CORPORATE RESPONSIBILITY SUSTAINABILITY REPORT

APRIL 2025 (POST OPENING TERM: APRIL 2024 - APRIL 2025

The Corporate Responsibility and Sustainability Report, for its first year, addresses important environmental and social issues that contribute to the sustainability development of Merit Starlit Hotel & Residences.

Welcome to the first year of our official sustainability report. With the years we will meet, we aim to be transparent and a leader in the field with our climate-friendly operations by achieving the highest level of sustainability criteria in luxury accommodation in line with international standards in our location, which is in the process of complying with European Union Standards. This report is a call to all stakeholders (guests, communities, colleagues, owners, shareholders, consultants, suppliers and media etc.) to join us on this journey for a sustainable world.

ABOUT THE REPORT

WHAT IS SUSTAINABILITY

Sustainability transformation (or transition), refers to a deep, systemwide change affecting technology, economy, society, values, and goals. It is a complex and multi-layered process that must happen at all scales, from local communities to global governance institutions. The three pillars of sustainability (environmental, economic, and social) can help to pave a path toward a sustainable future.



SUSTAINABLE DEVELOPMENT GOALS (SDGs) & GSTC



The SDGs (Sustainable Development Goals) are seventeen goals and 169 targets set up by the United Nations in 2015 as a universal call to end global issues like poverty, inequality and climate change, to protect the planet and ensure that all people enjoy peace and prosperity by 2030.



The Global Sustainable Tourism Council[®] (GSTC) establishes and manages global standards sustainable travel and for tourism, known as the GSTC Standards.

W SUSTAINABLE DEVELOPMENT Goals (SDGs) & GSTC

5P Principles							SECTOR
PEOPLE	End poverty and hunger, and ensure dignity and equality. and in a healthy environment.	1 Har Ří ††iŤ	2 🕮	3 (000 + 0411) No velt 80360	4 unclina Lintelina	5 T	6 total with total and total
PROSPERITY	Ensure prosperous and fulfilling lives in harmony with nature	7 Ø	8 DEEMT WERE AND RECENT WERE AND RECENT WERE AND				Economic
PLANET	Protect the planet and natural resources and climate			13 📰	14 ¹⁴⁷ 14 18100 HELDE 1900	15 time 	Environment
PEACE	Foster peaceful and inclusive society	16 PEAR ADDREE AND ETREME INTERPORT				Fo	stering peace and
PARTNERSHIP	Implement the agenda through a global partnership	17 Interestioner					partnerships

Goal 1: No poverty Goal 2: Zero hunger Goal 3: Good health and wellbeing Goal 4: Quality education Goal 5: Gender equality Goal 6: Clean water and sanitation Goal 7: Affordable and clean energy Goal 8: Decent work and economic growth Goal 9: Industry, innovation and infrastructure Goal 10: Reduced inequalities Goal 11: Sustainable cities and communities Goal 12: Responsible consumption and production Goal 13: Climate action Goal 14: Life below water Goal 15: Life on land Goal 16: Peace, justice and strong institutions Goal 17: Partnerships for the goals



