

THE CHEDI
HOTEL & RESIDENCES
LUŠTICA BAY, MONTENEGRO



ENVIRONMENTAL & SOCIAL SUSTAINABILITY

PURCHASING & MATERIALS

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Policy Last Revised: July 2024

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

OBJECTIVES

Our goal is to establish a purchasing and materials policy that aligns with environmental and sustainability management principles, fostering a positive relationship with the environment, surrounding communities, and ensuring fair treatment of our staff.

COMMUNICATIONS

This policy must be communicated to the materials department, all other heads of departments and materials suppliers.

MONITORING AND REVIEW

This policy will be reviewed and updated periodically to reflect best practices, the organization's evolving needs, and feedback received on supplier capacity. The supplier evaluation procedure will serve as a documented process to ensure consistent and transparent supplier selection.

+ PURCHASING OF ENERGY-EFFICIENT MACHINERY:

Apply efficiency and energy-saving criteria when purchasing machinery and equipment. Preferably select energy category A equipment and avoid purchasing equipment below energy category C, as outlined in the purchasing policy.

+ COOLING, FREEZING AND AIRCONDITIONING MACHINES:

Do not purchase new machines that use coolant refrigerants (R11, R12, R502, and R22)

+ EFFICIENCY COMPARISON:

Compare the efficiency of different appliances by assessing their input (power) measured in watts (W) and their output (cooling capacity) measured in BTUs. Higher efficiency indicates better performance. Refer to the technical specification panel (permanently fixed) on each appliance for this information.

+ FAIR TRADE COMMITMENT:

We are committed to purchasing products that align with Fair Trade principles. We will fact check products that have fair trade certification

+ PREFERENCE FOR LOCAL PRODUCTS AND SUPPLIERS:

We will prioritize local products, suppliers, and services over imports whenever possible. In cases where local suppliers and SMEs demonstrate low-average sustainability performance, we will provide assistance and set time bound improvement period for them to take corrective action. This commitment supports the local economy and gives first preference to local businesses.

+ SUSTAINABLE PACKAGING:

Encourage suppliers to deliver supplies in packaging made of non-disposable plastics or materials. Alternatively, opt for recycled or recyclable materials, biodegradable or decomposable materials, and eco-friendly solutions. Request larger portions when feasible to minimize packaging needs.

+ CONSIDERATION OF QUALITY-PRICE RELATIONSHIP:

Select products that offer the best value for money while meeting our sustainability criteria.

+ ECO-FRIENDLY AND BIODEGRADABLE MATERIALS:

Purchase materials that are eco-friendly and biodegradable to reduce operational processes' environmental impact and minimize general waste generation, thereby reducing the negative impact on landfills. Purchase chemical products and materials that are eco-labeled and have no negative effects on the environment and sustainability.

+ PREFERENCE FOR SUSTAINABLE SUPPLIERS AND CONTRACTORS:

Give preference to suppliers and contractors committed to sustainability development goals and environmental conservation and protection. Use suppliers' self-assessment, evaluations, and categorization to assess their commitment.

+ LOW CARBON FOOTPRINT EQUIPMENT AND MATERIALS:

Purchase equipment and materials with minimal or no carbon footprint on the environment, reducing emissions and toxic pollution.

IMPLEMENTATION GUIDELINES:

Product Selection:

We will prioritize:

- Products made from recycled content or with minimal packaging.
- Products with certifications that demonstrate environmental or social responsibility (e.g., Energy Star, FSC, Fair Trade).
- Durable, long-lasting products that can be repaired or reused.
- Energy-efficient products.
- When available, locally-sourced products will take highest priority to minimize transportation emissions and support the local economy.

Reduction and Reuse:

We will encourage:

- Upcycling used materials or donating them instead of discarding them.
- Implementing a recollection system with suppliers whenever possible.
- Using reusable delivery packaging with frequent suppliers.
- Repairing existing items instead of replacing them whenever possible.

VENDOR SELECTION

We will consider a vendor's environmental and social responsibility practices when making purchasing decisions, utilizing our supplier impact assessment form.

CONCLUSION

This Sustainable Purchasing Policy outlines our commitment to making environmentally and socially responsible decisions throughout our procurement process. By prioritizing local products, energy-efficient equipment, and sustainable practices, we aim to minimize negative environmental impact and social impact in our supply chain. We are committed to continually improving our purchasing practices.

We are happy to hear your ideas on how we can contribute to the environment at:
green@chedilusticabay.com
www.chedilusticabay.com

Policy Approval



Jan T. Albers
General Manager

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