



SUSTAINABILITY REPORT

Bluesun Hotel Berulia, Brela



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1. Bluesun Hotels & Resorts hotel chain

Hotel Berulia is part of the Croatian hotel chain Bluesun Hotels & Resorts managed by one of the leading tourist companies, Sunce hoteli d.d.

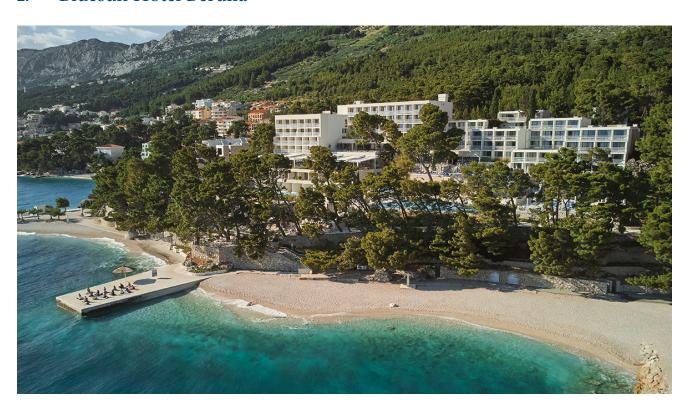
Each Bluesun Hotel is unique in providing an experience of Croatia, whether it is the Velebit, Dalmatia or Biokovo landscape. They are spread over 5 attractive Croatian locations, which are adorned with the most beautiful Croatian beaches and close proximity to national parks – Bol, Supetar, Brela, Tučepi and Starigrad-Paklenica.

Bluesun Hotels embody the best of Croatian hospitality, carefully decorated interiors, high quality service and excellent cuisine.

The quality of Bluesun Hotels has been recognized and awarded for many years by many world-renowned agencies and travel and review portals (TUI, Rewe, Thomas Cook, Tripadvisor). This quality is manifested through a wide selection of sports, a rich offer of day trips to the most popular tourist destinations, the organization of pilgrimage tours, weddings, business meetings, conferences, team building activities and a genuine experience of Wellness & Spa.

A special advantage in the successful operation of the hotel is ensured by an exceptional traffic connection and the proximity of the airports of Split, Zadar, Zagreb and Brač.

2. Bluesun Hotel Berulia



2.1. PROPERTY AND SURROUNDINGS

Bluesun Hotel Berulia***** is one of the largest hotels in the Bluesun group and the second largest in Brela. It covers a 15,000m² area.

This is the first five-star hotel in the Bluesun group. The main features of this hotel are luxurious and spacious hotel rooms, rich wellness offer, as well as an excellent offer of quality food and exquisite

drinks. Bluesun Hotel Berulia was renovated in 2017 and from then until 2020 it operated under the Thomas Cook Sentido franchise. The Sentido chain has 73 hotels spread across the globe. After the bankruptcy of Thomas Cook, the hotel returned to the Bluesun Hotels & Resorts chain.

The property is 10m from the sea, 3km from the most famous beach Punta Rata, 600m from the centre of Brela, 50km from Split, 70km from Split Airport and 13km from Makarska.

Punta Rata beach is one of the most beautiful beaches in Croatia, a symbol of Brela and a phenomenon of nature with crystal clear sea surrounded by the shade of a pine forest. Thanks to the purity of the sea, it has been declared one of the 10 most beautiful beaches in the world according to Forbes magazine. All other beaches around the Hotel are also public pebble beaches. Deck chairs and sunshades can be rented at a surcharge.

2.2. ACCOMMODATION AND FACILITIES OF HOTEL BERULIA

The hotel is divided into 3 parts. The main building and the new edifice are 5-star facilities with 190 rooms while Mala Berulia is a 4-star facility with 45 rooms. In between is a villa.

2.2.1. Rooms

ROOM TYPE – main building and new edifice	QTY
Standard	15
Standard Sea Side	19
Superior Park	33
Superior Sea Side / Sea View	99
Premium Sea View	12
Superior Sea View with Swim-Up Pool	10
Apartment	2
Villa	1

Mala Berulia	QTY
Standard	6
Standard sea side	38
Apartment	1

All rooms are equipped with basic appliances and amenities, and some have extras. Basic amenities: air conditioning, telephone, internet, satellite and interactive television, minibar, bathroom, hairdryer, in-room safe – hotel rooms offer extras. Additional room amenities: extra beds for some rooms, baby cots on request in all rooms, a variety of pillows.

