



CEA

Croatian Employers' Association

**COMMUNICATION ON
ENGAGEMENT (COE)**

2021 - 2024



Contents

| | |
|--|-----------|
| Statement of Continued Support | 3 |
| About the Croatian Employers' Association (CEA) | 4 |
| Sustainability on the Agenda | 5 |
| Advocate for Human Rights / Diversity & Inclusion | 7 |
| CEA Base of Business Women | 7 |
| Club 30% Initiative | 7 |
| CEA Mentorship for Women | 7 |
| Target Gender Equality | 8 |
| Annual CSR Academy Children are Everyone's Business | 8 |
| UNICEF Advisory Body on CSR and Children's Rights | 8 |
| CEA HR Club | 9 |
| Project for empowering autistic VET students and jobseekers | 9 |
| Advocate for Reporting on Sustainability | 10 |
| National Study on Non-Financial Reporting in Croatia | 10 |
| 2018 CSR Index | 10 |
| Croatian employers' association in 2023 became partner to HRPSOR - Croatian Business | 10 |
| ESG Forum | 11 |
| Cooperation with WWF Adria | 11 |
| Fuel for future | 11 |
| Private sector initiative for youth | 12 |
| Project "Small Lighthouse" | 12 |
| Plan for prevention and reduction of food waste / Establishment of a food donation system by model intermediaries in the donation chain food and food banks | 12 |
| Green Plan-Strategy for biodiversity: reduction of use of pesticides in agriculture by 50% 2030 | 12 |
| Advocate for Anti-Corruption | 13 |
| CEA's membership in BIAC OECD anti-corruption committee | 13 |
| Law on Protection of whistleblowers | 13 |
| GDPR and Privacy Club | 13 |





Statement of Continued Support

July 2024

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, labor, environment and anti-corruption.

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 employer's 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 2021 to 2024.

Sincerely yours,

Irena Weber

Director General





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 Varazdin make a powerful entrepreneurial network covering all regions of Croatia.





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 endeavors 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 center/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 sectors that will create motivating economic environment and thus ensure the development of the socially responsible companies.

As of 2012, CEA was 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.





CEA

Croatian Employers' Association

2021 - 2024

In 2023 we started process of establishment new association, independent from CEA and we finished that process in May 2024, when GC Network Croatia became independent association. General director of CEA is still member of the management board of GC Croatia.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION





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, the base had around 150 members, all successful businesswomen. We promoted Base in conferences, and we engaged members in three working groups, so they met regularly. In 2024 we started the process of improving the Base as we want Base to become a digital tool. We set the project and budget, and we are looking for partnerships. Also, we want to introduce also women in public sector.

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.

In 2024 together with Canadian embassy we had conference and panel discussion on women's quota and EU legislative that is coming in 2022.

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,



HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION



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 programs.

Target Gender Equality

We had several events targeting gender equality, especially women quotas and equal pay. In the next years EU directive on quotas and transparent pay will come in force also in Croatia, so with round tables and conferences we are trying to prepare employers for changes in business. For the companies who are listed on Stock exchange there will be introduced obligation to have women in management and/or supervisory boards. All the companies will be forced to have transparent system of incomes statistics divided between man and women.

All this will bring new challenges for employers, and we want to prepare them. Also, CEA thinks that this is very important economic question, so we had also meeting in Ministry of justice on the subject of women in top position in state owned companies.

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 everyday 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 realization 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. We actively participate in advisory board but also in all the conferences and workshops related to private sector. We also participated in humanitarian race "Milky Way" organized by UNICEF Croatia.





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 firsthand 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.

Project for empowering autistic VET students and jobseekers

We are partner with Association for lifelong vocational education in project with the main objective to promote the inclusive employment of autistic people by achieving prerequisites through:

- modernized career guidance and skills training programs
- providing expert support to the target group through examples of good practice and pilot programs
- continuous professional training programs for teachers and trainers for working with autistic people.

