

CHALHOUB GROUP ENVIRONMENTAL POLICY

Revised as of November 2022



OUR AMBITION AND SCOPE

AMBITION

We at Chalhoub Group are committed to tackling climate change by paving the way to Net Zero by 2040. We are working to lower our carbon emissions and to shift to renewable energy solutions, while encouraging our partners and suppliers to do the same.

We also strive to contribute to the Circular Economy by adopting circular business models and improving the management of our waste.

SCOPE

This policy shall be regionally communicated and mandatory to all companies which make up the Chalhoub Group; and binding for all our employees in our offices, stores and warehouses.

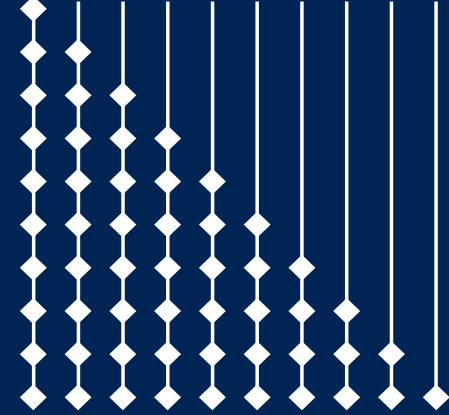


Table of contents

<u>ENERGY AND WATER MANAGEMENT</u>	4
<u>WASTE REDUCTION AND RECYCLING</u>	5
<u>SINGLE-USE PLASTIC REDUCTION</u>	6
<u>RESOURCE MANAGEMENT</u>	7
<u>PRODUCTS & SUPPLIES</u>	8
<u>CAR-RIDE SHARING & TRANSPORTATION</u>	9
<u>SUSTAINABLE DESIGN AND CONSTRUCTION</u>	10
<u>VISUAL MERCHANDISING - RECYCLING AND DISPOSAL</u>	11
<u>EHS MANAGEMENT SYSTEM</u>	12
<u>ENGAGEMENT</u>	13
<u>REPORTING</u>	14

ENERGY AND WATER MANAGEMENT

We are actively finding ways to shift to renewable sources to decrease our reliance on fossil-fuel dependent sources. We also take measures that help us consume less water and electricity throughout our offices, warehouses and stores. These measures include and not limited to:

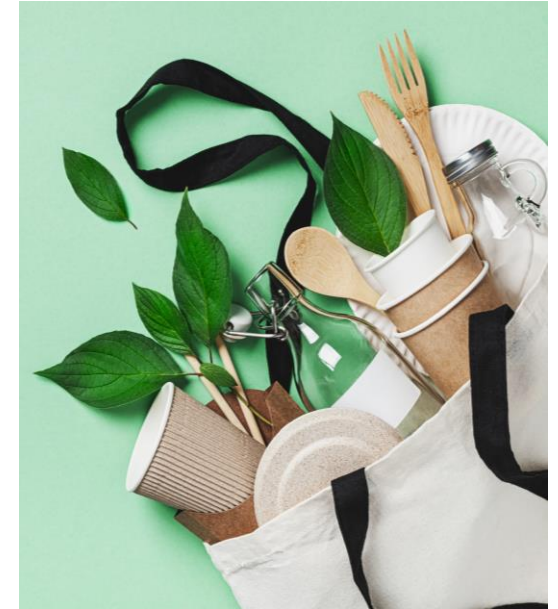
- Upgrade all new fit-outs across our stores and offices with effective sustainable building design i.e., LED lighting, thermal and acoustic isolation, motion detection sensors and many more.
- Minimise use of electricity by turning off the lights of the room when no longer occupied and putting our PC on sleep mode/off, when not in use.
- Fix AC temperature at 24 °C (75 °F) across all our offices and warehouses for efficient use of energy and optimal comfort for human health.
- Annual maintenance for HVAC systems to ensure peak efficiency operation.
- Find solutions locally to owning, lease or purchase renewable sources to operate our spaces.



WASTE REDUCTION AND RECYCLING

We encourage employees to minimise the production and consumption of material in following manner:

- Print only when necessary and avoid changing settings to single-side and colored printing.
- In case of the need of production and printing of reports, brochures, collaterals or props, carefully estimate the required amount to avoid waste.
- Re-use material such as envelopes or back side of used paper for informal and internal use.
- Use of tablets for warehousing activities to avoid paper wastage.
- Encourage issuance of digital receipts to customers to avoid printed receipts.
- Use less packaging when possible and choose eco friendly material options



We have facilities to segregate paper, cardboard, plastics, aluminum cans, wood, printing toners and e-waste in UAE, Kuwait, KSA, Qatar, Bahrain, India and Jordan. We strive to recycle all these materials by establishing partnerships with various reputable local waste management companies.

We encourage all our employees to make use of recycling facilities by segregating trash created in offices and bringing recyclable material from home if need be.

