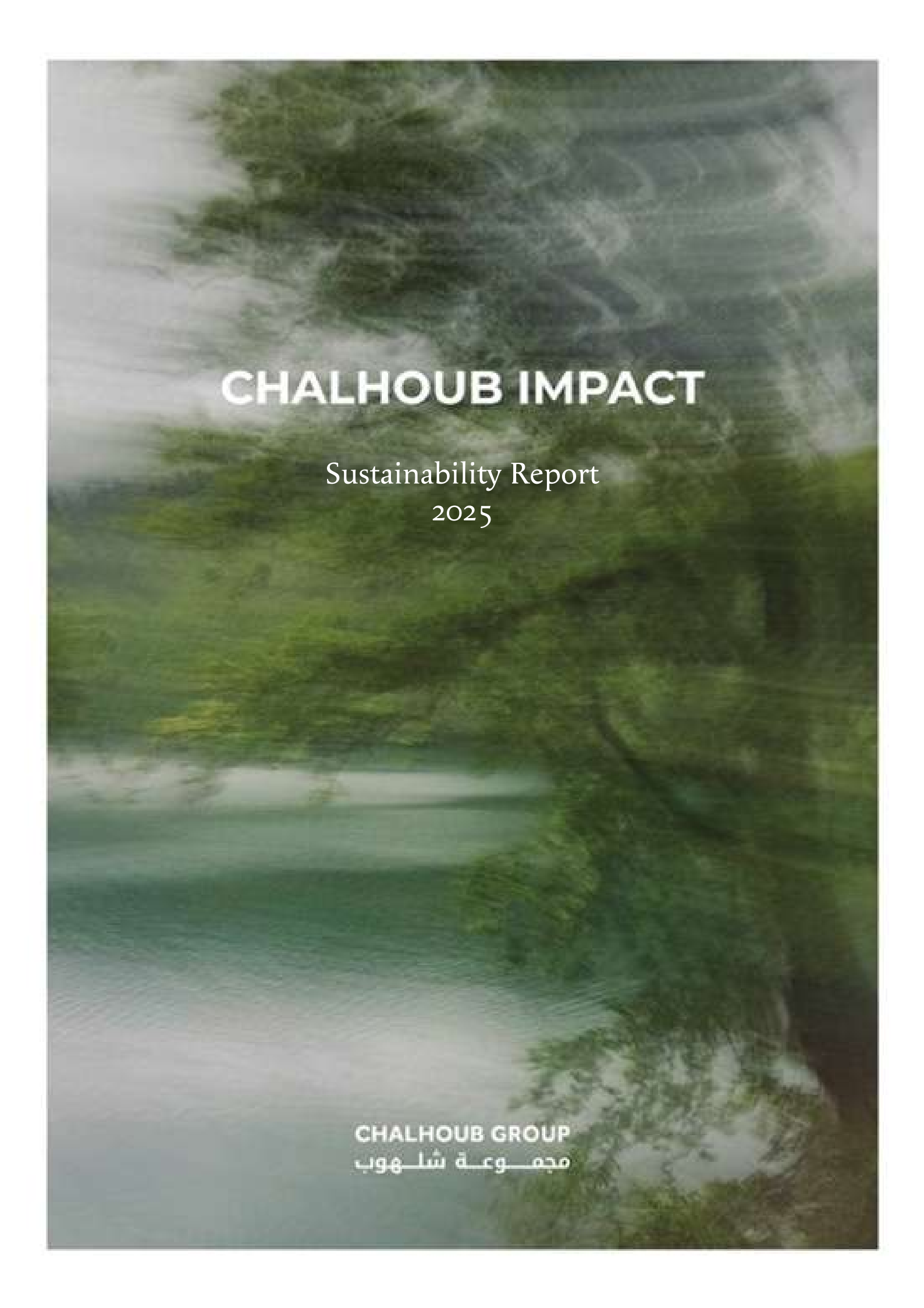




CHALHOUB IMPACT

Sustainability Report
2025

CHALHOUB GROUP
مجموعة شلهوب

Table of contents

About the Report3

WE ARE CHALHOUB4

Symphony of the Future: 70 years of Chalhoub Group6

Vision 2033: Bridging Horizons7

Group Executive Chairman Message8

Group Chief Executive Officer Message9

Reflections from Our Chief Sustainability Officer10

PATHWAYS TO SUSTAINABILITY16

Chalhoub Impact16

Alignment with Global Priorities17

Stakeholder Engagement and Materiality18

North Star KPIs20

Governance, Ethics & Accountability21

PEOPLE25

One Team, One Culture26

Diversity, Equity, Inclusion & Belonging33

Talent Strategy: Acquisition, Retention & Development36

Health, Safety, Security & Environment41

Impact on Wider Community43

PARTNERS47

Sustainable Across our Value Chain48

Diverse Partnerships for Sustainable Growth51

Innovative & Entrepreneurial Partnerships54

PLANET FWD57

Net Zero FWD60

Circularity FWD67

Nature FWD71

PHILANTHROPY74

Quality Education for All75

Community Health & Wellbeing76

Relief Aid & Development Projects77

Annexure80

GRI Index81

Data Performance Tables84

About the Report

This report marks the 12th annual Sustainability Report of Chalhoub Group, presenting the Group's sustainability performance, priorities, and progress for the year 2025. It is structured around the three pillars of our impact strategy - People, Partners, and Planet FWD - which guide our approach to creating long-term value and positive impact.

It has been prepared in accordance with the **Global Reporting Initiative (GRI) Standards**, Core option. It also highlights our alignment with the **United Nations Sustainable Development Goals (SDGs)** and our contribution towards their achievement. 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.

IN 2025,

the Group introduced **Planet FWD**, a strategic evolution of our environmental agenda. Planet FWD positions the Group's planet strategy as a distinct and elevated focus, designed to accelerate sustainability leadership beyond our direct operations and across the value chain. Anchored around three focus areas, **Net Zero FWD, Circularity FWD, and Nature FWD**, the strategy strengthens accountability, collaboration, and measurable impact with partners and suppliers, while advancing progress toward our near-term climate and environmental ambitions.



Adhering to the GRI Principles

Accuracy
Balance
Clarity
Comparability
Completeness
Sustainability Context
Timeliness
Verifiability

WE ARE Chalhoub

For nearly 70 years, Chalhoub Group has shaped the evolution of luxury in the Middle East. Founded in Damascus as a family business built on partnership and trust, the Group has grown into a global luxury brand builder that bridges cultures, inspires dreams, and creates enduring value across markets.



Over the decades, Chalhoub Group has played a pivotal role in shaping luxury culture in the region. It supported the growth of French luxury in the Middle East and progressively expanded its partnerships to include Italian, British, and other European houses. Through a medium- to long-term partnership model rooted in shared values and trust, the Group has enabled international brands to establish meaningful regional presence while elevating local cultural narratives.

Today, the Group's business model is structured around three complementary pillars that balance heritage, innovation, and long-term value creation.

- **Own Brands:** Built on decades of brand-building expertise, Chalhoub Group creates and acquires brands with a long-term vision, nurturing them from inception to leadership. Brands such as Level Shoes, FACES, Tanagra, and Tryano reflect the Group's commitment to excellence, creativity, and cultural relevance.
- **Brand Management:** Through trusted partnerships with leading luxury houses across fashion, beauty, jewellery and homeware, the Group combines market intelligence, cultural fluency, and operational excellence to ensure sustainable growth and regional relevance across eight countries.
- **Joint Ventures:** Long-standing strategic collaborations blend international brand equity with deep regional insight, creating resilient businesses grounded in shared ambition and operational excellence.

Together, these pillars demonstrate a resilient and future-focused model capable of adapting to evolving consumer expectations while creating shared value for brands, customers, and communities. At the heart of this model lies a deeply consumer-centric approach. Every strategic decision begins with the consumer, shaping products, retail formats, omnichannel experiences, and partnerships.

Sustainability and responsible growth are deeply embedded in the Group's DNA. Through Chalhoub IMPACT, sustainability priorities are integrated into decision-making, operations, and partnerships. The Group is a proud member of the UN Global Compact Community and a signatory of the Women's Empowerment Principles, reinforcing its commitment to ethical business, diversity, equity, inclusion, and belonging. Recognised as a Great Place to Work® in more than eight countries, Chalhoub Group continues to prioritise people wellbeing, development, and engagement as a cornerstone of performance.

Stakeholder engagement remains central to this ambition. By actively listening, collaborating, and co-creating with customers, business partners, NGOs, academic institutions, financial institutions, investors, government entities, mall developers, and brand partners, the Group strengthens trust, anticipates change, and fosters shared value.

Throughout its journey, growth has never been defined by scale alone. It has been driven by entrepreneurial spirit, operational excellence, cultural stewardship, and continuous reinvention. People remain the connective force across strategy, culture, and performance, nurturing a people-at-heart culture that develops leadership depth and collective capability.

As it enters its next chapter, Chalhoub Group continues to harmonise heritage, innovation, stakeholder collaboration, and sustainability, shaping a future of luxury defined not only by excellence, but by purpose, resilience, and meaningful long-term impact.

KEY MILESTONES

1950S–1970S: FOUNDATIONS
AND REGIONAL EXPANSION

1955

FOUNDED IN SYRIA BY MICHEL AND WIDAD CHALHOUB.

1965

RELOCATED OPERATIONS TO BEIRUT, LEBANON.



1975

EXPANDED TO KUWAIT, STRENGTHENING DISTRIBUTION AND RETAIL PARTNERSHIPS.



1980S–
1990S:

Brand Creation
and Market
Leadership

1980

LAUNCHED TANAGRA, THE GROUP'S FIRST OWN BRAND.

1989

INTRODUCED FACES, THE MIDDLE EAST'S LEADING BEAUTY OMNICHANNEL RETAILER.



1990

RELOCATED HEADQUARTERS TO THE UAE, LAYING THE FOUNDATION FOR GCC GROWTH.

1991

ENTERED SAUDI ARABIA.

1994–1999:

EXPANDED OPERATIONS TO EGYPT, BAHRAIN, AND QATAR.

2000S

Building
Capability and
Impact

2007

ESTABLISHED THE RETAIL ACADEMY, INVESTING IN TALENT DEVELOPMENT.



2009

LAUNCHED CHALHOUB IMPACT, FORMALISING SUSTAINABILITY AND COMMUNITY ENGAGEMENT.

2010S

Innovation and
Diversification

2012

OPENED LEVEL SHOES, AN EXPERIENTIAL LUXURY RETAIL DESTINATION IN DUBAI MALL.

2015

INTRODUCED TRYANO IN ABU DHABI.

2016

CREATED GHAWALI, A MODERN REINTERPRETATION OF ARABIAN FRAGRANCE HERITAGE.



2017–2019

LAUNCHED THE GREENHOUSE INNOVATION LAB AND MUSE, THE LOYALTY ECOSYSTEM CONNECTING MILLIONS OF LUXURY CONSUMERS.

2020S

Transformation
and Global Reach

2021

INTRODUCED THE BEAUTY LAB, ACCELERATING INNOVATION IN BEAUTY RETAIL.

2022

RELEASED CHRISTOFLE'S FIRST NFT COLLECTION.

2023

LAUNCHED SOL3MATES, BLENDING CRAFTSMANSHIP AND SUSTAINABILITY.

2024

DEBUTED THE SKINCARE EDITION, REINFORCING LEADERSHIP IN BEAUTY INNOVATION.

2025

GHAWALI GOES GLOBAL.



SYMPHONY OF THE FUTURE

Last year, we marked 70 years of Chalhoub Group under the theme Symphony of the Future, which reflected a clear idea: no journey of this scale is built alone.

It is shaped through many voices, contributions, and moments of shared trust. This collective rhythm continues to guide how we move forward.

70 years

Seven decades ago, we began as a family business rooted in a simple belief, that trust, care, and long-term relationships can create something that lasts beyond generations. What started as a small entrepreneurial journey has grown into a global luxury partner, curator, and creator across the Middle East and beyond, shaping markets, elevating brands, and contributing to the cultural and economic fabric of the region.

