



# SUSTAINABILITY REPORT 2022



ADRIATIC  
LUXURY HOTELS





# TABLE OF CONTENTS

	Letter from the Chief Executive Officer	5
<b>01</b>	<b>WHAT SUSTAINABILITY MEANS TO US</b>	<b>8</b>
	Vision & Mission	9
<b>02</b>	<b>OUR STORY</b>	<b>11</b>
	Brief history	12
	Adriatic Luxury Hotels today	12
	Locations	13
	Adriatic Luxury Hotels highlights	14
	Adriatic Luxury Hotels brand identity	15
	Adriatic Luxury Hotels at a glance	16
<b>03</b>	<b>OUR SUSTAINABILITY JOURNEY</b>	<b>19</b>
	Eight sustainability pillars	20
	Six action fields	20
<b>04</b>	<b>FROM IDEAS TO ACTIONS</b>	<b>23</b>
	What we did so far	24
	<b>01 Committed to Nature and Environment</b>	<b>25</b>
	Nature	27
	Environment	28
	Energy consumption	28
	Water consumption	31
	Waste consumption	33
	<b>02 Committed to Guests</b>	<b>36</b>
	<b>03 Committed to Employees</b>	<b>40</b>
	<b>04 Committed to Community &amp; Heritage</b>	<b>45</b>
	Community	47
	Heritage	48
	<b>05 Partners</b>	<b>52</b>
	<b>06 Mindful Growth</b>	<b>55</b>
	Continuous improvement and external validation	57
<b>05</b>	<b>OUR SUSTAINABILITY INITIATIVES</b>	<b>60</b>
<b>06</b>	<b>CONCLUSION</b>	<b>65</b>
<b>07</b>	<b>CONTACTS &amp; INFORMATION</b>	<b>68</b>

# LETTER FROM THE CHIEF EXECUTIVE OFFICER

---

I am delighted to present to you our annual Sustainability Report, outlining the significant positive steps we have made in our commitment to sustainability at Adriatic Luxury Hotels.

Our Sustainability Policy is a critical element which links all parts of our Environmental, Social and Governance policies to ensure that Adriatic Luxury Hotels improves our positive impact, and decreases our negative impact, through targeted and measured priorities and goals.

As one of the largest businesses in this area, we understand that our industry has a profound impact on the environment and local communities, and as a responsible company we also recognise that we have an obligation in ensuring that we look after our environment, our city and county, our guests, employees, partners and hotels for the long term. We are always committed to maintaining the balance between offering unparalleled experiences to our guests with a deep respect for the environment and cultural heritage of our communities.

For us, sustainability is not just the here and now, nor solely a corporate responsibility. To everyone at Adriatic Luxury Hotels, this is personal, urgent, and essential for the society and location which we are all fortunate to be part of. We recognise that our individual decisions and actions have the power to make a positive difference to build a better future for us all.

In the full year 2022, we initiated and actioned several plans that contributed to our overall sustainability efforts. These are reviewed in more detail within our report, and include primary focus on circularity, recycling and plastic reduction, a reduction in energy and water consumption and a reduction in waste, especially recoverable waste.

Preserving and protecting the natural beauty of our locations is a big component in our DNA. We collaborate closely with conservation projects, environmental organisations and we participate in coastal cleaning. In our partnerships, we strive to work locally, with local suppliers and artisans who share our commitment to sustainable practice whilst ensuring that we support the local community as much as we can and preserve the unique cultural heritage of the Dubrovnik region.

We are committed to the well-being of our guests and employees. We care about them passionately. Our vision is to be the best at creating unique experiences and inspiring times and we cannot achieve this without engaged employees who share our vision and who know that we are committed to their well-being, equal opportunities and personal growth. I am especially proud that in 2022 only 4.5% of our permanent employees left our business, usually due to retirement or personal reasons, and that almost half our seasonal workers in 2021 rewarded us by returning in 2022. This stability in our workforce means that our continual training programmes raise our standards higher each year, which is recognised by our guests with a guest satisfaction rating of 92.1% for our whole business. I know that we can do better, and I have strong belief in our teams capability to increase this satisfaction even further.

We believe that transparency is key to our sustainability success. We set measurable targets and are accountable to achieving them. We are diligent and thorough in tracking progress and whilst this report shows how serious and ambitious we are in our sustainability commitments, it also highlights where we can improve and where we need to be more creative and innovative.

Looking into 2023, we know that our responsibilities extend beyond our hotels and local communities into the wider community, which is why we have become Founding members of the Dalmatian Islands Environment Foundation, a member of the Conservation Collective, a global network of locally focussed environmental foundations, emerging from the natural instinct of all people to protect what they love. This facilitates funding for the most effective grassroots environmental initiatives, with world class oversight, management and programme aid.

We will continue to collaborate with local and government stakeholders to drive positive change. We look forward to new investment in our company, new technology, new innovative practices, increased operational excellence and to further challenge ourselves to set higher targets for sustainability in the luxury hotel industry. Luxury and sustainability are inevitably linked.

On behalf of the entire Adriatic Luxury Hotels team, I extend my deepest gratitude to our guests, employees and partners for their continued support and dedication to our sustainability journey. Together, we can continue to create a brighter, sustainable future for our hotels, community and destinations, where luxury and sustainability go hand in hand.

Sincerely,



David James Taylor  
President of the Management Board





COMMITMENT  
TO SUSTAINABILITY

# 01

---

## WHAT SUSTAINABILITY MEANS TO US

We deeply care about the people, heritage, natural resources and species we have touchpoints with, whilst delivering service excellence. In fact, we consider those our most valuable assets. And, as those, we commit to protection and stewardship. We commit to the health, safety and wellbeing of our employees and their families, the local community, our guests and partners – today and tomorrow.

Our ecosystems, from sublime beaches to grasslands and forests. Our soils and the produce they provide. Our species, no matter how small. All these elements play a vital part in keeping, or rather restoring, the natural balance of our Earth’s systems. Climate change is not only a risk to us as a business, but a deeply personal matter and we want to make sure to walk the talk when it comes to decarbonisation.

We see the sustainability implementation in the engagement, which builds on the brand, team, culture and values and enriches both the team and guest experience where the highest standards of luxury can truly be delivered sustainably.



## **VISION**

*“To be the best at creating unique experiences and inspiring times“*

---

## **MISSION**

*“Excellence and commitment to the sustainable development of our Company, Team, Community and Environment, is at the heart of everything that we do“.*

Guided by its company mission, vision and values, Adriatic Luxury Hotels wishes to involve the entire workforce in this transformation, making sustainability, not just a checklist, not just something that is only written on paper, but rather to become a value that is deeply rooted in the company’s culture, to become our way of living.





# 02

---

## OUR STORY

*Sustainability is a corporate responsibility and a deep personal matter for everyone at Adriatic Luxury Hotels.*

## Brief history

Today's Adriatic Luxury Hotels (Adriatic Luxury Hotels) was created when the management company Adriatic Luxury Hotels operating a few of the most prominent properties in Dubrovnik was acquired by the Lukšić Group in 2011, thereby unifying and extending the portfolio of both companies (Adriatic Luxury Hotels and Excelsa Hotels d.o.o.).

By creating a unique single hotel company that operates under the recognized brand Adriatic Luxury Hotels, the strongest values and practices of the previous hotel companies in the Dubrovnik area were merged, ensuring continuous growth.

In 2012 the process of creating the largest tourism company in the luxury hotel industry in Croatia was completed. With the merging of two hotel companies (under the joint name Adriatic Luxury Hotels), a new organizational structure and business operations plan were adopted to ensure the advantages of the merger and the continuous growth of the company.

## Adriatic Luxury Hotels today

Today, Adriatic Luxury Hotels is a recognized and well-established luxury brand with a collection of the finest independent luxury hotels and villas in Dubrovnik, Croatia. Its portfolio includes a total of 10 properties operating under this umbrella brand in the Dubrovnik area.

Adriatic Luxury Hotels inspires guests by immersing them in the local culture and rich heritage of Croatia. Each of our hotels has a distinctive character imposed by its location, history and incorporated Adriatic Luxury Hotels brand values and standards. Situated at the heart of some of Croatia's most stunning locations, we enhance our guests' unique travel experience with impeccable and dedicated service. Our commitment to sustainability is evident in our genuine care for both environmental and social causes.

Hotel Excelsior Dubrovnik, Hotel Bellevue Dubrovnik, Villa Orsula, Hotel Supetar Cavtat, Villa Agave, Grand Villa Argentina, Hotel Dubrovnik Palace, Hotel Kompas Dubrovnik, Villa Glavić, Hotel Croatia Cavtat, Hotel Odisej Mljet.

The luxurious properties managed by Adriatic Luxury Hotels are distinctive for their diversity, providing guests with friendly hospitality and a warm welcome in luxurious facilities that offer:

- Distinguished and contemporary design adapted to the needs of the modern traveller
- Unique locations in areas of remarkable natural beauty and rich cultural heritage
- High level of professional service and personal touch.

## Locations

Our operations are located in the city of **Dubrovnik**, the charming town of **Cavtat** (20 km distant from Dubrovnik Old Town and 5 km from Dubrovnik Airport) that lies on the site of the old Greek settlement of Epidaurum that was founded around the 4<sup>th</sup> century BC, as well as on the **Mljet island** which is also a National Park.

