



CHALHOUB IMPACT

Sustainability Report 2024

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ABOUT THE REPORT

Adhering to the GRI Principles

Accuracy
Balance
Clarity
Comparability
Completeness
Sustainability Context
Timeliness
Verifiability

Welcome to the 11th edition of Chalhoub Group’s Sustainability Report, depicting our efforts in the year 2024. Prepared in accordance with the Global Reporting Initiative (GRI) Standards – Core Option.

The **Pathways to Sustainability** chapter provides a clear and comprehensive view of our journey, accomplishments, and future aspirations. Our sustainability stories and performance are outlined throughout the chapters that follow the three pillars of our impact strategy: **People, Partners, and Planet**.

In 2024, we built on the foundation of earlier reports with improved stakeholder insights, increased data accuracy, and a focus on tangible results and impact, aligning with Chalhoub Group’s **servant leadership philosophy**. Readers will find insights into our impact on regional and global sustainability concerns and our alignment with the United Nations Sustainable Development Goals (UN SDGs), the UN Global Compact Principles (UNGC), as well as the Science-based Targets Initiative (SBTi).

The report has undergone external verification, following the AA1000 Assurance Standard v3 assessing adherence to key principles—Inclusivity, Materiality, Responsiveness, and Impact—while ensuring the reliability and quality of disclosed sustainability performance information. Readers can find the **Independent Assurance Statement** in this [link](#).

Key Enhancements in This Year’s Edition

Advanced Reporting Standards

Integrating enhanced data collection techniques to ensure precision and comparability across all metrics deemed material according to GRI and SBTi methodologies. Preliminary mapping of our data points against the European Sustainability Reporting Standards (ESRS).

Focused Engagement

Insights derived from a refined materiality approach, based on continued engagement with internal and external stakeholders to shape our priorities.

Value Chain Integration

Embedding sustainability into every stage of our value chain, from supplier partnerships to consumer engagement, to drive meaningful and systemic impact.

WE ARE CHALHOUB

For seven decades, Chalhoub Group has been a partner and creator of luxury experiences in the Middle East.

The Group, in its endeavour to excel as a hybrid retailer, has reinforced its distribution and marketing services with a portfolio of ten owned brands and over 400 international brands in the luxury, beauty, fashion, and art de vivre categories. More recently, the Group expanded its expertise into new categories of luxury watches, jewellery, and eyewear.

Every step at Chalhoub Group is taken with the customer at heart. Be it constantly reinventing itself or focusing on innovation to provide luxury experiences at over 950 experiential retail stores, online and through mobile apps, each touch point leads to delighting the customer.

Today, Chalhoub Group stands for over 16,000 skilled and talented professionals across eight countries in the Middle East, whose cohesive efforts have resulted in the Group being certified as a Great Place to Work® in several countries.

To keep the innovation journey going, the Group has set up “The Greenhouse”, which is not just an innovation hub, but also an incubator space and accelerator for start-ups and small businesses in the region and internationally. This is just one of the several initiatives taken by the Group to reinvent itself, catalysed by forward thinking and future proofing. The Group has also been embedding sustainability at the core of its business strategy with a clear commitment towards people, partners and the planet, and by being a member of the United Nations Global Compact Community and signatory of the Women's Empowerment Principles.



MARKING OUR PLATINUM JUBILEE

2025 marks our 70th year as a leading luxury retail partner, curator and creator across the Middle East.



Building on our platinum jubilee, we designed a **10-year strategy** for future growth based on our foundational principles.

We are driven by
OUR PURPOSE

To build a future where luxury dreams become reality.

...and guided by
OUR VALUES

Respect
Excellence
Entrepreneurial Spirit

+16K

team members

108

nationalities

34

average age of our team members

400

brands distributed

10

own brands

950

retail stores

68+

e-commerce websites & apps

ESG HIGHLIGHTS

ESG Performance Integration

We implemented a scorecard framework that tracks performance across three key performance indicator (KPI) dimensions: financial, commercial, and ESG, **tying executive rewards to sustainability achievements**, including scope 1, 2, and 3 emission targets to ensure accountability at every level.

Dedicated Taskforces for Impact

We expanded our Group-level cross-functional collaboration and sustainability governance model to meet strategic goals. We improved our **Environmental Taskforce** with dedicated Streams for Net Zero by 2040, Zero Waste to Landfill by 2030, and Biodiversity at support, Group, and business unit-levels. We have also furthered our commitment to **diversity, equity, and inclusion (DE&I)**, wellbeing, innovation and entrepreneurship, and **good corporate governance and ethics** through dedicated committees and taskforces.

ESG Award & Rating



Every year since 2021, we have completed the EcoVadis rating assessment, and in 2024, we achieved a **62% Bronze score**, a 24% improvement from our initial score, placing us in the top 35% of global performers while embedding sustainability across our value chain.



We were awarded the Dubai Chamber of Commerce Environmental, Social and Governance (ESG) Label. The Dubai Chamber of Commerce ESG Label aims to inspire businesses to implement and enhance practices that benefit society, protect the environment, and strengthen governance by acknowledging their contributions to advancing sustainability.

*Find the details of our sustainability strategy in the **Pathways to Sustainability chapter** on page 19.*

ESG HIGHLIGHTS FOCUS:

PEOPLE

Our social impact holds a central place in our 10-year vision, emphasising ‘One Team, One Culture’, and equal opportunities for all.

Breaking the Silos

We successfully launched the **Collabor8+ platform** through which 24 cross-departmental projects have been initiated in six months, spanning across sustainability, process improvement, and community-building.

24 cross-departmental projects

Upholding Our Entrepreneurial Spirit

Now in its third year, our flagship **SGII-NewGen programme** has expanded its scope, offering exposure and career opportunities not only within Strategy, Growth, Innovation, and Investment (SGII) departments but across all operations.

Women in Leadership

We exceeded our 2024 targets, we increased representation of women in leadership roles to **40%**, successfully **achieving our 2030 target.**

40% women in leadership

Parent-friendly Recognition

We extended paternity leaves across eight countries, fostering a parent-friendly work environment. Earned the Parent-Friendly Label (PFL) from the **Abu Dhabi Early Childhood Authority.**

Elevating Inclusivity

We rolled out over 400 accessibility features across offices and retail spaces, reinforcing our commitment to inclusivity for People of Determination (PoD). Received the **Dubai Fitness Challenge 30x30 team member Engagement Award** for our inclusive wellbeing activities for PoD.

34 People of Determination hired in 2024

Wellbeing First

Our **Annual Wellbeing Week** successfully launched 14 online activations and 54 on-site activations, with over 2,900 participants across 8 countries, giving all team members in the frontline, back office, or warehouse - the chance to put their wellbeing first.

2,900 participants, 8 countries

Gift of Giving Milestone

Our longstanding programme, **Gift of Giving**, provided essential school supplies and advanced learning tools to more than 169,000 students since its inception in 2010. This year’s campaign, supported by more than 500 volunteers, included smartboards, advance learning tools and school supplies for over 8,800 students in eight countries, including UAE, KSA, Bahrain, India, Lebanon, Kuwait, Qatar and Egypt.

169,000 students supported

Read about our **People** approach and achievements on page 27.



ESG HIGHLIGHTS FOCUS:

PARTNERS

Our approach to partnerships is anchored in collaboration, innovation, and shared value creation. By uniting with industry peers, suppliers, and emerging ventures, we work to advance sustainability across every facet of our value chain.

Setting Industry Benchmarks for Sustainability

We work with leading sector peers to advance local and global sustainability agendas through flagship initiatives such as **Unity for Change** and **UAE Alliance for Climate Action**, establishing frameworks and best practices that prioritise carbon reduction, eco-design, and circularity.

The Greenhouse Milestones

Since 2020, we have made 28 investments with 11 active startups and 25+ concepts were tested. We supported 100+ entrepreneurs and deployed 15+ programme cohorts, **strengthening the regional innovation ecosystem**.

11 active startups

15+ programme cohorts

100+ entrepreneurs deployed

Building Supply Chain Visibility

Aligned with our Sustainability-linked Loan KPIs, we reached an outstanding 37% response rate to our **supplier sustainability scorecard**, exceeding our 35% target.

37% response rate from our suppliers

Fostering the Saudi Startup Economy

We partnered with the **Saudi 100 Brands** initiative through The Greenhouse to support Saudi fashion designers with mentorship and commercialisation opportunities. Five new brands were launched as a result of this partnership. We also hosted the second cohort of the **Fashion Lab**, focusing on talent development and retail innovation.

Sustainable Finance Partnership in KSA

KSA remained at the heart of our regional growth strategy, with several flagship stores launched in alignment with the Saudi Vision 2030. We signed our **first ESG-linked working capital facility in KSA with Emirates NBD**, strengthening efforts to implement sustainability strategies.

*Find out how we work with our **Partners** to foster sustainability and innovation on page 57.*



ESG HIGHLIGHTS FOCUS:

PLANET

We broadened our Planet pillar through a value chain perspective, now encompassing Climate Action, Circularity, and Biodiversity at all levels of value creation, with defined boundaries and prioritised KPIs.

Science-Based Net-Zero Target Validated by SBTi

Near- and long-term science-based targets across **Scope 1, 2, and 3 emissions** were **officially validated by the Science Based Targets initiative (SBTi)**.

EV Transition

We launched our EV Expansion Phase, with **11% of our last-mile fleet now electric** and new charging stations installed at key facilities to accelerate Group-wide EV adoption.

11% of our last-mile fleet is EVs

Climate Action

We have reduced our Scope 1 emissions by 12% through optimisation efforts.

12% reduction in scope 1 emissions

Engaging Our Partners for Scope 3 Reduction

As part of our **Brand Partner Sustainability Engagement Programme**, we engaged with 44% of our scope 3-related brand partners not holding an SBTi commitment to raise awareness and align on our goals.

44% participation from brands

Recycling Milestone

We have achieved an increase in **recycling rates**, now at **20% in the UAE**.

20% of our UAE waste is diverted from the landfill

Innovations in Circular Models

We piloted the first-ever global Swarovski Rental Programme and launched the Pre-loved platform with Level Shoes.

First Reef Restoration Funding

We initiated our first reef conservation project funding, sponsoring a total area of 58.6m2. Our 2030 target is to support a minimum area of 500 hectares of Life on Land, and 500m2 of **Life Under Water** through conservation and restoration projects.

58.2 m2 of coral reef restored

First Forest, Land, and Agriculture (FLAG) Assessment

We undertook our first comprehensive FLAG assessment as part of our commitment to better understand the environmental impacts of our product life cycles.

Water Efficiency Results

Our continued efforts and innovative hybrid methods have yielded significant reductions in water consumption in our UAE facilities.

-8.7% annual reduction in UAE water consumption

Read about our efforts and progress for the protection of our **Planet** on page 66.

Net Zero by

2040



Message from Our Executive Chairman

As of
January
2025,

I transition from my role as Group President to that of Executive Chairman, and I would like to take this opportunity to reflect on the past year, a year marked by many challenges and exhilarating achievements, and to extend a warm welcome to Michael Chalhoub, our newly appointed Chief Executive Officer as he embarks on an exciting new chapter of leadership.

Over the past year, our region has undergone profound transformation and development. Yet, we faced numerous array of geopolitical uncertainties, unrest, and hardship. We extend our deepest sympathy and unwavering support to all those affected.

In the luxury sector, we encountered specific challenges, from global economic volatility to a compression of spending to an evolving regulatory landscape, yet through unwavering resilience, responsible business practices, and steadfast commitment to our core values, we navigated through complexities and identified meaningful opportunities and achieved a reasonable growth.

Our long-term investments in Saudi Arabia have delivered outstanding results, while our operations in the UAE have continued to show consistent momentum. Latin America has emerged as a key driver of our business expansion, and our e-commerce channels have recorded significant growth. These successes are the result of operational excellence, disciplined cost control, and our unwavering focus on customer experience.

Looking ahead, we have outlined a ten-year vision towards 2033 “Bridging Horizons.” This forward-looking roadmap, alongside groundbreaking initiatives such as “Transform Chalhoub,” reflects our commitment to building a resilient, forward looking organization.

Sustainability is not merely a guiding principle, it lies at the heart of our long-term business strategy. On the road ahead, we remain committed to engaging meaningfully with stakeholders and partners to embed sustainable practices that ensure the Group's smooth progression into the future, while enhancing the well-being of the communities we serve.

Patrick Chalhoub
Executive Chairman

At the core of all our efforts is a simple yet powerful belief: our people are our most valuable asset. Fostering an inclusive, empowering, and healthy culture is essential to providing a nurturing environment and unlocking the full potential of our teams. We are devoted to cultivating a dynamic, diverse, and continuously evolving workplace where everyone feels valued and inspired.

Integrity, transparency, and strong governance are the pillars and hallmarks of our operations. We uphold the highest ethical standards to ensure our actions remain aligned with our principles. Giving back to society is central to our identity, and we take immense pride in advocating for more equitable and sustainable development through social responsibility and environmental stewardship.

As I pass the torch to our new Chief Executive Officer, I have full confidence in his vision, leadership, passion for innovation, and commitment to our core values. I look forward to embrace together the opportunities ahead, shaping a path of sustained progress guided by our values and united by our purpose, driving the company to even greater heights.

Thank you all for your continued trust and support. I am energized and excited to begin this new chapter, and to witness every step of the extraordinary journey ahead.

Patrick Chalhoub

We will continue to work together to create a more sustainable and brighter prospect for our Group and the communities we serve.





Michael Chalhoub
Chief Executive Officer

Message from Our Chief Executive Officer

As we mark 70 years since my grandparents, our founders, Michel and Widad Chalhoub opened their first boutique in Damascus, we find ourselves standing at a pivotal moment in Chalhoub Group's journey. Our legacy, shaped by a deep sense of purpose and resilience, has guided us through decades of innovation, growth, and commitment to excellence.

This past year marked the transition of leadership within our Group, with my father, Patrick Chalhoub stepping into the role of Executive Chairman and myself stepping into the role of CEO. I am both humbled and inspired to carry forward this extraordinary legacy. As we chart the path ahead, we do so grounded in the principles of servant leadership, empowering our people, fostering collaboration, and always leading with empathy and integrity.

In 2024, despite geopolitical challenges and global market shifts, our Group remained steadfast in our values. We achieved 6.2% growth, expanded into new markets, and strengthened our portfolio through innovative brand launches and operational excellence. Yet beyond financial success, we remained deeply committed to our people and communities, offering unwavering support amid regional conflicts, prioritising wellbeing, and building an inclusive, high-performing culture.

Sustainability remains at the heart of our vision. With the launch of Vision 2033: Bridging Horizons and the enhancement of our Chalhoub Impact framework, we reaffirm our commitment to driving positive environmental and social outcomes across our eight operating countries. We made tangible progress: accelerating our Net Zero roadmap, enhancing emissions tracking, integrating circularity and biodiversity into our value chain, and promoting women in leadership.

As luxury consumers increasingly seek meaning, craftsmanship, and purpose, we must remain bold in our ambitions and authentic in our actions. Through operational excellence, innovation, and the power of our people, we will continue to bridge cultures and inspire dreams, building a more sustainable, inclusive, and impactful future for all.

With the launch of Vision 2033: Bridging Horizons and the enhancement of our Chalhoub Impact framework, we reaffirm our commitment to driving positive environmental and social outcomes across our eight operating countries.

Reflections from Our Chief Sustainability Officer

At Chalhoub Group, we remain committed to driving meaningful sustainability, continuously refining our approach through listening, learning, and adapting. We have enhanced the Chalhoub IMPACT framework, leveraging over a decade of sustainability experience and stakeholder insights, creating lasting value for our people, partners, and planet.

Business ethics & integrity remain core to our framework. We achieved a 96% completion rate in Code of Ethics Training, launched digital Conflict of Interest reporting, and conducted Anti-Corruption and Human Rights Training for senior leaders. Our expanded Speak Up platform now includes Christofle, enhancing transparency and accountability.

In our People pillar, we have strengthened empowerment and inclusion. Highlights include increasing women's representation in senior leadership to 40%, extending paternity leave across eight countries, earning the Parent-Friendly Label, and consistent recognition as a regional Great Place to Work. Our Gift of Giving initiative has supported over 169,000 students since inception, and our humanitarian contributions in Gaza and Lebanon exceeded \$1.3 million. Overall, our community engagement has positively impacted over 1.1 million lives.

Aligned with our Net Zero by 2040 roadmap, we have achieved a 12% reduction in Scope 1 emissions and transitioned 11% of our B2C fleet to electric vehicles. Our Brand Partner Engagement Programme continues to foster collaborative emissions-reduction strategies across our value chain.

We are pioneering retail sustainability, notably through Swarovski's global Rental Programme and Level Shoes' Pre-Loved Buyback initiative in KSA, advancing our Zero Waste to Landfill by 2030 goal.

Ecologically, we have deepened our commitment to biodiversity. We completed our first FLAG assessment, identifying key high-impact materials, and launched our first reef restoration sponsorship, aiming for substantial restoration efforts by 2030.

Through the Unity for Change initiative, we have partnered with leading retailers and developers to establish unified sustainability targets focused on energy efficiency and waste management, introducing a standardised eco-checklist to guide future developments in stores and malls alike.

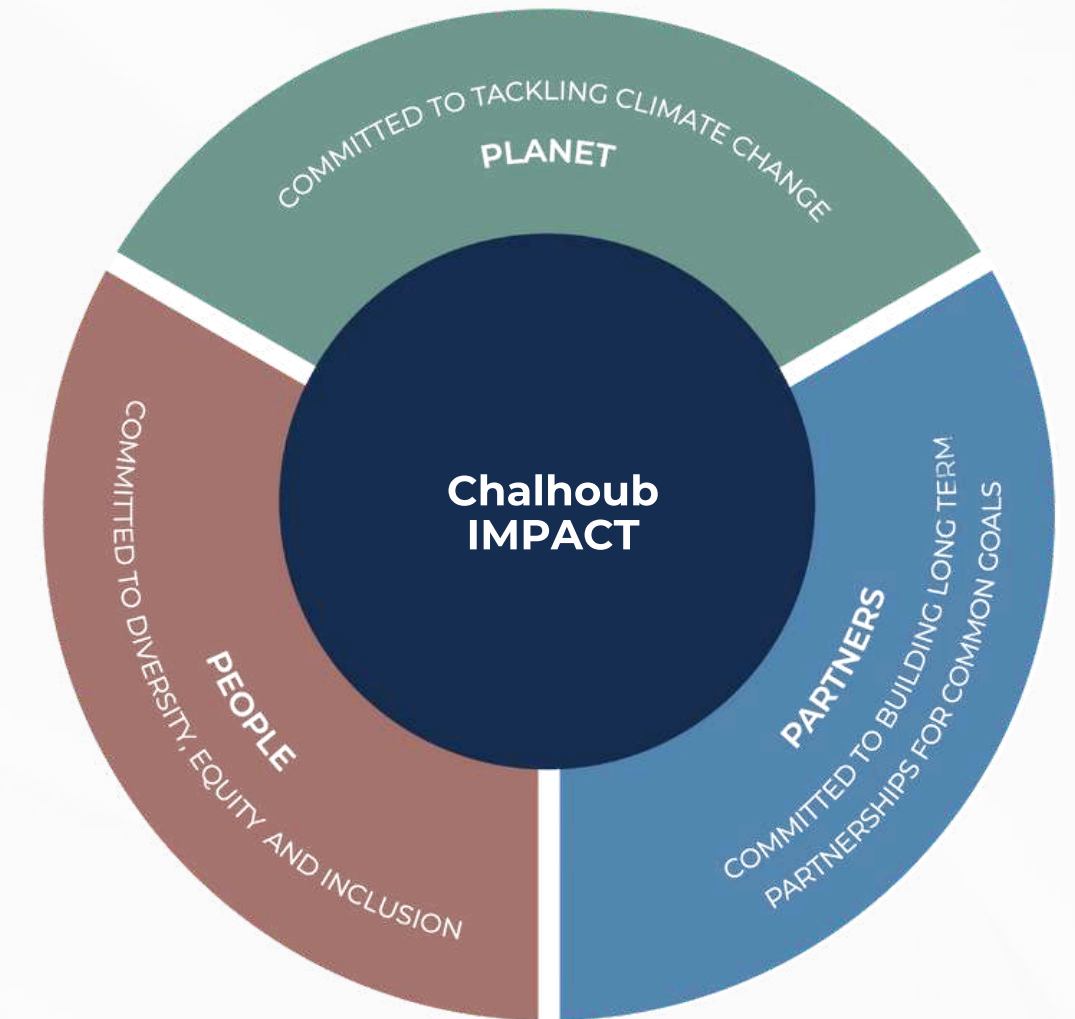
The shared commitment of our teams, partners, and communities continues to inspire our journey towards even greater sustainability achievements. We extend our sincere gratitude to our dedicated teams whose hard work makes these milestones possible.

Florence Bulte
Chief Sustainability Officer

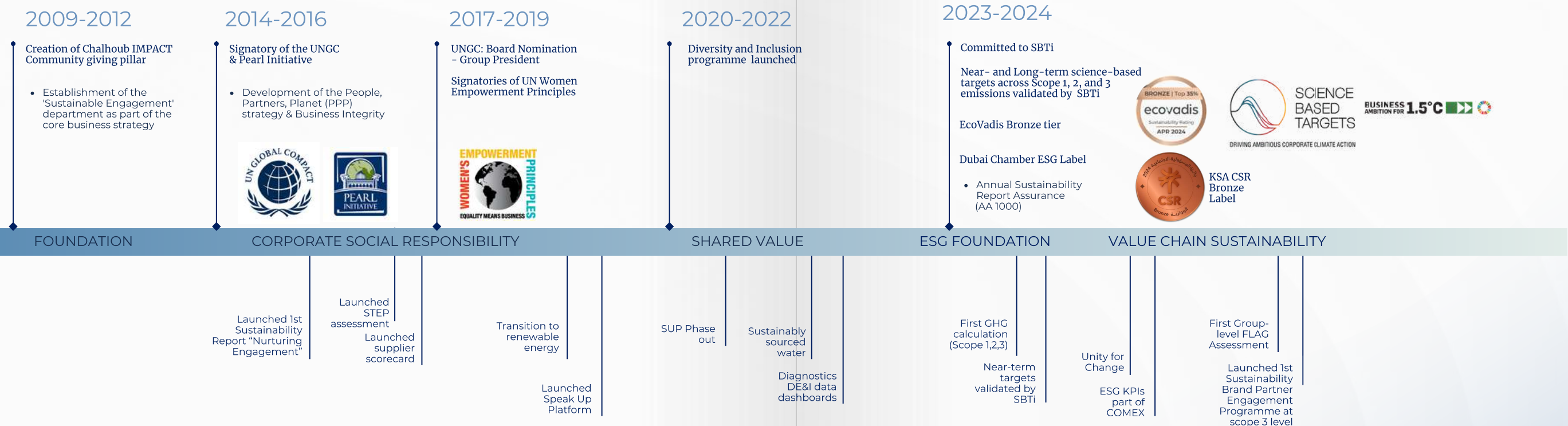
PATHWAYS TO SUSTAINABILITY

At Chalhoub Group, sustainability is not a box-ticking exercise; it is a fundamental part of who we are and how we operate.

To reach our holistic approach, we have thoroughly evaluated our progress, resources, gaps and opportunities in each pillar, further embedded ESG KPIs to our performance monitoring, and followed international best practice guidance for setting our boundaries and understanding our impact footprint. This exercise resulted in an outcome-driven focus on delivering measurable change where it matters most: a value chain approach to sustainability, encompassing our broader societal and ecological footprints.



OUR JOURNEY AND COMMITMENTS



Aligning with Global Goals

At Chalhoub Group, we are dedicated to ensuring that our sustainability efforts are aligned with globally recognised frameworks and regional aspirations. This alignment allows us to contribute to both international environmental and social progress while addressing localised challenges in the countries where we operate. Contributing to a range of SDGs, we advance global objectives, through measurable initiatives linked to the three core pillars of our Chalhoub IMPACT framework.

PEOPLE

SDG 3 - GOOD HEALTH & WELLBEING



Promoting a culture of safety and wellbeing

In 2024, we expanded initiatives promoting mental health, physical wellbeing, and workplace safety through enhanced People Wellbeing Programmes and regional Wellbeing Week activations.

SDG 4 - QUALITY EDUCATION

Nurturing and retaining high-calibre experts



We invested in creating a robust learning culture with the launch of Sustainability Learning Pathways through Chalhoub University, offering tailored training for twenty-three job families. Through the Mothers' Endowment campaign, the Group has contributed 1 million dirhams to global education and empowering individuals to build independent and dignified lives. Since 2006, our Scholar and University Engagement Programme has supported 151 scholars across 15 universities, including 40 scholars in 2024, with partnerships involving top-tier academic institutions.

SDG 5 - GENDER EQUALITY

Achieving gender balance at Chalhoub Group



We achieved our 2030 target of 40% women in senior leadership roles ahead of schedule and have now set a new goal of 43–45% by 2027.

SDG 8 - DECENT WORK AND ECONOMIC GROWTH

Empowering people and driving sustainable economic growth



In 2024, we strengthened our focus on creating meaningful employment opportunities and supporting economic resilience through initiatives such as the SGIINEWGEN programme, the Voice of the People survey, and the Collabor8+ programme, providing career pathways across departments and fostering innovation.

PARTNERS

SDG 17 - PARTNERSHIP FOR THE GOALS



Creating a greener value chain with suppliers and partners

Through initiatives such as the Unity for Change, we forge partnerships with regional leaders to establish sustainability as a foundation of the retail industry. Our Brand Partner Engagement Programme fosters sustainability ownership both at Group-level and high-spend partners-level.

PLANET

SDG 12 - RESPONSIBLE PRODUCTION AND CONSUMPTION

Advancing circularity across our value chain



With the launch of the Pre-Loved Buyback Programme in KSA and the ongoing focus on waste reduction through Zero Waste to Landfill by 2030 goals, we are tackling resource optimisation and circularity. Our initiatives include digitisation of receipts, replacing single-use plastics, and optimising packaging sustainability.

SDG 13 - CLIMATE ACTION

Progressing towards Net Zero by 2040



In 2024, we rebased our emissions targets in alignment with the SBTi, achieving enhanced data accuracy and implementing emissions intensity-based calculations for scope 3 for the first time. Our roadmap continues to prioritise energy efficiency and decarbonisation across the supply chain.

SDG 14 - LIFE BELOW WATER

SDG 15 - LIFE ON LAND



Taking ownership of our ecological impact



Biodiversity became a central focus under our Planet pillar, with the completion of our first FLAG assessment to identify high-impact materials across the value chain. We have set long-term targets for biodiversity conservation and restoration, and started our first Life Below Water restoration project in 2024.

Stakeholder Engagement and Materiality

Stakeholder engagement and materiality are central to both our business and sustainability goals. We are committed to maintaining open dialogue with our stakeholders to ensure that their concerns, expectations, and priorities inform our strategic direction and roadmap.

In 2024, we strengthened our engagement practices through comprehensive steps that include surveys, audits, newsletters, feedback mechanisms, forums, workshops, and focused sessions with stakeholder groups. We have not conducted a new materiality assessment, rather, we focused on progress on the 2023 revisions, and enhancing our data and performance systems across our value chain, aligning with the commitments we set forward in COP28, and our Sustainability-linked Loans (SLL). This led to the addition of the environmental material topic in our framework, Tracing Our Nature Impact, parallel to the high importance attributed to biodiversity in global value chains. Concurrently, we are in preparation for a double materiality assessment planned for 2025, in line with the European corporate sustainability standards.

