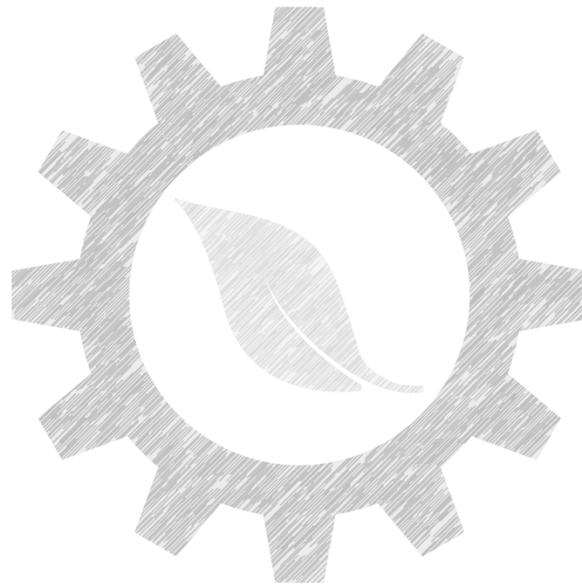




SUSTAINABILITY THROUGH INTRAPRENEURSHIP – NATIONAL STUDY AND GOOD PRACTICES' IDENTIFICATION IN CROATIA

NATIONAL REPORT



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PREFACE

The initial stage of the SINTRA project implementation is about making an in-depth investigation of the national and sectoral settings for the development of environmental, social and economic sustainability, as well as the existing good practices in particular sectors with sustainability potential in the respective partner country, related to the positive effects that intrapreneurship can have on sustainability in one or more of its dimensions. This investigation, together with the gap analysis surveys and interviews, to be conducted as a next step within the framework of IO1 'Good Practices and Gap Analysis', will serve the purpose of filling a gap in the systematic mapping of sustainability-focused intrapreneurship-related training needs of employees and employers in the partner countries.

This National Report presents an overview of how the concept of sustainable development is reflected in the various strategic and programming documents at national level. An important emphasis of the Report are the three dimensions of sustainability, i.e. environmental, social and economic sustainability, as well as its sectoral focus. The existing initiatives, aimed at supporting sustainable development in one or more of its dimensions are also presented together with the effects of their implementation. Finally, the report identifies a number of existing good practices in the field of INTRAprenurship-supported sustainability, to be later elaborated on and incorporated in the SINTRA training material and interactive tools, to be developed in the framework of IO2, 3 and 4.

The National Report follows the generic structure, proposed by the IO1 Leader – Tora Consult (P6), in order to allow for comparability of reported information and outcomes across SINTRA partner countries, and includes the following chapters:

- Chapter 1. Environmental, social and economic sustainability – national and sectoral settings in Croatia;
- Chapter 2. Sustainability through INTRAprenurship – good practices in Croatia.

In preparing this material, a variety of sources have been used, incl. statistical data, reports and reviews, together with the own insights of the authors – Mrs Violeta Crnogaj.

Razvojna agencija Grada Velika Gorica – VE-GO-RA

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EXECUTIVE SUMMARY

Croatia became part of global and European processes of agreeing on sustainable development at an early stage and first Sustainable Development Strategy of the Republic of Croatia was adopted in 2009. Despite an early commitment of the Republic of Croatia to sustainable development, there is still much to be done in terms of systematically connecting the protection of the space and environment with economic development and social issues at all levels, so the process of adopting a new National Development Strategy Croatia 2030 (NDS) is nearing completion.

In the coming decade, Croatia must overcome the consequences of the crisis caused by the pandemic diseases COVID-19, but also to compensate for the lag in convergence. Success in accelerating development and convergence towards European income level is linked to a willingness to address coordinated policies challenges and obstacles that limit development potential and slow down the increase in living standard. In that sense NDS 2030 set the following development directions: sustainable economy and society, strengthening crisis resilience, green and digital transition, and balanced regional development, divided into 13 strategic goals.

