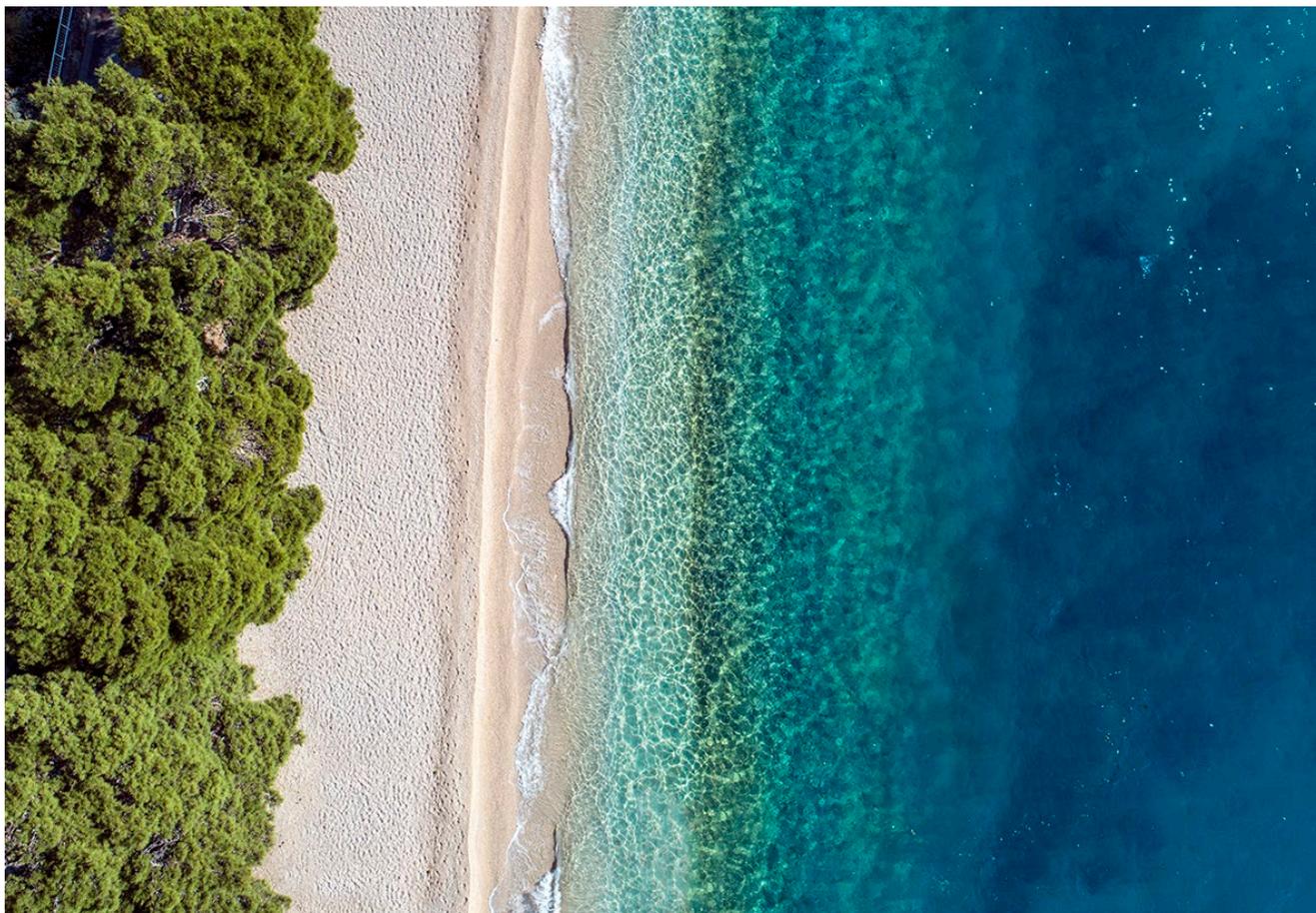


SUSTAINABILITY REPORT

Bluesun Hotel Alga, Tučepi



About Bluesun Hotels

Bluesun Hotels are located on the most beautiful Croatian beaches and are an ideal place for a vacation. Bluesun Hotels embody the best of Croatian hospitality, carefully decorated interiors, high quality service and excellent cuisine.

Each Bluesun hotel is unique in providing an experience of Croatia, whether it is Velebit, Biokovo or Dalmatian landscape. Reliable and proven service and quality that will satisfy even the most demanding visitors, awaits every Bluesun guest in every hotel.

