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Luxembourg: Biogros SA

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About

Case study name:

[The greening of industries in the EU](#)

Country:

Luxembourg

Organisation Size:

100-499

Sectors:

Distribution and trade

Biogros SA specialises in the wholesale distribution of bio products in Luxembourg and is part of the Oikopolis Group, which is involved in producing, wholesaling and retailing organic food. The company has introduced different green practices including energy-saving measures such as building energy efficient buildings, offices and stores and also using energy-efficient heating and air-conditioning. Biogros is using compostable packaging that can be recycled and has waste management plans designed to reduce its impact on environment. The greening practices have no direct impact on the number of jobs but affect the organisation of work and the skills of employees.

Introduction

[Biogros SA](#) was selected as a case study company following a suggestion by the project coordinator to focus on the transport, logistics and wholesale sectors. In the wholesale sector, Biogros SA is an example of a company applying green practices such as energy-saving measures, composting and sustainable packaging – something not common in the sector.

The ‘Sale, maintenance and repair sector’ accounted for 12.7% of domestic employment in Luxembourg in 2011 (source: [Luxembourg en chiffres: 2011 \(2.12Mb PDF\)](#)). No figures are available for the wholesale sector specifically.

Biogros SA is the leader in the organic food sector of wholesale companies in Luxembourg and is part of the [Oikopolis Group](#). The group was established in 1988 as an agricultural association of farmers who wanted to develop organic food supply in Luxembourg; Biogros SA was formed in 1992. Lead by a vision of sustainable development, alternative economy and the need for a just distribution along the value chain, Oikopolis built up a successful business model based on its strong philosophy and values and related to the fact that its founders were part of the first green movements in the 1970s.

After significant growth the Oikopolis Group currently employs almost 200 people and has built up a number of shops and commercial catering activities. The group currently has three main structures:

- the cooperative Biog – transforming products;
- the company Biogros SA – wholesale;
- Naturata – chain of supermarkets and catering activities.

The case study concentrates on Biogros SA while bearing in mind the development of the whole Oikopolis Group since the overall motivation of the mother company to develop green practices is related to its business philosophy and model.

Drivers and motivations

As part of the Oikopolis Group, Biogros SA aligns its business practices with the goal of environmental preservation. The motivation of the company to continuously change processes and infrastructure for environmental preservation has to do with its philosophy and not with present economic currents or an enhancement of its reputation. The green practices were introduced when technologies were available (energy savings and packaging) or infrastructure in place (composting).

Green business practices

The green practices developed by Biogros SA (in the context of the practices of Oikopolis in general) are mainly in the domain of energy efficiency measures, sustainable packaging, selection of energy sources and waste management. These types of practices were introduced gradually in response to the general company's concern to preserve the environment.

The energy efficiency measures include several elements. The low temperatures within the cold storage rooms in Oikopolis are produced by an installation using ammonia (NH₃), which is not harmful for the ozone layer. The refrigerators in the newly rented hall 'Wallenborn' employ regenerative heat recuperation for heating. Air conditioning plant within the Oikopolis buildings uses geothermal energy, adiabatic air cooling and special heat exchangers. All these techniques consume little energy and are better for the environment than standard systems.

The use of renewable energy sources involves a large photovoltaic (PV) installation on the Oikopolis roof. Due to its high capacity (44 kW), the installation could produce up to 40,000 kW per year. This solar energy is sold to energy supplier Enovos and transferred to the distribution network managed by Creos. Biogros (and Oikopolis in general) obtain electricity from Nova Naturstrom, a national system that allocates electricity produced through renewable sources.

All buildings use a system called [SuperDrecksKëscht®](#) for sustainable waste management. This system was developed as part of the waste management strategy of the State of Luxembourg in order to utilise the latest know-how and to achieve high quality sustainable resources management in the ecological and economic sense. For example, the commercial kitchen within Oikopolis has an aspirating induction hood that uses 70% of the energy of traditional systems. The heating is based on a condensation gas boiler.

In 2011 Biogros started working with the [Tudor](#) research institute to analyse its energy needs and consumption rates with the aim of making even better use of energy. It is expected that a project proposal submitted to the [Interreg Programme](#) will be carried out with the participation of Tudor and Oikopolis to provide further advice to the company.

