

SUSTAINABILITY REPORT

Bluesun Hotel Elaphusa, Bol



INTRODUCTION

About the hotel



Bluesun Hotel Elaphusa**** is one of the largest hotels in the Bluesun group and the largest hotel in Bol on the island of Brač. It covers an area of 32,000 m².

It is the leading Wellness & Spa hotel of the Bluesun Hotels & Resorts.

The main features of this hotel are luxurious and spacious hotel rooms, rich wellness offer, sports facilities, as well as congress facilities that guarantee top service.

The hotel is located 50 m from the sea, 700 meters from the most famous beach Zlatni Rat, 2 km from the center of Bol, 50 km from Split, 70 km from Split airport and 15 km from Brač airport.

Zlatni Rat beach, one of the most beautiful beaches in Croatia, the symbol of the island and the phenomenon of nature with crystal clear water surrounded by the shade of pine trees. Due to the cleanliness of the sea, it is under the protection of the Blue Flag. It is a pebble beach whose top moves under the influence of sea currents combined with the strength of the south or north wind. All other beaches in the area around the Hotel are also public and with pebbles. Sun loungers and parasols can be rented at an additional cost.

Accommodation and other facilities of the Hotel Elaphusa

Bluesun hotel Elaphusa**** offers its guests the following facilities: congress, wellness, tennis, bowling, disco and a la carte restaurant.

A short walk from the hotel will take you to the famous beach Zlatni Rat, and the crystal clear sea is always very tempting.

Thalasso wellness Bluesun Hotel Elaphusa**** occupies more than 4000 m2 of open and closed space and is one of the largest wellness centers on the Adriatic.

Luxurious and spacious hotel rooms and the Hotel's rich offer and top service are the characteristics of Hotel Elaphusa.

In addition to luxury accommodation, Hotel Elaphusa offers a variety of attractive facilities. Car parking is available for hotel guests at an additional cost. The Hotel reception is open 24 hours a day and there is an exchange office next to it.

The hotel accommodation comprises a total of 306 spacious hotel rooms and suites arranged in 4 hotel blocks. Hotel room types: Standard Room, Standard Sea View Room, Superior Room, Superior Sea View Room, Junior Suite, Suite.

Employees of the Bluesun Hotel Elaphusa

Bluesun Hotel Elaphusa employs employees under fixed-term and indefinite employment contracts.

According to the latest data, since the beginning of the 2018 season, the Elaphusa Hotel has employed:

- 122 seasonal employees
- 67 employees on a permanent contract

WORK ETHIC OF BLUESUN HOTEL ELAPHUSA

As a hotel that works mostly during the season, we are aware that our employees, working intensively in the hottest part of the year, tend to lose morale, forget about personal goals, which is why it is very important to us that our employees are satisfied.

Accordingly, when hiring employees, we offer candidates all the benefits that reward their work, and are within the law prescribed by the Ministry of Labour, as well as within measures proposed by the Croatian Employment Service:

- To all seasonal employees whose place of residence is outside Bol we provide shared accommodation and three hot meals a day
- We recognize the efforts of our employees, reward their work and propose permanent seasonal employment, a permanent contract, incentive income and promotions
- We invest in the professional development and quality of our employees by organizing educations, trainings and seminars for our employees.
- We participate in the work of Bol High School. We provide scholarships to students and provide them with professional practice under supervision

There are no differences among our employees, everyone has the opportunity to prove their abilities, advance within hotel positions, and in the selection of candidates we try to give equal opportunities to candidates with promising potential as well as to experienced professionals who guarantee sustainable quality of our service at a high level.

Bluesun Hotels are also regularly seen at job fairs where candidates can come in person to introduce themselves and acquire information about working at Hotel Berulia as well as other Bluesun Hotels.

Speaking of the legal framework for hiring its employees, Bluesun Hotel Berulia also takes into account the following elements:

- In employment, the company adheres to all applicable laws and regulations related to work and human rights
- It allows employees to join a union
- It proposes permanent employment for all interested employees

BLUESUN COURSES

Every year, Bluesun Hotel Elaphusa invests in educating its employees, preparing them for business communication with guests and potential situations they could face during seasonal work. Employees of Bluesun Hotel Elaphusa have the option of enrolling in the training center – Bluesun Academy and attending various seminars aimed at training employees for better interpersonal relationships and teamwork.