2.2.2. Service and catering capacity of the hotel

The catering service includes 3 restaurants and 2 bars.

Restaurants	Capacity	Location	Service type	Additional service
Hotel Restaurant "Arkada"	510 pax	Ground floor of the hotel with access to and service on the terrace, classic restaurant decoration	Buffet; breakfast and dinner with "show cooking"	
"Puž" Beach Restaurant	108 pax	Beach restaurant in front of the hotel	à la carte Dalmatian specialties	
Posejdon Tavern	60 pax	Mala Berulia	Interior of an old Dalmatian tavern	Open on order

Barovi	Location	Terrace access	Service type	Additional service
Aperitif Bar "Blue Bar"	Hotel interior – reception level	✓	Specialized offer of cocktails and additional offer of non-board alcoholic and non-alcoholic beverages	
Pool bar	Pool bar	✓	Offer of drinks and additional non- board offer of alcoholic and non- alcoholic beverages	Snacks and fast food offer

2.2.3. Bluesun Hotel Berulia Wellness and Fitness Center

WELNESS BLUESUN HOTEL BERULIA

The Wellness Center of Bluesun Hotel Berulia takes approx. 300m2 of interior space. The Wellness offers body massage and facial treatments, as well as manicure, pedicure and waxing treatments.

POOLS		
POOL TYPE	WATER	HEATING
Outdoor infinity pool	Plain water	✓
Outdoor quiet pool	Plain water	✓
Outdoor swim-up pool	Plain water	✓

SAUNAS		
TYPE OF SAUNA	TYPE OF THERAPY	TEMPERATURE
Turkish sauna	steam bath in hot air to cleanse the airways and strengthen immunity	45°C - 50°C
Finnish sauna	intensive detoxification in dry air	80°C - 95°C

RELAXATION ZONE

Sun terrace by the outdoor pools SPA oasis with relaxing beds Wardrobes with cabinets and showers

TREATMENTS

5 massage rooms

FITNESS CENTER

ELEMENS	YES/NO	EQUIPMENT TYPE
Training equipment	✓	Fitness Life, Hammer
Professional guidance of a fitness	✓	
trainer		

2.3. AMENITIES AND SERVICES

In addition to luxury accommodation and a rich gastronomic offer due to which Bluesun Hotel Berulia hosts numerous Croatian and world celebrities, from politics, sports and the show business, the hotel also offers a variety of attractive amenities for individuals and family arrangements that make this hotel truly special, with a maximally diverse area of operation.

2.3.1. Entertainment

Hotel Berulia takes great care of the entertainment program. In order to provide guests with a memorable holiday within the restaurant and bar, there are various themed evenings accompanied with music. From the youngest guests to adults, individuals, groups or families, all can find something for themselves and experience an adventurous and playful holiday to remember.

Among various types of entertainment, the hotel does not neglect tradition and often organizes themed evenings of folklore (live music in front of bars, Dalmatian klape (a cappella) evening at a restaurant, Bluesun buffet dinner with local gastronomic offer). The hotel also provides an always active animation team that takes care of organizing activities and entertainment for guests.

2.3.2. Other services and amenities

- Reception 0/24
- Exchange office
- Tourist Agency Sunce Global transfer and excursion services
- Internet corner
- free WiFi

2.4. EMPLOYEES OF BLUESUN HOTEL BERULIA

Bluesun Hotel Berulia employs its staff under fixed-term and permanent employment contracts.

According to the data, from 2021 season Hotel Berulia employs:

- 95 seasonal employees
- 52 permanent employees

2.4.1. Work ethic of Bluesun Hotel Berulia

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.

- To all seasonal employees whose place of residence is outside Starigrad Paklenica 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.

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

2.4.2. Bluesun Academy

Every year, Bluesun Hotel Berulia 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 Berulia 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

For example, in the 2020 pre-season, Hotel Berulia provided its employees with an English and German course in order to professionally improve the reception of guests.

Hotel Berulia 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 Bluesun Hotel Berulia.



2.5. GUESTS AND PARTNERS

Bluesun Hotel Berulia is open seasonally. Each year, the hotel opens in April and remains open until the end of October, and if necessary, depending on reservations, the hotel remains open longer than October.