Bluesun Hotel Alga



With a rich offer and a variety of daily, evening and children's animation, Bluesun Hotel Alga**** is an ideal holiday hotel for families with children, couples and the elderly in the pre- and post-season. The offer of Bluesun Hotel Alga**** will be thrilling to all those who want to socialize and have fun, as well as lovers of sports and active holidays.

Guests of Bluesun Hotel Alga**** can enjoy the luxurious pool area, 5 outdoor pools and one indoor area of about 360 m². Located on the famous Tučepi beach, it is an ideal choice for all those who find pleasure in nature, swimming and sunbathing.

The hotel was built in 1977, renovated in 1997, 2004, 2017, 2018, 2019, located along a 4 km long sandy beach, 10 m from the sea. Bluesun Kaštelet, which is also an annex of Hotel Alga, was built in 1766, last renovated in 2005, is under the protection of the Ministry of Culture of the Republic of Croatia and is located along a beach.

HOTEL

Bluesun Hotel Alga has a capacity of 377 accommodation units located in one building, organizationally it also belongs to Bluesun Kaštelet Annex with 28 accommodation units

- 377 rooms, types such as 1/2, 1/2+1 and 1/2+2.
- 28 rooms Kaštelet Annex types such as 1/2, 1/2+1 and 1/2+2.

FACILITIES

Hotel restaurant

The hotel restaurant accommodates 1100 guests who have a wide choice of different foods at their disposal. Product BB, HB, FB and an all inclusive offer that includes breakfast, lunch and dinner with drinks included.

Clemente's Restaurant & Bar

The a la carte restaurant, located on the promenade along the beach, offers a top gastronomic offer with a special selection of steaks prepared on the OFYR grill, excellent service and live music.

Swimming pool

Large pool 220 m², mushroom pool 50 m², jacuzzi pool 30 m², small pool 20m², children's pool 20m² and indoor children's pool 20m². Space for guests around the pool of 900 m² with 250 deck chairs and 80 parasols.

Aperitif Bar

With a rich offer of alcoholic and non-alcoholic drinks, cocktails and an all inclusive offer of drinks.

Pool bar

Open bar by the pool with a rich offer of alcoholic and non-alcoholic drinks, cocktails and an all inclusive offer of drinks.

Other facilities

- Fitness center
- Currency exchange
- Animation program for children and adults
- Table tennis
- Bike rental
- Boules courts
- Basketball court – hard surface
- Futsal field – artificial grass
- Volleyball court – sand
- Large football field with natural grass
- Beauty center (extra charge):
 - Massages
 - Face and body treatments
 - Hand and foot treatments
 - Skin care after sunbathing
- Hair salon

Business operations

Bluesun Hotel Alga is open seasonally, this year it was opened on 7 June 2021 and we plan to keep it open until 30 October 2021. Each year, it stays open from 210 to 230 days (March to November). This year, because of Covid 19, we plan to work for 145 days.

In 2020, we had 54,895 overnight stays.

In 2020, the majority of overnight stays refer to the markets of Germany, England, Scandinavia, Poland, the Czech Republic, Austria, France, Italy, Bosnia and Herzegovina and the domestic market about 89%, other markets 11%.

Our employees

Bluesun Hotel Alga operates as part of Sunce hoteli d.d. Alga has 47 employees working on a permanent contract, while we employ an additional 120 employees on a fixed-term or seasonal contract during the season.

- Sunce Hoteli d.d. fully adhere to applicable laws and regulations related to labor and human rights;
- all employees and their rights are respected;
- all employees are treated equally;
- work on education, training and professional development of all employees;
- employees are allowed to join a union;
- all seasonal employees with a place of residence outside the destination are provided with accommodation and meals;
- employment policy for permanent employment is implemented for all diligent, successful and interested employees;
- employment measure is implemented – permanent seasonal employee.

BLUESUN ACADEMY – MORE THAN A TRAINING CENTER

Bluesun Academy is much more than a training center, Bluesun Academy is a place that helps one perfect their service skills and expertise, and the measure of success is employee motivation and guest satisfaction. Emphasis is placed on continuous education considering that only well-educated staff can be ready to accept new challenges and participate in creating new ideas.

The main activities of the Bluesun Academy are: specialized foreign language courses (targeting employees in tourism), development of professional hotel skills and development of management skills, and its main task is the constant development and improvement of the skills of all our employees – both permanent and seasonal. Thus, the quality of service is developed and improved, i.e. it continuously contributes to increasing guest satisfaction, which is the most important goal and our vision.