Enablers of Informed Decision-making for Our Materiality Selection

Environmental

Addressed primarily by the Environmental Taskforce through detailed benchmarks, industry review, third-party verifications, and tailored programmes such as the Partner Engagement and Supplier Scorecard Programmes, environmental topics are assessed regularly at every level of our operations.

Social

Led by the Diversity, Equity and Inclusion (DE&I) Committee and the CSR team, social topics are assessed through the Voice of the People survey, community engagement activities, and regular community needs analyses, as well as philanthropic activities.

Business Ethics

Covered by the Ethics Committee, business ethics and governance topics are informed by international best practice guidance such as the Pearl Initiative and communicated internally through efforts such as a dedicated Ethics Newsletter.

Financial Relevance

Our priority topic selection is shaped by the financial weight and strategic importance of each business segment. Retail, which generates nearly two-thirds, and Distribution, which contributes one fifth of turnover, are the segments through which we concentrate our environmental and social impact efforts.

Collaborations & Partnerships

All our material topics and related targets are periodically aligned with initiatives significant to our sector partners such as the UNGC Forward Faster, the Unity for Change and the UAE Alliance for Climate Action (UACA) to amplify collective impact.

Data & Analytics

We leverage robust reporting systems to proactively take the necessary steps and allocate resources needed to reach our targets. Our collaboration with Schneider Electric for emissions tracking and supplier engagement has yielded exceptional results in data quality, empowering us to make informed decisions.

Continued Assessments

Externally assured ESG reporting, EcoVadis ratings, and ISO certifications reflect our commitment to honest and continued sustainability performance reviews and inform our decision-making and prioritisation of material topics.

Percentage of net sales





Stakeholder Engagement, Priorities and Our Response

Stakeholder Group	Engagement Methods	Priorities	How we respond
Team Members	Surveys, workshops, Voice of the People survey	Diversity, equity, wellbeing, learning and development	Proactive measures taken by the DEI Committee, driving internal equity and cultural progress through programmes and career development opportunities
Customers	Feedback channels, events	Ethical sourcing, product sustainability	Enhancing our environmentally conscious portfolio, supporting unique local brands, upholding high ethical standards in our supply chain
Brands Partners	Brand engagement channels and events	Responsiveness to evolving sustainability requirements of the market	Active communication and alignment on our sustainability targets, co-planning and execution of sustainability KPIs
Suppliers	Supplier Engagement Programme, audits	Supply chain transparency, environmental and social standards and expectations	Supplier engagement workshops, educational modules and tools to help identify and address sustainability issues
Communities and NGOs	Community engagement, NGO collaborations, sentiment analyses	Access to education, health and wellbeing, business and employment opportunities, support for local economy and ecosystems	Philanthropic and community support activities and volunteerism, focusing on high-impact environmental and social priorities
Regulators	Compliance audits and regular update channels	Climate action, environmental compliance, economic contribution	Aligning our KPIs with national and regional environmental and social targets

Material Topics of the Chalhoub IMPACT Strategy

IMPORTANCE	PEOPLE	PARTNERS	PLANET
Most Important	A Diverse and Equitable Workplace	Creating Responsible and Ethical Shared Value	Net Zero by 2040 <ul style="list-style-type: none">• Scopes 1, 2, &3
	A People-Centric Wellness Culture		
	Protecting Health and Safety		
More Important	Nurturing and Retaining Talent	Partnering for Innovative and Diverse Business Growth	Circularity <ul style="list-style-type: none">• Zero Waste to Landfill• Materials and Packaging• Water
	Community Support		
Important			Biodiversity <ul style="list-style-type: none">• Conservation and Restoration• Direct Ecosystem Impact

North Star KPIs

This year, we made a bold move by linking executive compensation to sustainability-linked targets, reflecting our commitment to embedding sustainability into the core of our business strategy. Building on this momentum, we cascaded these targets throughout all levels of our teams, ensuring every team member is **aligned with and accountable for achieving our sustainability goals**. At the heart of this framework are our North Star KPIs—the key indicators that represent our most critical sustainability objectives. These KPIs serve as a guiding compass, directing our efforts for data-driven outcomes while fostering a culture of shared responsibility and measurable impact.

SCOPE	TOPIC	INDICATOR	BOUNDARIES	BASELINE YEAR	CURRENT STATUS	TARGET	TIMELINE
PEOPLE	Gender Equality	Women representation in senior leadership roles (E1,2,3)	Group-wide	2021	40%	43%-45%	2027
	Human Rights	Human Rights Due Diligence of the value chain	UAE	2025	nil	100%	2030
			All Countries	2025	nil	30%	2030
PARTNERS	Sustainable Supply Chain	Supplier Scorecard Engagement	Group-wide	2021	37%	50%	2027
PLANET	Net Zero	Scope 1 (direct emissions) reduction (Fuel)	Group-wide	2021	-18%	-50.4%	2032
		Scope 2 (direct emissions) reduction (Energy)		2021	12%	-50.4%	2032
		Scope 3 (indirect emissions) intensity reduction		2021	2.2%	-58%/\$M	2032
	Circularity	Waste to landfill reduction - Recycling Rate	UAE offices and warehouses	2023	15%	-100%	2030
		Waste to landfill programme - % coverage regionally	Group-wide (offices & warehouses)	2024	47% (baseline)	100%	2030
	Biodiversity	Habitat conservation and restoration - Life on land	Group-wide	2024	33 hectares (baseline)	500 hectares	2030
		- Life under water		2024	60 square meter (baseline)	500 square meter	2030

The detailed KPI progress table with year-over-year change is available in the Annex.



GOVERNANCE, ETHICS, AND ACCOUNTABILITY

Underpinned by the Group's culture of accountability, we are committed to robust good governance practices and business ethics as our foundations for ensuring sustainable growth, fostering stakeholder trust, and driving long-term value creation.

Group Advisory Board

This Advisory Board is pivotal in reinforcing the strength of our governance framework, ensuring that Chalhoub Group's vision is realised through informed, ethical, and sustainable decision-making.

Two of the four independent non-executive directors appointed are women: Mrs. Tina Mueller, Mrs. Celine Vuillequez, Mr. Alexis Babeau and Mr. Ahmed Youssef. Four of the eight members of the Advisory Board are Chalhoub family members: Patrick Chalhoub, Michael Chalhoub, Michel Chalhoub and Kevin Chalhoub

Three committees operate under the Chalhoub Group Advisory Board:

Strategy and Investments Committee

Shaping and advising on the Group's overarching initiatives, ensuring that our strategies reflect both sustainability priorities and business aspirations.

Finance, Risk and Audit Committee

Undertaking a pivotal role in overseeing financial reporting, risk management, and ensuring compliance with regulatory and governance standards across the Group. Internal audit department has been created in 2024 reporting to the chairman of the board. All members of the committee possess strong financial expertise, ensuring effective oversight of Chalhoub Group's internal controls.

Remuneration, Compensation and ESG Committee

Offering an advisory perspective to the ExCom, particularly in areas such as ESG commitments, ethics, and innovation.

Executive Committee (EXCOM)

This governance body is established with a significant focus on diversity. Three out of the ten committee members are women. In addition, the Executive Committee is also a diverse body in terms of representation of expertise from across The Group. Diversity in expertise is also one of the primary focal areas, and all executives who have been appointed to the committee have been provided with detailed job descriptions and a wealth of expertise in strategy, brand-building, and sustainability. The ExCom is supported by:

NEXT Committee

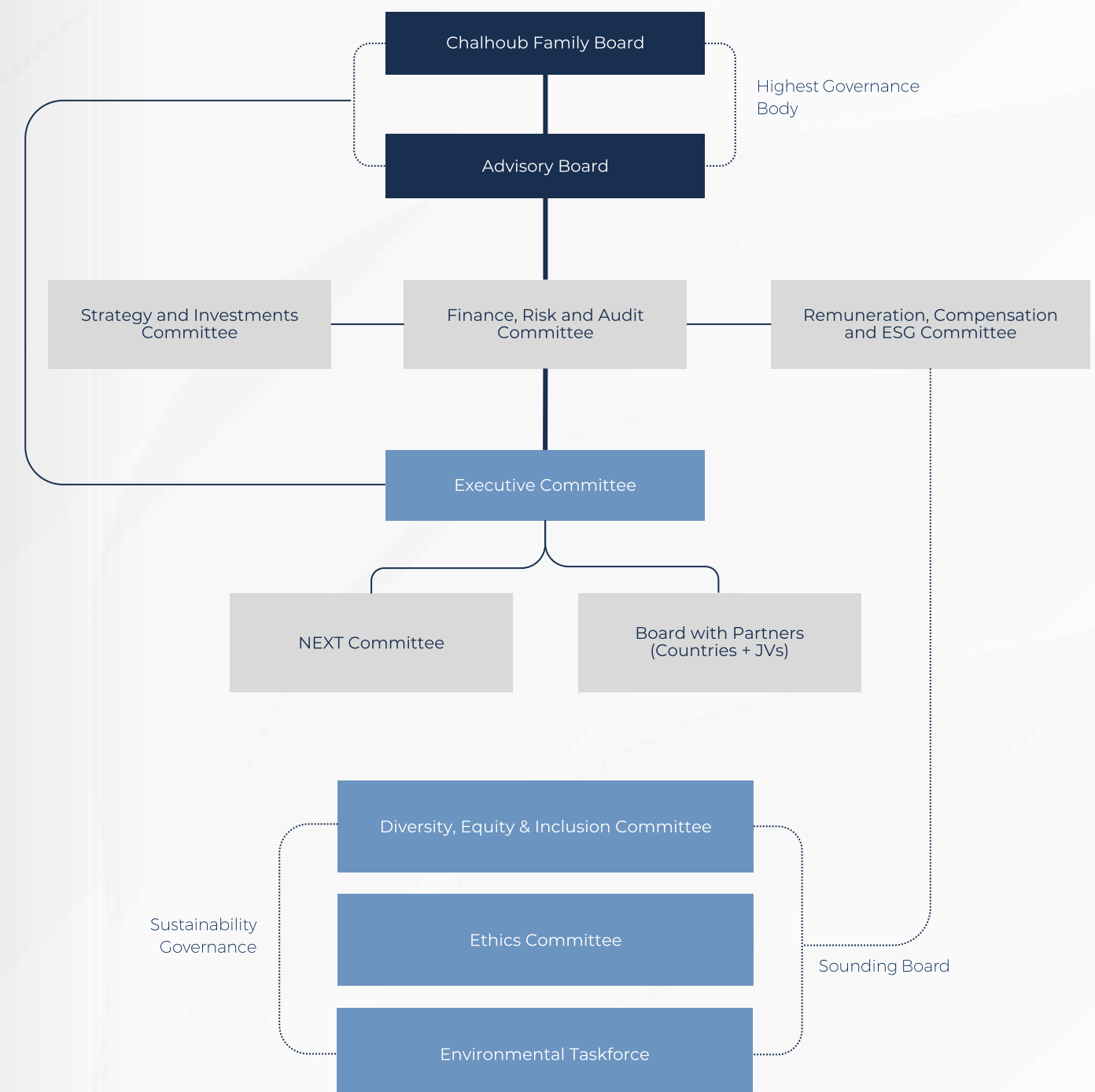
A forward-looking governance body responsible for driving innovation, transformative initiatives, and future-proof strategies. Its role includes ensuring alignment with the Group's long-term goals and supporting the implementation of operational excellence and innovation across the organisation.

Board with Partners

Serves as a strategic advisory body, strengthening relationships with key stakeholders, including suppliers, brand partners, and other collaborators. This board focuses on advancing shared sustainability goals, fostering collaborative partnerships, and driving innovation across the value chain.

Governance Structure

Our governance framework ensures clarity in the allocation of roles, responsibilities, and decision-making processes across all levels of the organisation. The ultimate decision-making authority lies with the **Chalhoub Family Board**, advised and supported by the **Group Advisory Board** and the **Executive Committee (ExCom)**. The structure guides the Group's vision, oversees strategic priorities, and ensures alignment with our sustainability objectives.



SUSTAINABILITY GOVERNANCE

2024 has been a year of significant milestones in both top-down and bottom-up integration of robust sustainability governance at the Group. Executive compensation has been tied to the ESG KPIs of our sustainability-linked loans. Consequently, we have dedicated substantial resources to the communication and cascading of **ESG priorities** throughout all levels.

These initiatives were spearheaded by the **DE&I Committee**, the **Ethics Committee**, and the **Environmental Taskforce**, and supported by the **Remuneration, Compensation and ESG Committee**, which serves as a **sounding board** across governance strata, guaranteeing that critical updates and decisions are effectively communicated to promote transparency and consistency.

This year, we have also started the process of **integrating ESG into our Enterprise Risk Management system**, a move which will allow us to proactively identify, address and mitigate ESG risks.

Ethics & Integrity

We are committed to ethical principles and uphold trust with our stakeholders by adhering to global best practices and promoting responsible business conduct. In 2024, we prioritised the strengthening of our foundational values of respect and excellence through **people awareness** by updating policies, advancing training, and expanding the **scope of internal reporting mechanisms**. Through these initiatives, we nurture a culture of accountability and empower our teams to adhere to the highest ethical standards.

Empowering our Team Members with Ethics Awareness

47

Ethics roadshows in nine countries, engaging over **1,290 team members**. These interactive sessions focused on updated policies and provided clarity on reporting procedures.

96%

completion rate for the **Code of Ethics Training**, surpassing annual targets and demonstrating strong team engagement.

Published the first edition of the Compliance Overview Newsletter in 2023, **with four newsletters released by the end of 2024**, providing team members with timely updates on new policies, Speak Up statistics, and ethical initiatives across the Group.

Speak Up Platform Upscale

Introduced to empower our team members, the Speak Up Platform provides a confidential and secure space for raising ethical concerns or reporting potential violations without fear of reprisal. In 2024, we **expanded its reach to additional entities**, including the brand Threads, and prepared for **rollout to Saint Honoré by 2025**. This platform has become an essential tool for reinforcing trust and accountability, supported by awareness campaigns and regular training to ensure all team members are informed about its accessibility and importance.

Policy Enhancements

Conflict of Interest Policy

Developed and launched a digitalised conflict of interest declaration process, replacing manual systems and improving transparency. Inquiry mechanisms were established, with HR Business Partners providing localised follow-ups to address potential conflicts efficiently.

Gift Giving Policy Update

The policy was refined to clarify permissible gift limits and ensuring compliance across all regions, aligning it with local tax regulations and providing clear guidelines on acceptable practices. Updated policy will be launched in 2025.

*In 2025, a **robust human rights due diligence process** will be implemented, supported by specialised training from the **UNGC**. Additionally, we will **develop ethical guidelines for AI governance**, ensuring that our approach to emerging technologies aligns with Chalhoub Group's core values and ethical principles.*

0 human rights and corruption legal proceedings conducted in 2024

Data Governance and Security

In 2024, the Group reinforced its Information Security framework and implemented quick wins designed to enhance cyber resilience, reduce risks, and adhere to international security standards. The Group's Information Security programme is aligned with **ISO 27001:2022**, ensuring best practices in Information Security management. The Group's **Information Security Charter and Policies** are aligned to this standard, with a risk management framework that follows **ISO 31000 principles**.

Data Security Measures

Incident Response & Prevention

In 2024, the Group recorded two data security breaches, both involving Office 365 account compromises. These incidents were contained within the affected accounts, and preventive measures have since been implemented to strengthen access controls.

Multi-Factor Authentication (MFA)

A Group-wide MFA and Single Sign-On (SSO) implementation has enhanced authentication security across critical platforms.

Email Security

The deployment of Mimecast email security solutions has fortified email protection against phishing and cyber threats.

Cloud Security & Infrastructure Optimisation

- Security controls were introduced to enhance cloud security posture.
- Migration of on-premises services to cloud-based environments to improve efficiency is on-going.
- Legacy servers across regions are being decommissioned to eliminate outdated vulnerabilities.

The Group has initiated a comprehensive **three-year security investment programme** focused on delivering strategic cyber capabilities aligned with business priorities and the evolving threat landscape. The programme is structured to incrementally strengthen our cybersecurity posture, with targeted investments each year that drive measurable increases in cyber maturity and resilience.

Deployment of New Strategic Cyber Capabilities

Establishment and enhancement of foundational and advanced security domains including identity and access management, cloud security, data protection, threat detection and response, governance, risk, and compliance (GRC) frameworks.

Implementation of a structured cyber maturity roadmap with annual assessments against internationally recognised frameworks (e.g., ISO 27001, or CMMI), ensuring continuous improvement and alignment with industry best practices.

100%

of team members complete privacy and security training as part of onboarding

Security Awareness

Ongoing newsletters, town halls, lunch-and-learn sessions, and internal communications reinforce best practices



PEOPLE

We recognise that the wellbeing of individuals and communities is intertwined, shaping the foundation of our long-term success. The People pillar embodies the values of the Chalhoub family, emphasising human rights, social wellbeing, and shared growth. This is built on a foundation of inclusivity, innovation, and meaningful community engagement.

The People pillar is structured around five fundamental tenets:

One Team, One Culture

Diversity, Equity, and Inclusion

Talent Strategy

Healthy and Safe Workplace

Impact to Wider Community

Each of these elements is intricately connected to the wider goals outlined in our strategy, contributing to Chalhoub Group's holistic approach to sustainability. These focus areas collectively form the cornerstone of our commitment to nurturing a workforce that is empowered and is deeply engaged with the communities we serve. They reflect our efforts to building an environment where individuals can flourish, ideas can thrive, and meaningful change can take root.

We focus on empowering our team members by implementing comprehensive programmes that champion diversity, equity, and inclusion. These efforts are driven by the **DE&I Committee**, ensuring a culture of opportunity and mutual respect. Our commitment extends to the wider community through the **IMPACT Leaders Programme**, reinforcing our dedication to impact initiatives and social responsibility.

Our Commitments



1

One Team, One Culture

Our **One Team, One Culture** philosophy embodies our commitment to co-creating a workplace that is compassionate and empowering, where people are valued, and inspired to contribute their best. By strengthening shared values, prioritising wellbeing, fostering meaningful connections, and enriching every team member's journey, we create an environment where individuals can thrive. We ensure that every aspect of our culture nurtures both personal and professional fulfilment, from collaborative initiatives that reinforce our culture to comprehensive wellbeing programmes, tailored development experiences, and engagement opportunities that drive growth.

People-first Culture

Chalhoub Group continues its commitment to strengthening its organisational culture by building on the foundation established through our culture evolution journey. In 2024, our focus has been on strengthening culture messaging through the **One Team, One Culture module** and integrating culture-building initiatives more deeply into our team experience. As part of this, we embedded the **Culture Bootcamp** into the onboarding journey, ensuring that new joiners are immersed in our values from day one.

The Culture Bootcamps serve as an essential platform for team members to engage with our core values, principles, and cultural pillars. Through interactive workshops, team-building activities, storytelling, and discussions on diversity, innovation, and wellbeing, participants gain a deeper understanding of what it means to be part of Chalhoub Group. In 2024, **a total of 28 bootcamps were conducted, engaging 405 team members across various regions.** These sessions have strengthened our culture by enhancing collaboration and encouraging knowledge sharing.

Upon completing the Culture Bootcamp, team members have the opportunity to become **Culture Activists**—a dedicated group of volunteers who champion our cultural pillars across the organisation. These activists play a vital role in facilitating cultural conversations, participating in **Culture Labs**, and driving initiatives that reinforce our shared values and collaborative spirit. Their efforts ensure that the evolution of our culture as a collective movement driven by the people who embody it every day.

Moving forward, Chalhoub Group plans to expand the reach of the bootcamps across all operational regions and incorporate culture assessments into the recruitment process to further align new talent with our organisational values and strategic direction.



People-centric Wellbeing

Our wellbeing strategy focuses on empowering team members with resources, training programmes, and initiatives that provide a supportive and inclusive workplace environment while instilling a self-care mindset. Through thoughtfully curated wellbeing interventions and programmes, we aim to cultivate a people-first, healthy, safe and compassionate culture.



Best team member Benefits & Wellbeing Strategy 2024
Digital HR Award of the Year
 GOV HR & Youth Award 2024



Outstanding Mental Health Support in Retail Sector
 The Mentl Awards 2024

Upskilling our Workforce

The **Wellbeing Learning Programmes** have been launched under our dedicated **Wellbeing Academy** to upskill our workforce, including managers, and leaders by addressing key workplace wellbeing topics such as leadership, fairness, equity, stress management, and psychological safety. As part of this initiative, **Mental Health Matters** training course and a 7-day **'Financial Wellbeing'** course have been introduced, providing team members with valuable insights into financial planning and security. In 2024, **workshops on psychological safety** have been conducted for the executive leadership teams across the organisation to reinforce a culture of openness, safety, inclusion, and interpersonal risk-taking. In addition to this, specialised workshops on **'Practicing Fairness and Avoiding Favouritism in the Workplace'** were designed and facilitated for **160 managers in India, Bahrain, and Egypt**.

To ensure continuous improvement, an analytics dashboard has been implemented to track the effectiveness of the programme and identify areas for enhancement.

Looking ahead, Chalhoub Group plans to further develop and expand these learning programmes, ensuring that leadership teams are well-equipped to foster a culture of wellbeing across the organisation.



Wellbeing and Engagement Activations

Our Wellbeing and Engagement events and activations are designed to promote a spirit of camaraderie and shared purpose amongst our valued team members across all regions. With a focus on fostering unity and morale, a series of events have been introduced to mark the milestones of the year. Among these esteemed occasions are:

- **Dubai Fitness Challenge 30x30 and Annual Wellbeing Week**
Encouraging physical health and mental vitality
- **Pink October**
Breast Cancer Awareness Month, Mental Health Awareness Week
- **November**
Fostering awareness and support for vital health causes
- **Bring Your Kids to Work Day**
Providing opportunities to experience joy and fulfilment alongside colleagues.
- **Country National Days, Cultural Diversity Day**
Embracing the rich diversity of our multicultural workforce

The success of these activations has been most evident in the growing enthusiasm and participation witnessed across offices, stores, and warehouses alike. Team members have found in these events an opportunity to connect, to share experiences, and to embrace the values that bind us together as a unified collective. We aim to continue to enhance our efforts, drawing inspiration from the voices of our team members, ensuring that each engagement continues to resonate, inspire, and strengthen the bonds that unite us as one organisation.



Wellbeing Week 2024

Wellbeing Week is a flagship initiative that continues to grow each year, offering physical and virtual activities aimed at enhancing the overall wellbeing of our workforce. This year, **over 2,900 participants across eight countries**, 200 more than 2023, took part in various workshops and consultations, focusing on mental health, financial literacy, and physical wellbeing. Throughout the week, we successfully launched 14 online activations and 54 on-site activations, covering a wide range of initiatives such as medical check-ups, mental health interventions, and financial wellbeing consultations.

Looking ahead, our focus is to expand Wellbeing Week to more locations, incorporating tailored programmes that address region-specific needs and challenges.



2,900+ participants

8 country offices celebrating together

70+ activations, online and offline



Mental Health Support

Our Mental Health Support Programme is designed to ensure all team members have access to mental health resources and services promoting a culture of wellbeing and support. Over the years, we have expanded our initiatives to ensure that team members across all regions have access to professional mental health services and tools to navigate personal and professional challenges.

The programme focuses on providing timely and effective support during crises, ensuring team members feel supported in times of uncertainty. To address the diverse mental health needs of our workforce, we have implemented several key initiatives under the Mental Health Support Programme.

In 2024, Chalhoub Group facilitated small support group sessions, both online and in-person, providing team members with opportunities to engage in meaningful conversations and seek assistance. The mental health online support platform has also been successfully rolled out across seven countries, ensuring broad accessibility to mental health services.



- **Free access to online therapy** platforms to all team members in all countries
- In-Person **Support Group Sessions** facilitated by clinical experts
- Mental Health **Awareness Campaigns**
- **Partnerships** with Healthcare Providers - Collaborated with trusted mental health providers to organise trauma-informed support, particularly during crises in regions such as Gaza, Lebanon, and Syria

People-driven Experience

We have undertaken a range of thoughtful initiatives that resonate with the evolving needs of our workforce, ensuring that their journey with us is one of purpose, growth, and fulfilment. The past year has been one of meaningful achievements. The Parent-Friendly Label (PFL) certification is a significant achievement that recognises our efforts in creating a caring and supportive workplace. Our recognition mapping initiatives have been enthusiastically adopted, and there has been a rise in participation in our learning and development programmes.



Parent-Friendly Workplace Initiative

The initiative offers extended **maternity (90 days) and paternity (30 days) leave**, flexible work options, and comprehensive family wellbeing support that go beyond the region's standard policies. Our commitment to enhancing our workplace culture, policies, facilities, and resources has culminated in the **attainment of the PFL certification by HH Sheikh Mohamed bin Zayed Al Nahyan and the Abu Dhabi Early Childhood Authority.**



We offer comprehensive wellbeing support services across five key dimensions—**physical, mental, social, professional, and financial**—ensuring team members and their families have the resources they need. Our family-care initiatives, including wellbeing communities and support groups, and our flexible working policy help team members balance their responsibilities while maintaining a healthy work-life balance. Additionally, we continuously refine our policies to better support working parents through **enhanced parental leave, progressive return-to-work plans**, and dedicated workplace facilities. Through our ongoing efforts, we aim to create an environment where working parents feel valued and empowered to succeed both at work and at home.

Great Place to Work® Recognition

Chalhoub Group is proud to be recognised as a Great Place to Work® (GPTW) across all eight countries of operation, including ranking 6th in KSA. Our commitment to promoting engagement in workforce through structured feedback mechanisms, career development programmes, and a culture of inclusivity and collaboration has been instrumental in achieving this recognition.



Major Recognitions

Chalhoub Group ranked **9th on LinkedIn's 4th annual list of top companies in Saudi Arabia**, the only retailer on the list, driven by parent-friendly policies, flexible work arrangements, and targeted career programmes to attract and retain young talent.



Recognition Mapping

The Recognition Mapping project is designed to enhance and elevate our existing recognition efforts by building on our current practices. We aim to create a more seamless, empowering, and accessible recognition experience across all departments and regions. A thorough mapping exercise, conducted through focus groups and interviews, identified four key areas for enhancements:

Transparency & Inclusivity

Ensuring fair and clear recognition across roles and regions.

Recognition as a Habit

Encouraging regular and timely appreciation to foster a sense of belonging.

Meaningful Recognition

Simplifying processes and offering personalised rewards to boost engagement.

Empowering Recognition

Providing managers with tools to support and enhance recognition efforts.

As a result of these efforts, Chalhoub Group has built a comprehensive recognition framework and launched a **'Formal Recognition Quick-Guide'** to streamline categories and implement reward mechanisms. This guide provides clear direction on processes, selection criteria, and day-to-day appreciation practices. We will soon launch a Recognition Masterclass, equipping leaders with effective strategies to celebrate and empower their teams. In 2024, a total of **26 programmes** were conducted under recognition mapping exercise. Additionally, the introduction of the **'KUDOs' feature on the intranet** has promoted a culture of informal peer recognition.

Moving forward, we will focus on promoting these guidelines, monitoring their impact through the **Voice of the People Survey**, and establishing a central repository for all formal recognition programmes.



People-led Engagement: Voice of the People

We place great emphasis on listening to our team members and translating their feedback into meaningful actions that enhance their experience. The **Voice of the People (VoP)** initiative plays a crucial role in gathering insights, identifying areas of strength, and addressing opportunities for growth. Restoring the positive trajectory of the **VoP survey**, it was identified as a **Group priority under the People pillar for 2024**.

In 2024, the VoP survey achieved an **80% response rate**, reflecting strong participation and engagement across the organisation. A diverse **taskforce** was formed to analyse results, identify challenges, and develop action plans. Various leadership interviews and focus groups were conducted to validate findings. A user-friendly Results Dashboard has been introduced, providing team members with greater visibility into survey outcomes. A **triangulation methodology**, combining **26 leadership interviews** and **47 focus groups**, was employed to validate findings and develop informed solutions.

