



ESPLANADE
ZAGREB HOTEL

United Nations Global Compact **Communication on Progress**

January 2022

Esplanade Zagreb Hotel

COP Report 2022

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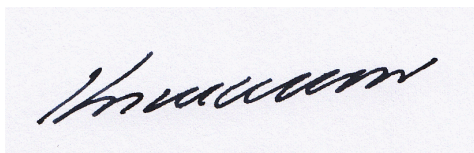
Zagreb, January 2022

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 hotel's contribution to responsible business.



Ivica Krizmanić
General Manager

Hotel

Zagreb is a clean, friendly and safe city, with a noticeable gastronomy scene and vibrant lifestyle. It is also a very popular Advent destination, Zagreb received Best Christmas market award three years in continuation.

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

Esplanade Zagreb is Croatia's iconic hotel, synonymous for luxury, style and excellent service, which is often mentioned in guest reviews at www.tripadvisor.com – where we keep top position among 71 Zagreb hotels, with rating of 4.5 for 2021. We are highly ranked on Booking.com with 9.1 and 4.7 on Expedia.

It is recognized as a place where royalties and high dignitaries reside, but also where everyone can have a grand festivity, conference or meeting.

The outstanding conference facilities include a spectacular ballroom, Business Centre and adjustable meeting spaces. Amenities range from free, super-fast internet access, WIFI to go, a 24-hour room and laundry service, valet parking, shoe polishing, turn-down service, concierge facility, luxury bath menu, Segway city tours, Zagreb old tour with a electric Ford T, limousine/chauffeur service and a comprehensive 'Very Important Dog' program.

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 purpose or cultural happenings. • Paper waste production on a minimum • Information for guest about outdoor sport activity opportunities, Tesla and Porsche destination chargers etc. 	<ul style="list-style-type: none"> • Cooperation with suppliers who employ persons with disabilities • Using only suppliers who fulfill all legal criteria • Purchasing wherever possible local products
Housekeeping	Human Resources
<ul style="list-style-type: none"> • Possibility for guest to opt for linen exchange upon request (standard is daily exchange of linen) • Whenever possible use of eco-friendly cleaning products 	<ul style="list-style-type: none"> • Extended internal training program • Constant number of internship positions • Educating employees to green thinking (waste separation, food waste project) • Offer Team building activities and opportunities for celebrations • Donating income from internal tombola to socially disadvantaged
PR/Marketing & Sales	Engineering
<ul style="list-style-type: none"> • PR activities to promote hotels Sustainable Business and RB activities (Fish Forward/Earth Hour/I'm not plastic WWF Global Initiative or Terry Fox, Pink Life etc.) 	<ul style="list-style-type: none"> • Continuation of monitoring of waste production, correct disposal of waste
Food & Beverage	Security
<ul style="list-style-type: none"> • Complimentary banquet rooms for charity related events • Free catering and service for charity events • Gluten free, Halal and Kosher menu available 	<ul style="list-style-type: none"> • First aid trained personnel • Fire drill/evacuation route • Regular work safety trainings

The Hotel continues to be very active in socially responsible activities like:

- Terry Fox Run, where we are part of the organizational team of the event for the past 15 years, hosting press conferences and selling of promotional T-shirts and hotels products where income is donated to different associations supporting cancer patients
- Donation of room nights for projects like UN women – Say NO to the Oppression of Women and continue helping project like “Brave phone” support for children and their families in domestic abuse situations, “Pink Life” association which is helping persons diagnosed with cancer, catering for Christmas Bazar of the International Women’s Club but also sustainable activities such as:
 - Fish Forward WWF Global Initiative - having Ana Grgić, Chef as project's Ambassador in Croatia – promoting sustainable fish use to suppliers, guests and employees
 - WWF’s 'Food Waste' Global Initiative – aimed at reducing Food Waste. Through its responsible business and waste management program, the Hotel has for many years sought to properly and efficiently manage ingredients in the procurement, preparation, and recycling of food waste, but through this initiative the intention is also to further maximize the use of food in kitchens and restaurants
 - Earth Hour WWF Global Initiative for environmental protection, a worldwide movement. We show our commitment to the project by turning off lights and with special offers on menu.
 - I'm not plastic – WWF newest project, we are banning use of one-time plastic items like cutlery and cups in employee area and will soon spread the *no use of plastic* throughout the hotel
 - Think outside the bottle - in-room guest message encouraging guests to use high quality tap water instead of bottled
 - Reduction of paper waste - by offering a *Press reader hot zone*; all local and international newspapers can be read online, in house training and evaluation forms are all in e-format, in process to establish a digital hotel information sheet (E-hotel info)
we are also actively support cultural, sport and local associations, to name a few:
 - Good France, in cooperation with the France Embassy we support a global food initiative programme by hosting a gala dinner every year



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- AmCham Talents, supporting future professionals by mentoring and advising and thus developing leadership skills at a new generation of leaders
- Special room night price for participants of cultural events and projects in cooperation with museums of town Zagreb

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 always think of safety
10. We take care of our planet

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.

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

Our cooperation with company that employ only persons with disability is slightly increasing every year.

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

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 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 with possibility of flexible work schedule.

In accordance with the Croatian law on Internal reporting of irregularities, we made a policy and determined a person within the hotel to whom all irregularities are reported.

Hotel has a zero tolerance for mobbing and such cases once reported are handled immediately.

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.

New Collective Agreement has been signed in 2017. According to new agreement a new system of vacation accrual has been implemented respecting the weekly work schedule.

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 & professional competitions organized by the Union for union members. Meetings between the hotel management and Union representatives are held on a regular basis.

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 must 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 individual meetings with General Manager who presents Loyalty Award to 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.

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 regard 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.

Global Compact Principles: Environment

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

As required by legal regulations the hotel has two certified representatives for waste management who are ensuring that the hotel is in line with all legal requirements and obligations regarding waste disposal. Those certified representative's coordinate work on a daily base with an outside contracted company certified for waste disposal which is in charge for the operational side of the work.

The Hotel has an energy class E certificate, which is a quite low energy class explainable with 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.

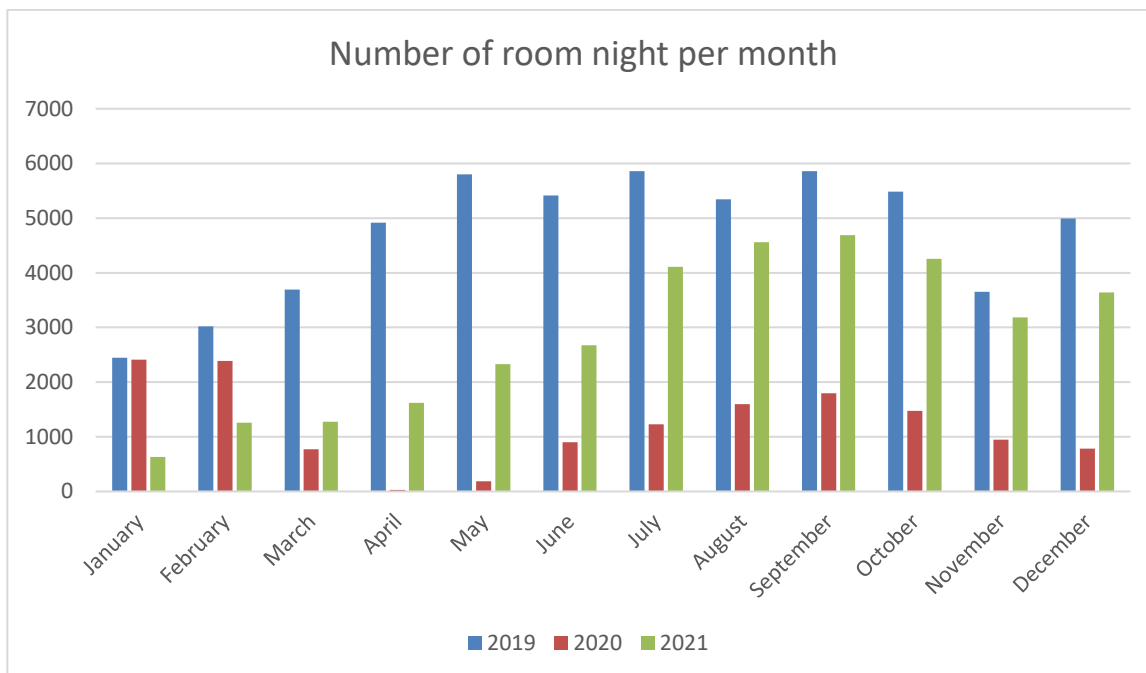
However as in future plans a complete renovation of the hotel is foreseen this will impact the buildings sustainability, although still limited due to the heritage fact, processes will be applied that are environmental responsible and resource efficient, which will impact the energy class certificate.