Over time, we have witnessed the evolution of luxury in the Middle East and played a role in shaping it. From supporting the growth of French luxury in the region to expanding partnerships with Italian, British, and wider European houses, we have acted as a bridge between worlds and cultures, connecting heritage and modernity, global craftsmanship and regional identity, and brands with the people they serve.

As part of this milestone, we brought this belief to life through a structured stakeholder engagement journey across the cities that have shaped us, Paris, Kuwait, Riyadh, and Dubai. We engaged with a broad spectrum of stakeholders across our ecosystem:

- Business Groups & Business Enablers
- NGOs & Sustainability Organisations
- Universities, HR Partners & Career Fairs
- Banks & Financial Institutions
- Investment Partners
- Federal Authorities, Government, Semi-Government & Foreign Missions
- Mall Developers
- Brand Partners

These were moments of meaningful exchange. They allowed us to listen, challenge our thinking, and remain closely connected to the communities, institutions, and partners we grow with. Because progress is never built in isolation.



VISION 2033: BRIDGING HORIZONS

As we marked 70 years of our journey, we also set the direction for what comes next with the launch of Vision 2033: Bridging Horizons. It was a moment to honour what has brought us here, while recognising that the future requires renewed ambition and a clear path forward.

Our vision is structured around three strategic choices, enabled by three key enablers, and centred on our luxury consumer.

At the core sits our luxury consumer. Understanding evolving expectations, anticipating needs, and creating meaningful, personalised experiences remain central to every decision we make.

Our growth is driven by **three strategic choices**.

First, we are **strengthening and expanding our partnership business across the Middle East and Latin America**. Partnership remains a foundation of our model, built on trust, shared ambition, and long-term value creation, while supporting our international growth and reinforcing leadership in our core markets.

Second, we are **scaling our own omnichannel retail brands**. Brands such as Level Shoes, FACES, and Tanagra continue to evolve as integrated ecosystems, combining retail, digital, and personalised client experience, with a focus on expanding their reach while preserving identity and relevance across markets.

Third, we are acquiring and building product brands. This reflects our ambition to become both a brand builder and a brand owner, investing in and acquiring product brands across luxury categories.

These strategic choices are enabled by three key enablers: talent and capabilities, operational excellence, and AI. Together, they strengthen how we operate, enhance decision-making, and support consistent execution at scale. Within this framework, sustainability is embedded at the core. It shapes how we grow, how we partner, and how we build for the long term, ensuring that our progress remains responsible, relevant, and enduring.

Our ambition is clear: to continue building a resilient, future-ready organisation, guided by our purpose to build a future where luxury dreams become reality.



Message from Our Executive Chairman

As I continue in my role as Executive Chairman, I look back on 2025 with a deep sense of perspective and gratitude. It has been an important year in the journey of our Group, marked by both a significant milestone and a natural evolution in our leadership.

And as we celebrated 70 years of Chalhoub Group, we also launched our Vision 2033: Bridging Horizons, setting a clear direction for the future.

This year also marked a transition in leadership.

I stepped into the role of Executive Chairman, while Michael, part of the third generation of our family, assumed the role of Chief Executive Officer.

This transition reflects continuity, grounded in our values and our long-term perspective. It was approached with care and rigour, with the support of our Advisory Board, and through a process that considered a range of strong candidates. Michael's appointment reflects both legacy and merit, ensuring the Group is well positioned for what comes next.

In this new phase, my role focuses on guidance, stewardship, and governance. I remain closely engaged, supporting Michael and our leadership team, while ensuring continuity in how we think, decide, and build for the long term.

I have always believed in servant leadership, where leadership is expressed through support, presence, and the responsibility to create the conditions for others to lead well and contribute fully.

Reaching 70 years was a moment of reflection. It reaffirmed what defines Chalhoub Group: a family-built business shaped by trust, care, and long-term relationships, where value is created through people, strengthened through partners, and sustained with responsibility towards our planet.

Sustainability is central to how we move forward. It reflects our evolution from a tradition of family philanthropy to an approach that is fully embedded in our business. It informs how we manage performance, risk, and opportunity, and how we create long-term value across our ecosystem.

For me, this commitment reflects where we come from and where we are going. It is an expression of our heritage, and of the responsibility we carry towards the future we are helping to shape. I am encouraged to see this commitment fully embraced by our Executive Committee, with clear progress in our ESG ambitions and a shared determination to continue delivering on them.

Looking ahead, we remain focused on strengthening an organisation that is ready for the future, building with purpose, acting with responsibility, and staying true to the foundations that have guided us for generations.

Because I believe that a business like ours is not something we own. It is something we hold in trust. It has been shaped by those who came before us, and it will be passed on to those who will follow. It is through this sense of stewardship that growth becomes truly sustainable.



Patrick Chalhoub
Executive Chairman

Message from Our Chief Executive Officer

2025 marked my first year as CEO of Chalhoub Group, a role I have taken on with deep humility, great honour, and a strong sense of responsibility. It has been a year of transition and focus. Stepping into this position means building on a legacy created over decades, while ensuring the Group continues to evolve with clarity, discipline, and a long-term perspective.

As we celebrated 70 years of Chalhoub Group, we were reminded of what defines us. A business built on trust, shaped by long-term partnerships, and driven by a deep understanding of our customers and our region. This legacy is not something we just preserve, it is something we build on, every day.

In 2025, we delivered the best year ever for our Group, across our markets, both in terms of top-line growth and bottom-line results. This reflects the strength of our foundations and the discipline of our teams, even in a context that continues to evolve. It also reinforces our ability to stay close to our customers, adapt with speed, and execute with consistency.

This is the mindset behind Vision 2033: Bridging Horizons. It is our mandate for the future, and it is already in motion. We are strengthening our partnerships across the Middle East and Latin America, scaling our own brands as integrated ecosystems, and expanding our role as a brand builder and brand owner. These choices are supported by continued investment in talent and capabilities, operational excellence, and AI.

2025 has been a year of tangible progress. We have accelerated the adoption of AI across the organisation, strengthened our operational backbone, and continued to invest in our brands and platforms, ensuring we remain relevant, agile, and ready for what comes next.

Sustainability is embedded in how we operate and how we grow. It shapes how we manage our value chain, make decisions, and invest for the long term. The introduction of Planet FWD marks an important step in accelerating our environmental agenda, while ensuring alignment between growth and impact.

I must acknowledge that now, a few months into 2026, we find ourselves navigating a different reality. In moments like these, we are reminded of the strength and resilience of our region. We have confidence in the wisdom of its leadership, and in our collective ability to move forward with clarity and responsibility.

Looking ahead, our focus remains clear. To stay close to our customers, to continue building with discipline, and to ensure that what we are shaping today remains strong and relevant for the future.

Michael Chalhoub
Chief Executive Officer

Reflections from Our Chief Sustainability Officer

At Chalhoub Group, sustainability is grounded in responsibility, to people, to partners, and to the planet. In a world marked by growing socio-environmental crises, our role as a luxury retailer and partner extends beyond performance to how we uphold human rights, ethical conduct, and environmental stewardship across our value chain.

In 2025, we took a significant step forward in strengthening our human rights approach. Through participation in the UN Global Compact Human Rights Accelerator, a cross-functional task force completed a six-month programme that enabled us to define Chalhoub Group's five salient human rights risks and establish our first unified human rights due diligence methodology. This work moves us from commitment to structured action. It provides a clear framework for implementation, with defined KPIs for 2026, including updates to our Partner Code and Human Rights Policy, targeted management training, and the assessment of critical suppliers where heightened risks may exist. This marks an important milestone in strengthening how respect for human rights is reflected in our operations and value chain.

We also advanced our commitment to fair and dignified work through our formal endorsement of the UN Global Compact Forward Faster pledge on living wages. In 2025, we completed a living wage gap assessment in collaboration with the Wage Indicator Foundation, strengthening our understanding of wage adequacy for both team members and workers upstream and downstream in our supply chain. This work reinforces our ambition to move beyond compliance and contribute to more equitable economic outcomes across the ecosystems in which we operate.

Alongside these efforts, 2025 marked a significant change in how sustainability is embedded into leadership accountability and performance management. Building on the introduction of ESG metrics into the Group Scorecard last year, alongside financial and commercial dimensions, the Group further strengthened the role of sustainability KPIs in 2025. ESG objectives were elevated within the Group Scorecard, followed up more rigorously at ExCom level, and embedded into the three-year planning and budgeting cycles. By cascading the Group Scorecard across the organisation, we ensured clearer ownership, transparency, and alignment of sustainability objectives at every level of the business.

2025 marked a pivotal evolution in our environmental strategy with the launch of Planet FWD. A comprehensive review of our progress and capabilities led to the redesign of our ESG operating model to strengthen shared accountability for Net Zero targets across the Group. We introduced a Carbon Model Framework to quantify and prioritise the impact of key decarbonisation levers. This work clarified where acceleration was required and shifted our focus from measurement to the activation of high-impact actions across both operations and value chains.

Planet FWD was therefore introduced as a standalone, Group-wide strategic accelerator, elevating our Planet agenda from operational excellence to full value chain transformation. While our Environmental Taskforces continue to drive progress on energy, waste, and fuel within our direct operations, Planet FWD expands our focus to address the most significant share of our environmental footprint across upstream and downstream activities. It provides a structured framework to accelerate decarbonisation in line with our SBTi-validated targets, embed circularity as a scalable business practice, and translate biodiversity insights into actionable, nature-positive strategies, with biodiversity and nature integrated to further elevate our ambition.

Central to this approach is the integration of governance, data, and ownership, ensuring that environmental priorities are clearly linked to planning, execution, and accountability across the Group. This progress is enabled by the commitment of our teams and partners, whose continued engagement strengthens a more responsible and resilient business. As we look ahead, our focus remains on accelerating priority levers, deepening human rights due diligence, reinforcing ethical governance, and delivering measurable environmental outcomes including strengthening the sustainability performance of our built environment, while ensuring sustainability continues to drive long-term value for the Group and the communities we serve.

A portrait of Florence Bulte, Chief Sustainability Officer, smiling. She has blonde hair and is wearing a dark blazer. The background is a blurred office setting.

Florence Bulte
Chief Sustainability Officer

We are driven by

OUR PURPOSE

To build a future where luxury dreams become reality.



...and guided by

OUR VALUES

That bring us together:

Respect
Excellence
Entrepreneurial Spirit

Chalhoub Group in Numbers

16,800+

TEAM MEMBERS

128

NATIONALITIES

5,192

TEAM MEMBERS IN THE 18-30 YEARS AGE BRACKET

35 YEARS

AVERAGE AGE OF OUR TEAM MEMBERS

960+

RETAIL STORES

91+

E-COMMERCE WEBSITES & APPS

26

MARKETS

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) HIGHLIGHTS

ESG INTEGRATION IN PERFORMANCE MANAGEMENT

The Group continues to integrate ESG considerations into its Corporate Performance Management framework through a scorecard that tracks results across three key KPI dimensions: financial, commercial, and ESG. This year, ESG KPIs have been refined to better reflect operational realities and business growth, including the use of intensity-based metrics such as energy consumption relative to scale replacing absolute measures. Executive incentives remain linked to sustainability outcomes, including Scope 1, 2, and 3 emissions, reinforcing accountability at every level.

ADVANCING HUMAN RIGHTS DUE DILIGENCE THROUGH THE UNGC HUMAN RIGHTS ACCELERATOR

Our cross-functional Human Rights Task Force completed the UNGC Human Rights Accelerator programme, defined the Group's five salient human rights risks, and developed our first unified human rights due diligence methodology. Implementation KPIs have been established for 2026, including updated policies, management training, and the assessment of critical suppliers to reinforce responsible business practices across the value chain.

