

COMMUNICATION ON ENGAGEMENT (COE)

Period covered by this Communication on Engagement

From: June 2016

To: June 2018

PART I. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OR EQUIVALENT

12 July 2018

To our stakeholders:

I am pleased to confirm that AmCham Croatia reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact Principles as suggested for an organization like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Andrea Doko Jelušić
Executive director

PART II. DESCRIPTION OF ACTIONS

American Chamber of Commerce in Croatia is an independent, non-profit, non-governmental business organization with over 200 members (major U.S., Croatian and international companies), which employ 65.000 persons in Croatia. We are an accredited affiliate of the U.S. Chamber of Commerce in Washington and AmChams in Europe network.

We provide our members a forum for developing business opportunities through high level networking, promote high standards of business practices and engage in policy advocacy on business issues affecting our membership.

We are committed to fostering ties between Croatia and the United States through trade and investment as well as promoting regional trade and pan-European cooperation. We also focus on furthering the competitiveness of Croatia as an investment location and continual development of the business environment. Through our committees and other advocacy efforts, we continuously work on strengthening partnership between the business community and key decision makers and stakeholders within the government, in order to address issues facing our member companies.

We have focused on two U.N. Global Compact areas that are most aligned with our work – Environment and Anti-Corruption. We have issued official Chamber's position papers on related topics, as well as organized learning and dialogue events for our members and relevant stakeholders on these topics and engaged members in efforts to advocate for these issues.

Activities in 2016

DEVELOPMENT OF E-MOBILITY AND BIOFUEL PRODUCTION IN CROATIA

AmCham's advocacy efforts towards ensuring a regulatory framework that would enable the functioning of Croatian biodiesel manufacturers have initiated a higher level of coordination between the relevant ministries on this important but neglected matter. In addition, AmCham gathered key stakeholders in the area of e-mobility at a panel discussion which identified the challenges ahead and promoted better coordination between the competent institutions. Speakers came from the Ministry of Environment and Energy, Ministry of Sea, Transport and Infrastructure, Croatian Telecom, Hrvatska elektroprivreda and the Croatian Energy Regulatory Agency.

On 1 September, AmCham met with Assistant Minister of Environment and Nature Protection Marija Ščulac Domac and her team and presented its position paper on the development of e-mobility and biofuel production in Croatia.

On 6 October AmCham met with the Deputy Minister of Agriculture Tugomir Majdak and Assistant Minister Krunoslav Karalić to discuss the problems facing biodiesel producers in Croatia, as presented in AmCham's position paper on the subject.

Activities in 2017

PUBLIC PROCUREMENT

Public procurement is perceived as a corruptive area of public administration and our members have direct interest for improvement of this area. Therefore, AmCham's Public Procurement Committee continued working more closely on this issue. The Committee has prepared a proposal of amendments and additions to the Public Procurement Act bylaws, and has cooperated with the Ministry of Economy, entrepreneurship and crafts on improving the system.

INTRODUCING CARD PAYMENT OPERATIONS INTO PUBLIC ADMINISTRATION

On August 24, 2017, AmCham met with Ms. Zrinka Bulić, Assistant Minister of Public Administration, to discuss recommendations presented in AmCham's position paper "Introducing Card Payment Operations into Public Administration". AmCham presented key messages laid down in the position paper. Cashless payments or card payments are widely accepted by both citizens and companies in Croatia, and there is an indication of increase of such trends, in line with the general digital transformation of global society and economy. There are multiple positive effects of introducing card payments into public administration. The government would ensure additional tax revenues and automatically reduce gray economy. Citizens would be able to better plan their financial obligations and make payments in installments. Companies would have lower costs of cash management and conduct their business in line with laws and regulations.

A workshop on introducing card payment operations to the Croatian public administration, organized with the Ministry of Public Administration, took place on October 5, 2017. Representatives of credit card companies were joined by representatives of the Ministry of Public Administration, the Ministry of Internal Affairs, the Financial Agency, the Tax administration, the State Treasury, and the Ministry of Justice, and shared their expertise.

MEETING WITH SPEAKER OF THE PARLIAMENT

On September 21 representatives of AmCham's Board of Directors as well as Executive Director Andrea Doko Jelušić spoke with the Speaker of the Croatian Parliament Mr. Jandroković about the importance of a stable and predictable regulatory environment as a precondition for the further advancement of business climate and investment attraction. Representatives of AmCham informed the Speaker of the Parliament about the growth of US investments in Croatia. AmCham intensively cooperates with a number of parliamentary committees and throughout 2017, presented seven position papers to eight parliamentary committees. AmCham maintains an especially intensive cooperation with the committees for economy, finance, and healthcare.

