



ESPLANADE ZAGREB
LUXURY HOTEL

United Nations Global Compact
Communication on Progress

January 2017

Esplanade Zagreb Hotel
COP Report 2017

Content

Statement of continued Support	p. 3
Hotel	p. 4
Responsible Business	p. 5
The Code	p. 6
Global Compact Principles:	
Human Rights	p. 7
Labor Standards	p. 8
Environment	p. 11
Anti-corruption	p. 14
Summary	p. 15



ESPLANADE ZAGREB
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Zagreb, January 2017

Statement of Continued Support

Starting with the date of joining the United Nations Global Compact in March 2007 up to date we remain to be strongly committed to good social, environmental and ethical business conduct.

We hereby state that we are supporting the Global Compact and its ten principles and are publicly advocating a sustainable business practice.

This report will cover the progress achieved in the last year and will give a broader overview of our hotels contribution to responsible business.

Ivica Krizmanić
General Manager



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Hotel

The Esplanade Zagreb Hotel is one of the most famous and gracious buildings in Zagreb and dates back to 1925, when it was built to provide a luxury stopover to passengers of The Orient Express going from Paris to Istanbul, in those days the “crème de la crème”.

Revered throughout the region and lauded for its impeccable standards of service, the hotel is an icon in Zagreb’s colorful history, with its Oleander terrace once described as “where the Balkans end and civilization begins”.

The combination of historicism and Art Nouveau architecture, 21st-century comforts and intuitive service united in an atmosphere of true luxury make up for an unforgettable stay.

The outstanding conference facilities include a spectacular ballroom, Business Centre and impromptu meeting space. Amenities range from free, super-fast internet access, a 24-hour room and laundry service, valet parking, shoe polishing, turn-down service, concierge facility, luxury bath menu and gift shop together with Segway city tours, quiz nights, a limousine service and a comprehensive ‘Very Important Dog’ programme.

Hotel Esplanade Zagreb keeps on imposing itself as a true hotel star in the region, recognized as such by guest as well as colleagues through numerous local and international awards and recognitions.



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Responsible Business

The Hotel is organized in eight operating departments of which each department has its own responsible business action plan, which is coordinated by the Responsible Business Coordinator, and ultimately by the General Manager.

Front Office	Finance + IT
<ul style="list-style-type: none">• Complementary rooms for charity• On demand available ecological products, out door activities, recycling opportunity	<ul style="list-style-type: none">• Using only suppliers who fulfill all legal RB criteria• Purchasing wherever possible local products
Housekeeping	Human Resources
<ul style="list-style-type: none">• Staff trained in ecological water usage and waste separation• Use of eco friendly cleaning supplies	<ul style="list-style-type: none">• Offer tailor made trainings to match the changes in job requirements• Increase number of Internship positions• Offer Annual Team building activities and opportunities for celebrations
PR/Marketing & Sales	Engineering
<ul style="list-style-type: none">• PR activities to promote hotels RB activities (WWF earth hour, Autism speaks etc.)	<ul style="list-style-type: none">• Refresh training on waste management for operational staff• Use of ecological media for cooling
Food & Beverage	Security
<ul style="list-style-type: none">• Complimentary banquet rooms for charity related events• Free catering and service for charity events• Donation of cutlery and china• Gluten free menu• Halal and Kosher menu	<ul style="list-style-type: none">• First aid trained personnel• Fire drill/evacuation route

The Hotel continues to be very active in socially responsible activities, but also sustainable activities such as Fish Forward - an initiative of sustainable fishing organized by WWF where hotel Chef Ana Grgić was elected as project ambassador. The intention is to have on the menu only fish and sea products caught on a sustainable way and therewith raise awareness not only of fishers, but also of purchaser, guests as well as colleagues.



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The Code

Esplanade Zagreb is committed to maintaining a high standard of business ethics, honesty and integrity. The *Code of Ethics and Business Conduct* contains rules and guidelines for our business conduct and responsibilities vis-à-vis colleagues, customers, guests, suppliers, shareholders and authorities.

The Hotel is encouraging its application by employees of other companies working with the Hotel, including outsourced services. Each employee is personally responsible for abiding by this Code.

The Code in short:

1. We respect the law
2. We show respect for all persons in all situations
3. We think ethically
4. We act fairly
5. We do not discriminate against anyone for any reason
6. We are honest and transparent
7. We are loyal to our employer
8. We do not exploit the company's resources
9. We think of safety at all times
10. We take care of our planet



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LUXURY HOTEL

Global Compact Principles: Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.