Sustainable development is the unification of several goals, such as a high quality of life, health, and progress, with social justice and the maintenance of the Earth's capacities that support life in all its diversity. This approach inevitably brings a conflict of interest between the economy, social justice and environmental protection on a national and global scale, so cooperation and integrated activity of all social, economic and political factors are necessary. Numerous initiatives have been launched in Croatia, aimed to raise the awareness and the implementation of the concept of sustainable development in all its components and dimensions.

For the public sector the biggest impact is achieved with implementation of the national programme based on strategic document Strategy e-Croatia 2020 and particularly projects e-Citizens and e-Hrvatska. In order to facilitate access to information, a central internet solution for information - the Central State Portal - has been established. In the economic sector numerous initiatives have been launched with the aim of promoting the concept of sustainable and socially responsible business, such as Croatian Business Council for Sustainable Development and their website www.dop.hr where news and events related to sustainable development are continuously monitored, as well as GOOD CROATIA, Business initiative for monitoring, promotion and affirmation of socially responsible business in Croatia. Several NGO's, such as ODRAZ (Održivi RAZvoj Zajednice- Sustainable community development), UZOR Hrvatska (Association for Sustainable Development of Croatia) or DOOR (Society for the Shaping of Sustainable Development) are very active in developing a network of responsible members in society who contribute to the sustainable economic, environmental and social development of the community.

EXECUTIVE SUMMARY IN CROATIAN

Hrvatska je postala dio globalnih i europskih procesa dogovora o održivom razvoju u ranoj fazi, a prva Strategija održivog razvoja Republike Hrvatske usvojena je 2009. Unatoč ranoj predanosti Republike Hrvatske održivom razvoju, još uvijek ima mnogo toga biti učinjeno u smislu sustavnog povezivanja zaštite prostora i okoliša s gospodarskim razvojem i socijalnim pitanjima na svim razinama, tako da je postupak usvajanja nove Nacionalne strategije razvoja Hrvatska 2030 (NDS) pri kraju.

U narednom desetljeću Hrvatska mora prevladati posljedice krize uzrokovane pandemijskim bolestima COVID-19, ali i nadoknaditi zaostajanje u konvergenciji. Uspjeh u ubrzanju razvoja i približavanju europskoj razini dohotka povezan je sa spremnošću za koordiniranim rješavanjem izazova i prepreka koje ograničavaju razvojni potencijal i usporavaju rast životnog standarda. U tom smislu NDS 2030 postavio je sljedeće smjernice razvoja: održivo gospodarstvo i društvo, jačanje otpornosti na krize, zelena i digitalna tranzicija i uravnotežen regionalni razvoj, podijeljene u 13 strateških ciljeva.

Održivi razvoj je objedinjavanje nekoliko ciljeva, poput visoke kvalitete života, zdravlja i napretka, sa socijalnom pravdom i održavanjem Zemljinih kapaciteta koji podržavaju život u svojoj njegovoj raznolikosti. Ovaj pristup neizbježno dovodi do sukoba interesa između gospodarstva, socijalne pravde i zaštite okoliša na nacionalnoj i svjetskoj razini, pa su nužni suradnja i integrirana aktivnost svih društvenih, ekonomskih i političkih čimbenika. Kako bi se to postiglo u Hrvatskoj su pokrenute brojne inicijative usmjerene na podizanje svijesti i provedbu koncepta održivog razvoja u svim njegovim sastavnicama i dimenzijama.

Za javni sektor najveći učinak postiže se provedbom nacionalnog programa temeljenog na strateškom dokumentu Strategija e-Hrvatska 2020, a posebno projektima e-Građani i e-Hrvatska. U cilju olakšanog pristupa informacijama, uspostavljeno je središnje internetsko rješenje za informacije - Središnji državni portal. U gospodarskom sektoru pokrenute su brojne inicijative s ciljem promicanja koncepta održivog i društveno odgovornog poslovanja, poput Hrvatskog poslovnog vijeća za održivi razvoj i njihove web stranice www.dop.hr na kojoj se kontinuirano prate vijesti i događaji vezani uz održivi razvoj, kao i DOBRA HRVATSKA, Poslovna inicijativa za praćenje, promociju i afirmaciju društveno odgovornog poslovanja u Hrvatskoj. Nekoliko nevladinih organizacija, poput ODRAZ-a (Održivi RAZvoj Zajednice-Održivi razvoj zajednice), UZOR-a Hrvatska (Udruga za održivi razvoj Hrvatske) ili DOOR-a (Društva za oblikovanje održivog razvoja) vrlo su aktivne u razvoju mreže odgovornih članova u društvu koji pridonijeti održivom gospodarskom, okolišnom i socijalnom razvoju zajednice.

