

SUSTAINABILITY REPORT

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HISTORICAL DEVELOPMENT

MAISTRA d.d., a member of the Adris Group, is one of the leading hotel companies in Rovinj, Vrsar, and more recently Dubrovnik and Zagreb.



MAISTRA
HOSPITALITY
GROUP



Maistra d.d. was formed as a new company following a merger between two companies in the tourism business, namely Jadran-turist Rovinj d.d. and Anita d.d. Vrsar in March 2005, inheriting over 50 years of experience in tourism. Through a combination of the application of new technologies, the implementation of international standards of the tourism industry, full compliance with sustainable development standards, a particular sensitivity to environmental protection, respecting the environment as our most important resource, foundations were laid for the future development of the company.

The tourism business is subject to and requires dealing with numerous challenges.

The biggest challenge/risk came in 2020 with the emergence of the Coronavirus disease (COVID-19) global health emergency. Among so many other things, the tourism business as a whole came under threat. Our priorities started revolving around the establishment of epidemiological measures aimed at combating the spread of the disease and protecting the health of all parties, and when choosing a destination, guests prioritised a high standard of hygiene.

Numerous changes have been introduced during the pandemic. Companies and private individuals are expected to adhere to the recommendations of the Civil Protection Headquarters (at the national and county level), all workers must wear protective face masks during work, buffet self-service is no longer available as an option – it has been replaced by waiter service everywhere, the prescribed distance between tables or people in restaurants and other areas is observed, disinfectants must be available at the entrances to properties/communal areas, ventilation and disinfection of the premises are mandatory, and the number of people allowed to use certain spaces and participate in activities has been limited. Depending on the number of participants, congresses, conferences, and other events have been postponed.

With this pandemic, the principles of sustainable tourism development are being re-examined and are likely to change.

Maistra's commitment to implementing the requirements it has set for itself is reaffirmed through the application of policies, namely:

- Quality Policy
- Sustainability Policy
- Labour Standards and Human Rights Policy
- Child Protection Policy
- Occupational Health and Safety Policy
- Community Policy, and
- Environmental Protection Policy.

Furthermore, during the Covid-19 pandemic, an authorised certification body certified and supervised the ISO 9001:2015 and ISO 14001:2015 standards systems as an integrated quality management system, as well as HACCP.

QUALITY POLICY AND SUSTAINABILITY POLICY

The basic goal is for guests to leave with a memory of an unforgettable stay in Maistra's properties, with the aim of maximising the number of returning guests while attracting new guests, when

- we know that the guest is at the centre of all our activities and we are all at their service
- we must understand and be able to fulfil our guests' wishes
- we must treat our guests with respect.

Measuring the quality of products and services is monitored through

- objections, complaints and grievances
- worker suggestions
- TrustYou website
- and internal and external audits.

In 2020, the seasonal cycle of monitoring ratings on websites was conducted from 1 June to 30 November 2020. In that period, due to the pandemic, 193,786 guests stayed in MAISTRA, and only 9,782 survey questionnaires were collected and processed.

Objections, complaints and grievances are immediately considered and generally resolved on the spot to the satisfaction of our guests, since we are still guided by the fact that “the guest is always right”.

Internal and external audits are seen by workers as an opportunity to improve the level of service they provide, and the conclusion / positive feedback from external auditors is also important to us, quote:

- ***The organisation uses the mechanisms of the quality and environmental management system to identify areas for improvement. For the identified areas that need improvement, goals and action plans are set and the status of their implementation is monitored. We commend the regularity of the quality management and environmental management systems***

TrustYou serves as a good indicator of our quality when compared to our competitors.

The Management Board of the Company has also defined a **Sustainability Policy**, which aims to integrate the philosophy of sustainable development into all activities of the organisation and to establish and promote examples of sound practices in our business, as it undertakes to facilitate the reduction of negative effects on the environment by:

- providing a safe and healthy workplace
- applying a Sustainability Policy with clear and defined responsibilities
- taking into account the needs of the community
- conserving natural resources through reuse and recycling
- using processes that do not adversely affect the environment in our own operations
- ensuring responsible use of energy throughout the organisation
- participating in efforts to improve environmental protection and its understanding
- continuously taking steps to improve the environment’s condition
- conducting a rigorous audit, evaluation and self-assessment of the implementation of this Policy
- working with suppliers that implement the same Sustainability Policy
- increasing awareness among our employees, guests, suppliers, and customers at all levels – by educating and motivating them in an environmentally responsible way.

LABOUR STANDARDS, HUMAN RIGHTS, AND CHILD PROTECTION POLICY

The company is committed to respecting international human rights within its own sphere of influence and to ensure that no human rights violations occur in any way.