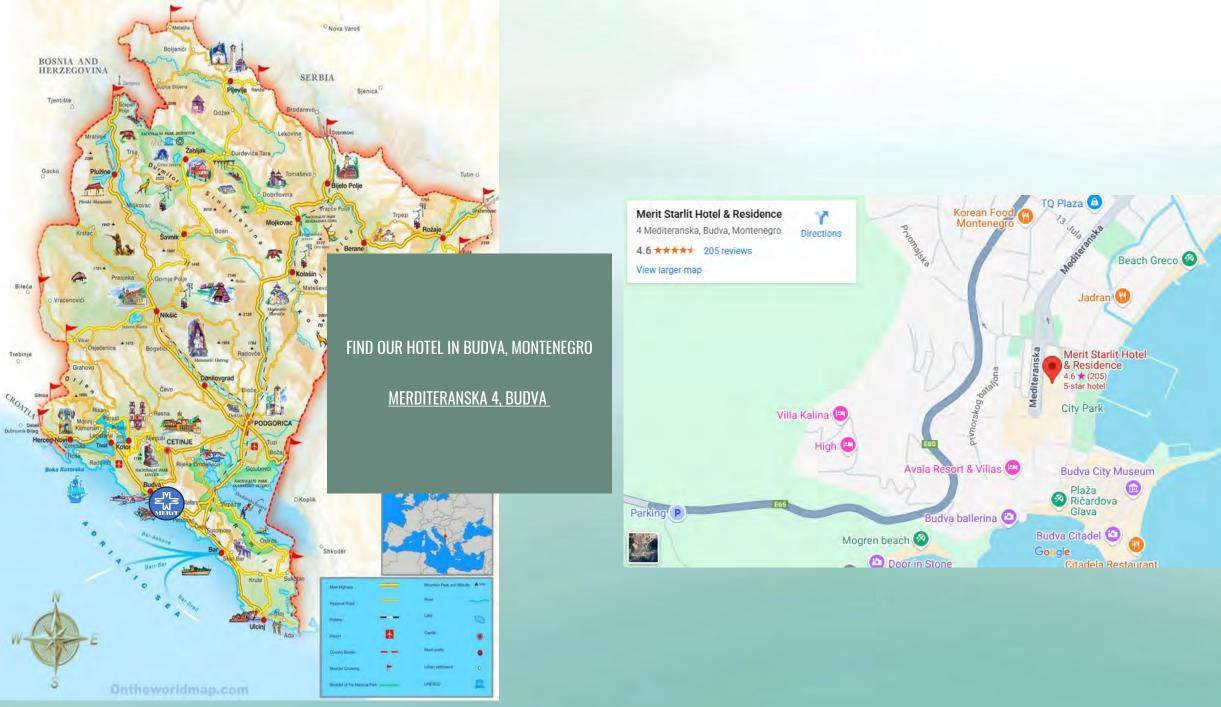
Merit Starlit Hotel and Residence is the first facility under the 'Luxury Condo Hotel Concept' of Merit Group, which has made significant progress in the Balkans and Northern Cyprus in a short time with its flawless service approach and reliability; It was opened in Budva, Montenegro on April 23, 2024 with its superior service approach and the highest rated 5-star hotel in the country.

Merit Group is experienced in casino and hospitality management, has been successfully recognized as a brand since 1988.

Merit has been always known for its Turkish hospitality, reliability and magnificent events, and it embraces its guests from all over the world to Northern Cyprus and the Balkans with a perfect service.



While the Group continues to grow rapidly with firm steps; Merit Starlit & Hotel & Residence carry forward the brand position in the European continent with the main principles & environmentally sensitive policies, the new perspectives it brings to luxury service and the employment flow.



PRIL 2025



As the first Merit property to open on the European continent under the Luxury Condo Hotel Concept;

To create a legacy of 'Exemplary Luxury Sustainable Hotel Management Culture', with our superior hospitality approach and personal sense of luxury.



To blend luxury with sustainability in all our processes; delivering superior hospitality through innovative, respectful practices that minimize environmental impact and build a lasting future.

WE TAKE CARE WE RESPECT WE ARE COMPATIBLE WE ARE RESPONSIBLE

OUR CORE VALUES Sustainability Trust Authenticity Respect Loyalty Innovation Thoughtfulness

These values, rooted in the acronym STARLIT, guide the Hotel's mission to provide luxury and unique hospitality within its environmentally sensitive structure in Europe.

E N V I R O M E N T A L P O L I C Y

We aim to be a leader in our field by meeting the sustainability criteria in luxury accommodation at the highest level, being transparent with our climate-friendly operations and contributing to the development of all our stakeholders at our location, which is in the process of complying with European Union Standards.