The medieval town of **Dubrovnik** has been appointed a UNESCO world heritage site. The protection of the Adriatic city, its traditions and particularities are a vital part of our sustainability program. Whilst tourism is an essential factor for economic growth, developments in recent years have shown the necessity to control the flow of tourists to maintain the city and the well-being of its inhabitants. It is our responsibility to create awareness amongst our guests to respect and safeguard our heritage, supporting the local community by buying from local producers, whilst exploring the historic districts, cultural quarters, museums and local markets. That is why it is very important for us to continuously educate our guests on how to respond in terms of protecting the site and respecting the ecosystem as well and advising them not to take part in any activities which may cause harm to animals or their habitats (through the web, IPTV in the room and public TVs, Adriatic Luxury Hotels Times magazine but also through the direct contact of employees and guests).

Many archaeological findings, preserved monuments and historical data point to the ancient Greek beginnings of **Cavtat**. It is believed that today's Cavtat, lies on the site of the old Greek settlement of Epidaurum which was founded around the 4<sup>th</sup> century BC. Archaeological sites are very special places and require that we take extra care to preserve them. Once an archaeological site is harmed, it cannot be repaired, and we lose an important part of history and heritage. As our properties are also located near and on the remains of these important architectural and archaeological, we feel that it is very important to educate our guests on the environment around them. With regards to that, we encourage guests to visit and explore the site, however, to preserve the findings and make sure it remains preserved. We encourage our guests to visit the local museums, archaeological sites and preserved monuments to find out more about the history and heritage of Cavtat and the importance of these archaeological findings. They are certainly traces of the ancient world and our heritage that needs to be preserved.

The **island of Mljet**, just off the coast of Dubrovnik, is surrounded by the sublime beauty of a national park destined to protect the Adriatic original ecosystems. Almost 90% of the national park's surface is covered by forest. The island's geographic characteristics cover multiple bays, a stunning Salt Lake and a largely unexplored fauna.

Today, the island of Mljet is a forested paradise and a national park with marvellous sea lakes. Famous for its stories and legends, the Island of Mljet is the largest island in the Dubrovnik Archipelago. It is often called the 'green island' because of its lush vegetation. Its beauty consists of beautiful beaches that create an amazing contrast with steep rocks, caves and cliffs. Time magazine once named Mljet one of the 10 most beautiful islands in the world, and legendary underwater explorer Jacques Cousteau loved it here.

The natural secrets of both lakes have attracted many scientists over the years, as well as innumerable nature lovers seeking pristine surroundings. In the middle of the Great Lake, a small isle, called St. Mary, is home to an ancient Benedictine monastery and a small church dating to the 12th century. A beautiful rich forest surrounds the lakes and fills the park, featuring small forest roads and discrete pathways, ideal for hiking and bicycle rides. The woods gently descend all the way to the surface of the crystal-clear lakes, giving hikers, bikers and swimmers refreshing shade, and enhancing the tranquil feeling that Mljet radiates. To preserve the National Park and educate our guests on how to be even more sustainable, we have placed the information on public TV in the hotel as well as on IPTV encouraging them to follow the rules of the National Park as well as to engage in energy-saving practices and support us in our efforts.

## Adriatic Luxury Hotels highlights

### **Always the most iconic locations.**

When it comes to locations, it simply doesn't get better than this.

In the heart of the city, or on the most stunning coastlines, Adriatic Luxury Hotels' locations are unparalleled.

### **Genuine cultural connections.**

From a warm welcome to authentic interactions throughout, local Croatian staff know the destination, sharing their passion and insight with guests.

### **Sustainable tourism, in touch with nature.**

Whether a stone's throw from stunning hike trails or right on the Adriatic's edge, guests are never too far from Croatia's natural beauty. The Adriatic Luxury Hotels devotion to its homeland means ever-evolving sustainability efforts are both environmentally and socially beneficial.

### **A taste of Croatian heritage.**

Landmark positioning and historical properties allow guests to see, feel and live Croatian history and heritage.

### **A property for every need or desire.**

With an expansive portfolio, Adriatic Luxury Hotels caters to Meetings, Incentives, Conferences and Events, corporate travel and travel agencies as efficiently as it does to leisure travellers of all sizes, from honeymooning couples wanting an inspiring city-break to multi-generational families in need of a fly-and-flop summer holiday and those interested in a cultural destination with attentive service.

### **Throughout past years, our hotels won many awards. Some of them are:**

- World Travel Awards for the best resort in Europe
- World Travel Awards for the best SPA resort in Croatia
- Tour operator award Thomson as the best hotel in Europe
- According to the English Sunday Times, the Excelsior Hotel was included in the top 11 most desirable hotels in Europe
- Hotel Bellevue has been included in the list of the 100 best small boutique hotels in the world according to the Sunday Times and has been placed to the top 19 most attractive new hotels in Europe and many others....

Adriatic Luxury Hotels is committed to a sustainability strategy across its hotel portfolio, with every hotel having been awarded the Travelife Gold Certification for responsible business practices.

## Adriatic Luxury Hotels brand identity



*We've taken inspiration from the rich heritage of Croatia to create a one-of-a-kind logo that truly embodies the spirit, freedom and strength of our hotels. Our logo features three leopards that can change their spots (patterns), representing our commitment to independence and uniqueness.*

Each leopard pattern draws inspiration from the vibrant culture and breathtaking beauty of Dubrovnik, while also reflecting our strong commitment to sustainability.

By incorporating symbols of history, culture, and nature as our most valuable sustainability pillars carried by authentic Dubrovnik values, we've created a logo that is not only daring, different, and elegant but also reflects our core values of authenticity, free-mindedness, and strength.

Pattern spots represent:



**History**  
(symbolized by the oak/oak leaf pattern)




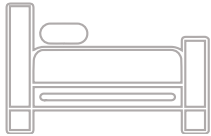





**Culture**  
(symbolized by the rosette pattern)



**Nature**  
(symbolized by the iris flower pattern)

Our logo is a symbol of the unique character of our hotels and the values that set us apart. *Join us in embracing the spirit of the leopard and discover the authentic beauty of Dubrovnik.*

## Adriatic Luxury Hotels AT A GLANCE

 <p><b>10</b> Hotels</p>	<p><b>3.110</b> Beds</p> 
<p><b>1</b> Villa</p> 	<p><b>1.555</b> Accommodation units</p> 
<p><b>92,1%</b> Aggregate of guest satisfaction score for 2022.</p> 	
 <p><b>1 NEW</b> Certification</p>	 <p><b>1.183</b> Employees</p>

All of our hotels are managed by central offices that ensure an equal standard of quality, sustainability and excellence across our properties. The properties, as well as the central offices, are headed by our Management Board. The responsibility for our sustainability strategy lies with them first and foremost.

***Sustainability is a core competence of our Quality Management Department. The connection between Quality and Sustainability is evident.***

***Quality is the ability to satisfy wishes, expectations and requirements. Sustainability is the ability to continue to do so over time.***

A cross-departmental Sustainability Team led by the Head of Quality Management Department ('Sustainability Champion') together with the Sustainability Team members representing all relevant functions, has worked on defining Objectives and Key Results for each action field.

It is all about the Teamwork and everybody being Sustainability Champion in a way. This approach and methodology give us an ideal basis for regular performance checks. In addition, we have also defined Sustainability KPIs which will further indicate our performance in each defined Objective.

Our Objectives & Key Results are being implemented and translated into policies and SOPs. We empower our employees to follow those guidelines through training and awareness creation sessions. We see sustainability as a tool for innovation and because of that aim to motivate employees and guests to bring in suggestions.

Our sustainability programme provides us with a clear roadmap of tasks and actions to be taken in a calendar year. It is renewed every year for a consecutive year and performance checks on the current agenda take place on a biannual basis.

Our most important Policies include:

- ***Sustainability Policy***: Description of our action fields and impact per action field as well as our long-term vision for each of them
- ***Quality Policy***: Emphasis on the importance of exceeding guest expectations and achieving the highest level of guest satisfaction
- ***Employment Policy***: Employment guidelines describing the work environment Adriatic Luxury Hotels provides
- ***Local Community Policy***: Description of our relationship with the local community, our commitment towards them and the actions underlying that commitment
- ***Procurement Policy***: Guidelines on our expectations regarding our suppliers and what sustainability goals we follow with our procurement practices

Our hotels are located near UNESCO heritage sites so we believe that we have the responsibility to treat our city with the highest level of care and respect it deserves to have. Our main focus is directed toward the well-being of our environment, preserving and protecting the area we live in, and its heritage while working hand in hand with the local community and ensuring that the Adriatic Luxury Hotels' sustainability journey should be a part of Dubrovnik's sustainability journey as well.