The pandemic that hit the world greatly affected the hotel industry as well, so that the scope of work was reduced.

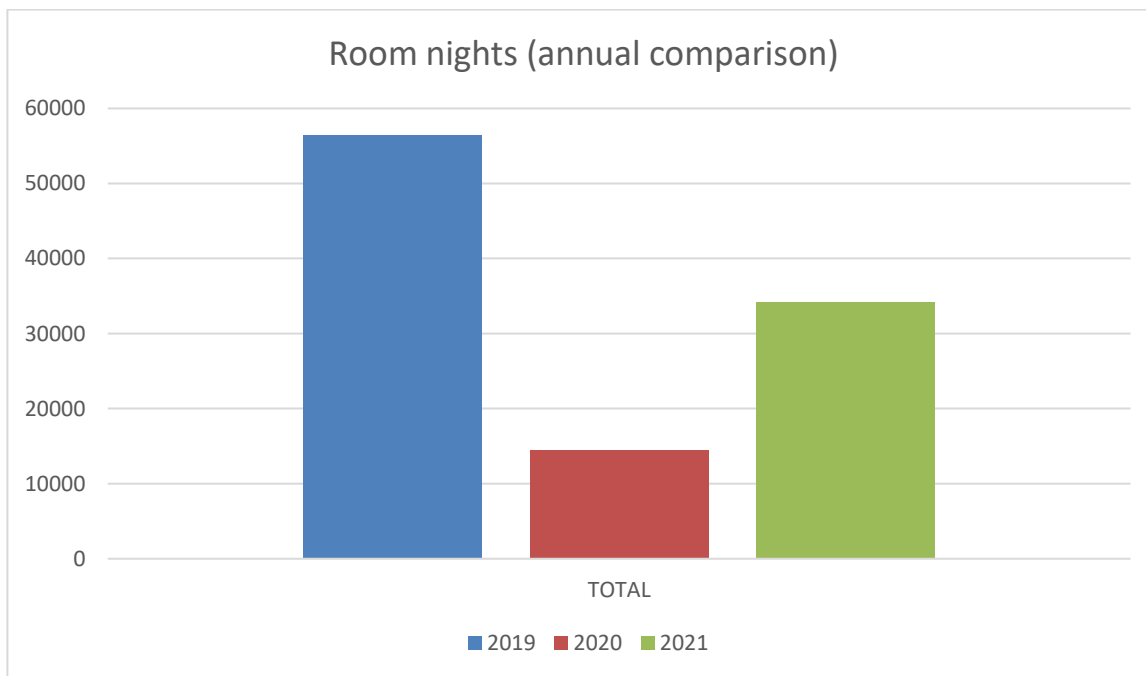
Economic use of energy continues with low energy consumption in 2020. Comparison show a fall of consumption of energy in 2020 and also in 2021 in comparison to 2019 which follows the fall of room nights in 2020 and also in 2021 compared to 2019 and good weather conditions.