STRENGTHENING BIODIVERSITY STRATEGY & ASSESSMENT

During the year, the Group undertook a comprehensive Biodiversity Impact Assessment, supported by dedicated ecological expertise, including material mapping and structured stakeholder engagement. The assessment identified priority focus areas i.e. traceability, supplier and brand engagement, and biodiversity KPIs, laying the foundation for a more systematic, data-driven biodiversity strategy.

RECOGNITION & AWARDS

We were awarded the Dubai Chamber of Commerce Environmental, Social, and Governance Label for the second year in a row, a recognised framework that assesses organisational ESG maturity and preparedness against global best practices and local standards, reinforcing our commitment to transparent reporting and responsible business practices.





PEOPLE

Advancing One Team, One Culture
Across a Growing Organisation

One Team, One Culture

Team Member Engagement

Strengthened the **Voice of the People survey**, ensuring team members' feedback drives action through structured engagement and leadership accountability.

86%

team member
engagement score
achieved

Workplace Recognition

Chalhoub Group was recognised as a Great Place to Work® across multiple markets, reflecting its commitment to a positive and empowering workplace.

8

countries
Great Place to
Work® certified

Team Member Wellbeing

Delivered the fourth edition of Wellbeing Week, providing preventive health support and wellbeing resources across the Group.

2,700+

team members
engaged across 8
countries

Diversity, Equity, Inclusion & Belonging

Recognised with the **Silver Wosool Accessibility Certification by Dubai Municipality**.

90%

compliance with Dubai's
Universal Design Code
and Dubai building Code

58

People of
Determination
hired in 2025

Silver Mowaamah certification awarded in KSA

reflecting our progress in fostering an
inclusive and accessible workplace

46%

Women in
Leadership

General Managers
& above

Established global wage baseline in 2025

Living Wage
for All by

2030

Talent Strategy

National Talent Development

Expanded nationalisation programmes to accelerate career growth and leadership pathways for local talent across the UAE and KSA.

450

UAE Nationals
employed in 2025

Healthy & Safe Workplace

HSSE training and awareness initiatives were delivered across the Group through mandatory, role-specific, and risk-based programmes.

1,609

team members
were trained on
HSSE

Impact to Wider Community

Community Impact

Through its People, Planet, and Philanthropy pillars, the Group has implemented region-wide initiatives that promote social responsibility, environmental stewardship, and community empowerment.

1,297,949

lives
impacted



PARTNERS

Building Responsible, Innovative & Future-Ready Partnerships

Sustainable Across Our Value Chain

Tawreed

Launched as a flagship **logistics hub in KSA**, enhancing delivery efficiency while advancing LEED Gold-aligned, lower-impact infrastructure.

Enhanced supplier engagement through the Sustainability Supplier Scorecard, enabling stronger insights into ESG risks and supplier performance.

40%

supplier scorecard completion rate in 2025

Diverse Partnerships for Sustainable Growth

Retail Decarbonisation Collaboration

Through **Unity for Change**, Chalhoub Group advanced collective action with partners on energy efficiency, eco-design, waste management and clean energy across retail environments.

100%

own-concept brands onboarded for eco-design implementation

Shared sustainability KPIs established across 4 priority streams

4

sustainability-linked loans signed in total, embedding ESG performance into financial mechanisms

Innovative & Entrepreneurial Partnerships

Innovation & AI Partnerships

Leveraged innovation and AI-driven solutions to enhance retail experiences and support the future of sustainable luxury retail.

Layla AI deployed

as a landmark GenAI retail solution

Sol3mates

Sol3mates adopted a demand-led production model, targeting 100% sell-through and minimising excess inventory across the value chain.

PLANET *FWD*

Accelerating Environmental Leadership Beyond Operations

Planet FWD marks the evolution of Chalhoub Group’s environmental strategy into a distinct and elevated pillar. Designed to accelerate environmental leadership beyond direct operations and across the value chain, Planet FWD reinforces accountability, measurable impact, and collaboration, positioning the Group as a regional leader in sustainable luxury.

Planet FWD is anchored around three strategic focus areas: Net Zero FWD, Circularity FWD, and Nature FWD. Details of what each pillar encompasses will be discussed in detail in the dedicated Planet FWD section on page xx.

Net Zero FWD

13% reduction in Scope 3 emissions intensity (tCO₂e per USD million revenue), reflecting improved emissions efficiency across the value chain



Energy Efficiency

We strengthened our energy efficiency strategy by introducing **a digitally enabled, data-driven approach** to monitor and manage energy and water performance across operations.

Sustainable Buildings



STEP Framework

Expansion of Stores Towards Earth Protection (STEP) assessments beyond new stores to cover **10% of existing stores regionally.**

Circularity FWD

Circular Innovation - RESOLVE
Resolve introduced **a digitally enabled circular operating model** for visual merchandising assets, improving reuse, traceability, and value-chain efficiency.



Waste Transparency

Improved waste data systems and reporting granularity strengthened visibility on recovery streams and enabled more accurate tracking of waste diversion performance.

Water Stewardship

Expanded water efficiency measures across facilities, including greywater reuse, recycled irrigation systems, and more sustainable solar panel cleaning practices.

Nature FWD

Marine Biodiversity
The Chalhoub Group High Performance Artificial Reef and Nursery Table became active marine habitats, supporting biodiversity along the UAE’s east coast.

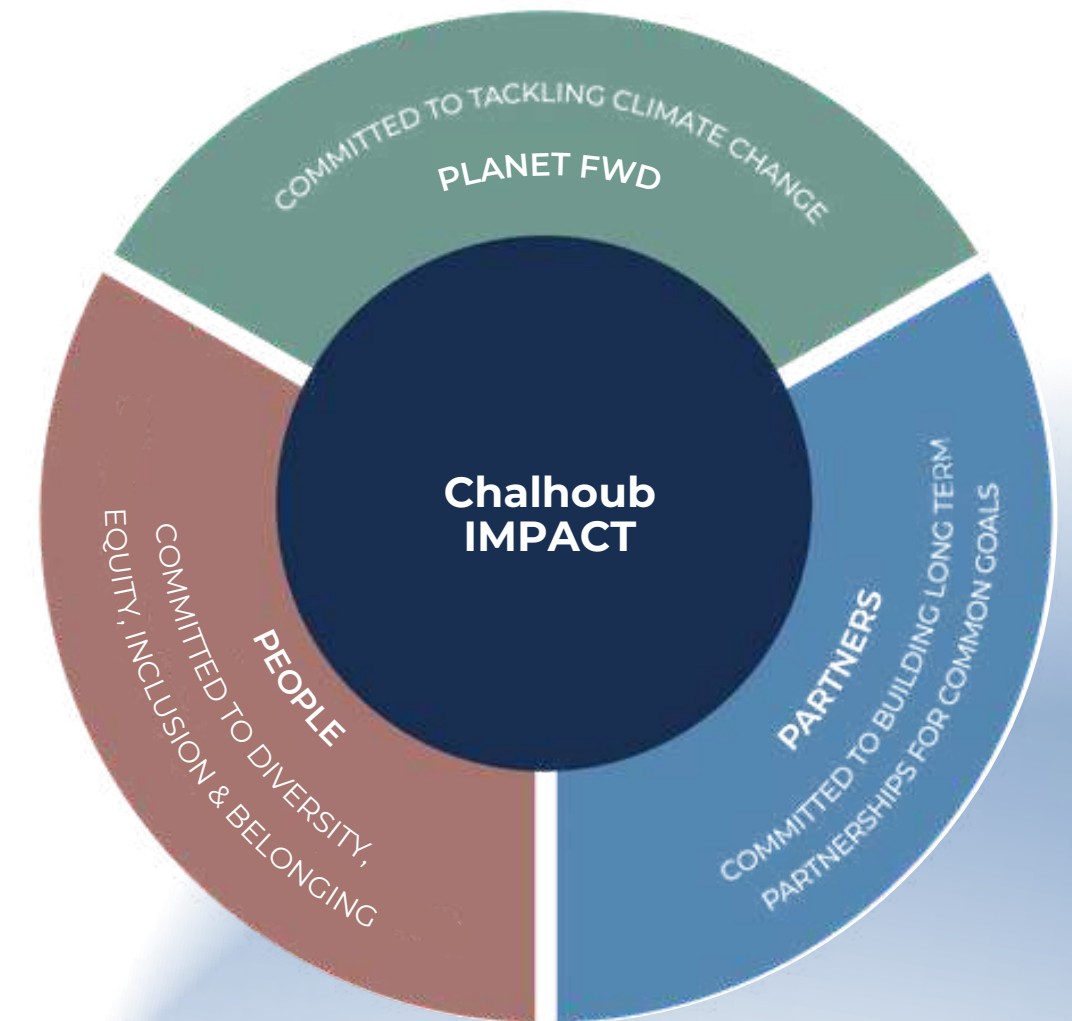


Biodiversity Leadership

Chalhoub Group strengthened regional dialogue on nature through its partnership with **IUCN**, advancing business engagement on biodiversity and ecosystem protection.

PATHWAYS TO Sustainability

At Chalhoub Group, sustainability remains integrated at all levels in our business and is fundamental to who we are and how we operate. This year marks the 12th year of our Chalhoub IMPACT framework, and an important milestone with the launch of Planet FWD - our elevated planet strategy that builds on operational excellence to drive value chain transformation.



OUR JOURNEY AND COMMITMENTS

2009-2012

- Creation of Chalhoub IMPACT Community giving pillar
- Establishment of the 'Sustainable Engagement' department as part of the core business strategy

2014-2016

- Signatory of the UNGC & Pearl Initiative
- Development of the People, Partners, Planet (PPP) strategy & Business Integrity



2017-2019

- UNGC: Board Nomination - Group President
- Signatories of UN Women Empowerment Principles



2020-2022

- Diversity & Inclusion programme launched

2023-2024

- Committed to SBTi
- Near- and long-term science-based targets across Scope 1, 2, and 3 emissions validated by SBTi
- EcoVadis Bronze tier
- Dubai Chamber ESG Label
- Annual Sustainability Report Assurance (AA 1000)



2025

- Launch of Planet FWD to accelerate progress towards near-term climate ambitions
- 4 Sites LEED GOLD Certified
- Expansion of STEP assessments beyond new stores to cover 10% of existing stores regionally.
- First Group-wide Biodiversity Impact Assessment conducted to identify priority focus areas and inform the development of the Group's biodiversity strategy

FOUNDATION

CORPORATE SOCIAL RESPONSIBILITY

SHARED VALUE

ESG FOUNDATION

VALUE CHAIN SUSTAINABILITY

Launched 1st Sustainability Report "Nurturing Engagement"

Launched STEP assessment
Launched supplier scorecard

Transition to renewable energy

Launched Speak Up Platform

SUP Phase out

Sustainably sourced water

Diagnostics DE&I data dashboards

First GHG calculation (Scope 1,2,3)

Near-term targets validated by SBTi

Unity for Change

ESG KPIs part of COMEX

First Group-level FLAG Assessment

Launched 1st Sustainability Brand Partner Engagement Programme at scope 3 level

ALIGNING WITH GLOBAL PRIORITIES

At Chalhoub Group, we continue to anchor our sustainability approach in globally recognised frameworks while remaining closely aligned with regional priorities and aspirations. Through our People, Partners, and Planet FWD pillars, we support and advance a range of United Nations Sustainable Development Goals (SDGs) by translating global commitments into measurable initiatives across our operations and value chain, reinforcing our ambition to create long-term, inclusive, and responsible growth.

PEOPLE



SDG 3 - GOOD HEALTH & WELLBEING

Promoting a culture of wellbeing and care

Our People pillar continues to prioritise the wellbeing of our team members through a holistic wellbeing ecosystem supporting mental, physical, social, and financial health. In 2025, we expanded access to mental health support through insurance-covered therapy, delivered Wellbeing Week across eight countries engaging over 2,700 team members, and strengthened preventive health, awareness and active lifestyle initiatives to support a healthier and more resilient workforce.



SDG 4 - QUALITY EDUCATION

Strengthening learning and development

Through initiatives such as 360-degree feedback, AI upskilling programmes, and Chalhoub University learning pathways, we continue to strengthen a culture of continuous learning, supporting people development, leadership readiness, and future skills across the organisation.