# 03

## OUR SUSTAINABILITY JOURNEY

*We commit to improve our ecological and social performance with every coming business year. For this purpose, we commit to report transparently on our successes and failures. When it comes to sustainability, we put collaboration over competition.*

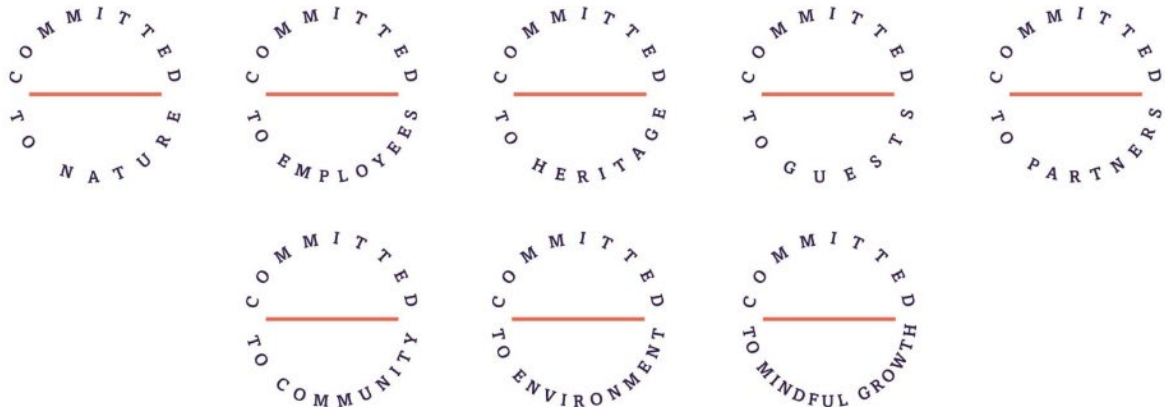
*We wish to learn from and inspire others.*

*We invite our employees and guests to become an active part of this transformation and wish to receive their feedback. The more people bring in their motivation and expertise and turn them into concrete actions, the closer we move towards our shared objective: A more just, equal and wellbeing-centred world, operating within our planetary boundaries and safeguarding our ecosystems and species.*

Our Commitment at Adriatic Luxury Hotels, we are committed to continually assessing and improving our environmental and social performance. To conduct our business in a sustainable manner is our responsibility. We acknowledge the potential of sustainability to excel in guest and employee satisfaction, strengthen our relationships with partners, suppliers, shareholders, and the local community and establish processes of continuous improvement.

We conduct our sustainability activities with sincerity, honesty and authenticity and structure them along with **six different action fields based on eight sustainability pillars, visible throughout our branding- "Committed to" symbols.**

## Eight sustainability pillars of Adriatic Luxury Hotels



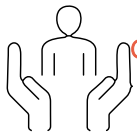
## Six action fields

1. Nature and Environment
2. Guests
3. Employees
4. Community and Heritage
5. Partners
6. Mindful Growth

We see those action fields as spaces for innovation where internal and external experts come together to debate what Adriatic Luxury Hotels aspirations, potentials and challenges consist of. Our action fields give a structure to our sustainability program. They are created to hold and guide it in the long-term.



**NATURE AND ENVIRONMENT:** We are committed to the active protection of our natural habitat. We are dedicated to managing and reducing our negative impact and increasing our positive impact on nature, particularly on the climate, ecosystems and species. We assess and reduce our carbon emissions, energy and water consumption and minimize the waste we generate. We consider animal welfare and soil health priorities when selecting natural produce and products.



**GUESTS:** We are committed to creating sustainable, unique and highly personalized guest experiences and satisfaction. We educate and empower our guests to create a meaningful connection to the beauty and energy of our traditions and heritage, our natural products and surroundings and, of course, to our local community. Excellent service and the highest quality are what we deliver every day while ensuring to remain a sustainability-conscious business. We want to inspire our guests through sustainability to support our efforts and create awareness.



**EMPLOYEES:** We are committed to the well-being of our employees. We actively create a safe and inspiring work environment whilst nurturing a culture of respect, community, appreciation and recognition. We invest in the skills and know-how of our employees and ensure equal opportunities and their personal growth.



**COMMUNITY AND HERITAGE:** We are committed to supporting and preserving the cities, communities, heritage, traditions and cultures we operate in. Our management approach recognizes and safeguards our people and regional particularities which we consider our most valuable assets. We actively create business opportunities, engage in local development projects, sponsorships and donations and cooperate with local organizations to support sustainable livelihoods while protecting the environment and natural resources at the same time.



**PARTNERS:** We are committed to lasting and mutually beneficial partnerships. We collaborate for our wider business purposes with sustainability always at the forefront of our thinking and actions. We treat our partners with the utmost respect and select them based on a fair and transparent process assessing different aspects from quality and reliability to sustainability as well as economic factors. Other factors being equal, we will favour the more sustainable products and suppliers as well as those with higher contributions to local economic development and with the least damaging effects on the environment and human health.



**MINDFUL GROWTH:** We are committed to a sustainable approach toward revenue and profit growth. We put our responsibilities to society first and actively engage with different stakeholder groups to remain on top of our significant material topics. The sustainability management we engage in consists of skilled and trained people, robust processes and a clear and transparent agenda. Excellence and commitment are at the heart of everything we do.



# 04

## FROM IDEAS TO ACTIONS

*We are at the beginning of a long, challenging but equally exciting journey.*

*With time, we will be improving our sustainability performance step by step by embedding it in our culture and by defining concrete objectives and measures. In the last years and months, we have taken several first steps.*

## ...what we did so far

*Our own operational excellence and the attractiveness of our products are immensely dependent on the wellbeing and motivation of our employees as well as local stakeholders and the intactness of our cultural heritage and ecosystems.*

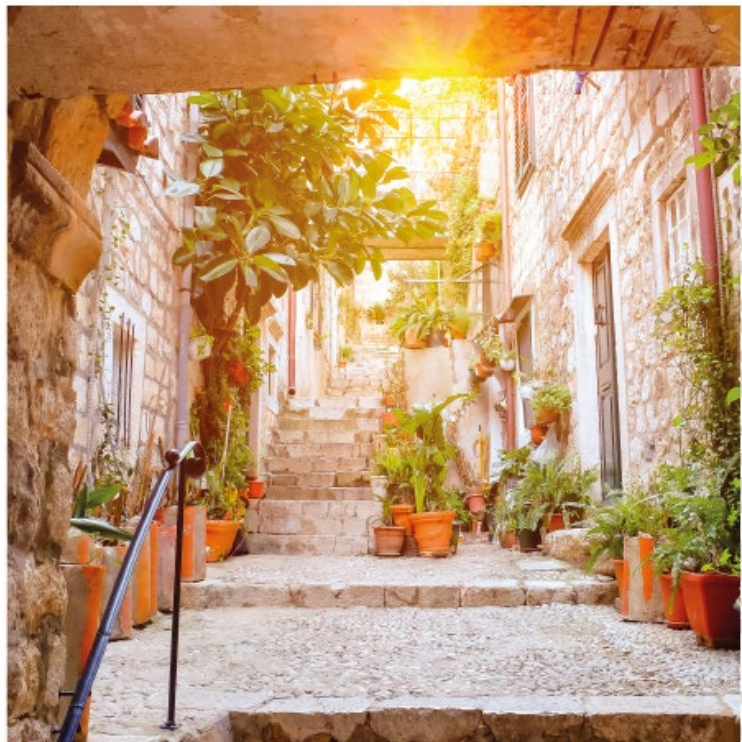
*We thus channelled our efforts into those impact areas. From the reduction of plastic waste, resource efficiency, circular resource flows, responsible procurement and the reduction of carbon emissions to the support of our employees' health and education. We pay particular attention to the protection of our cultural heritage, natural landscapes and species. Our guests play a significant role in all of it, which is why we provide them with the information they require to contribute.*

## INSPIRED BY THE Adriatic Luxury Hotels promise:



Unified in our belief that protecting nature and safeguarding our heritage and guided by the passion to make sustainability an integral part of our company's culture, the "COMMITTED TO SUSTAINABILITY" project was born.

Our sustainability promise leans on our company's policies and rests on the fact that we want to put our sustainable commitments into practice and implement them in every part of our company.





COMMITTED  
TO NATURE

COMMITTED  
TO ENVIRONMENT





ACTION FIELD ONE

**COMMITTED TO NATURE  
AND ENVIRONMENT**

...embracing the power of nature

*The COMMITTED TO NATURE AND ENVIRONMENT promise leans on our company's policies and rests on the fact that we want to put our sustainable commitments into practice and implement them in every part of our company.*



## COMMITTED TO NATURE

### CIRCULARITY, RECYCLING & ECO ACTIONS

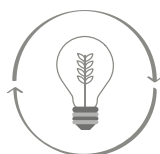


- We switched to eco-friendly cosmetics packed in 100% recyclable plastic material. The packages are collected after use and sent to a recycling facility. We are also using larger dispensers to reduce packaging waste in all of our hotels. (Read more in section 05 Sustainability initiatives)
- We improve recycling awareness by providing recycling bins in the public areas of all our hotels.
- We conduct regular staff training on how to separate recyclable waste and how to recycle in general.
- We have implemented a change in the paper used for our printing across almost all of our properties. We now use a premium sustainable paper brand called Munken Kristall, which is produced by Arctic Paper Munkedals. This is one of the world's most environmentally friendly paper mills globally recognized for its efforts towards sustainability, with a reputation for its eco-friendly practices and proximity to nature. Furthermore, it has been awarded a Silver Material Health Certificate by the Cradle to Cradle Products Innovation Institute. Their production process follows a sustainable circular model that promotes environmental responsibility.
- We work closely with organizations to create positive impact on the ecosystems we operate in. [Maritimo Recycling](#) is an organization that raises awareness of waste in the Adriatic Sea and circularity in general. Apart from informing and educating, they are also conducting several beach clean-up initiatives. We invite our guests to be part of their journey through donations or participation. (Read more in section 05 Sustainability initiatives)



## COMMITTED TO ENVIRONMENT

... **environmental protection** - respecting all requirements related to environmental protection and focusing on managing and reducing our environmental impact through energy and water-saving practices, reduction of carbon emissions, managing our waste properly and implementing the philosophies of circularity, recycling programs and supporting eco actions to protect the environment. By collaborating with, for example, Dubrovnik and Mljet Eco Actions and engaging in annual efforts to clear local marine ecosystems, we contribute to the protection of biodiversity of the Adriatic Sea.