We have committed to making it our primary duty to protect the natural life of our magnificent country and our world by causing zero harm over time.



WE ARE FRIEND OF MOTHER NATURE



KEEP BALANCE FIRST



- We provide our guests with information on walks, wildlife, 'Get to Know Montenegro', 'Montenegro Landscape & Biodiversity', 'How to be Green Friendly'
- We have increased the percentage of working with local suppliers significantly compared to the first months of our opening. Our percentage of locally sourced companies: As of April 2025, our percentage of working with local companies has increased to 94%.



- Using of %100 LED lights
- Walk in showers available to encourage guests to use the shower instead of the bath resulting in water saving
- All water coming from kitchens, including from hotel rooms and residential lines, goes through a cleaning and separation process before being collected and released into the city sewer system. The separated section is disposed of.
- 'Cooking oils' used in kitchens are collected and disposed of separately when their useful life is over.



- Preferring chemicals as nature friendly chemicals and changing the chemicals
- Bulk purchase of concentrate chemicals
- Refillable chemical containers
- Selection of eco-friendly products in guest bathroom sets.
- Planning was made especially during the low season of 2024 and electricity was turned off in unused floors.



- Replaced towels on guest request
- Encouraged cycle to work and have provided cycle rack facilities
- Encouraged local transport
- Recycling of paper, card board
- Provided newspapers on request to avoid wastage and recycle any spares



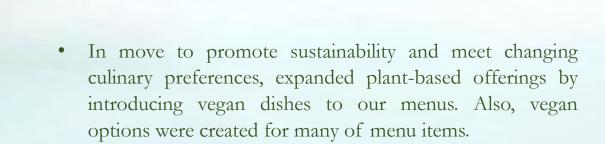
- On going environmental and awareness knowledge ٠
- Installed digital programmable eco heating in our rooms ٠ which reducing consumption by heating each room on an "as required" basis
- When the hotel rooms are not in use, all lighting is • automatically turned off.
- Energy saving lighting, dimmers and motion detectors are • available
- Daily monitoring of utilities consumption to aid reducing • consumption levels



- There is thermal insulation in the entire building.
- Papers are collected separately in offices and the back pages of the papers used are evaluated.
- Unless required, black and white prints are printed.
- With the information provided, personnel are directed to consume less.
- In order to reduce print and paper waste in the operation, recording and reporting in digital environment is encouraged whenever possible.



- Guests are supported to be environmentally conscious with information directed by the hotel TV channel and SA department.
- Printed documents in the rooms are kept to a minimum for the information of the guests. In this way, the waste of printed documents, paper and cartridges is kept to a minimum.
- We increased our female employee percentage from 20 percent to 34 percent.
- A system in compliance with legal processes has been established since the first day.



This initiative reflects the hotel's commitment to sustainability and its goal of providing diverse, high-quality dining experiences for all guests. By reducing its reliance on animal products, the hotel took a meaningful step toward lowering its carbon footprint and promoting a more sustainable food system.

OUR ACTIONS April 2024 April 2025

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GOALS

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• In order to use fresh and catch-time seafood from the Adriatic Sea, the menus were revised when necessary and changes were made to the seafood.

This method has enabled us to offer fresh and timely seafood to our guests, given the opportunity to work with local suppliers, and prevented the energy expenditure and carbon emissions that would be caused by the frozen product supplier and us.

PRIL 202

ALUMINUM MATERIAL



ETRO PEGASO

• We prefer the using Aluminum Tubes for the bathroom amenities

We are working with <u>La Bottega</u> with our same vision for environment and sustainability. Commitment of the La Bottega is to reduce the amount of plastic used in the world by not introducing new plastic into the environment and promoting alternative materials. La Bottega laboratories are ICEA (Institute of Ethical and Environmental certification) certified to produce Eco and Bio cosmetics.