SDG 5 - GENDER EQUALITY

Achieving gender balance at Chalhoub Group

We continue to advance gender equality by strengthening the pipeline of women in leadership, achieving ~46% representation at Director level (M3+) across the Group.



SDG 8 - DECENT WORK & ECONOMIC GROWTH

Empowering people and advancing inclusive growth

Through initiatives such as the Voice of the People listening strategy, national talent development programmes, and enhanced leadership and performance frameworks, we continue to strengthen meaningful career pathways, team member engagement, and long-term workforce development across the Group.

PARTNERS



SDG 17 - PARTNERSHIP FOR THE GOALS

Collaborating for sustainable impact

Through initiatives such as Unity for Change and a strengthened Brand Partner Engagement model, we work with industry peers, brands, and institutions to align on climate and circularity, enabling coordinated action and measurable progress towards our Net Zero ambitions.

PLANET FWD



RESPONSIBLE CONSUMPTION & PRODUCTION

Advancing circularity across operations

Through initiatives such as Resolve, we are embedding circular principles into our operations by improving asset reuse, reducing waste and optimising resource efficiency across our value chain.



SDG 13 - CLIMATE ACTION

Accelerating progress towards Net Zero

In 2025, we introduced Planet FWD, a strategic evolution of our environmental agenda structured around Net Zero FWD, Circularity FWD and Nature FWD, strengthening collaboration across our value chain and accelerating progress towards our Net Zero ambitions.



SDG 14 & SDG 15 - LIFE BELOW WATER & LIFE ON LAND

Taking ownership of our ecological impact
Advancing nature-positive action



In 2025, we introduced Nature FWD as part of our Planet FWD strategy, translating biodiversity impact insights into actionable programmes that strengthen responsible sourcing, traceability, and nature-positive outcomes across our value chain.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

Stakeholder engagement and materiality remain central to both our business and sustainability ambitions. We maintain ongoing dialogue with our stakeholders to ensure that their perspectives, expectations, and priorities inform our strategic direction, decision-making, and long-term roadmap.

In 2025, the Group strengthened how stakeholder input translates into action by prioritising focused gap and risk assessments across key sustainability topics. These assessments sharpened the link between stakeholder expectations and strategic focus areas, helping define priority levers and reinforce alignment with our SBTi commitments and broader business and sustainability objectives.

Environmental

Environmental topics are addressed through the Environmental Taskforce, supported by benchmarking, third-party assessments, and targeted programmes across operations and the value chain. In 2025, a gap-to-target assessment against our near-term SBTi targets sharpened priority-setting by identifying the most material decarbonisation levers across Scopes 1, 2, and 3, shifting the focus from incremental progress to accelerated action and directly informing the evolution of Planet FWD.

Protection of Human Rights Across Operations & Value Chain

Shaped through engagement with team members, communities, and partners, social topics are led by the Human Rights Taskforce and People functions. In 2025, the enhanced Voice of the People survey deepened insights into people experience, wellbeing, and inclusion, while participation in the UN Global Compact Human Rights Accelerator enabled the identification of five salient human rights risks and the development of a unified due diligence framework. Together with the completion of a living wage gap assessment across the workforce and value chain, these efforts are set to strengthen how social risks are prioritised and addressed.

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 the Ethics Roadshow.

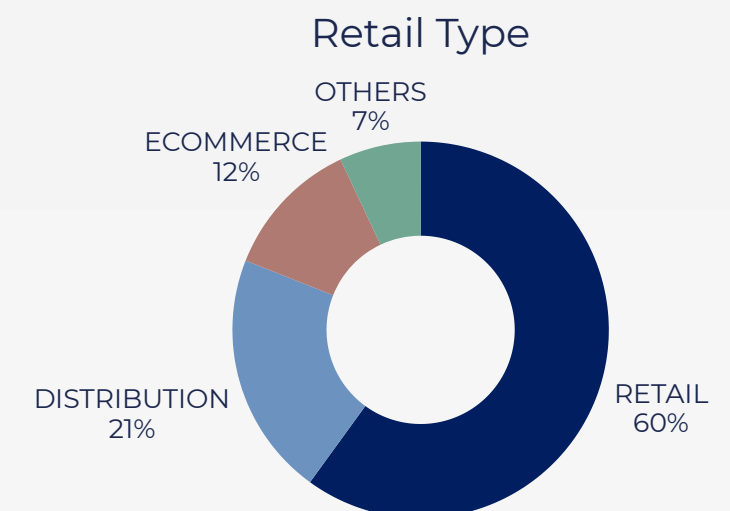
Continued Sustainability Assessments

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.



Financial Relevance

Our priority topic selection is shaped by the financial weight and strategic relevance of each business segment. Retail remains the Group's largest business activity, contributing 60% of turnover, followed by Distribution (21%) and E-commerce (12%). These segments represent the primary focus areas through which Chalhoub Group prioritises its environmental and social impact efforts.





STAKEHOLDER ENGAGEMENT & MATERIALITY

Stakeholder Group	Engagement Methods	Priorities	How we respond
Team Members	Gap assessments, surveys, workshops, Voice of the People survey	Diversity, equity, wellbeing, learning and development, human rights	Proactive measures taken by the DEI Committee, driving internal equity and cultural progress through programmes and career development opportunities. Establishment of the Human Rights Taskforce, identification of salient risks and mitigation strategies from operations across value chain.
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.

Importance	PEOPLE	PARTNERS	PLANET FWD
Most Important	A Diverse and Equitable Workplace	Creating Responsible and Ethical Shared Value	Net Zero FWD
	A People-Centric Wellness Culture		
	Protecting Health and Safety		
More Important	Nurturing and Retaining Talent	Partnering for Innovative and Diverse Business Growth	Circularity FWD
	Community Support (IMPACT+)		
Important			Nature FWD

NORTH STAR KPIS

In 2023, we introduced a Group-wide performance scorecard to track progress across three dimensions; financial, commercial, and ESG, formally embedding sustainability into corporate performance management and executive decision-making. In 2024, executive compensation was linked to ESG performance through the scorecard.

As the business scaled faster than anticipated, selected ESG KPIs were reviewed and refined in 2025, to ensure they remained relevant, outcome-oriented, and appropriately calibrated to reflect both growth and operational efficiency. This approach was further strengthened through the cascading of the scorecard across the organisation and the integration of ESG considerations into budgeting cycles, reinforcing sustainability as a non-negotiable discipline within the Group’s strategy and operating model.

At the heart of this framework are our North Star KPIs, integrating ESG metrics with core strategic performance indicators linked to the Group’s long-term objectives. These guide decision-making and execution across the organisation, aligning sustainability, growth, and strategy toward our 2030 ambitions.

SCOPE	TOPIC	INDICATOR	BOUNDARIES	BASELINE YEAR	2023	2024	2025	TARGET	TIMELINE
PEOPLE	Gender Equality	Women representation in senior leadership roles (E1,2,3)	Group-wide	2021	32.79%	39.68%	36.11%	45%	2027
	Human Rights	Human Rights Due Diligence of the value chain	UAE	2025	nil	nil	Established methodology to find a baseline	Tier 1	2030
			Group-wide	2025	nil	nil			2030
PARTNERS	Sustainable Supply Chain	Supplier Scorecard Engagement	Group-wide	2021	30%	37%	40%	43%	2027
PLANET FWD	Net Zero FWD	Scope 1 direct emissions) reduction	Group-wide	2021	-12%	-18%	-3%	50.4% reduction from BY	2032
		Scope 2 direct emissions) reduction	Group-wide	2021	+5%	+12%	+6%	50.4% reduction from BY	2032
		Scope 3 (indirect emissions) reduction	Group-wide	2021	-2%	+2%	-13%	58%/\$M reduction from BY	2032
	Circularity FWD	Waste to landfill diversion rate	UAE offices and warehouses	2023	10%	15%	25%	38%	2030
		Waste to landfill program % coverage regionally	Group-wide (offices and warehouses) – Total sites 29		nil	47% (baseline)	50%	55%	2030
	Nature FWD	Habitat conservation and restoration (cumulative) - Life on land	Group-wide	2024	32	70 hectares (baseline)	117 hecatres	160 hectares	2030
		- Life under water			nil	60 m2 (baseline)	66 m2	76 m2	2030



GOVERNANCE, ETHICS & ACCOUNTABILITY

Governance, ethics, and risk management are foundational enablers of Chalhoub Group’s long-term sustainability ambition. Our governance framework is designed not only to ensure compliance and oversight, but to actively support responsible growth and resilience across a rapidly evolving business and regulatory landscape.

This is operationalised through the Group Scorecard, which serves as the primary mechanism for measuring and managing annual corporate performance. In 2025, ESG objectives were formally embedded within the EXCOM scorecard and linked to executive remuneration, with progress reviewed on a quarterly basis. These objectives focused on reducing electricity consumption per square metre, lowering fuel consumption, and increasing the representation of women in senior leadership, ensuring sustainability outcomes are monitored and managed with the same rigour as financial and commercial performance.

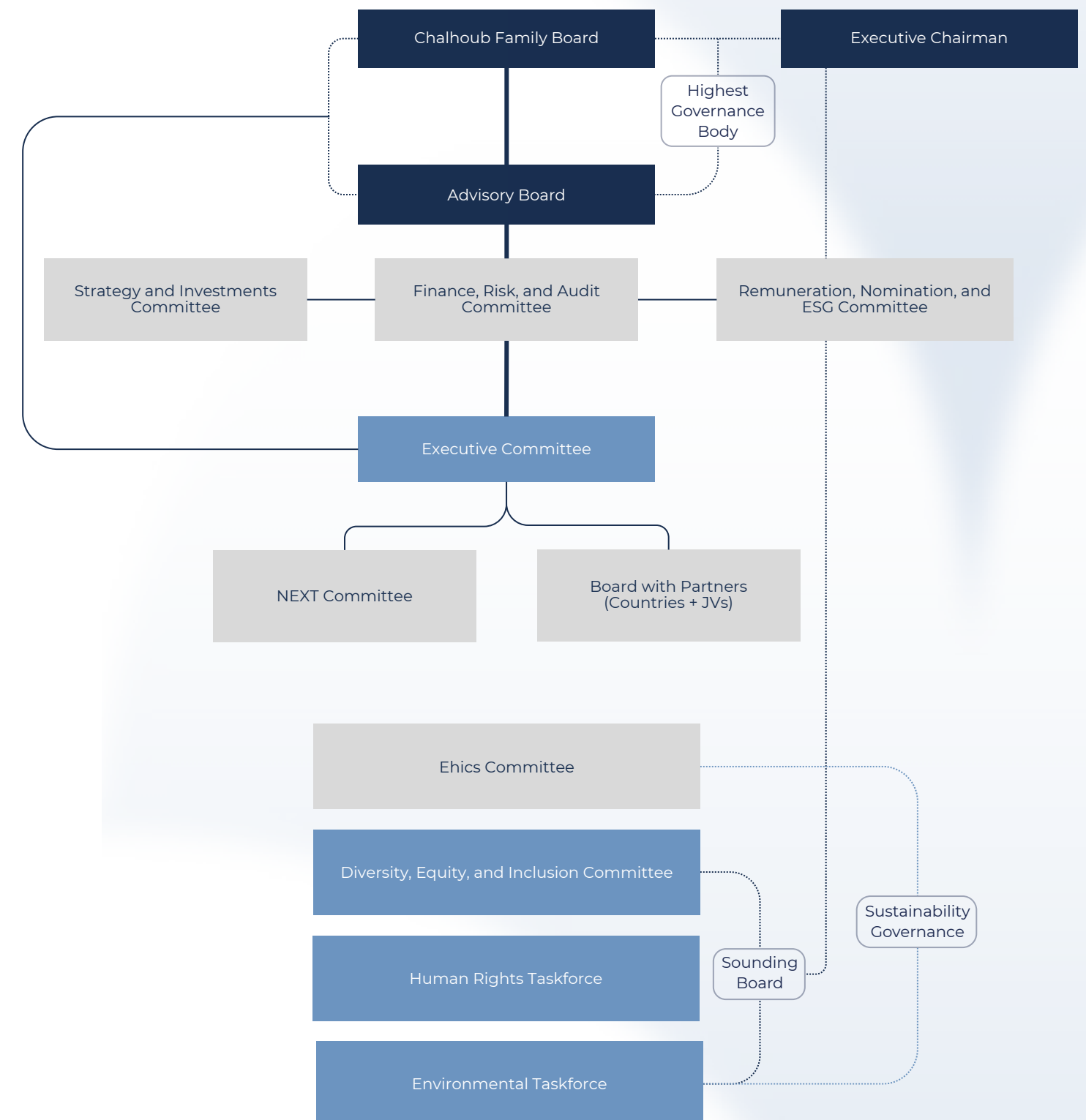
Governance Framework & Oversight

Chalhoub Group’s governance structure provides clarity in roles, responsibilities, and decision-making across all levels of the organisation. Ultimate decision-making authority rests with the Chalhoub Family Board, supported by the Group Advisory Board and the Executive Committee (ExCom). Together, these bodies guide the Group’s strategic direction, oversee performance and risk, and ensure alignment with the Group’s values and sustainability priorities.