In order for employees to increase their individual work efficiency, but also job satisfaction, BS Academy provides them with continuous learning through the following programs:

- foreign languages
- development of professional hotel skills
- PC skills
- professional seminars and trainings
- managerial skills
- training for wellness staff.

The development and advancement of young employees in particular is of great importance within the activities of the two Bluesun Academy programs are especially intended for them:

- Internal training
- Mentoring system

A common feature of these programs is that our permanent and experienced employees, who are also internal coaches and mentors, work with our young employees and help them in their professional and personal development.

Internal coaching is group work, and mentoring is individual work on their professional and personal development.

Internal training has a significant role and is guided by the principle of lifelong learning. So It enables the effective transfer of knowledge of colleagues who have achieved results in the field on other colleagues.

Under the motto “we learn from the best”, mentoring allows young employees who are at the beginning of their career to learn from experienced colleagues who have extensive knowledge and the will to pass on knowledge to a new generation. Employees who stand out with their quality of work and approach to work have further opportunities of advancement, primarily through further learning and taking on more complex and responsible job positions.

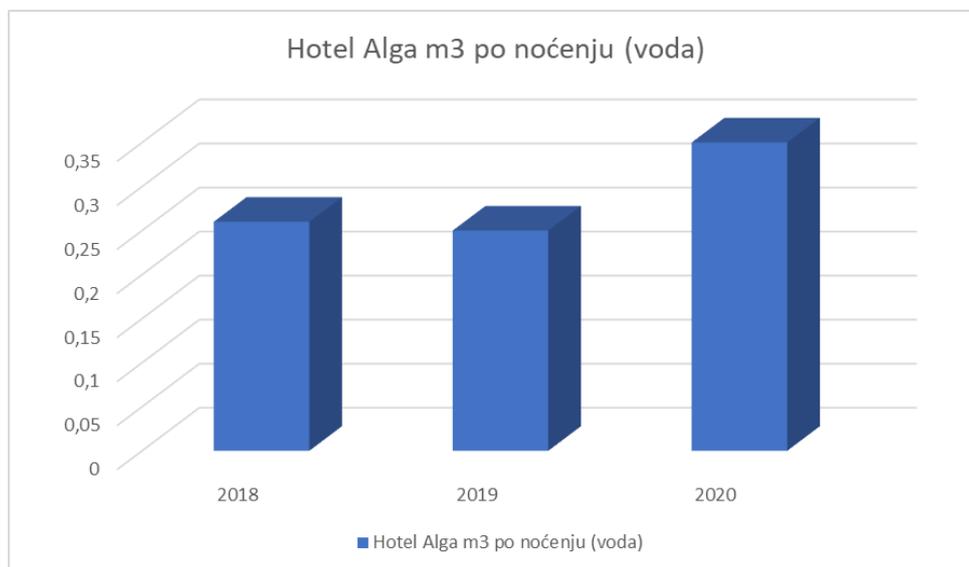
Sustainability

WATER CONSUMPTION

The following graphs show water consumption data. The statistics are based on a comparison according to data from 2017 and 2018.

In order to reduce water consumption in the future and manage it sustainably, we have additionally taken the following steps:

- Reduction of water consumption policy – an active water consumption policy that is being implemented and monitored
- Water consumption – water consumption is measured on a weekly/monthly basis
- Flow dampers and aerators – aerators were installed on at least on 90% of taps
- Energy-saving toilets – energy-saving buttons or other water-saving equipment are installed in the toilets
- Control of watering systems
- Dampening of valves for certain flows



The chart shows a negative trend in water consumption compared to previous years, but the cause is the coronavirus pandemic, where there was a very large drop in overnight stays compared to previous years.

2021 target:

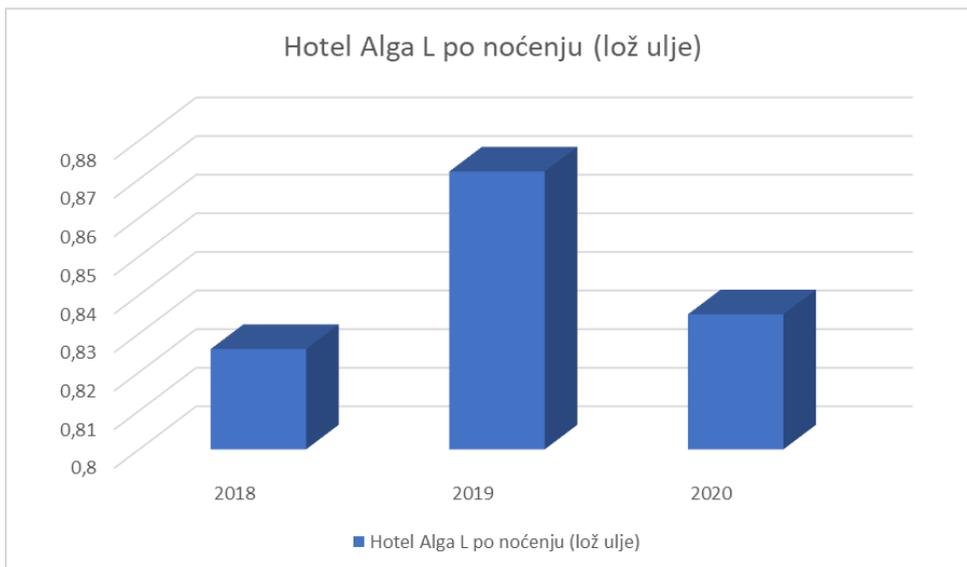
Reduce water consumption from 0.35 m3 in 2020 to 0.25 m3 per night.

HEATING OIL

Heating oil consumption was 0.835 L per night for 2020. The goal for 2021 is to reduce heating oil consumption to 0.750 L per night.

The way we plan to reduce consumption is to:

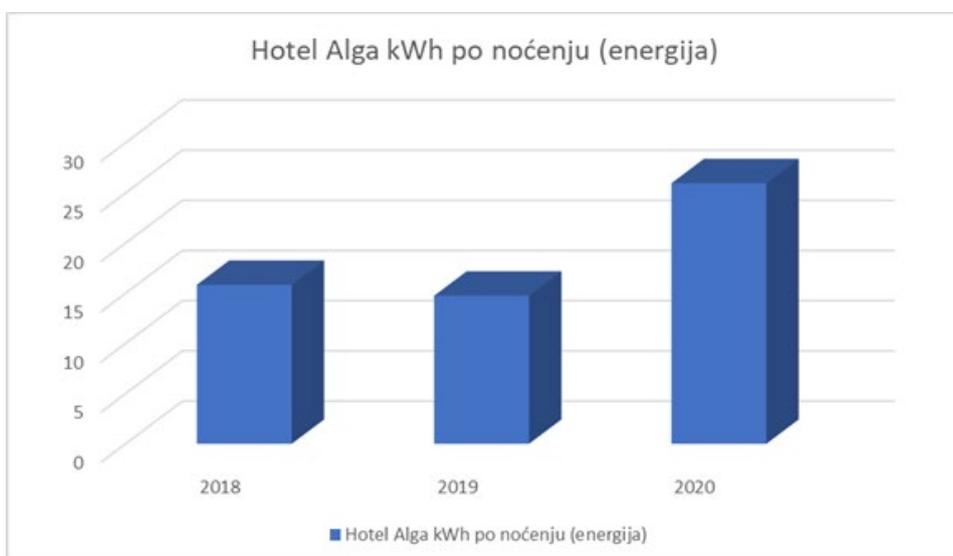
- Save hot water - notice to guests and staff
- Procurement of more efficient heat exchangers



ELECTRICITY

According to the graphs, there is an increase in energy consumption per night in 2020 compared to 2019. Energy consumption per night has increased significantly due to reduced occupancy of the facility and the reason for this is the coronavirus pandemic.

Our goal for 2021 is to reduce energy consumption per night (electricity, LPG, heating oil) by 30% compared to 2020.



In order to further manage electrical power sustainably, we have implemented the following business policy:

- Energy saving policy – the company has an energy saving policy that has been implemented and monitored
- Automatic on/off system – in locations where feasible, an automatic on/off system is used
- Equipment "shutdown" policy – all equipment is switched off after business hours (not left in standby mode)
- Light switch-off policy – in places where possible, all lights are switched off after working hours
- Low energy equipment – when buying new equipment, preference is given to low energy equipment based on EU directive standards
- Efficient mode – the equipment is set to energy saving mode
- Stickers in all rooms
- Additional warning for employees about the importance of turning off the lights

Actions taken to improve the sustainability of the Hotel

In order to improve sustainability, Hotel Alga will take those measures aimed at reducing the consumption of water, electricity, fuel and gas.

