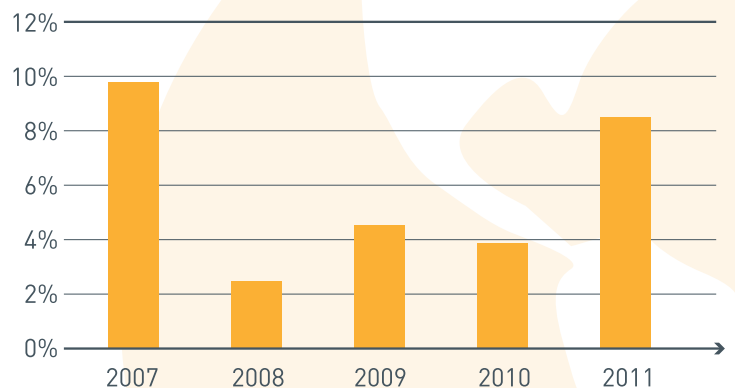


Growing interest in **denkstatt** leads to team extension from 31 to 58 employees (headcounts) from 2007 to 2011. Two of those hired colleagues live and work in the new locations opened. As we aim to be flexible, our employees have the opportunity to work part-time and on temporary work contracts. Our employees are not engaged by collective bargaining agreements. Group employee turnover shows fluctuations for the reporting period.

We acknowledge and respect that every person needs a change in work and this might lead to job alternation. In **denkstatt**, we have healthy employee turnover, less than 10%, as we achieve that by maintaining an engaged workforce. Our management invests in knowing the employees on their individual basis and positions them where they will excel, deliver high quality work and build up a fruitful team.



 Number of employees (headcounts)



 Group employee turnover

4.2 Destination: Empower People

We recognise value and promote the empowerment of people, allowing them to seize opportunities for growth in the right direction. From the entry point in **denkstatt** every employee is treated individually based on personal characteristics, ambition, abilities and interests. Having an equal start, employees are given a chance for self-achievement within the frame of the existing people management processes.

Responsibilities are allocated to individuals at all levels, as they have freedom to make decisions and take responsibility for the outcomes. That is how an employee can really see the link to business development and the context in which we operate as a team and a company. Providing the opportunity to act and create, we aim to develop our employees as self-starters confident in their competences to become leaders.



Nevertheless, in some offices there are no particular human resources assigned that occupy the specific niches required. Recognising the drawback of this, we have already planned improvement steps in this direction and this will be among our priorities for 2012 and 2013.

Investing in human resource development and competence-based strategic management help our employee development to grow not only as experts - but also as professionals, in terms of building on the existing abilities and acquiring new skills and knowledge. In 2011, **denkstatt** Bulgaria launched a new pilot project for the elaboration of a competence model.

We also invest in different types of trainings. Personal needs are identified at appraisal reviews with managing partners in each office (regardless of gender) or evaluated during the specific project implementation. For example, in 2010 senior consultants at **denkstatt** Romania completed project management training, which is essential for project development. Due to its success, the junior consultants passed the same training during the next year.



	Austria	Bulgaria	Hungary	Romania
2007	33	30	42	20
2008	38	48	90	24
2009	63	12	18	67
2010	40	69	3	58
2011	46	88	17	91

in hours / FTE

 **Training hours per employee (FTE)**

The overall training hours increased from 998 to 2,560 for the period 2007-2011 including in-house training courses (train the trainer, project management, sales).

Mentorships

We have developed a mentorship program with sharing of mentors – the one responsible for organizational questions and one for project implementation. In this case, every employee has to be in a specific product group. Nevertheless, this is not the case in each office. For example, at a young **denkstatt** organisation trainees rotate in different services depending on the base of the project. In this way, they receive diversified knowledge and skills in different areas. In the Head office in Vienna, we have developed a one-week induction training for all new employees every year. **denkstatt** Hungary has successfully operated a graduate internship program for several years. Fresh graduates or students in the final year of their studies can join the program, where they have the opportunity to work on projects and gain experience. The best candidates are considered for a job position at the office.