Among the international instruments which guide Maistra d.d. in creating its policy for protecting human and workers' rights are the following: *The Universal Declaration of Human Rights, the Convention on the Rights of the Child, the United Nations Convention on the Rights of Persons with Disabilities and the Optional Protocol to the Convention on the Rights of Persons with Disabilities, the Convention concerning Minimum Age for Admission to Employment, the Convention on the Elimination of All Forms of Discrimination against Women and the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour.*

In day-to-day operations, the applicable regulations of the Republic of Croatia and the European Union are applied, where all workers and contractors are respected, with the aim of achieving worker satisfaction and realising their personal ambitions through the possibility of promotion at work and active participation in the growth and development of Maistra d.d.

We do not tolerate any form of discrimination in the workplace, and we do not endorse any form of behaviour which violates human dignity, both in work and business relationships, and beyond.

The company is committed to upholding freedom of association and to truly recognise the right to bargain collectively by abolishing all forms of forced labour, abolishing child labour and ending discrimination in employment and in the choice of occupation.

The rights of workers to join worker associations (trade unions) as well as the right to withdraw from worker associations are respected. Collective bargaining at the branch level with trade union branches of the Trade Union of Istria, Kvarner and Dalmatia and the Trade Union of Tourism and Services of Croatia is actively supported and maintained. The Collective Agreement for all workers has been signed as a basic instrument guaranteeing workers' rights which even exceed legal requirements. Collective bargaining is conducted annually, defining the minimum wage and working conditions.

Commissioners for the protection of worker dignity have been appointed for each violation of worker dignity.

Every worker has the right, i.e. it is their obligation, to propose improvements in work procedures or in relation to working conditions.

The prescribed guidelines for worker training, planning, and monitoring the work of each worker are implemented, as well as evaluation and remuneration, which depend

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solely on worker performance and adherence to Maistra's values.

Maistra MAIbook, a comprehensive Employee Handbook has also been developed, guiding employees through the company's historical development, vision, codes of conduct, and professional and personal development opportunities, including the company's Director welcoming all new workers.

In 2020, an average of 1,410 workers were employed (or 2,049 in 2019). A comparison with previous years when we recorded an increase is not relevant due to the reduced number of working days and guests due to the COVID-19 pandemic.

A satisfied worker is an essential link to a satisfied guest.

Assessment of worker satisfaction is extremely important for Maistra and is conducted once a year. It is conducted online, through an anonymous survey and covers questions related to management, attitudes towards work and guests, working conditions and pay, work organisation, and attitude towards the company. The analysis of the survey shows that customer focus scores the highest, while the Salary/Benefits dimension has the highest potential for improvement.

Worker training and professional development are important for maintaining the quality of service provided, as well as monitoring the changes required by the service. However, in the year affected by the pandemic, training was reduced to what was absolutely necessary, in compliance with all prescribed measures.

Training in safe work practices was carried out. All workers who handle food and food items in their workplaces have a working knowledge of food safety and personal hygiene (hygiene minimum), have valid sanitary booklets, and have HACCP training.

All workers working in workplaces with special working conditions – maintenance of properties, horticultural workers, etc., depending on the type of work they perform under the employment contract, must be professionally trained and have certificates of medical fitness.

OCCUPATIONAL HEALTH AND SAFETY POLICY

Maistra undertakes to professionally and responsibly monitor and manage all aspects of its processes and services, thus minimising risks in the workplace, including the risks of COVID-19 breakouts.

By encouraging development and implementing modern business processes and through general business operations with the aim of reducing risks in the workplace, all workers develop an awareness of the constant need to improve health and safety at work.

Rules have been set as follows:

- to introduce new technology and environmentally friendly materials and substitute substances that directly or indirectly affect human health and safety;
- to keep track of processes and activities which may have a negative impact on the health and safety of employees and guests, and change them if necessary;
- to perform proper maintenance of work equipment and regularly check its safety;
- to monitor, implement, and comply with the legislation of the Republic of Croatia and international legislation;
- to develop a culture of prevention and improvement of occupational health and safety.

Our goal is to ensure safe and healthy workplaces that contribute to workers' welfare, an increase in productivity, competitiveness and economic development.

We are open to all positive suggestions that can improve our business policy, and we are committed to utilising our knowledge and experience in the entire Adris Group to which we belong.

Maistra appoints workers as the employer's authorised representatives for occupational safety, given the authority to introduce measures to ensure the implementation of the Occupational Health and Safety Act. Also, a workers' commissioner is selected to act in the best interest of workers in the field of occupational safety and monitor the application of regulations and safety measures.

All workers must carry out fire protection procedures in accordance with applicable regulations. Maistra appointed the property directors as the persons responsible for fire protection, and at the Company level, a Service for Occupational Safety and Fire Protection was established with three employees of the prescribed professions.

Small-scale fire protection drills were held in individual properties, in compliance with the MEASURES for combating COVID-19.

As part of the company's Safety Training, 62 seasonal workers have been trained on the responsibility and manner of waste disposal.