In 2025, the governance framework was further strengthened through the establishment of an Executive Chairman role alongside the appointment of a new Chief Executive Officer, with clearly defined roles and responsibilities. This evolution reinforces leadership effectiveness, with the Executive Chairman driving long-term vision, stakeholder engagement, and sustainability direction, while the CEO leads operational execution and business performance.

Governance capacity was further strengthened through the onboarding of a new external Advisory Board member with deep subject-matter expertise. This appointment reinforces the Group’s focus on ethics, integrity, and responsible business conduct at the highest advisory level.

The reporting landscape has also evolved. Ethics and Compliance informs the ESG & Remuneration Committee, ExCom, and the Advisory Board, ensuring consistent visibility across governance bodies. This enhanced reporting flow strengthens oversight, reinforces accountability, and ensures that ethical considerations remain closely connected to sustainability performance and leadership oversight.



ADVISORY & EXECUTIVE COMMITTEES

The Group Advisory Board plays a central role in supporting ethical, informed, and sustainable decision-making. Its members bring diverse expertise and perspectives, strengthening the Board's ability to guide the Group through complexity and change.

Under the Advisory Board, three committees provide focused oversight:

Strategy and Investments Committee, advising on strategic direction and ensuring alignment between growth ambitions, sustainability priorities, and long-term value creation.

Finance, Risk, and Audit Committee, overseeing financial reporting, internal controls, and enterprise-wide risk management.

Remuneration, Compensation, and ESG Committee, providing advisory input on executive remuneration, ESG commitments, ethics, and innovation.

The Executive Committee (EXCOM) remains the primary operational decision-making body, bringing together diverse functional expertise to drive execution across the Group. It is supported by forward-looking and partnership-focused forums, including NEXT Committee and the Board with Partners, which reinforce innovation, collaboration, and shared sustainability objectives across the value chain.

ETHICS, INTEGRITY & POLICY FRAMEWORK

Ethical conduct and integrity remain central to how Chalhoub Group operates. In 2025, further progress was made in strengthening the Group's policy framework and embedding ethical expectations into day-to-day decision-making.

In 2025, a dedicated training module has been developed and will be rolled out in the next year. The Gift Giving and Receiving Policy was consolidated and updated to clarify expectations around both giving and receiving gifts, ensuring consistency across regions and entities.

This policy has been formally launched in this reporting year. In parallel, artificial intelligence governance continued to evolve, with an AI chapter embedded into the updated Code of Ethics rolled out during the year.

Speak Up, Awareness, and Capability Building

The Speak Up® platform continues to provide a confidential and secure channel for raising concerns. During the year, governance mechanisms were strengthened to support joint ventures, allowing entities to adopt Speak Up or retain existing systems where appropriate.

As part of the next phase of expansion, Saint Honoré is scheduled to migrate to the Speak Up® platform in January 2026, transitioning from its current system, Resguarda, as the Group advances rollout across LATAM.



95%

CODE OF ETHICS COMPLETION
RATE

Two Ethics newsletters

were circulated during the year, reinforcing awareness of policies, reporting mechanisms, and ethical expectations across the Group.

24 SPEAK UP® AWARENESS
ROADSHOWS CONDUCTED
(FACE-TO-FACE AND VIRTUAL)

DELIVERED ACROSS UAE, QATAR,
AND KUWAIT, INCLUDING WEAR
THAT AND OTB

661 TEAM MEMBERS REACHED,
REINFORCING AWARENESS OF
REPORTING CHANNELS AND
NON-RETALIATION PRINCIPLES

AUDIT, RISK MANAGEMENT & ASSURANCE

The Group Audit function plays a critical role in strengthening governance and accountability. A risk-based annual audit plan is developed based on a Group-wide risk assessment, with audits conducted primarily in-house and supported by external expertise where required. These audits cover both managed and operated entities, prioritised based on risk.

Audits evaluate the effectiveness of controls, governance frameworks, and standard operating procedures, including Delegation of Authority and RACI matrices. Findings are reported to relevant committees, including the Audit Committee and Independent Directors, providing assurance that key risks are effectively identified, assessed, and managed.

2025 marked the first full year of executing audits aligned with the Group-wide risk assessment conducted in 2024. This assessment informed a multi-year audit plan (three to five years), approved by the Audit Committee with input from ExCom, ensuring structured and independent oversight of the Group's control environment.

Looking ahead, priorities include continued execution of the audit plan, investment in a harmonised internal audit management system, and ongoing collaboration to further strengthen governance frameworks.

HUMAN RIGHTS DUE DILIGENCE

A major milestone this year was the completion of the UN Global Compact Human Rights Accelerator Programme by our cross-functional Human Rights Taskforce. Through this six-month programme, we defined our five salient human rights risks and developed the Group's first unified Human Rights Due Diligence methodology. This work establishes a common framework for identifying, prioritising, and managing human rights risks across our workplaces and key regional suppliers.

To translate this framework into action, we defined implementation KPIs for 2026, including updates to our Partner Code and Human Rights Policy, targeted management training, and the assessment of critical suppliers. As part of this process, we identified 53 suppliers for assessment, with 13 classified as potentially high-risk for business continuity and required to formally commit to our Partner Code, reinforcing expectations on ethical conduct, labour standards, and respect for human rights across the supply chain.



DATA GOVERNANCE, SECURITY & RESILIENCE

Safeguarding information and data is integral to Chalhoub Group's commitment to responsible and resilient operations. Information Security and Data Privacy are embedded within enterprise-wide governance and risk management, guided by internationally recognised standards and continuous improvement.

During the reporting period, governance over information security and data privacy was further strengthened, with practices aligned to frameworks such as ISO 27001. Policies and procedures were consolidated and updated, and oversight evolved beyond operational execution to regular reporting at senior leadership level.

Team member awareness remains a key enabler of data protection. Mandatory training, ongoing communications, and cultural initiatives reinforce secure behaviours and accountability.

IN 2025, **23% OF OUR TEAM MEMBERS** COMPLETED PRIVACY AND DATA SECURITY TRAININGS.

Progress is monitored through defined indicators, including compliance checks, maturity assessments, training completion rates, and incident response performance.

Looking ahead, priorities include progressing toward ISO 27001 certification, enhancing monitoring and detection capabilities, and strengthening third-party assurance. Information security and data privacy continue to be positioned not only as protective functions, but as enablers of trusted growth, innovation, and long-term resilience.



PEOPLE

AT CHALHOUB GROUP,

the People pillar embodies 70 years of our family heritage, fostered from a people-at-heart culture, rooted in diversity, talent, equity, inclusivity, and belonging. Our People pillar has been shaped by the support of our partners and global communities across the region, who have been fundamental in guiding and contributing to our growth, social responsibility, and the foundation of our success.

Our journey has not been driven by growth alone, but rather by the deliberate development of capabilities, trust in people's potential, and a family-built ethos placed at the heart of performance. Our values of Respect, Excellence, and Entrepreneurial Spirit have shaped our Group and continue to guide us today, reinforcing our message that success is achieved when people feel supported, respected, and empowered to grow.

- Strengthened team member engagement to 86% through a structured Voice of the People framework embedding accountability and action across the organisation
- Delivered 600,000+ learning hours through Chalhoub University, with 198 graduates in 2025, advancing capability building
- Activated a Group-wide wellbeing ecosystem, engaging 2,700+ team members across 8 countries
- Advanced inclusion outcomes with 58 People of Determination in the workforce and 46% Women in Leadership
- 85% AI upskilling completion, 100% goal-setting and PDP adoption, and strengthened internal mobility pathways
- Supported 18,380 students across 9 countries, extending impact into the wider community

One Team,
One Culture

Diversity, Equity,
Inclusion & Belonging

Talent Strategy

Health, Safety, Security &
Environment

Impact on the
Wider Community



1 ONE TEAM, ONE CULTURE

At Chalhoub Group, our One Team, One Culture philosophy reflects our ambition to foster a compassionate and empowered workplace. By strengthening collaboration, prioritising wellbeing, and nurturing meaningful connections, we create an inclusive environment where individuals feel valued and empowered to contribute to shared goals.

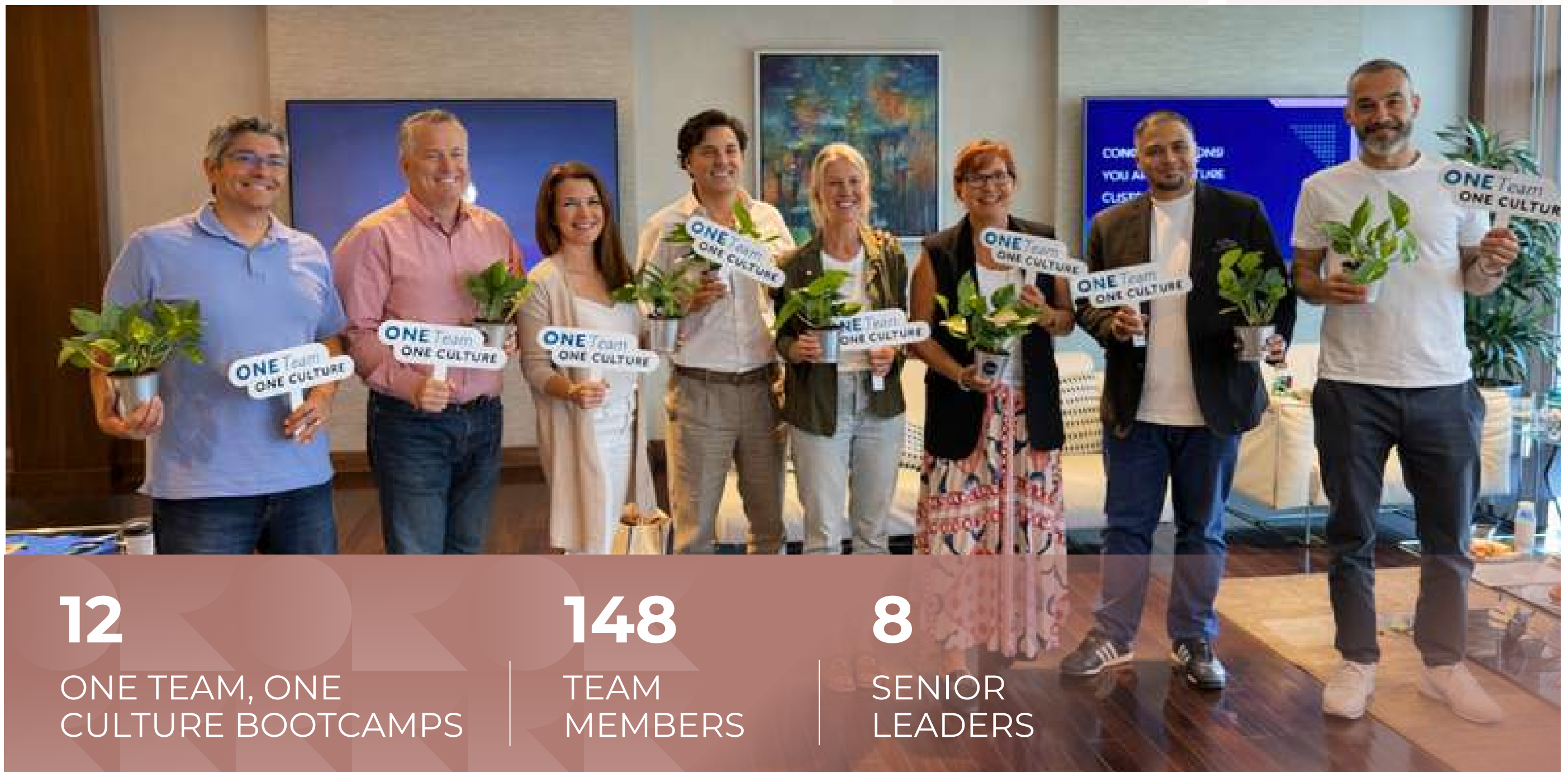
In 2025, the key focus was clearly defining and articulating Chalhoub Group's core culture to support growth across new geographies and business areas, in alignment with Vision 2033. This work focused on creating a consistent set of principles and behaviours, ensuring alignment across markets while allowing for local nuances, and reinforcing how culture is reflected in leadership and day-to-day ways of working.



