

THE CHEDI  
HOTEL & RESIDENCES  
LUŠTICA BAY, MONTENEGRO



# CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

## WHAT IS SUSTAINABILITY?

The most salient issues of our times are related to sustainability. But what exactly do we mean by “sustainability”? The term ‘sustainability’ is derived from and related to the term ‘sustainable development,’ which was coined by the United Nations World Commission on Environment and Development, also known as the Brundtland Commission, in 1987. They define ‘sustainable development’ as ‘development that meets the needs of current generations without jeopardizing future generations’ ability to meet their own needs. In addition, the Brundtland Commission Report defines three key dimensions of sustainability: social, environmental, and economic. Based on that, we will focus our sustainability efforts on three dimensions:

- **Social Dimension:**

Poverty reduction, social investment, and the creation of safe and caring communities are the primary concerns of the social dimension of sustainable development. Sustainable development, in addition to clearly defined goals, provides guidance on possible means..

- **Environmental Dimension:**

The environmental dimension of sustainability performance includes reducing a organization’s carbon footprint and taking all possible steps to reduce or eliminate negative impact on the environment.

- **Economic Dimension:**

The economic dimension of sustainability is concerned with the organization’s effects on its stakeholders’ economic conditions as well as economic systems at the local, national, and global levels. The Economic Category illustrates the flow of capital among different stakeholders, and the main economic impacts of the organization throughout society”.

## SOCIAL DIMENSION

- **Rising Environmental Awareness in our Community:**

Our website, SuitPads and screens in all public areas inform guests about activities in Luštica and its surroundings. Tailor-made Eco tours offer guests an insight into the true Montenegrin lifestyle, Montenegro’s natural beauties, and its fascinating history. Through implementing initiatives and communicating our efforts to our clients and all our stakeholders, we encourage everyone to join us in conducting simple practices to meet our objectives in protecting the environment. We educate our employees, business partners and suppliers as much as possible about our impact on the environment and our determination to minimize it.

- **Ethical Recruitment and Selection:**

The Chedi Hotel & Residences Luštica Bay takes great care to avoid any form of subjective discrimination during the recruitment and selection processes. Apart from our internal policies, this is guaranteed by Montenegrin legislation, to which we strictly adhere. Furthermore, The Chedi Luštica Bay has a no-cost recruitment policy. We never ask for money or other items, and we never charge applicants any fees as part of the recruitment process.

- **Child Labour:**

The Chedi Hotel & Residences Luštica Bay does not recruit nor support child labour.

- **Non-Discrimination:**

Discrimination among team members or during the recruitment and selection process is strictly prohibited by labor law and is punishable by law; as such, it is never present in any of The Chedi Luštica Bay actions. This primarily refers to discrimination based on race, color, ethnicity, religion, gender, sexual orientation, gender identity and expression, national origin, disability, and age.

- **Harassment at Work:**

The Chedi Luštica Bay supports the elimination of any discriminatory practices in any aspect of employment and promotes full diversity and inclusion in its business operations. The prohibition of workplace harassment and mobbing is covered by Montenegrin Labour Law, and The Chedi Luštica Bay fully adheres to this prohibition by adhering to Labour Law.

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- **Support of School Practice Program:**

The Chedi Luštica Bay promotes a fruitful collaboration with a local school in Tivat by providing young students with the opportunity to perform their mandatory and optional practice classes at our property. This initiative is applicable to the Secondary Culinary School and the Secondary Electrical Engineering School. Throughout the school year, students must attend mandatory practice classes that are monitored and taught by our experienced culinary professionals and maintenance personnel. We organize final practical school exams at our premises at the end of the school year, and we are directly involved in the development and education of future hospitality and technical professionals in collaboration with school representatives. After finishing secondary school, some of the best practice performers were given the opportunity to work at The Chedi Luštica Bay.

- **Freedom of Association:**

We support the freedom of association for any organization, as long as it does not violate international or local legislation or company internal policies, as described in this statement. The Chedi Luštica Bay also supports the right to select one's own collective bargaining and/or legal representative, if necessary and desired.

## ENVIRONMENTAL DIMENSION

The Chedi Luštica Bay is constantly looking for ways to reduce or even eliminate negative impact. As a result, we are constantly striving to strike a balance between providing excellent service and being environmentally responsible, because we believe that living in harmony with nature is possible.

- **Life Cycle Thinking:**

We always encourage our purchasers and suppliers to think outside the box and produce or purchase items for us that use biodegradable or reusable raw materials. Handmade items, especially those made locally, are the best choice of supplies for us.

- **Responsible Sourcing:**

The Chedi Luštica Bay expects and wishes that its business partners and suppliers will strive for excellence in terms of conducting business in accordance with our diversity, social responsibility, and community engagement policies and standards. Failure to do so could easily jeopardize the ability of doing business with our company.

- **Reuse, Reduce:**

We encourage reusing and reducing far more than recycling in order to extend the life cycle of various items. Even at the end, we strive to find new and useful uses for certain items. However, when it comes to paper, we encourage "Reuse and Recycle" because it is far more applicable.

- **Waste Management:**

Some waste materials are sorted and recycled, including paper and cardboard, plastic, metal, and aluminum. The entire Team is dedicated to recycling waste. We create labeled containers within The Chedi's waste management organization, and we agree with Communal Tivat that they will collect paper and pet waste separately. In addition, the HD-PE gallons that we are collecting will be delivered to 3D Studio and used as a resource for their business.

Our ambition is to become a plastic-free organization with zero waste.

- **Whatever can be measured can be reduced and improved:**

We are constantly finding new ways to optimize guest satisfaction and cost by monitoring waste, water, and energy consumption. For example, 100% use of LED light bulbs, sensors in corridors, an electric card system in rooms, special water reducers on pipes in guest rooms, and so on.

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## ECONOMIC DIMENSION

Our local communities are the first area where we hope to make an impact through our economic efforts. We believe that by taking specific actions and focusing our efforts, we can achieve notable results and have an impact on the economic dimension. For example, we donate our used linens to hospitals in the surrounding area, which raises awareness among our stakeholders. Hospital funds designated for linen purchases can then be used for other purposes. Second, by raising standards in our communities through hiring locals and joint initiatives, we are instantly raising awareness and better-quality product of our country in general, resulting in more income for all of us and our country through taxes, VAT, and contributions.

To put it simply, all of our initiatives contribute to the GDP of the country, either directly or indirectly, and that is what makes us proud and drives us forward.



Milica Jankovic  
Green Team Leader



Jan Albers  
General Manager

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