### ENERGY Consumption

The reduction of all kinds of energy consumption as well as the increase of energy efficiency are vital in achieving our climate goals. It is also a question of operations excellence which we consider a central virtue at Adriatic Luxury Hotels. Next to Travelife Gold and Environmental management system we have gone even step forward by implementing and certifying the Energy management system. It involves a systematic process for continually improving energy performance and maximising energy savings. We record how much energy we use in kWh and monitor defined Energy Performance Indicators.

- Regular fitness checks for our consuming devices.
- With every renovation cycle, we assess the most energy-efficient applications and install or upgrade them whenever possible.
- LED bulbs are a must
- ACs and water heating are very material for our energy consumption.
- Smart room control enables our properties to control consumption and adapt it to our guests' and employees' needs.
- Our windows are double-glazed.
- All guest rooms are equipped with sensors that prevent unnecessary power consumption (except Hotel Odisej).
- We are providing an electric vehicle charging station in Hotel Dubrovnik Palace
- Wherever possible currently, we are reusing energy through water heating systems.
- Through procurement, all newly bought electrical equipment is energy more efficient, we consider low-energy alternatives before buying or replacing electrical equipment.
- Throughout regular education we give our employees information on how to save energy and encourage them to do so and annually remind our sub-contractors to save energy.
- We give our guests information on how to save energy and encourage them to do so (for example, digital information through IPTV slides, information about automatic, through installed sensors, turning off air conditioning/heating when windows and doors are opened).
- With every reconstruction our goal is to make the property more energy efficient and reduce consumption.

*Total Electricity consumption (in kWh)*

Hotel / Year	2022	2021	2019	Diff 2022 vs 2021
Hotel Excelsior	2.612.758,00	2.536.681,00	2.848.464,00	76.077,00
Hotel Bellevue	877.179,00	678.701,00	832.202,00	198.478,00
Hotel Supetar	164.966,00	-	-	-
Hotel Dubrovnik Palace	4.135.430,00	3.279.060,00	3.648.147,00	856.370,00
Hotel Kompas	1.314.986,00	815.589,00	1.617.854,00	499.397,00
Grand Villa Argentina	1.551.135,00	969.782,00	1.702.820,00	581.353,00
Hotel Croatia	4.659.650,00	2.916.352,00	4.621.846,00	1.743.298,00
Hotel Odisej	655.297,00	511.657,00	752.801,00	143.640,00

*Electricity consumption per guest per night (in kWh)*

Hotel / Year	2022	2021	2019	Diff 2022 vs 2021
Hotel Excelsior	52,34	65,58	44,20	-13,24
Hotel Bellevue	28,52	34,81	30,12	-6,29
Hotel Supetar	87,89	-	-	87,89
Hotel Dubrovnik Palace	38,32	48,87	33,53	-10,55
Hotel Kompas	22,80	23,67	20,85	-0,87
Grand Villa Argentina	31,97	45,59	28,68	-13,62
Hotel Croatia	27,53	40,80	25,44	-13,27
Hotel Odisej	14,48	15,14	15,08	-0,66

The table shows the total energy consumption and consumption per guest per night for 2022, 2021 and 2019.

Measures and activities have been implemented with the aim of reducing electricity consumption. The table shows that during 2022 there was an increase in electricity consumption compared to the previous year, but if we look at 2019 (which is more relevant year than 2021 during which we had covid-19 pandemic and a lot of restrictions connected with travel) it is evident that we have decrease in electricity consumption.

Consumption is also largely related to the period in which hotels operate. During 2022 due to the better epidemiological situation in the world our hotels operated much longer than during 2021.

Adriatic Luxury Hotels continuously invests in improving the energy performance of its hotels. During 2022 Hotel Supetar passed a complete renovation during which significant structural interventions were made and its energy efficiency improved.

*Total Gas consumption (in kWh)*

Hotel / Year	2022	2021	2019	Diff 2022 vs 2021
Hotel Excelsior	98.560,00	116.736,00	122.681,60	-18.176,00
Hotel Bellevue	36.672,00	31.129,60	48.627,20	5.542,40
Hotel Supetar	13.312,00	-	-	-
Hotel Dubrovnik Palace	176.076,80	118.630,40	119.987,20	57.446,40
Hotel Kompas	10.956,80	21.913,60	65.920,00	-10.956,80
Grand Villa Argentina	69.619,20	31.680,00	79.091,20	37.939,20
Hotel Croatia	161.707,52	79.813,12	162.432,00	81.894,40
Hotel Odisej	1.996,80	25.088,26	3.148,80	-23.091,46

*Gas consumption per guest per night (in kWh)*

Hotel / Year	2022	2021	2019	DIFF 2022 vs 2021
Hotel Excelsior	1,97	3,02	1,90	-1,05
Hotel Bellevue	1,19	1,60	1,76	-0,41
Hotel Supetar	6,23	-	-	6,23
Hotel Dubrovnik Palace	1,63	1,77	1,10	-0,14
Hotel Kompas	0,19	0,70	0,85	-0,51
Grand Villa Argentina	1,43	1,49	1,33	-0,06
Hotel Croatia	0,96	1,13	0,89	-0,17
Hotel Odisej	0,04	0,74	0,06	-0,70

The table shows the total gas consumption and consumption per guest per night for 2022, 2021 and 2019.

During 2022 there was an increase in gas consumption compared to the previous year, but if we look at 2019 (which is more relevant year than 2021 during which we had covid-19 pandemic and a lot of restrictions connected with travel) it is evident that we have decrease in gas consumption.

Consumption is also largely related to the period in which hotels operate. During 2022 due to the better epidemiological situation in the world our hotels operated much longer than during 2021.

*Total Fuel consumption (in kWh)*

Hotel / Year	2022	2021	2019	DIFF 2022 vs 2021
Hotel Excelsior	1.268.531,44	1.454.332,16	1.512.671,16	-185.800,72
Hotel Bellevue	355.718,84	252.199,24	352.593,72	103.519,60
Hotel Supetar	N/A	-	-	-
Hotel Dubrovnik Palace	3.108.034,64	1.996.818,04	2.568.745,84	1.111.216,60
Hotel Kompas	394.721,16	163.297,80	887.153,72	231.423,36
Grand Villa Argentina	553.372,40	217.411,72	554.708,80	335.960,68
Hotel Croatia	1.501.702,40	695.873,76	1.667.159,00	805.828,64
Hotel Odisej	199.843,20	156.780,28	328.538,52	43.062,92

*Fuel consumption per guest per night (in kWh)*

Hotel / Year	2022	2021	2019	DIFF 2022 vs 2021
Hotel Excelsior	25,41	37,60	23,47	-12,19
Hotel Bellevue	11,52	12,94	12,76	-1,42
Hotel Supetar	N/A	-	-	-
Hotel Dubrovnik Palace	28,80	29,76	23,61	-0,96
Hotel Kompas	6,84	5,25	11,43	1,59
Grand Villa Argentina	11,40	10,22	9,34	1,18
Hotel Croatia	8,87	9,83	9,18	-0,96
Hotel Odisej	4,42	4,64	6,58	-0,22

The table shows the total fuel consumption and consumption per guest per night for 2022, 2021 and 2019.

During 2022 there was an increase in fuel consumption compared to the previous year, but if we look at 2019 (which is more relevant year than 2021 during which we had covid-19 pandemic and a lot of restrictions connected with travel) it is evident that we have decrease in gas consumption.

Consumption is also largely related to the period in which hotels operate, especially for fuel because it is used for heating. During 2022 due to the better epidemiological situation in the world our hotels operated much longer than during 2021.

Hotel Supetar, after renovation, does not use fuel in its business.

### Total CO2 footprint for 2022

Hotel / Year	Total tCO2
Hotel Excelsior	2.081,96
Hotel Bellevue	1.186,23
Hotel Supetar	-
Hotel Dubrovnik Palace	2.211,86
Hotel Kompas	729,98
Grand Villa Argentina	816,13
Hotel Croatia	2.099,27
Hotel Odisej	685,39



## WATER Consumption

Scarcily, water is becoming a scarce resource. In a location such as Dubrovnik, water consumption by tourists is a very sensitive topic which must be addressed by prioritizing the well-being of the local community.

- We have installed water-saving applications in showers, toilets and sinks.
- We also reduce our water consumption by the classic measures of giving the opportunity to opt-out of room cleaning and fresh linen and towels.
- Horticulture procedure is created and implemented, by introducing water-conscious gardening we conserve water while taking care of our gardens and planted native flora in a best possible way (for example, watering at specific time throughout the day/night).
- We regularly check and maintain all equipment to prevent possible pipe breaks and unwanted water loss.
- Monitoring the water consumption on a monthly basis.

