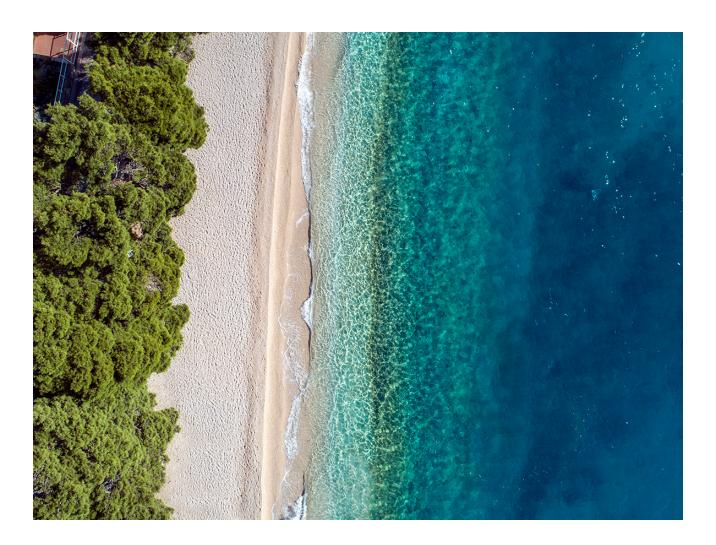




SUSTAINABILITY REPORT Bluesun Hotel Neptun, Tučepi



About Bluesun hotels

Bluesun hotels are located on the most beautiful Croatian beaches and are an ideal place for 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, Dalmatian or Biokovo landscape. Reliable and proven service and quality that will satisfy even the most demanding visitors, awaits every Bluesun guest in every hotel.

Bluesun Hotel Neptun



The hotel complex spreads over approximately 23,000 m², located by the beach, 10 meters from the sea. It consists of a central hotel building and 5 beautiful annexes immersed in Mediterranean greenery.

Guests are provided with a sense of privacy and intimacy. The children's pool, children's playground and ambience in nature, protected from cars and noise, are perfect for children's games while parents can relax on a deck chair or enjoy a cocktail.

Part of the complex, which is located right next to the beach, is dominated by a large and modern outdoor pool – a favorite spot for guests of all generations.

With a rich offer and a variety of daily, evening and children's animation, Bluesun Hotel Neptun*** All Inclusive is an ideal holiday hotel for families with children.

Bluesun Hotel Neptun has 252 accommodation units located in the main hotel building and 5 annexes:

- 200 hotel rooms
- 48 family hotel rooms
- 4 apartments



FACILITIES

Hotel restaurant

The hotel restaurant accommodates 550 guests who have a wide choice of different foods at their disposal in the all-inclusive offer. The offer includes breakfast, lunch and dinner + afternoon and midnight snack.

Swimming pool

Swimming pool for adults and children's pool with fresh water, 400 m² and 40 m². Space for guests around the pool of 1000 m² with 450 deck chairs and 200 parasols.

Multifunctional meeting room

The meeting room can accommodate up to 60 people.

Lobby bar

Bar in the hotel lobby with a rich all-inclusive offer of alcoholic and non-alcoholic beverages, as well as the offer of premium and other brands in free sale.

Pool bar

Open pool bar with an all inclusive offer of alcoholic and non-alcoholic beverages.

Other facilities

- Children's club and children's playground
- Fitness center
- Bike rental
- Courts for basketball, futsal, football, handball
- Currency exchange office Boules courts
- Animation program for children and adults

- Numerous other recreational options at the Sports Center Slatina
- Table tennis
- 5 tennis courts

Hotel business operations

Bluesun Hotel Neptun is a seasonal hotel.

This year, the hotel was opened on 22 May 2021, and the closing is planned for 19 October 2021. In 2021 we expect 71.049 overnight stays. Most of the guests come from Germany, Poland, England, Czech Republic, Austria, France, Bosnia and Herzegovina and Croatia.

Awards

The hotel has won numerous awards and praises from Booking.com, TripAdvisor, Holiday check, Vitkovice tours and other partners.

Our employees

Bluesun hotel Neptun operates within the company Sunce Hoteli d.d.

The hotel has 34 permanent (indefinite-term contracts) and 65 to 80 seasonal (fixed-term contracts) employees.

Bluesun Hotel Neptun fully adheres to:

- all applicable labor and human rights laws and regulations;
- all employees and their rights are respected;
- all employees are treated equally;
- continuous 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;
- an 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 school for improving service 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 (adapted to employees in tourism), the development of professional hotel skills and the development of managerial skills. The main task is the continuous development and improvement of the skills of all 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 Bluesun Academy, two 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 education has a significant role and is guided by the principle of lifelong learning. It enables the effective transfer of knowledge of colleagues who have achieved results in the field on other colleagues.