• We prefer the using Aluminum Tubes for the bathroom amenities

Aluminum is recyclable material for eco-sustainable amenities. Up to 98% plastic-free. Non-toxic aluminum is regarded as a healthier, safer option for containers versus plastic, as the latter can release harmful substances like phthalates and bisphenol A (BPA), especially when exposed to high temperatures.





Dispenser Non- Refillable: La Bottega patents tamper-evident dispensers to avoid bacterial contamination and high maintenance costs. testes on refillable cosmetics, that dispensers guarantee a more hygienic experience.

Solid Collection: Solid Cosmetics are compact, transportable and plastic-free.

Also, our supplier - La Bottega provide the formulations that are Nickeltested, free of silicones, parabens, MIT and are all cruelty free.







Custom Stonepaper: The Stonepaper material is a selection of the highquality personal care products. Characterized by our Hotel Logo design with a neutral label.

Stone paper is a sustainable and environmentally friendly

Using Stonepaper is contribute to environmental protection by reducing the use of resources like water and chemicals in paper production.

Plus, it's 100% tree-free and photo-degradable in a landfill.

Stone paper has a velvety smooth surface and is tear-resistant, making it a durable and long-lasting option. Its natural brightness also means it doesn't require any bleaches or acids.





Key Features of Stone Paper

Water-resistant Eco-friendly Tear-resistant Durable Naturally bright, and velvety smooth surface Recyclable 100% Tree-free Cradle-to-cradle No bleaches or acids Photo-degradable in landfill Commercially compostable material Carbon compensated





MERIT Starlit

Hotel & Residence & Casino ***** BUDVA Laundry Bag • Reusable cotton material for Laundry Bags



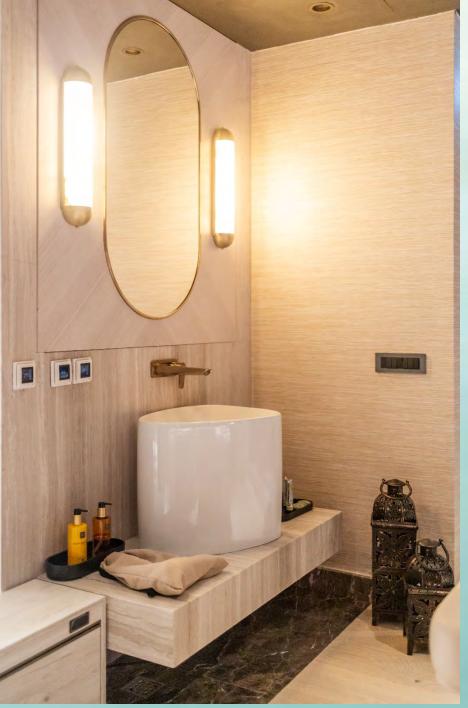




• Reusable cotton material for Shoes Bags







• Reusable cotton material for Hair Dryer







KIEHL is GREEN









More and more of our product packaging is

- We are using 'Sustainable Cleaning Chemicals' ٠
- Training for minimal chemical use in Housekeeping and • FB Sections







• Training for minimal & effective chemical use in Housekeeping and FB Departments











OUR ACTIONS April 2024 April 2025



• Walk in showers available







BVLGARI

Paraben Free & Luxury Hand Soap and Toiletries









• We do not use plastic bottles in our rooms and restaurants. Only glass bottles are available.







• Our hotel has been started to provides an Electric Car Charging Station Service.







• We provide free secure bike parking for staff and guests



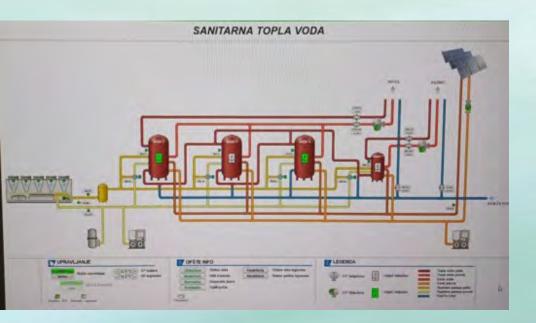




• In the subsequent landscaping work around the hotel, 10% of the lighting has been provided by renewable (solar energy). Our goal is to increase these rates.