Bluesun Academy is active at the level of the entire hotel chain. It is a school for training helpfulness and expertise that aims to motivate its employees, and whose success is manifested through the satisfaction and positive feedback of its guests. Since only well-educated staff can be willing to accept new challenges and participate in creating new ideas, Bluesun Academy is focused on continuous education of its employees, and its ultimate vision is to continuously increase guest satisfaction and continuously improve service quality.

The main task of the Academy is the constant development and improvement of the skills of all employees. The primary activities organized within the Academy are:

- Specialized language courses
- Development of professional hotel management skills
- IT skills
- Professional seminars and trainings
- Improving managerial skills
- Wellness staff education

Hotel Elaphusa also pays special attention to its youngest employees and suggests that they get involved in two special programs that the BS Academy organizes especially for young workers.

These are the programs: Internal Training and Mentoring System.

Internal Training is group work, and Mentoring is individual work on professional and personal development.

Through such programs, permanent and experienced employees, who are also internal trainers and mentors, work with young employees and help them in their professional and personal development. Internal education is guided by the principle of lifelong learning, resulting in effective transfer of knowledge from more experienced colleagues who have already achieved results in an area to younger, less experienced ones.

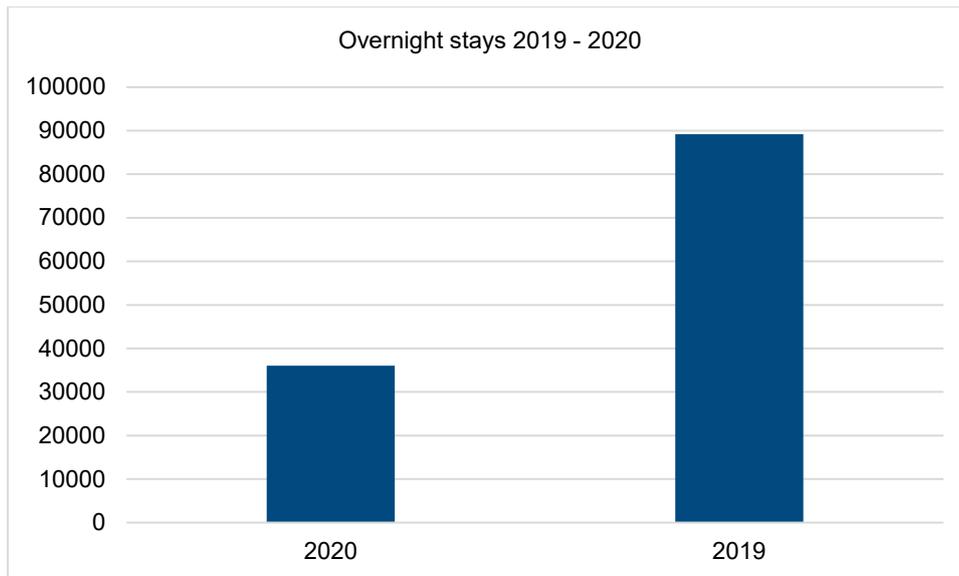
As part of these programs, it is possible to get a job as a trainee or do an internship at the Bluesun Hotel Elaphusa.

Guests and partners

Hotel Elaphusa is open seasonally. Every year the hotel usually opens in March and remains open until the end of October, and if necessary, depending on reservations, organization of weddings, ceremonies, celebrations or festivals, the hotel remains open longer than October.

