

COMMUNICATION ON ENGAGEMENT (COE)



Hrvatski poslovni savjet za održivi razvoj
Croatian Business Council for Sustainable Development

Period covered by this Communication on Engagement

From: June 2023

To: June 2024

Part I. Statement of Continued Support by the Chief Executive or Equivalent

Jun7th, 2024

To our stakeholders:

I am pleased to confirm that Croatian Business Council for Sustainable Development (HR BCSD) reaffirms its support to the Ten Principles of UN Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with promotion of the Ten Principles. We welcome feedback on its contents.

In this Communications of Engagement, we describe our commitment to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

Mirjana Matešić PhD,

Director

Part II. Description of Actions

HR BCSD is the founder and holder of The Croatian Sustainability Index (HRIO). HRIO refers to a methodology/ questionnaire for assessing the implementation of sustainable and responsible business practices by companies, going beyond legally mandated obligations, and integrating sustainable development principles into decision-making processes and actions, by also managing the impact of its operations on the environment and society. This is the only rating system measuring the level of sustainability of companies in Croatia, with around one hundred companies participating annually, and it has been conducted for sixteen consecutive years (previously known as the CSR Index). HR BCSD also provides individual consultations with any company that fills out the Index in order to detect areas of improvement and reach more sustainable business practices in the near future. The Index evaluates business practices in six areas: sustainable corporate governance, environmental management, work environment, community relations, human rights, and children's rights. Awards are also granted to companies that achieve the best results in the implementation of sustainable practices in specific areas at the annual Conference on Sustainable Development, for the 16th time in 2024.

The annual Conference of Sustainable Development is a high-level event organized by HR BCSD for the past 15 years. The conference is a unique event in our region, placing sustainability topics at the forefront as an undeniable prerequisite for achieving climate neutrality and the sustainability of the economy and society as a whole. Both domestic and international experts participate in the conference, discussing achievements and expectations in the field of sustainable development, as well as anticipated trends in the future period. The Conference typically consists of several panels, and each panel is centered around a specific sustainability topic. Some of these include reducing GHG emissions and climate change adaptations, sustainable financing, sustainability reporting, industrial policy, natural capital and others. Representatives of the biggest industries in Croatia and the region engage in transparent conversation to provide examples of their sustainable production practices and consumption habits, but also express concerns about upcoming challenges.

HR BCSD is the head of the Diversity Charter (DC) in Croatia. The European Diversity Charters assist organizations in the public and private sectors throughout the European Union in designing and implementing effective diversity and inclusion policies. By signing the Charter, organizations publicly commit to promoting diversity and inclusion in the workplace. Through the EU DC platforms, HR BCSD often is involved in various EU funded projects and initiatives.

Education, Trainings and Workshops

Since its beginnings, HR BCSD has been actively conducting educational activities in topics crucial for a sustainable economy through various formats. Most notably, HR BCSD organizes the Corporate Sustainability education, numerous Sustainability Reporting workshops (GRI, ESRS, EU Taxonomy, SDGs), workshops on Diversity and Inclusion, unconscious bias and stereotypes, as well as individual workshops with members depending on needs. The Corporate Sustainability Education is organized in 5 modules, each module goes through a specific ESG topics including ESRS reporting standards, EU Taxonomy, value chain, human

rights, diversity and equality, climate change, greenhouse gas emission calculations and many others. The Workplace Inclusion Champion training program is structured as a blended learning education consisting of 7 modules on diversity and inclusion topics on an online platform, and includes face-to-face sessions with mentors for each module.

Regular in-house training sessions are organized for member companies regarding sustainable business practices and CSR topics like DEI at the workplace. We also organize training sessions on the CSR Index open for all interested companies.

HR BCSD's director provides expert support for numerous policies and initiatives that promote sustainable behaviors, advocacy and representation in drafting of development documents and regulations in Croatia. She is also present in newsletters and is subject to interviews on major Croatian news channels in order to promote sustainable business practices and raise awareness of climate change impacts and adaptations. HR BCSD's employees participate at various conferences, expert groups and round-table discussions in related topics.

Additionally, regular study tours are organized as visits to production sites of our member companies to educate other interested business representatives on how specific companies operate. This is especially important for members as it acts as an opportunity to exchange good business practices, both in terms of production/ supply-chain sustainability and social responsibility.

Cooperation and Memberships

HR BCSD cooperates with various organizations to make effective synergies with others. Often, we combine our expert knowledge with other's technical capacities. HR BCSD actively participates in cooperation activities including contributing to the national stance on the EU Packaging and Packaging Waste Regulation by holding meetings with stakeholders, and successfully communicating opinions to the European Commission. As part of the Working Group for the transposition of the CSR Directive, we attended numerous meetings at the Ministry of Finance. We regularly engage with the OECD's National Contact Point, advise representatives, and help draft founding acts. We are appointed to the Commission for drafting Croatian positions on the EU Regulation Proposal regarding vehicle circularity and waste management, and have initiated communication with the Ministry of Justice for inclusion in the Working Group for the transposition of the 3D Directive, recognized by the Ombudsman's Office. HR BCSD participated in consultations organized by the European Commission and Parliament on climate strategy and the European Green Deal, including a session with Patrick Child. HR BCSD's director has been appointed as the Climate Pact Ambassador for the European Climate Pact in Croatia and she participates in meetings. We actively engaged in public discussions and webinars on the European Sustainability Reporting Standards (ESRS) and sector-specific guidelines. They also participate in the World Bank's consultative process in Croatia to draft a country report and strengthen WB programs.

We are members of Global Network of World Business Council for Sustainable Development (WBCSD).

HR BCSD is focused on its media and digital visibility on social networks and the web. We try to communicate all our activities in the media to educate the public and get more visibility for our activities.

Publications

HR BCSD is the founder and holder of a quarterly newsletter *Business and Sustainability*, 78th edition as of June 2024. The newsletter contains information on events organized for business on CSR as well as news on best practices in CSR and sustainability topics. HR BCSD also hold a news outlet dop.hr for all news related to sustainable development and best business practices.

Part III. Measurement of Outcomes

Our indicators with which we measure our impact and implementation of Ten principles and well as sustainable development in Croatia are:

- number of events
- number of participants at every event
- number of our members
- number of media coverage
- number of participants at our national CSR Conference (around 200 last year)
- number of companies participating at CSR Index (over 100 last year)

We take qualitative feedback on our events through evaluation by participants. We also take feedback from our members on the topics we cover. The Management Board and the General Assembly always approve our initiatives. Our major indicator is a number of companies that follow our activities what positions us as the most important organization supporting sustainable development and CSR in Croatia.