

THE CHEDI
HOTEL & RESIDENCES
LUŠTICA BAY, MONTENEGRO



ACTION PLAN 2026

The Chedi Luštica Bay - LB Hotels Management doo Tivat
A Subsidiary of Orascom Development
Novo Naselje b.b. 85323 Radovići | Tivat, Montenegro

www.chedilusticabay.com

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2026 COMMITMENT

Four years into our sustainability journey, The Chedi Luštica Bay has moved from individual initiatives toward a fully integrated ESG operating model. Sustainability is no longer a parallel effort, but a structured system embedded across all departments, guiding operational decisions, guest experiences, supplier relationships, and financial planning. In 2026, our focus shifts from implementation to optimization, accountability, and measurable impact.

This Action Plan is aligned with:

- Internal ESG roadmap 2026
- Orascom Hotels Management sustainability framework
- International environmental and social standards

Our priorities are:

- Measurable environmental performance improvement
- Strengthened social impact and inclusivity
- transparent governance and reporting
- active guest participation in sustainability outcomes

2025 SUMMARY – FOUNDATION FOR 2026

Building on 2025 achievements, the organization has strengthened its ESG maturity across operations, supplier engagement, employee development, and guest experience.

Key progress areas include:

- Improved waste management systems and recycling practices
- Stronger local sourcing and supplier engagement
- Increased employee participation in sustainability initiatives
- Enhanced visibility of ESG communication and guest engagement

These foundations now enable a shift toward:

- Measurable impact tracking
- System-level optimization
- Stronger accountability and data-driven decision-making

OUR 2026 ESG PRIORITIES

- Move from activity-based initiatives to **KPI-driven ESG performance**
- Embed sustainability into all operational and financial systems
- Strengthen transparency through structured monitoring and reporting
- Position guests as active participants in sustainability outcomes
- Enhance collaboration across departments and suppliers

ENVIRONMENTAL PERFORMANCE (E)

ENERGY CONSUMPTION

- Replace inefficient systems and optimize HVAC operations
- Improve office and operational energy behavior
- Implement seasonal heating optimization (including pool and F&B areas)
- Monitor LPG and fuel consumption across operations

Targets 2026:

- Continuous reduction in energy consumption vs. 2024 baseline
- Full implementation of energy awareness systems by Q2 2026

WATER CONSUMPTION

- Install low-flow and sensor-based water systems (including beach showers)
- Implement preventive maintenance and leak detection systems
- Optimize housekeeping and operational water usage

Targets 2026:

- 20% reduction in water consumption vs. 2024 baseline
- 100% replacement of beach showers with sensor systems by end of 2026

WASTE & CIRCULARITY

- Improve waste segregation accuracy across departments
- Introduce waste and food waste measurement systems
- Expand reusable systems in F&B and housekeeping
- Reduce packaging waste through supplier collaboration

Targets 2026:

- 70% waste segregation accuracy
- 15% reduction in landfill waste
- 3% reduction in food waste vs. previous year
- Full implementation of waste tracking system by end of 2026

GREENHOUSE GAS EMISSIONS

- Track emissions using operational data (HCMI aligned approach)
- Reduce LPG, fuel, and energy-related emissions
- Introduce decarbonized stay options for guests

Targets 2026:

- Measurable year-on-year emissions reduction
- 10% of stays decarbonized via guest programs

RESPONSIBLE CONSUMPTION (F&B & PROCUREMENT LINK)

- Eliminate non-certified palm oil products
- Strengthen animal welfare sourcing standards
- Expand local and responsible sourcing practices

SOCIAL PERFORMANCE (S)

EMPLOYEES & WORKFORCE DEVELOPMENT

- Implement employee satisfaction system aligned with OHM
- Strengthen retention and employer branding
- Develop career pathways and internal mobility structures
- Introduce flexible working models

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Targets 2026:

- M50% turnover rate (including seasonal workforce)
- 100% staff mapped in skills matrix
- U10 internal promotions

INCLUSIVITY & DIVERSITY

- Inclusive recruitment practices across all departments
- Gender-neutral job communication
- Increase representation in leadership roles
- Employ people with disabilities

Targets 2026:

- 50% women in leadership roles
- Minimum 2 employees with disabilities
- 100% inclusive recruitment standards applied

COMMUNITY IMPACT

- Develop structured partnerships with local organizations
- Implement apprenticeship and internship programs
- Deliver guest-facing social sustainability initiatives

Targets 2026:

- 2-3 structured internships/apprenticeships
- Minimum 1 formal community partnership (MOU)

GUEST EXPERIENCE & ACCESSIBILITY

- Improve accessibility infrastructure and communication
- Introduce multilingual and inclusive guest communication
- Develop accessibility assistance programs

Targets 2026:

- 10 accessibility infrastructure upgrades
- Full accessibility information on website and booking platforms
- Measurable improvement in guest satisfaction

GOVERNANCE (G)**FINANCIAL GOVERNANCE & ESG FUNDING**

- Establish dedicated sustainability fund
- Integrate ESG into financial planning and decision-making
- Conduct bi-annual ESG performance reviews (P&L-based)

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Targets 2026:

- Sustainability fund fully operational
- ESG performance reviewed every 6 months

PROCUREMENT & SUPPLY CHAIN

- Implement supplier ESG assessment system
- Maintain 73-75% local sourcing
- Improve packaging circularity with suppliers
- Eliminate non-certified palm oil products

Targets 2026:

- U50% suppliers assessed by mid-2026
- 73-75% local sourcing maintained

ANTI-GREENWASHING & TRANSPARENCY

- Implement Anti-Greenwashing SOP
- Align all communication with verified data and certifications
- Standardize ESG messaging across all departments

GUEST IMPACT & EXPERIENCE TRANSFORMATION**DECARBONIZED GUEST JOURNEY**

- Integrate carbon labeling and ESG metrics into booking systems
- Promote decarbonized stay options (Trees4Travel partnership)
- Track guest participation in sustainability programs

Targets 2026:

- 100% increase in guest participation vs. 2025 baseline
- 10% of stays decarbonized

SUSTAINABLE EXPERIENCES

- Develop 10+ local and sustainable guest experiences
- Align turndown amenities with sustainability and local culture
- Promote Adriatic Green Hub as regional ESG platform

COMMUNITY-DRIVEN ACTIVATIONS

- Curated sustainability events (e.g., Plant Swap)
- Low-volume, high-quality engagement strategy
- Storytelling-driven brand positioning

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DIGITALIZATION & MONITORING

- Implement ESG data tracking systems (BeCause platform)
- Monthly reporting of water, energy, emissions, and waste
- Digitalization of HR and operational records (e-archives)

TRAINING & CULTURE

- ESG training across all departments
- Inclusion and sustainability education programs
- Operational training for water, energy, and waste efficiency

Targets 2026:

- 100% staff trained in relevant ESG topics
- Measurable behavioral improvement in resource use

FINAL STATEMENT

The 2026 Action Plan reflects the evolution of The Chedi Luštica Bay into a fully integrated ESG-driven hospitality model. Our commitment is no longer defined by initiatives alone, but by measurable impact, accountability, and continuous improvement across environmental, social, and governance dimensions. We aim not only to reduce our footprint, but to actively shape a more responsible hospitality ecosystem for Montenegro and the Adriatic region.

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