86% Engagement Score

84% Culture Score

83% Wellbeing Score

In 2024, we developed clear and actionable plans to enhance existing processes, strengthen guidelines, and reinforce accountability. Our focus has been on **policy improvements, governance procedures, and leadership development** to ensure a more structured and supportive environment. To drive awareness and engagement, we launched communication **campaigns and roadshows** aimed at educating team members on available support mechanisms, existing policies, and best practices. Additionally, **targeted training and upskilling initiatives** have been introduced to equip leaders with the necessary tools to foster a culture of recognition, transparency, and continuous improvement.

We will continue conducting the **VoP survey** annually to **track progress and enhance communication**. Insights from the survey will inform tailored action plans to address evolving team member priorities. In the coming years, a centralised framework will also be established to monitor engagement trends and support ongoing improvements.

2 Diversity, Equity & Inclusion in Action

At Chalhoub Group, DE&I is seamlessly integrated into our business operations, ensuring a culture where diversity thrives, equity is prioritised, and inclusion is a lived experience. Strategic oversight of DE&I is embedded within our **governance framework**, ensuring accountability and continuous progress. **Regular assessments and stakeholder engagement** allow us to identify opportunities for growth and improvement. Our strategic priorities focus on:

Accessibility

Equity & Fairness

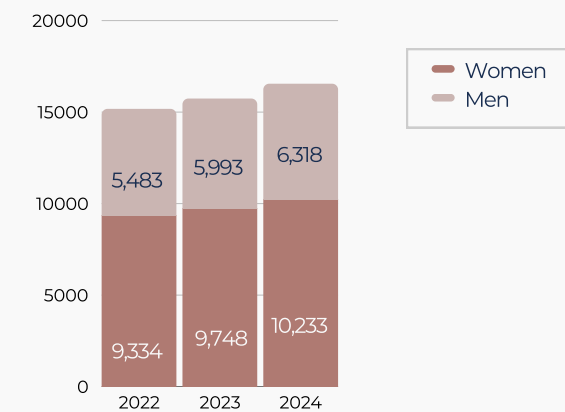
A **data-driven methodology** underpins our efforts, enabling informed decision-making and the development of **targeted initiatives**. Through tailored training and awareness programmes, we equip team members with the skills and knowledge needed to champion inclusive practices in their daily interactions.

Culture & Wellbeing

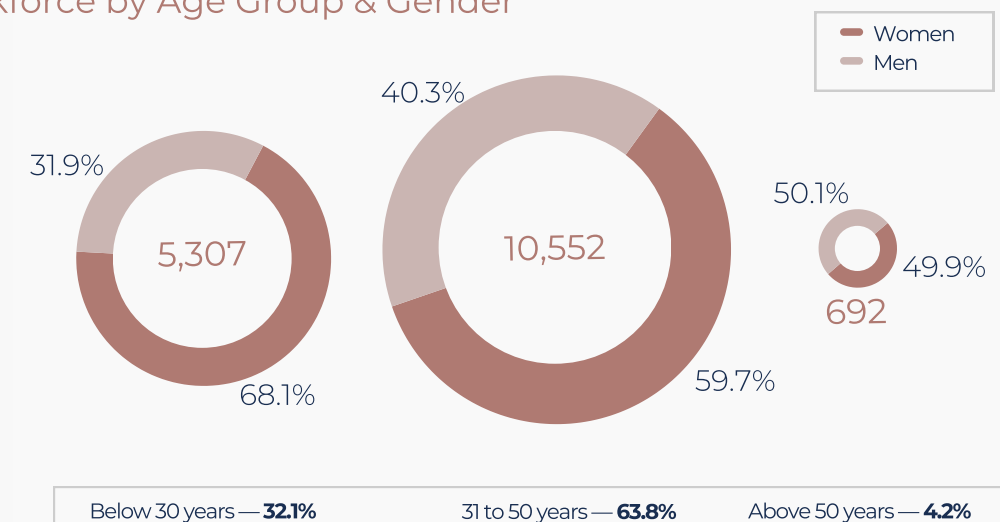
Localisation



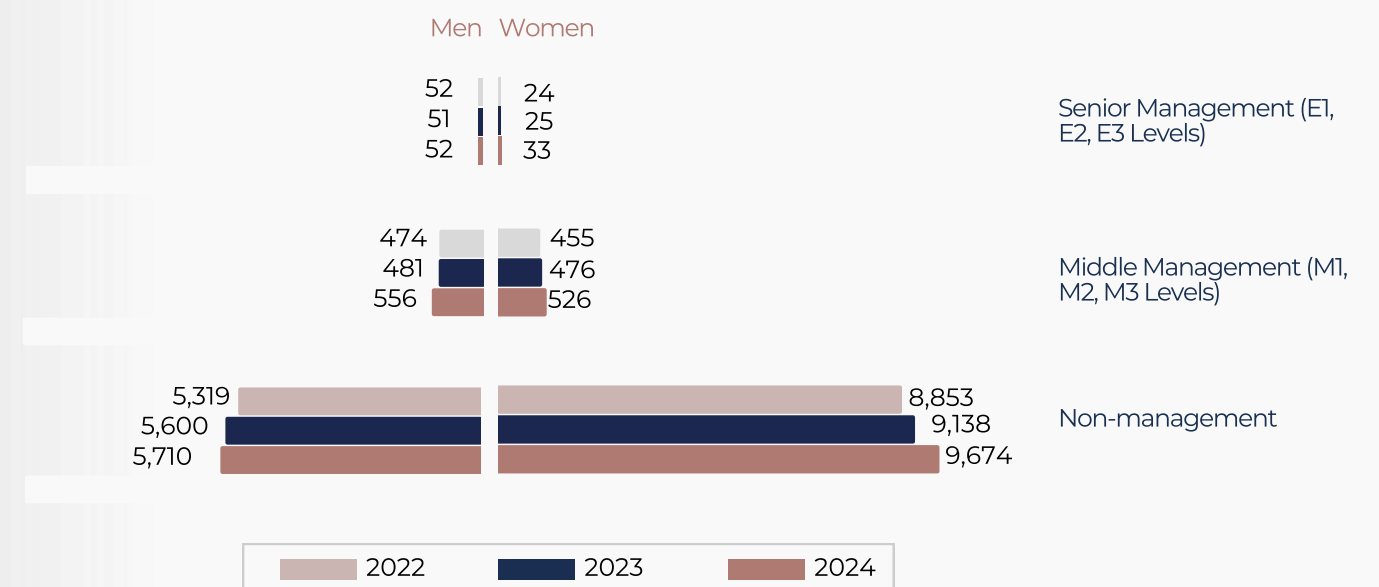
Workforce by Gender



Workforce by Age Group & Gender*



Workforce by Management Level*



*The graph's visual comparison ratio is indicative and does not reflect exact proportionality

DE&I Committee

A Unified Effort for Lasting Impact

The DE&I committee at Chalhoub Group brings together representatives from **various departments**, working collectively for an **inclusive workplace**. This **cross-functional team** collaborates to drive meaningful change, ensuring that DE&I principles are deeply woven into the organisational culture. From developing inclusive policies to overseeing key initiatives, the Committee plays a pivotal role in embedding **DE&I across all levels** of the organisation. Their commitment extends beyond compliance, focusing on creating a culture of belonging, promoting cultural awareness, and holding the organisation accountable to its DE&I goals.

Our DE&I Journey

Leveraging the work done between 2020-2023, and following 2023 when DE&I was a Group priority, we have now reached a **level of maturity** where the Group is perceived externally as a **'trailblazer'** (Bain & Co) in the region and beyond for DE&I. Our initial aim was to 'Engage, Educate, Measure, Monitor, and Repeat'. Today, DE&I activities have been completely embedded into the business as business as usual, and we are proud to have this integrated into our day-to-day culture across the organisation.

In line with this commitment, we have successfully **achieved our 2024 targets** for increasing the **representation of women in senior leadership** and management positions. Having reached these milestones, we have now **redefined our future targets** and increased them by 5-6% to build on this progress and further strengthen gender diversity across leadership roles.

Our ESG goal for **DE&I** is to **“Drive Diversity, Equity & Inclusion with focus on leadership gender diversity”**



Living Wage for All by 2030

Chalhoub Group has pledged to the **UNGC's Faster Forward initiative: Living Wage Action**. We are committed to ensuring that 100% of our team members across the organisation will earn a Living Wage by 2030. In our commitment to fostering a fair and supportive work environment, we are collaborating with other organisations in the region to explore and develop a unified approach to Living Wage practices. By working together, we aim to **set new benchmarks** that align with the evolving economic landscape of the UAE and the wider GCC, ensuring sustainable and meaningful progress for all.

Culture of Belonging

A diverse and inclusive workforce at Chalhoub Group enriches our organisational culture and fosters innovation, enhances decision-making, and enables us to better serve our stakeholders. We capture and analyse our key workforce's metrics year on year to identify our growth, track our progress, and set meaningful goals that align with our long-term DEI vision.

Our workforce reflects the dynamic and evolving nature of the regions we operate, with representation across **various nationalities & age groups**. We are committed to creating an environment where every individual feels valued, respected, and empowered to thrive. Our commitment to fairness, inclusivity, and wellbeing ensures that our workforce, regardless of their role or background, experience a true sense of belonging. Through transparent policies on promotions and salary adjustments, as well as meaningful cultural and wellbeing initiatives, we continuously create opportunities for connection, growth, and recognition.

From in-person and virtual roadshows to our revamped Group Orientation, we actively cultivate engagement and shared purpose. Dedicated celebrations such as **World Cultural Diversity Day and Bring Your Kids to Work Day** further reinforce our inclusive environment, ensuring that every team member has the space and support to contribute and succeed.

Women in Leadership & Beyond

As a signatory of the **United Nations Women's Empowerment Principles (UNWEP)** and a **member of the UNCC**, we are committed to promoting an equitable environment where women have equal opportunities to thrive, contribute, and lead, ensuring their representation and impact across all levels of the organisation.

Building on our previous Gender Gap Analysis conducted in 2020, we undertook a new assessment in 2024 to reinforce our commitment to identifying and addressing gender disparities across the organisation. This analysis provided valuable insights that have shaped our policies and initiatives, ensuring our DE&I efforts remain aligned with international best practices and global standards.



Women representation in total workforce grew from 61.6% in 2023 to **61.9% in 2024.**

Women in senior leadership (E1, E2, E3 level) increased from 32.9% in 2023 to **39.7% in 2024.**

Women in leadership (E1, E2, E3 level) is **40%, surpassing 2024 target.**



Chalhoub Group Gender Gap Analysis

Women's Empowerment Principles Gender Gap Analysis Tool (WEPs GAT)

Aligning with the WEPs and UN Sustainable Development Goals (SDG 5 - Gender Equality) to benchmark and improve gender-related initiatives, Chalhoub Group conducted the WEPs Gender Gap Analysis. This survey helped Chalhoub Group **assess progress, identify** opportunities, and strengthen its gender equality initiatives while also supporting the national initiatives of the countries in which Chalhoub Group operates, emphasising **women's empowerment and workforce inclusivity.**

94% equal pay practices

78% work-life balance support

71% recognition for health, safety, and workplace inclusion efforts

Chalhoub Group continues to drive gender equality by expanding inclusive policies, improving supplier engagement, and enhancing progress reporting to stakeholders. We reached a **62% score**, positioning it as an **"Achiever" in gender equality**. The Group excels in leadership commitment (100%), equal opportunity policies (100%), and professional development (100%), reflecting strong initiatives for women's empowerment.

Supporting Policies and Programmes for Women empowerment

Chalhoub Group has implemented a range of policies and programmes designed to empower women at various career stages, ensuring they have access to the resources, mentorship, and opportunities needed to succeed. Some key initiatives include:

Women in Leadership (WiL) Programme

A bespoke development programme offering mentorship, leadership training, and career growth opportunities to women in workforce.

Flexible Work Arrangements

Recognised with the Parent-Friendly Label, offering flexible working hours, remote work options, and enhanced maternity and paternity leave policies.

RAEDA Programme in KSA

Launched to support women in middle and senior management roles, aligning with Saudi Arabia's Vision 2030 gender empowerment goals.

41%

19 of 46 Women in Leadership (WiL) participants over the past three years have progressed into leadership roles within Chalhoub Group.



Emirati Women's Day Celebration

On August 28, we gathered with our colleagues, leaders, and the nationalisation team to honour our extraordinary Emirati women and their invaluable contributions to Chalhoub Group and the UAE.

The event featured a keynote address by Her Excellency Mariam Al Hammadi, Director General of The Big Heart Foundation and Vice Chairperson of the NAMA Women Advancement Executive Committee. Her inspiring words emphasised the empowerment of local talent and the importance of providing them with the necessary resources and opportunities to reach their full potential.



Creating Inclusive Spaces

Our efforts span across diverse nationalities, cultural backgrounds, and abilities, ensuring that inclusion is embedded at all levels of our operations. We champion gender parity, local talent development in operating regions, support PoD through inclusive hiring and workplace accommodations, and promotes cross-generational collaboration to harness the strengths of all age groups. Through strategic initiatives, cultural awareness programmes, and partnerships, we continuously refine our approach to inclusivity and build a workforce that is diverse, equitable, and representative of the communities we serve.



50 PoD in Total Workforce, more than 3 times from 2023

84% PoD retention rate

The Path of Empowerment for PoD

Our commitment to PoD is rooted in our belief that everyone deserves the opportunity to contribute meaningfully, regardless of their abilities.

Enabling Opportunities

We are dedicated to creating **career pathways for PoD** by offering tailored employment opportunities across retail, warehouse, and corporate functions. In 2024, we successfully **onboarded 24 PoD team members** in warehouse operations through job carving and workplace adaptation, ensuring an environment that meets their unique needs. Looking ahead **15 Emirati from PoD category** will be offered roles in our Dubai warehouse, further expanding our efforts.



Inclusive and Accessible Workspaces

To ensure an inclusive workplace experience, we have enhanced accessibility in our stores and offices.



- **350+ hearing loops** were installed across all stores to improve communication for customers with hearing impairments with **100% implementation** across all operating countries.
- **Accessibility widgets** were introduced on our corporate and careers websites, offering features such as **font adjustments, ADHD-friendly settings, and colour-blind modes**. The widget is now being embedded into the new Connexions intranet for improved accessibility.
- Store designs and refits were reviewed for **compliance with accessibility** standards.

We also drive training, awareness and education to promote an inclusive culture.

- **Sign language training** and a **PoD Inclusivity Playbook** equip teams with practical skills.
- **Chalhoub University** ran a **campaign** during Sustainability Week to encourage participation in DE&I training courses, ensuring **PoD inclusion** remains a key focus.
- A new initiative aimed at **neurodiverse customers** is in the pipeline, with pilots planned for a few stores and back-office spaces in collaboration with the Culture team.

Mowaamah Certification

Achieving the Accessible **Workplace Certification (Silver Award)** in **Saudi Arabia** is a reflection to Chalhoub Group's ongoing effort towards inclusivity. This milestone recognises our proactive efforts in fostering an accessible environment that empowers People of Determination to thrive in the workplace. The certification process involved a thorough **evaluation of our facilities, policies, and practices** to ensure they align with global accessibility standards. We are committed to enhancing our compliance and building a more inclusive workplace, with the goal of achieving the Gold Award.



Wosool Seal for Inclusive Spaces

Chalhoub Group is committed to creating accessible spaces for all, including People of Determination. In line with Dubai Municipality's initiative, we are **working towards securing the Wosool Seal**, which certifies buildings as fully inclusive and accessible. The Wosool Seal ensures compliance with key accessibility standards, including **easy-access doors, ramps, dedicated parking**, and specialised facilities to support seamless mobility. Achieving this certification underscores our dedication to fostering an inclusive environment and contributing to Dubai's vision of becoming an accessible city for all.

Chalhoub Group in KSA has Signed MoU with ASA, a non-profit job placement organisation for PoD.



Driving Change through Partnerships

Strategic collaborations play a crucial role in our PoD efforts. Through our partnership with the **Saeed Foundation**, we have strengthened our **hiring pipeline** and provided tailored development opportunities for PoD in KSA. Our participation in career fairs and industry events continues to enhance our external engagement and positioning as an **employer of choice for PoD talent**.

In the UAE, we continue to achieve significant milestones with our **partner ImInclusive**, with our latest workshop bringing together new hires and managers to foster hiring success. As we advance our inclusion journey, we remain committed to driving meaningful impact, with December dedicated to raising awareness on disability inclusion.

Expanding the scope of inclusion

In a significant step towards fostering inclusivity, Chalhoub Group hosted the **Pearl Initiative's Diversity in Business Leadership (DIBL) Programme**, bringing together leading organisations to expand the focus beyond gender diversity and emphasise the integration of **PoD in the workplace**. This featured a training session and roundtable discussion led by **Hafsa Qadeer from 'ImInclusive | Disability Inclusion' Service**.

With insights from leading organisations, the discussion highlighted that PoD inclusion is both a moral imperative and a business advantage, giving way to a diverse, forward-thinking workplace driven by equity and opportunity.



3 Talent Strategy

At Chalhoub Group, our talent strategy is designed to nurture a workforce that drives innovation, excellence, and sustainable growth. We are committed to attracting, retaining, and developing top talent to meet evolving business needs and create meaningful career journeys.

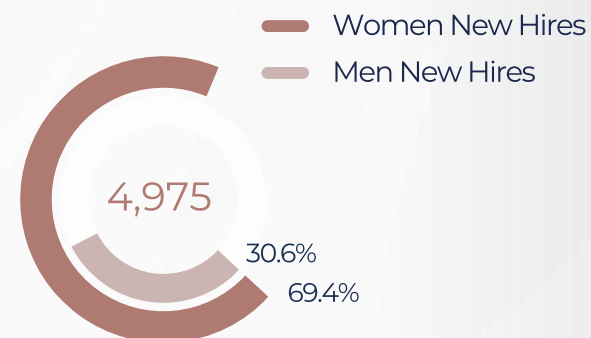
The strategy revolves around three pillars:

- Talent Acquisition
- Talent Retention
- Talent Development

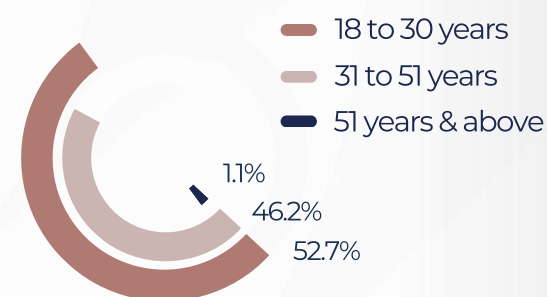
Each individual from our workforce is aligned with our organisational goals at every stage of their work lifecycle. We adopt a **proactive, data-driven approach** that integrates evolving market trends, workforce aspirations, and business requirements.

Talent Acquisition: Shaping Tomorrow's Workforce

We aim to attract the **best talent** by positioning **Chalhoub Group as an employer of choice** through strategic employer branding, partnerships, and dynamic recruitment initiatives while ensuring alignment with our culture and strategic objectives. We leverage a combination of strategic partnerships, employer branding, and technology-driven recruitment initiatives to create a robust talent pipeline. In 2024, we strengthened our talent strategy by embedding sustainability into our workforce initiatives, ensuring alignment between **career progression, nationalisation efforts**, and future business needs.



Total new hire 2024



New Hires by age



Strategic Approach to Talent Growth

Our key initiatives have centred around career acceleration, skill-building, and retention:

- Strengthening **our digital presence** and enhancing our reputation through recognition programmes and thought leadership content.
- **Collaborating** with leading universities, industry forums, and government bodies to build a **pipeline of skilled talent**.
- Leveraging **AI and data analytics** to identify, assess, and onboard talent more effectively.
- Driving nationalisation goals through **targeted initiatives**.

Progress in Talent Development

Our **My Bold Future UAE** Campaign has been instrumental in empowering Emirati talent through structured career pathways. This year, we deepened our engagement with the Higher Colleges of Technology, UAE (HCT) and key career fairs such as **Ru'ya Careers Fair UAE**, enabling greater access to career-building opportunities for young Emiratis.

The **SGIINWGEN Programme**, which focuses on fostering skills in Strategy, Growth, Innovation, and Investment, provided aspiring talent with six months of hands-on experience across Finance, Tech, and Corporate Innovation teams, enhancing their capabilities and preparing them for future leadership roles.

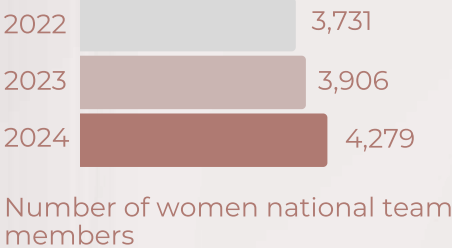
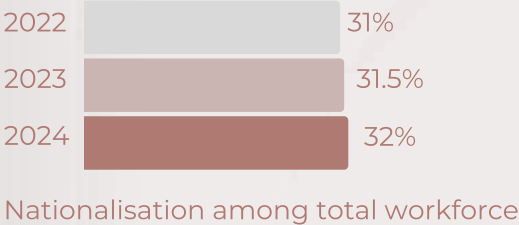
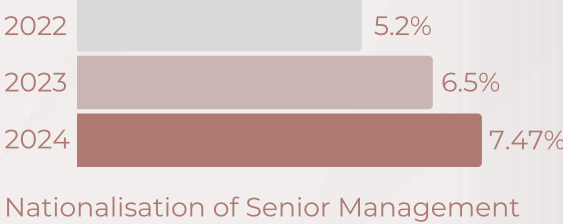
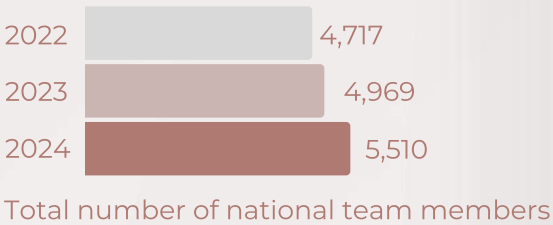


Attracting Local Talent

Chalhoub Group remains committed to attracting, developing, and retaining local talent in the UAE and KSA to support national economic growth and government localisation objectives. Our nationalisation strategy focuses on building career pathways and creating an inclusive work environment that empowers local talent.



77.6% of local team members are **women**



**The data in this section includes all countries of operation. The offices in Jordan, Egypt, and India have 100% of the local population.*

Emiratisation Initiatives

The **UAE Nationals Fast Track Policy** is designed to accelerate career growth and internal mobility for high-potential Emirati talent through structured pathways, dedicated mentorship, and tailored development plans. The initiative was spotlighted at the **Ru'ya Career Fair**, where our Nationalisation team was also shortlisted for two awards. Building on this momentum, we plan to expand the programme through targeted workshops and deeper partnerships to create more opportunities for Emirati talent. We also launched the **Frontliners Internship Programme**, ensuring newcomers are well-trained and engaged, which supports stronger retention. In recognition of our national store consultants, there is **50% increase in national allowances**, alongside the introduction of **two days off per week**. To foster community and dialogue, platforms such as the **Emirati Majlis** and **Bi-Monthly Nationals Townhall** were introduced. We have also signed an **MoU with the Emirati Human Resources Development Council**, advancing our strategic partnerships to support Emiratisation across the Group.

20% Emirati workforce growth in 2024 compared to 2023

29% Emirati National internal mobility rate

55% Emiratisation Hiring Growth



Our UAE **National Graduate Programme** has continued to serve as a launchpad for young professionals, offering an 18-month structured rotation model that provides cross-functional exposure, leadership training, and mentorship. The programme's focus on **individual development plans** and tailored retention strategies has ensured structured career growth and long-term retention of **high-potential Emirati talent (HiPo)**. Recognising the importance of early workforce integration, we also introduced dedicated opportunities for high school graduates, providing full-time employment and on-the-job training to nurture young talent from the outset of their careers.

Saudisation Initiatives

As part of our commitment to empowering local talent in KSA, we launched KSA-specific career development programmes, including the **RAEDA Women Leadership Programme**, designed to support the growth of women leaders in Saudi Arabia. **82%** of the first cohort successfully completed the programme, marking a strong start to this impactful initiative.

We had an intensive presence at career fairs and summits in Jeddah and Riyadh, engaging directly with talent across the region. Additionally, we strengthened partnerships with universities, offering tailored workshops and training to bridge the gap between academia and industry needs.



Talent Retention: Building a Culture of Engagement

Our retention strategy focuses on fostering an environment where team members feel valued, supported, and inspired to stay and grow. Our performance management framework is rooted in creating a **culture of growth, feedback, and alignment** with organisational objectives. By leveraging tools such as **DRIVE**, we ensure clarity, accountability, and continuous performance improvement. Our approach includes **goal setting, feedback cycles, and structured development initiatives** that promote transparency and **fairness across all levels** of the organisation. This is ensured by:

Individual Development Plans

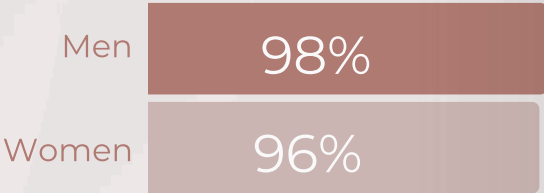
Quarterly Check-Ins

Structured Learning Modules delivered through Chalhoub University's HPT Learning Suites

360-Degree Performance Reviews

97%

of team members received regular performance and career development reviews.



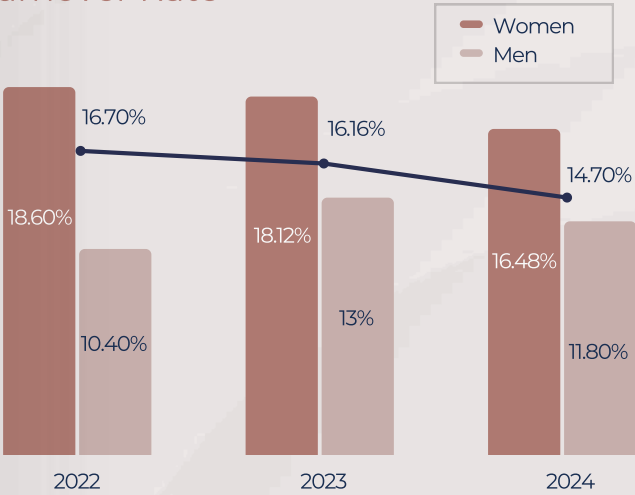
Performance Reviews completed

100% of back-office
93% of store consultants

86%

Team member Engagement Score

Turnover Rate



1.08% Team member Absentee Rate





Performance Development Plans

Managing team performance is an essential component for our organisation to support managers in **effectively handling performance gaps** while providing our team with the tools and resources needed to improve. The initiative involved conducting specialised workshops focused on **Performance Development Plans (PDPs)**, equipping managers with advanced coaching and mentoring skills, and establishing structured processes to monitor and guide underperforming team members. These efforts resulted in a **92% PDP completion rate, surpassing the initial target of 60%**, and led to a significant improvement in our people's performance metrics. Managers reported increased confidence in addressing performance issues, fostering a culture of continuous improvement and accountability.

92% PDP Completion rate

Performance Booster Month

The objective of the Performance Booster Month initiative was launched to enhance **people's readiness for the year-end performance cycle**, improve understanding of performance processes, and drive engagement with goal-setting tools.

A series of **targeted sessions** were conducted, involving collaboration with guest speakers and tailored communication materials to ensure clarity and participation. The initiative aimed to empower team members and managers with the necessary skills and confidence to navigate performance evaluations effectively.

