

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.

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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workers must wear protective face masks during work, buffet self-service is no longer available as an option – it has been replaced by waiter service everywhere, the prescribed distance between tables or people in restaurants and other areas is observed, disinfectants must be available at the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

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

Observations, complaints, and grievances are promptly addressed and mostly resolved on the spot to the satisfaction of our guests, as we continue to adhere to the principle that "the customer is always right."

Employees accept internal and external audits as opportunities for improving the provided services, and we value the conclusion/praise from external auditors on the conducted audit in May 2021, as stated:

10.3 Continuous Improvement - We commend the tidiness of the quality and environmental management system maintenance.

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.

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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.

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:

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- 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 all 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 many.

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

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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

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- 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.

One of the environmental goals for many years has been to increase the quantities of separated and properly disposed waste by at least 5% compared to the previous year, which is achieved (except in 2021). In 2022, over 30 types of waste were separated, totaling around 2,033.814 tons.

Significant importance is also placed on reducing energy consumption (water, electricity, heating oil, gas) while maintaining a high level of service quality.

Energy consumption is monitored and presented per night of stay. The year 2022 is comparable to 2019, which is one of the better years.

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Energy per night of stay:

Energent/po noćenju	2019.g.	2020.g.	2021.g.	2022. g	Razlika 2021./2022.
Elek. energija	11,70 kWh	17,20 kWh	12,67 kWh	11,66 kWh	-1,01 kWh
Lož ulje EL	0,19 l	0,16 l	0,12 l	0,22 l	+0,10 l
Prirodni plin	2,89 kWh	4,57 kWh	3,43 kWh	2,59 kWh	-0,84 kWh
Voda	281 l	456 l	304 l	270 l	-34 l

The use of groundwater for irrigation is promoted where possible (TN Villas Rubin), as well as the use of treated wastewater for irrigating green areas (Island of St. Andrew, Hotel Istra), and using groundwater as a renewable energy source for heating and cooling (Grand Park Hotel Rovinj). Completion of the city wastewater treatment plant enables the use of treated water for irrigation and maintenance of tennis courts, among others, for part of Vrsar's facilities. An investment has started to provide a similar capability for some of Rovinj's facilities.

Where feasible, heating oil-based systems are being replaced with natural gas in boilers, which has been implemented in most hotels. By achieving the environmental goal of reducing energy usage and making minor modifications to existing systems, energy savings in terms of heating oil, gas, and electricity are realized.

Facility operations are aligned with the legal and other requirements in effect in Croatia.

Environmental awareness and responsibilities are communicated during the contracting of services and works, through the acceptance and signing of the Supplier Statement of Awareness of Maistra's environmental management system requirements. Suppliers/contractors are educated upon arrival at the work site, and their performance is evaluated upon completion, providing an indicator for future collaboration.

Two decades of continuous implementation of the Blue Flag program and the raising of six Blue Flags is evidence of the care for preserving the natural beauty of our beaches and surroundings. The quality of seawater on all beaches is excellent and is monitored approximately ten times during the bathing season.

Future investment planning is focused on exploring opportunities for energy consumption reduction/energy source replacement. Investment in heat pumps for heating, cooling, and hot water production continues, including highly efficient CO2 heat pumps.

By the end of 2022, the Adris Group d.d. conducted a carbon footprint measurement, developed a strategy for its reduction, and established a plan for further development in the areas of energy efficiency (photovoltaic power plants, heat pumps, etc.) and circular economy (waste sorting, organic waste management, recycling, etc.).