OUR People-First Culture

Under the broader culture articulation programme, Culture Bootcamps continued in 2025, with the introduction of a dedicated **Executive Culture Bootcamp**.

This new initiative recognises the critical role senior leaders play in shaping and modelling culture, providing newly joined executives with an immersive experience to reflect on how they translate the Group's cultural principles into everyday behaviours.



12

ONE TEAM, ONE
CULTURE BOOTCAMPS

148

TEAM
MEMBERS

8

SENIOR
LEADERS

Voice of the People

The **Voice of the People (VoP)** initiative continues to provide valuable insights and identify opportunities for growth. In 2025, focus was placed on enhancing the VoP survey and strengthening how insights are translated into action. The initiative evolved from a standalone taskforce into a business-as-usual approach embedded across the Group’s people agenda.

To ensure feedback translates into action, we introduced a “**Collect, Understand, Act**” framework, supported by leadership guidance, data dashboards and co-created action plans. VoP was further embedded in leadership development programmes, with progress tracked through a dedicated system to ensure ownership, visibility, and shared best practices.

Culture Taskforce

A cross-functional Culture Taskforce was established to address key culture priorities across countries, businesses, and verticals, focusing on three streams:

Experience & Workplace Enhancements

Transformation & Future Readiness

Core Culture Integration

The engagement score in 2025 is

86%

The Culture score in 2025 is

83%

The Wellbeing score in 2025 is

83%

The VoP survey achieved a response rate of

81%

Great Place to Work® Recognition



*In 2025, the Group underwent its annual recertification process, and the status was successfully maintained across all participating countries.



People-Centric Wellbeing

At Chalhoub Group, wellbeing is approached holistically, recognising that true empowerment extends across interconnected dimensions, including mental, physical, social, financial, and professional wellbeing. This philosophy reflects our people-first culture, where every initiative is intentionally designed to support one or more of these areas, moving beyond traditional programmes toward more a meaningful and inclusive support. Over time, this has evolved into a structured wellbeing ecosystem, offering year-round support that enables our people to thrive both personally and professionally.

MENTAL
WELLBEING

PHYSICAL
WELLBEING

SOCIAL
WELLBEING

FINANCIAL
WELLBEING

Mental Health Support

Integrated into medical insurance, enabling access to expert therapy and support in the UAE

Wellness Clinic

Bi-weekly in-person clinic in Jeddah for direct, face-to-face guidance

MoM Community

In 2025, we launched the MoM Community as a key expression of our holistic wellbeing philosophy, reinforcing our commitment to building a more parent-friendly workplace. Designed to support working parents and advance inclusion across the Group, the initiative identified priority focus areas including work-life balance, pre- and post-maternity support, and tailored resources for parents of children with determination and neurodiverse children. Engagement across the Group resulted in 29 actionable outcomes, spanning both immediate improvements and longer-term initiatives.

MATERNITY LEAVE,
INCREASED FROM **90 to 105 fully
paid days**

PATERNITY LEAVE,
INCREASED FROM **30 to 40 fully
paid days**

REMOTE
WORKING **2 weeks pre- and 1
month post-maternity**

SCHOOLING ALLOWANCES INTRODUCED

Reinforcing a Parent-Friendly Workplace

The Parent-Friendly Label (PFL) certification, awarded in 2023 and valid through to 2025, reflects our commitment to providing a supportive and inclusive workplace for parents and carers.



Bring Your Kids to Work Day

Hosted 92 children and 66 parents, reinforcing a family-oriented and inclusive workplace culture.

Mother's Day Celebrations

Special activities were organised across locations to recognise and celebrate working mothers, reinforcing a culture of appreciation, inclusion, and family support within the workplace.

Wellbeing & Engagement Activation

Our wellbeing and engagement approach is designed with clear purpose, centred on supporting people in the many roles they play beyond the workplace.

Through a thoughtfully curated annual wellbeing calendar, initiatives are activated to raise awareness, encourage meaningful participation, and foster learning and dialogue.

These efforts go beyond standalone activities, reinforcing a culture of care, inclusion, and connection, while contributing to a more supportive and people-centred team member experience.

Psychological Safety Workshop

Sessions designed to strengthen trust, openness, and inclusive dialogue across teams, enabling team members to speak up, share ideas, and contribute confidently in the workplace.

DC Communication Skills

Workshops supporting Distribution Centre teams in building stronger communication and collaboration.

Boost Your START

Development sessions aimed at supporting early-career team members in building confidence and professional capabilities.

Team Away Day

Team engagement initiative bringing different department teams together to strengthen collaboration and alignment.

FACES Strategy Workshop

Collaborative sessions supporting strategic thinking, innovation, and cross-team engagement.

Dubai Fitness Challenge

Encouraged team members to adopt healthier habits through the annual Dubai Fitness Challenge, promoting 30 minutes of physical activity for 30 days.

WELLBEING WEEK

Group-wide preventive health initiative across eight countries

2,700

team members

14

online activations

54

on-site activations

Medical Screenings | Mental Health Support | Financial Wellbeing Consultations



Chalhoub University

Chalhoub University continues to serve as the Group’s central platform for learning and capability development, supporting team members in strengthening their skills and advancing their careers.

The year also marked the 5th anniversary of Chalhoub University, which has evolved into a transformative learning ecosystem across the Group and the region.

600,000+
learning hours delivered

198 graduates in **2025**

5 specialised academies

High Net Promoter
Scores (NPS)

Wellbeing Academy

The Wellbeing Academy, a dedicated academy under Chalhoub University, plays a key role in embedding a culture of care and empowerment across the Group. it provides structured learning on key workplace topics including leadership, fairness, equity, stress management, and psychological safety, enabling teams to build shared understanding and capability.

Kuwait Servant Leadership Community

To strengthen our leadership, trust, and coaching capability, we established the Kuwait Servant Leadership **Community to address capability gaps and team member feedback.** The engagement of **56 middle managers** across functions and the delivery of five sessions in 2025 resulted in stronger peer networks and the observable application of servant leadership behaviours.



Retail Academy

In 2025, the Retail Academy KSA celebrated **400 graduates across Jeddah, Riyadh, and Khobar**, marking a key milestone in strengthening frontline capabilities. The ceremonies brought together teams and leaders in a shared moment of pride and our People Experience team led vibrant activations and interactive wellbeing experiences.

2 DIVERSITY, EQUITY, INCLUSION & BELONGING

At Chalhoub Group, Diversity, Equity, Inclusion, and Belonging (DEIB) has emerged as the next chapter in our people journey, with the **integration of Belonging into our DEI agenda**. This aligns closely with the Group's One Team, One Culture philosophy and the broader 2033 Vision, ensuring that all workforces feel connected to Chalhoub Group's long-term success.

Our governance framework provides strategic oversight and accountability, supporting continuous progress through regular assessments and stakeholder engagement.

Key priorities

Accessibility

Over seven years, DEIB has evolved into a fully embedded, business-as-usual practice, with 2025 integrating key considerations across gender identity, nationality, leadership pipelines, and inclusion of People of Determination.

Localisation

Wellbeing

Gender diversity

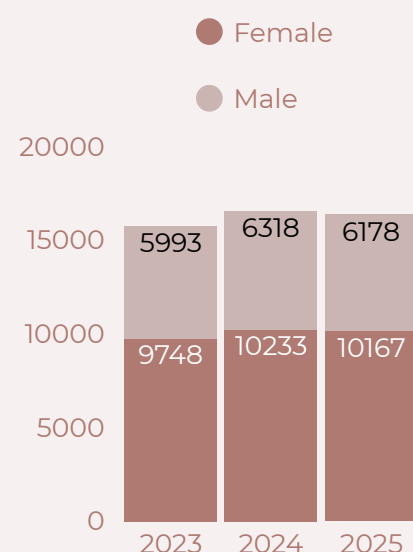
This year also marked strong cross-country acceleration, with markets including Saudi Arabia, Jordan, Egypt, and Kuwait formally embedding DEIB, demonstrating growing ownership, alignment, and commitment across all business units.

Living Wage for All by 2030

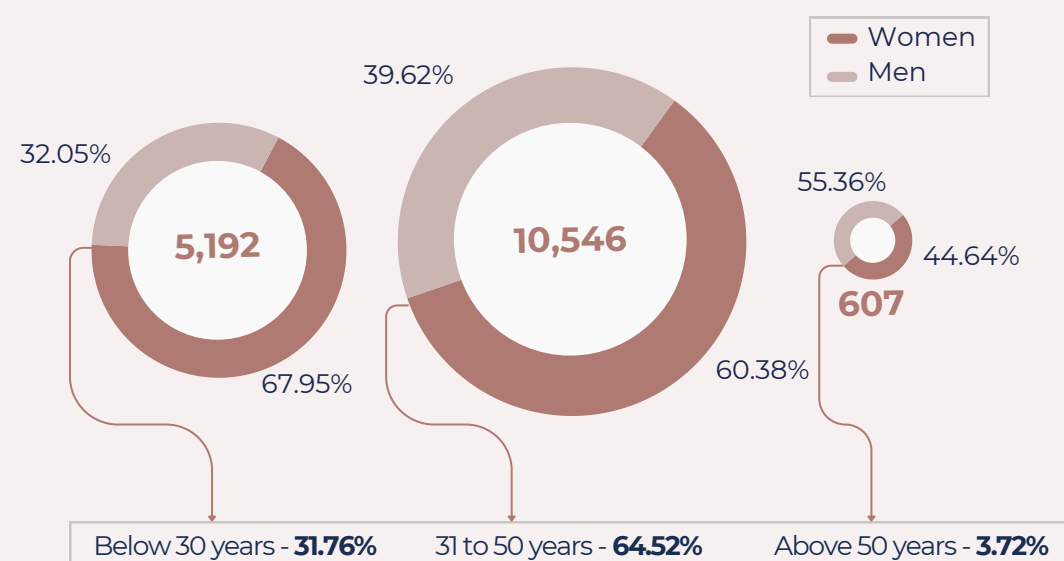
Following our commitment under the **UN Global Compact Forward Faster initiative**, 2025 focused on **establishing a clear baseline of wage** levels across markets in collaboration with the **WageIndicator Foundation**.

Building on these insights, the next phase focuses on defining a **phased implementation roadmap**, integrating living wage considerations into compensation reviews, supplier engagement, and procurement practices, prioritising markets with the greatest gaps and strengthening monitoring mechanisms to track progress towards our **Living Wage for All by 2030 commitment**.