High participation and positive feedback led to its adoption as a **flagship Chalhoub University initiative**. Moving forward, the programme will expand to include **mid-year booster sessions**, integrate advanced self-assessment tools, and refine performance targets for stronger business alignment.

360 Performance Review

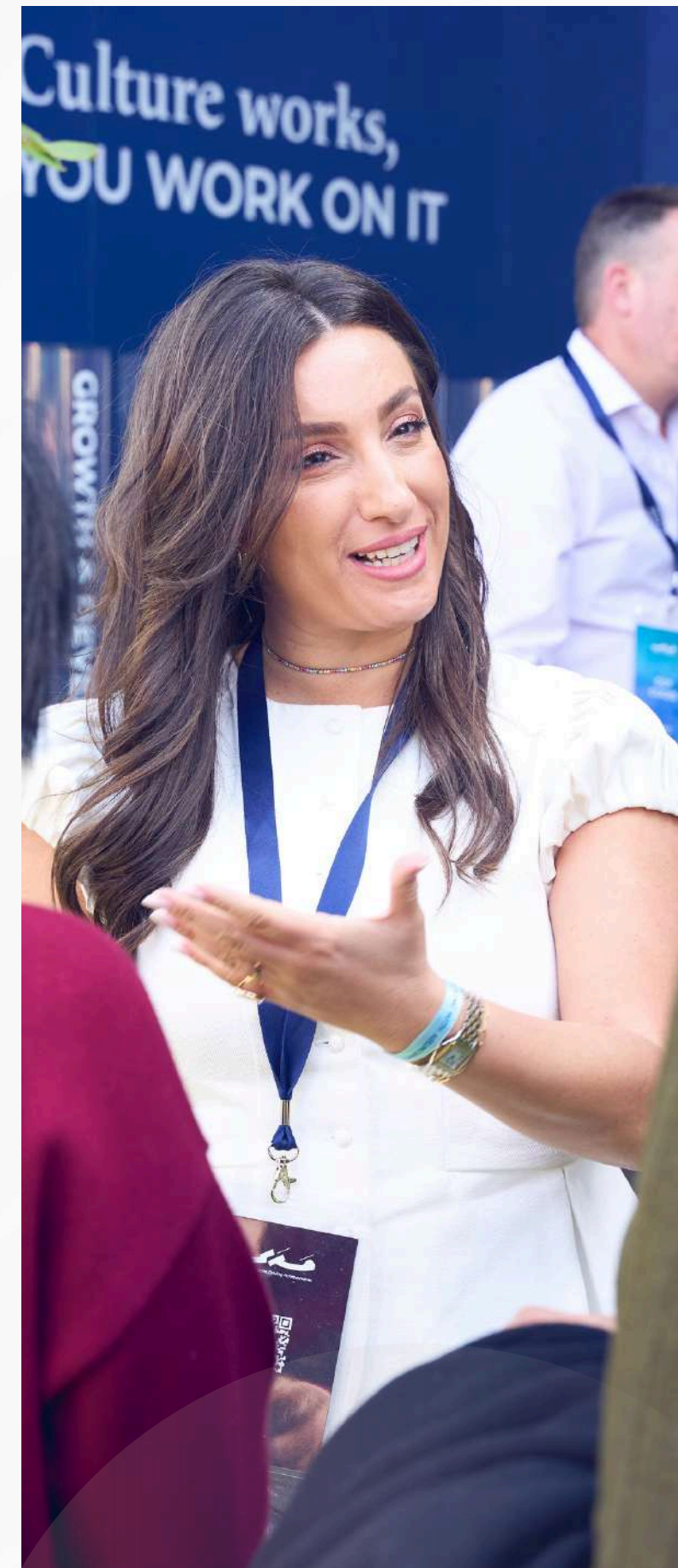
360 Performance Review was introduced to foster a culture of continuous feedback and development, ensuring fairness and transparency in people evaluations. The initiative included a refined review framework, training for managers and team members, and integration into the year-end performance cycle.

Increased adoption of multi-source feedback, promoting a more holistic approach to people evaluations

Improved team member alignment

Higher engagement with open-ended performance discussions

Moving forward, the focus will be on expanding mid-year feedback cycles, integrating with talent development initiatives, and enhancing upward feedback to support leadership growth.



A Future-Ready Workforce

With a multi-generational workforce, Chalhoub Group fosters an environment where diverse perspectives, experiences, and skills drive innovation and growth. We recognise the **fresh ideas, digital fluency, and purpose-driven mindset of Gen Z**, while valuing the expertise and insights of seasoned professionals. Through people engagement activities, recognition programmes, and targeted communication, we ensure that all generations feel valued and heard. Our initiatives enhance **workplace cohesion, encourage collaboration**, and leverage **generational diversity** to build a resilient and adaptive workforce for the future.

Early Career Opportunities

Initiatives such as internships and graduate programmes provide structured career pathways for Gen Z, equipping them with the skills and experiences needed to thrive.

Flexible Work Arrangements

Specialised training on digital tools, social media trends

Emerging technologies to harness their tech-savvy strengths

150 Part-time team members

184 Trainees

Cross-Generational Collaboration

We promote a culture of **mutual learning** and respect, enabling different generations to learn from each other and collaborate effectively. Key initiatives include:

Knowledge Sharing Platforms

Creating spaces where team members from different age groups can collaborate on projects, share experiences, and contribute to innovation.

Leadership Development

Encouraging leadership at all levels by offering training that bridges generational differences and promotes inclusive leadership practices.



Talent Development: Empowering Our People

We support our workforce in continuous learning and development to equip with the skills and knowledge required to excel in their roles and adapt to future challenges. With a strong emphasis on **internal mobility**, our talent development efforts focus on creating personalised growth opportunities and leadership readiness.

Our approach to Talent Management is centered around empowering every team member to take **ownership of their career growth**. We provide comprehensive tools and resources designed to inspire and guide our people in driving their professional journeys while aligning individual ambitions with the Group's strategic goals.



LeadForward Talent Programme

The objective is to build a strong **leadership pipeline, retain key talent**, and promote internal mobility through-

- Identification of top talent in collaboration with People Partners.
- Development of a curriculum focusing on four key leadership competencies.
- Implementation of experiential learning and immersive simulations.

Over **200 leaders, including 50 executives and 150 middle managers**, have benefited from the programme, with a focus on leadership competencies and strategic thinking.

87% participant satisfaction.

85% manager satisfaction with the progress of participants

Individual Development Planning (IDP)

IDP plans focus on equipping **key talent and successors** with the skills, experiences, and knowledge needed to thrive in dynamic roles through-

Personalisation

Development plans are crafted to meet individual career goals while addressing organisational needs.

High-Touch Support

The Group Talent team collaborates closely with VPs People and People Partners to ensure robust guidance and alignment.

Comprehensive Resources

Team members benefit from workshops, videos, and tools to support their growth journey.

*Looking ahead, we aim to **expand IDP reach to 85% of high-potential team members**, leveraging technology to create more dynamic and adaptable IDPs. Strengthening managerial involvement will be key to ensuring consistent execution and meaningful career growth.*

73% coverage

of successors and high-potential talent team members with actionable IDPs.



Leadership 360

Leadership 360 was introduced to **enhance self-awareness and align leadership behaviours** with organisational goals. The programme streamlined **360 Statements** to focus on strategic contributions, improving engagement and clarity. **In 2024, 90 senior leaders** participated, completing debriefs and crafting **actionable development plans**, leading to improved situational awareness and strengthened leadership capabilities. Moving forward, Leadership 360 will be integrated into broader talent management initiatives, with plans to expand the programme to mid-level managers, fostering leadership readiness across all levels.

Chalhoub University

Chalhoub University represents our commitment to a long-term strategy aimed at transforming Learning and Development within the Group. By breaking down barriers related to budget constraints and geographical limitations, we ensure accessible and impactful learning opportunities across all regions. This is accomplished through:

Establishment of Five Academies

- Retail Academy
- Leadership Academy
- Digital Academy
- Enabling Arts Academy
- Wellbeing Academy

Learner-Led Culture

Encouraging team members to choose how they learn and grow.

Hybrid Learning Model

Blending in-classroom and online experiences to ensure continuous access to learning resources.

Subscription-Based Model

Providing ongoing access to courses beyond traditional pay-per-course approaches.

Mentoring and Coaching

Developing internal and external talent to create engaging learning experiences.

Key Training Programmes

Retail Academy

START programme, Chalhoub Retail Vocational Qualification (CRVQ), Level 1 and 2 Career Advancement programmes.

Leadership Academy

Leading Teams, Leading Leaders, BOLD, Women in Leadership, Servant Leader as Coach, Elevate, Behavioural programmes.

Digital Academy

GenAI for Everyone, Code of Ethics, Data Protection Awareness, Cybersecurity, partnerships with world renowned learning platforms such as Udemy and Coursera.

Wellbeing Academy

Mental Health Awareness, Financial Wellbeing, Meditation Thursdays.

AED

20.4 Million

of investment in training

NPS Score

9.57

out of 10
level of learner satisfaction

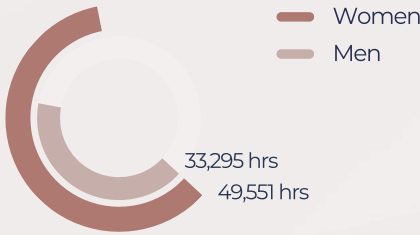
VOB Score

8.4

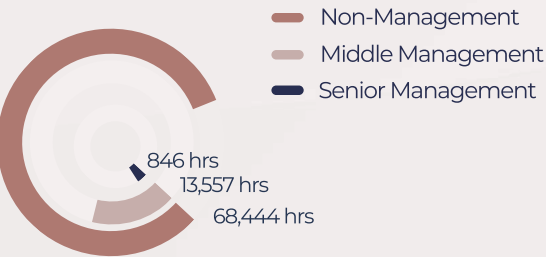
out of 10

Training Hours

82,846 Hours of training delivered



13,978 Hours of e-learning training delivered



Celebrating Excellence: Retail Academy Graduation 2024

The Chalhoub Retail Academy proudly celebrated the graduation of 186 participants in 2024, marking a significant milestone in nurturing talent within the retail sector. The ceremony celebrated the achievements of Store Leaders, Retail Managers, Skincare Ambassadors, and other graduates who completed a range of programmes designed to elevate their skills and career prospects.



Chalhoub Group Alumni gathering in 2024

Learning Pathways Project

The Learning Pathways offer personalised learning journeys and provide a clear roadmap for skill development and career advancement. Initially designed based on the Group's technical competencies framework (610 competencies), they were expanded into a comprehensive Skills Taxonomy for each Job Family.

The Enabling Arts Academy launched the Learning Pathways project, targeting approximately **2,800 back-office team members** in **22 different Job Families** and their **174 sub-families** such as Finance, Marketing, People & Culture, Retail & Distribution, and Supply Chain.

Emphasising agility and specialised expertise, the T-shaped learning approach equips our teams to tackle diverse challenges, stay relevant, and contribute significantly to the Group's success.

64% engagement

56% Courses completed

5,807 Hours of learning for back offices

3,021 Courses enrolled

Generative AI Education

In response to the rapid evolution of AI technologies, Chalhoub Group launched the Generative AI Education Initiative to equip team members with a foundational understanding of AI and its transformative impact on business operations. This multi-phase programme reflects our commitment to staying ahead in an increasingly AI-driven world.

The objective is to establish a common understanding of Generative AI, promote responsible usage, and prepare team members to leverage AI for enhanced business outcomes.

Phase 1: Foundational Learning

- Developed a Group-wide eLearning module, Gen AI for Everyone, aligned with insights from key stakeholders, including the Chief Technology and Chief Customer Officers.
- Focused on key areas such as AI fundamentals, prompt engineering, and responsible use of AI.
- Launched the AI Central Hub on Chalhoub University's platform, featuring-
 - A foundational eLearning module.
 - An AI Toolbox showcasing tools for text, image, video, and task automation.
 - A collaborative space for team members to share and recommend AI tools.

Engagement and Impact

- High engagement rates with the AI eLearning module.
- The AI Toolbox facilitated cross-functional learning, enabling team members to explore practical AI applications tailored to their roles.

Phase 2: Functional Upskilling (Plan for 2025)

- Develop advanced AI modules tailored to specific business functions, enabling team members to apply AI solutions in their daily operations.
- Introduce an AI Leadership Programme in collaboration with leading institutions, focusing on empowering leaders to integrate AI into strategic decision-making.

As AI becomes integral to Chalhoub Group's operating model, the programme will evolve to ensure that all team members are equipped to leverage its full potential.



4

Healthy and Safe Workplace

Chalhoub Group's approach to health, safety, and environmental management is rooted in internationally recognised standards and best practices. Through our ISO-certified systems, robust reporting tools, and a structured governance framework, we ensure comprehensive coverage across logistics, offices, and retail spaces. ISO 45001 for Occupational Health & Safety is a key certification aligning with global human rights standards, ensuring the protection and wellbeing of our workforce. Our proactive risk management approach involves engaging team members in hazard identification and mitigation efforts, driving a strong culture of safety. These initiatives are aligned with the UN Sustainable Development Goal 8 and UAE Centennial 2071, underscoring our commitment to creating a safe and sustainable work environment.

Building upon last year's successes, 2024 marked a significant step forward in our HSE journey, with several milestones achieved. The **expansion of our ISO certifications to include not only logistics but also our offices and retail stores has been a defining accomplishment.** With ISO 45001 for Occupational Health & Safety and ISO 14001 for Environmental Management is **now covering all offices, logistics, and stores.**

In alignment with our commitment to operational consistency, a Group-wide HSSE policy was introduced. This policy standardises practices across all touchpoints, ensuring that roles and responsibilities are clearly defined through a structured RACI matrix. Our focus on governance and operational efficiency has led to improved coordination and accountability within teams.

0 Number of fatalities

1 Number of lost-time injuries

0 Number of high-consequence work-related injuries

Incident reporting has seen a significant transformation with the deployment of digital tools across our operations. The logistics function continues to utilise Digitalog, while retail stores leverage the Focus platform for real-time tracking. Offices have adopted digital platform ensuring that incidents, unsafe acts, and conditions are reported and addressed promptly. This enhancement not only streamlines reporting but also facilitates better preventive action planning across the Group.

Recognising the diverse risk profiles of our facilities, we have implemented tailored operational controls and increased training hours across logistics, offices, and retail stores. Structured training programmes have been instrumental in embedding a culture of awareness and preparedness. Additionally, a Group-wide health campaign offered team members free medical assessments, including blood tests, vision checks, and bone density tests, reinforcing our commitment to their health and wellbeing.



- Achieved **ISO 45001** Occupational Health & Safety Management and **ISO 14001** Environmental Management certifications for offices, logistics, and stores for the first time at a Group level.

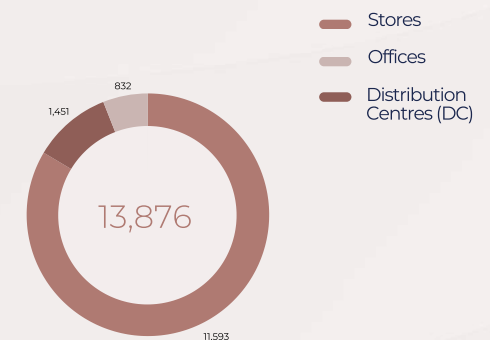
- Implemented **Group-wide incident reporting tools** with enhanced tracking and analysis capabilities to drive proactive safety measures.

- Successfully organised the **'Chalhoub Safe Driving Campaign'**, featuring Road Safety Exhibits, Live Demonstrations, and an Interactive Classroom Lecture to promote responsible driving practices.

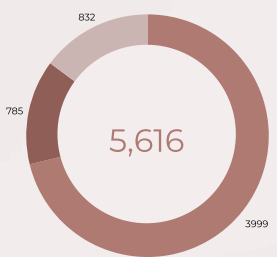
- Developed a structured RACI matrix to establish clear roles and responsibilities, strengthening accountability across teams.

- Delivered over **13,876 training hours**, focusing on safety awareness, operational controls, and risk mitigation.

- Introduced **induction programmes** in both English and Arabic to ensure accessibility and engagement for all team members.



Number of training hours completed



Number of team members trained in HSE



Major HSE Training Programmes

	Emergency Response Training	Preparing team members to effectively respond to various emergency situations, ensuring safety and minimising risks.
	Fire Safety Training	Educating teams on fire prevention, hazard recognition, and proper use of firefighting equipment.
	Group HSSE Induction	Introducing team members to the organisation's HSSE policies, workplace hazards, and safe work practices.
	Fire Warden Training	Training designated personnel on fire risk assessment, evacuation procedures, and emergency coordination.
	First Aid Training	Equipping team members with essential life-saving skills to provide immediate medical assistance in emergencies.
	IOSH Managing Safely	Providing managers and supervisors with the knowledge to assess risks, implement controls, and foster a safe work environment.

2025 and Beyond

The year 2025 marks a transformative compliance journey, with rigorous audits, structured market visits, and enhanced governance frameworks reinforcing our commitment to safety excellence. We are actively expanding HSSE certifications to international facilities while rolling out a competency-based training matrix across all team member levels, ensuring a standardised and scalable approach to safety development.

To enhance proactive risk management, we are integrating advanced analytics into incident reporting, leveraging the latest technology and digital platforms for data-driven safety interventions. Additionally, we are collaborating with government partners and HSSE regulatory bodies, aligning with their recommendations to continuously refine and elevate our HSSE standards.

Aligned with Group strategies, the Group HSSE team is working alongside the Group Wellbeing Team to introduce ergonomic assessments and lifestyle programmes, fostering a holistic approach to workplace health and safety.

Continuous Improvement and Engagement

We encourage our workforce's active participation in workplace safety through regular safety briefings, toolbox talks, and digital reporting platforms such as Digitalog and Focus. Our "Speak Up" hotline and non-retaliation policy ensure a secure, transparent channel for raising safety concerns, strengthening a culture of accountability.

Emergency preparedness remains a top priority, with regular response drills, first aid training, and internal audits reinforcing our continuous improvement efforts.

Looking ahead, we will utilize international standards, latest technology, and digital transformation to drive a robust, forward-thinking Group-wide safety strategy, ensuring sustainable and resilient operations.



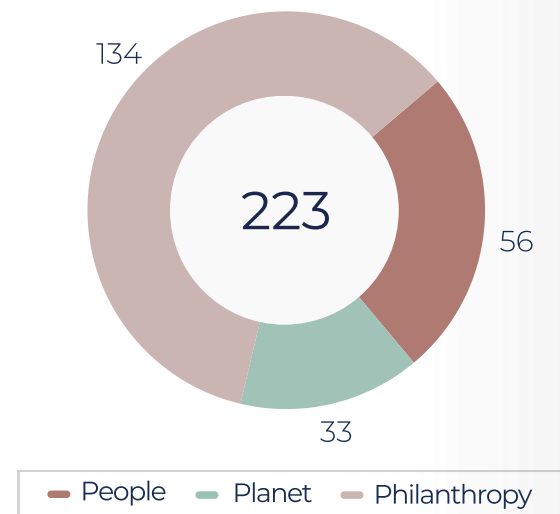
5 Impact to Wider Community

At Chalhoub Group, our commitment to making a tangible difference goes beyond business success. Through our Impact Leaders Programme, we have cultivated a culture where workforces are empowered to drive meaningful change in their communities. In 2024, we have expanded our efforts across key pillars: community engagement, philanthropy, volunteering, and customer engagement, ensuring our influence reaches far and wide.

Read about our Philanthropic efforts in a dedicated section presented on page 88.



Number of Impact Initiatives Regionally



Bronze for CSR
CSR Forum

Chalhoub Group Wins Bronze for CSR at KSA's First CSR Forum

Chalhoub Group has been awarded **Bronze in the CSR** category at the first edition of the CSR Forum, organised by the **Ministry of Human Resources and Social Development – KSA**. This recognition highlights our efforts in community engagement, sustainability, and social responsibility. Our teams continue to drive impactful activations that support local communities and promote sustainable practices. This award reflects the dedication of our people and our commitment to making a difference.



Volunteering

Creating Impact Together

Volunteering reflects the values we live by and the purpose that unites us as Chalhoub Group. This year, our team members dedicated **over 9,400 hours** to meaningful causes across the region, creating ripple effects of change far beyond our workplace.

From planting trees and beach clean-ups to educational mentorship and support for People of Determination, our volunteering initiatives speak to our belief in community-led transformation. During Sustainability Week, hundreds of team members stepped up, championing circular economy efforts, promoting recycling and driving donation campaigns, and hosting awareness workshops- to create wider impact where it mattered most.

The Impact Leaders

At Chalhoub Group, our community engagement is led by our people. Through the Impact Leaders, 775 team members across the Group take the lead in championing meaningful causes, driving their teams to volunteer their time, skills, and creativity to shape and **deliver long-term, high-impact community initiatives and awareness** campaigns.

From mentoring aspiring entrepreneurs to delivering inclusion workshops and leading on-the-ground community initiatives, our Impact Leaders are creating positive impact in education, empowerment, and shared value.

In 2024, we saw remarkable growth, with **462 new Impact Leaders** joining across the region, driving education, inclusion, and community empowerment.

Their collective efforts continue to shape our community impact strategy, ensuring that Chalhoub Group remains a catalyst for sustainable and meaningful change. Through this programme, our team members actively volunteer, mentor, and advocate for causes that align with our values, reinforcing a culture of purpose-driven leadership within the Group.

775 Impact Leaders across 8 Countries



Inclusion and Support for People of Determination (PoD)

A core focus of Chalhoub Group is fostering an inclusive and accessible environment for People of Determination. Our people are creating spaces where empathy, creativity, and care come together to uplift PoD. Through **immersive engagements**, **accessibility support**, and awareness-led initiatives, we are helping shape a more inclusive environment for PoD.

8 PoD initiatives

136 volunteers involved

592 hours of volunteering

1,729 lives impacted

We've created opportunities for creative self-expression and engagement, such as our **ceramic painting day with students of determination** from Al Noor in the **UAE**, and a **pottery workshop in Saudi Arabia** designed to raise awareness around autism while bringing joy through hands-on learning. In **Qatar**, a visit to Kidzania allowed children of determination to explore the world of imagination, learning and play in an empowering environment.



In **Egypt**, our Group's initiative with Resala led to the **distribution of 680 school kits**, including stationery, snacks, and small meals for children of determination. In **Bahrain**, we **donated audio equipment**, iPads, and essential learning tools for visually impaired students. NVDA voice software licences were also provided, ensuring digital access to education for those who need it most.



A special excursion to **Dubai Safari in the UAE**, where 25 students from the Senses Center were accompanied by 30 volunteers from SGII and Level Shoes—creating an experience rich in connection, discovery, and joy. Our teams also spent a day **at the Senses Residential and Day Care for Special Needs**, pairing up with children and raising funds to sponsor meals for 140 students, proving that small acts of kindness can create lasting memories.

Chalhoub Group proudly supported **the Al Noor Superhero Walk for Inclusion** organised by Al Noor Training Centre, where participants transformed into real-life superheroes. Families, friends, and individuals of all abilities came together, donning capes and costumes, to walk or run a **2-kilometer** course - symbolizing unity, resilience, and empowerment. And in **Saudi Arabia**, our teams marked **POD Day** with a meaningful engagement at the Help Center, building relationships and breaking down barriers through companionship and care.



Educational Empowerment

Through partnerships with leading academic institutions, grassroots education initiatives, and people-led learning sessions, we are cultivating future talent and supporting students across the region to **learn, grow and lead with confidence**. Our reach spans universities, community schools, and charitable institutions—each initiative tailored to spark curiosity, share real-world insight, and make education more accessible and inclusive.



Enabling Green Learning

We implemented a practical approach to environmental education in **Kuwait**, involving the **planting of seeds with 413 students** and the creation of sustainable greening zones at Adaliya Government School, thereby fostering awareness of sustainability from an early stage.



Treating Pathways for Knowledge and Growth

Education remains at the core of our community initiatives. Since 2006, we have supported **151 scholars across 15 universities**, with **40 scholars** benefiting from our support in 2024 alone. Chalhou Group collaborates with prestigious institutions, including SciencesPo Menton & Paris, International College, Dubai Institute of Design and Innovation (DIDI), The Big Heart Educational Center, Zayed University, IE Business School, King Abdulaziz University, Dar Al Hikma University, American University of Sharjah (AUS), American University of Beirut (AUB), Notre Dame University (NDU), Université Saint-Joseph (USJ), Effat University, and United World Colleges (UWC). Through sessions covering **fashion marketing, sustainability, visual merchandising, digital transformation, and social impact**, our people shared their expertise, real-world experiences, and future-focused insights—equipping over **1,000 students** across **UAE, KSA, and Qatar** with inspiration and direction.

In 2024, we expanded our efforts in knowledge sharing and educational support, engaging with students and young professionals through:

- Symposiums, guest lectures, learning expeditions, business challenges, mentorships, university workshops, and career fairs, providing industry insights and professional development opportunities.
- Scholarships and sponsorships to support students in pursuing higher education and specialised training.
- Collaborations with academic institutions to equip young talent with the skills needed to thrive in the luxury, fashion, and retail industries.

AUS x Chalhou Group Symposium & Guest Lecturing - 2024

14 initiatives

23 volunteers

564 students impacted



Sustainability Week

One of the most anticipated events of the year, Sustainability Week, brought together team members across regions to engage in a variety of impactful activities. From environmental awareness workshops to hands-on initiatives like beach cleanups and tree planting, the week served as a powerful reminder of our collective responsibility towards the planet.

Focus Area	Initiatives
Circular Living	E-waste and beauty recycling campaigns
	Reuse, repurpose, recycle warehouse clean-ups
	Beach clean-up drives
	Internal garage sales supporting social causes
Community Engagement	Blood donation drives
	Clothes, books, and toy donations
	Inclusive engagement with underprivileged and specially abled children
Nature & Green Practices	Tree planting activities
	Gardening and composting workshops
	Permaculture and seed bank awareness sessions
Learning & Leadership	Climate Fresk Workshop for senior leaders
	Panel discussions on circularity and sustainability
	Sustain-O-Rama: gamified team member engagement



2,314 trees planted

3,001 KG of waste collected

20 of our top-performing stores achieved an **e-receipt adoption** rate of over **70%** during this week.

39 initiatives

1,168 volunteers involved

1,378 hours of volunteering

1,590 lives impacted



Customer Engagement: Elevating Experiences with Purpose

Customer satisfaction remains a cornerstone of our success. We have launched the Customer Happiness Center at Level Shoes this year stands to enhance the shopping experience of our customers. By addressing customer concerns directly and efficiently, we remain committed to our promise to keep our customers at the heart of everything we do.

Chalhoub Group's Recognition in the KSA Sustainability Index

Chalhoub Group secured 3rd place in the KSA Sustainability Index, issued by Fashion Futures under the Fashion Commission, outperforming the industry average with a 70%+ score in Social Impact and Leadership & Governance (industry average: 56%). Our key contribution were in the field of strong ESG governance, impactful social initiatives, strategic partnerships, and early-stage circularity efforts.

Industry Recognition & Impact

The Index recognised Chalhoub Group as a key enabler of international brands in Saudi Arabia, highlighting its alignment with Vision 2030 and leadership in sustainable transformation within the fashion industry.



PARTNERS

We are committed to ethical and responsible practices across our value chain while embracing collaboration and innovation through partnerships. Rooted in our vision to create sustainable shared value, we approach partnerships through multiple streams. We work with our business partners, and industry peers to shape impactful strategies and best practices in the region and the globe; partner with suppliers to enhance upstream visibility and mitigate critical ESG risks; and nurture the region's entrepreneurial spirit through The Greenhouse, where we break from conventional thinking and incubate bold ideas for sustainability.