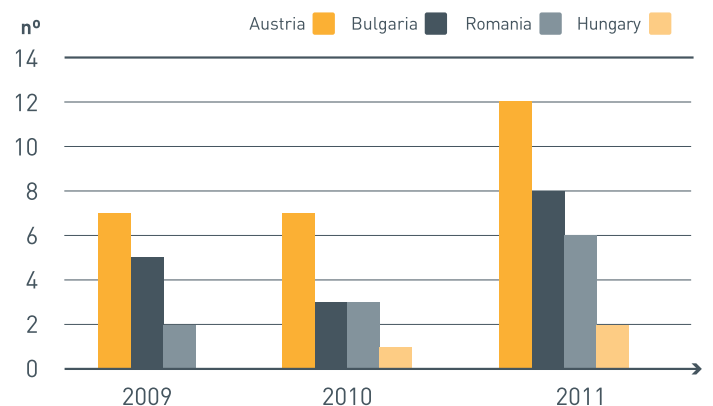
4.3 Need to know: Knowledge Management

Knowledge is an important asset for our company, since it provides us with strong competitive advantage. We define knowledge management as the way we manage the existing knowledge within the organization and the building of new knowledge. For us this is also a way to identify and distribute insights and experiences, to utilize new ways to channel data into significant information.



We share knowledge and skills to ensure comparable quality of service in all countries.

An important aspect of knowledge management is the transfer of know-how among the employees. Knowledge transfer is considered a challenge that we face in all offices every day due to the nature of our work. Tough deadlines constrain the resources in a project and consequently the flow of knowledge among participants. On an international level, the knowledge transfer is still limited in our group.



 **International projects within denkstatt group**

Our work is still focused on office work within a particular country and less on projects that span between the different offices. International projects within the **denkstatt** Group are defined as projects that involve at least two offices and five consultancy days for each office. There is considerable increase in the number of joint projects in the reporting period.





We intend to intensify further the process of knowledge sharing between offices by emphasizing on several practices - internal and external trainings, joint work on projects. We plan to organise international group meetings to enhance the internal knowledge and communication among offices. Currently in **denkstatt** Austria the product group meetings and the monthly „denkfixe“ meeting,

allow information flow and idea generation within the team. In the Bulgarian office, more experienced experts have developed plans for internal trainings on specific topics of interest. Further steps that we are currently introducing in this direction are to establish a knowledge management platform and processes by 2013 to help us further accelerate in the area.

4.4 Discover: Equal Opportunities

At **denkstatt**, we focus on increasing diversity in all its aspects, as we realize diverse workforce brings internal benefits to our team, such as motivation, richer set of talents and ideas, different level of interaction and communication, solidarity as well as added value to our customers.

Noting the existence of a gender gap, we try to foster the development of women in our business area. The number of women for the reporting period increased from 16 to 21 in 2011, and 58% of all employees who joined the company in 2011 were women.

	 Female Managers	 Female Senior Consultants	 Female Consultants	 Female Office staff
2007	17%	41%	48%	92%
2008	17%	33%	32%	90%
2009	31%	34%	34%	90%
2010	29%	30%	28%	90%
2011	29%	24%	55%	73%

in full time equivalent

 Proportion of women in each employee category

Criteria for hiring new employees ensure that the most suitable person for a specific position is chosen based only on their qualities and experience, providing equal opportunities to both women and men. Employee remuneration is defined according to the position, regardless of gender. We do not implement special gender-diversity measures, since we believe that the increasing women’s employment rate in Europe (Eurostat) offers already a mechanism for achieving gender equality.

“We treat our people with respect and all of them have the same career opportunities”

In comparison to 2008, when only one of the six managers was a woman (Bulgarian office), the last three years there have been two female top managers out of seven, as this number is expected to increase. Further, the female consultants reached 55% in 2011, as 100% and 67% of the newly hired in the Bulgarian and Hungarian office, respectively, were women.

We respect the desires of our employees to have a family and children. Equal opportunities for maternity leave are provided to all women, as three women left in abstention since 2007. Further, no issues of incidents of discrimination, human rights violation, child and compulsory labour have been marked in any of the offices.

4.5 Behind the scenes: Employee Well-being

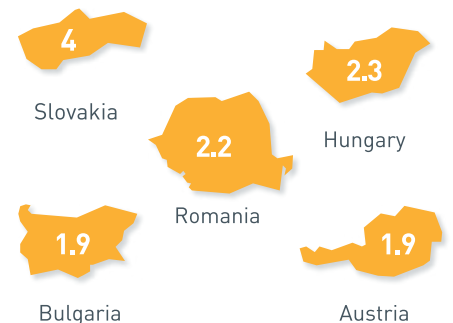
Commitment to employees’ health and well-being has always been a priority within **denkstatt** Group. We understand it in several aspects, including environment in the office, frustrations and stress, interaction with colleagues, personal time and healthy activities. Therefore, we try to incorporate the concept for healthy environment in our daily work in order to sustain our employees’ well-being.

