

THE CHEDI
HOTEL & RESIDENCES
LUŠTICA BAY, MONTENEGRO



CORPORATE SOCIAL RESPONSIBILITY POLICY

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

www.chedilusticabay.com

WHAT IS CORPORATE SOCIAL RESPONSIBILITY?

Corporate Social Responsibility (CSR), as defined by the UN Global Compact (UNGC), is a strategic approach to business that integrates social and environmental concerns into business operations. CSR is a broad concept encompassing human rights, labour standards, environmental protection, and anti-corruption. As a UNGC participant, our commitment aligns with the UNGC's ten principles, which further strengthens our existing values.

POLICY BRIEF

We recognize that our activities have an impact on our employees, guests, community, and the environment. This policy outlines our commitment to making a positive impact in each of these areas by operating ethically, safeguarding the environment, and maintaining positive relationship with our community. It also details the steps we take to keep our promises.

SCOPE

This policy is related to The Chedi Luštica Bay operations independently, it does not reflect our subsidiaries unless stated so.

POLICY ELEMENTS

We are committed to being a responsible business that meets the highest standards of ethics while delivering high-quality service. Our company's social responsibility falls under two categories: compliance and actions. Compliance refers to our commitment to operating ethically. Actions refers to our initiatives to promote human rights, support our communities, and protect the natural environment.

COMPLIANCE

Building on the commitment made in 2022, The Chedi Luštica Bay integrates social responsibility and environmental stewardship into all aspects of its operations.

The Chedi Luštica Bay:

- Upholds ethical business practices, believing in fair competition, transparency, and responsible conduct throughout its operations, adhering to local regulations as well as specified international regulations.
- Creates a diverse and inclusive workplace with fair treatment, opportunities for growth, and respect for employee well-being.
- Strives to conserve resources, reduce waste, and implement sustainable practices throughout its operations. Actively engages with the local community, contributing to their social and economic well-being.

CORE VALUES

Integrity: We are committed to acting with honesty and transparency in our business operations.

Sustainability: We are committed to a proactive approach to environmental responsibility. This means minimizing our impact and promoting sustainable practices with our community. Initiatives like the Adriatic Green Hub exemplify this commitment.

Diversity and Inclusion: We are committed to building bridges and creating a positive working environment. We aim to continue learning and building a global culture which can create a strong sense of belonging for all.

Community Engagement: We are committed to actively supporting the development of our local community and its economy.

Health and Safety: We are committed to prioritizing a safe and healthy environment for our team. This core value underpins everything we do.

ACTIONS

Protecting People: Fair Labor Practices

- **Non-discrimination:** we prohibit discriminatory behavior in all forms.
- **Ethical Recruitment:** We follow a fair and transparent recruitment process.
- **Respectful Workplace:** We support diversity and inclusion and have zero tolerance for harassment or mobbing.
- **Freedom of Association:** We respect employees' right to organize and choose representatives.
- **No Child or Forced Labor:** We do not participate in nor support child labor and forced labor.

Anti - Corruption: Prevention and Monitoring

While we do not have an anti-corruption program, we conduct business ethically following the standards set by Orascom Development Holding and Leading Hotels of the World. To ensure compliance to local regulations, we undergo regular and random inspections by local law enforcement agencies. Additionally, all team members are required to follow company procedures and policies, which uphold legal obligations, ethical standards, and best practices. For easy access, all internal procedures are available to our team members 24/7.

Preserving the Environment: Minimizing Negative Impact

- **Sustainable Procurement:** We encourage responsible sourcing and collaborate with suppliers for material recollection (where possible) . As of 2024, we conduct supplier impact assessments.
- **Recycling:** We have a dedicated recycling program for paper, cardboard, plastic, metal and aluminium.
- **Resource Efficiency:** We use LED lighting, sensors, and water-saving measures to reduce energy and water consumption.
- **Waste reduction:** We strive for waste reduction by reducing waste from source together with suppliers, increasing waste separation to reduce landfilled waste and are constantly seeking ways to repurpose materials.

LOCAL ECONOMY

Here's how we contribute:

- **Investing in Local Talent:** **70% of our workforce** are local residents, holding a wide range of positions. This means we're injecting income directly into the community through salaries and other benefits.
- **Empowering Local Leadership:** We're proud to have **85% of our Heads of Departments (HODs)** come from Montenegro. This demonstrates our commitment to providing opportunities for career growth.
- **Building Strong Local Partnerships:** **76% of our suppliers** are local businesses. Based on our Green procurement policy, local suppliers get first preference. This helps us to remain accountable to **strengthening the local economy** by supporting other local companies.

SUPPORTING THE COMMUNITY

- **Youth Skills Development:**

The Chedi Luštica Bay partners with JU SMŠ Mladost Tivat offering practical training for hospitality students. Our experienced staff mentors students throughout mandatory and optional programs, even hosting final exams on-site. Top performers have the chance to join our team after graduation.

- **Enabling our community:**

We support organizations across the country whose missions align with our values. We provide this support through both financial contributions and resource donations, tailoring these donations to meet the specific needs of the organizations. This can include donating used items which are still in good condition or surplus resources we no longer require.

IMPLEMENTATION AND MONITORING

- **Communication:**

This policy will be communicated to all employees through multiple channels, including e.g. teams group chat, training sessions, team meetings. It will also be readily available on our company website in a user-friendly format. We will translate the policy into relevant languages to ensure clear understanding for all employees.

- **Performance Monitoring and Measurement:**

- We will establish **clear metrics to track our performance in each domain of this policy** (e.g., environmental action plan targets, employee survey scores, recorded community support). This data will be used to identify areas of improvement and demonstrate our progress towards our social responsibility goals.

- **Legal Compliance:** We will maintain an **up-to-date legal register** to stay informed about our legal obligations related to local law enforcement.

Non conformances:

In the event of any reports of violations of this policy or national regulations, we will record the nature of each deviation and implement corrective actions for both the short-term and long-term.

CONCLUSION

We are committed to continuously evaluating our progress and seeking continuous improvement. We believe that strong social responsibility is not only the right thing to do but also essential for our long-term success. This policy serves as a public commitment to our stakeholders and a guiding principle for our future decision-making.

The hotel policy is accessible to all interested parties and undergoes continuous monitoring to ensure its relevance and appropriateness to our business.

We are happy to hear your ideas on how we can contribute to the environment at:

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Policy Approval



Anthony Clement

General Manager

Date: 01/11/2024

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