Sustainability Across Our Value Chain

Diverse Partnerships for Sustainable Growth

Innovative & Entrepreneurial Partnerships

Our Commitments



Led the development of industry-level KPIs with our partners at **Unity for Change**

Achieved our first milestone of ROAD 2.0 Pledge through the **UAE Alliance for Climate Action (UACA)**

Three sustainability-linked loans signed till date, our first in KSA in 2024

Recorded more than **7,170 supplier entries**; evaluated more than **1,800** against ESG principles aligned with UNGC

11 startups activated through The Greenhouse

1 Sustainability across our Value Chain

Building Transparency and Ethical Alignment with our Partners

We assess our partnerships through the environmental, social, and ethical business guidance provided by international frameworks, leveraging our role as a leading luxury retailer to champion a responsible value chain. Our framework is outlined in our **Group-level Partners Code**, drawing clear expectations on transparency, accountability, and sustainability. All **partners are required to sign the Partners Code** upon engagement, signifying their commitment to Chalhoub Group's values. Compliance is regularly assessed through the **supplier scorecard, audits, surveys and engagement sessions**.

Key Principles of the Partner Code

Labour and human rights

Health, safety and security

Ethics & compliance

Confidentiality, privacy and intellectual property

Environment

International Reference Points of our Partner Code



Universal Declaration of Human Rights



OECD Guidelines for Multinational Enterprises on Responsible Business Conduct



Supplier Assessments and Engagements

Our journey towards a sustainable value chain has evolved into a comprehensive, data-driven narrative of accountability and transparency. When working with our suppliers, our purpose is beyond meeting basic compliance; it is to further embed responsible business principles into every facet and use robust insights to drive collaboration for sustainability targets.

Supplier Assessment and Engagement in Sustainability

Launched in 2019 and refined annually, our **Sustainability Supplier Scorecard tool** has helped us create a baseline for upstream sustainability visibility. We aim to systematically assess our suppliers across 45 countries, evaluating them on critical metrics such as environmental stewardship, human rights, labour practices, anti-corruption, and transparency in line with UNGC Principles.

In 2024, automated reminders and integration into the supplier onboarding process boosted our **completion rate to 37%**, surpassing previous targets and moving us closer to our **45% goal by 2026**.

A key milestone in this journey has been the development of **supplier maps**, offering a clearer view of the geographic distribution of partners and key supply chain hubs. With regions like KSA and the UAE accounting for a substantial portion of operations, this mapping exercise enables us to prioritise suppliers with enhanced sustainability impact.

We actively engage with our suppliers through collaborative forums and structured follow-ups. These interactions provide clarity on our expectations and foster a culture of shared responsibility.

For **suppliers scoring below 59%**, we initiate targeted support programmes that **include one-to-one feedback sessions and webinars**, ensuring continuous improvement and elevated standards. To ensure our tracks are auditable and reliable, we conduct random compliance checks and provide one-to-one support for flagged suppliers. Suppliers are flagged for engagement based on predefined criteria, including the company's number of employees and the total amount spent with them over the past three years.

The Group is also exploring the automation of response rate tracking and AI-driven compliance tools to streamline supplier assessments and transition towards a more robust external supplier evaluation framework.



Supplier ESG Performance Assessment

7,170 total number of suppliers

37% scorecard completion rate

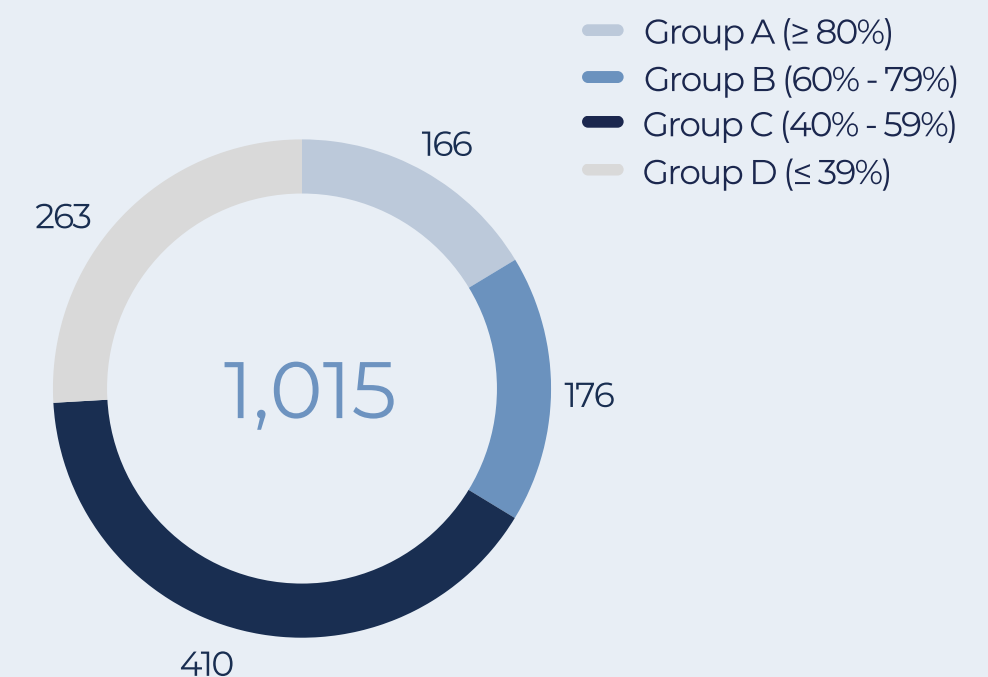
2,706 suppliers assessed in 2024

45 countries represented

60 Suppliers Flagged for High-Risk Areas such as Human Rights, Labour and Anti-Corruption

81% Compliance Documents Verified as Accurate

Supplier Score Distribution



Modernising Procurement for Sustainability

The procurement function at Chalhoub Group, now part of the Group Environmental Taskforce, has become a critical driver of **operational efficiency and sustainability alignment**.

A major shift in procurement has been the centralised management of non-merchandise procurement across key categories, including technology, marketing, logistics, and indirect procurement. This consolidation has eliminated redundancies, optimised purchase order PO issuance, and accelerated procurement cycles.

At the same time, the Group has taken targeted efforts to integrate ESG criteria into supplier selection, with **sustainability performance accounting for 5%** of tender evaluations. Moving forward, each purchase category will be assessed for sector-specific ESG risks informing procurement decisions. These evaluations consider-

Energy efficiency and waste reduction efforts to support Scope 3 emissions reduction

Governance frameworks and ethical business practices aligned with UNGC principles

Compliance with sustainability policies to ensure responsible sourcing and operational transparency

Furthermore, we organised joint sustainability and procurement sessions in operational hubs of KSA and UAE where the majority of our indirect supply chain is located. For KSA, localisation efforts such as Arabic-language sessions and culturally tailored content were introduced to overcome barriers and enhance engagement. We have collaborated with regional agencies and NGOs and appointed dedicated procurement representatives to support local suppliers in KSA and to facilitate supplier capacity building.

These integrations will support the Group's broader commitment to Scope 3 emissions reduction and procurement, which now actively contributes to achieving the Group's Net Zero goals by 2040, aligning supplier practices with emissions targets. Building on our 2024 achievements, we are committed to expanding these collaborative sessions to cover more suppliers throughout the MENA region. At the same time, we will formalise our Supplier Relationship Management (SRM) function to reinforce long-term partnerships and enhance our supplier vetting processes.



Chalhoub Group was awarded the **Platinum Category by the Dubai Chamber of Commerce**, in recognition of its outstanding collaboration and excellence in the export and re-export process.

Brand Partner Engagement Programme

In 2024, Chalhoub Group **launched the first-ever Brand Partner Engagement Programme**, an ambitious initiative to drive collective efforts to reduce our shared emissions across all 3 scopes of our Carbon Footprint. This programme managed to engage **44% of our priority global brand partners** to address the most significant contributors to **Scope 3 emissions**, particularly in Category 1 (purchased goods and services) and Category 15 (investments), which represent 74% of the Group's total emissions. Through collaborative workshops, tailored capacity-building sessions, and tools for emissions tracking, Chalhoub empowered its partners to adopt more sustainable practices.

12 capacity-building sessions on climate action and governance

15 brand partner one-to-one engagements on sustainability

2 Diverse Partnerships for Sustainable Growth

Chalhoub Group's innovation strategy is tightly interwoven with our sustainability goals, serving as a proactive approach to future-proof the Group. By forging new partnership models, experimenting with emerging technologies, championing local startup ecosystems, and demonstrating **active advocacy and action-oriented leadership** in key industry networks, we ensure we stay ahead of the curve while driving positive impact.

In 2024, these efforts led to innovative partnerships that redefine luxury retail sustainability, fuel the region's sustainable finance agenda, empower young talent, and explore novel technology integration, ultimately advancing global and local sustainability commitments.

Unity for Change

The **Unity for Change initiative** is a groundbreaking collaboration among the UAE's top retailers and real estate developers, including **Chalhoub Group, LVMH, Emaar Malls Management, Majid Al Futtaim, and Aldar Properties**. First introduced during COP28 in 2023, this year, the alliance has finalised a comprehensive sustainability framework designed to redefine retail and mall operations across the region. By uniting resources and expertise, the member industry leaders drove tangible, realistic, yet **ambitious sustainability targets** through continued dialogue, collaborative workshops, assessments, and knowledge-sharing.



In December 2024, during the **LVMH LIFE 360 in Stores Awards** in Paris, the Group and partners of the Unity announced official and joint KPIs for **energy efficiency, eco-design, and waste management**, committing to working together to advance industry norms.

Comprehensive manuals, digital progress dashboards, and unified training programmes will be implemented in 2025 to ensure alignment, transparency, and stakeholder engagement in sustainability initiatives. By setting a scalable model, Unity for Change highlights the power of collaboration in addressing critical environmental priorities.



Energy Efficiency

For Malls - Achieve a minimum of 5% annual energy savings or carbon emissions reduction for all shopping centres starting 2024.

For Stores - Reduce energy consumption for all stores to achieve energy consumption below 300 kWh/m² per year.

Eco-Design

Implement a 12-criteria checklist for sustainable retail renovations and new projects.

Waste Management

Aim for zero waste to landfill by 2030 for Chalhoub Group and LVMH and a 50% diversion rate for Majid Al Futtaim, Emaar Malls Management, and Aldar Properties.



UAE Alliance for Climate Action

During COP28, Chalhoub Group formally pledged its support for Road 2.0 with UACA. Organised by WWF and endorsed by the Ministry of Climate Change and Environment, this initiative unites industry leaders and smaller businesses under a common goal: accelerating the transition to low-carbon fleets and logistics.

We have since actively engaged in UACA working groups, sharing hands-on insights, identifying challenges, and co-creating best practices for Climate action with a focus on EV implementation with Road 2.0 pledge. We joined two dedicated sub-streams, one focused on **procuring EV suppliers** at collective rates, the other **lobbying for policy reforms** to adopt cleaner emission standards on UAE roads.

Additionally, we **contributed to the development of a Climate Dashboard** shared among UACA members, facilitating data-driven decisions and clearer visibility of emissions across participants.

Under the Road 2.0 pledge, we have set a roadmap for transitioning our fleet to EVs. This year, **we achieved a 11% transition of our B2C fleet and are installing new charging points at key facilities.** *Details of our EV roadmap are available in the Planet section.*

First ESG-linked Loan in Saudi Arabia



Chalhoub Group further reinforced its sustainability commitments in 2024 through an **ESG-linked working capital facility with Emirates NBD**, marking the **Group's first sustainable finance arrangement in KSA**. Held in Jeddah, the signing ceremony brought together leaders and senior officials who emphasised the shared goal of safeguarding the Kingdom's retail sector and **contributing to Vision 2030's** wider sustainability agenda.

Expanding our sustainable finance framework into Saudi Arabia has strengthen the Group's Net Zero ambition. It has also provided a roadmap for future **ESG-aligned financing** in the region.

Looking ahead, the Group plans to extend this sustainable finance initiative to other regions, following its vision of fostering positive impact and responsible growth across markets.

Strategic Partnerships for Sustainable Growth



As part of the **Transform Chalhoub initiative**, Chalhoub Group launched a strategic **digital transformation in partnership with SAP and Blue Yonder**. The Group began implementing RISE with SAP, SAP S/4HANA, and a suite of industry-specific applications to transition to a unified, cloud-based ERP platform. This will enable **real-time data access**, improve operational visibility, and support automation through embedded **Business AI** – all contributing to more efficient, transparent, and sustainable business processes.

In parallel, the Group partnered with Blue Yonder to strengthen supply chain resilience through advanced, **AI-driven supply chain solutions**. These tools will help optimise inventory, reduce waste, and enable smarter, more sustainable decision-making across retail operations.

Together, these efforts mark a key milestone in Chalhoub Group's journey to future-proof its operations and embed sustainability into its core business processes through innovation and digital integration.

3 Innovative & Entrepreneurial Partnerships

Unlocking Novel Boundaries in Entrepreneurship with The Greenhouse

The Greenhouse is Chalhoub Group's hub for bold entrepreneurship and innovation. Since its inception in 2018, it has been instrumental in transforming the regional entrepreneurial ecosystem. With a mission to **empower the next wave of successful entrepreneurs**, The Greenhouse provides tailored guidance, resources, and access to Chalhoub Group's extensive networks. Its approach combines venture building and venture sourcing via dynamic innovation programmes.

The Incubator

Nurtures early-stage ventures by providing mentorship, tools, and a launchpad for ideas.

The Startup Studio

Co-creates scalable business, supporting entrepreneurs with Chalhoub Group's expertise and strategic guidance.

The Accelerator

Fuels late-stage ventures with funding opportunities and business model refinement.



100+

entrepreneurs supported through 15+ programme cohorts

28

venture investments, with 11 active startups

25+

concepts tested

Launched the inaugural Investor House event

The Greenhouse in KSA: a year of transformation and engagement

In 2024, The **Greenhouse KSA** ignited a wave of innovation, drawing over 180 applications and incubating 25 forward-thinking concepts that span sustainability, retail tech, and inclusive solutions. Workshops were held on pressing topics such as generative AI, brand strategy, and retail transformation, as well as the Kingdom's **first retail-tech hackathon**, unearthing transformative solutions tailored to Saudi Arabia's expanding retail market.

Bolstered by partnerships with notable industry players and initiatives, such as **Meta's Llama Design Drive** and **Chalhoub's Ibtikar Training Programme**, entrepreneurs received mentoring, skill-building, and a launchpad for growth. Through its **Startup Studio**, The Greenhouse KSA brought three new ventures to life in 2024: **Mohtawa**, championing original cultural content; **Mind/me**, pioneering generative AI for mental well-being; and **Musure**, a community-powered fashion-tech brand.





Fashion Lab Cohort 2 – Empowering Saudi Designers

In 2024, we launched Fashion Lab Cohort 2, an intensive **six-month incubator programme** powered by The Greenhouse and in collaboration with the **Saudi 100 Brands** initiative. The Cohort served a launchpad for Saudi's rising fashion brands, equipping them with the business acumen, industry connections, and digital tools needed to thrive. Ten designers were selected for exclusive access to over 20 workshops and mentorship sessions delivered by the Group's leaders and partners like Snap Inc., Instagram, and Boltable Studios, participants refined their vision and sharpened their competitive edge. As these brands bring their collections to life, they embody Chalhou Group's vision of promoting sustainable local talent and driving innovation within the Saudi fashion industry.



The Greenhouse x SciencesPo

The Greenhouse welcomed the SciencesPo LX Dubai cohort for an immersive expedition into the UAE's dynamic startup ecosystem. Over the course of their visit, the students delved into Chalhou Group's operations ranging from logistics and sustainability to the inner workings of our SGII ventures gaining unique insights into how culture, community, and collaboration drive the region's growth.

NOOK – Smarter Retail Future & a Digital-first Experiences

A standout from the Greenhouse Startup Studio portfolio, NOOK is reimagining retail experiences through smart vending systems. Developed in collaboration with entrepreneurs in Saudi Arabia, NOOK blends real-time inventory optimisation, data-driven customer insights, and automated replenishment to reduce waste and enhance accessibility.

By integrating advanced technology with on-the-ground consumer behaviours, NOOK offers a seamless, self-serve model tailored to modern urban lifestyles—making it easier for consumers to access curated F&B products where and when they need them. It's a prime example of how Chalhou Group is co-creating ventures that reflect local innovation, sustainability, and customer-centric design.





Corporate Innovation Turns 3

Chalhoub Group has embarked on its corporate innovation journey with the launch of “Chalhoub X” in 2021. What began as a focused effort to drive inside-out innovation, building new capabilities from within, has grown into a strategic engine powering transformation across the Group.

Over the past three years, this journey has involved **experimenting with new business models and emerging technologies** across 53 projects. Key areas of focus have included **Web3, Circularity, Customer Experience, and Artificial Intelligence**. This journey has already yielded significant results, including the successful rollout of **Tabby** in-store BNPL, the launch of **Level Pre-Loved**, and ventures into the **metaverse** with **Christofle NFT** and **SOL3MATES**.

This evolving approach to innovation is not only transforming the way the Group engages with consumers but also plays a strategic role in contributing to economic development, enhancing employability, and supporting sustainability in the region and beyond. By emphasizing circularity and digital advancement, Chalhoub Group is aligning its innovation pipeline with the Sustainable Development Goals (SDGs), while actively fostering an inclusive and collaborative work culture.

Looking ahead, the focus will be on key innovation pillars including Circularity, Customer Experience, Gen AI, Live Commerce, Virtual Retail, and Community Building. A cultural shift is underway, driven by education, engagement, and mentorship, transforming innovation from isolated pilots to a strategic, business-wide force.



Each initiative is embeded with sustainability and innovation—extending product lifecycles, reimagining ownership, creating circular pathways in luxury, and most important—promoting youth.

Tabby In-Store
resulting in higher average
order values (AOVs) and lower
return rates

in **180**
stores

FACES
**Subscribe &
Save**

built in-house
auto-replenishment
tool



Christofle NFT

Chalhoub Group's entry into the Web3 space was marked by the launch of Christofle's “**925 Genesis MOOD**” NFT collection in May 2022. Inspired by the brand's iconic MOOD cutlery line, the collection sold out within minutes—a debut that demonstrated strong market interest in **digital luxury**.

Building on this success, Christofle deepened engagement with its NFT community by offering a limited-edition MOOD product, launching a **mini-game on The Sandbox**, hosting an exclusive dinner for selected NFT holders at its Paris flagship store, and enabling **crypto payments** for online purchases. Additionally, a proof-of-concept on Roblox featuring **58 virtual items** garnered significant traction, with **Boltable Studio** playing a key role. Christofle's pioneering efforts laid the groundwork for broader Web3 ventures within the Group, including the launch of **SOL3MATES**.

Gen AI pilots

As **one of the first** in the Middle East to pilot Gen AI solutions, the Group has leveraged this technology to drive efficiency and creativity across its brands. Two standout pilots illustrate this approach: for **Ghawali**, Gen AI was used to rapidly **generate e-commerce** backgrounds for dozens of SKUs, significantly reducing time and effort. Meanwhile, **The Deal** launched the region's first fully AI-generated marketing **campaign**—complete with **AI-created models and visuals**. These early successes have supported Chalhoub Group's ambition to move from experimentation to group-wide integration, with Gen AI set to play a central role in future innovation projects.



PLANET

Over the past decade since the inception of our Chalhoub IMPACT framework, the Group’s environmental journey has been one of continuous evolution and learning. From humble beginnings founded in our inherent care for the planet, we have progressively deepened our understanding and enhanced our control over environmental impacts across our value chain.

Our Planet pillar is built on three core areas and eight material topics:

Net Zero by 2040	Scope 1 Scope 2 Scope 3
Circularity	Zero Waste to Landfill Materials and Packaging Water
Biodiversity	Conservation and Restoration Direct Ecosystem Impact

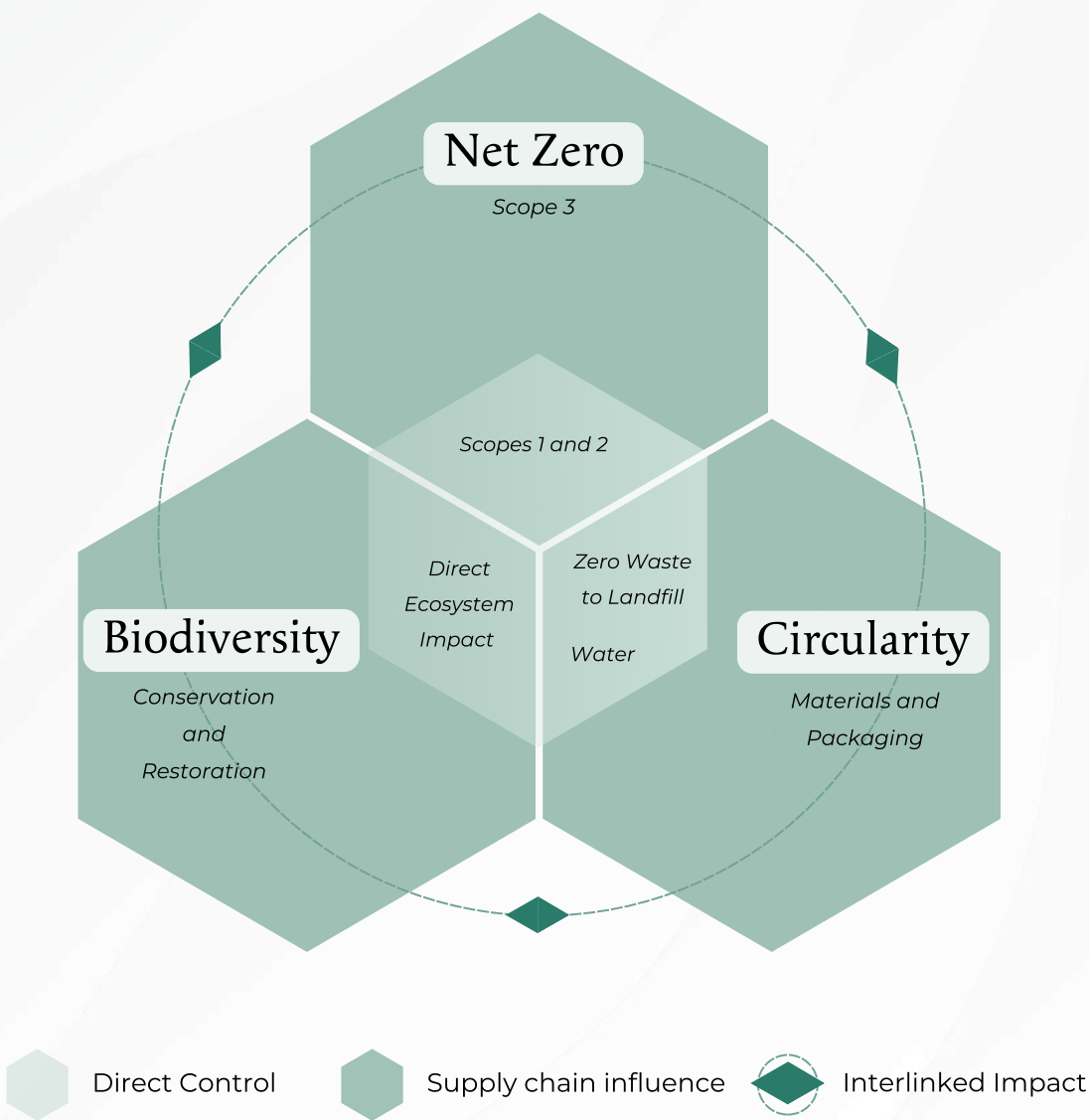
What sets our Planet approach apart this year is its holistic and comprehensive approach to addressing our environmental footprint, considering each material topic at every stage of our value chain and distinguishing the boundaries of direct control and supply chain influence while centring the interlinked impact of Scope 3 between these topics. To achieve this, we have mapped our value chain across the geographies where we operate, leveraging the enhanced visibility of our supply chain priorities gained through the Brand Partner Engagement Programme.

Our Commitments



OUR VALUE CHAIN APPROACH TO PLANET IMPACT

To reach our holistic approach, we have thoroughly evaluated our progress, resources, gaps and opportunities in each pillar, further embedded ESG KPIs to our performance monitoring, and followed international best practice guidance for setting our boundaries and understanding our impact footprint. This exercise resulted in an outcome-driven focus on delivering measurable change where it matters most: a value chain approach to sustainability, encompassing our broader societal and ecological footprints.



Central to our approach is the Group's **Net Zero by 2040 ambition**, with a particular focus on improving Scope 3 emissions visibility, as these emissions account for the vast majority of our footprint through supply chain influence. Simultaneously, we address Scope 1 and Scope 2 emissions through the diligent work of our Group's Environmental Taskforce, looking at renewable energy integration, energy & water efficiency upgrades, and the electrification of logistics fleets, as well as waste, recycling and responsible consumption.

Our efforts in **Circularity** focuses on Zero Waste to Landfill, while also covering our overall Materials and Packaging use and Water. We have implemented in-house and collaborative programmes for waste segregation, packaging reduction, eco-friendly materials, and circular business models beyond the UAE. Buy-back and rental programmes have been exceptionally successful in KSA, earning the Group a top-tier position in the Saudi State of Fashion Report.

Our first **FLAG assessment** in alignment with SBTi provided valuable insights into the nature-related impacts of our operations and supply chain. We drew guidance from leading frameworks, including the Global Biodiversity Framework, the Taskforce on Nature-related Financial Disclosures, and the GRI Biodiversity Standard 2024.

Building on these foundations, we developed our commitment to **Biodiversity**, focusing on Conservation and Restoration and Direct Ecosystem Impact. We reaffirmed our commitments by planting 5,779 trees and sponsoring the restoration of 60 sqm of coral reef, a pioneering initiative for the Group, marking the first time we have taken direct action to restore marine ecosystems.

Commitments	Material Topics	Boundaries
Net Zero	Scope 1	Fuels used in fulfilment and logistics.
	Scope 2	Electricity used in facilities and stores.
	Scope 3	15 categories according to the GHG Protocol; priority categories: Purchased goods and services, Investments, End of life treatment of sold products.
Circularity	Zero Waste to Landfill	Waste generated in offices, facilities, and warehouses.
	Materials and Packaging	Packaging and materials from brand suppliers and internal operations in addition to end-of-life solutions.
	Water	Water usage in facilities, stores, and suppliers' operations.
Biodiversity	Conservation and Restoration	Biodiversity-focused initiatives and volunteering for nature-positive activities.
	Direct Ecosystem Impact	Own sites and operational geographies.

GROUP ENVIRONMENTAL TASKFORCE

In 2024, we expanded the mandate of our Group-level Environmental Taskforce on Net Zero by 2040 and Zero Waste to Landfill by 2030. Operating **in line with the leadership of the Group's ExCom, with ESG-linked KPIs for each member**, the Taskforce is formed of dedicated Stream Leaders who oversee environmental performance. Stream Leaders leverage regional **environmental data and country-specific targets** to develop actionable, tailored roadmaps, and periodic performance reviews with their teams. This year, the Taskforce formed its KSA team, and included team members from Facility Management, Administration, Warehousing & Logistics, HSE, and Procurement department, covering operational influence as well as our supplier chain influence on environmental impact.

Key Objectives

Data-Driven Target Setting

- Sets annual reduction targets for emissions, indoor air quality, water use, and waste, guided by the Group's validated SBTi timeline.

Streamlined Accountability

- Fosters cross-departmental efforts, integrating input from logistics, procurement, facilities management, and health and safety teams.

Regular Progress Reviews

- Quarterly reviews of action plans and performance metrics to ensure proactivity. Alignment with ISO and LEED benchmarks.

Focus Areas

Energy and Water Efficiency

- Key driver of our scope 2 reductions, overseeing initiatives in offices, warehouses, and stores.