“We believe that happy teams work better”

Work-life balance

According to the terminology used by International Labour Organisation, work-life balance is perceived as the distribution of time and effort between work and other aspects of life. Maintaining the equilibrium between the amount of energy and resources allocated to work and the quality time spent with family and friends is crucial for the well-being of our employees. Further, having enough time for family and friends positively influences our motivation and business performance. However, we are familiar with the fact that this is not always easy to achieve. Thus, we track regularly the attitude of our team members to the topic by conducting an employee satisfaction survey every year.

Employee satisfaction survey results for 2011



Employee satisfaction is rated with points on a five-scale system, as one corresponds to the best and five equal worst satisfaction level. The best, equal, results achieved were in Austria and Bulgaria, while the office in Slovakia scored less satisfactory, as a newly opened location with two employees.

Among the main issues identified as a burden by our employees are overtime, overload and periods of intensely concentrated work. We understand that the level of tolerance varies among employees based on their personal characteristics and experience. Thus, the equilibrium between work and personal activities depends on each employee at **denkstatt**. It is our duty as a responsible employer to provide options for stress alleviation. Our employees deal with this aspect of their work-life in different ways. We use different management techniques to plan our working day in order to avoid overload. For example, after weeks of overload, there is an opportunity for days of relief.

Some employees encounter difficulties trying to deal with overtime. In such situations, we provide assistance to deal with stress and finalise the work with no compromise of quality.

In accordance with our mission, we offer our employees a working environment that allows for reconciling work with other areas of life. This includes the possibility of employees defining their own volume of work (part-time as well as overtime) and actively contributing to the work planning. These flexible working hours allow employees to arrange their personal workload. For example, 80% of the employees in **denkstatt** Austria choose flexible working hours. In other offices, it is differently organized. For example, up to 25% of the working hours are flexible in the Bulgarian office.

The reason is that the local team, being young, is still actively developing its consultants. Spending more time together is regarded as an unchangeable way to share more knowledge, learn new skills and develop the ability to switch work from one product group to another. In the Romanian office, flexibility of working hours depends on the individual time management of each employee.

If there is overtime registered, it is obligatory that the employee take a compensatory time off within the next 60 days!
denkstatt Romania

Keeping pace with the technological changes and mobility nowadays, flexible working hours and working from home is possible at the Hungarian office up to a certain limit. We are convinced that interaction between colleagues and personal conversations are very important in achieving good-quality work. For example, 80% of the employees in **denkstatt** Hungary choose flexible working hours.

For the past years, we continued to make work life compatible with a healthy life style through: part-time work; flexible working hours and work at home; parking lot for bicycles; participation in one national and one international running competition; teambuilding event; common lunch/dinner per quarter; free coffee, milk, tea, mineral water, fruits in the office; coaching in stressful situation or work phases; training leave, etc.

Provided benefits are accessible to all employees, regardless their employment type. Another area of special attention is the decision of an employee to leave for a training session. We recognize such initiatives and respect the personal needs for further education and evolvment. This is applicable in the offices in Austria, Bulgaria and Hungary.

Health

The main health issues of our daily work are related to the extensive office work and travelling. To avoid office work risks of joint problems, back pain, eyestrain, elevated stress levels, we focus our attention on disease prevention and then on treatment. Offices target potential health problems differently considering the situation. In Austria standard health, pension and accident insurance as well as a special travelling insurance are provided to the employees. In Romania and Hungary, mandatory medical check-ups are carried out at least once every year and upon request. In Bulgaria, apart from the standard health and pension package, each employee has the possibility to go to different sport events during work.

	 Austria	 Bulgaria	 Hungary	 Romania
2007	3	0	3	1
2008	5	0	1	1
2009	3	10	0	1
2010	4	4	1	1
2011	3	2	0	0

in number of days / FTE

 **Days of sick leave**

As a result of the various approaches, sick leaves have dropped for the last 2 years with almost 24%. The peak of sick leave in Bulgaria in 2009 is due to a bike accident. Considering our operational environment, there is no apparent need of participation in both formal joint management-worker health and safety committees and formal agreements with trade unions.



In 2010 and 2011 people from all offices participated in the Vienna City Marathon. As for 2011, the number of participants increased to 24 totals. A few of them managed to run the full marathon; some ran a half marathon and most participated in the relays. At the end of the day one thing is for sure - sport helps in achieving results in both staying efficient at work and in one's personal life.



Office environment

A thoughtfully designed space with attitude to the ergonomic details should create an inspirational environment for employees. It allows for making them more proficient and therefore valuable for the business.

denkstatt Hungary moved to a new, much larger, modern and more comfortable office in 2011. The office was designed in a way to create more useful space for effective work, cosier atmosphere, nicer environment, greener surface in the downtown of Budapest.