The course in toxicology for working with hazardous chemicals was conducted by the Croatian Institute of Public Health – Department for Toxicology and was attended by 13 workers.

All workers are obliged to adhere to the measures for prevention, outbreak and transmission of diseases in accordance with the regulations.

COMMUNITY POLICY

Maistra is one of the leading tourism companies in Croatia and the principal company of its type in the local community and as such is a partner of various governmental and non-governmental organisations, involved in major cultural and social projects in

Rovinj and Vrsar and sponsors most charity events, which also strengthens the connection with the local community.

As all charitable donations and sponsorships are coordinated at the corporate level, the main focus of all Maistra properties is education and development, as well as the use of local/regional products to strengthen and develop relationships with smaller suppliers and manufacturers to create a pool of future employees, managers, and companies with a vision of responsible and sustainable business practice.

To achieve better implementation of the requirements of the Community Policy, we have the support of all workers whose personal responsibility is an integral link in the quality and performance chain of the entire system.

ENVIRONMENTAL PROTECTION POLICY

Maistra is committed to monitoring and managing all aspects of its processes and services professionally and responsibly, minimising negative environmental impacts. By encouraging development and implementing modern business processes and through general business operations with the aim of reducing the harmful effects on the environment, all employees develop an awareness of the constant need for environmental protection.

Environmental resource management is part of Maistra's business strategy, and customer/guest satisfaction is the foundation of our business policy, with the strategic goal of not only maintaining the existing market position but also strengthening it to a greater degree.

We are determined in our implementation of environmental protection measures. We continuously monitor, improve, and take precautionary actions to prevent possible environmental pollution. For this reason, we have set the following rules:

- to introduce new environmentally friendly materials and substitute substances that directly or indirectly affect the environment;
- to use resources rationally: energy, water, fuel oil, gas;
- to control the waste produced;
- to monitor processes that may have an adverse effect on the environment and modify them as needed;
- to perform proper equipment maintenance; and
- to monitor, implement and comply with the legislation of the Republic of Croatia and international legislation through the requirements of users of our services.

An Environmental Team has been appointed and the Team Leader has responsibilities and powers that include:

- ensuring that the System is implemented and maintained in accordance with the requirements of the Standard;
- reporting to the Director on the performance of the System, including needs for improvement;
- ensuring that the awareness of consumer demands is promoted throughout the organisation; and

- maintaining connections with external stakeholders on issues related to the Environmental Management System.

Maistra has set the following environmental goals:

- protection of soil and water from pollution
- wastewater treatment before discharge into the sea
- discharge of wastewater into the public drainage system, maintenance of the wastewater drainage system and maintenance of the quality of kitchen wastewater
- maintaining the quality of swimming pool water
- proper collection and disposal of all types of waste
- reduction of energy consumption
- continuous education and promotion of the importance of environmental protection
- harmonisation of the condition of the building with legal regulations, and
- procurement and maintenance of refrigeration devices using ozone-friendly substances.

From the set goals, programmes for implementation are developed, individually by property or jointly for all Maistra properties. Not all goals set in 2020 have been achieved.

Devices on the drainage system are monitored and cleaned as necessary. All wastewater connects to public sewerage systems, and where it was not possible to do so, a wastewater treatment plant was built.

The pool water is monitored daily, several times during the day as well as the equipment in the engine rooms of the pool, which ensures the health and safety of users.

Refrigeration units with environmentally friendly refrigerants are being procured.

Guests are encouraged to make rational use of electricity and water, as well as to properly sort waste.

The importance of reducing energy consumption (water, electricity, fuel oil, gas) is also of great importance, while maintaining the quality of service at a high level. The use of groundwater and purified water from wastewater treatment plants to irrigate green areas is encouraged, as well as the use of groundwater as a renewable energy source for heating and cooling needs.

Gradual replacement of light bulbs is being carried out, with the provision of energy-saving bulbs.

Where possible, fuel oil is replaced in boiler rooms as an energy source and natural gas is introduced.

The goal, which the company has been implementing for many years, is to increase the rate of waste separation. The quantities of separately collected waste are

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significantly higher than in the first year, except for 2020, when approximately 50% of the quantities from 2019 were collected.

The compliance of properties with legal and other acts relevant to business is regularly monitored.

Environmental rights and obligations are also stressed when contracting works and services, by making sure that partners agree to and sign the *Goods/Service Provider Statement Regarding the Requirements of the Maistra Environmental Management System*. The same contractors/suppliers are evaluated upon completion, which is a good indicator for further cooperation.

Twenty years of continuous implementation of the Blue Flag programme and raising six Blue Flags currently is a clear demonstration of our concern for the conservation of the natural beauty of our beaches and the environment. The quality of the seawater is excellent on all beaches and is monitored about ten times during the bathing season.