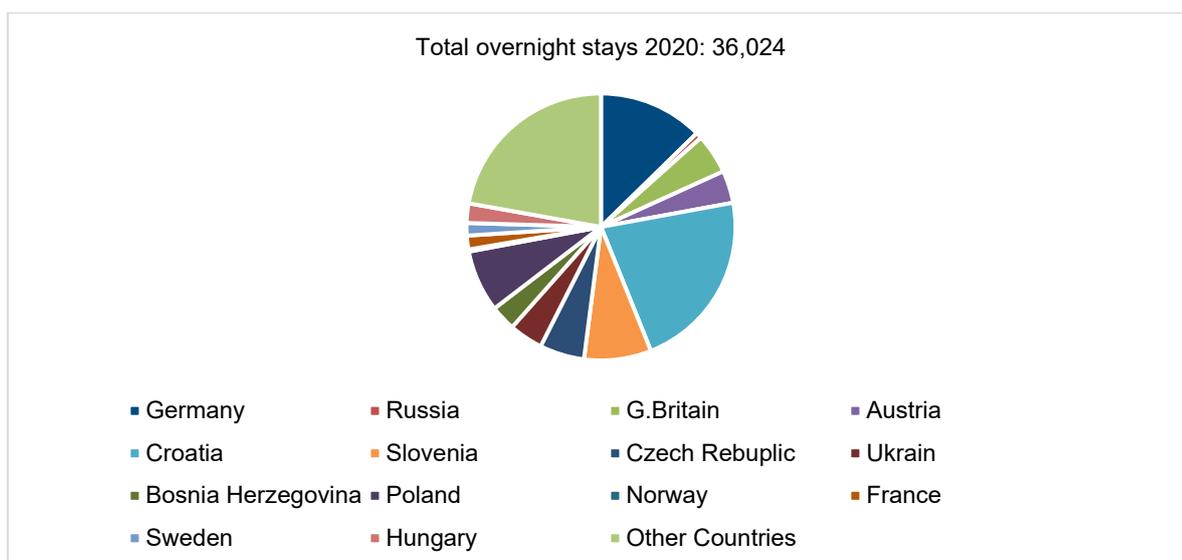
OVERNIGHT STAYS

The following graph shows an overview of overnight stays for 2019 and 2020. The impact of the pandemic on the total number of overnight stays can be seen here.



OCCUPANCY BY COUNTRY

In the following graph you can see the occupancy by country. Here it can be seen that our dominant markets are Germany and Croatia.

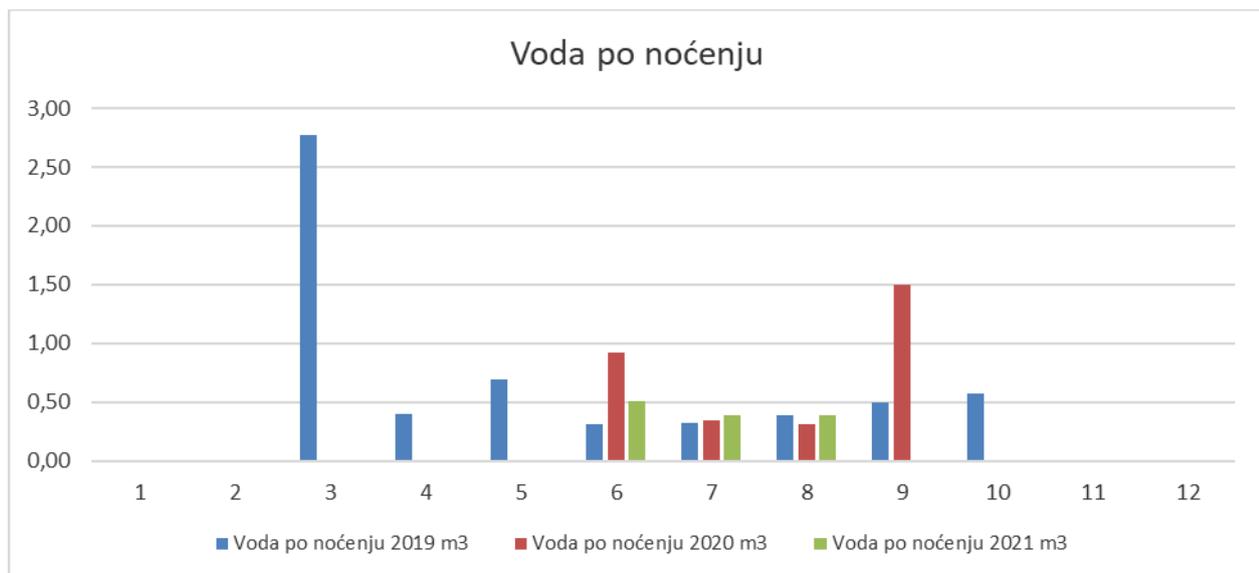


Energy sources

WATER

The following graphs show water consumption data. There are some deviations and problems with higher water consumption than expected. The statistics are based on a comparison according to data from 2019 and 2020.