Logistics Fleet Emissions

- Primarily addressing scope 1 through fuel efficiency, focusing on electrification and route optimisation.

Indoor Air Quality, material use and Waste Management

- Improving air quality, implementing recycling programmes and reducing material consumption.

Through cross-functional collaboration and robust governance, the Taskforce drives accountability and measurable progress across all levels of the organisation.

Outlook

We will continue to refine our efforts to meet Net Zero by 2040 by advancing environmental governance, biodiversity initiatives, and climate risk awareness.

Future plans include the following:

Net Zero Governance

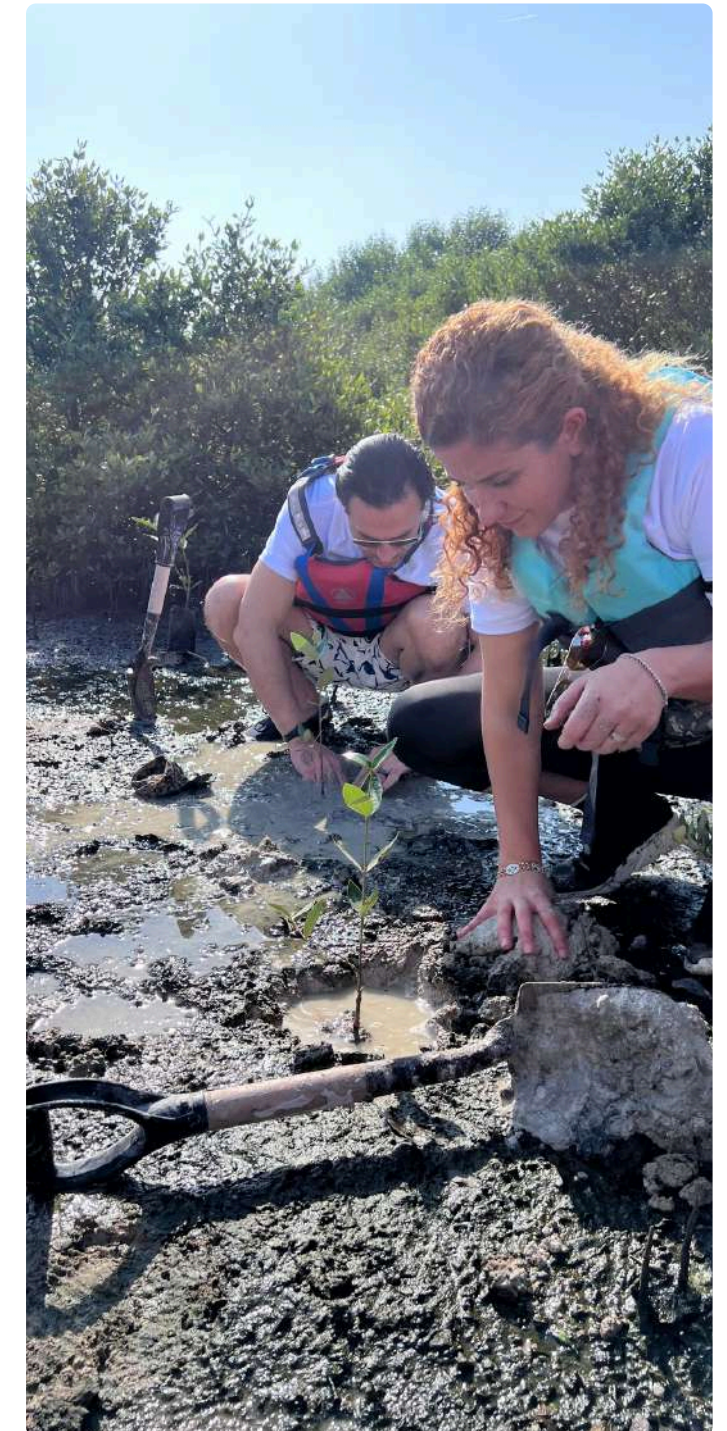
We will translate our ambitious decarbonisation targets into actionable initiatives (measurable KPIs). We will do this by developing and implementing carbon budgets across all business units by 2026, ensuring each unit is aligned with the Group's decarbonisation targets and accountable for progress.

Biodiversity and Circular Economy

Biodiversity impact metrics will be expanded to capture cumulative contributions to restoration and conservation projects. We will standardise our circularity KPIs for waste reduction, recycling systems, and material reuse initiatives.

70/100

ENVIRONMENTAL PERFORMANCE
SCORE FROM ECOVADIS
EXCEEDING INDUSTRY AVERAGE



Net Zero by 2040

Our commitment to achieving Net Zero by 2040 is embedded in our operations and guided by science-based targets. With a clear roadmap **validated by SBTi**, we continue to refine our methodologies, enhance data precision, and implement impactful initiatives that drive measurable reductions across Scope 1, 2, and 3 emissions. As we build on foundational progress, 2024 marks a pivotal year of **aligning strategy with action**, ensuring that every step forward in our environmental journey contributes to Net Zero. All the Group's targets follow the **Greenhouse Gas Protocol** and are calculated using 2021 as a baseline, and emission reduction targets are set throughout its value chain.

Science-Based Targets Validation

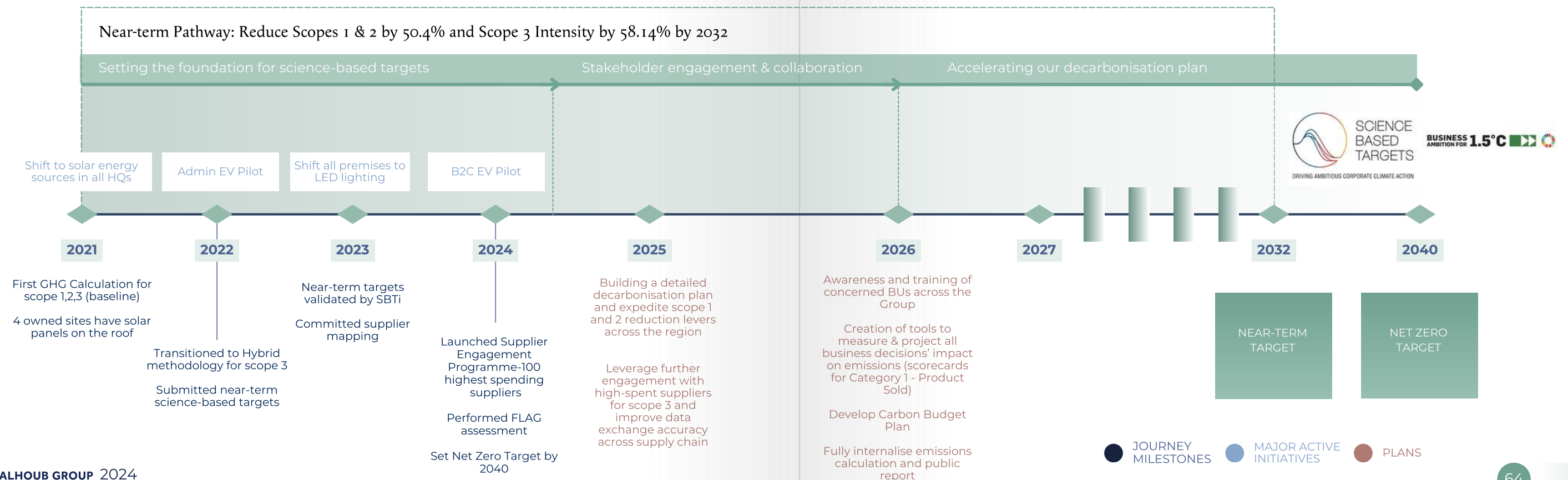
Chalhoub Group's Net Zero targets were officially approved by the Science Based Targets initiative (SBTi), affirming the alignment of our Scope 1 and 2 targets with global standards. As part of our official net-zero commitment, we aim to achieve net-zero greenhouse gas emissions across our value chain by 2040.

In the near term, we have committed to reducing absolute Scope 1 and 2 emissions by **50.4%** by 2032 from a 2021 baseline, alongside a **58.1%** reduction in Scope 3 emissions per million USD value added. Looking ahead, our long-term targets include a **90%** reduction in Scope 1 and 2 emissions and a **97%** reduction in Scope 3 emissions by 2040.

Net Zero Governance Streams

STREAM SCOPE 1	STREAM SCOPE 2	STREAM SCOPE 3
Governed and led by the Group Environmental Taskforce		Governed through the Supplier Engagement Programme
Fleet and admin vehicles	Electricity, renewables, AC consumption	Waste, water, supplies
1% of our emissions	7% of our emissions	92% of our emissions
Priority Categories: Purchased Goods and Services, Investments, team member Commute, End of Life Treatment of Sold Products, Upstream logistics		

OUR NET ZERO JOURNEY



Our Methodology

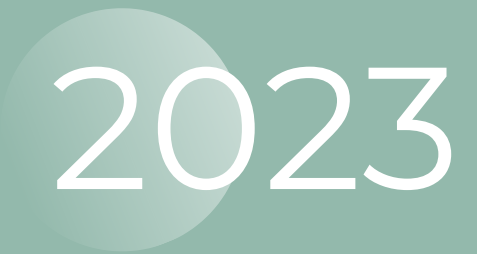
We validated our decarbonisation targets in accordance with SBTi Criteria and Recommendations (version 5). Our Scope 1, 2 and 3 target ambitions aligns with a 1.5°C trajectory for near-term carbon reduction, according to the SBTi Target Validation.

The 2024 emissions calculation method saw substantial modifications over prior years. To advance our sustainability strategy and align with our Net Zero targets, we undertook a thorough assessment of our **GHG data quality** and Scope 3 impact. We conducted an in-depth review of activity data and expenditure across key Scope 3 categories, including Purchased Goods and Services, Capital Goods, and Upstream Transportation and Distribution.

By integrating a mix of **supplier-specific activity data** –nearly 50%- with secondary sources such as spend-based information, we achieved significant improvements in **data granularity**. Advanced methodologies, including cradle-to-gate GHG inventory data for suppliers and waste-specific treatment metrics, were introduced to provide a more accurate representation of emissions.

We **categorised our emissions data quality** into low, medium, or high levels to identify areas for improvement. For example, Team member Commuting data, rated as medium quality, was enhanced through team member surveys, while Waste Generated in Operations, initially ranked as low quality, was improved using precise calculations from waste treatment providers. These enhancements have allowed us to tailor our emissions reduction strategies, ensuring accurate measurement and meaningful progress across our value chain.

Refining our Approach



Switched from Comprehensive Environmental Data Archive (CEDA)-based calculations to Environmentally-Extended Input-Output (EEIO) for spend analysis, which allowed for more category coverage and granularity.

Re-baselining of 2021 data and recalculations for 2023, as well as the introduction of activity-specific data for categories such as Purchased Goods and Services (PG&S) and Investments. This improvement raised PG&S activity data from 6% in 2022 to 58% in 2024, resulting in greatly improved precision.

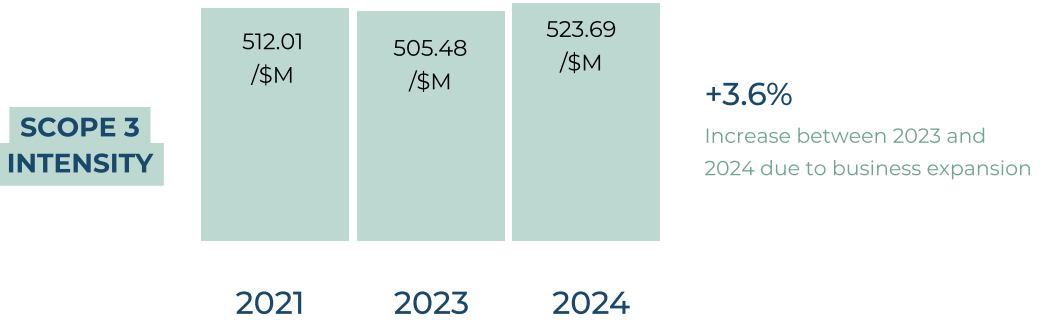
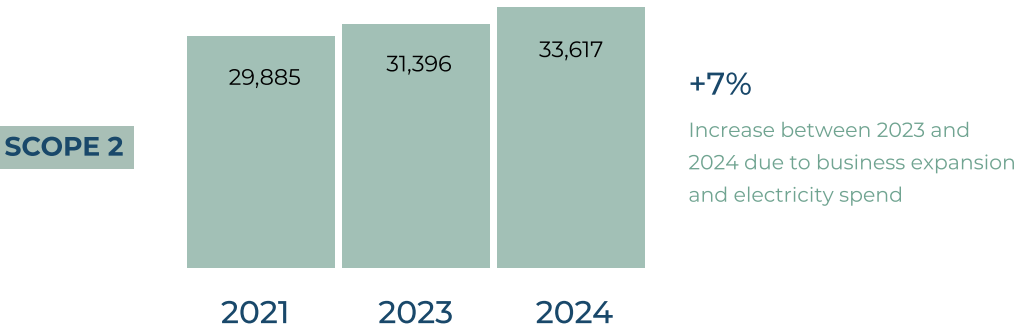
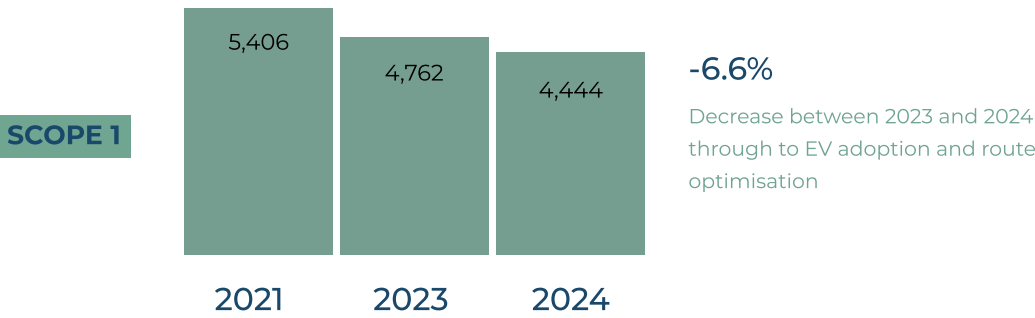


88 different product categories were assessed using lifecycle emissions data. These included key items in our Scope 3 such as apparel, footwear, and leather goods, resulting in a deeper knowledge of the Group's carbon impact throughout the supply chain.

Our emissions from Leased Assets (Scope 3, category 8) were reclassified into Scope 1 and 2, based on our direct control over these operations.

EMISSIONS IN TCO2E*

As we work toward our SBTi-validated targets, we recognise the need to intensify efforts across three key areas: supplier engagement (Scope 3), energy conservation, and renewable energy procurement (Scope 1 and 2). To accelerate progress toward our Net Zero ambition, where our current emissions trajectory remains behind, we are developing a refined decarbonisation plan. This will include carbon budgeting, the implementation of an energy management system, and deeper collaboration with key partners to drive science-based, value chain-wide reductions.



*2022 data has been excluded due to methodology change.

SCOPE 1

Decarbonising Our Fleet

The major source of our Scope 1 emissions is our **distribution fleet**, constituting 23% of the Group’s emissions under direct operational control (Scopes 1 and 2), and 1% of our total emissions.

Aligned with our target to reduce our Scope 1 emissions by 50.4% by 2032, we prioritise fuel reductions in key countries. In the UAE, Commercial Road Transport constitutes 10% of our country footprint, and therefore is identified as a **key emission reduction lever**.

We made tangible progress in aligning our Scope 1 strategy with key sustainability partnerships such as the UAE Alliance for Climate Action (UACA) focusing on **logistics decarbonisation and strategic partnerships**.

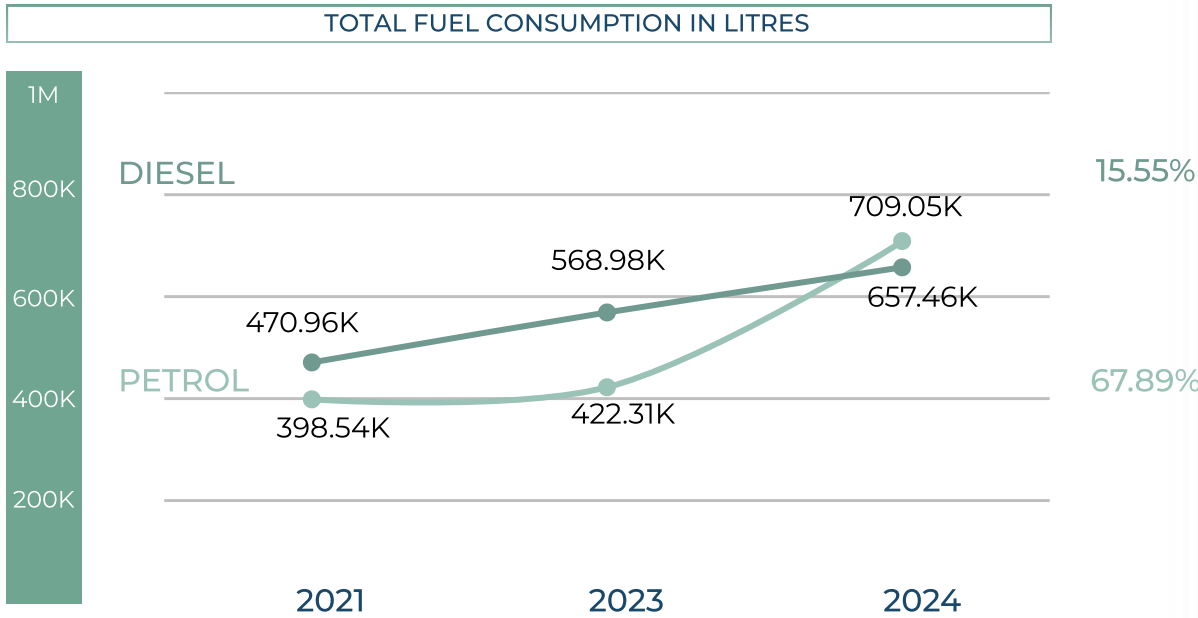
These efforts resulted in tangible improvements in fuel efficiency, electrification of fleets, and logistics network optimisation. In 2024, we achieved a 12% reduction in Scope 1 emissions compared to 2021.

-18%

IN SCOPE 1 EMISSIONS COMPARED TO 2021

-7%

IN FUEL CONSUMPTION COMPARED TO 2021 (UAE & KSA)



Increase between 2023 and 2024 due to business expansion

Fuel Efficiency and Route Optimisation

We successfully achieved a **5% reduction in the fuel consumption in our fulfilment and logistics operations compared to 2023**, even in the face of a 20-25% growth in deliveries across the UAE and KSA. This was made possible through targeted efforts to **optimise our delivery routes** and upgrade operational efficiency. As part of Phase 1, we conducted a detailed manual analysis of delivery patterns, which allowed us to reduce the number of UAE delivery routes from 18 to 13 and **cut KSA routes by 20%**.

Furthermore, we increased internal fleet utilisation from 70% in 2023 to 90% for B2C deliveries in major cities. This shift has significantly reduced reliance on outsourced logistics providers, **minimising emissions and strengthening operational control** and ability to further transition to EVs.

90%

OF OUR FLEET IS UNDER OUR DIRECT CONTROL, EASING EFFICIENCY MEASURES AND DECARBONISATION

Looking ahead, we plan to implement AI-enabled route optimisation software to further streamline deliveries, enhance route accuracy, and reduce overall emissions.

Plans are in place to consolidate our distribution centres, transitioning from the current 14 centres to 2 central hubs in Riyadh and Jeddah. These hubs will be supported by micro-fulfilment centres, ensuring efficient last-mile deliveries while significantly reducing the environmental footprint of our logistics network.

Road 2.0: Partnering for Clean Transportation

The UAE Alliance for Climate Action (UACA), established by **Emirates Nature-WWF**, brings together UAE stakeholders to advance climate action and support the Net Zero by 2050 strategic vision. At COP28 in 2023, Chalhoub Group formally joined UACA, demonstrating its regional climate leadership and sustainability.

Road 2.0 is one of UACA's primary efforts for reducing UAE transport emissions. The programme encourages member organisations to **employ emission-free vehicles by increasing EV adoption**. Chalhoub Group pledged to accelerate the region's sustainable mobility transition and periodically connects with peers for climate action through the programme. Moving forward, we aim to finalise a fleet decarbonisation toolkit and continue collaborating with UACA on regular progress meetings, policy advocacy, and supplier engagement.

Transport Electrification

Building on our in-depth feasibility studies, we have built a phased electrification approach to our company vehicles, including fleet and admin operations.

2024 marks the beginning of our **EV Expansion Phase**. Our Environmental Taskforce champions EV initiatives in both **B2C and B2B segments**.

Currently, 11% of our last-mile fleet are EVs, including two new EVs in the Level Shoes' fleet, and one UAE-made EV for our Admin operations.

We have advanced our EV infrastructure to support this transition. In addition to the chargers initially installed in our Head Offices, we now have four new EV charging stations at our major warehouse facility in UAE. These chargers are accessible to both our team members and external partners, thereby fostering broader EV adoption.



11%

OF OUR LAST MILE DELIVERY
VEHICLES ARE EVS

2022-2023

Trial

>1% of our company
vehicles were EVs

2024

Expansion

7.7.% of our company
vehicles are EVs

2027

Scale-up

40-50% of our company
vehicles will be EVs

OUR LONG-TERM AMBITION IS TO
REACH 99% ELECTRIFICATION BY 2040.

ONLY UAE

UAE & KSA

SCOPE 2

Energy, Renewables, and Green Building Practices

Reflecting emissions from **purchased electricity**, Scope 2 represents 77% of our emissions under direct control (Scopes 1 and 2), and 7% of our total emissions. The Group is present in more than 15 countries with over 700 locations, and we are mindful of our impact through the electricity consumed in these locations.

In 2024, the Group continued its comprehensive approach to reducing energy consumption through strategic upgrades in **energy efficiency, renewable energy integration, and green building principles**.

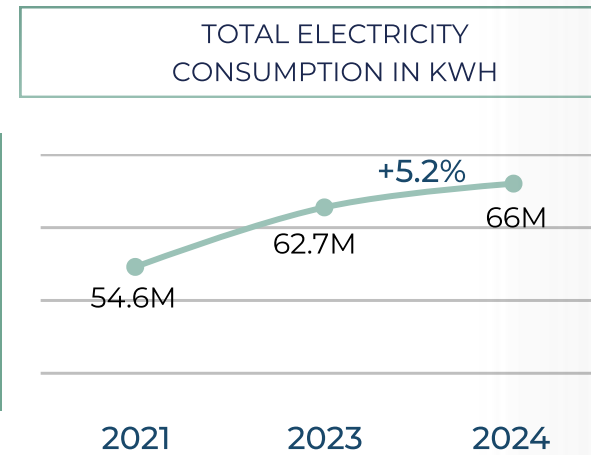
Our continued efforts are aligned with international **green building principles**, while our focus on this topic remains on KSA, UAE, and Egypt operations, among our highest consumption operational locations. We achieved a significant reduction in building energy consumption through HVAC optimisation and an increase in LED adoption.

7%

SCOPE 2 SHARE IN OUR
TOTAL EMISSIONS

700+

LOCATIONS CONSUME
ELECTRICITY UNDER THE GROUP



*Data presented portrays only the consumption coming from electricity of non-renewable sources



of our electricity in the UAE is sourced through solar panels.



of our warehouses globally have upgraded to LED



Green Building Systems

This year, we progressed towards achieving **LEED certification** for several UAE facilities, specifically targeting Head Office 1, Head Office 2, DIP Warehouse, and JAFZA main warehouse. This included conducting a **comprehensive LEED Sustainability Gap Assessment**, submission of LEED documentation online for all four facilities, and alignment with USGBC certification standards, currently in the certification phase. *We expect significant progress in 2025 towards achieving these certifications.*

Internal Facility Management policies were developed, ensuring operational alignment with sustainability best practices covering:

- GREEN CLEANING POLICY
- PURCHASING POLICY
- FACILITY MANAGEMENT AND RENOVATION POLICY
- NO SMOKING POLICY

Air Quality Innovations

We conducted an extensive air quality assessment across four key facilities, measuring critical **Indoor Air Quality (IAQ)** parameters including Carbon Monoxide, Ozone, Particulate Matter (PM2.5), Total Volatile Organic Compounds (TVOC), and Carbon Dioxide.

Based on these findings, a detailed action plan was developed, resulting in targeted corrective measures such as:

- Allocating a designated smoking area at HO1, positioned 10 metres away from the entrance to mitigate indoor pollutant exposure.
- Redesigning fresh air supply ducting at the DIP facility to significantly enhance office ventilation and IAQ.
- Air purification systems will be introduced in 2025, further improving indoor air quality and reducing reliance on energy-intensive cooling solutions.

SCOPE 3

Unlocking Our Value Chain Impact

Scope 3 emissions account for **92% of our total greenhouse gas (GHG) footprint**, making it the most critical area of focus for our Net Zero by 2040 strategy. Understanding and addressing these emissions requires a holistic approach: enhancing data quality, deepening supplier engagement, embedding sustainability into procurement decisions, and fostering brand partnerships.

2024 was a year of significant progress in these areas, building on our **commitments in COP28 and driving measurable progress across our value chain**.

With Purchased Goods & Services and Investments being the highest emisison categories, we have shifted our calculation and reduction method to **emissions intensity per USD 1 million spent**.

We are progressing toward our scope 3 goals through combined efforts in supplier engagement, procurement strategies, energy-efficient product designs, and responsible investment shifts.

92%

SCOPE 3 SHARE IN OUR TOTAL EMISSIONS

5.8%

ANNUAL INTENSITY REDUCTION COMMITMENT UNTIL 2032 (BASELINE 2021)

OUR SCOPE 3 LEVERS

Enhancing Data Quality

Deepening Supplier Engagement

Embedding Sustainability into Procurement

Fostering Brand Partnerships



The Group has identified five priority Scope 3 categories contributing the highest share of emissions, representing over 85% of total Scope 3 emissions.

PRIORITY SCOPE 3 CATEGORIES	% IN SCOPE 3	APPROACH
Purchased Goods & Services	28.57%	Decarbonising the sourcing process through sustainable material selection, supplier reporting mechanisms, and product lifecycle assessments.
Investments	47.37%	Transitioning investments towards low-carbon, climate-resilient assets.
Team Member Commuting	4.17%	Corporate mobility initiatives such as EV adoption support.
End of life treatment of sold products	4.08%	improve visibility of end of life treatment of sold products in destination countries
Upstream Transportation & Distribution	4.95%	Logistic supplier collaborations, reduction of air freight.

Brand Partner Engagement: Building Collective Impact in Luxury Retail

Recognising that 94% of our emissions in Purchased Goods & Services come from 100 suppliers, we launched the Brand Partner Sustainability Engagement Programme to work closely with our high-emitting and highest-revenue-generating business partners. This initiative is designed to equip our partners with the knowledge and tools to measure, manage, and reduce their emissions, exchange emissions data, and establish Net Zero commitments as a shared responsibility in our brand ecosystem.



Mapping the Road to Sustainability

In 2023, we conducted a supplier mapping exercise, evaluating over 5,000 suppliers and brands against SBTi. This analysis identified brands that lacked climate commitments and allowed us to focus engagement efforts on 57 non-committed brands under 'Managed Companies' and 22 brands under 'Joint Ventures'. By 2024, our programme had a **tangible impact:**

63%

of total supplier emissions were covered by either SBTi commitments or the Chalhoub Partner Engagement Programme.

43%

17 brands newly committed to SBTi, representing 43% of emissions from 'Purchased Goods' (Category 1) and 12% of total Scope 3 emissions.