Project Work on Our Future (WOOF)

The growth of the **denkstatt** Austria team was the reason to develop a new concept for sharing the busy office space and to make the work time nicer and even more productive. Aim of WOOF was to adapt the office environment better to different, even contradictory working situations and the respective requirements as there are quiet work, phone calls, meetings, etc.

Regarding this, we have developed the concept of different rooms each with specific opportunities, different furnishing, flowers etc. The whole concept stands firm behind the company's perception for healthy work environment.

We collected ideas from our employees and the first adaptations were made. In April 2012 most of the operative work will be done and we hope to finish the first greatest step of WOOF in summer 2012.

5 TRAVEL ESSENTIAL: OUR ENVIRONMENT

Despite being a company that develops its business in the service sector with less significant consequences to the environment, we still reflect the importance of our environmental impact in our managing decisions.

We operate our daily business with the commitment to manage our carbon emissions, reduce energy, paper, and water consumption and consequently waste generation. We acknowledge the importance of one of the major issues humanity is confronting in the face of biodiversity and habitat loss. The approaches we follow in combating this problem are mainly through our projects, as our direct influence, as an organisation is limited. We invest in encouraging our people to be responsible for both the organizational and individual environmental footprint, stretching our influence beyond the corporate boundaries.

The launching of environmental management systems (EMS) supports our daily activities with respect to the associated environmental issues in order to assure a systematic and continuous management of our environmental performance.

The main element of the EMS is the annual elaboration of an environmental program, where office specific goals and targets are set by the environmental teams and management representatives. Despite the difference among our locations, significant environmental aspects are practically the same everywhere. At **denkstatt**, we have not been fined for non-compliance with environmental laws and regulations.

5.1 A walk in the woods: Energy and Carbon Emissions

Despite the growth of the company, the total energy consumption (electricity and heating) in the offices remains practically unchanged during the reporting period. Electricity increased relative to gas consumption due to the change of locations.

Mobility, in particular business travelling, is a major challenge for **denkstatt**. With the growth of business, the need of plane and car travel increases. New people joining the team in the existing offices as well as the opening of new locations caused a noticeable increase of emissions. Moreover, the nature of our business requires the establishment of close relationships. In such process, face-to-face contact is crucial for conveying a proper message so that it cannot be always substituted.



“We inevitably increase our direct emissions while helping customers decrease theirs”

The overall CO₂ emissions from our business activities increased significantly from 86 tons in 2007 to 172 tons in 2011, as business travel by plane and by car contributed the most.

The major increase in the last reporting year is due to the higher electricity consumption (**denkstatt** Bulgaria moved to a new office with a different heating source), intensive business travel by plane and by car.

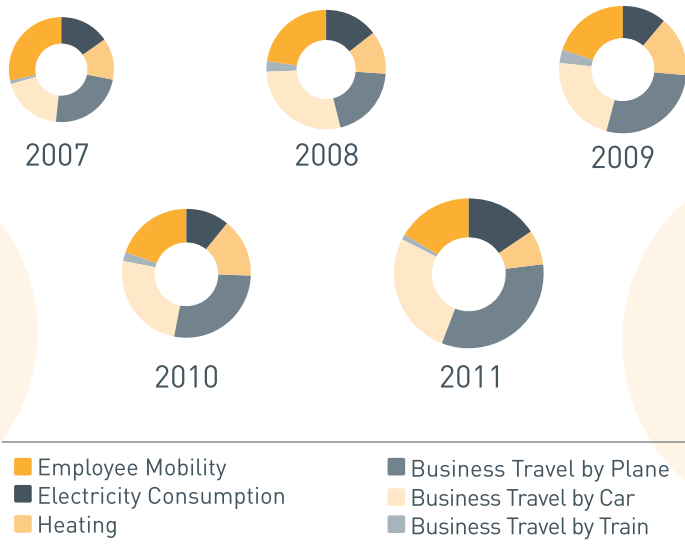
Employee mobility is another area that warrants attention. With the team growing, there is an increase of 17% in total emissions from employee mobility and 14% in km travelled by all transport types.

Emissions from ozone-depleting substances are considered negligible. The total number of air-conditioners in the offices in 2011 is 15 and the amount of ozone -depleting substances is less than 3kg per air-conditioner. Estimated amounts of actual emissions for the period 2007-2011 increased from 0.14kg to 0.18kg CO₂.