1. ENVIRONMENTAL, SOCIAL AND ECONOMIC SUSTAINABILITY – NATIONAL AND SECTORAL SETTINGS IN CROATIA

'Sustainable development achieves a balance between the requirements to improve the quality of life ... and achieve social well-being and peace for all ... and the requirements to protect environmental components as a natural resource upon which the present and future generations depend. Adherence to the principles of democracy, gender equality, social justice and solidarity, rule of law, respect for human rights and the preservation of natural resources, cultural heritage and human environment contribute to safeguarding the Earth's capacity to support life in all its diversity. Sustainable development is thus achieved through a dynamic economy with full employment, economic, social and territorial cohesion, a high level of education and health care and environmental protection.' (Sustainable Development Strategy of the Republic of Croatia, February 2009).

Croatia became part of global and European processes of agreeing on sustainable development at an early stage. The Resolution on the Protection of Human Environment was adopted back in 1972, on the eve of the 1st UN Conference on Human Environment held in Stockholm. In the year of the World Summit on the Environment and Development that took place in Rio de Janeiro in 1992, Croatia passed the Environmental Protection Declaration committing itself to sustainable development (hereinafter referred to as SD). The Republic of Croatia supported Agenda 21 and the Action Plan adopted at the Rio Conference in 1992 and assumed obligations arising from the Millennium Declaration and the Millennium Development Goals adopted by the United Nations General Assembly in year 2000. Taking into account the current situation and international obligations, and on the basis of the Environmental Protection Act, the Sustainable Development Strategy of the Republic of Croatia was adopted in 2009 as a key document directing economic and social development and environmental protection towards sustainable development in Croatia.

The United Nations Program on Sustainable Development until 2030 (the so-called 2030 Agenda) was adopted at the United Nations Summit on Sustainable Development in New York in September 2015. The EU played a leading role in the negotiations that resulted in the adoption of the 2030 Agenda, and shortly after its adoption, the European Commission drafted a Communication entitled "Future steps for a sustainable European future - European action for sustainability" (2016). Bearing in mind all the complexity of the implementation of the 2030

Agenda, its dependence on other sectoral policies, strategies and measures, and, finally, the inevitable impact on the overall social and economic life and development, the Government of the Republic of Croatia established a central national coordination body - the National Council for Sustainable Development, headed by the Prime Minister of the Republic of Croatia, and members are heads of state administration bodies of line ministries and offices. The basic task of the Council is to propose to the Government measures and activities, priorities, obligors, dynamics and resources needed for the implementation of the first goals of the 2030 Agenda and to monitor, analyze and coordinate their implementation.

1.1. Sustainable development strategic goals

Despite an early commitment of the Republic of Croatia to sustainable development, there is still much to be done in terms of systematically connecting the protection of the space and environment with economic development and social issues at all levels. Therefore, the process of adopting a new National Development Strategy Croatia 2030 is nearing completion.

NDS 2030 is the umbrella document of strategic planning which directs the development of society and the economy in all important matters for Croatia. The document is based on Croatia's competitive economic potential and on recognized development challenges at regional, national, European and global levels. Elements of the strategic framework consist of the vision of Croatia in 2030, development directions and strategic goals.

Croatia has seen economic growth in the last five years, and the convergence process towards the average standard of living in the European Union has continued, although slow. After long-term recession, the economy began to recover in 2015, driven by export growth, which was favored by a significant improvement in the external environment and better integration of the enterprise into the European and global market after accession to the European Union. In addition, a gradual increase in employment and wages spurred a recovery in personal consumption, and an increase was achieved in private investment followed by simultaneous deleveraging of enterprises. In 2019, the Croatian standard of living reached 64.8% of the EU average, but there was no significant reduction in the development gap and lagging behind the European average income.