• We are using solar energy for the purpose hot water for hotel rooms (2.,3., 4. Floors, General Area, Kitchen and SPA Section)





In order to reduce the negative impact of tourism on a destination, to help people gain sustainable habits and to introduce the country and its natural and historical features, we share the information listed below with our guests via the screens in our rooms and with our colleagues via screens.

(By sharing in this way, we also prevent paper and toner waste.)

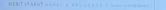
Montenegro Landscape and Biodiversity

- Hydrological Characteristics
- Cultural Pattern
- National Parks (Areas under the protection)
- More Sea (Rare Fish Montenegro / Planktonic Communities / Marine İnvertebrates / Coralligenous Communities / Cephalopods / Sea Fish /Sea Horse / Sea Turtles / Marine Mammals)
- Land (Fungi / Flora / Forest)
- Wildlife

Get to Know Montenegro

(Introduction of the country where our hotel is located, including location-specific, historical and unique places)

- **Gamma** Sustainable Tourism
- **How to be Greener**
- □ Health & Wellbeing



HYDROLOGICAL CHARACTERISTICS

Hydrographic feature is the existence of two, approximately equal catchment areas, from which surface and ound water bodies flow towards the Danube River Basin (Black Sea catchment area) and the Adriatic Sea Basin.

The total area of the Danube River Basin is about 6727 km2 (48.7% of the total area), and the main water bodies are rivers Lim, Tara, Piva, Cehotina, and Ibar, Rivers Morace, Zela, Cijevna, Rijeka Crinojevica and Orahovstica, and some smaller watercourses flow towards the Skadar Lake and from there to the Adriatic Sea via river Bojana.





DURMITOR NATIONAL PARK "UNESCO World Heritage Site."

In 1952, Dumitor National Park was granted the status of a national park. The area of the park is 34,500 ha. It includes the massif of the Dumitor Mountain, the canyons of the rivers Tara, Susica, Komarnica and Draga. The highest peak on Durm for is Bobotov kuk 2,525 m above sea level, while around them 48 peaks reach a height of over 2,000 m above sea level. Durmfor is adomed with 18 glacial lakes that are known as mountain eyes. The largest and most famous is the Black Lake. The Black Lake consists of the Great and Small Lakes, which are connected by a narrow isthmus. An interesting fact is that the water from it flows into the rivers Tara and Piva, which is an exceptional ranty in nature.

In addition to the exceptional beauty of the landscape and fascinating geological heritage, Durmitor National Park is home to impressive biodiversity. The richness of flora and fauna, the complexity of the ecosystem and the representation of over 1,300 species of vascular plants, have enabled Durmitor had an infernational protection status as a UNESCO World Heritage natural site since 1980,

*Cmo Jezero (the Black Lake in spring, Durmitor National Park

FLORA

STARIIT COTAL & PARLATARS / burne mourtained.

Androsace komovensis

Andosace komovensis is an endemic, extremely rare plant in Montenegro. Rock jasmine from Komovi belongs to the Partnrose family. The name and elymology of the genus come from the Greek words andros - man (that is why it is called muzika), and sakos - sheld, due to the shape of the feaves it was found in a namow locality, on the southern slopes of the Kom where it grows in rock revices and on slopes facing south. The population which was found contains a very small number of Individuals (only ten), built is believed that the actual size of the population may be much larger because parts of the Kom mit are inaccessible and insufficiently researched