SINGLE-USE PLASTIC REDUCTION

Plastic does not biodegrade; rather it breaks down into ever-smaller pieces. Single-use plastics is defined as any disposable plastic products used only once or for a short period of time, including but not limited to plastic bags, cups, bowls, plates, cutlery, take away containers, bottled water, cling wrap, straws and balloons and other similar items.

We are committed to reducing and eliminating any use of single-use plastic (SUP) in all our operations and locations. It includes but not limited to:

- Eliminating use of all SUP in our operations & logistics at our offices and stores.
- Reducing use of SUP in purchasing, packaging, sales, distribution, transportation or clean-up practices.

The policy exempts SUP items necessary to meet health and safety requirements, or where there are no other practical alternative products or distribution methods available.



RESOURCE MANAGEMENT



Chalhoub Sustainability Performance, our data management software, allows us to compile and monitor environmental data – such as electricity, water and fuel consumption, paper usage, recycling rates and our CO2 emissions – in a robust and cost-effective manner. It is also allowing us to allocate financial value to resources that we use, establish baseline and set targets to improve our environmental performance.

While Sustainable Engagement department is managing the software, there is a network of designated data owners, champions and supervisors per site, who collect and input data into the system.

Results are analysed for unusual consumption and production rates and followed through with respective location managers for required action. Results are communicated on a quarterly basis to all employees on corporate screens whenever possible and to country managers.

PRODUCTS & SUPPLIES

We are committed to purchasing eco-friendly products when available and possible. This includes all type of supplies and products including but not limited to:

- Purchasing 100% recycled paper for our reports and magazines.
- Purchasing low-chemical emitting cleaning products.
- Using non-toxic paint (low-VOC).
- Locally available to minimize transportation

Our supply chain policy and suppliers' sustainability scorecard, which we use to assess our supply chain, encourages our suppliers to produce and offer environmentally sound products and supplies.



CAR-RIDE SHARING & TRANSPORTATION

Transportation accounts for one third of the CO2 emissions, on top of being one of the main causes of fatalities in the world.

We encourage all our colleagues to make use of public transportation if available or share car-rides with colleagues residing in the same district.

In various countries and offices, the Group puts measures in place to facilitate the use of public transport by offering shuttle bus services to and from public transportation points.

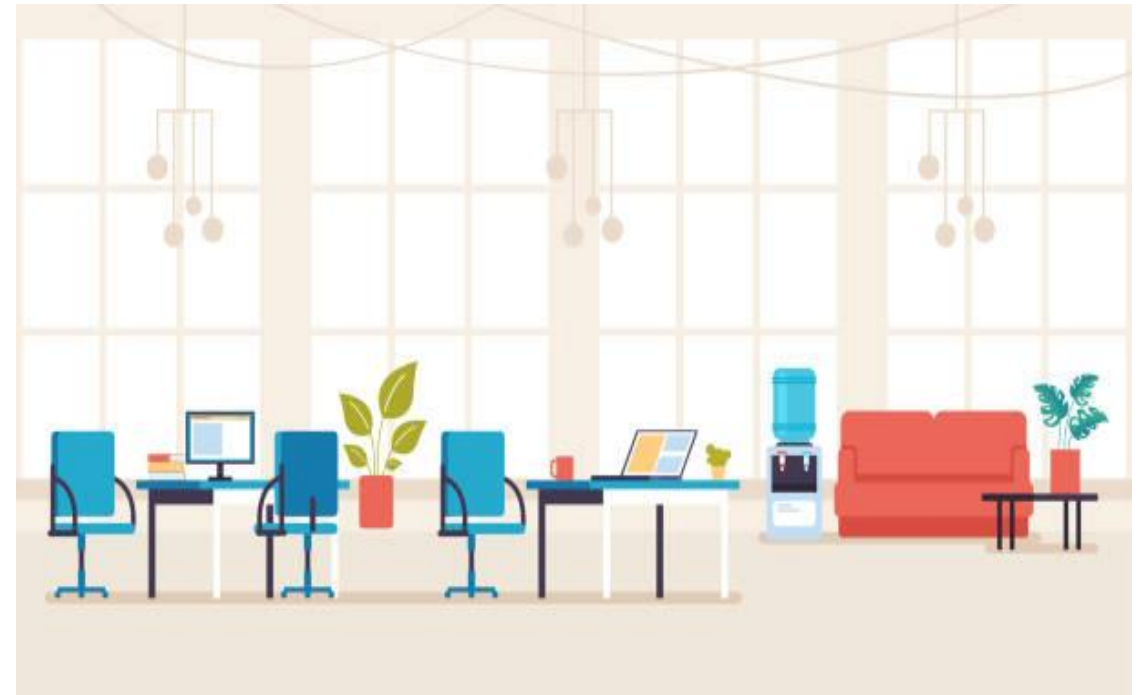


SUSTAINABLE DESIGN AND CONSTRUCTION

We are continuously making technical upgrades to our offices and stores in four focus areas for sustainable design:

- Space efficiency
- Material/waste management
- Energy efficiency
- Water use efficiency

All our stores are evaluated under the STEP assessment tool (Stores Towards Earth's Protection), the Group's own sustainability rating system. 3D and respective area managers are required to assess stores on regular basis to improve store's environmental performance.