In the coming decade, Croatia must overcome the consequences of the crisis caused by the pandemic diseases COVID-19, but also to compensate for the lag in convergence. Calculations show that with average growth of about 3% in the next ten years Croatia can approach the standard of living standards of 75% of the European average. Success in accelerating development



and convergence towards European income level is linked to a willingness to address coordinated policies challenges and obstacles that limit development potential and slow down the increase in living standard.

In that sense, the strategy sets the following strategic goals:

- Competitive and innovative economy
- Educated and employed people
- Efficient judiciary, public administration and state property management
- Global recognition and strengthening of the international position and role of Croatia
- Healthy, active and quality life
- Demographic revitalization and better family position
- Security for sustainable development
- Ecological and energy transition for climate neutrality
- Food self-sufficiency and bioeconomy development
- Sustainable mobility
- Digital transition of society and economy
- Development of assisted areas and areas with developmental peculiarities
- Strengthening regional competitiveness

With national funds and activation of private capital, receipts from European funds defined in the new financial perspective of the European Union 2021-2027, form an integral part of the budgetary potential to fund the priorities of this Strategy. In the period 2021-2027, Croatia will have more than 23.5 billion euros at its disposal from the European Recovery and Resilience Mechanism, as well as from the multiannual financial framework (which is over 40% annual GDP of Croatia), and represent a strong contribution to economic growth and development. More than 30% of funds from recovery and resilience plan will need to be invested in low-carbon development to achieve climate change neutrality and increasing resilience to climate change, and about 20% into the digital transition.

1.2. Sectoral dimensions of sustainability in Croatia

Croatia's development directions set in NDS 2030 are: sustainable economy and society, strengthening crisis resilience, green and digital transition, and balanced regional development. These development directions are related to the above-mentioned goals, and for their successful implementation, cross-sectoral cooperation and integrated activity of all social, economic and political factors are necessary.

Therefore, the government of Croatia established a National Council for Sustainable Development (NCSO) in January 2018 to follow, analyse and coordinate implementation of the Strategy. It suggests improvement of the process; adopts the national report on SDGs implementation, etc. In the NCSO are the Prime minister, members of the Cabinet responsible for Agenda 2030, Office of the President, Government's Office for Human Rights and National Minorities, Government's Office for Civil Sector, Government's Office for Gender Equality and the Bureau of Statistics.

NGOs are not yet invited to take part in the dialogue but they are trying to self-organise. There is no (regular) dialogue with NGOs and no coalition yet, but an initiative is ongoing and CSOs are coordinating themselves to assess capacity, ability to contribute to implementation and monitoring. The public sector is also not involved, but the NCSO is empowered to include representatives of other state institutions as well as experts from other relevant fields. It can also set up working groups for specific topics which may include representatives from different stakeholders in advisory capacity – local and regional government representatives, CSOs, academia, business sector.

2. SUSTAINABILITY THROUGH INTRAPRENEURSHIP – GOOD PRACTICES IN CROATIA

Sustainable development is the unification of several goals, such as a high quality of life, health, and progress, with social justice and the maintenance of the Earth's capacities that support life in all its diversity. These social, economic and environmental goals are interdependent and mutually reinforcing. Sustainable development is "development that meets the needs of today's generations without compromising the possibility of future generations in meeting their needs" (Report "Our Common Future", UN Commission for environment and development, 1987).

This means that in deciding and implementing activities that create value for each organization, we must consider numerous economic, social and environmental factors. Sustainable development is such development in which the processes of change, use of resources, direction of investment, technological development and institutional changes are carried out consistently with the needs of present and future generations. This worldview unites economic, social and environmental needs, capital, labor, and natural goods into a harmonious whole. This approach inevitably brings a conflict of interest between the economy, social justice and environmental protection on a national and global scale, so cooperation and integrated activity of all social, economic and political factors are necessary.

2.1. Sustainability supporting initiatives

Numerous initiatives have been launched in Croatia, aimed to raise the awareness and the implementation of the concept of sustainable development in all its components and dimensions.