Esplanade Zagreb conforms to all international and local declarations and laws on human rights. Key human rights issues for the Hotel include fair wages, women's rights, skills requirements, the ability to join trade unions and collective bargaining.

Esplanade Zagreb is in process of updating Union agreement the negotiations started recently.

It is our policy to recruit, employ and promote qualified persons in all positions ensuring equal employment opportunity: we do not discriminate on the basis of ethnicity, religion, sexuality, age, national origin, ancestry or physical impairment.

We have several colleagues with special needs.

Our cooperation with two companies that employ only persons with disability is increasing on annual basis by 5 %

We continue with providing good employment opportunities on short and long term basis for students and trainees.



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LUXURY HOTEL

Principle 2: Businesses should make sure that they are not complicit in human rights abuses.

Esplanade Zagreb respects all restrictions and prohibitions of discrimination of employees – as regulated by the Labor Law of Croatia.

We offer a variety of training tools geared towards our Hotel standards, service levels, business plan objectives and brand positioning, open to all of our employees.

Furthermore, administration of personnel action programs such as compensation, benefits, promotions, distribution of tips, transfers, vacation use, paid leave based on social needs, free meals for all staff regardless of status, termination, lay-offs and training participation is performed in a non-discriminatory manner.

After period of maternity leave all colleagues continue to work with us on the same position as before.

Hotel has a zero tolerance for mobbing and such cases are attended to immediately.



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Global Compact Principles: Labor Standards

Principle 3: Businesses should support the freedom of association and the effective recognition of the right to collective negotiation

The Hotel has concluded a Collective Agreement in 2004 between the Hotel as an employer and Hotel's branch of the Independent Union of the Hospitality Industry and Tourism of Croatia.

In agreement with the Union an Annex to the Collective Agreement was drafted in 2010 with updates of those articles of the Collective Agreement that changed due to new regulations within the Croatian Labor law.

The hotel's Employees council is a representative entity which protects and promotes the interests of all employees in the hotel and insures the enforcement of the Labor law, the collective agreement and other relevant legal regulations. It also monitors the obligation of the employer of paying social insurance contributions.

The hotel continues to assist in organizing meetings of the Union members by providing facilities as well as financially assisting in annual team building activities organized by the Union for union members. Meetings between the hotel management and Union representatives are held on a regular basis.



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Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.

The Hotel is strictly following the Labor Law in Croatia regarding forced and compulsory labor. Furthermore, the Collective Agreement signed by the Hotel defines that the overtime cannot be given to:

- pregnant women
- minor employees
- Parents who work short time because he/she has to care for a child with special needs.

A mother with a child to three years and a single parent with a child up to six years can work overtime if they give their written approval.

To foster commitment to the hotel we organize staff parties on which we present Loyalty Award for staff with more than 10 years of employment in our company.

Principle 5: Businesses should uphold the effective abolition of child labor.

Child labor is not accepted and does not exist within Hotel's operations. This is ensured through local hiring policies and Croatian Labor Law.



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Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.

By signing the Collective Agreement the Hotel prohibited the discrimination in regards to:

1. equal employment terms, including criteria and conditions for selection of candidates to conduct certain work on all levels of professional hierarchy,
2. work promotion based on competencies and relevant experience,
3. equal access to all types and levels of professional training, gaining additional qualification or changing the qualification,
4. transparency in employment issues and work conditions including equality in payment,
5. termination of employment contract,
6. right to participate in employee associations or in any other professional organization, including privileges which come out of this membership.

The Collective Agreement moreover stipulates that the Hotel is obliged to pay equal salaries to men and women for equal work and work of equal value in accordance to the Labor Law. In addition, tips are equally distributed within the relevant outlet.



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LUXURY HOTEL

Global Compact Principles: Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges.

The hotel has two certified representatives for waste management who are ensuring that the hotel is in line with all legal requirements and obligations in regards to waste disposal.

The Hotel has an energy class E certificate, which is a quite low energy class explainable due to the fact that the hotel is situated in an old building which is under heritage protection and work/modernization is limited due to those facts.