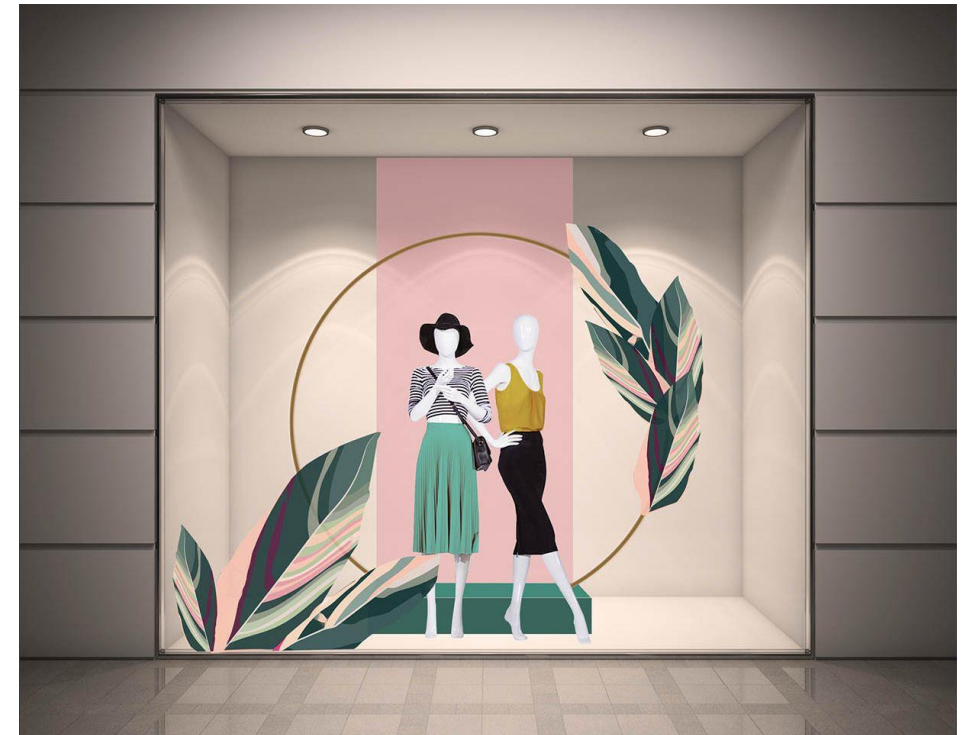
VISUAL MERCHANDISING & PRODUCTS DISPOSAL

We are committed to Zero Waste to Landfill by 2030. Brands and offices assets that are old, damaged and/or no longer needed are subject to responsible disposal. Items can include visual merchandising products such as podiums, furniture, beauty products, clothes, IT equipment, shopping bags, etc.

We encourage the sustainable disposal of these assets by:

- Using sustainable material that is recyclable, biodegradable or reusable in design process of product manufacturing
- Partnering with a responsible and legitimate recycling and processing facility that can ensure brand protection, reuse when possible, or responsible disposal and recycling diverting waste away from landfill.

[Access our UAE VM guide here](#)



EHS MANAGEMENT SYSTEM

We have adopted Integrated Management Systems (ISO 9001 Quality MS, ISO 14001 Environment MS, and ISO 45001 occupational H&S MS) in all logistics operation in the UAE, Kuwait, Bahrain, KSA and Qatar.



ENGAGEMENT

We recognize that having strategies, policies and procedures in place are only active when our team members behave in accordance with our environmental policy.

We continuously strive to raise awareness, educate people internally and externally, and promote environmentally responsible behaviour through all our communication platforms.

We encourage our employees to engage in all our environment activities in and outside the office, including Tree planting, Beach Clean-Up, Recycling Exhibits, Can Collection Family Day, amongst others.



To get involved in different environmental activities

Contact: impact@chalhoub.com

REPORTING

We ensure regular assessments and reporting of our annual progress:

- Assess our store’s environmental performance using STEP (Stores Towards Environmental Protection) questionnaire, our Group’s internal assessment tool, and improve accordingly.
- Release quarterly dashboards of our water and electricity consumption in our offices to monitor and compare consumption rates and thereby, act accordingly to control it.
- Publish a yearly sustainability report to show our ongoing business commitment to positively impacting our People, Partners, and the Planet. Link to 2021 report: <https://www.sustainabilityreport.chalhoubgroup.com/2021/>

Issue date:	January 2017
Last revision:	November 2022
Next revision:	November 2024
Author:	Sustainable Engagement division (groupsustainability@chalhoub.com)
Scope:	Regional (all 8 countries we operate in)