Empowering Our Brand Ecosystem Through Knowledge-sharing

To support our partners on their sustainability journey, we launched a climate survey to understand their climate strategies, challenges, and opportunities. The response rate was 44%, demonstrating growing engagement from our partners.

71%

of brands responding to our Climate Survey provided activity-based emissions data, a significant step in improving Scope 3 accuracy.

Driving Collaboration: The First Sustainability Partner Engagement Forum

A major milestone was reached in September 2024, when we hosted our first-ever Sustainability Partner Engagement Forum. **The event brought together 79 brands** from the fashion, beauty, and investment categories, alongside Chalhoub Group's internal leadership teams. The Forum convened a broad spectrum of brand partners under one platform, **a scale of collaboration that is key to our business and sets the stage for meeting wider global sustainability regulations.**

By bringing our partners onboard from the outset, we are strengthening alignment across the value chain and demonstrating our commitment to a more responsible, future-ready retail ecosystem, supporting SDG 17 – partnership for sustainability goals.



A key objective of the forum was to **encourage partners to adopt Net Zero or 1.5°C-aligned targets**, and to begin or deepen their own Scope 3 inventories. By providing clear data on the financial implications of climate risks and offering brand-specific traceability tools, we aimed to demonstrate both the urgency and the practical steps needed to drive meaningful change. The forum, led by our Chief Sustainability Officer and industry experts from Schneider Electric, covered:

Chalhoub Group's Net Zero roadmap and the financial impact of climate risks

GHG emissions data and reduction strategies tailored for suppliers

Educational training modules, designed to help non-committed brands take decisive climate action

The event saw 22 global brands actively participate, representing over 20% of Scope 3 emissions from non-committed brands. We continued to engage with **115 teams, offering post-event resources and follow-ups** to ensure that momentum extended beyond the initial gathering.

Educational Modules

After the Forum, we introduced a series of twelve interactive educational modules to empower brand partners and suppliers in developing robust decarbonisation strategies. Spanning topics from corporate climate leadership and data measurement to resource efficiency, circular economy, and low-carbon logistics, each module offers practical insights and guides participants through a **step-by-step approach to aligning governance, operations, and long-term planning**. Through these efforts, we work together with our stakeholders across our value chain to effectively adapt to evolving global sustainability standards.

Scaling our Impact

As we move into 2025, our focus remains on deepening supplier collaboration and ensuring our partners are aligned with Chalhoub Group's sustainability vision. Key next steps include:

- Expanding our educational training programme, providing bite-sized sustainability courses.
- Strengthening supplier engagement in emissions reporting, with a goal to increase activity-based data collection.
- Hosting quarterly sustainability forums to reinforce collaboration and track progress.



- Launched in 2017, the Stores Towards Earth's Protection (STEP) Programme was established to **embed sustainability** into every aspect of our store design and operations.
- This year we focused our efforts on revamping the STEP framework to transition from a pass or fail model to a rating model: **Platinum, Gold, Silver or Bronze**. This will allow us to rate and rank our store performances and prepare tailored programmes under each category. In 2024, we completed STEP assessments for **46 new boutiques** across the region, underpinned by an enhanced data platform, diagnostic dashboards and a refined STEP checklist.
- *In 2025, we plan to introduce new assessment for existing stores to track performance over time and account for any improvements and upgrades which contribute towards more sustainable stores.*

Governance and Process

The process begins when Store Ops assigns STEP assessments to project owners in each domain, guaranteeing that responsibilities are clearly defined. Once data collection is complete, the Sustainability team consolidates findings, produces an overall score, and awards the appropriate STEP rating (Bronze, Silver, Gold, or Platinum).

3d (Design & Construction)

ensures sustainability measures are embedded from the outset, emphasising responsible material sourcing, energy efficiency, and innovative architectural solutions.

Store Operations

spearheads practical, day-to-day measures within stores, such as waste segregation, energy conservation, and staff training on environmentally responsible practices.

Sustainability

focuses on engaging store personnel, encouraging the adoption of eco-friendly products, and ensuring alignment with the Group's wider sustainability commitments.



Assessment Approach

Stores are assessed against a comprehensive framework covering three main areas: 3D Design and Construction, Store Operations, and Brand Behaviour and Administration. This approach addresses responsible material sourcing, energy efficiency, waste reduction, staff training, and the adoption of eco-friendly products, all aligned with Chalhoub Group's sustainability aspirations.

This year, 2% of stores achieved Bronze status, 54% attained Silver, and 43% received Gold, reflecting consistent progress in reducing waste and conserving resources across our retail portfolio.

Those that score below the required threshold receive a clear action plan that highlights areas for improvement. We follow up with targeted workshops, system upgrades, and ongoing support, ensuring every store steadily advances its sustainability performance.

High-performing boutiques are celebrated through Regional Store Awards, inspiring other locations and reinforcing Chalhoub Group's commitment to positive, long-term environmental impact.

43% **Gold**
76-89%

54% **Silver**
61-75%

2% **Bronze**
50-60%

Striving to Set Operational Excellence and Efficiency Benchmarks in the Region

Over the past year, Chalhoub Group's Egypt warehouse has undergone a remarkable transformation, thanks to the proactive leadership of the local team. This significant effort has resulted in the warehouse evolving into a world-class facility, reflecting global best practices in safety, efficiency, and sustainability.

In this Q&A, Michael Louka, Distribution Centre Manager, Chalhoub Group, shares insights into the journey, from the challenges faced to the solutions implemented, and how these changes align with the Group's broader vision for operational excellence.



Q: What inspired the recent renovations in Chalhoub Group's Egypt warehouse?

Michael Louka: The renovations were driven by a proactive approach to address operational challenges and align with **global best practices**. Our warehouse had been operating with outdated layouts and suboptimal space utilisation. The goal was to create a state-of-the-art facility that supports our **operational efficiency**, ensures the safety of our teams, and meets the standards of a modern supply chain.

Q: What were the key areas of focus during the renovation process?

Michael Louka: We approached the renovation as a **full-circle transformation**. Key areas included:

Safety Enhancements: Addressing structural and operational risks by repairing damaged flooring, improving lighting, and creating dedicated zones for activities like smoking to mitigate hazards.

Space Optimisation: Reorganising inventory layouts to ensure proper storage by size and category, thereby improving accessibility and reducing clutter.

Technology Integration: Introducing inventory tracking mechanisms that allow for better visibility and accountability of non-stock items.

Sustainability Practices: Implementing systems to minimise waste and ensure the long-term efficiency of the facility.

Q: Could you elaborate on the outcomes of these renovations?

Michael Louka: The renovation has drastically improved **workplace safety**, with clearer aisle pathways, better lighting, and designated zones for potentially hazardous activities. From an operational perspective, the **optimised layout** and **improved storage** solutions have enhanced our capacity to manage inventory effectively, **reducing time** spent on locating and issuing items. These changes have also had a positive impact on **team morale**, as team members now operate in a safer and more organised environment.

Q: What are the next steps following these renovations?

Michael Louka: Moving forward, we plan to continue refining our operations by leveraging digital tools for inventory management, enhancing team training programmes, and conducting regular audits to maintain the highest standards. The lessons learnt from this renovation will serve as a blueprint for similar projects across the region, ensuring that Chalhoub Group remains a leader in operational innovation and excellence.

2

Circularity

As a leading luxury distributor with a vast network of partner brands, owned stores, and warehouses, we prioritise Circularity as **an operational imperative**, while also experimenting with innovative partnerships for **circular business models**. This approach to circularity supports our climate ambitions by tackling Scope 3 emissions, our most significant environmental footprint.

We address our Circularity at two levels:

1 Within our own operations – resources consumed and disposed of in our warehouses, offices, retail stores.

2 Across the value chain, working alongside our supply chain and brand partners to promote circular models.

In 2024, we amplified our commitment to Zero Waste to Landfill by 2030 through the combined efforts of the Environmental Taskforce. In the UAE, we saw a trend of 15% increase in recycling, reaching the 20% milestone. Building on the successful pilot of Level Shoes' Pre-loved in the UAE last year, we have expanded this to KSA. We also piloted Swarovski's Rental Programmes and through these initiatives, we are extending the lifespan of premium products, reshaping mindsets around ownership and value, and modelling the region's evolving demand for conscious consumerism.



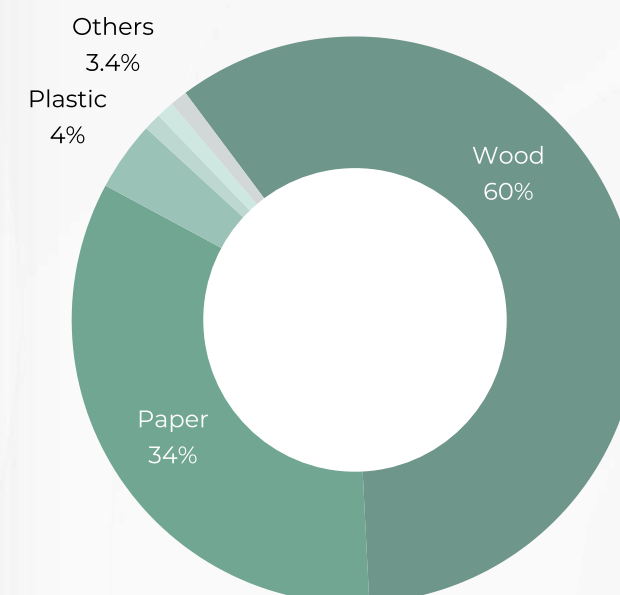
ZERO WASTE TO LANDFILL

In 2024, Chalhoub Group took decisive action to eliminate reliance on landfill disposal across its key markets by scaling up waste segregation, recycling, and composting systems as part of an overarching Zero Waste to Landfill strategy. Valuable insights came from our first waste audit of the KSA facilities, which highlighted critical areas for improvement and guided the development of more robust processes.

Building on these findings, we plan to expand waste monitoring and reduction measures throughout all countries, supported by newly standardised procedures that foster consistency and effectiveness. The Environmental Taskforce formalises waste reporting structures, ensuring that logistics, retail, and administrative functions work together to advance Chalhoub Group's circularity objectives.



WASTE BREAKDOWN - UAE



~20%

of our total waste from six UAE offices and warehouse premises are segregated on-site and recycled through a third-party partner. This marks a restatement to our data from 2023, by excluding General Waste from the breakdown.

100% increase

versus 2023 recycling rate

By continuing to refine our approaches and engage every part of the organisation, we remain committed to achieving lasting impact on waste reduction and meeting our long-term aspiration of sending zero waste to landfill.

Scaling our Efforts

We expanded **partnerships with waste recovery providers** to ensure that paper, plastic, textiles, and organic waste are processed locally rather than exported. New partnerships in Egypt and Kuwait are being explored to replicate the UAE and KSA model. We increased the number of recycling stations, ensuring that recyclable materials are properly sorted and recovered.

We also **eliminated black bins** from under desks across all UAE, KSA, and Qatar offices, replacing them with dedicated recycling stations to encourage sustainable disposal habits.

This year, we conducted a paper consumption study in our UAE operations, identifying key patterns and establishing a **Print-Free Readiness Index** – a metric that measures the average paper usage per owned store in a mall, indicating how prepared the mall is to adopt paperless practices. A lower index value suggests a greater potential for reducing or eliminating paper printing in the stores. Currently, across stores and brands, it is 7.7, marking an average readiness and pointing to specific areas for enhancement.

Food Waste Reduction

We have successfully concluded our pilot for organic waste composting in Head Office 1, paving the way for an expanded focus on reducing food waste across our facilities. An audit at the D3 canteen indicated that over 60 kilograms of food are discarded each day, contributing to considerable greenhouse gas emissions when sent to landfill.

To address this challenge, we installed a **bio-digester** that processes organic waste in under 24 hours, converting it into water through a natural, **chemical-free method**. This method also minimises greenhouse gas emissions, mainly methane from food waste, in addition to the transport-related emissions of waste management.

These efforts go hand in hand with awareness-building activities, posters, canteen screens, and internal newsletters to engage team members and encourage more sustainable behaviour.



KSA Recycling Milestones

Since early 2024, our offices and warehouses across KSA have recorded a **remarkable surge in recycling rates and team member engagement**. By launching dedicated recycling initiatives, installing clearly marked bins, and phasing out black bins, we achieved significant milestones that delivered measurable environmental gains.

Locations included in our KSA recycling network are our Riyadh and Jeddah warehouses and Riyadh, Jeddah, and Khobar offices. In total, we **diverted 68,120 kg** of mixed paper, cardboard, and plastic waste from landfill.

These outcomes underscore the importance of strong internal engagement, from bi-weekly or monthly pick-ups in offices to more frequent collections in warehouses, ensuring that packaging materials, office paper, and plastic items are diverted from landfills.

Looking ahead, we will continue refining collection frequencies, team member training programmes, and material-specific campaigns, recognising that each site's monthly performance varies due to factors such as seasonality and staff awareness levels.

The estimated environmental benefits of these efforts include:

+1,000
trees saved

476K
gallons of water conserved

71K
kg CO2 emissions avoided

393K
kWh of energy saved

MATERIALS AND PACKAGING

Sustainable Packaging in E-commerce

Building on the momentum of our Packaging Optimisation Project, we have further enhanced our commitment to sustainable packaging in 2024. We have expanded our sustainability efforts significantly, with an in-depth packaging assessment.

During the assessment, we collected over 30 test orders from competitor brands and each internally managed brand. These packaging examples were showcased in our Dubai and Riyadh head offices, allowing brands to **collaboratively review** and provide feedback on packaging and delivery experiences. An interactive event was organised to further facilitate this dialogue, including **rankings of the best and worst packaging options**, with findings submitted to management for strategic decision-making.

The outcome led to the recognition of two main categories of packaging: luxury and eco-friendly. Currently, most managed brands have introduced or are developing sustainable packaging options with **non-laminated, recyclable, and non-dyed materials** as either the default or an optional upgrade.

To maintain momentum in our sustainability journey, a temporary **pause on some of the new packaging orders** was also implemented, inviting some of our brands to rethink their options.

This year, FACES has emerged as a success story within our own brands, fully aligning its store network packaging, including shopping bags and gift boxes, with our sustainability guidelines. Faces transitioned to kraft paper packaging, removed lamination, replaced plastic bag handles with sustainable alternatives, and introduced clear recycling instructions directly onto packaging materials.

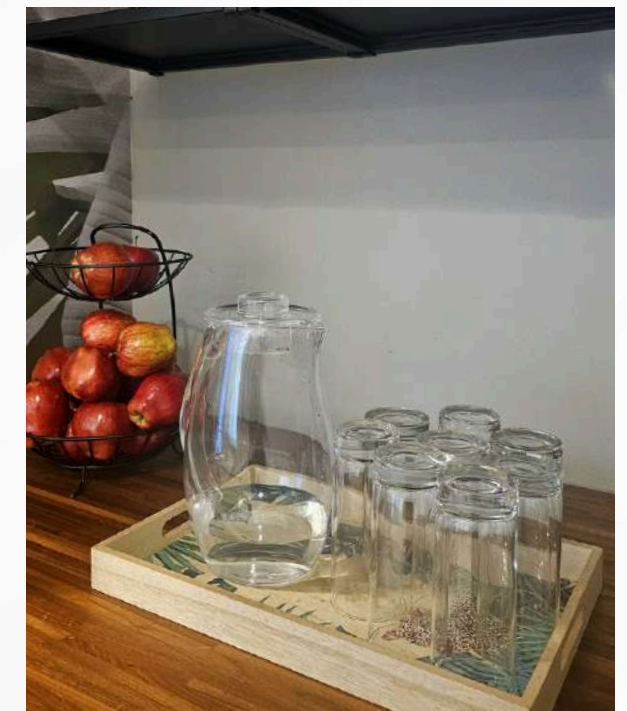


Embedding Circularity in Visual Merchandising (VM)

Following the success of our Visual Merchandising Stock Cleanup, we have taken significant steps to integrate circularity into everyday retail operations. What began as a pilot recycling initiative has now evolved into a **Group-wide standard** operating procedure, ensuring that store fixtures, displays, and visual merchandising materials are **diverted from landfill**.

A dedicated taskforce named **Resolve** was set up end of 2024, who will be working on implementing a comprehensive VM audit and stock cleanup through circular solutions.

In 2025, detailed process will be designed to optimise VM storage management, emphasising reuse and renting between brands, recycling used VMs, and selling materials through internal platforms.



Elimination of Disposable Cups and Plastic Bottles

We removed all plastic water bottles and cups from our UAE retail stores, replacing them with glass and can alternatives. This initiative supports compliance with Dubai Municipality regulations on single-use plastics and reflects our continued efforts to reduce unnecessary waste across our operations.

Following the success of our 2023 paper cups initiative, both actions contribute to lowering our overall environmental impact.

1 million

paper cups diverted from landfills

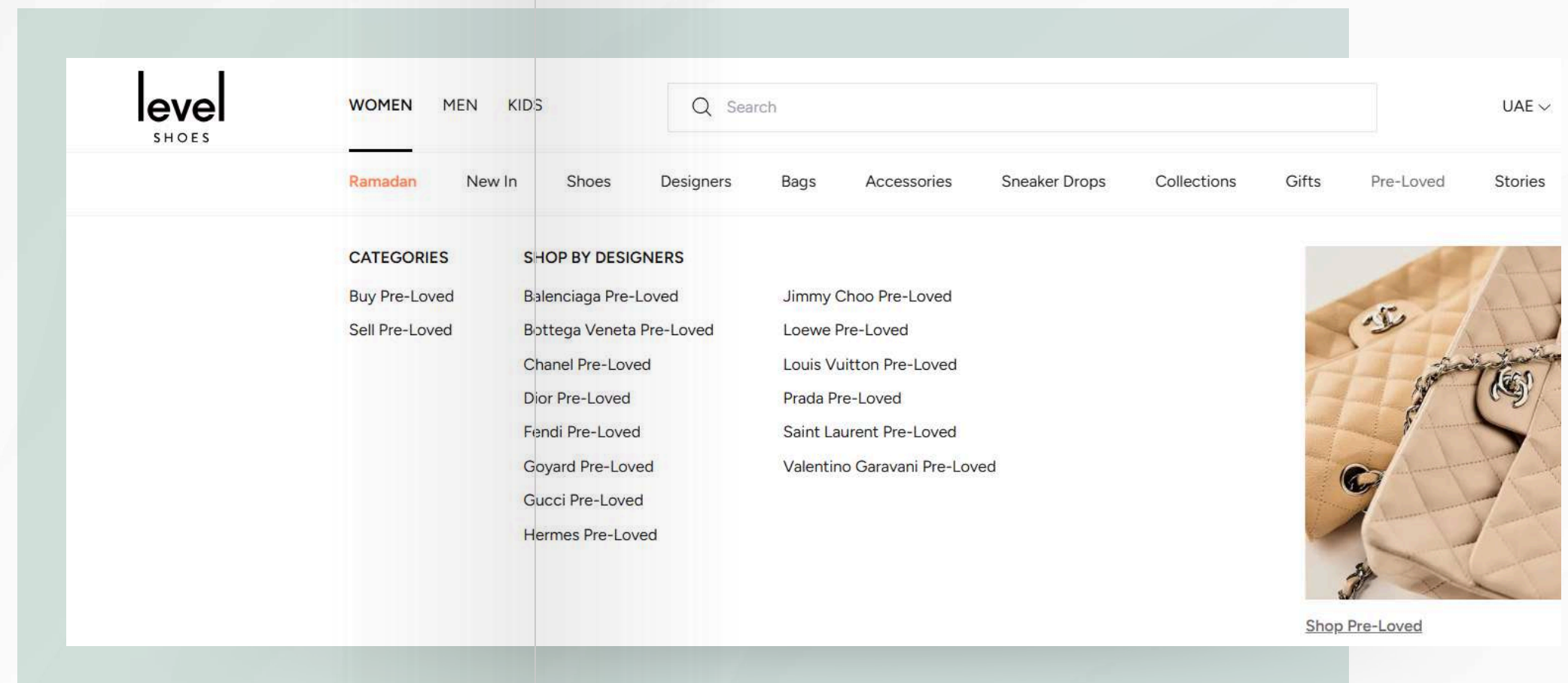
75 tCO2e

emissions avoided

Pioneering Circular Luxury: Resale and Rental Initiatives

As part of our commitment to **circular consumption**, Chalhoub Group is actively reshaping the luxury retail experience by offering innovative resale and rental models. These initiatives are key to reducing waste, **extending product lifecycles**, and promoting sustainable consumption in the luxury sector.

By integrating pre-loved resale, buyback programmes, and rental services, we provide our customers with responsible alternatives that align with evolving consumer preferences while reducing environmental impact.



Jewellery Rental: Swarovski's Global-First Pilot

In another industry-first move, Chalhoub Group partnered with Swarovski to launch the brand's **first-ever rental service, piloted exclusively in the region**. This initiative provides flexible and responsible access to luxury jewellery for special occasions, reducing the environmental impact of traditional retail by extending product lifecycles and minimising the need for new production. This pilot programme for 2024 allowed us to test and explore the possibilities of luxury rental in the region.

Luxury Resale: Level Shoes Pre-Loved Programme

Following the positive market response in the UAE last year, we expanded our pre-loved luxury resale model to KSA, making it one of the first luxury resale services in the Saudi market. With this programme we offer our community **a platform to buy and sell authenticated pre-owned footwear in a premium retail setting**. The initiative has witnessed stellar growth in both resale and buyback participation, reinforcing the growing acceptance of circular business models in the region.

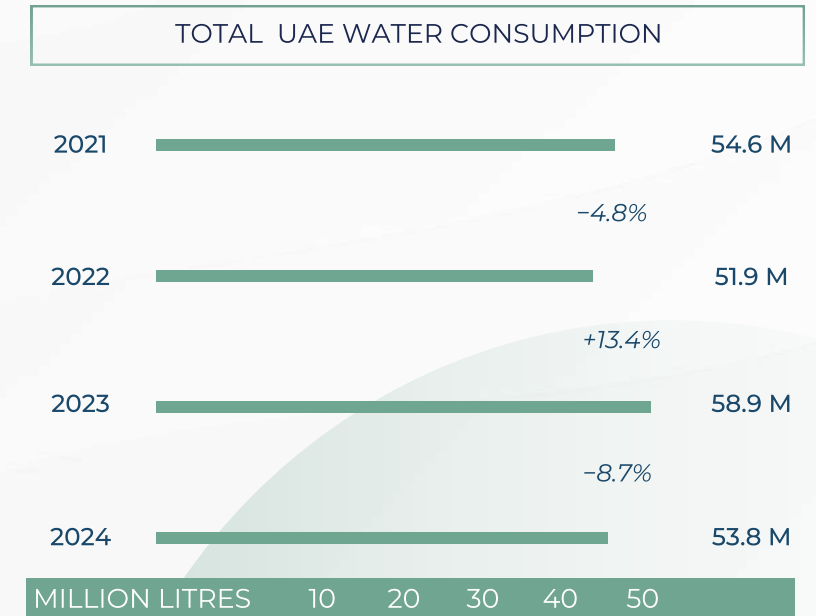
This expansion reflects the Group's continued learning and commitment to circularity explored in our Circular Fashion Potential study in 2023.

Looking ahead, the Level Shoes Pre-Loved Programme is set to expand further into key Saudi cities, including Jeddah and Makkah by 2025, with potential global rollouts under evaluation.

WATER

Water conservation plays a **critical role in reducing Scope 3** emissions, particularly in the GCC, where desalination remains the primary water source. To address this, we have **invested in tracking, optimising, and reducing** our water consumption across our operations, integrating data-driven insights to drive efficiency.

We conducted a comprehensive analysis of water consumption patterns in our UAE locations, gaining a clearer understanding of impact. Through quarterly monitoring of utility consumption, we identified areas for improvement and initiated key efficiency projects such as tap flow reduction, waterless car washes, and greywater recycling. Furthering these foundations, we marked several milestones in 2024:



Water Efficiency Initiatives

Water conservation strategies have been integrated into store operations and warehousing, ensuring **LEED-aligned** sustainability practices across our locations.

98%

reduction in water consumption for solar panel cleaning through hybrid methods in DIP

We introduced **Solar Cleaning Activity** at key sites including HO1, HO2, DIP, and MW, reassessing water usage for cleaning solar panels.

At DIP, we shifted to a hybrid method combining dry cleaning twice a month with wet cleaning once per quarter. This innovative approach reduced DIP's water consumption to just 3,000 litres per year—a 98% improvement over traditional methods.

1 million

gallons of water saved through redesigned water tank in DIP

We enhanced irrigation efficiency by **connecting DIP warehouse to recycled water** and upgrading the greywater system at HO2. A redesigned water tank at DIP is also projected to **save up to 1 million gallons annually**, further cementing our dedication to resource optimisation.

3 Biodiversity

In 2024, we established Biodiversity a key focus within our Planet strategy, understanding that protecting ecosystems is vital for our enduring strength. Thriving forests, rich soils, and marine ecosystems play a crucial role in **combating climate change and ensuring resource availability**. We focus on Biodiversity through two key areas:

- Conservation & Restoration
- Direct Ecosystem Impact

As a leading luxury retailer in the region, we embrace our role in protecting natural habitats and responsibly stewarding resources. Our strategy outlines our alignment with global environmental frameworks while addressing pressing regional challenges.

This approach allows us to safeguard and restore essential habitats while also investigating the impact of our products, services, and supply chain. This year, we referred to globally accepted frameworks to produce measurable outcomes for both terrestrial and marine environments, and deliver a full value-chain perspective.

Our Biodiversity KPIs

We have initiated new KPIs at Group-level which **we started to track in 2024**, and established targets until 2030. Looking ahead, our ambition is to support a minimum of 500 hectares of Life on Land and 500sqm of Life Under Water through targeted conservation and restoration projects.

Moving forward, we aim to gain momentum on our biodiversity initiatives. We will audit our operations' biodiversity impact, define action plans for internal operations for the next three to five years, increase sustainable sourcing, while integrating biodiversity into team member learning, and engaging our team in hands-on biodiversity projects.

Frameworks guiding our commitments

GLOBAL BIODIVERSITY FRAMEWORK

Provides strategic guidance on ecosystem preservation.

TASKFORCE ON NATURE-RELATED FINANCIAL DISCLOSURES

Helps identify, assess, and disclose nature-related risks and opportunities.

GRI BIODIVERSITY STANDARD 2024

Ensures transparent and consistent reporting of our biodiversity impacts.



33

hectares of land are supported through the Group's tree planting initiatives

60

spm of coral reef supported through our first restoration sponsorship

CONSERVATION AND RESTORATION	2024	STATUS	2030 TARGET
Life on Land	33 hectares	Promoted through tree planting initiatives	500 hectares
Life below Water	60sqm	Promoted through the Group's first reef restoration sponsorship	500sqm

First Reef Restoration Funding

In 2024, Chalhoub Group initiated its first reef conservation project, sponsoring a total area of 60 sqm in marine restoration efforts. This milestone highlights our commitment to ocean biodiversity and aligns with the UAE’s national marine conservation priorities.

Through this sponsorship, specialised marine scientists **rescue naturally broken coral fragments** from stressed reef areas and place them on nursery tables, where they are carefully nurtured until they reach a resilient size of around 15 cm. This method of growing corals prior to outplanting significantly increases their survival rates and ensures healthier, more diverse reef ecosystems.

Once the corals have matured, they are transferred to stock reefs, purpose-built artificial structures that revitalise sandy ocean floors by **creating new habitats for marine life**. Through this initiative, we aim to restore vibrant underwater landscapes in areas previously affected by climate change and human activity. This initiative underscores our larger sustainability mission, illustrating how strategic investments in biodiversity can foster lasting benefits for local communities and the health of our planet’s oceans.



