



CEA

Croatian Employers' Association

COMMUNICATION ON ENGAGEMENT (COE)

2018 - 2021



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Statement of Continued Support

January, 2022

To our members and partners,

it is with great honor that I introduce to you Croatian Employers' Association's Communication on Engagement with the United Nations Global Compact, thus reaffirming CEA's support to the Initiative's vision of a global movement of sustainable companies and stakeholders towards achieving the United Nations Sustainable Development Goals and aligning with the universal principles on human rights, labour, environment and anti-corruption.

I am pleased to inform you that the Croatian Employers' Association will continue to host and run the Global Compact Local Network Croatia, providing the Local Network with administrative and logistical support and cooperating with the Global Compact Office in New York, all in the interest of better assisting the UN Global Compact participants in Croatia.

CEA recognizes the essential role that the business community has in achieving success of the 2030 Sustainable Development Agenda and the 17 global goals. We believe that businesses need to incorporate the values of social responsibility and sustainability throughout their entire operations, and have, as an employers' association, been actively promoting the 10 Principles of Global Compact and the 17 Sustainable Development Goals among our members, and shall continue to do so, as well as committing to them ourselves.

This Communication on Engagement gives an overview of our work and activities to that effect in the period of four years, from 2018 to 2021.

Sincerely yours,

dr.sc. Damir Zorić
Director General



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About the Croatian Employers' Association (CEA)

The Croatian Employers' Association (CEA) was established in 1993 as a voluntary, non-profit and independent employers' association that represents, promotes and advocates for the interests of its members. Today, CEA has over 6000 members in 30 branch associations that advocate for specific economic interests of different sectors:

- CEA - Association of Contracted Physicians
- CEA - Association of Polyclinics, Hospitals, Medical and Health Care Facilities
- CEA - Catering and Tourism Association
- CEA - Chemical Industry Association
- CEA - Construction Industry Association
- CEA - Education Association
- CEA - Electroindustry Association
- CEA - Employers' Trade Association
- CEA - Energy Association
- CEA - Financial Services Association
- CEA - Food Industry and Agriculture Association
- CEA - Forestry and Hunting Association
- CEA - Geodetic Geoinformatic Association
- CEA - Health-Care and Rehabilitation Association
- CEA - Humanitarian Mine-Clearing Association
- CEA - ICT Association
- CEA - Metal Industry Association
- CEA - Non-metal, Building Materials and Mining Industry Association
- CEA - Pharmaceutical Industry Association
- CEA - Pharmacy Association
- CEA - Publishing and Printing Association
- CEA - Real Estate Developers' Association
- CEA - Security Services Association
- CEA - Small and Medium Sized Enterprises' Association
- CEA - Small Shipbuilding and Nautical Tourism Association
- CEA - Textile and Leather Industry Association
- CEA - Transport Association
- CEA - Wood and Paper Industry Association
- CEA - Graphic designers and publishers
- CEA - Professionals for EU funds

CEA is a strong and independent voice of employers and entrepreneurs. Its regional offices in Osijek, Rijeka, Split and Varaždin make a powerful entrepreneurial network covering all regions of Croatia.



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The basic principles which CEA stands for are:

- dynamic and sustainable growth of Croatian economy
- improvement of transparency and efficiency
- good governance and sustainability
- social responsibility standards
- protection of competitiveness and fair level playing field
- flexible labour market and competent labour force

Our mission: *„Being a partner to employers, helping them realize their potential, entrepreneurial ideas and endeavours in the most competitive way“*

Since 1994 the CEA has been the only employers' representative within the national Social-Economic Council, the highest tripartite social body (Government, trade unions and CEA) for social dialogue in Croatia. The Council was established in order to determine, defend and promote the economic and social rights of entrepreneurs and workers, and to maintain a harmonized economic, social and development policy. Pursuant to the Labour Act from 1996, CEA has the legitimate right to negotiate in the process of collective bargaining and to sign Collective Agreements on behalf of employers.

CEA is also very active on an international level.

Since 2012, CEA has been the headquarter centre/representative of the Global Compact Local Network Croatia, thus promoting the principles of corporate social responsibility and sustainable development among its members. The association is also::

- member of the International Employers' Association (OIE) since 1993
- participant to the International Labor Organization (ILO) since 1994
- member of the European Confederation of Small and Medium-sized Enterprises (CEA-PME) since 1997
- member of BUSINESSEUROPE in the observer status since 1994 and in the associate member status since 2004, becoming a full member in 2013
- observer in BIAC since 2014

Sustainability on the Agenda

The CEA has been promoting corporate social responsibility since 2005 by raising the awareness of the role and the impact of the private sector on the society and environment by incorporating social, environmental, ethical and consumers' rights into long-term business strategies. Research has shown that companies which implement CSR have better faced the crisis and showed long-term sustainability. To raise the level of competitiveness, it is also important to have socially responsible public sector that will create motivating economic environment and thus ensure the development of the socially responsible companies.