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

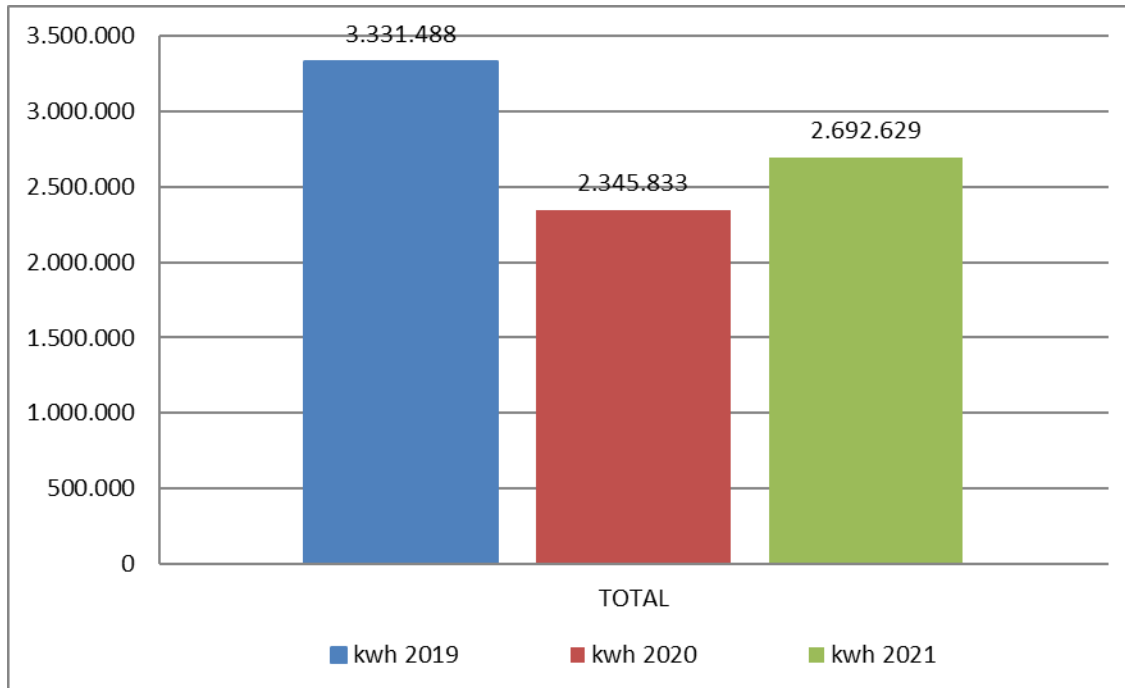
Number of room nights per month



Room nights (annual comparison)



Electricity consumption - kW/h



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

We will continue with all projects and best practice introduced in 2020. Which include projects such as *Think outside the bottle!* As Zagreb tap water is safe for consumption, we encourage guests to use tap water instead of bottled, lowering paper waste production by turning to e-communication tools for sharing information between departments and giving guests option to use e-invoices instead printed versions and similar options. And lowering plastic waste production by withdrawing use of one-time plastic items (cups, straws etc.) from guest and employee area as well as enhance our waste separation in employee area by educating staff and providing tools for easier waste separation.

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

We did manage to reduce our paper waste production in 2021, mainly by turning to new tools for e-reception like “on the go” check in, passport scanners, e-communication tool between Housekeeping/Front Office/Maintenance/MOD (Sekom).

Due to a GDPR regulation in 2018 we have introduced a new data processing procedure at reception where printed versions of registration cards were exchanged with online versions. While this has been necessary to be in line with the new regulation it is also in line with our “green” philosophy. In 2019 we started to offer guests the option to choose if they want their invoices, offers etc. to receive online or in printed version. We continued with this good practice also in 2021.

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.

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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