MEETING WITH THE PRESIDENT OF CROATIA

On November 7, representatives of AmCham met with the President of Croatia Kolinda Grabar-Kitarović to discuss possibilities for enhancing Croatia's economy and business environment. The AmCham Board of Directors and the Executive Director pointed out digitalization of public administration, the process of assessing the effects of legislation and contribution of business community to the process of legislative changes and enhancement of the judicial system as important elements for improving the competitiveness of Croatia.

Activities in 2018

WORKSHOP WITH THE MINISTRY OF PUBLIC ADMINISTRATION

Ministry of Public Administration in cooperation with AmCham organized workshop focused on the introduction of card payments into public administration. Credit card companies' representatives presented the Card payments ecosystem, examples of good practice of using card payments in public administration in the EU and benefits of using card payments. Ms. Doko Jelušić, AmCham, presented possible next steps in cooperation between the Ministry of Public Administration and AmCham in an effort to fully implement the option of using credit cards besides the traditional cash payments, for Croatian citizens when paying for public services. There were an estimated 65 participants at the workshop representing a large number of public administration institutions as well as representatives of major credit card companies and banks.

POSITION PAPERS

Recommendations for Greater Transparency of the Relationships between the Healthcare Industry and Healthcare Workers and Organizations

Prepared by the Corporate Ethics and Transparency Committee

The paper supports the initiatives to increase transparency of the relationships between the healthcare industry and healthcare workers and organizations, and calls for individual (instead of collective) disclosure of transfers of value in healthcare, because only disclosure at an individual level meets the requirements of the public and the industry and achieves a level of transparency in line with the European Commission guidelines and the best global practice. This will ultimately result in a higher degree of protection of patient rights.

Recommendations for Improving Waste Oil Management

Prepared by the Environmental and Energy Efficiency Committee

The papers points out the substantial quantity of unreported waste motor oil in Croatia and resulting high environmental and health risks, calls for urgent amendments to the existing system of waste motor oil management and proposes specific measures that will reduce the risk to human health and the environment in Croatia.

Recommendations for the Development of E-Mobility in Croatia

Prepared by the Environment and Energy Efficiency Committee

Update on the existing paper published in 2016 AmCham believes that a good regulatory framework is crucial for the development of e-mobility in Croatia, as it would enable strategic planning for the development of the needed infrastructure, as well as further encourage citizens and business entities to use electric vehicles, which would also result in a decrease of CO2 emissions.

CORPORATE SOCIAL RESPONSIBILITY

EVENING FOR SAFE STEPS

With the beginning of war operations on its territory, the Republic of Croatia was faced with mine problem as one of the most severe consequences of war events in this region and became one of the numerous countries from all over the world with the territory being contaminated by mines and unexploded ordnance (UXO). AmCham recognized this as a very important humanitarian issue for Croatian citizens and decided to get involved and promote it as a good CSR project among its members. AmCham joined, from the beginning in 2001, the 'Night of a Thousand Dinners' initiative of the Canadian Landmine Foundation and their Partner, the United Nations Association of the U.S.A. to raise funds and to help keep the spotlight on the need to clear minefields and to contribute to victim rehabilitation, by organizing a fundraising dinner. After the project closed in 2011, we continued it under a new name 'Evening for Safe Steps'. The event gathers more than 250 high level guests from the Croatian business community, government, international organizations and diplomatic corps. All of the funds collected during the event through ticket sales and direct donations are enlarged by the U.S. Government's funds and used for mine clearance efforts in Croatia. Through these humanitarian dinners and thanks to numerous donors, more than 850.000 m² of contaminated land in seven Croatian counties have been demined so far.

PART III. MEASUREMENT OF OUTCOMES

END OF LIFE VEHICLES (ELV) MANAGEMENT

In March 2017, AmCham was informed by the Ministry of Environment and Nature Protection that a number of proposed measures are being tackled through relevant by-laws and the Waste Management Plan. In addition, the Ministry is planning to overhaul the system of environmental regulation affecting the automotive industry by passing new legislation by the end of the year. The Ministry will regularly consult AmCham during the period of preparation of the new legislation.

INTRODUCING CARD PAYMENT OPERATIONS INTO PUBLIC ADMINISTRATION

Ministry of Public Administration has accepted our initiative for introducing Card Payment Operations into Public Administration. We have addressed various operational steps in the two workshops we have organized with the Ministry and the process is moving to the more concrete steps and determining obligations of involved parties.

PUBLIC PROCUREMENT

Our successful cooperation with the Ministry of Economy, entrepreneurship and crafts regarding public procurement legislation (new law and by-laws comments through our position papers and public consultations) has resulted in signing of an agreement with the Ministry regarding education in public procurement processes. Following the signing of the agreement, AmCham organized a workshop with lecturers from the Ministry on the topic of "Most Economically Advantageous Tender for the procurement of goods, services and works - examples of good practice". All attendees with a valid certificate in the Public Procurement received points for the process of certificate renewal.