As demonstrated above, the emissions could be considerably affected by the business travel options. Nevertheless, there is still a direct correlation between enhanced business and travelling. Carbon intensity of our business have been fluctuating, as the highest value of 0.044 tons CO₂/1000 EUR revenue is calculated for 2009, while the lowest levels of 0.037 tons CO₂/1000 EUR revenue are recorded for 2007 and 2010.

Recognizing the importance of the issue in terms of both global climate change and societal behavioural changes, we encourage our employees to use information technologies effectively, when appropriate, as well as to combine business trips.

In Austria, a video conferencing tool has been introduced in the first quarter of 2012. In the other offices, audio conference is already an established practice since 2011. Employee mobility, arrival and departure from the office, is another area where we experiment with different travelling options. Some of our employees prefer to come to work by bike – resulting in benefits of reduced carbon footprint and healthy body and mind. Interestingly, in Austria the competitive spirit is further trained by the organization of internal competition on cycling.



Year	Austria	Bulgaria	Hungary	Romania
2007	66	2	16	3
2008	71	15	20	4
2009	79	20	19	6
2010	81	26	15	7
2011	95	40	14	10

in t

Total CO₂ emissions distributed by source

Year	Plane	Train	Car
2007	20.4	1.3	16.1
2008	22.2	2.9	30.5
2009	34.8	4.4	27.9
2010	34.6	3.1	32.1
2011	57.1	1.8	45.7

in t

Total CO₂ emissions by country

Year	Foot/Bicycle	Public Transport	Automobile (diesel)	Automobile (gasoline)
2007	13	187	52	1
2008	25	188	48	8
2009	20	209	39	10
2010	18	212	41	11
2011	16	199	67	5

in 1000 km



“I usually take my bike to work or to my meetings in Vienna. Up to now I have rarely used a car for travelling to the customers.”

Karl Resel, Product Group Manager



Alternative mobility is also a priority on an organizational level. In 2012, we are planning to invest in a smart Fourtwo Electric Drive E-car as stated in our first sustainability program. In the long term, we want to set up an electric recharge station at our office in Austria for E-cars and bikes.

A key goal of our sustainability programme is the carbon neutrality of the group. Achieving this requires offsetting the unavoidable CO₂ emissions. Since 2009, our activities have been carbon neutral. All **denkstatt** companies compensate their carbon emissions by purchasing verified emission reductions from EEC Energy and Environmental Consulting.


Transparency and accuracy are considered by our team as important for sustaining a functional sustainability program and goals achievement. Thus, accounting and reporting for CO₂ emissions in all three scopes related to direct emissions from company's own vehicles, indirect emissions from consumption of purchased electricity, natural gas and travelling by plane and train cover a broad emission sources and stands for inclusiveness.


5.2 Prices and costs: Resource Consumption and Waste


Our company allocates resources to reduce the consumption of water and paper. The specific consumption of paper decreased by 28% during the reporting period as an effect of the growing number of employees, office changes and resource saving measures introduced in every site (i.e. ISO 14001). Adjustment to saving printer settings and environment friendly cleaning agents are among the simplest actions, which deliver results on a daily basis.


Our commitment to efficient resource use includes the adoption of the life cycle perspective by following waste management practices designed to reduce waste generation and direct waste to recycling whereas appropriate (separate waste collection).

As the latter proves to be difficult in some of the offices due to poor regional waste management practices, our primary objective is to reduce the amount of waste which we create as we focus on responsible resource consumption. However, in 2011 the higher quantity of waste generated is directly linked to the change of office locations and modernization of equipment. Further, regular technical maintenance of company fleet ensures the avoidance of chemical spills.

 Paper	Unit	2007	2008	2009	2010	2011
Total Paper Consumption	kg	1,033	1,325	1,201	1,232	1,298
Specific Paper Consumption	kg /FTE	34.9	36.2	30.8	27.1	25.1
Recycled paper (data for the office in Austria)	%	n.a.	58	58	100	100

 Water	Unit	2007	2008	2009	2010	2011
Total water consumption (equal water discharge)	m ³	389	530	563	590	494
Specific water consumption	m ³ /FTE	13.1	14.5	14.4	13.0	9.5

 Waste	Unit	2007	2008	2009	2010	2011
Total waste generated	kg	429	716	740	723	1,114
Specific waste generated	kg/FTE	14.5	19.6	19.0	15.9	21.5
Total hazardous waste generated	%	5	4	11	10	63

 Energy	Unit	2007	2008	2009	2010	2011
Total energy consumption (electricity and heating)	MJ	236,476	282,568	349,503	349,045	341,764
Specific energy consumption (electricity and heating)	MJ/m ²	404	438	542	541	378
Total electricity consumption	MJ	90,832	100,573	93,074	92,293	157,991
Specific electricity consumption	MJ/m ²	155	156	144	143	175
Total energy for heating	MJ	145,644	181,995	256,429	256,751	183,773
Specific energy for heating	MJ/m ²	249	282	398	398	203
Fuel consumption	litre	5,450	10,509	9,745	11,432	16,290

6 ADVENTURES: OUR SCORE



6.1 Our sustainability balanced scorecard

In **denkstatt**, we work together to achieve our goals and fulfil our strategy. The sustainability balanced scorecard is a management tool we use to support the successful implementation of our corporate strategies and progress over the years.