Project started in 2024 and we have workshops on that subject but also, we recorded webinar and promoted this project on radio station.

Main goal is unlocking inclusive employment opportunities through state-of-the-art career guidance and skills training initiatives tailored to the unique needs of autistic individuals.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION





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.

In 2024 we adopted new Accounting Law and Law on Audit and with them we implemented EU Directives on ESG reporting.

2018 CSR Index

Croatian employers' association in 2023 became partner to HRPSOR - Croatian Business Council for Sustainable Development in CSR Index reward.

Croatian Sustainability Index – HRIO is a methodology that provides a comprehensive insight into the application of one's own sustainable business practices, a review of compliance with the latest provisions of the European Union and comparison with the practices of other Croatian companies. The HRIO methodology has been translated into a questionnaire that evaluates business practices in the following six categories:

1. Sustainable corporate governance
2. Work Environment
3. Environmental management
4. Relations with the community
5. Human rights
6. Children's rights

This is the only rating that measures the level of sustainability of companies in Croatia, in which more than a hundred companies participate annually, and which has been conducted for the seventeenth year in a row.

CEA is partner from the business organization and also CEA appointed person in commission that valorize the employers in the field of CSR.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION





ESG Forum

In 2023 we started with ESG forum – group of more than hundred employers that are interested in the subject related to ESG.

Through this platform we exchange information about trends and news regarding the environment, social and good governance. Also, we organized a lot of workshops and conferences on that subject, especially about the environment and taxonomy.

CEA also organized, together with Ernest and Young, education on ESG for members. It was very well accepted we had two rounds of education (each contains 4 workshops) and we will continue with that activity.

We also held:

- › Workshop: Diversity and inclusiveness at workplace
- › ESG Brunch - A mini-conference on the topic of sustainability
- › ESG Implementation: Methodology and Practical Steps-Sectoral overview of the agricultural industry
- › Workshop: obligation of non-financial reporting for companies

Cooperation with WWF Adria

This agreement aims to strengthen sustainable business and promote nature protection in Croatia. The cooperation between CEA and WWF Adria represents a key step towards empowering employers in understanding and participating in various projects related to sustainable business. One of the goals of this cooperation is the organization of joint conferences, workshops, panels and education aimed at business sustainability. At the first in a series of workshops, in addition to presenting the work of WWF Adria, ESG measures, standards and greenwashing were discussed.

Fuel for future

In the view of the climate crisis and the growing public expectations for the business community to take over the responsibility for sustainability, companies must rethink how to integrate ESG management principles to maintain competitiveness in the global supply chain and take advantage of new market opportunities. Sustainability in business, as well as standardized communication of such activities, is very important for small and medium-sized enterprises companies. Therefore, CEA launched the project "ESG Forum - Fuel for Future", which is supported by funds from the Norwegian Financial Mechanism 2014-2021, in the framework "Business Development and Innovation Croatia" program. We implement the project, with support of the Innovation Norway, together with Norwegian partners NHO (Confederation of Norwegian Entrepreneurs), with the aim of transmitting and presenting the best practices in the application of ESG standards in the company's operations, and maintaining and improving business competitiveness.





CEA

Croatian Employers' Association

2021 - 2024

Private sector initiative for youth - how to prepare students for the labor market

CEA and the European Bank for Reconstruction and Development (EBRD) launched the Private Sector Youth Initiative (PSYI) in cooperation with private companies, women's professional associations and academic institutions. The organizational partners of this Initiative are the Faculty of Electrical Engineering and Computer Science in Osijek, the Student Council and the consulting company People 1st from Great Britain.

The initiative reflects a joint effort by education providers and employers, recognizing the importance of addressing youth skills mismatches and expanding economic opportunities for women in the process of transitioning to a competitive, market-oriented economy that supports long-term sustainable growth.

Project "Small Lighthouse"- an award in the sphere of social business through the selection for the best employee of the year

The Small Lighthouse is a project in the sphere of socially responsible business whose goal is to find and reward the best worker in Croatia.