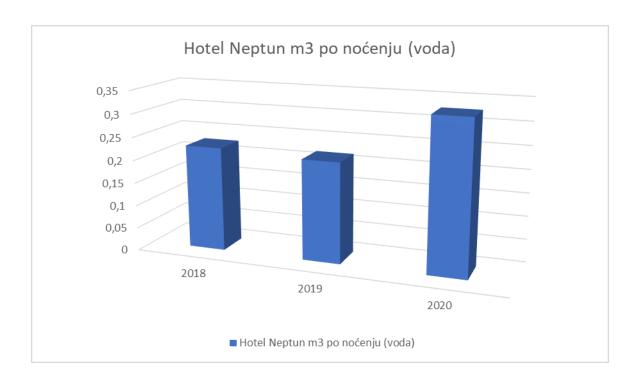
Under the motto "we learn from the best", mentoring allows young employees who are at the beginning of their career to learn from experienced colleagues who have extensive knowledge and the will to pass on knowledge to a new generation. Employees who stand out with their quality of work and approach 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 data on water consumption in 2018, 2019 and 2020. 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 monthly basis
- Flow dampers and aerators aerators are installed in all rooms
- Energy-saving toilets energy-saving buttons or other water-saving equipment are installed in the toilets
- Irrigation system control
- Dampening the 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 decline in overnight stays compared to previous years.

Goal for 2021:

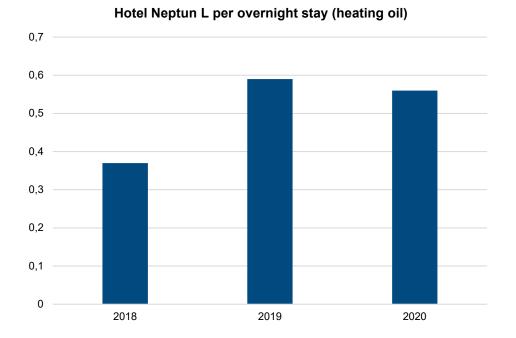
Reduce water consumption from 0.32 m3 in 2020 to 0.20 m3 per overnight stay.

HEATING OIL

Heating oil consumption was 0,56 L per night for 2020, the goal for 2021 is to reduce heating oil consumption to 0.35 L per night.

The way we plan to reduce consumption is to:

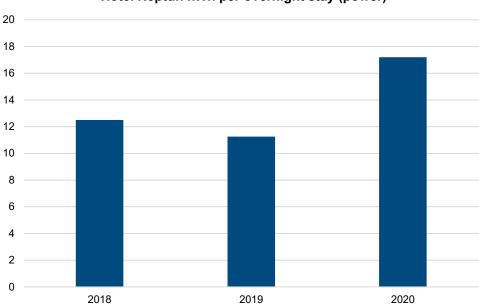
- Save hot water (additional informing of the guests and staff)
- Procurement of more efficient heat exchangers



ELECTRICITY

According to the graphs, there is an increase in power consumption per night in 2020 compared to 2019.

Power 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 the power consumption per night (electricity, LPG, heating oil) by 30% compared to 2020.



Hotel Neptun kWh per overnight stay (power)

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
- 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
- Placing stickers in all rooms;
- Since most of the bulbs in the Hotel are LED bulbs, this year we intend to add timers and additionally warn employees about the importance of turning off the lights.
- By placing additional sensors where there are none.

Actions taken to improve the sustainability of the Hotel

In order to improve sustainability, Hotel Neptun will take those measures aimed at reducing the consumption of water, electricity, fuel and gas. Hotel Neptun plans the following for 2021:

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

The measures taken for energy consumption are as follows:

| WATER | GAS | FUEL | ELECTRICITY |
|--|---|--|--|
| Better consumption control Staff education | Better consumption control Servicing of all gas | Servicing of the boiler room and all boilers Replacement of worn | Replacing bulbs with LEDs Buying more energy |
| | machines as well as all gas installations | pipes (heating pipes) | 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, the hotels have a wide range of offers, e.g. organic products that significantly affect food culture and environmental protection in the local community.

The fact that Hotel Neptun 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 Neptun, 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 Neptun 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 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.

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 nonbiodegradable material
- Toner/ink when ink or toner is used for printing and copying, waste reduction methods (recycling, refilling) are introduced wherever 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

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

- KKUTZ (see www.kkutz.org)
- Firefighters community humanitarian concert for Tučepi firefighters, food and accommodation as needed
- HNK Jadran
- Humanitarian association Kredenca
- Bluesun Tučepi Open tennis tournament for women
- Donation to various humanitarian associations (Catering school for people with special needs, association Sunce, 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.

Stefano Vranješ Hotel Director Tučepi, 7 September 2021

Tvrtka: SUNCE HOTELI d.d. za turizam i ugostiteljstvo, turistička agencija Skraćena tvrtka: SUNCE HOTELI d.d.

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Mohamed Ali Rashed Alabbar, predsjednik Uprava: Mubarak Al-Khalifa, predsjednik Hrvoje Veselko, član.