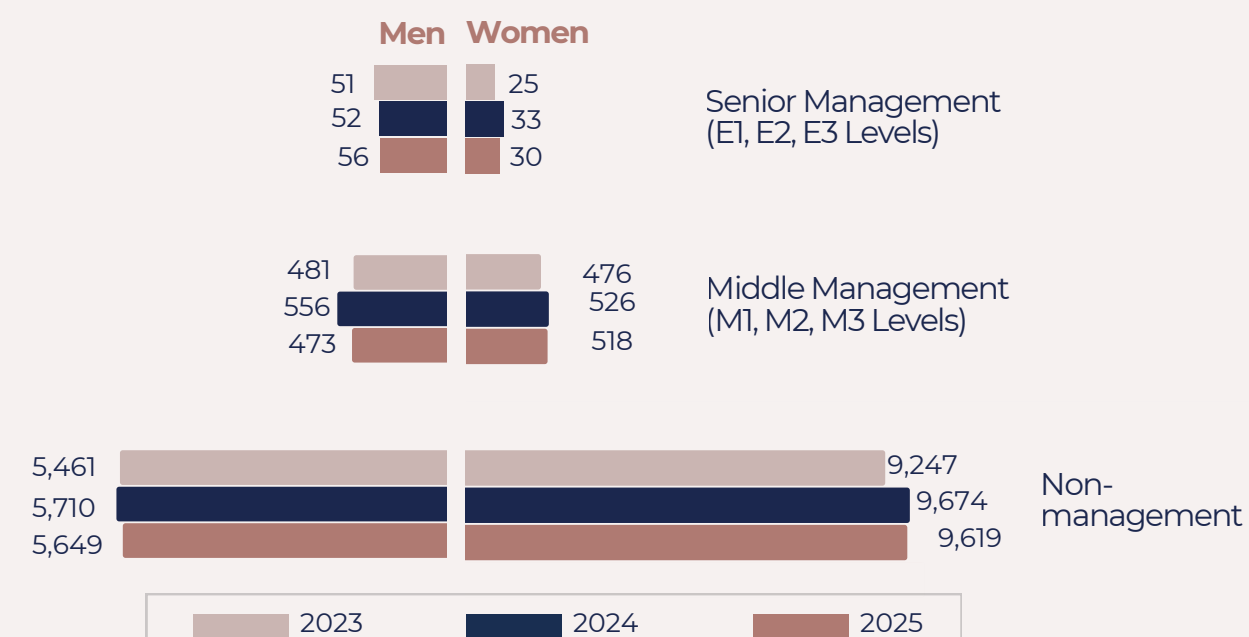
Workforce Overview



Workforce by Age Group & Gender*



Workforce by Management Level*



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

PEOPLE OF DETERMINATION Scale & Maturity

Over the past eight years, inclusion has been a catalyst for capability development across the Group. In 2025, we strengthened this commitment by creating **new opportunities within our Distribution Centre for colleagues from the People of Determination (PoD)** community. Rather than expecting individuals to adapt to existing systems, we adapted our systems to better meet individual needs. Workplace adjustments included enhanced safety measures such as **visual emergency systems and adapted infrastructure**. The **PoD Playbook**, developed in previous years, is now actively applied and continuously refined based on operational learning.

Accessibility & Inclusive Facilities

We strengthened inclusive design across our Distribution Centre and offices, enhancing navigation, safety, and mobility to better support People of Determination. Accessibility is now embedded within the Group's STEP framework, ensuring all new and refurbished spaces integrate inclusive standards from the outset. Building on this progress, accessibility guidelines will be integrated into upcoming relocations and redesigns in Egypt and Kuwait.

Wosool Silver Certification (UAE)

Head Office 1 achieved 90% compliance with the Dubai Universal Design Code under Dubai Municipality's accessibility certification programme.

Mowaamah Silver Certification (KSA)

Jeddah Head Office recognised under the Ministry of Human Resources' programme for inclusive and accessible workplaces.

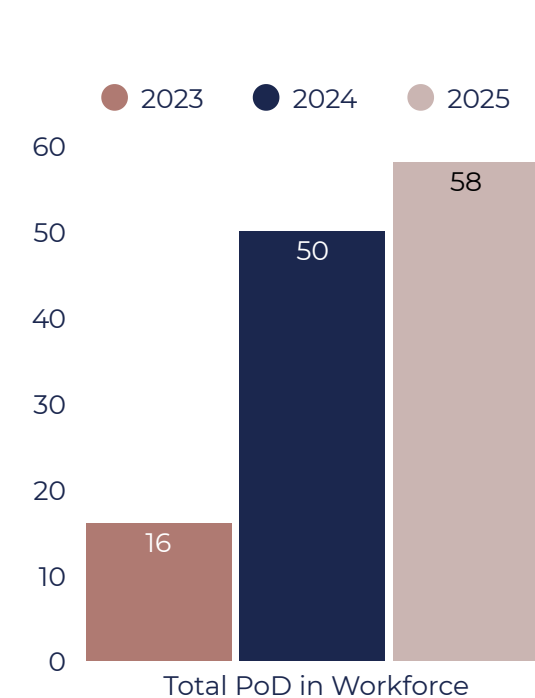


People of Determination Hiring

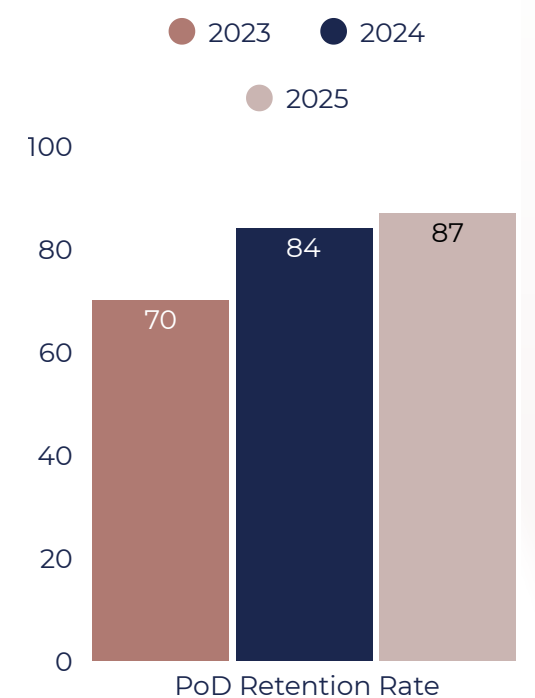
Expanding access to diverse talent pools remains an important part of our workforce strategy. In 2025, **30 People of Determination** joined Chalhoub Group across distribution centre and frontline retail roles in the UAE, contributing valuable skills and perspectives to our operations. The hiring approach has also been expanded across markets including **Jordan, Egypt, Saudi Arabia, and Kuwait**, strengthening inclusive talent pipelines across the Group.

To support sustainable career participation, recruitment and onboarding processes were adapted to better match individual capabilities and role requirements. Adjustments included **sign-language support during interviews, family engagement during onboarding, and tailored work design such as adjusted shift structures**, ensuring team members are able to perform and grow effectively within their roles.

Total number of PoD in Workforce



PoD Retention Rate (In %)



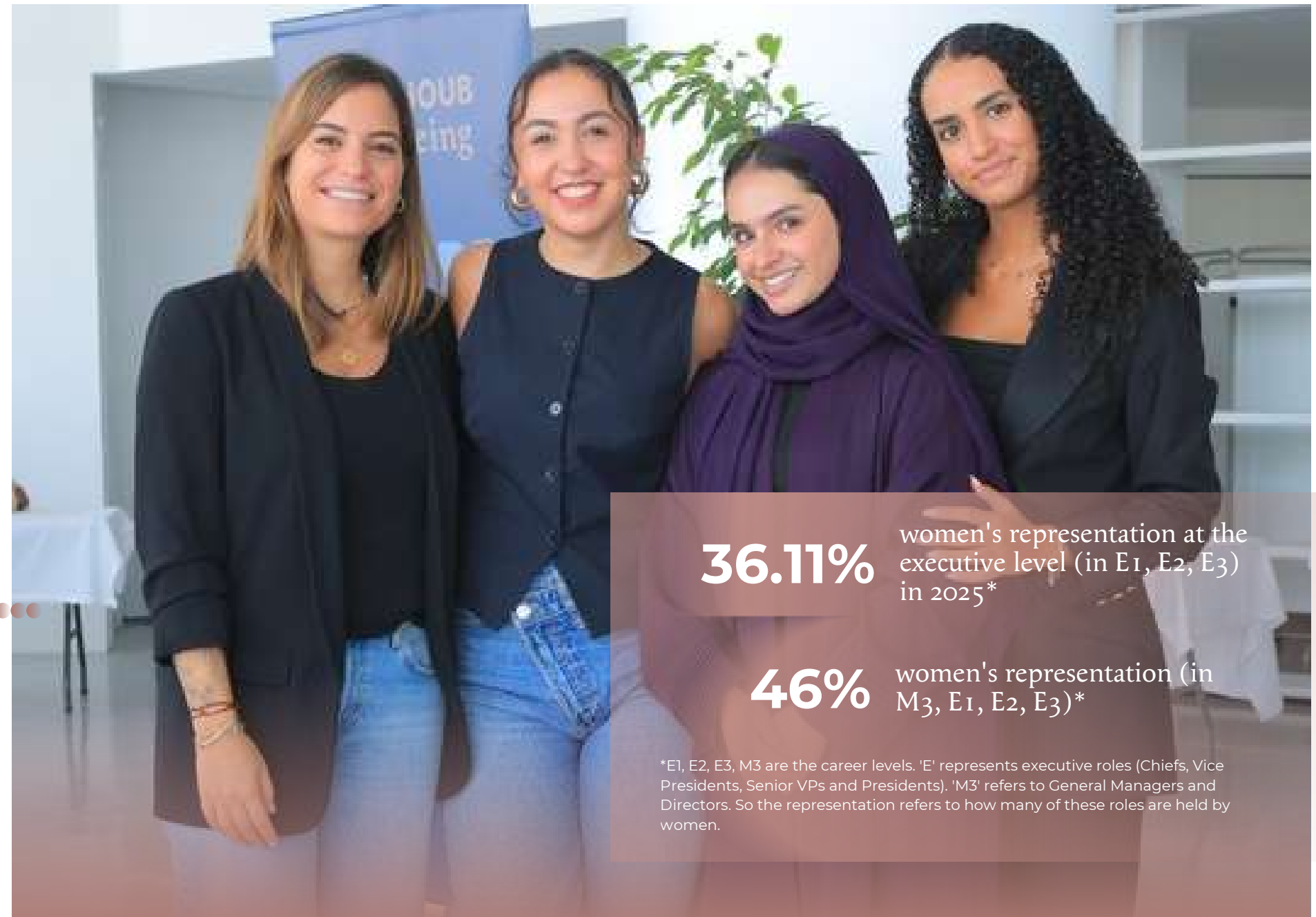
WOMEN'S REPRESENTATION IN LEADERSHIP & BEYOND

Deeper, Targeted Interventions

Chalhoub Group remains a signatory to the United Nations Women's Empowerment Principles (UN WEPs) and a member of the UN Global Compact (UNGC). Our shared commitment is supporting and promoting an equitable environment where women have equal opportunities to thrive, contribute, and lead. This critical commitment to women's advancement ensures their representation has created an impact across the organisation.

In 2025, our strategy remained central and focused, with a strong emphasis on achieving and strategically closely hitting our targets. Department-focused indicators have been established across 15 business units within the Group, with 75% of indicators being achieved through the work with sponsors and quarterly check-ins.

Our **Women in Leadership** and **Women in Tech** programmes continue to expand access to opportunities and build a strong pipeline of diverse talent across the Group. In parallel, our partnership with **Princess Nourah Bint Abdulrahman University in Saudi Arabia** supports the next generation of women leaders through exposure, mentorship, and hands-on, real-world experience.