As the company grows and develops, incorporating social and environmental aspects in the management system is considered as a key step towards the integration of the three pillars of sustainability to ensure long-term business success.

CHAPTER	UNIT	2007	2008	2009	2010	2011
MARKETPLACE						
Total revenue	thousand EUR	2,290	2,694	2,849	3,430	4,150
International projects within denkstatt group	number	-	-	14	14	29
Offices	number	4	4	4	5	8
Corporate tax	thousand EUR	13	23	26	26	25
Investments	thousand EUR	54	79	68	67	106
OUR PEOPLE						
Employees	number	30	37	39	45	52
Employee turnover	%	10	2	4	4	9
Days of sick-leave per employee	number	3	4	3	3	2
Proportion of women	%	42	37	40	35	41
Expenses for further education	thousand EUR	57	43	49	52	61
Employee satisfaction	points (worst 5; best 1)	-	-	-	-	2
ENVIRONMENT						
Total energy consumption (electricity and heating)	MJ	236,476	282,568	349,503	349,045	341,764
Carbon intensity of the business	ton CO ₂ / thousand EUR revenue	0.037	0.041	0.044	0.037	0.042
Total CO ₂ emissions	ton CO ₂	86	110	125	128	172
CO ₂ emissions from business travel	ton CO ₂	38	56	67	70	105
Consumption of paper	kg	1,033	1,325	1,201	1,232	1,298
Waste (hazardous & non-hazardous)	kg	429	716	740	723	1,114
Water consumption	m ³	389	530	563	590	494

OUR ACHIEVEMENTS 2011

- Solid financial situation almost in all offices
- New member of denkstatt group - Victoria Consulting, **denkstatt** Espana, **denkstatt** Slovensko
- Great achievements in each country regarding employee and service development

OUR DIFFICULTIES 2011

- There is space for improvement regarding the output of our partnership with **Inogen**
- We need networked and opened communication within **denkstatt** group in order to improve the knowledge sharing
- Still exists difficult business environment for some offices to fight corruption on the national markets
- Poor resource planning - right people, at the right time, on the right place
- Stress and periods of overload

OUR GOALS 2012

- Finalise and accept officially a Code of Conduct
- **International Management Training Program** - The entire top and middle management will be trained in a group-wide educational programme
- Publication of our Sustainability Report
- A Video Conferencing Tool is planned to be implemented within Q1/2012
- The start of a pilot project on "**International Product Group Meetings**" is scheduled for 2012
- More clear structure and responsibilities for departments
- Effective and structured transfer of know-how among offices and within teams

6.2 Checklist: GRI Index

G3.1 CONTENT INDEX CHECK

1. STRATEGY AND ANALYSIS

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	SECTION
1.1	Statement from the most senior decision-maker of the organisation.	Fully	2
1.2	Description of key impacts, risks, and opportunities.	Fully	2.3

2. ORGANIZATIONAL PROFILE

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	SECTION
2.1	Name of the organisation.	Fully	2.1
2.2	Primary brands, products, and/or services.	Fully	3.1
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Fully	2.1
2.4	Location of organisation's headquarters.	Fully	2.1
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	Fully	2.1
2.6	Nature of ownership and legal form.	Fully	2.2
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Fully	2.1
2.8	Scale of the reporting organisation.	Fully	2.1
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Fully	2.1
2.10	Awards received in the reporting period.	Fully	

03. REPORT PARAMETERS

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	SECTION
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Fully	1
3.2	Date of most recent previous report (if any).	Fully	7
3.3	Reporting cycle (annual, biennial, etc.).	Fully	7
3.4	Contact point for questions regarding the report or its contents.	Fully	7
3.5	Process for defining report content.	Fully	7
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Fully	1
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for comments of scope).	Fully	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.	Fully	1
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Fully	7
3.10	Comments of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Fully	1
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Fully	1
3.12	Table identifying the location of the standard disclosures in the report.	Fully	6
3.13	Policy and current practice with regard to seeking external assurance for the report.	Fully	7

04. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT

PROFILE DISCLOSURE	DESCRIPTION	REPORTED	SECTION
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Fully	2.1, 2.2
4.2	Indicate whether the chair of the highest governance body is also an executive officer.	Fully	2.2
4i.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Fully	2.2
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Fully	2.2
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Fully	2.4
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Fully	3.4
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Fully	2.2
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Fully	2.3
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Fully	2.3
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Fully	2.2
4.11	Comments of whether and how the precautionary approach or principle is addressed by the organisation.	Fully	2.3; 3.2; 5
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Fully	3.6
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Fully	3.6
4.14	List of stakeholder groups engaged by the organisation.	Fully	2.5
4.15	Basis for identification and selection of stakeholders with whom to engage.	Fully	2.5
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Fully	2.5; 3.2; 4.5
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Fully	2.5; 7

DISCLOSURES ON MANAGEMENT APPROACH (DMA)

	DESCRIPTION	REPORTED	SECTION
DMA EC	DISCLOSURE ON MANAGEMENT APPROACH EC		
Aspects	Economic performance	Fully	2.4
	Market presence	Fully	3
	Indirect economic impacts	Fully	3
DMA EN	DISCLOSURE ON MANAGEMENT APPROACH EN		
Aspects	Materials	Fully	5
	Energy	Fully	5
	Water	Fully	5
	Biodiversity	Fully	5
	Emissions, effluents and waste	Fully	5
	Products and services	Fully	5
	Compliance	Fully	5
	Transport	Fully	5
	Overall	Fully	5
DMA LA	DISCLOSURE ON MANAGEMENT APPROACH LA		
Aspects	Employment	Fully	4
	Labor/management relations	Fully	4
	Occupational health and safety	Fully	4
	Training and education	Fully	4
	Diversity and equal opportunity	Fully	4
	Equal remuneration for women and men	Fully	4
DMA HR	DISCLOSURE ON MANAGEMENT APPROACH HR		
Aspects	Investment and procurement practices	Fully	4.4
	Non-discrimination	Fully	4.4
	Freedom of association and collective bargaining	Not	Not applicable
	Child labor	Fully	4.4
	Prevention of forced and compulsory labor	Fully	4.4
	Security practices	Fully	4.4
	Indigenous rights	Fully	4.4
	Assessment	Fully	4.4
	Remediation	Fully	4.4
DMA SO	DISCLOSURE ON MANAGEMENT APPROACH SO		
Aspects	Local communities	Fully	3.3
	Corruption	Fully	2.3
	Public policy	Fully	3.6
	Anti-competitive behavior	Fully	2.3
	Compliance	Fully	2.3
DMA PR	DISCLOSURE ON MANAGEMENT APPROACH PR		
Aspects	Customer health and safety	Not	Not applicable
	Product and service labelling	Partially	3.2
	Marketing communications	Not	Not applicable
	Customer privacy	Fully	3.2
	Compliance	Fully	3.1

PERFORMANCE INDICATORS

ECONOMIC

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Fully	2.4
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Fully	5.1
EC3	Coverage of the organisation's defined benefit plan obligations.	Partially	4.5
EC4	Significant financial assistance received from government.	Fully	2.5
Market presence			
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	Not	Not reported
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Not	Not applicable
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	Fully	2.2
Indirect economic impacts			
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Not	Not applicable
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Fully	3.3; 3.5; 3.7; 4.1
ENVIRONMENTAL			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Materials			
EN1	Materials used by weight or volume.	Fully	5.2
EN2	Percentage of materials used that are recycled input materials.	Fully	5.2
Energy			
EN3	Direct energy consumption by primary energy source.	Fully	5.2
EN4	Indirect energy consumption by primary source.	Fully	5.2
EN5	Energy saved due to conservation and efficiency improvements.	Not	Not reported
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not	Not reported
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Partially	5.1; 5.2
Water			
EN8	Total water withdrawal by source.	Fully	5.2
EN9	Water sources significantly affected by withdrawal of water.	Not	Not applicable
EN10	Percentage and total volume of water recycled and reused.	Not	Not applicable
Biodiversity			
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Fully	5
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	Fully	5
EN13	Habitats protected or restored.	Fully	5
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Fully	5
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Fully	5
Emissions, effluents and waste			
EN16	Total direct and indirect greenhouse gas emissions by weight.	Fully	5.1
EN17	Other relevant indirect greenhouse gas emissions by weight.	Fully	5.1
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Fully	5.1
EN19	Emissions of ozone-depleting substances by weight.	Fully	5.1
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	Not	Not applicable
EN21	Total water discharge by quality and destination.	Fully	5.2