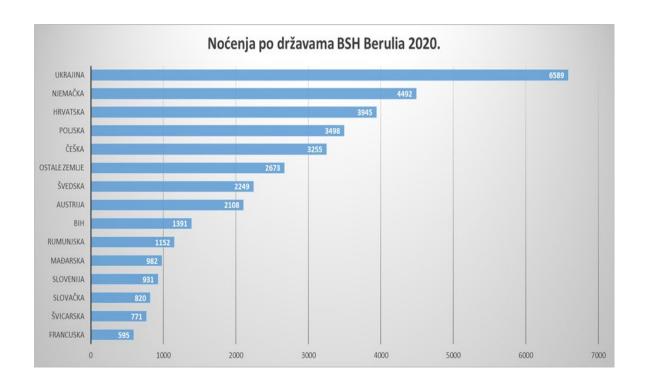
2.5.1. Occupancy

The following chart shows hotel occupancy in 2020.

June	July	August	September	October
36 %	67 %	74 %	49 %	26%

According to the data we have on the basis of reservations of our guests per countries, in 2020 Hotel Berulia realized 35,451 overnight stays.

The largest number of guests come from Ukraine 6589, Germany 4492, Croatia 3945, Poland 3498, Czech Republic 3255.

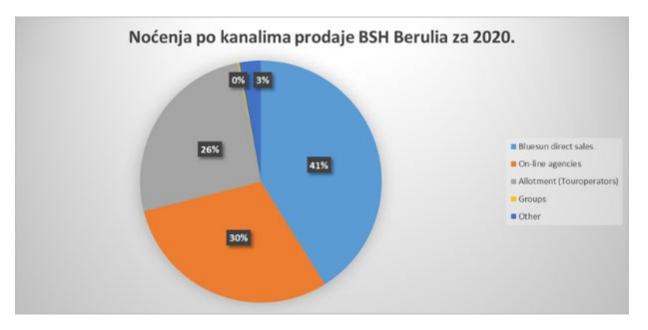


2.5.2. Realized turnover

According to the official data on confirmed reservations, we have data on the largest turnover of Hotel Berulia accommodation sales representatives.

These statistics show that the highest percentage of sales was achieved through Bluesun direct sales and online agencies, which according to data from 2020 amounts to 71%. After that, a large number of nights were realized through allotment, at 26%.

Nights (based on room)	100,00%
BlueSun direct sales	41 %
On-line agencies	30 %
Allotment (Tour operators)	26 %
Groups	0 %
Other	3 %



2.6. ACHIEVEMENTS, RECOGNITIONS AND AWARDS

In addition to the awards and achievements that Bluesun employees achieve in the field of cuisine, Hotel Berulia won multiple hotel awards and recognition by the Croatian Chamber of Commerce, the Ministry of Tourism of the Republic of Croatia, online booking agencies etc.

The hotel has been known for years as a hotel of oasis and peace. This has been especially highlighted since the 2017 renovation.

In 2018 Bluesun Hotel Berulia took a high third place in the competition of Sentido hotels and second place in the competition of all Thomas Cook hotels in Eastern Europe.









- Neckermann Award 100 most desirable hotels in the world
- Trip Advisor Certificate of Excellence Winner (2012, 2013, 2014, 2015, 2016, 2017, 2018)
- Tourist Flower Quality for Croatia (recognition for winning 2nd place in 2014)
- HolidayCheck Quality Selection Recommended on HolidayCheck
- (2013, 2014, 2015, 2017, 2018)
- Booking.com Guest Review Awards (2013, 2014, 2015, 2016, 2017, 2018)

2.7. NATURAL ENVIRONMENT AND SOCIAL ISSUES

2.7.1. Adopted sustainability policy development measures

Hotel Berulia has been working on a sustainability policy for years, on both internal issues such as the issue of employment, labour and human rights, cooperation with various agencies that we keep as partners, and also in relation to its natural environment. We are working hard to ensure that the operation of the facilities we have listed does not endanger the environment and natural habitats of animals. Equally, Bluesun Hotel Berulia nurtures an economical approach in the activities of its abovementioned catering and service facilities. It also records excellent cooperation with the local community, so in 2018 all music performers were local groups, bands and Dalmatian klape (a capella).

The hotel also provides a variety of employment opportunities, ranging from unskilled staff, to middle and senior management positions. This provides the local population with attractive opportunities to learn and build careers, thus reducing emigration processes. In addition, employment at Berulia Hotel helps to diversify the economy from an agricultural or industrial to a service-based economy, providing higher status and wages.

We give preference to serving locally produced food to tourists. Food is procured from nearby family farms. In this way, we strengthen the local economy through the supply chain of food production,

distribution and sales, thus supporting traditional employment, and creating new employment opportunities. In this way we reduce the outflow of income from tourism by avoiding the import of food products. We also save on transport and energy because food mileage is reduced (the distance that food products travel from the production area to the place of final consumption).