Compostable materials have been used since 2007 in packaging of fruit and vegetables within Biogros. Paper, ink and printing on the packaging are also sustainable, with printing using a transfer thermal technique.

Grass grows on the other roofs of Oikopolis (and Biogros). The local municipality imposed this rule to sustain water equilibrium from the outset in the commercial zone where they are located.

Oikopolis also tries to have an impact on practices and actors within the value chain in order to contribute to more just distribution of value among producers, wholesalers, retailers and consumers. As part of this aim it organises debates and round table discussions on particular commodities.

Anticipation and management of the impact of green change on quantity and quality of jobs

Quantity of jobs

The green business practices have no impact on the number of the jobs in the company. The energy saving measures do not have an impact on the number of jobs and the same is true for packaging installations and processes.

Quality of jobs

As described below, the green business practices have some impact on the quality of existing jobs in terms of skills development and on working conditions.

Skills development

Within different personnel categories there is a need for new skills. However, the wholesale sector mainly employs a not very skilled workforce. New skills were needed for packaging and the ecological printing process (warm or thermo transfer printing). From 2005–2006, many employees were involved in discussions about new types of materials. The challenge was to evaluate the materials from different producers. From this perspective the transition to greener practices has contributed to more participation at a workplace level. Only a few employees of the mother company are involved with the skills acquisition related to energy savings and waste management.

The fact that the company is relatively small and that some activities are seasonal (for example, packaging of particular products or production of juices such as apple juice) implies a rotation of personnel that need multiple skills and can multitask.

The company is considering the introduction of a structured system of continuous vocational training for its employees in the near future.

Working conditions

There are also some impacts on working conditions – the new compostable materials are safer and better for health and safety because they do not contain hazardous substances.

The focus on a just value in the value chain requires particular choices from the company to support long-term partners in the region or elsewhere that ask higher prices for their products but at the same time the company tries to offer better wages to its own staff. Labour force requirements are predicted on the basis of forecasts for new commercial openings.

Anticipation and management of changes are related to the wish to follow the company's global vision and its acceptance by employees. The company has a policy supporting full-time work (compared with the part-time work prevalent in the sector), which allows its employees to have decent wages in the context of the high prices in Luxembourg. Some measures have been introduced to reconcile work and leisure such as an additional day off per week. Work within the company is based on a culture of debate and participation of personnel at a workplace level. The idea of a flat structure and less hierarchy is shared in the company. Two employee delegates participate in the debates and facilitate problem-solving in discussions with those involved.

Recently the company organised a number of discussions to formulate its vision on the basis of ideas from employees and stakeholders (shareholders, farmers and so on). An external facilitator moderated this process. The employees chose a steering group to carry out the

process.

The changes induced by greening the company are achieved in the context of high-level workplace participation. In addition to the information and consultation process with the staff (*délégation du personnel*), debates are organised about the company's strategy, including in greening. According to interviewees, everybody is free to participate but not everybody is interested or has the time; only about 10 people attend the regular discussions on Wednesday evenings.

Expenditure on greening is always weighed against the difficult market reality. The wholesale and retail sectors in Luxembourg face competition from cheaper prices from equivalent companies in neighbouring countries, including for biological products. From this perspective, investment in the development of human resources needs to take these business realities into account.

Conclusions and recommendations

The lessons learnt as described in this case study were not identified by the company but were drafted from previous findings. The respondents within Biogros SA realise that foreign companies are increasingly interested in its business model. However, the simple transfer of the overall model or the greening practices developed is not possible according to the respondents. The lessons learnt from this case study from Biogros (and Oikopolis in general) are related to the understanding of greening practices within the context of the overall company vision and values. From this perspective the green practices, including energy efficiency measures, waste management and selection of renewable energy sources are logical steps and not measures overridden by some company image. Anticipation is crucial, just like experimentation, as in the many examples where the company proved to be the pioneer. However, the green business practices has no impact on the quantity of jobs while the quality of jobs is affected in terms of changing skill requirements and working conditions.

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