	Zauzetost			Ukupno kubni metri			Voda po noćenju		
	2019	2020	2021	2019 m3	2020 m3	2021 m3	2019 m3	2020 m3	2021 m3
January				48,00	44,00	8,00	#DIV/0!	#DIV/0!	#DIV/0!
February				220,00	43,00	8,00	#DIV/0!	#DIV/0!	#DIV/0!
March	219			608,00	551,00	51,00	2,78	#DIV/0!	#DIV/0!
April	8.990			3.534,00	404,00	1.165,00	0,39	#DIV/0!	#DIV/0!
May	6.993			4.860,00	396,00	2.875,00	0,69	#DIV/0!	#DIV/0!
June	11.179	2.563	11.118	3.512,00	2.365,00	5.617,00	0,31	0,92	0,51
July	21.885	13.906	20.113	7.104,00	4.813,00	7.818,00	0,32	0,35	0,39
August	21.273	17.649	21.062	8.262,00	5.526,00	8.089,00	0,39	0,31	0,38
September	12.641	1.905		6.210,00	2.848,00		0,49	1,50	#DIV/0!
October	6.017			3.450,00	488,00		0,57	#DIV/0!	#DIV/0!
November				2.119,00	350,00		#DIV/0!	#DIV/0!	#DIV/0!
December				217,00	63,00		#DIV/0!	#DIV/0!	#DIV/0!
Ukupno	89.197	36.023	52.293	40.144	17.891	25.631	0,45	0,50	0,49



We failed to achieve the goal we set for ourselves of a 2% reduction in consumption. The reason for this is the additional greening of the hotel surroundings where we had to install additional irrigation.

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

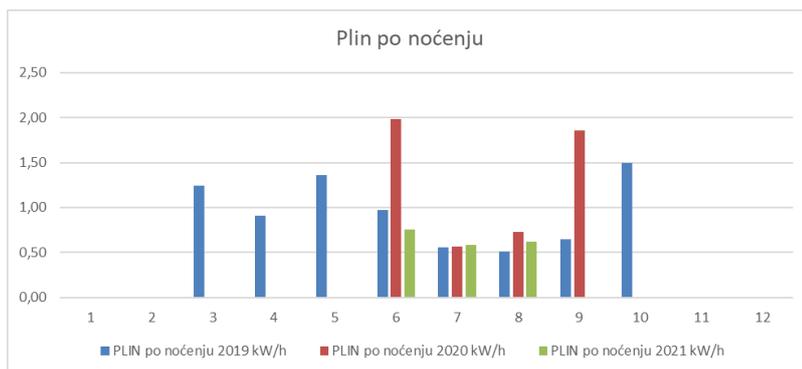
- Reduction of water consumption policy – an active water consumption policy that is being implemented and monitored
- Water consumption – water consumption is measured on a monthly basis
- Flow dampers and aerators – aerators were installed on at least on 75% of taps
- Energy-saving toilets – energy-saving buttons or other water-saving equipment are installed in the toilets

GAS

According to the statistics of gas energy consumption, we also encounter periodic increases compared to 2019.

For example, gas consumption in June 2019 was 0.97 kw/h per overnight stay , and in 2020 it increased to 1.98 kw/h per overnight stay. At the annual level, we achieved savings of 5%, which was our goal.

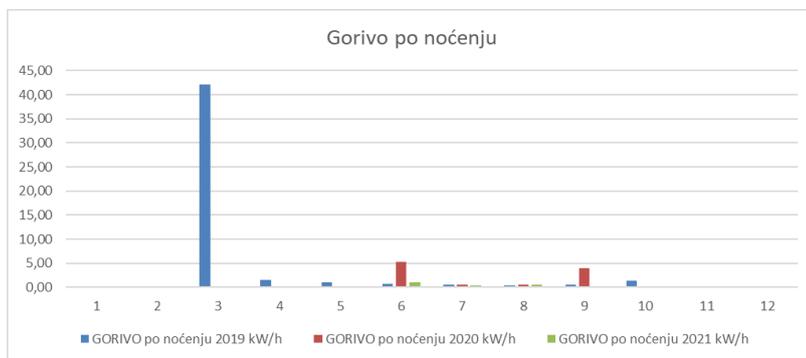
	ZAUZETOST			PLIN			PLIN po noćenju		
	2019	2020	2021	2019 kW/h	2020 kW/h	2021 kW/h	2019 kW/h	2020 kW/h	2021 kW/h
January							#DIV/0!	#DIV/0!	#DIV/0!
February							#DIV/0!	#DIV/0!	#DIV/0!
March	219			272			1,24	#DIV/0!	#DIV/0!
April	8.990			8160			0,91	#DIV/0!	#DIV/0!
May	6.993			9520			1,36	#DIV/0!	#DIV/0!
June	11.179	2.563	11.118	10880	5086	8432	0,97	1,98	0,76
July	21.885	13.906	20.113	12240	7888	11696	0,56	0,57	0,58
August	21.273	17.649	21.062	10907	12784	13056	0,51	0,72	0,62
September	12.641	1.905		8160	3536		0,65	1,86	#DIV/0!
October	6.017			8976			1,49	#DIV/0!	#DIV/0!
November							#DIV/0!	#DIV/0!	#DIV/0!
December							#DIV/0!	#DIV/0!	#DIV/0!
Ukupno	89197	36023	52293	69115,2	29294,4	33184	0,77	0,81	0,63