For the public sector the biggest impact is achieved with implementation of the national programme based on strategic document Strategy e-Croatia 2020 and particularly projects e-Citizens and e-Hrvatska. In order to facilitate access to information of the executive branch, a central internet solution for information - the Central State Portal - has been established. The goal is to present the structure, function and role of all state administration bodies in one place, unambiguously, simply and modernly. It is a system that allows access to electronic public administration services with a unique electronic identity.

Implementation of the Strategy primarily affect the life of citizens. Interaction with the public administration is not the purpose of the existence of citizens and businesses, so that it should be reduced to the necessary minimum, and their needs should be satisfied within the set time limit. Public administration informatisation will affect services by making them precise, legal, timely and transparent, and provided through the channel which is most convenient for citizens and businesses. By using e-services, the entire Croatian population is getting used to using new technologies and increasing their value in the labour market.

Training of public administration employees in the field of ICT and the creation of one-stop shops in the real world, where instructions will be given to citizens on how to use systems such as e-Citizens, will additionally promote further development and implementation of innovative solutions in public administration. Businesses indicate the inefficiency of public administration as the biggest problem, so that higher efficiency and rationalisation of the public administration will lead to a faster ROI (Return on Investment) and to lower product prices, which will increase the competitiveness of the Croatian economy. In addition, intense development of digital economy will be enabled within the Croatian economy, especially in the segment of SMEs. This will enable more comprehensive and higher quality support and the acceleration of business flows in that segment of economy.

In the economic sector as well, numerous initiatives have been launched with the aim of promoting the concept of sustainable and socially responsible business. Croatian Business Council for Sustainable Development - HR PSOR - is a non-profit private sector institution. Forty members - representatives of the Croatian economy combine knowledge, innovation and responsibility in the search for development paths that balance business success, social well-being and environmental protection. As a result of the EU project "National Network for the Development

of Socially Responsible Business (CSR)", the institution has established a website www.dop.hr where news and events related to sustainable development are continuously monitored, and become an important meeting place for domestic businessmen, institutions and associations and other stakeholders committed to corporate social responsibility and sustainable development. Another initiative with similar goals - GOOD CROATIA, Business initiative for monitoring, promotion and affirmation of socially responsible business in Croatia, is established as a business initiative and a platform for public action and commitment of business entities in terms of social responsibility and sustainability in Croatia. The Good Croatia business initiative brings together successful organizations, which also strive to be good - those that apply the principles of corporate social responsibility in their work.

ODRAZ (Održivi RAZvoj Zajednice)- Sustainable community development is a civil society non-profit organization gathering professionals from various fields, which design and apply sustainable development concepts for benefit of local communities, and encourages and supports the implementation of sustainability-oriented changes. It cooperates with civil society organisations, public, professional and business organisations, networks and experts. Many collaborators and volunteers take part in its activities, in addition to employees. They have developed a range of sustainable local and rural development projects, often implemented in cooperation with domestic and international partners. Several more NGO's, such as UZOR Hrvatska (Association for Sustainable Development of Croatia) or DOOR (Society for the Shaping of Sustainable Development) are very active in developing a network of responsible members in society who contribute to the sustainable economic, environmental and social development of the community.

2.2. INTRAprenurship in support of sustainable development – good practices in Croatia

In Croatia, examples of good practice related to sustainable and responsible business are continuously monitored and highlighted, and there are several annual awards for entrepreneurs whose examples are recognized as successful examples of the implementation of the concept of socially responsible business. Commonly, the company's activities are evaluated in six areas: the company's focus on economic sustainability, the inclusion of socially responsible business and sustainable development in business strategy, responsible policies and practices in the work environment, responsible environmental management policies and practices, CSR in market relations and socially responsible relations with the community. In this material, we will present

several examples, noting that from the available information it is often difficult to stipulate the importance of intrapreneurship in achieving and improving sustainable business.

INA – Green Belt Program/Volunteer Club

INA is a medium-sized European oil company with a leading role in Croatian oil business and a strong position in the region. Sustainable development is considered one of the fundamental principles of INA's business and represents continuous commitment to the balanced integration of economic, environmental and social factors in daily operations. As a signatory of the UN Global Compact (United Nations initiative for the introduction of corporate social responsibility), INA, d.d. committed itself to promoting and supporting the 10 principles of the Global Compact in the areas of human rights, labor, environment protection and anti-corruption. Considering the company's core business (oil industry), care for the environment as well as the health and safety of workers, is the backbone of business and is woven into all work processes, accompanied by numerous activities but also certificates and awards that confirm the application of safety rules in practice.