Pinguicula balcanica

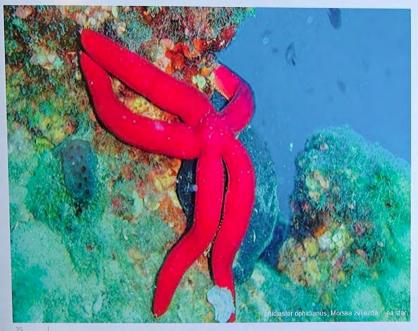
Is a perennial insectivorous plant, a Balkan endemic, rare and protected it has iong sticky leaves and the flower is blue-purple, we will find it as flower from May to August. The plant, with lits sticky leaves, sturns and traps insects, which it later decomposes and compensates for the poor mineral inflake. They are unique because they conquere inches and habitats where other plants cannot grow. Its habitats are shaky



MERITSTARIST SCIEL & RESIDERAS I PORVEIMONTE

MARINE INVERTEBRATES

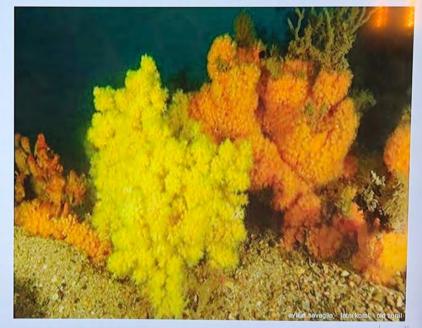
Benthic biocenoses on the open sea of the Montenegrin coast is a home for 729 species of invertebrates. Out of the total number of recorded species, the group of sponges accounts to 64 species, 49 species belong to cnidarians, 354 species to molluscs, 27 species to annelids, 95 species to annelids, 95 species to annelids, 95 species to annelids, 95 species to a thropods, 49 species to bryozoans, 63 species to echinoderms and 29 species to tunicates. Among the species that inhabit the benthic communities of the seabed of the Montenegrin coast, 30 are protected by national and international legislation, while 19 are considered introduced species.



MERITSTARTI CTPS & SPECEALLY / BUTTERE

COEALLIGENOUS COMMUNITIES

ocalties where coraligenous communities have been developed are a special features of the Bay of Boka otorska. Ta in vrt and opot stand out as such, where dense colonies of gold coral availa savagila begin to grow at a depth of 12 m. Apart from the fact that the populations of this coral are the most numerous in the Mediternaean, they are also the shallowest, because such habitats are exiling at much greater depths. The specificity of these localities is the presence of groundwater sources, the so- called vrul a, which create an ambience similar to the one that prevails at depths of several tens or even hundreds of meters. Itidation to golden corals, these habitats are true treasury of sea sponges, coral, bryozoans and other marine invertebrates





DIVE INTO THE ADRIATIC!

Thanks to the rich flora and fauna of the Adriatic, Budva has become one of the favorite destinations of diving-lovers too. Budva's vast sea caves and sunken wrecks along its coastline create a magical setting for divers. With summer temperatures of up to 28°C and visibility of more than 20 meters along the Adriatic coast, it is the perfect place to take a diving tour or diving course. The shores of Budva are also a shellfish paradise. In addition to all types of Mediternarean fish, you are likely to see shoals of muliet and occopus, Eel and singnay can also be found in Budva waters.



EXPLORE THE SKICENTERS

Neet the six resorts of Montenegro, famous for its high mountains. In this beautiful country, which offers many alternative activities for ski-lovers, there are many tracks and ski faultites, especially in Kolašin, žabljak and Durmitor mountains. Kolašin, the most popular destination of winter tourism in Montengero, has a magnificent season from December to April. Moreover, the fact that this ski center has numerous tracks appeals to everyone, from amaturs to professionals. It is guaranteed that you will be fascinated by the splendor of these mountains, which are frequented by ski-lovers from all over the world.