FUEL

Fuel consumption also recorded a small increase, averaging 1.12 l per overnight stay. The biggest difference in the increase can be seen compared to the month of June when, in 2019, consumption was measured at 0.74, and in 2020 at 5.27 kw/h per overnight stay, which makes a difference of 4.53 kw/h. Fuel was consumed more due to the fact that for most of the season only the Elaphusa Hotel operated and the costs could not be allocated to other units. The boiler room was built to cover the entire settlement. What we did not succeed in 2020, we certainly intend to realize this year, and the figures are in our favor.

	ZAUZETOST			GORIVO			GORIVO po noćenju		
	2019	2020	2021	2019 kW/h	2020 kW/h	2021 kW/h	2019 kW/h	2020 kW/h	2021 kW/h
January							#DIV/0!	#DIV/0!	#DIV/0!
February							#DIV/0!	#DIV/0!	#DIV/0!
March	219			9.213			42,07	#DIV/0!	#DIV/0!
April	8.990			13.635		6.642	1,52	#DIV/0!	#DIV/0!
May	6.993			7.502		6.000	1,07	#DIV/0!	#DIV/0!
June	11.179	2.563	11.118	8.286	13.500	12.034	0,74	5,27	1,08
July	21.885	13.906	20.113	10.560	8.563	9.147	0,48	0,62	0,45
August	21.273	17.649	21.002	8.055	10.765	10.115	0,38	0,61	0,48
September	12.641	1.905		7.590	7.653		0,60	4,02	#DIV/0!
October	6.017			8.352			1,39	#DIV/0!	#DIV/0!
November				4.138			#DIV/0!	#DIV/0!	#DIV/0!
December							#DIV/0!	#DIV/0!	#DIV/0!
Ukupno	89.197	36.023	52.233	77.331,00	40.481,00	43.937,96	0,87	1,12	0,84



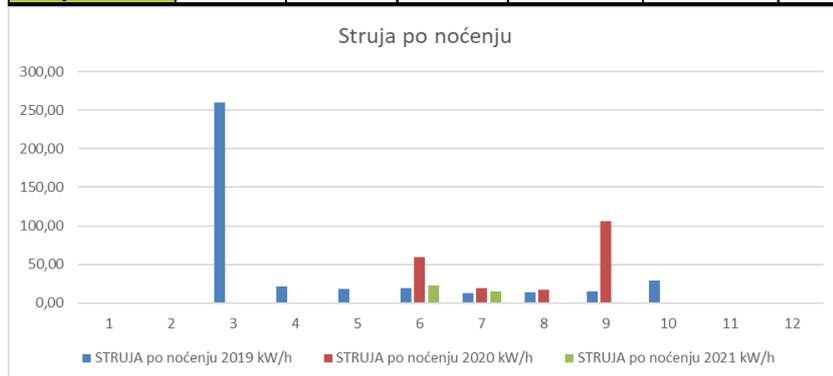
ELECTRICITY

Unfortunately, just like with fuel, our electricity costs increased per night when we compare 2019 and 2020. But already in 2021, we can see a positive trend of consumption, which is even lower compared to 2019.

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

- Energy saving policy – the company has an energy saving policy that has been implemented and monitored
- Energy consumption and sources – energy consumption for heating and electricity is measured. Different periods are compared with the aim of reducing emissions
- 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