*Total water consumption (in m<sup>3</sup>)*

Hotel / Year	2022	2021	2019	Diff 2022 vs 2021
Hotel Excelsior	18.792,00	17.262,00	23.071,00	1.530,00
Hotel Bellevue	10.265,00	7.123,00	10.199,00	3.142,00
Hotel Supetar	1.666,00	-	-	-
Hotel Dubrovnik Palace	55.803,00	43.481,00	55.467,00	12.322,00
Hotel Kompas	13.463,00	7.883,00	19.158,00	5.580,00
Grand Villa Argentina	16.204,00	9.243,00	18.291,00	6.961,00
Hotel Croatia	62.136,00	38.189,00	73.010,00	23.974,00
Hotel Odisej	14.651,00	11.999,00	15.436,00	2.652,00

*Water consumption per guest per night (in m<sup>3</sup>)*

Hotel / Year	2022	2021	2019	Diff 2022 vs 2021
Hotel Excelsior	0,38	0,45	0,36	-0,07
Hotel Bellevue	0,33	0,37	0,37	-0,04
Hotel Supetar	0,84	-	-	0,84
Hotel Dubrovnik Palace	0,52	0,65	0,51	-0,13
Hotel Kompas	0,23	0,25	0,25	-0,02
Grand Villa Argentina	0,33	0,43	0,31	-0,1
Hotel Croatia	0,37	0,54	0,40	-0,17
Hotel Odisej	0,32	0,35	0,31	-0,03

The table shows the total water consumption and consumption per guest per night for 2022, 2021 and 2019.

During 2022 there was an increase in water consumption compared to the previous year, but if we look at 2019 (which is more relevant year than 2021 during which we had covid-19 pandemic and a lot of restrictions connected with travel) it is evident that we have decrease in gas consumption.

Consumption is also largely related to the period in which hotels operate. During 2022 due to the better epidemiological situation in the world our hotels operated much longer than during 2021.

**TOTAL CONSUMPTION IN Adriatic Luxury Hotels 2022**

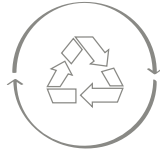
ELECTRICITY: *15.971.401,00 kWh*

GAS: *568.901,12 kWh*

FUEL: *7.381.924,08 kWh*

WATER: *192.980,00 m<sup>3</sup>*





## WASTE Consumption

Our long-term objective is in decreasing Waste. Last year, we banned the single-use plastics we have been utilizing in our hotels. We have also made significant progress in reducing food waste and better recycling of all types of waste. Awareness is key on the road to goals. We provide regular training sessions and check-in with our team on what we could do better. Since waste management involves procurement, operations, facility management and many more, we work together as the cross-departmental sustainability team on reducing our overall waste volume.

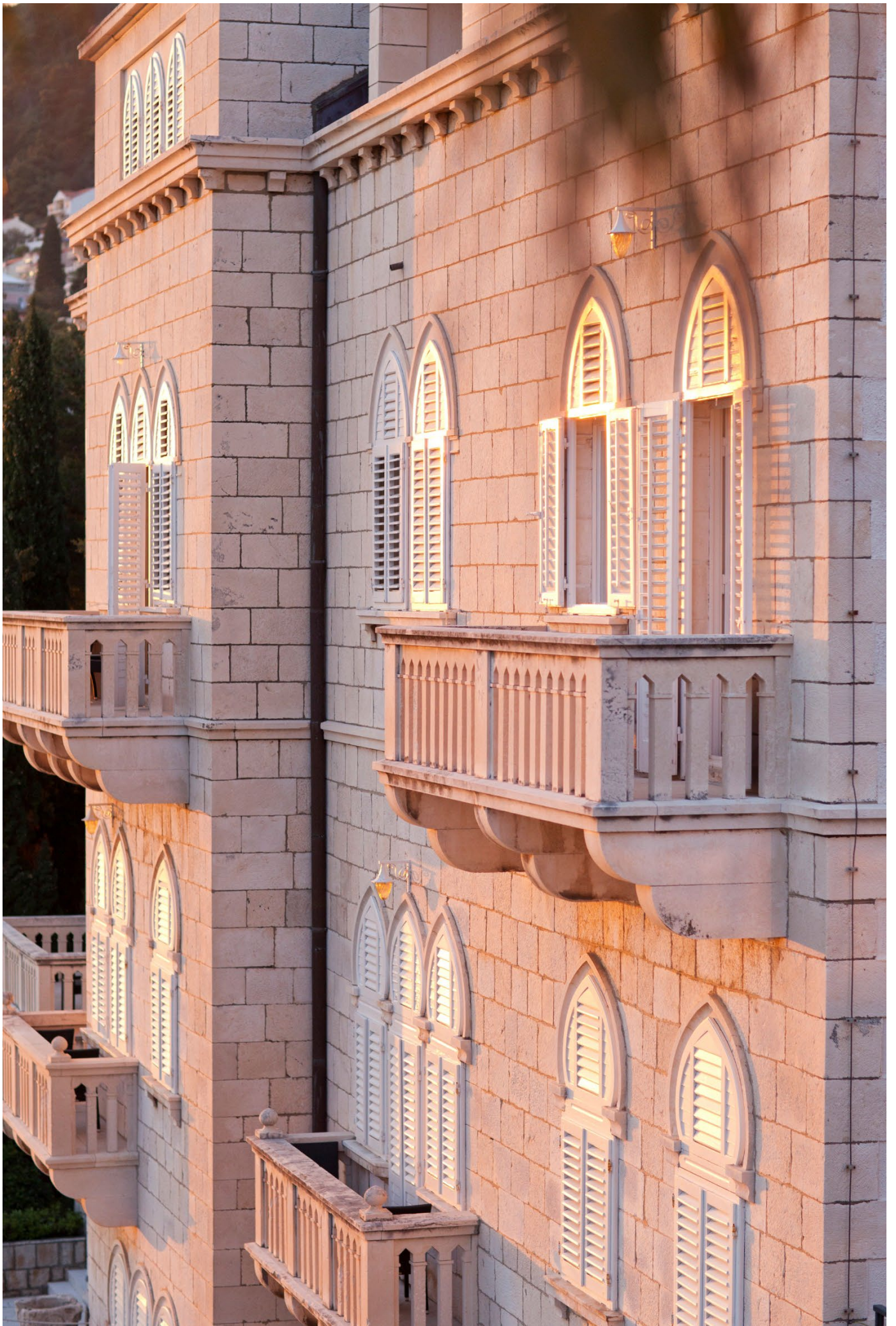
We have created and implemented “Instructions for the treatment of recoverable waste”, according to which we separate 17 different types of waste and measure the Waste diversion rate (ratio of recycled and total waste incl. communal waste).

### *Waste diversion rate*

Hotel / Year	2022
Hotel Excelsior	7,31%
Hotel Bellevue	8,55%
Hotel Supetar	4,50%
Hotel Dubrovnik Palace	8,37%
Hotel Kompas	9,57%
Grand Villa Argentina	11,52%
Hotel Croatia	6,58%
Hotel Odisej	1,73%









## ACTIONS TAKEN FOR REDUCING WASTE

### WHAT

We have significantly progressed in removing single-use plastic items from our operations. Our first step was to clear the guest room from single-use plastics such as mini toiletries and plastic water bottles.

### HOW

*We switched to eco-friendly cosmetics packed in 100% recyclable plastic material. The packages are being collected after use and send to a recycling facility. We are also using larger dispensers to reduce packaging waste in all of our hotels.*

### WHAT

We have made adjustments in our restaurants.

### HOW

*Our breakfast buffet is clear of single-use plastics and all small packages (butter, chocolate spreads, jams, etc.) are purchased in larger packages and served in smaller glass containers on the buffet table. We continuously purchase larger product packages instead of smaller ones.*

### WHAT

We removed single-use and disposable plastic from all our hotels (plastic straws and cups, food containers, all plastic cutlery and tableware, all plastic stirrers) and *replaced them with biodegradable ones.*

### HOW

With this measure, a total of 1255 kg of plastic packaging was collected for recycling in 2022. The savings are also the result of investing more effort and training our employees how to better separate waste.

#### Other measures are:

- We implemented water coolers/dispensers for all of our employees in all of our hotels.
- We provide water in reusable bottles for all employees.
- We implemented a dedicated food waste policy that includes education, food waste prevention, reduction, recycling, and disposal.
- We continuously educate employees on rational water and electricity usage, proper waste sorting, nature and eco-system protection, and cultural heritage preservation.



COMMITTED  
TO GUESTS



ACTION FIELD TWO

**COMMITTED TO GUESTS**

... guests experience and satisfaction



*We enjoy taking our guests with us on our journey to sustainability.*

*We count on their ideas and even criticism.*

*We do not shy away from our shortcomings and improvement potentials.*



Taking an individual approach to each guest and giving special attention to the top quality of our services to create an unforgettable experience and exceed the expected level of satisfaction of our guests. Raising awareness and educating guests on how they can help to protect local historical, archaeological, culturally and spiritually important buildings and places and their environment, encouraging guests to follow energy-saving practices, offering recycling options, etc.

### *Guest satisfaction*

Aggregate guest satisfaction score for 2022 is 92,1% which is 0,6 percentage points lower compared to 2021 and 0,1 percentage points higher compared to 2019.

Hotel	Change 2022 vs 2021 (in %)	Change 2022 vs 2019 (in %)
Hotel Excelsior	-0,5	0,2
Hotel Bellevue	0,2	0,7
Hotel Supetar	-	15,0
Hotel Dubrovnik Palace	0,2	-0,9
Hotel Kompas	-0,6	-0,1
Hotel Croatia	-0,4	0,7
Grand Villa Argentina	-1,4	-2,3
Hotel Odisej	0,2	-1,6

We care about feedback from our guests. We consider any comment, whether positive or negative, welcome and see it as a valuable tool in achieving the main goal - to exceed the expectations of our guests.

To this end, we collect feedback from our guests from different ways (online reviews, comment cards, TV survey) but the most important thing is to communicate directly with the guests. All guest feedback is analysed in our Quality Management Department.