Much of success in environmental sustainability depends on individual employee participation. It is for this reason that we organize regular trainings and raise the awareness of our employees. We attach great importance to regular communication and training on possible actions and policies of our company, thus ensuring the commitment of employees in the overall sustainability policy.

The hotel takes great care of energy consumption, so we keep records and measure the average consumption and supply of water, gas, fuel and electricity. In this area, we have recorded minor deviations in the past two years and there is a growth trend, so one of the large goals is to reduce the energy consumption of the hotel. The next few paragraphs provide clear statistics on the state of energy consumption according to the number of overnight stays in 2020 and a description of plans and consumption objectives in the coming season.

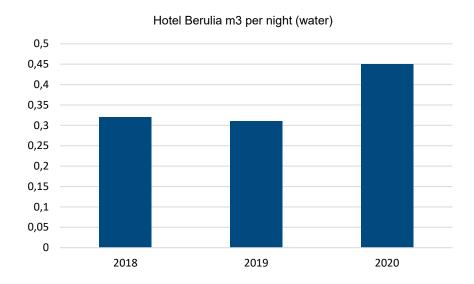
2.7.2. Water, fuel and energy consumption

WATER CONSUMPTION

The following charts show water consumption data in 2018, 2019 and 2020.

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

- Water use reduction policy an active water consumption policy that is implemented and monitored
- Water use water consumption is measured on a monthly basis
- Flow restrictors and aerators aerators have been installed in all rooms
- Energy-saving toilets energy-saving buttons or other water-saving equipment have been installed in the toilets
- Irrigation system control
- Restricting the valves for certain flows



The chart shows a negative trend in water consumption compared to previous years, but the cause for this is the coronavirus pandemic which saw a very large decline in overnight stays compared to previous years.

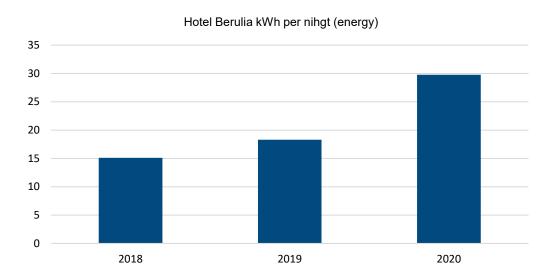
Objective for 2021:

Reduce water consumption from 0.45m³ in 2020 to 0.30m³ per night.

ENERGY

According to the charts, there is a visible increase in energy consumption 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 objective for 2021 is to reduce the consumption of energy (el. energy, LPG, heating oil) by 30% compared to 2020.



In order to further manage energy 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 consumption of energy 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 working hours (not left in Standby mode)
- Lights off policy in places where possible, all lights are turned off after working hours
- Low energy equipment when buying new equipment, preference is given to low energy equipment based on EU directory standards
- Efficient mode the equipment is set to energy saving mode
- Placing stickers in all rooms;
- Since all bulbs in the hotel are LED, this year we intend to add timers and additionally warn employees of the importance of turning off the lights
- Installing additional sensors where there are none.

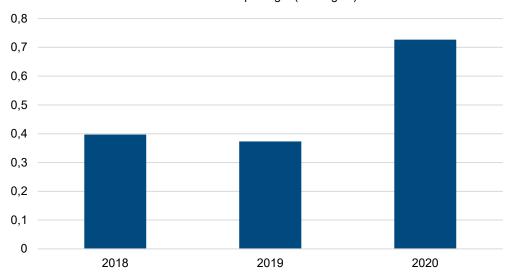
HEATING OIL

Heating oil consumption was 0.727L per night for 2020 and the objective for 2021 is to reduce heating oil consumption to 0.300L per night.

The way we plan to reduce consumption is by:

- Saving hot water
- Procuring more efficient heat exchangers

Hotel Berulia L per night (heating oil)



2.8. ACTIONS TAKEN TO IMPROVE THE SUSTAINABILITY OF THE HOTEL

In view of improving the sustainability of its operations, Hotel Berulia will take those measures that aim to reduce the consumption of water, electricity, fuel and gas.