	ZAUZETOST			STRUJA			STRUJA po noćenju		
	2019	2020	2021	2019 kW/h	2020 kW/h	2021 kW/h	2019 kW/h	2020 kW/h	2021 kW/h
January				9.644,00	9.117,00	7.173,00	#DIV/0!	#DIV/0!	#DIV/0!
February				10.476,00	10.145,00	6.697,00	#DIV/0!	#DIV/0!	#DIV/0!
March	219			56.922,00	11.863,00	8.879,00	259,92	#DIV/0!	#DIV/0!
April	8.990			196.812,00	8.065,00	14.435,00	21,89	#DIV/0!	#DIV/0!
May	6.993			128.624,00	9.489,00	48.790,00	18,39	#DIV/0!	#DIV/0!
June	11.179	2.563	11.118	211.705,00	153.456,00	250.231,00	18,94	59,87	22,51
July	21.885	13.906	20.113	289.843,00	275.251,00	300.138,00	13,24	19,79	14,92
August	21.273	17.649	21.062	298.488,00	297.858,00		14,03	16,88	0,00
September	12.641	1.905		195.246,00	201.858,00		15,45	105,96	#DIV/0!
October	6.017			176.810,00	11.152,00		29,39	#DIV/0!	#DIV/0!
November				14.770,00	7.757,30		#DIV/0!	#DIV/0!	#DIV/0!
December				8.978,00	7.427,00		#DIV/0!	#DIV/0!	#DIV/0!
Ukupno	89.197	36.023	52.293	1.598.318,00	1.003.438,30	636.343,00	17,92	27,86	12,17



In order to improve the sustainability of the hotel, Hotel Elaphusa will take those measures aimed at reducing the consumption of water, electricity, fuel and gas. In the rooms, we communicate to our guests how to save water and the environment by not requesting for their towels to be washed if not necessary.

As already mentioned, the Hotel Elaphusa plans the following for 2021:

- Reduction of water consumption by 2%
- Reduction of gas consumption by 3%
- Reduction of fuel consumption by 3%
- Reduction of power consumption by 1%

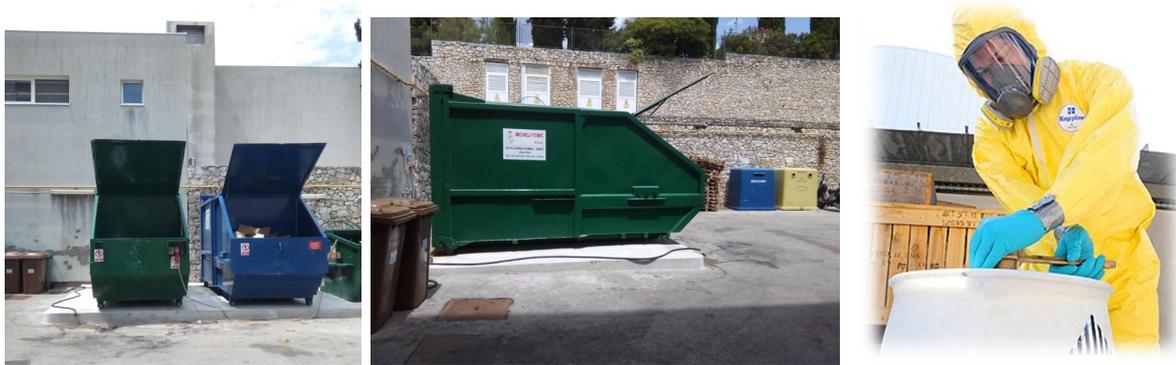
Measures taken for energy consumption are as follows:

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

WASTE MANAGEMENT

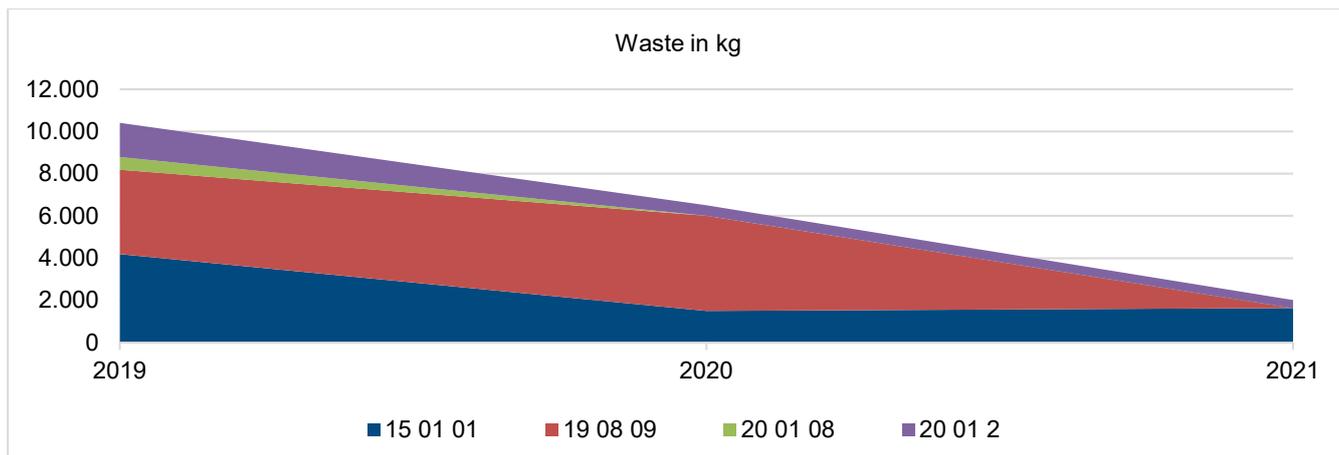
Waste management at Hotel Elaphusa carried out through partner companies dealing with waste disposal. The hotel drafted the waste disposal plan in cooperation with the company Zeleni servis d.o.o., which is otherwise authorized for strategic environmental impact assessments, it prepares spatial development plans, urban plans and other strategic documents, Next to the hotel there is a recycling yard where waste is sorted by type of packaging in specially designed containers. A licensed partner company Machieli Tomić d.o.o. is also in charge of waste disposal.