*Our guests recognized the effort of the entire Adriatic Luxury Hotels team. Our goal is not to stay at this level, but to continue our growth in the coming period.*

Adriatic Luxury Hotels has implemented and certified Integrated Management System (IMS). It consists of seven different management systems (more info in part Committed to Mindful Growth). We see management systems as a useful tool for improvements and timely reaction through regular internal audits and surveillance audits conducted by certification bodies.

We want to provide our guests with a touch of tradition through the offer in our restaurants.

## CUISINE

Locality and authenticity are easy when designed and delivered by locals. Our chefs are artists with much experience in the culture and history of local delicacies. They are however visionaries and passionate hosts as well. This is why our menus also provide new interpretations of classic recipes and always recognize our guests' preferences. Guests can savour a traditional local delicacy called *Mantala* (a traditional Dubrovnik fruit dessert) with sweet orange peel and nuts, dark chocolate ganache, caramel and salt.

Menu offer is complemented by an eclectic wine list from the local producers and the Pelješac region, which is famous for its wine routes. The wine list is carefully curated to satisfy both adventurers and traditionalists alike, featuring a rich selection of excellent wines from the Dubrovnik region.

In order to make the growth as successful as possible, the activities and tools that we have implemented in our business will certainly help us to achieve our goal.

## OUR GREEN INITIATIVES AWARENESS AND SUSTAINABLE TOURISM TIPS

We provide information about our sustainability practices to guests through in-room materials, signage, and digital platforms to raise awareness and encourage responsible behaviour.

- We offer local excursions to promote cultural and natural heritage, with an emphasis on areas where our guests will be more acquainted with customs, traditions, our cultural heritage and the local cuisine.
- We offer guests recommendations for eco-friendly activities, responsible travel practices, and local experiences that support the community.
- We provide our guests with information on local ecosystems, history, culture, and visitor etiquette.
- We are continuously educating our guests on how to behave to protect the cultural sites and to respect the ecosystem as well and advising them not to take part in any activities which may cause harm to animals or their habitats.
- We are providing low carbon/healthy/vegetarian/vegan food options on the menu in all our restaurants.



- Providing information and encouraging guests to follow guidelines for environmental protection including energy-saving practices.
- We communicate with them through the web, IPTV in the room and public TVs, Adriatic Luxury Hotels Times magazine but also through direct contact.





COMMITTED  
TO EMPLOYEES



ACTION FIELD THREE

**COMMITTED TO EMPLOYEES**

... the wellbeing of our employees





*At Adriatic Luxury Hotels (Adriatic Luxury Hotels) we are, above all, committed to creating a safe, stable, fair and empowering work environment for all our 1.000+ employees.*

*We see sustainability as a tool for innovation and thus aim to motivate employees and guests to bring in suggestions.*

*We furthermore act on our responsibility to protect and promote Human Rights in accordance with the Universal Declaration of Human rights and national legislation.*

*We care about the health and wellbeing of our employees and consider our employee satisfaction a key success factor in our business operations.*



Taking care of our employees by treating them respectfully while investing in their personal growth through continuous educational programs, equal employment possibilities, employee handbooks, training, workshops, etc.

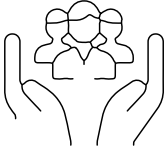





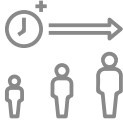
### Some of training and workshops in 2022

Education	Type of training	Period
Quality & Leadership in the Hospitality Industry	External	January
Study trip to UK	External	March
Decoration and presentation of buffet table	External	March
Pastry workshop	External	March
Communication skills in a restaurant environment	External	March
Workshop- Getting acquainted with a new drink	External	March
English language course	External	March
Bartender training	External	March
On-line workshops for operational departments	External	March/ April

Training module for students- waiters	Internal	March/ April
SOP and Biosafety Management System	Internal	March/ May
Bartender education	External	April
Cocktail workshop for bartenders	External	May
Workshop for support staff in the service department	External	May
Ultimate Service Experience	External	June
Integrated Management System and Sustainable development	Internal	July/ September
Protecting children and minors from abuse	External	August
Study trio in Austria, Germany and Italy - Housekeeping department	External	November
Program of acquiring new knowledge and skills for mentors	External	November
WSET level 3	External	November/ December
Study trip to the Champagne region	External	December

- As a company deeply rooted in the local community-74% of our employees come from the area we operate in thus supporting the local community economically.
- Our employees have elected a Workers Council which represents their interests.
- A representative of our employees is a permanent member of our Supervisory Board and, as such, participates in regular meetings.
- Less than 4,5% of permanent employees leave Adriatic Luxury Hotels indefinitely and 43% (refers to those seasonal workers who worked in 2021 and returned to work again in 2022) of seasonal employees reward us by returning for the next season. Those numbers provide evidence of our care and consideration for our employees, their working conditions and our company culture.
- Year after year, we are increasing the health support for our employees. Today, they are entitled to free additional health insurance, free periodic systematic examinations (which are not part of the mandatory provisions according to Occupational Health and Safety requirements), special support in case of serious illness of employees and the implementation of strong Occupational Health and Safety measures through Covid protection program.
- We support the employment of young people from the local community. Every year, we offer scholarships to a certain number of students from the Dubrovnik High School of Tourism and we provide opportunities for apprenticeships.
- In addition to the regular salary, we reward the performance of our employees financially on a group level and on an individual basis.
- We financially support educational initiatives by our employees.
- We provide free accommodation and transportation to seasonal employees who are not from our area.
- At the end of the year, we organize a party for employees and reward the most successful ones.

## 2022

<p><b>TOTAL employees</b> <b>1.183</b></p> 		<p><b>Male</b> <b>49,60%</b></p> 										
<p>Permanent 618</p> <p>Temporary 52</p> <p>Seasonals 513</p>	<p><b>Female</b> <b>50,40%</b></p>											
<p><b>Local people (employees with Croatian citizenship)</b> <b>74%</b></p>												
<p><b>People with disabilities</b> <b>7</b></p> 	<p><b>Seasonals returned</b> <b>43%</b></p>											
<p><b>Additional bonus payments</b> <b>6.100,00 HRK (809,61 EUR)</b> <b>per person</b></p>												
	<p><b>Voluntary fluctuation- permanent employees</b> <b>4,2%</b></p>											
<p><b>Average age of employees</b> <b>40 years</b></p> 												
		<table border="1"> <tr> <td>18-25 years</td> <td>17,7%</td> </tr> <tr> <td>26-35 years</td> <td>22,5%</td> </tr> <tr> <td>36-45 years</td> <td>21,7%</td> </tr> <tr> <td>46-55 years</td> <td>22,1%</td> </tr> <tr> <td>56 and more</td> <td>16,1%</td> </tr> </table>	18-25 years	17,7%	26-35 years	22,5%	36-45 years	21,7%	46-55 years	22,1%	56 and more	16,1%
18-25 years	17,7%											
26-35 years	22,5%											
36-45 years	21,7%											
46-55 years	22,1%											
56 and more	16,1%											



COMMITTED  
TO  
HERITAGE

COMMITTED  
TO  
COMMUNITY



ACTION FIELD FOUR

**COMMITTED TO COMMUNITY  
AND HERITAGE**

... supporting the local community

... preserving the city, heritage, tradition and culture

*We are committed to active involvement in the local communities around our properties and central office.*

*We care to enhance the well-being of our local stakeholders and generate sustainable opportunities for economic, cultural, and social development.*

*We believe and recognise that the success of our business is inextricably linked to the success of the community in which our hotels are based and in which we operate.*

*By hiring, buying, and investing locally we are devoted to helping preserve the traditions, values and ecosystems.*



## COMMITTED TO COMMUNITY

With our core business activities, employing locally when possible, donations and support to local sports associations, numerous cultural and artistic projects, sponsorships for education and health services, humanitarian aid projects and campaigns. We cooperate with local organizations to support sustainable livelihoods while protecting the environment and natural resources at the same time.



Adriatic Luxury Hotels a percentage of revenue invested back into the community and into dedicated sustainability projects.

**In 2022 a total 517.232,54 HRK (68.660,09 EUR)** was given to sponsorship and donations including:

- Supporting cultural and artistic projects for guests and the local community and thus providing a platform for local artists to display their talents. Supported projects include Dubrovnik Summer Festival, Dubrovnik Winter Festival, Unseen Film Festival Cavtat, Epidaurus Festival, Konavle ART and Konavle museums and many more.
- Supporting local sports clubs, sport associations and events, for example, Water polo clubs VK Bellevue and VK Cavtat, Danče swimming marathon, Croatia Car Racing Championship, and many more.
- Sponsorships for education and health initiatives and services such as Flower Garden in Elementary School Lapad, projects and fundraisers at Zagreb School of Management & Technology, and Rochester Institute of Technology, and many more.
- Donations to eco cleanup actions such as Diving Clean-up Mljet, EKO Mljet, Konavle Fire brigade clean up, as well as humanitarian aid projects with Dubrovnik Caritas for kids from Ukraine.

We regularly donate to hospitals, firefighter units and a project supporting disabled children in Croatia. We also support an education programme for hospitality students to receive the best training possible. We support local infrastructure projects to enhance safety and local needs. We plan on assessing and expanding our positive impact on the local community further. This is why we have dedicated an action field to this very important stakeholder group.

Continuous efforts:

- We make sure that the tours and activities we offer to our guests are organized by local guides and businesses and thus generate value for the local community.
- We acknowledge our role as a corporate buyer and make sure to put local businesses first when buying goods and services. Through this, we support the local economy and strengthen our ties with the community.
- We acknowledge our role as an employer for regional economic stability and are proud to provide jobs to the local community.