INA is also a company with fifty years long tradition of good cooperation with the communities in which it operates. They try to be the partner that supports the development and actively participates in community life. One of the most successful project is Green Belt. In order to raise awareness of the importance of sustainable development, in 2014 INA has initiated the Green Belt program as part of which non-governmental organisations and educational institutions were invited to cooperate in order to jointly contribute to environmental protection in the local communities. Through this program, INA co-finances projects such as afforestation, landscaping, clean-up of the sea bed, coastal area, lakes and rivers, education on ecology and other similar activities in the field of environmental and nature protection.

This program is closely related to the company's skills development and employee satisfaction program. Namely, in 2011. INA initiated the Employee Corporate Volunteer Work Project with the goal of voluntary investment of free time, effort, knowledge and skills of their employees for public benefit. The Club today has 1,245 members, the number which is increasing every year. In addition to independently organized actions, the INA Volunteer Club is also involved in projects organized by volunteer centers or other civil society organizations and in projects implemented by INA within its socially responsible activities (Green Belt and SpajaLICA). On September 4, 2015, along with another twenty companies, associations and educational institutions, INA signed the Charter on the recognition of competences acquired through volunteering. By signing the Charter, INA has expressed readiness to develop good practices in the evaluation of volunteering in the

employment process and also in professional advancement, as well as through the encouragement and evaluation of volunteer efforts of its employees.

HEP: ZelEn – Green energy

HEP d.d. (Hrvatska elektroprivreda d.d., with a seat in Zagreb) is a fully state-owned parent company of HEP Group. It manages HEP daughter companies and is the owner of assets which are contractually transferred to subsidiaries or daughter companies. The major business segments of HEP Group are generation, transmission, distribution, supply, and trade of electricity. Additionally, HEP Group generates, distributes, and supplies heat, supplies gas in retail and wholesale markets and provides services in energy system and other energy and non-energy sectors.

Stability and security of generation, distribution and supply of energy is a basic and umbrella material topic of HEP Group. Investing in sustainable environmental protection and responsible environmental impacts management is also a substantially significant material area in HEPs development plans. As a leader in energy sector development in Croatia, it is responsible towards the economic development of all Croatian regions and raising the quality of life of Croatian citizens. Considering the Group size and diversity of companies and businesses, its impacts are versatile, so the approach to responsibility and sustainability in economic relations, society and the environment are included in the HEP Group 2030 Strategic Goals and carefully monitoring and presenting through annually Sustainability Reports.

ZelEn donation for energy efficiency is a Fund generated by HEP Opskrba through the sale of electricity with a guarantee of origin exclusively from renewable sources, and collected in the fund from which projects in the field of renewable energy sources, energy efficiency and systematic energy management are implemented at public sector facilities. In these facilities, in addition to improving energy efficiency, the quality of living is also raised. At the same time, these projects increase the savings achieved by the HEP Group and thus reduce the Group's financial liabilities under the savings liability system. By purchasing the ZelEn product the customers receive the right to use the protected ZelEn mark on their products and promotional materials. The mark has been protected by the State intellectual property office and International mark register lead by The International Trademark System (WIPO). In present time, ZelEn is offered only to entrepreneurial customers, but it is planned to offer it to household customers as soon as possible. ZelEn costs 20 eurocents or about 1,5 kunas/MWh, and from 130 customers so far 4,5 million HRK is collected.