Construction waste, waste paints, varnishes, acids and alkalis, packaging contaminated with hazardous substances, metal packaging, oily solid and other waste for our hotel are disposed of by the company Cian d.o.o. from Split, which also provides us with professional and specialized containers for waste collection.



Below is an overview of the total waste generated in the last three years:

Waste in kilograms	paper and cardboard	grease and oil from the separator	biodegradable cooking oil	edible oils and fats
	15 01 01	19 08 09	20 01 08	20 01 2
2019	4.190	4.000	600	1.620
2020	1.500	4.500	0	500
2021	1.630	0	0	380



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
- Noise, light, erosion and ozone – we carry out procedures to reduce pollution and water pollution and soil contamination
- Sanitation of wastewater – wastewater is disposed of in accordance with national regulations
- We have set up waste sorting bins, thus drawing attention to recycling

Corporate social responsibility

Bluesun Hotels believe that CSR is essential and desirable in tourism. 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.

Share of local suppliers in the total share of suppliers

By the 2021 season, we plan to increase the share of local suppliers and service providers in the total share of suppliers by 10%. We exceeded the stated goal many times over, especially because we used domestic meat producers, we also used domestic family farms, domestic cosmetics in all rooms (UJE – in the seasons 2019 and 2020). During the seasons of 2019 and 2020, we also had domestic vegetable production, which we will reinstate next year. In the wellness center we use homemade Hildegard cosmetics which are based exclusively on natural ingredients. In our souvenir shops we sell only Croatian homemade souvenirs.

Satisfaction of guests with hotel service (observed period 2021 (1 January – 31 August) in relation to 2020)

Area	Average Score out of 10 (1 = poor/10 = excellent)	
	2021	2020
Cleanliness	8,9	8,9
Comfort	8,8	8,8
Location	9,5	9,4
Facilities	8,7	8,7
Breakfast	8,9	8,8
Staff	9,0	9,0
Value for money	8,0	7,9
Free WiFi	8,8	8,8
Review score	8,7	8,7

When we look at guest satisfaction in the last two years, certain progress is visible by individual categories. The overall result is at the level of last year, which we can be satisfied with given the much better occupancy. We closely follow all the ratings and comments we receive from our guests, all in order to improve the hotel service as a whole.

Social and local community

On the occasion of the 70th anniversary of the founding and operation of the hotel Zlatni rat d.d., Hotel Elaphusa, as well as other related hotels of the Bluesun group, will celebrate its birthday by strengthening cooperation with the local community as well as the Tourist Board of Bol, which is also celebrating its 95th anniversary. Bluesun Hotels will host and sponsor the CROATIA BOL OPEN WTA 125K series tennis tournament, which is traditionally held in early June. In addition, Bluesun Hotels donated HRK 100,000 to DVD Bol for the purchase of a new fire truck. We actively participate in creating the direction of tourist development of the town through intensive work through the Assembly and the Tourist Council of the Municipality of Bol.

Guests can join the fundraiser and donate the Voluntary Fire Brigade "Bol" by purchasing sponsorship T-shirts, hats, pendants and the like. In this way, guests, together with the Hotel Elaphusa, help the local community to protect people and property.

Our hotel is involved in the local community in many ways. We are involved in many local activities with our resources. As an example, we would like to mention that our congress center is available to local authorities whenever needed. We make our inventory available to the local community so they can organize all kinds of activities.

The hotel makes year-round donations and assistance in the work of Brački pupoljci. Brački pupoljci are an association that brings together parents and children with disabilities on the island of Brač.