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

- Reduce water consumption from 0.45m³ in 2020 to 0.30m³ per night.
- Reduce fuel consumption from 0.727L to 0.300L per night
- Reduce power consumption by 30%

The measures taken with regard to energy consumption are as follows:

WATER	FUEL	ELECTRICTY
Better control of consumption	Service of the boiler room and all boilers	Installation of timers in places where they are not installed
Service of all gas machines as well as all gas installations	Replacement of worn out pipes (heating)	Purchase of more energy efficient machines
Staff education		

2.9. CORPORATE SOCIAL RESPONSIBILITY

Bluesun hotel chain believes that CSR is important and desirable in tourism. In this way, a synergy of business and society is achieved. The goal of CSR 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, reciprocal 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. protection of natural and human resources.

2.9.1. Hazardous substances, pollution and pollution reduction

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, so Bluesun hotel chain aims at treating waste and packaging in a proper and adequate way, preserving the natural environment on its land, primarily the beaches and ecosystems.

In all this, hotels offer a wide range of offers, e.g. ecological products that significantly affect food culture and environmental protection in the local community. The fact that Hotel Berulia is located just a few meters from the beach obliges us to act responsibly towards the environment, as in some way we owe it the success of the entire destination.

That is why Hotel Berulia, like other Bluesun hotels, pays special attention to the products 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 are 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, water pollution and soil contamination
- Wastewater remediation wastewater is disposed of in accordance with national regulations

2.9.2. Waste management; suppliers and clients

Waste management at Bluesun Hotel Berulia is carried out through partner companies dealing with waste disposal. A waste disposal plan has been developed by the hotel in cooperation with the company Zeleni servis d.o.o., which is authorized for strategic environmental impact assessments, prepares spatial development plans, urban plans and other strategic documents.

Next to the hotel there is a recycling yard where waste is sorted into specially designed containers according to the type of packaging: mixed municipal waste, paper and cardboard, biodegradable kitchen waste, edible oil and fats. The licensed utility company Greben d.o.o. is also in charge of waste collection.

Construction waste, waste paints, varnishes, acids and alkalis, packaging contaminated with hazardous substances, metal packaging, oiled solids and other waste is managed by the company Cian d.o.o. from Split, which also provides us with professional and specialized containers for waste collection.







With regard to waste disposal, Hotel Berulia often cooperates with the local community by supporting the organizers of cleaning actions at the destination. This year's example is the beach cleaning action that was done on the occasion of Labour Day.

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) are introduced wherever possible
- Battery recycling batteries are recycled or disposed of properly



2.9.3. Social and local community

Sunce Hoteli d.d. have participated in the construction and renovation of the promenade by the sea and plan to continue the same in the future. So far, we have co-financed a number of local projects. We are open to all kinds of help, both locally and beyond. Representatives of Hotel Berulia actively participate in the work of the Assembly of the Tourist Board. We especially emphasize the cooperation in the organization of the event 50 Years of Brela, the Champion of Tourism.

We also help the following beneficiaries through donations:

- Mountaineering Club Pozjata
- Swimming Club Galeb
- Cultural, Sports and Ecological Accosiation Bilubij Lokvičići
- City of Makarska
- Parish of St. Stephen the First Martyr
- Dr. Franjo Tuđman Elementary School
- Croatian Mountain Rescue Service
- Makarska City Music
- DVD Zadvarje
- Croatian Tourism and Services Union

3. Closing statement

This year's Sustainability Report of Bluesun Hotel Berulia was opened with general information about the hotel and a presentation of business operations of all the 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 Hotel Berulia, which in its 48 years of existence has undergone various transformations and renovations.

Much has been invested in the hotel, 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. Throughout the report we included a detailed description of the facility, accommodation capacity and their features, as well as the amenities and services it offers.

Since one of the goals of our report is also to bring investors closer to the work ethic and employment strategy of Bluesun Hotel Berulia, we have provided insight into the number of employees and their tasks, and presented the opportunities and the program of investing into the development of professional skills of our employees, which we will continue to develop with equal commitment in the coming periods.

Hotel Berulia takes care of the natural and social environment with regard to technical maintenance and consumption of energy resources. Preparation of data on energy consumption in relation to 2018 and 2019 provided us and our shareholders with a better idea of the state of consumption with regard to the realized overnight stays. Among other things, this helped us to set new challenges and goals in the continuation of business and construction of infrastructure, which are mostly related to plans aimed at reducing the consumption of electricity and other resources needed for the operation of the facility.

Through the report, we have renewed our knowledge of ourselves and gained a better insight into the segments that are going to be improved in the future. Aware that by investing and taking the measures that lead us to achieving the set goals we invest in our image and quality of business, we will continue to report our consultants on our work and implement a policy of developing measures to improve the sustainability of the hotel.

Brela, 15.05.2021.