As of 2012, CEa is the hosting organization to Global Compact Network Croatia, numbering 65 companies - direct members to UNGC, and a number of subsidiaries engaged in the Network's activities through multinational parent company involvement in UNGC. They are all involved in a global international platform for exchanging knowledge regarding better methods of doing business, which includes transforming the existing business practices to include CSR, ethical norms and environmental protection, since these practices are the ones which ensure companies their competitive edge and development.



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Advocate for Human Rights / Diversity & Inclusion

CEA Base of Business Women

In March 2016, Ombudsman for Gender Equality and Croatian Employers' Association presented first members of the electronic Base of business women who are capable and qualified to assume management positions in companies. The Base is open to public on the website www.hup.hr and <http://staklenilabirint.prs.hr/>.

CEA Base of Business Women was designed according to the already existing similar bases in the world, such as Global Board Ready Women, European Network for Women in Leadership and Women on Board, as part of a wider project Removing the glass labyrinth - equality in opportunities and access to decision-making positions in companies in Croatia, financed by the Progress program of the European Union.

After the completion of the project, CEA took over the management of the Base, aiming to encourage companies to hire more women in management positions, because they are still significantly under-represented in comparison to men, although equally competent and qualified to be executive directors or members, and presidents, of management boards. Croatian Employers' Association, representing more than 6,000 companies, continues to manage this base in order to start a positive change in terms of achieving greater equality between men and women, which will then hopefully make a very visible impact and cause significant shifts in the entire business sector.

In 2019, new members were accepted to join the Base. As a result, today the CEA Base of Business Women numbers around 150 members, all successful business women.

Club 30% Initiative

One of the initiatives we have recently supported was the Club 30%. Club 30% was founded in late 2010 in the UK and is active in many developed countries. In 2018, together with the Canadian Embassy, we introduced this initiative to the Croatian business community starting a discussion about potentially forming this club in Croatia as well. 15 companies welcomed the idea and agreed to discuss more.

CEA Mentorship for Women

In 2020, as part of the Base of Business Women platform, we ran a CEA Mentorship program for business women, with the purpose to empower women and prepare them for top management and senior positions in the business sector. The overall goal was to increase the participation of women in company management and senior positions. The program had an extremely positive impact on both mentees and mentors, as well as their organizations. This model which connects people from different industries and organizations, has proven to be an excellent model because it allowed participants to work on specific management skills, broadening perspectives, and expanding the circle of contacts.

Croatian Employers' Association actively supports and will continue to support all initiatives aimed at achieving true equality of women and men in the business world, but also in the wider community. We also encourage companies to generally pay more attention to the equality of women and men in their human resources programmes.



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Target Gender Equality

As the hosting organization to the Global Compact Network Croatia, in 2020, we started a programme called Target Gender Equality opening it, exclusively for this first year, to a wider range of companies, not limited to UNGC members.

Our programme was custom-made to fit the needs and address issues with gender equality in Croatia, so Global Compact Network Croatia ran an all-female Target Gender Equality programme and focused on tackling obstacles in women's career advancement. By addressing challenges such as inferior mindset, imposter syndrome, unrealized potential, lack of self-advocacy and lack of confidence to apply for higher positions, the programme tackled goal-setting with their participants to elevate career development opportunities. By connecting both their personal and professional goals, Target Gender Equality equipped women with new tools that were well received by participating companies.

The second round of the TGE programme went even further, with a regional reach. GCLN Croatia partnered up with GCLN Serbia to give a new cohort of companies and participants this valuable programme. This time around the programme was enriched with additional opportunities and discussions.

How To Combat Sexual Harassment In Workplace - European Regional Session

In October 2021, ahead of the 16 days of activism against gender-based violence, GCLN Croatia and Serbia organized a European regional webinar on the topic of sexual harassment in workplace. We explored legal definitions of sexual harassment and related implementation and misinterpretation issues, and then discussed the prevalence and consequences of sexual harassment in the workplace and possible recommendations for both employers and individuals.

The webinar was organized as part of the Target Gender Equality initiative.