OTSTAKILI NOTEL & ARTICLETTE / ANDA

FORESTS

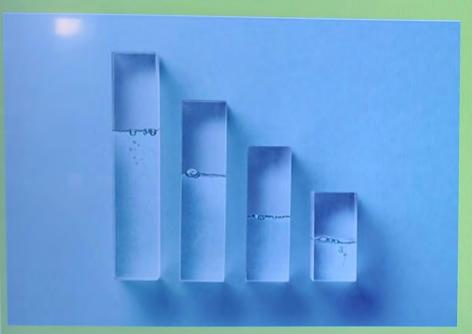
KOPNO

Having the forest cover percentage of 59.5% (0.9 ha of forest per capita), Montenegro is one of the most densely afforested countries in Europe, following Finland, Sweden and Slovenia.

It has a large number of forest plant communities, with an even larger number of associations and species. Montenegro is characterized by a domination of broadleaf trees with 76.2% of area covered by its forests, while the percentage of coniferous volume is 40,2%. Dominant species are beech, oaks, spruce, fir and species of pine.



HOW TO BE GREENER



CONSERVE WATER

The first step to conserving water in your house is to be more conscious of how much you're using and wasting while completing household tasks.

Other habits to get you started on conserving water: When you're shaving, brushing your teeth or doing the dishes, don't keep the faucet running the entire time. If your shower takes a while to heat up, use a bucket to catch the cold water and then use it to water plants or clean. And if any of your water-using appliances, such as your washing machine or dishwasher, are more than 20 to 30 years old, consider replacing them with newer models, which are much more efficient when it comes to water use.

SUSTAINABLE TRAVEL

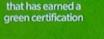
8 Ways to Be a **More Sustainable Traveler** THE READER'S DIGEST VERSION







Choose a sustainable mode of transportation





Do not leave trash

than marked bins



Use refillable

travel-size

toiletries



Choose a sustainable

country to visit

restaurants



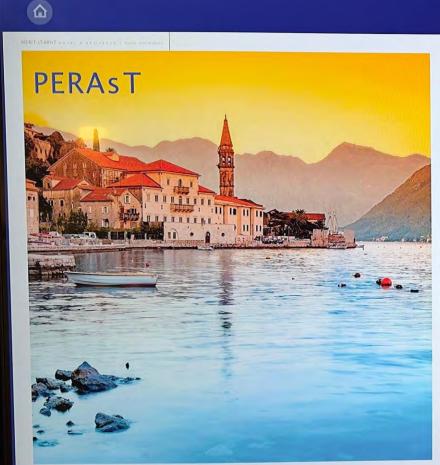
Do not disturb

plants, vegetation or animals

Pack reusable water bottles

Simply put, sustainable travel means increasing the benefits and decreasing the negative impact of tourism on a destination.

"It is all about recognizing the responsibility we have when exploring the world, and making decisions that maximize our positive impact on the places we visit and people we meet along the way," explains Ueberroth.









MERIT STARDT - STAL & SECURITIES / BUTTER STATEMENT

Where dreams come true

The cozy coastal town of Perast in the Bay of Kotor has been on the UNESCO World Heritage List since 1917. You can sightsee all of Perast in a short time by walking. Visit the 17th century City Museum that sheds light on the history of the Bay of Kotor, and enjoy fresh seafood accompanied by local wint selections at the restaurants by the black.

There are two islets off the coast of Perast that fascinate all visitors. One of them is the Island of St. George and the other is Our Lady of the Rocks. An interesting story goes around about this artificial island, the latter, which was built in 200 years. It is said that the construction of the Island began in the 15th century when local fishermen believed they had received a sign from the Virgin Mary. During those years, the people used to worship in the church on the Island of St. George and there were rocks in the area where the current artificial island is. One day, some fishermen found a painting with the image of Virgin Mary on these rocks and immediately handed it over to the Venetian Monastery. A few days later, the painting reappeared on the rocks. After several more times, the fishermen figured that Virgin Mary could be trying to give them a sign. So they decided to build a church upon these rocks. Thus, the fishermen of Kotor started bringing rocks to this location. Legend has it that this process took about 200 years. Finally, an artificial island was created and the church of Our Lady of the Rocks was built on it.