By the end of 2019, nine projects worth almost HRK 2.4 million were realized from the ZelEn Fund. In 2019, donated energy efficiency projects were carried out in the Morski konjić Kindergarten in Slatine on the island of Čiovo, in the administrative building of the Osijek Kindergarten in Osijek and in the Family Center building in Požega. A new public call for the allocation of funds in the name of the fee for the product ZelEn for 2019, with a total value of one million HRK, was published and two projects were selected for the construction: the installation of a heat pump and an integrated solar power plant at the Secondary Vocational School in Varaždin, and the replacement of lighting and remote control at the Ljudevita Gaja Elementary School in Osijek. HEP Opskrba launched a new action in 2019 - in cooperation with the Argonaut Association, which deals with nature and environmental protection and promoting sustainable development, primarily on the island of Murter, Murter area and the Kornati archipelago, HEP Opskrba employees organized cleaning of the hard-to-reach northern coast of Murter. The location was chosen because it is a difficult to reach place and therefore, unlike most bays and the coast on the island, this coastline is quite polluted by waste caused by sea currents and waves. For five years in a row, HEP Opskrba employees and ZelEn customers have been cleaning the environment and planting trees around HEP's hydroelectric power plants Ozalj, Kraljevac, Čakovec, Zakučac and Vinodol with the aim of raising awareness of responsible business towards nature and the environment in which they live and work. The action "100 Green Trees" resulted in a significantly higher number of planted trees than planned, so in 2019 HEP Opskrba launched a new action "Our ZelEn Story".

dm-Drogerie Markt: Diversity as part of the company's business philosophy

DM Hrvatska, as a part of a multinational chain of drugstores, started operating in Croatia in 1916 by opening its first store. Today, it operates in more than 160 locations in Croatia and employs more than 1,400 people. The orientation towards sustainable development in DN's business is visible through several elements - in creating and expanding a selected range of assortment, through various measures in the field of environmental protection and rational use of resources, and through responsible attitude towards employees and social commitment to contribute to the community.

90% of the products represented in dm brands come from the closer environment, which shortens traffic routes and consequently reduces CO2 emissions. Dm brand products are free of microplastics and have not been tested on animals, and when choosing packaging, the focus is on protecting the product from damage, spoilage or contamination. In this way, they contribute to making the products environmentally sustainable.

DM is one of the largest European retail chains and a leading drugstore on the European and Croatian markets and one of the basic principles of their business is environmental protection. The complete elimination of disposable plastic bags from the offer is another step by which dm continues to invest in the development of the business processes in accordance with the principles of sustainable development.

An important determinant of dm's business is to encourage and support positive social initiatives, primarily through their own example, from the company to the employees, through numerous projects and initiatives such as the "More than me" initiative, through which all employees can get a day off that they can spend on volunteer activities. During the past business year, 587 dm employees volunteered in 195 institutions, in 51 cities throughout Croatia, starting from homes for neglected children to homes for the elderly and infirm. Another initiative is Giving Friday – Black Friday dedicated to raising awareness about life-threatening children. All customers who shopped at dm on Giving Friday contributed to the donation with five percent of the total turnover generated that day to the Kolibrići Association.

The sustainability of its business is largely based on the care and motivation of employees, so in 2019 dm was chosen as the „Employer of the year“ in Croatia for the seventh time. A good example of the development of interpersonal relationships and employee motivation is designed program of Health Ambassadors in which they educated a team of workers from different branches how to lead a healthy life, with special focus on healthy eating and exercise. These employees are now tasked with passing on their knowledge to others and encouraging them into healthy habits.

CONCLUDING REMARKS

Although sustainable development is a topic that has been running through all strategic and planning documents in Croatia for the last two decades, it is very difficult to concretize the results of the adopted plans and implemented initiatives. Croatia is in a good position to leapfrog on multiple fronts during the next decade, but the economic recovery from the crisis caused by the pandemic and the simultaneous increase of growth rates requires policies in different areas that will interact with each other, a coordinated way to support productivity growth and an adequate supply of the economy and society, human and physical capital. This includes policies that will stimulate resource allocation towards productive enterprises and industries, including reducing the state's presence in economy, reducing the rigidity of legislation, improving the quality of business environment, increasing the efficiency of bankruptcy procedures in order for companies to enter the market faster and exit from it and expanding the sources of financing of the company.

For the purposes of this report, three examples of good practice related to business sustainability are presented. These are medium and large entrepreneurs from different sectors. As it is difficult to determine through desk research how much business sustainability is contributed by intrapreneurship, those examples have been selected considering their programs for employees, especially because these companies emphasize the importance of caring for employees as one of the key components of sustainable and socially responsible business.

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