We want to light the way for the stories of employees who are dedicated to their work, who inspire their environment and who live by the values we all value.

Plan for prevention and reduction of food waste / Establishment of a food donation system by model intermediaries in the donation chain food and food banks

This Plan highlights the need to prevent and reduce food waste while ensuring food security, as a subject of increasing public interest. The resulting food loss is an undesirable occurrence for ethical, economic and environmental reasons, and most importantly, for ensuring that food is sufficient for the entire population. In order to sensitize the public on promoting food donation and at the same time preventing poverty, it is necessary to carry out a national campaign that would result in social awareness and the need to redistribute excess food to the needy. The subject activity will be focused primarily on food business operators, given their key role in the food donation system, but not thereby diminishing the role of the public or individual as a member of society. European Assistance for the Most Dependent Fund (FEAD) funding contributes to poverty reduction, especially severe poverty such as child poverty, homelessness and food shortages. Through FEAD, it is possible to provide non-financial assistance to the most deprived persons, such as food and basic material assistance, and social inclusion activities aimed at the most deprived persons.

Green Plan-Strategy for biodiversity: reduction of use of pesticides in agriculture by 50% 2030

In June 2022, as part of the Green Deal, the European Commission adopted a proposal to restore damaged ecosystems and restore Europe's nature from agricultural land and seas to forests and urban environments, by 2050. As part of this, the Commission proposes to reduce the use and risk of chemical pesticides, as well as the use of the more hazardous pesticides, by 50% by 2030. The targets proposed include reversing the decline of pollinator populations by 2030, increasing biodiversity in agricultural and forest ecosystems and restoring and rewetting drained peatlands. The proposal will help ensure the resilience and security of food supply in the EU and across the world.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION





Advocate for Anti-Corruption

CEA's membership in BIAC OECD anti-corruption committee

Eliminating corruption is a crucial steppingstone to ensuring a sustainable future for all by leveraging the amounts of public and private investment needed for achieving each of the 17 Sustainable Development Goals (SDGs). To give the fight against corruption the prominence it deserves, Business at OECD adopted a Zero Corruption Manifesto, which calls for treating the fight against corruption as if it were an 18th SDG. The Manifesto calls on businesspeople and policymakers to:

- Change the way we think about corruption
- Create meaningful tools and take impactful measures
- Act together globally

The manifesto sets out 10 actions to translate the commitment to eliminate corruption into outcomes.

2024 is a crucial year to step up our efforts to achieve zero corruption. Half of the time the global community gave itself to achieve the SDGs has elapsed and we are not on track. The COVID-19 pandemic and the economic impact of the Russian war in Ukraine have even broadened an already substantial investment gap. Time to take meaningful action is thus running out. At the same time, one of the major legal instruments in this area, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions turns 25 this year. This presents an opportunity to reflect on how to ensure the Convention's continued relevance in the face of emerging corruption trends.

This special campaign showcases what our national business bodies and affiliated multinational corporations are doing on-the-ground to boost the fight against corruption, implementing the Zero Corruption Manifesto in practice. Croatian employer's association is active in this committee and has a representative. During the June we collected some good examples from Croatian companies that we want to promote in BIAC OECD.

We were also involved in development of the Action Plan from 2022 to 2024 along with the Corruption Prevention Strategy for the period from 2021 to 2030 with Ministry of justice.

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 to inform the membership about new obligations in a timely and direct manner by the proposers of the law. In 2023 we proceed with the education for the members, and this will be one of the areas very important for Croatia in her way to become member of OECD.

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.



HUMAN RIGHTS

LABOUR

ENVIRONMENT

ANTI-CORRUPTION



CEA

Croatian Employers' Association

2021 - 2024

It is still active but after five years period it is less unknown process for employers, so they don't need a lot of help.

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, and our activities around digital and green transition. These topics will surely be more present in our next communication on engagement.



HUMAN RIGHTS



LABOUR



ENVIRONMENT



ANTI-CORRUPTION