Annual CSR Academy Children are Everyone's Business

As part of the worldwide initiative Children are everyone's business, that aims to support companies of all sizes in integration of children's rights in every day business and management, CEA and UNICEF organize every year a series of workshops on:

- children's rights – what they are and why they are important to business;
- international frameworks and standards related to children's rights;
- inclusion of children's rights in business processes and management;
- children as an important part of the business sector;
- how to avoid, reduce and eliminate harmful effects on children and why it is necessary to have a policy on the rights of children.

By attending the education, representatives of leading Croatian companies gain expert knowledge and practical tools to help them better understand children's rights and needs and to incorporate them into day-to-day business and management.

UNICEF Advisory Body on CSR and Children's Rights

In 2018, UNICEF initiated establishment of the Advisory Body on Corporate Social Responsibility and Children's Rights, a platform for the exchange of knowledge and good practice, focusing on increasing the visibility of children's rights on the business agenda, thus leading to a higher level of respect, protection and realisation of children's rights. Advisory Body consists of all relevant national stakeholders, such as bodies/organizations working on the active advocacy of CSR in Croatia, including CEA and GCLN Croatia.



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Research on the Impact of Business Sector on Children's Rights in Croatia

The same year, UNICEF initiated a Research on the Impact of Business Sector on Children's Rights in Croatia in order to better understand to what extent children's rights, as an integral part of human rights, are recognised as an important segment of the CSR within the business sector in Croatia. Based on the research findings, which have shown that awareness of the potential influence of the business sector on children's rights (and CRBP respectively) is relatively low, CEA, together with UNICEF and GCLN Croatia as well as other members of the Advisory Body continues to work to positively influence the development of CSR focused on children in the Croatian business sector.

In 2021, another research was conducted by UNICEF and CEA that focused on family-friendly practices among employers. The results of this research will be presented in March 2022.

CEA HR Club

There is an HR Club active in CEA, that gathers Human Resources professionals from CEA member companies with the aim of addressing challenges, new ideas and practices in the field of people culture, leadership, human resources, management etc. Members of this club have the possibility to read first hand regulations that are in the making and give their expert opinion which CEA then forwards to the Government as part of the social dialogue. HR Club also meets on different topics of interest to members, thus sharing experiences, good practices, new products and business models.

CEA partner in the Employer of the Year for people with disabilities

The Institute for Expertise, Professional Rehabilitation and Employment of Persons with Disabilities, in partnership with Croatian Employment Service, Croatian Employers' Association, Labor Market Development Institute, Moj Posao Portal and Croatian Association of Persons with Disabilities, ran in 2019 for the second consecutive year a project entitled "Employer of the Year for Persons with Disabilities". This year's edition was also supported by the Global Compact Network Croatia, and in May the 2018 Employer of the Year for Persons with Disabilities Awards were presented and the most prominent employers in six categories were announced. Employers in competition opened the door to the world of work for people with disabilities, recognized diversity as a value and adapted the work environment to the needs of their employees - people with disabilities.

Partnership with the Ombudsperson for Persons with Disabilities

After the awards ceremony, in cooperation with the Ombudsperson for Persons with Disabilities during the second half of 2019, workshops were held all over Croatia, in regions where CEA has regional offices, on the Challenges of Employment of Persons with Disabilities and how to overcome them.

Employer – Friend of the Family Award

For three consecutive years, from 2019 to 2021, CEA supported the project Employer – Friend of the Family organized by the Central State Office for Demography and Youth. The recognition is awarded to employers who have the best solutions in achieving a friendly atmosphere towards employees and their families, in order to promote family values and improve family living conditions and sensitize both employers and the general public about their importance.



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Advocate for Reporting on Sustainability

National Study on Non-Financial Reporting in Croatia

Non-financial reporting is a way in which some companies define and report about their social roles from environmental, social and governance perspectives. Since 1st January 2017 the Accounting Law has made non-financial reporting legally binding for certain business entities. By passing this Law, Croatia has implemented the Directive 2014/95/EU of the European Parliament and the Council of Europe from 22nd October 2014 amending the Directive 2013/34/EU on the disclosure of non-financial and diversity information by certain large companies and groups, also known as non-financial reporting Directive. Such implementation into the national legal system aims to increase operational transparency of large companies as well as competitiveness of medium and small companies, by disclosing non-financial, or so-called ESG information, regarding the company's environmental and social impact. Two years after the initiation of this Law in Croatia, companies from private, public and civil sector came together to analyze the state of non-financial reporting in Croatia in 2017 and 2018. Institut for CSR, PWC Croatia, The Faculty of Economy, the Ministry of Finance and GCLN Croatia hosted by CEA analyzed the frameworks and content of nonfinancial reports from companies that were legally bound to submit such reports as well as from those who did so voluntarily. The analysis of the content of non-financial reports was conducted according to European Commission guidelines on non-financial reporting. The main aim of this initiative was to establish regular and systematic analysis of non-financial reporting in Croatia as well as offer recommendations for its improvement in order to aid the competitiveness of Croatian companies