Animal protection

We communicate to our guests the importance that we pay to the protection of animals with the following message:

In everyday activities in the vicinity of our hotel, we can encounter certain wild animals.

We share the same living space with them, so please follow the instructions below.

Human activities (hunting, economic, recreational, etc.) that disturb wild animals in our area in any way are prohibited. Please do not play loud music because it scares the wild animals and thus disturbs their normal daily rhythm. When you come across a wild animal cub that you consider to be alone, lost or abandoned, do not approach it, do not disturb it, touch it or try to feed it, and especially not hunt it. The entire island is home to many animals, of which goats and sheep are the most common and they coexist with the local population.

Employees of the Hotel Elaphusa

We offer our employees all the benefits that reward their work, and are within the law:

- To all seasonal employees whose place of residence is outside Bol we provide shared accommodation and three hot meals a day
- We recognize the efforts of our employees, reward their work and propose permanent seasonal employment, a permanent contract, incentive income and promotions
- We invest in the professional development and quality of our employees by organizing educations, trainings and seminars for our employees.

There are no differences among our employees, everyone has the opportunity to prove their abilities, advance within hotel positions, and in the selection of candidates we try to give equal opportunities to candidates with promising potential as well as to experienced professionals who guarantee sustainable quality of our service at a high level.

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Speaking of the legal framework for hiring its employees, Bluesun Hotel Elaphusa also takes into account the following elements:

- In employment, the company adheres to all applicable laws and regulations related to work and human rights
- It allows employees to join a union

- It proposes permanent employment for all interested employees
- Employers adhere to the collective agreement

Staff is the key to successful business operations in the hotel industry. The most important way for a responsible company to operate is to provide meaningful employment for its staff. We believe in developing the capabilities of our employees and improving their competitiveness in the labor market. Therefore, we constantly educate our employees for sustainable business operations in the hotel.

In the past 3 months alone, we have held 3 trainings for employees with the following topics:

- 1 June 2021 – Education on sustainable waste management
- 31 May 2021 – Education on the protection of children's rights
- 1 June 2021 – Training for sustainable development

Through constant education of employees, we can greatly contribute to the set goals of sustainable hotel development, and throughout this year we will continue with educating our employees.

Closing remarks

We began this year's Sustainability Report with general information about the Hotel and we presented business operations of all hotel categories. In the first part of the Report, we tried to bring our investors and shareholders closer to the current appearance and functioning of the Hotel Elaphusa, which has undergone various transformations and renovations in its 50 years of existence. Much has been invested in the hotel, both visually, aesthetically and physically, as well as in the sustainability of its internal structure, the sustainability of the workforce and the structure of the hotel's technical maintenance. Through the report, we included a detailed description of the facility and accommodation capacity, its features, and the facilities and services it offers.

Since one of our goals for the 2021 Report is to also familiarize our investors with the work ethic and employment strategy of the Bluesun Hotel Elaphusa, we presented the possibilities and program of investments in developing the professional skills of our employees, which will continue to be the focus of our dedication in the following periods.

Hotel Elaphusa takes care of the natural and social environment in the technical maintenance and consumption of energy resources. Preparation of data on energy consumption in relation to 2019 and 2020 allowed us, as well as our shareholders, to have a better picture of the consumption status according to realized overnight stays. This, among other things, helped us set new challenges and goals in the continuation of our business operations and construction of infrastructure, which are mostly related to the plans to reduce the consumption of electricity sources and other resources needed for the operation of the facility.

The 2021 Report enabled us to renew the knowledge that we had about ourselves and it helped us gain a better insight into the segments that we plan to improve in the future. Aware that by investing and taking those measures that lead to achieving the set goals, we invest in our image and quality of business, we will continue to inform our consultants about our work and implement a policy of developing measures to improve hotel sustainability.

(1 September 2021)

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Trgovački sud u Zagrebu
MBS 080502040 - MB 1869647 - OIB 06916431329
Poslovne banke:
Zagrebačka banka d.d. - IBAN: HR0823600001101909750
Privredna banka Zagreb d.d. - IBAN: HR3023400091110503995
Erste&Steiermärkische Bank d.d. - IBAN HR7924020061100956851

Temeljni kapital: 595.458.500,00 kuna
Ukupan broj izdanih dionica: 5.954.585
Nadzorni odbor:
Mohamed Ali Rashed Alabbar, predsjednik
Uprava: Mubarak Al-Khalifa, predsjednik
Hrvoje Veselko, član.