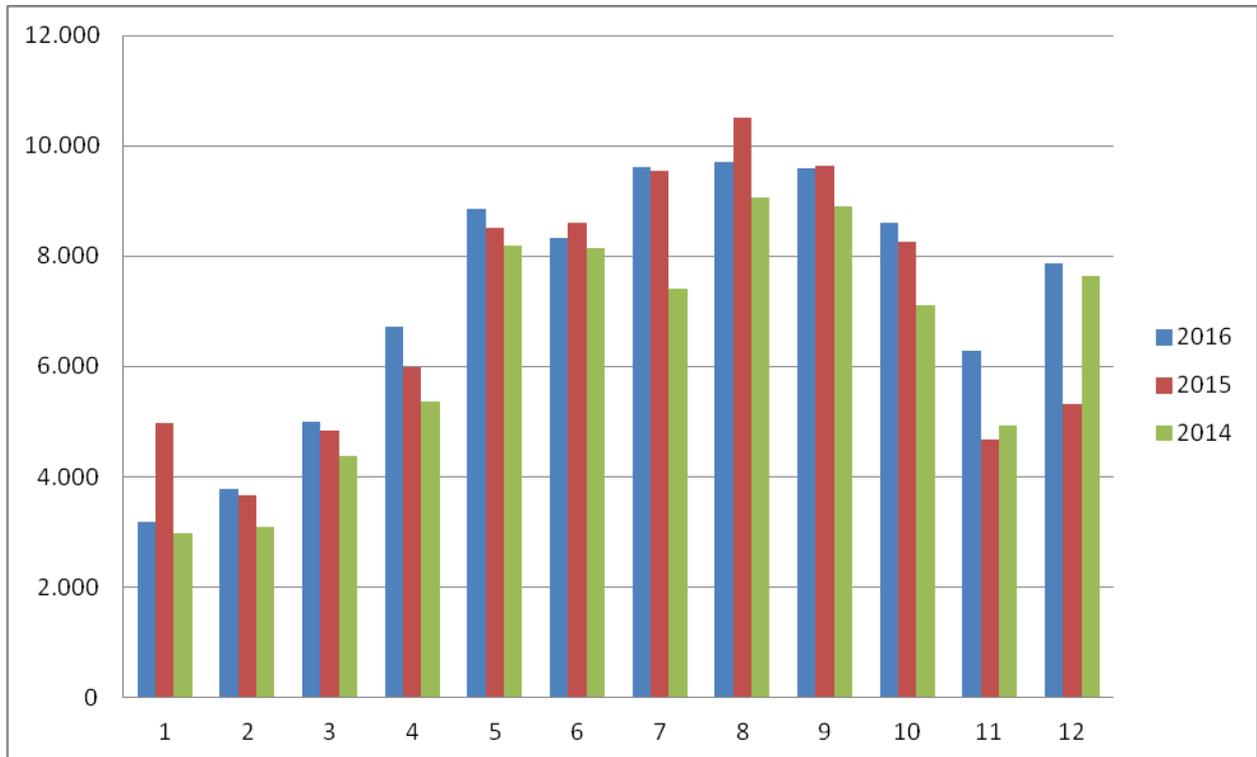
Nevertheless, economic use of energy continues with stable energy consumption in 2016. Comparison show a slight increase of consumption of energy in 2006 in comparison to 2015 which can be explain to harsher weather condition (higher temperature in summer and lower in winter period).

The below presented graphs show total guest nights per month for the past three years (1), total number of guest nights for the past three calendar years (2), total consumption of electricity for the past three years (3)



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LUXURY HOTEL

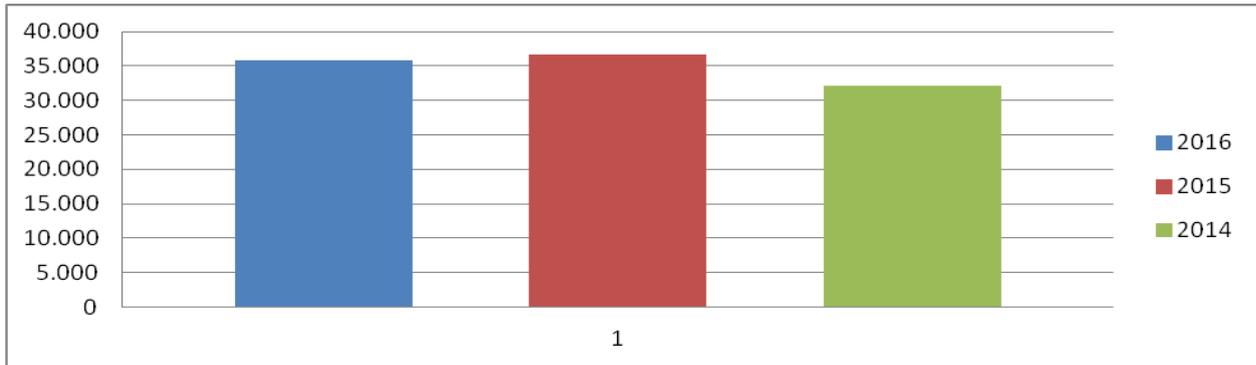
Number of guest night's per month.