Emissions, effluents and waste			
EN22	Total weight of waste by type and disposal method.	Partially	5.2
EN23	Total number and volume of significant spills.	Fully	5.2
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not	Not applicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organisation's discharges of water and runoff.	Not	Not applicable
Products and services			
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.		5.1; 5.2
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.		Not applicable
Compliance			
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.		5
Transport			
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.		5.1
Overall			
EN30	Total environmental protection expenditures and investments by type.		Not reported
SOCIAL: LABOR PRACTICES AND DECENT WORK			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Employment			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	Fully	4.1
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Partially	4.1
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Fully	4.5
LA15	Return to work and retention rates after parental leave, by gender.	Fully	4.4
Labor/management relations			
LA4	Percentage of employees covered by collective bargaining agreements.	Fully	4.1
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	Not	Not applicable
Occupational health and safety			
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Fully	4.5
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	Partially	4.5
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Fully	4.5
LA9	Health and safety topics covered in formal agreements with trade unions.	Fully	4.5
Training and education			
LA10	Average hours of training per year per employee by gender, and by employee category.	Partially	4.2
LA11	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Partially	4.2;4.3
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	Fully	4.2
Diversity and equal opportunity			
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Partially	4.1
Equal remuneration for women and men			
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	Fully	4.4

SOCIAL: HUMAN RIGHTS			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Investment and procurement practices			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Fully	4.4
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Not	Not applicable
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Fully	4.4
Non-discrimination			
HR4	Total number of incidents of discrimination and actions taken.	Fully	4.4
Freedom of association and collective bargaining			
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not	Not applicable
Child labor			
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Fully	4.4
Forced and compulsory labor			
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	Fully	4.4
Security practices			
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Fully	4.4
Indigenous rights			
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Fully	4.4
Assessment			
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Fully	4.4
Remediation			
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Fully	4.4
SOCIAL: SOCIETY			
PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Local communities			
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Partially	3.3
S09	Operations with significant potential or actual negative impacts on local communities.	Not	Not applicable
S010	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not	Not applicable
Corruption			
S02	Percentage and total number of business units analyzed for risks related to corruption.	Fully	2.3
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	Fully	2.3
S04	Actions taken in response to incidents of corruption.	Fully	2.3
Public policy			
S05	Public policy positions and participation in public policy development and lobbying.	Fully	3.6
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	Not	Not applicable
Anti-competitive behavior			
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Fully	2.3
Compliance			
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Fully	2.3

SOCIAL: PRODUCT RESPONSIBILITY

PERFORMANCE INDICATOR	DESCRIPTION	REPORTED	SECTION
Customer health and safety			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not	Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not	Not applicable
Product and service labelling			
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not	Not applicable
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not	Not applicable
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Fully	3.2
Marketing communications			
PR6	Programmes for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Not	Not applicable
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	Not	Not applicable
Customer privacy			
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Partially	3.2
Compliance			
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Fully	3.1



7 FURTHER INFORMATION

The feedback of our readers is a valuable input to what we do. Please share it with our contact person: Dariya Hadzhiyska, dariya.hadzhiyska@denkstatt.bg

The full report and further information on **denkstatt** is published on our website www.denkstattgroup.com.

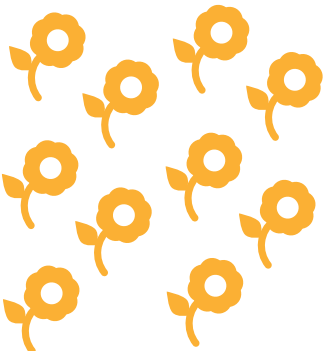
The main places visited through the topics presented in denkstatt's second sustainability report aim at providing concise and accurate information in a transparent manner about our company development as an active player in the field of sustainability. Discussed topics in the current report are considered relevant and material for reflecting our impact on society, economy and the environment for the reported dimensions of scope, boundaries and time.



Our travellers took active part in identifying important topics, so as our employees from all offices contributed actively. A criteria based point system was applied on their inputs to prioritize issues significant both for our key stakeholders and for organizational development. Further, selected topics were communicated and discussed, to assess the required quality, at a managerial meeting. Data collection was supported by the established management systems in some of the offices, extensive internal communication, questionnaires and interviews.



Additionally, the process of the report elaboration showed a clear need for changing the reporting period to two years. The current report is based on a 3-year cycle, since the latest report was published in 2008.



The main guide for compiling this report is the Sustainability Reporting Guidelines of the Global Reporting Initiative. No third party review has been conducted.



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