## COMMITTED TO HERITAGE



Our dedication to heritage preservation is intertwined with all our commitment pillars. We strive to manage and operate our company in line with the tradition and heritage of the City of Dubrovnik while working in line with our Values statement that says: We care: About our guests, team, partners, properties, community and destination. Today and tomorrow.

Our success is directly linked to the conservation and preservation of the City of Dubrovnik as well as historical protected buildings and our heritage, archaeological findings in the ancient town of Cavtat, and the National Park of Mljet Island. First of all, we recognise that these destinations have various stakeholders with whom we engage on a regular basis in institutions such as the Cities Tourism Council.

Since our hotels are located near UNESCO heritage sites –we continuously educate our guests on how they need to behave in terms of protecting protect local historical, archaeological, culturally and spiritually important buildings and places.

Adriatic Luxury Hotels Times magazine is the official magazine of the Adriatic Luxury Hotels group. Through the Adriatic Luxury Hotels Times local artisans have the opportunity to promote their crafts through an ad or advertorial within the magazine and thus presenting their offer and products to our guests. However, that is not the only way as the entire magazine is focused on Dubrovnik, its history, heritage, local area, customs, community offers and recommendations for our guests to learn more about Dubrovnik and to experience it in full as locals do.

We offer our guests tailor-made experiences which can be fully adjusted to our guests' individual preferences, desires and special interests. When offering excursions to enhance the guest experience, the focus is always placed on local excursions to promote cultural and natural heritage, with an emphasis on local areas where guests will be more acquainted with local customs, traditions and cultural heritage and local gastronomic offer.

Other action steps we have taken:

- Sensitive promotion of cultural sites and indigenous communities and sensitizing guests for appropriate behaviour when visiting them

- Use of artefacts in construction and renovation – a lot of artefacts that were found or existed during the renovation or construction of our hotels have been preserved, protected and also kept on display for guests to see while heritage parts of historical buildings were kept intact and blended in the architecture and still are preserved till the present day. That’s why some of our villas and hotels are placed under cultural protection.



## Villa Odak

Once the former royal villa and today an old part of Hotel Excelsior Dubrovnik, is also placed on the list of protected historical buildings. Opened in 1913, Villa Odak boasts an illustrious 100+ year history of hosting royal and celebrity guests, cultural icons, state visitors and international royalty such as Queen Elizabeth II, Princess Margaret, Margaret Thatcher, King Olaf, Edward Kennedy, Elizabeth Taylor, Richard Burton, Onassis, Sir Roger Moore and many more, marking the five-star hotel a landmark in Dubrovnik. The glamorous Wall of Fame displayed near the Abakus piano bar showcases photo portraits of our most famous guests:

Perhaps the destiny of the **Excelsior** was marked from the beginning by its location. From the start, the building’s proximity to the famous city walls meant that people from the world of politics, business, travel, journalism, the arts and letters frequented the hotel. It also became fashionable for wealthy families to organize gatherings for weddings, baptisms, birthdays and private parties in the hotel’s halls and terraces, and tributes and events of high social relevance were staged here.

Villa Odak is also a living record of the historical and cultural development of the city itself. Few hotels in Croatia have more than a hundred years of history linked to the major intellectual, social, cultural and artistic movements of the times. A city icon known at the beginning of the 20th century as ‘Villa Odak’, this hotel has been at the centre of the tumultuous changes of history, a symbol of the aristocratic tastes of the decades. Its social role in both the past and present has made it a unique place, a living icon in the city. Neither the two World Wars nor the hardships of the most recent Croatian War for Independence could close its doors; they were always open to offer the best possible service.





Adjacent to Hotel Excelsior, one of the other protected buildings is Villa Agave which also has a special conservation story. Please read further.



## Villa Agave - St. Lazarus chapel

The villa is constructed on the foundations of 16th century St. Lazarus chapel (dating back to 1531) which was built when Dubrovnik built its first quarantine. It was meant to be a sanctuary for those searching for peace and consolation in the times of the plague.

The church was the centre of the Dubrovnik bourgeois brotherhood of Lazarina, where wealthy merchants and seamen gathered. The St. Lazarus chapel contained a valuable work of art - a polyptych "Assumption of the Virgin Mary" made by Titian himself around 1540, commissioned by the Dubrovnik Senate, especially for the church of St. Lazarus.

The remains of this 16<sup>th</sup>-century chapel are still visible even today. They form the centre of the Villa and are a part of the villa's meditation/relaxation room which still retains the two of the chapel's original walls dating from the 17th and 18th centuries. Today, the villa itself is proclaimed as a protected cultural building.

Later, in 1875, after the chapel was no longer in use, it became a summer house (from 1875 to 1882) for Sir Arthur Evans, a famous British archaeologist, recognized for his discovery of the remains of ancient civilizations on the island of Crete.



It is also a small historical and cultural monument; a valuable treasury of fine art and antiques (some of the interesting items from their private collection that still embellish the villa include an antique rocking horse from 1820 and a century-old handwoven carpet from Romania. Other details include custom-made furniture, a vintage chandelier and an open wooden staircase leading to the master bedroom) - a reminder of times past and a building of great cultural and historical importance.

To preserve the heritage of the villa, guests have the opportunity to see the artefacts that were found and preserved within the original villa exposed in the area of the study room behind a thick glass wall laid down on the original rocks of the villa foundations.

Origin of the villa's name: It is named after a Mexican plant introduced by Dubrovnik sailors in the 16<sup>th</sup> century. The spiky leaves of the plant said to blossom every 100 years are planted throughout the area and decorate the cobbled pathway leading to the Villa Agave.

## Hotel Supetar Cavtat – a source of ancient Roman ruins found on site

Housed in an original 1920s three-storey private villa and laying on the remains of the ancient city of Epidaurum, after the complete renovation in 2022, Hotel Supetar emerged as one of the most exceptional boutique heritage retreats in the very heart of the historic centre of Cavtat.



This ancient city with its surroundings keeps many traces of the old, several thousand years long history. Based on many archaeological findings, preserved monuments and historical data it is believed that today's Cavtat, lies on the site of the old Greek settlement of Epidaurum that was founded around the 4th century BC.

We knew that today's hotel is housed in an original 1920s three-storey private villa, but during the process of complete reconstruction and refurbishment of Hotel

Supetar, the excavation process revealed that the garden area lies on the remains of a historic settlement finding with archaeological ruins dating even further back.

After thorough research by local archaeologists and the Dubrovnik Conservation office, the remains were dated to ancient times when this area was a Roman settlement called Epidaurum. The excavation process revealed that the grounds of today's garden and pool area of Hotel Supetar were walls and drainage canals of a Roman thermal spa complex dating to times of the Roman colony of Epidaurum.

The location, near the sea and the main street (decumanus), testifies to the representative character of the building, regardless of whether it is a smaller bathing area inside a more luxurious town house or a larger public thermal complex. Fragments of wall paintings show the richness of the decoration of the houses of Roman Epidaurum. The standard of living of the population of Roman Epidaurum is also evidenced by objects found onsite, especially jewellery from the 1<sup>st</sup> to the 4<sup>th</sup> century, bronze coins, hair pins and fine imported ceramic dishes originating from workshops in northern Italy.



In order to preserve the heritage of this stunning findings, all artefacts found on site of Hotel Supetar are now part of the collection of the Archaeological Museum in Pridvorje, Konavle and their story is something which is yet to be told and introduced to our guests.

*We are very much aware that cultural heritage preservation requires a multi-stakeholder approach and a high degree of cultural sensitivity. We engage in working groups and fund different initiatives. We celebrate traditions with our team and guests and inform them about the city's cultural agenda.*





TO COMMITTED  
PARTNERS



ACTION FIELD FIVE

**COMMITTED TO PARTNERS**

...sustainable partnerships and mutual improvement/collaboration

*It is our commitment to operate our business responsibly and collaborate actively with our partners and the broader community to create positive impacts on the environment, ecosystems and livelihoods.*



Meeting the needs acting in our partners and suppliers' long-term interests and making a fair ethical selection based on quality, reliability, supply stability, price, and sustainability. We are supporting local businesses (buying from local partners whenever possible) and giving priority to products with the least damaging effects on the environment and human health.

We indicate a set of binding requirements to ensure compliance with our ethical standards and legal obligations. These requirements are informed by national and international legislation, such as the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights and the standards of the International Labour Organisation.

- We make procurement choices also based on the environmental and social impact of the product. Products, that cause less carbon emissions, consume less water and energy, generate less waste or support an organic agriculture will be preferred.
- During breakfast, all small packages (butter, chocolate spreads, jams, etc.) are purchased in larger packages and served in smaller glass containers on the buffet table. We continuously purchase larger product packages instead of smaller ones.
- We procure bed linens and towels from companies that have implemented certified sustainability standards in their business operations.
- We procure food from verified suppliers who confirm their implementation of certified food safety management systems.

We make purchasing decisions based on different criteria. Apart from the obvious ones such as availability, quality, design, price and reliability we also take into consideration regionality, circularity, climate and biodiversity effects as well as social factors. As regionality is not only criteria by itself, but also contributes to climate protection and, often not always, soil protection, we consider it vital in our decision process. Being in a very particular destination, we are unfortunately also dealing with availability constraints. This factuality does not keep us from expanding our ambition.