FLAG Assessment

We undertook our first comprehensive Forest, Land, and Agriculture (FLAG) assessment as part of our commitment to better understand the **environmental impacts of our product life cycles**.

Leveraging recognised databases such as Snap90 and Ecoinvent, this exercise screened a range of materials used across our operations and supply chain—including leather, cotton, and linen—mapping them against potential land-use and emissions factors.

This multi-category review enabled us to identify not just the direct emissions but also the wider implications of sourcing each raw material, such as water usage and impact on local ecosystems.

Key Results and Material Breakdown



In response to stakeholder feedback, this assessment also considered the primary countries of origin for these materials, enabling us to pinpoint regions that warrant deeper engagement with suppliers and producers.

The key finding from this analysis is that our total FLAG-related emissions represent about **3% of the Group’s total Scope 3 emissions** – below the 20% threshold set by SBTi. While we currently are not required to set FLAG-specific targets, the assessment has illuminated critical areas for closer scrutiny to **mitigate both environmental and social impacts in our supply chain**. These insights will inform our Planet approach, ensuring we continue to refine our sourcing practices.

Collective Action for Planet

In 2024, team members from across the Group took part in environmental activities including volunteering for tree-planting, and beach and desert clean-ups organised with local non-profit partners.

These initiatives focused to increase vegetation cover where it is most needed and remove litter from sensitive areas, preserving and promoting local biodiversity.

Over the year, volunteers planted 2,314 trees, mainly mangroves, in areas under protection in the GCC region. We have also collected 3,001 kg of waste from natural environments.



+2,300

trees planted by the Group

+3,000

kg of waste collected from nature

Future Commitments and Expansion of Our Biodiversity Impact

We recognise that we have much to learn as we broaden our Biodiversity initiatives, and we will scale related metrics across our supply chain in 2025 by embedding impact tracking into supplier scorecards and working with our brand partners. We will also introduce ecological impact training and an environmental risk mapping exercise for our procurement teams to enable conservation-focused decision-making.



PHILANTHROPY

Engaging our people to give back is at the heart of our Community Engagement and Philanthropy efforts.

The Group's philanthropic initiatives are structured around three main tenants

Quality Education for all

Community Health & Wellbeing

Relief Aid & Development Projects

As we look back on 2024, our efforts have touched the lives of over **480,716 people**, making an undeniable impact on communities across the region. Through partnerships, team member-driven initiatives, and a steadfast **commitment to giving back**, Chalhoub Group continues to create a lasting impact, ensuring that our success is shared with the communities we serve.

Our Commitments



1 Quality Education for all

Our commitment to education and social welfare is reflected in our philanthropic initiatives, which directly support underprivileged communities and ensure access to critical resources.

Chalhoub Group X Jusoor Jeb Jennine Center

Since 2015, this partnership has provided invaluable support to children, ensuring access to education, essential supplies, and healthcare services.

Impact created in the past year:

- **638** students engaged in the literacy programme
- **26** teachers are currently recruited
- **600** students received school supplies
- **375** families of students received food hampers



Gift of Giving Campaign Investing in Young Minds

One of our most impactful educational initiatives, the Gift of Giving Campaign, provided essential school supplies and digital learning tools to students in need. Since its inception, the campaign has supported **169,494 students** across **nine countries**, ensuring that education remains within reach for thousands of children. Our team members children also joined the effort - packing school kits and spreading joy, showing how impact begins at every age and adding more than **200 volunteering hours**.

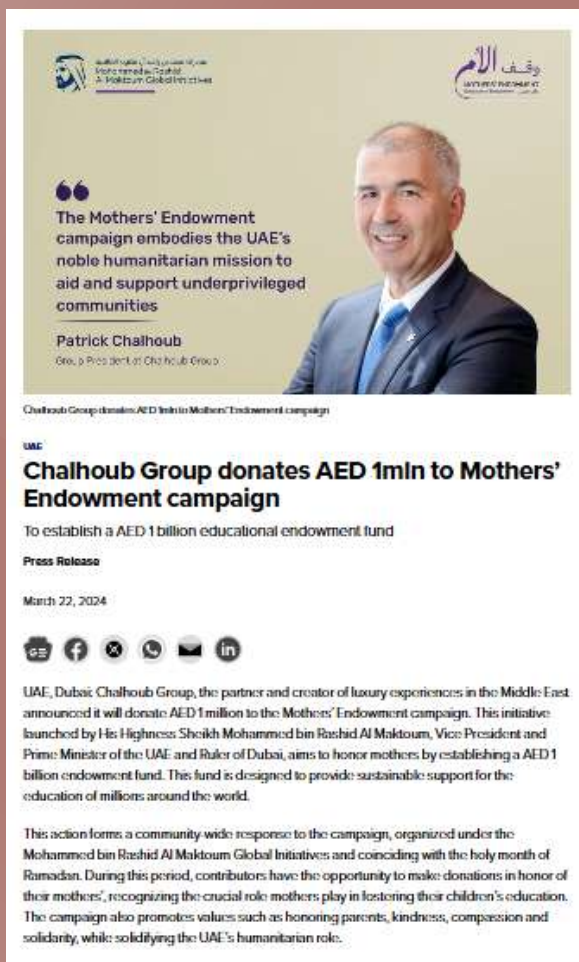
In **2024 alone**, the initiative reached **16,417 students** across **27 schools**, equipping them with **school bags, stationery kits, reusable water bottles, and digital learning devices**. Overall, there is a **21% increase** in total lives impacted.



16,417 students supported
9 countries covered
27 schools engaged
8,000 school bags and stationaries distributed
2,202 reusable water bottles provided
6,215 digital learning devices donated
489 team members volunteered
1,404 hours of volunteering

Mothers Endowment Educational Programme

The Mothers' Endowment programme by the UAE government will support the education of millions of individuals worldwide to provide them with the tools and skills necessary to create an independent life that preserves their dignity and ensures a decent living for them. Through this partnership, we extend our impact to women across India, Syria, Palestine, Jordan, and Egypt, ensuring access to quality education and lifelong learning.



2 Community Health & Wellbeing

Chalhoub Group's healthcare initiatives in 2024 focused on both access to treatment and compassionate support. A key contribution was made to the Children Cancer Center Lebanon (CCCL), where around AED 150,000 funded chemotherapy and blood studies for four young patients.

In parallel, cancer awareness and fundraising efforts engaged customers and team members across the region.

The **"Creating Impact with Love" UAE retail campaign** successfully engaged customers and team members in supporting cancer patients.

The **Daffodil Pin Campaign** raised **AED 34,500**, with 1,380 pins sold across 60 stores.

A garage sale in Egypt supported the Breast Cancer Foundation.

In **KSA, Kuwait, and Bahrain**, workshops, walkathons, and skincare sessions provided care and solidarity for patients and survivors.



Creative Therapy & Care Activities for Cancer Patients

In the **UAE** and **KSA**, our teams led **DIY kit workshops and string art activations** to create essential oil diffusers and handmade gifts for cancer patients, offering comfort during treatment.

In **KSA**, the **Glimmers of Strength** mirror designing workshop offered a moment of self-reflection and empowerment to breast cancer warriors, with in-kind support from Rimmel.

A **Makeover and Wellness Session** for 100 women at Al Jalila Foundation in the UAE brought dignity and joy to those undergoing treatment. Additionally, our collaboration with the **Al Jalila Foundation** has strengthened our impact in the healthcare sector, enabling us to provide essential resources through various initiatives.

Hamdan Bin Rashid Cancer Hospital

In 2024, a strategic partnership was signed with The Royal Marsden NHS Foundation Trust to support clinical operations, including the development of a robust model of care, workforce planning, and training

frameworks. Over 70 clinicians participated in more than 50 workshops to ensure clinical spaces meet international standards and are future-proofed. The hospital's construction is progressing steadily, with full design approval achieved in October 2024 and tendering for the main construction works underway for early 2025.

Together for Every Child

As part of our community engagement during Ramadan and Eid, Chalhoub Group organised thoughtful experiences for **orphans in Jordan and Bahrain**. In partnership with Sanhya Keramn, our team in Jordan spent the day with orphans, purchasing clothes, playing games, and sharing an Iftar meal to celebrate Eid. In Bahrain, team members packed Gergaon goodie bags at an event sponsored by City Centre Bahrain, and FACES contributed products for a Glam Kit initiative, curated with heartfelt messages to uplift children attending an Iftar hosted by one of our shareholders.

In **India**, we partnered with **Making the Difference** to enhance a play area used by children from nearby slums, creating a more vibrant and welcoming space. In **KSA**, team members wrapped gifts during Family Day celebrations across Riyadh, Khobar, and Jeddah, spreading joy through thoughtful gestures. In **Egypt**, we launched **The Blue Jacket Initiative** in collaboration with Resala, providing warm jackets to children in need ahead of the winter season.



3 Relief Aid & Development Projects

Our commitment to humanitarian support and sustainable development is reflected in our relief efforts, which provide immediate aid in times of crisis and foster long-term resilience in vulnerable communities.

One Million Meals One Ramadan

One of the year's most impactful campaigns was our regional food distribution effort during the Holy month of Ramadan.

Across seven countries, our team members joined forces with local NGO partners to pack and distribute over **8,200 boxes** filled with food items, providing more than one million meals to those in need. This collective effort, made possible through an investment of over **AED 1 million (\$273,000)**, reflects the power of unity and the impact of meaningful collaboration.



Extending Support Beyond Borders

Chalhoub Group remains steadfast in its mission to uplift those in need through philanthropic contributions that provide critical relief and support.

Lebanon Humanitarian Campaign

Chalhoub Group extended humanitarian support to Lebanon through a series of coordinated efforts combining **workforce involvement and strategic partnerships**. In collaboration with organisations such as the World Food Programme, Handicap International, Arcenciel, Couvent Sainte Therese Shaile, and Tebnine Support, we provided **food, shelter kits, medical supplies, and clothing** to affected communities.

37 mt of food commodities distributed

225 Hours of volunteering

+442K lives impacted



Gaza Humanitarian Campaign

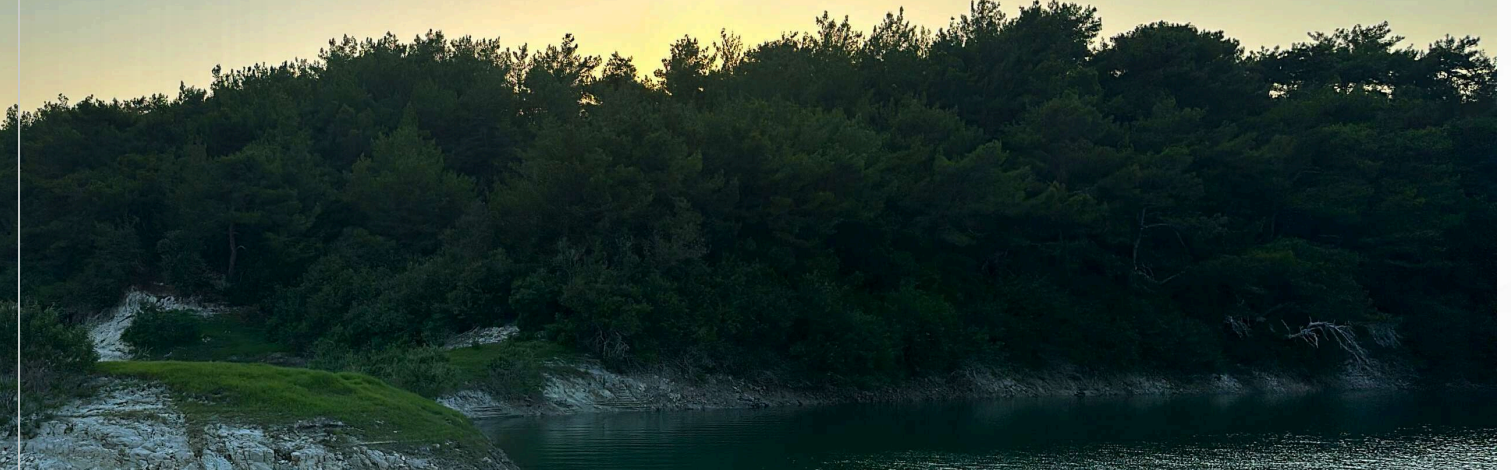
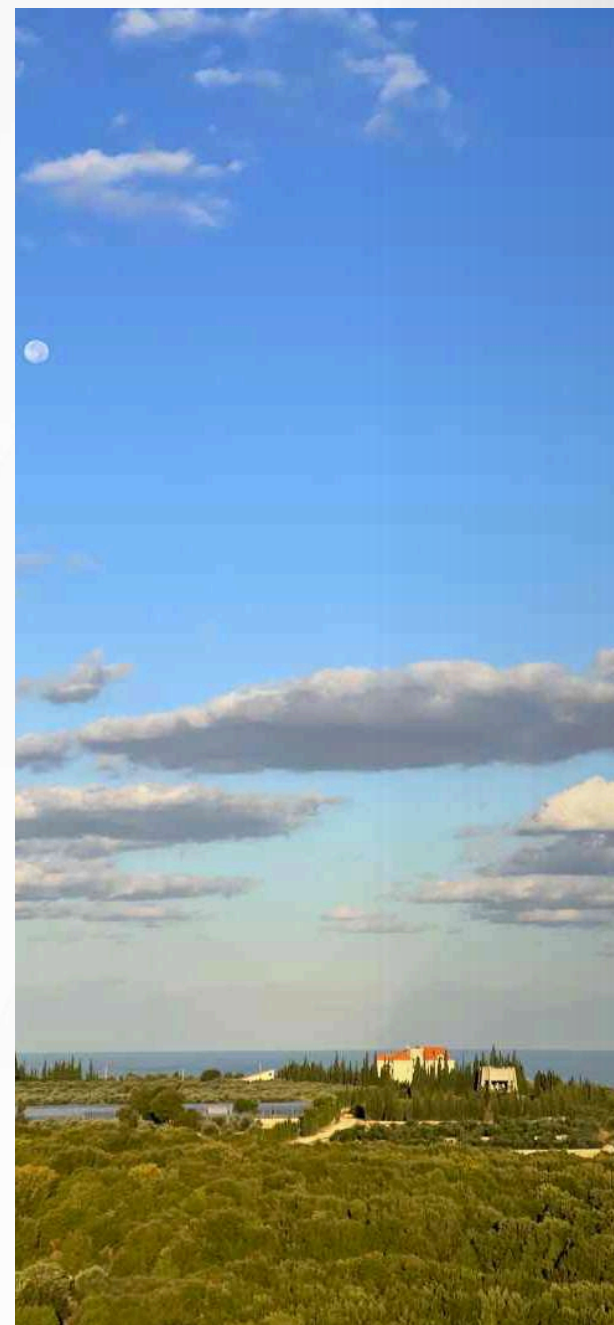
In response to the ongoing humanitarian crisis, **Chalhoub Group's Family Office has provided over AED 2.9 million (\$804,043)** in funding to support emergency relief efforts in Gaza. This contribution has enabled the provision of **food, shelter, clean water, and essential aid** to thousands of displaced individuals. Through partnerships with **11 NGOs**, the Group has played a crucial role in alleviating suffering and ensuring vital resources reach those in need.

590K meals distributed

+1,200 hours of volunteering

+314K lives impacted





In 2024, as the geopolitical situation escalated in our region—particularly with the conflicts in Lebanon and Gaza—and with many of our team members having roots in the Levant, we directed significant philanthropic and volunteer efforts to support refugee relief by partnering with established regional organisations. At the same time, we focused on mental wellbeing, especially for those affected by the conflict, and we sincerely thank them for their dedication and resilience in showing up every day.

To support our people during these difficult times, we offered a series of guided sessions focused on collective grief, self-care during crisis, and how to support others with compassion and empathy. These were complemented by a range of internal resources, including access to free therapy and counselling services, and practical guides on coping with trauma, caring for colleagues, and managing painful emotions.

The imagery on this page include a curated collection of archival and recent photography, some captured by our very own team, that vividly illustrate the beauty, resilience, and unity that characterise the Levant. With deep hope, we extend our heartfelt wishes for lasting peace and stability throughout the globe.

Annexure

GRI Index

Data Performance Tables

GRI Index

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION	GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
GRI 2: General Disclosures 2021	2-1 Organizational details	4-5		Material Topics			
	2-2 Entities included in the organization's sustainability reporting	3		GRI 3: Material Topics 2021	3-1 Process to determine material topics	14-18	
	2-3 Reporting period, frequency and contact point	3			3-2 List of material topics		
	2-4 Restatements of information	74		Market presence			
	2-5 External assurance	3		GRI 3: Material Topics 2021	3-3 Management of material topics		
	2-6 Activities, value chain and other business relationships	4, 53-61		GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage		
	2-7 team members	29,35-36			202-2 Proportion of senior management hired from the local community	37	
	2-8 Workers who are not team members	40		Procurement practices			
	2-9 Governance structure and composition	19		GRI 3: Material Topics 2021	3-3 Management of material topics		
	2-10 Nomination and selection of the highest governance body	19					
	2-11 Chair of the highest governance body	19		GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	54	
	2-12 Role of the highest governance body in overseeing the management of impacts	19					
	2-13 Delegation of responsibility for managing impacts	19		Anti-corruption			
	2-14 Role of the highest governance body in sustainability reporting	19		GRI 3: Material Topics 2021	3-3 Management of material topics	20, 54	
	2-15 Conflicts of interest	20		GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption		
	2-16 Communication of critical concerns	16			205-2 Communication and training about anti-corruption policies and procedures		
	2-17 Collective knowledge of the highest governance body	19			205-3 Confirmed incidents of corruption and actions taken		
	2-18 Evaluation of the performance of the highest governance body	29		Materials			
	2-19 Remuneration policies			GRI 3: Material Topics 2021	3-3 Management of material topics	74-77	
	2-20 Process to determine remuneration				GRI 301: Materials 2016		301-1 Materials used by weight or volume
	2-21 Annual total compensation ratio			301-2 Recycled input materials used			
	2-22 Statement on sustainable development strategy	20-21		301-3 Reclaimed products and their packaging materials			
	2-23 Policy commitments			Energy			
	2-24 Embedding policy commitments			GRI 3: Material Topics 2021	3-3 Management of material topics	67-68	
	2-25 Processes to remediate negative impacts		GRI 302: Energy 2016		302-1 Energy consumption within the organization		
	2-26 Mechanisms for seeking advice and raising concerns	20			302-2 Energy consumption outside of the organization		
	2-27 Compliance with laws and regulations	19-20			302-3 Energy intensity		
	2-28 Membership associations	Not applicable		302-4 Reduction of energy consumption			
	2-29 Approach to stakeholder engagement	16-17			302-5 Reductions in energy requirements of products and services		
	2-30 Collective bargaining agreements	Omitted - Collective bargaining is not allowed within the UAE laws					

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
Water and effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	78	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		
	303-2 Management of water discharge-related impacts		
	303-3 Water withdrawal		
	303-4 Water discharge		
	303-5 Water consumption		
Emissions			
GRI 305: Emissions 2016	3-3 Management of material topics	65-69	
	305-1 Direct (Scope 1) GHG emissions		
	305-2 Energy indirect (Scope 2) GHG emissions		
	305-3 Other indirect (Scope 3) GHG emissions		
	305-4 GHG emissions intensity		
	305-5 Reduction of GHG emissions		
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		NA
Waste			
GRI 3: Material Topics 2021	3-3 Management of material topics	74-77	
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts		
	306-2 Management of significant waste-related impacts		
	306-3 Waste generated		
	306-4 Waste diverted from disposal		
	306-5 Waste directed to disposal		
Supplier environmental assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	53-54	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria		
	308-2 Negative environmental impacts in the supply chain and actions taken		
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	27,32-35	
GRI 401: Employment 2016	401-1 New team member hires and team member turnover		
	401-2 Benefits provided to full-time team members that are not provided to temporary or part-time team members		
	401-3 Parental leave		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
Occupational health and safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	44-45	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		
	403-2 Hazard identification, risk assessment, and incident investigation		
	403-3 Occupational health services		
	403-4 Worker participation, consultation, and communication on occupational health and safety		
	403-5 Worker training on occupational health and safety		
	403-6 Promotion of worker health		
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		
	403-8 Workers covered by an occupational health and safety management system		
	403-9 Work-related injuries		
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	38-43	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per team member		
	404-2 programmes for upgrading team member skills and transition assistance programmes		
	404-3 Percentage of team members receiving regular performance and career development reviews	38	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	29-34	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and team members		
	405-2 Ratio of basic salary and remuneration of women to men		
Local communities			
GRI 3: Material Topics 2021	3-3 Management of material topics	46-51 82-87	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes		
	413-2 Operations with significant actual and potential negative impacts on local communities		NA
Supplier social assessment			
GRI 3: Material Topics 2021	3-3 Management of material topics	53-54	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		
	414-2 Negative social impacts in the supply chain and actions taken		

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	21	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		

Data Performance Tables

People

Workforce Overview

Description	Unit	2022			2023			2024		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Total workforce (excluding trainees, students and outsourced staff)	No.	9334	5843	15177	9748	5,993	15741	10233	6318	16551
Full-time team members	No.	9258	5811	15069	9669	5960	15629	10154	6247	16401
Part-time team members	No.	76	32	108	79	33	112	109	41	150
team members on an indefinite or permanent contract	No.	9313	5824	15137	9737	5971	15708	10187	6250	16437
team members on a fixed term or temporary contract	No.	21	19	40	11	22	33	46	68	114

Leadership Levels by Gender

Description	Unit	2022			2023			2024		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Senior management team members	No.	24	52	76	25	51	76	33	52	85
Middle management team members	No.	455	474	929	476	481	957	526	556	1082
Non-management team members	No.	8853	5319	14172	9138	5,600	14738	9674	5710	15384

Workforce by Age

Description	Unit	2022			2023			2024		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
team members age 18-30	No.	3726	1597	5323	3618	1625	5243	3615	1692	5307
team members age 31-50	No.	5418	3923	9341	5832	4053	9885	6303	4249	10552
team members age +51	No.	172	281	453	288	325	613	345	347	692

Female Representation Across Workforce

Description	Scope	Unit	2021	2022	2023	2024
Women representation in total workforce	Group-wide	%	60.52%	61.07%	61.61%	61.9%
Women representation in senior leadership roles (E1, 2, 3)		%	33.87%	31.34%	32.79%	38.8%

People of Determination Representation

Description	2023	2024
Total PoD in Workforce	16	50
PoD Retention Rate	70%	84%

Data Performance Tables

People

Workforce Overview

Description	Scope	Unit	2021	2022	2023	2024
Total training delivered	Group-wide	Hours	33,973	96,458	144,512	82,846
Senior management team members		Hours	959	949	1,453	846
Middle management team members		Hours	8,694	24,416	24,725	13,557
Non-management team members		Hours	24,140	71,093	118,335	68,444
Male team members		Hours	13,359	57,168	56,437	33,295
Female team members		Hours	20,434	39,290	88,075	49,551
Average training per team member		Hours	4.78	13.65	12.52	12.20
Number of e-learning training hours delivered		Hours	13,924	27,429	30,332	13,978
Amount invested in training		AED	12,298,923.94	17,945,124.15	20,981,489.01	20,435,157

Localisation

Description	Scope	Unit	2021	2022	2023	2024
Localisation of senior management	Group-wide	%	2.90%	5.20%	6.50%	7.47%
Localisation among total workforce		%	31.00%	31%	31.50%	32%
Total number of local team members		Number	4095	4717	4969	5510
Number of female local team members		Number	3271	3731	3906	4279

Local Communities

Description	Scope	Unit	2021	2022	2023	2024
Total trees planted	Group-wide	Number	1,505	1,533	3,275	2,314
Total rubbish collected		KG's	1,556	3,638	4,374	3,001
Total number of initiatives		Number	234	225	265	223
Impact		Number	92,323	88,827	783,848	2,594,546
Total number of team member volunteering hours		Hours	13,573	9,275	10,510	9,420
Total number of company volunteers (team members + friends and family)		Number	10,955	5,097	9,871	6,307

The significant increase in lives impacted in 2024 reflects consolidated efforts across all operating countries of Chalhoub Group and a major contribution from the Chalhoub Family.

Workforce Turnover & Absenteeism Rate

Description	Unit	2022			2023			2024		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Total team member turnover (voluntary)	No.	18.60%	10.40%	16.70%	18.12%	13%	16.16%	16.48%	11.80%	14.70%
team member absentee rate	No.	N/A	N/A	N/A			1.11%			1.08%

Parental Leave

Description	2022			2023			2024		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of team members that took parental leave	N/A	N/A	N/A	245	N/A	245	415	N/A	415
% of team members who returned to work after maternity/paternity leave	N/A	N/A	N/A	92.65%	N/A	92.65%	93.49%	N/A	93.49%
Number of team members returned from parental leave who were still employed twelve months after return to work (retention)	N/A	N/A	N/A	227	N/A	227	388	N/A	388
Retention rate (%)	N/A	N/A	82%	N/A	N/A	82%	N/A	N/A	81%

Data Performance Tables

People

NGO Partners - Donations Raised

Name of NGO	Scope	Donation Raised
Emirates Red Crescent	Group-wide	\$78,641
King Salman Humanitarian Aid and Relief Center		\$14,938
Kuwait Red Crescent		\$966
Qatar Red Crescent		\$1,635
Jordan Hashemite Charity Organization		\$6,300
Bahrain Red Crescent Society		\$1,216

Partners

Scorecard Completion

Description	Scope	Unit	2021	2022	2023	2024
Number of Scorecards Completed	Group-wide	Number	1055	1447	1689	2,706
Completion Rate of Scorecards Over Time		%	25%	24%	30%	37%

Planet (Group-wide)

Energy

Description	Scope	Unit	2021	2023	2024
Total petrol consumption	Group-wide*	Liters	398,544	422,310	709,058
Total diesel consumption		Liters	470,961	568,988	657,469
Total electricity consumption		KWh	54,608,259	62,780,524	66,045,192
Refrigerants		kg	190	106.47	140

*Emissions and Energy data are complete for UAE and Saudi Arabia only. Qatar, Kuwait, and Egypt data only include direct fuel consumption from the local fleet, and accordingly, scope 1 emissions.

Emissions

Description	Scope	Unit	2021	2023	2024
Scope of the emission: Scope 1	Group-wide*	tCO2e	5,406.00	4,762.00	4,444.00
Scope of the emission: Scope 2		tCO2e	29,885.00	31,396.00	33,617.00
Scope 3 emissions (Intensity-based)		tCO2e / \$ Million	512.01	505.48	523.69
Direct CO2 from diesel		Tonnes	1,181.30	1,429.00	1,652.73
Direct CO2 from gasoline		Tonnes	883.98	888.00	1,478.06
Indirect CO2 from refrigerants		Tonnes	1,542	1,416	992

Scope 3 Emissions Breakdown

Scope 3 Category	Percent from Scope 3
Purchased Goods and Services	28.6%
Capital Goods	2.5%
Fuel-and-Energy-Related Activities	3.0%
Upstream Transportation and Distribution	5.0%
Waste Generated in Operations	1.7%
Business Travel	0.8%
Employee Commuting	4.2%
Use of Sold Products	2.9%
End of Life Treatment of Sold Products	4.1%
Investments	47.4%

*Scope 3 absolute emissions in tCO2e have been excluded due to confidentiality as the indicator is intensity/revenue based.

Waste

Description	Scope	Unit	2021	2022	2023	2024
Total weight of waste generated	UAE	Tonnes	5,047.8	6185.7	6,305	5,689.3
Total weight of waste diverted from disposal		Tonnes	550.7	603.9	724.0	1,083.0

Water

Description	Scoope	Unit	2021	2022	2023	2024
Total water consumption	UAE	Liters	54,605,709	51,984,873	58,900,000	53,800,000

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