Hotel Alga plans the following:

- Reduction of water consumption by 2%
- Reduction of gas consumption by 3%
- Reduction of heating oil consumption by 3%
- Reduction of power consumption by 2%

The measures taken for energy consumption are as follows:

WATER	GAS	FUEL	ELECTRICITY
Better consumption control	Better consumption control	Servicing of the boiler room and all boilers	Replacing bulbs with LEDs
Staff education	Servicing of all gas machines as well as all gas installations	Replacement of worn pipes (heating pipes)	Purchase of energy efficient machines

Cleaning supplies and other dangerous substances

One of the key elements of our business is environmental awareness. The fact is that the tourism industry has a great impact on the environment and thus the Bluesun hotel chain is focused on the proper and adequate treatment of waste and packaging, preservation of the natural environment on its land, primarily the preservation of beaches and ecosystems. In all this, hotels offer a wide range of offers, such as organic products that significantly affect the food culture and environmental protection in the local community.

The fact that Hotel Alga is located just a few meters from the beach obliges us to act responsibly towards the environment to which we in some way owe the success of the entire destination.

That is why in Alga, as well as in other Bluesun hotels, special attention is paid to supplies for maintaining inventory, which may contain dangerous substances or cause possible pollution.

To further reduce pollution, we have implemented the following policy:

- Pollution reduction policy – the use of harmful substances has been reduced to a minimum and replaced by less harmful products and they have been properly stored
- Paints – lead-free paints and water-based paints are used in the exterior and interior
- Sanitation of wastewater – wastewater is disposed of in accordance with national regulations

Waste management: suppliers and customers

Waste management at Hotel Alga is carried out through partner companies dealing with waste disposal. The hotel drafted the waste disposal plan in cooperation with the company Zeleni servis d.o.o., which is otherwise authorized for strategic environmental impact assessments, it prepares spatial development plans, urban plans and other strategic documents. Next to the hotel there is a place where waste is sorted into specially designed containers by type: mixed municipal waste, paper and cardboard, biodegradable kitchen waste, edible oil and fats.

The licensed utility company Tučepi d.o.o. za komunalne usluge is also in charge of waste collection. Construction waste, waste paints, varnishes, acids and alkalis, packaging contaminated with hazardous substances, metal packaging, oily solid and other waste are disposed of by the company Cian d.o.o. from Split, which also provides our hotel with professional and specialized containers for waste collection.

During many years of work, we have implemented the following ways of responsible waste management:

- Waste regulations – the company complies with national waste management regulations
- Waste reduction – solid waste reduction policy and recycling policy aimed at reducing the amount of waste that can no longer be used
- Sustainable packaging – reduction of packaging waste and minimal use of non-recyclable and non-biodegradable material
- Toner/ink – when ink or toner is used for printing and copying, waste reduction methods (recycling, refilling), where possible



Corporate social responsibility

The Bluesun hotel chain believes that socially responsible business in tourism is essential and desirable.

In this way, a synergy of business and society is achieved. The goal of corporate social responsibility

is to accept responsibility for the company's actions and thus have a positive impact on the entire process – from environmental protection to care for the community, employees and other stakeholders.

Through its work and based on its internal norms, Bluesun Hotels & Resorts cooperates with local communities in order to achieve mutual benefit in the form of investment in tourism. Our group is guided by the fact that investing in tourism is also investing in the local community, that is, at the micro level, investing in the local economy.

That is why we practice and conduct responsible business that includes economic success and social responsibility with great emphasis on environmental protection, i.e. the protection of natural and human resources.

Local community

Hoteli Tučepi d.d. cooperate with cultural, sports, humanitarian and other events. The most important events that are sponsored are:

- KKUTZ (see on www.kkutz.org)
- FIREFIGHTERS COMMUNITY – humanitarian concert for Tučepi firefighters, food and accommodation
- as needed
- assistance to the religious community
- HNK Jadran,
- Humanitarian Association Kredenca,
- Bluesun Tučepi Open – tennis tournament for women
- Donation to various humanitarian associations (Catering school for people with special needs,
- Sunce Association, Caritas, Red Cross...)
- Jazz festival in Makarska
- Donation for the organization of an international handball tournament for women
- Donation for the organization of an international dance tournament

We are additionally present in all events of the elementary school Tučepi, such as: bread days, paper collection, beach cleaning, eco education of children, children's carnival, etc.

Ivo Visković
Hotel Director
Tučepi, 10 September 2021

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