COMMITTED  
TO MINDFUL GROWTH



ACTION FIELD SIX

**COMMITTED TO MINDFUL GROWTH**

... grow responsibly and sustainably

*We are positive that through our COMMITTED TO program we will continuously strive to actively manage our overall environmental impact, put sustainability at the heart of our business and achieve growth only in a responsible manner.*

*We commit to embark on this sustainability journey together and aspire to strongly stand hand in hand with the best pioneers in the sustainable travel industry to actively promote and practice sustainability for a better tomorrow.*



Excellence and commitment to the sustainable development of our Company, Team, Community and Environment, is at the heart of everything that we do.

With a connection to Adriatic Luxury Hotels' Mission statement and Strategic goal, sustainability will be our major brand promise: we plan to implement a robust and continual sustainability program, to provide a sustainable guest experience, improve staff sustainability learning and good practice.

### Continuous improvement and external validation

Sustainability is a process of continuous improvement. We take it step by step and re-assess our impact and improvement potentials on a year-to-year basis. To do so, we actively pursue external input and validation. Apart from maintaining a lively stakeholder dialogue with our employees, the local community and our partners, we go through various certification and validation processes:

**ISO Management Systems** Adriatic Luxury Hotels, on all locations, have implemented and certified Management Systems based on the International Organization for Standardization (ISO):

- **Quality Management System ISO 9001:2015** We are dedicated to providing the highest quality of service and hospitality and our Management Systems support us in doing so
- **Environmental Management System ISO 14001:2015** Supports us in managing our positive and negative impact on the Environment. To do so is not only our understanding of good business conduct but also a moral responsibility towards our employees, their families, the local and global community and successive generations.
- **Energy Management System ISO 50001:2018** Supports us in decreasing our fossil-based energy consumption as the biggest stepping stone on our way to decarbonization.
- **Occupational Health and Safety Management System ISO 45001:2018** Supports us in protecting our employees and providing them with a wellbeing-orientated work environment.
- **Informational Security Management System ISO/IEC 27001:2013** Supports us in protecting our employees' and guests' data and privacy.
- **Food Safety Management System- HACCP Codex Alimentarius** Supports us in continuously excelling at the most hygienic and safe food preparation and processing.
- **Biosafety Management System- BV BSMS norm** Supports us in providing the most hygienic, safe and health-supporting spaces.



Our ISO certifications are evidence of the quality of our management practices. Our partners and guests can rest assured that we as Adriatic Luxury Hotels conduct our business to a globally recognized, high standard.

### Travelife Gold

Each of our hotels is certified by Travelife Gold. The wholistic sustainability criteria catalogue has been acknowledged by the global authority on Sustainable Hospitality and Tourism, the Global Sustainable Tourism Council (GSTC). It requires measures in different areas of sustainability such as Business Polices, Legislation, Communication, Human and Financial Resources, Energy, Water, Waste, Pollution and Erosion, Wildlife, labour and Human Rights, Community Integration, Guests and Suppliers.



Our Travelife certification is a specific acknowledgement of our social and ecologic engagement. We embed social and ecological considerations in all areas of business and pay particular attention to our employees' and guests' mental and physical wellbeing. Travelife also challenges us to drive performance in ecological and social dimensions.

### Considerate Collection by SLH

Our Hotel Excelsior as well as our Hotel Bellevue are i part of this handpicked collection of sustainable luxury hotels under the roof of Small Luxury Hotels. The strict criteria not only demands efforts in reducing the negative impact but also asks for how sustainability and luxury are being connected through enhancing wellbeing and providing serendipitous experiences.



*Considerate Collection*

### GBAC Star TM

A strict protocol for the highest hygiene standards connected with the membership of Small Luxury Hotels of our Hotels Excelsior and Hotel Bellevue. Both hotels have implemented and certified GBAC Star programme.





# 05

## OUR SUSTAINABILITY INITIATIVES

*We deeply care about our people, ecosystems and species. In fact, we consider them our most valuable assets and commit to their protection and stewardship – today and every day.*

*We commit to conserving and restoring our ecosystems, from sublime beaches to grasslands and forests as well as our cultural heritage, from buildings to traditions and crafts.*

*We commit to valuing our soils and the produce they provide.*

*We commit to protect our species, no matter how small.*

*All these elements play a vital part in keeping, or rather restoring, the natural balance of our Earth's systems.*

Endeavouring to provide a positive impact, we are proud to announce that we have launched several sustainability initiatives, which will become a standard and an integral part of the Adriatic Luxury Hotels culture.

To name just a few:

## **#PlasticfreeAdriatic initiative!**

Together with our partner, local non-profit Maritimo Recycling association, help us collect, sort, and repurpose plastic cleaned up from the Adriatic Seabed and shores.

Plastic from the sea, as much as it is harmful to the marine world, can also be a valuable resource and be used for something useful. The circle we want to close is cleaning beaches and submarines: sorting and washing plastics, then dehydrating and shredding, then melting and modelling, then making products such as fishing lures, and using those funds for the next sea cleaning action.

All our guests can join and support the #PLASTICFREE Adriatic Initiative by scanning the QR code found in our properties and donating or signing up for a sustainable day trip with Maritimo Recycling!





## **MIRET- Croatian bio-based sneaker brand**

**Our employees are wearing MIRET sneakers as workwear** – a Croatian bio-based sneaker brand, crafted for all the right reasons.

The team behind the Croatian footwear brand MIRET have kickstarted a completely alternative manufacturing process with the goal of creating the next generation of footwear with minimal impact on the environment.

Without compromising on comfort, durability and style, MIRET sneakers are crafted in Croatia from natural materials such as hemp, wool, cork, natural latex rubber and eucalyptus, sourced from suppliers who have passed MIRET rigorous ecological standards. Using the strongest natural fibres, they are crafting durable and stylish sneakers all the while ensuring minimal environmental impact throughout the whole process.

### **WHY MIRET**

As part of our ongoing sustainability efforts and the strive to embed truly sustainable practices around our key values and everyday operations, Miret – a true Croatian pioneer in eco-footwear – was the natural choice.

Together we have re-imagined the look of our key staff workwear, and secured quality, breathable footwear for our team. Using the strongest natural fibres, we will be greeting you wearing durable and stylish sneakers all the while ensuring minimal environmental impact through the whole process.



## **An ode to the Adriatic - authentic sustainable eco- friendly cosmetic**

In partnership with Croatian cosmetic company Magdis - producer of natural cosmetic brand Biobaza, Adriatic Luxury Hotels has created an **authentic sustainable eco-friendly cosmetic line that will be completely recyclable.**

The cosmetic is also exclusively available in selective Adriatic Luxury Hotels hotels.

An ode to the Adriatic (available in selective Adriatic Luxury Hotels hotels), this unique citrus and almond-based collection is the result of extensive research, development, and an individual approach tailored to nurture the skin and calm and relax all the senses, at the same time going in line with nature.

Moreover, we have implemented circular solutions into the production of cosmetics, meaning that materials, that will be used, will be completely recyclable and eco-friendly, and later sourced for the production of car tires.

### **WHY BIOBAZA**

Embracing the power of nature, an emphasis is placed on pharmaceutical quality and a high proportion of ingredients of natural origin. BIOBAZA products contain high-quality active ingredients: natural butter, vegetable and essential oils, extracts and others. Each Biobaza product series is LABORATORY TESTED and the quality of products is systematically monitored, while packaging additionally protects the quality of products and is user-friendly.





# 06

---

## CONCLUSION

*"In the journey towards sustainability, we realize that our individual choices, no matter how small, have the power to make a positive difference and that our choices and actions today can build a better tomorrow."*



Luxury hospitality is no longer a mysterious showcase of splendour. It is a carefully crafted, holistic experience which builds on resources it has to own up for and leads to an impact it equally must take responsibility for. Behind the façade is in the spotlight today.

As Adriatic Luxury Hotels, we embrace this developing approach to luxury hospitality. We wish to show more of our excellent team, our deep roots within the local community, our countless collaborations with local artisans, history and culture experts, musicians and shopkeepers. We enjoy taking our guests with us on our journey to sustainability. We count on their ideas and even criticism. We do not shy away from our shortcomings and improvement potentials.

Luxury no longer equals perfection. Not that perfection has been there before. But the desire to seem perfect has come in between our industry's responsibility to take action, make mistakes and learn from them. We can do better than this. And we will. We are committed to being at the forefront of sustainable luxury hospitality.

The future of hospitality is sustainable. We commit to walking the talk and acting to improve our positive impact and decrease our negative impact. The urgency of taking action combined with the sheer scope of the tasks ahead can be overwhelming.

This is why we combine it with one of our key strengths: operational excellence. A facilitated internal

process, an active stakeholder dialogue, strong tools and methodologies as well as external validation make progress happen. The hospitality industry should be at the forefront of sustainable development. There is a lot to do.



*Luxury and Sustainability are inevitably linked.*

*It is our firm belief that CARING is at the heart of both, luxury and sustainability.*

*And CARING is what hospitality businesses are all about.*



# 07

## CONTACT AND INFORMATION

Scan the QR code to read more about our sustainability initiatives.



Contact info regarding our sustainability policies and efforts: [odrzivost@alh.hr](mailto:odrzivost@alh.hr)



July 2023

THE PRODUCTION OF THIS PUBLICATION HAS BEEN STRICTLY CHOSEN TO BE DIGITAL TO REDUCE OUR PAPER CONSUMPTION.

\*The data and information available in this report refer to the period January 1<sup>st</sup> to December 31<sup>st</sup>, 2022.