2018 CSR Best Practice and Shine Awards

In 2018, at our annual Christmas event that gathered over 700 of CEA members at one place, Croatian Employers' Association awarded companies and recognized them for socially responsible practices in the following areas:

- care for employees,
- care for community and the environment in the three categories: small, large and medium-sized companies,
- promoting a socially responsible business within the supply chain,
- CSR Grand Prix for a company that best incorporates the CSR principles through the entire business.

In addition, a SHINE award was given to companies that have demonstrated visibility of corporate social responsibility in digital media. The aim of the "SHINE" award for the Visibility and Affirmation of Socially Responsible Business and Sustainability in the Digital Media is to validate good digital practice; to give recognition to the noted companies; and to encourage others to use different good experiences and improve their own business.



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Green Frog Award

CEA and GCLN Croatia partnered up with Deloitte in 2019 for Green Frog Award for the Best Integrated and Sustainability Report, an initiative that aims at promoting sustainability as the foundation for business success.

The Green Frog Award is a two-level process:

- National level – Companies may demonstrate their sustainable activities at the national level by means of non-financial and integrated reports that are assessed by a local jury. Companies whose reports receive the best score compete for the regional Green Frog Award.
- Regional level – Winners of the National GFA level are automatically nominated to the Regional level covering all other Central European countries. The following nominations are available for participation: The Best CE and CIS Sustainability Report and The Best CE and CIS Integrated Report.

Green Frog Award is an annual recognition awarded by Deloitte Central Europe and other regions for the best sustainability and integrated reports. It aims at identifying and rewarding excellence in corporate non-financial and integrated reporting in Central Europe and other selected regions. Green Frog Award is being supported by the Global Reporting Initiative and International Integrated Reporting Council. The criteria of the contest were presented for consultation to both organizations. The Green Frog Award (GFA) was launched in 2000 in Deloitte Hungary and was embraced step by step by other CE countries (the Balkans joined in 2009, Czech Republic in 2012, and the Baltics in 2013).

Deloitte, CEA and GCLN Croatia ran the award in 2020 again, giving recognition to some new companies as well as confirming the leadership of second time winners.

Advocate for Anti-Corruption

CEA and GCLN Croatia partners on the International Fraud Awareness Week

Driven by the desire to raise awareness of the importance of fighting financial crime, fraud and corruption and educating the public on these important topics for every society, the Croatian Employers' Association and Global Compact Network Croatia, in cooperation with Deloitte Croatia and many partners, participated in the International Fraud Awareness Week, which took place for the first time in Croatia from 18 to 22 November 2019. In cooperation with eminent experts from various fields, we opened a dialogue on the topic of the Croatian economy's exposure to corruption and fraud, and presented the latest global trends in the fight against corruption.

On the second day of the week, we organized a round table at the CEA premises on the topic of whistleblower protection and the Act on the Protection of whistleblowers. The lecture on the legal implications and tools for protecting whistleblowers was followed by a discussion on the importance and role of whistleblowers in the fight against corruption.

International Fraud Awareness Week was launched by the Association of Certified Fraud Examiners in 2000 and since then hundreds of organizations around the world have joined the initiative, raising awareness of the need to fight fraud and corruption.

CEA supported the same project in 2020 as well as 2021.



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Law on Protection of whistleblowers

As a social partner to the Government, CEA was very active in the working group working on the Law on protection of whistleblowers. In cooperation with the Ministry of Justice, we organized training for our members on the Protection of whistleblowers in order to inform the membership about new obligations in a timely and direct manner by the proposers of the law.

GDPR and Privacy Club

Since 2017, the CEA-Privacy Club has been very active, bringing together experts in the field of privacy (professionals from CEA member companies) who meet regularly once a month to discuss innovations, exchange experiences and share good practices. Also, through this club we cooperate with the Agency for Personal Data Protection and have had numerous activities with them addressing GDPR.

This is only one small part of all the activities we have been involved in throughout the four year period. Other activities include raising awareness on climate change and biodiversity loss, taking part in discussions about circular economy, covid recovery and our activities in the area of digital and green transition. These topics will surely be more present in our next communication on engagement.



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