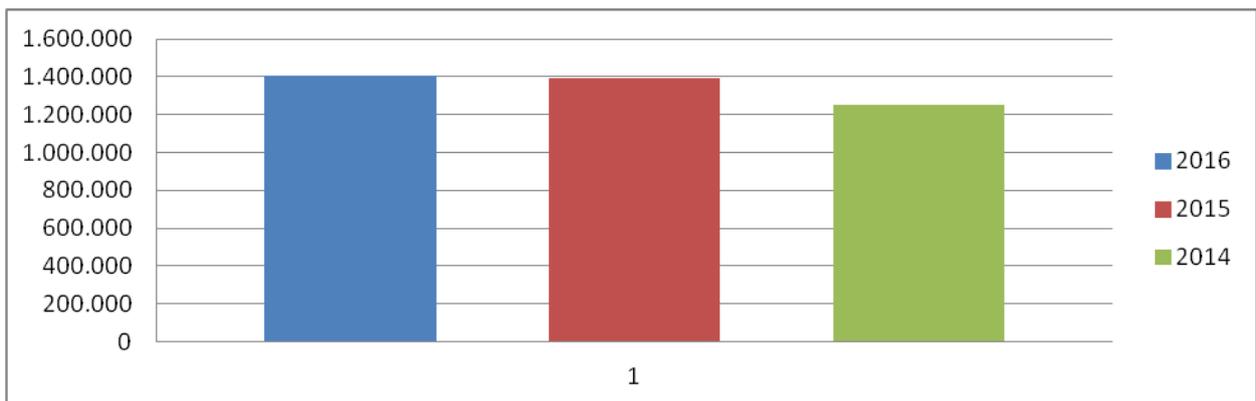


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Guest nights (annual comparison)



Electricity consumption - kW/h



Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.

In 2016 Esplanade Zagreb continued with active involvement in the project Fish Forward - a project that promotes sustainable fishing. We want to set an example by having only fish and sea products on the menu out of sustainable fishing source.



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LUXURY HOTEL

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

The Esplanade Zagreb hotel continues to follow and implement different working procedures and habits to enhance sustainable business practice. In 2016 we have modernized our BMS system, which now automatically recognizes the outside temperature and in line with it adjusts the inside temperature.

Furthermore, all lights that can be exchanged with LED lights are exchanged, starting with those containing mercury.

Although challenged when it comes to implementation of some modern technologies due to restriction on building which is under heritage protection and therefore limited to adjustments.



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LUXURY HOTEL

Global Compact Principles: Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Standards for Esplanade Zagreb in regard with corruption are defined in the Code of Ethics and Business Conduct.

Employees are prohibited from offering or giving anything of value to or for the benefit of any government employee, or other customer, employee or any political party or party official for the purpose of obtaining or retaining business or reward such a person for business obtained. Employees cannot engage in any behavior that could impact their judgment regarding the best interest of the company or their ability to give full attention to Hotel's business, including but not limited to:

- Accept personal gifts or entertainment that has a substantial monetary value (above 55 Euro), this includes any kickback arrangement.
- Any gift that has a significant monetary value (above 55 Euro) shall be returned. Any such gift shall immediately be reported to the supervisor.
- Employees and their immediate families shall not accept anything of significant value from third parties.
- Employees will not accept bribes or kickbacks in exchange for business with Hotel.

Facilitating payments are also considered bribes and should not be made. Nor is it permitted to use middlemen, agents or other intermediaries to circumvent these prohibitions.

The Code of Ethics and Business Conduct has been handed to all department heads, who then introduced it to all employees. It is also posted on the official notice board.

The Hotel does not make any contributions or give other support, direct or indirect, to political parties or individual politicians.



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LUXURY HOTEL

Conclusion

This United Nations Global Compact Communication on Progress will be presented to our stakeholders and its parts will be included into the Esplanade Zagreb Annual Report as well as any other relevant reporting.

Our aim is to be recognized as a true leader in the Croatian hotel industry when thinking about sustainable development and responsible business.

Further information and contact

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