All visuals used in the corridors & the hotel rooms of the Merit Starlit Hotel & Residence the purpose of promoting the destination and informing visitors were created by the award-winning and special Photographer by Mustafa Seven.

The artist has created a special series of the photographs taken and the name of the series is

"Spirit of Merit"

The photographs in the series belong especially to Montenegro and Budva.

APRIL 2025

MUSTAFA SEVEN : Photojournalist, Street Photographer, Documentary Photographer, Film Maker. Mustafa Seven

started his career as a photojournalist at Sabah Newspaper Magazine Group in 1995 and continued his career in

Hürriyet Magazine Group, Gazete Pazar, Milliyet and finally Aksam newspaper, where he was the photo editor. (Link)

This work reflects our hotel's values of the destination and its approach to sustainability, while also expressing its respect for local communities and nature and cultural assets.



MUSTAFA SEVEN Spirit Of Merit Series

MONTENEGRO, SEPTEMBER 2020 DIASEC PRINT 192X132 CM



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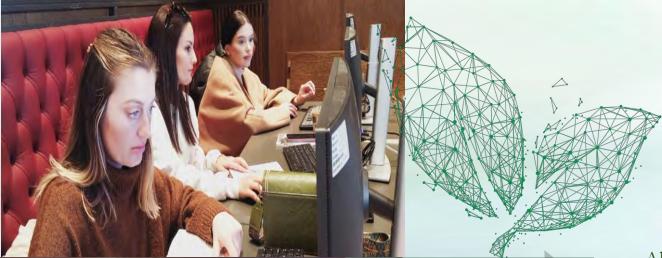












OUR ACTIONS April 2024 April 2025 All requests from guests and/or requests related to guests are handled by our SA department via the application.

All technical malfunctions, follow-ups and management of work to be completed are also handled via applications.

Front office and finance transactions are handled via the hotel application program.





Automation and smart building system are used in the building security system.



APRIL 2025



OUR ACTIONS April 2024 April 2025 We know that we are investing in our future by supporting sports and young people.







OUR ACTIONS April 2024 April 2025

Thank you, Merit Starlit Hotel & Residence, for supporting The Global FoodBanking Network!

Around the world, food banks are essential to disaster response and meeting urgent hunger and humanitarian needs. They also cultivate resilience to the food insecurity that fuels hunger.

That's why your contribution is especially important today.

Your gift makes it possible for us to reach millions of people facing

The world is more beautiful with solidarity together



Yeni yılınızı içtenlikle kutla OUR & PARTNER sağlık ve esenlikler dileriz. ACTIONS April 2024

April 2025

LABOTTEGA[®]

tarafından adınıza yapılan bağış sayesinde bir deniz canlısının yaşamını kurtarmaya katkıda bulundunuz.

Sağlamış olduğunuz katkıdan dolayı teşekkür ederiz.



This special donation was made by Labottega on behalf of our Hotel, and we are proud to move forward with the companies we cooperate with in every step to protect our seas.



LABOTTEGA®

CLEAN THE WORL

OUR PARTNERS' ACTIONS April 2024 April 2025

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GOALS

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RECYCLE SOAP. SAVE LIVES. PROTECT THE ENVIRONMENT

Clean the World partners with 8,100+ hotels worldwide to recycle discarded soap and bottled amenities. By sending your used soap and plastic bottled amenities to CTW, you're preventing millions of pounds of waste from ending up in landfill while helping to provide vulnerable communities worldwide access to hygiene necessities and WASH programming.

10% PROFIT PLEDGE

NET PROFIT TO SUPPORT CAUSES THAT IMPROVE THE WELLBEING OF PEOPLE AND PLANET WWW.RITUALS.COM/PROFITPLEDGE

OUR PARTNERS' ACTIONS April 2024 April 2025

THAT WE WILL USE 10% OF OUR

10

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GOALS

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RITUALS...

Better the Balance



Thank You Pre & Post Opening Team