Through our efforts, we have progressed from using aggregated numbers to implementing country-specific initiative interventions, which include

- Women in Tech initiative, implemented in partnership with global players such as Google, Microsoft, and LinkedIn
- Dedicated Arab Women in Leadership programmes in Saudi Arabia

3 TALENT STRATEGY ACQUISITION, RETENTION & DEVELOPMENT

At Chalhoub Group, as our landscape and regional context continue to evolve, so does our organisation as we learn, grow, and progress. Our talent strategy is designed to nurture a future-ready workforce that drives career progression, innovation, and growth. We remain committed to attracting, retaining, and developing talent to meet evolving business needs while creating fulfilling career journeys.

This evolution over the past seventy years has been built on driving talent capabilities into new ways of working, shaped by thousands of individual actions, trust, shared efforts, and everyday choices, all of which together compose our **"Symphony of the Future"**.

Our Talent strategy has been established through three pillars:

Talent Acquisition

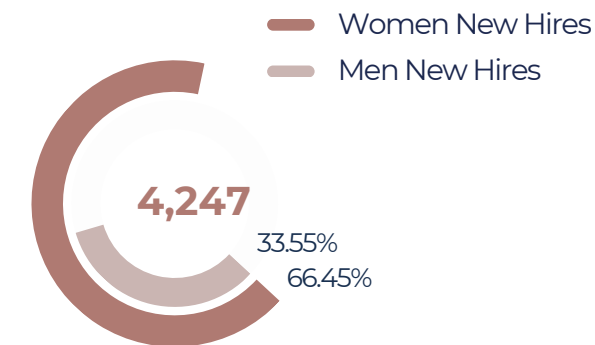
Talent Retention

Talent Development

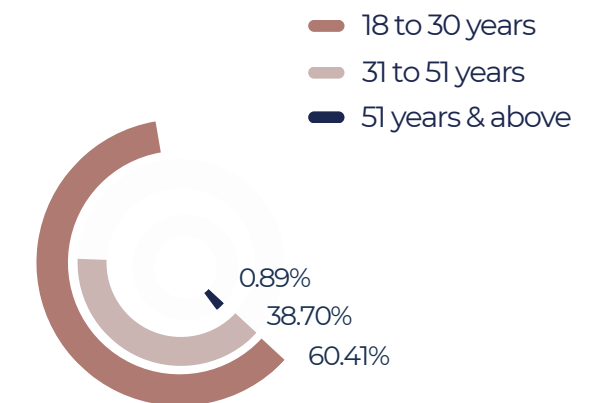
Our Talent Management approach empowers team members to take ownership of their performance, development, and career growth. Through dedicated tools, personalised development plans, and targeted learning opportunities, we support our team in building skills and progressing their careers while aligning individual ambitions with the Group's strategic priorities.

In 2025, we strengthened transparency around career progression and rewards through Group-wide roadshows, providing clear guidance on promotion and salary review policies. In parallel, a new e-learning module was launched in collaboration with the Rewards team, offering accessible and interactive guidance on promotion processes and career progression pathways across the organisation.

Total New Hires 2025



New Hires by Age



NATIONAL DEVELOPMENT & CAREER ACCELERATION

across the UAE and KSA,
supporting nationalisation goals
and long-term economic growth

National Talent Development & Impact

450

UAE Nationals
in 2025

46%

National
turnover

100%

National Graduate
Programme (NGP)
completion in the UAE

Career programmes recognised at Ru'ya Careers
fair, with shortlisting for two government awards

Strengthening National Career Pathways

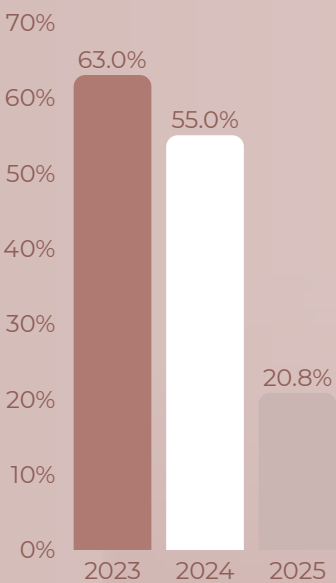
- My Bold Future (UAE & KSA): long-term careers
in retail and luxury
- NGP expanded across UAE, KSA, and Kuwait
- MADA National Leadership Programme: including the
National Management Programme to accelerate senior
capability development and internal mobility
- Talent Studio: offering personalised career advisory,
development support, and community engagement

Nationalisation as a 2026 Priority

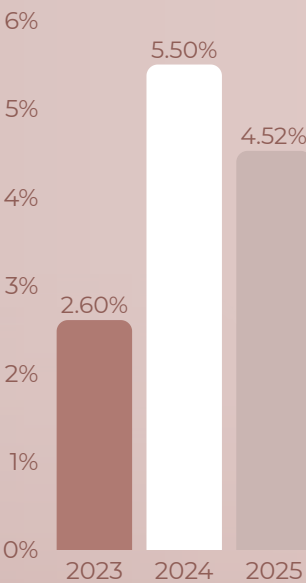
As we look ahead, **Emiratisation** has emerged as a top strategic priority for 2026 through:

- Greater emphasis on structured development pathways and progression into **middle-management and leadership roles**
- Increasing emphasis on **meaningful, value-adding roles** beyond frontline, and temporary positions to drive retention and long-term impact
- Nationalisation KPIs** being embedded into **executive scorecards and remuneration frameworks from 2026**, reinforcing accountability and leadership ownership

Emiratisation Hiring
Growth (in %)



Saudisation Hiring
Growth (in %)



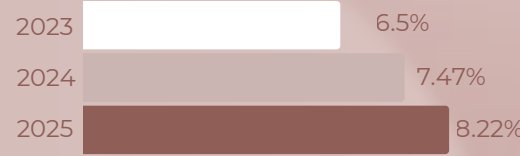
Total number of National
team members



Nationalisation among
total workforce



Nationalisation of
Senior Management



Number of women
National team members



Received **1st** place in the Trade category at the Emirates
Labour Market Award by the **Ministry of Human
Resources and Emiratization**.



NATIONAL
GRADUATE
programme

Performance Development Plans

Our approach to performance management is rooted in fostering a culture of growth, feedback, and alignment with organisational objectives. We prioritise our goals, feedback cycles, and team member development by leveraging tools like DRIVE to ensure clarity, accountability, and continuous performance management. By integrating 360 feedback and supporting quarterly check-ins, we aim to enhance performance and ensure fairness and transparency in evaluations. These initiatives align with our commitment to people growth and excellence, ensuring readiness for future opportunities.

100% goal-setting
completion rate

100% grievance
resolution rate

360 Performance Review

Launched in 2025, the 360-degree feedback process **enhanced fairness and transparency in performance evaluations**, while improving alignment on development priorities through structured training for managers and team members.

In 2026, the approach will expand to include mid-year feedback, further embedding continuous performance and growth across the organisation.

Managing Low Performance

Strengthened support for addressing performance gaps through PDP-focused workshops, structured processes, and manager coaching. In 2025, **100% of identified team members had PDPs in place**, improving performance outcomes and manager confidence in managing low performance.

Successor Development & Readiness

In 2025, we took a review of Business-Critical Roles, aligning with our Vision 2033. Through this, a refresh of Talent Mapping was actioned with succession plans, considering new talent and development progress, initiating 1-on-1 personalised Individual Development Planning sessions for 80 Executives across the Group.

Key outcomes included:

- Successor mobility rate: **21%**
- Internal fill rate: **60%** of roles with successors ready within <2 years were filled internally when vacancies arose
- Successor turnover: **11%**, significantly lower than the Group average of 20%
- IDP coverage: **67%** of successors have Individual Development Plans (vs. 20% Group average)
- Readiness progression: **42%** of executive successors increased their readiness level compared to 2024



Training & Education ThinkOMNI Learning Suite

In 2025, we launched a suite for developing omnichannel capabilities to support our transformation towards a seamless online and offline customer experience. The suite includes OmniSTART, a 30-minute foundational eLearning course for the workforce, and OmniMASTER, a two-day leadership programme co-created with internal experts. Together, these programmes established a shared omnichannel mindset across participating teams. Looking ahead, we will scale OmniSTART through onboarding and expand OmniMASTER cohorts to strengthen leadership readiness.



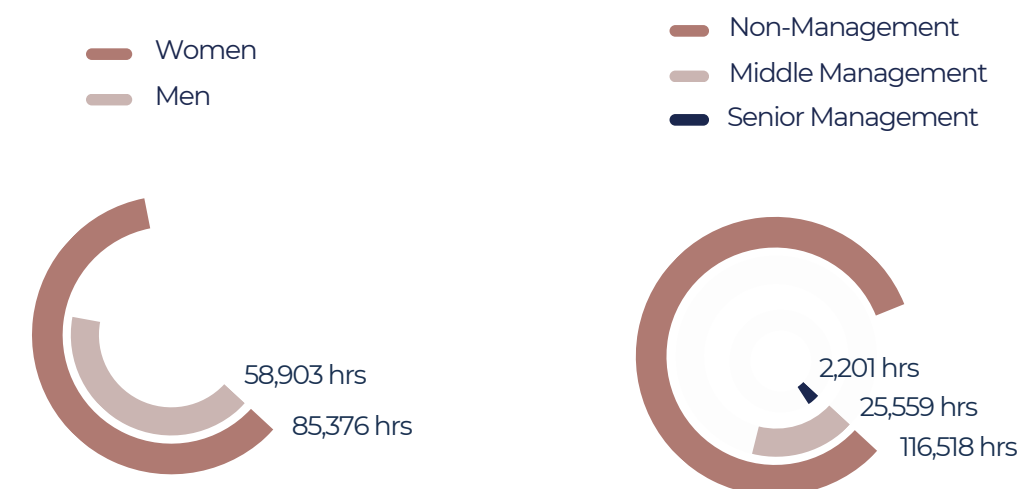
Artificial Intelligence Upskilling

In 2025, a Group-wide initiative was launched to build **AI literacy and responsible use of Generative AI across the workforce**. The programme introduced GenAI for eLearning for team members and AI for Leaders for managers and senior leaders, strengthening practical and strategic understanding of AI. The initiative achieved an **85% completion rate**, enabling leaders to identify AI use cases and encouraging responsible adoption of AI tools. Future plans include extending GenAI learning to new joiners and integrating AI capabilities into leadership development and learning pathways.

Training Hours

144,279 hours of training delivered

15,522 hours of e-learning training delivered



LeadForward Talent Programme

Through our Talent Development programme launched in 2025, we have built a strong future leadership pipeline by focusing on the retention of key talent and enabling internal mobility across the organisation.

The programme culminated in a high-impact Finale Experience with Executive Leadership in attendance. Throughout the journey, participants engaged in immersive, simulation-based learning experiences, such as Everest, Those Who Dare, and Orchestrate, designed to translate learning into practical leadership capability.

89% satisfaction rate overall

80 Internal Mobility cases

6030 learning hours over the course of the programme

18 different interventions in **55 SESSIONS**



A Future-Ready Workforce

Career Growth, Transparency & Rewards Enablement

Chalhoub Group supports a multigenerational workforce where diverse perspectives drive innovation and collaboration. We recognise the fresh ideas, digital fluency, and purpose-driven mindset of Gen Z, while valuing the expertise and insights of seasoned professionals. In 2025, a new e-learning module was launched in partnership with the Rewards team to provide clear guidance on promotion and salary change processes, enhancing transparency and understanding of career progression pathways.



191 part-time workforces

201 trainee and sponsored students



Early Career Opportunities

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

With 47% of our workforce under 35 and Gen Z representing a rapidly growing segment, these programmes are preparing the next generation and shaping our organisation.

In 2025, we saw more profound engagement with future talent pipelines through several initiatives, including:

- Participation in the Nafis Alpha programme gives Gen Alpha exposure to workplace rotations
- **Group-wide Kids Coding Hackathon**, engaging children of the workforce across nationalities
- Strengthening of our **school partnerships** to provide early career exposure

4 HEALTH, SAFETY, SECURITY & ENVIRONMENT

At Chalhoub Group, our approach to health, safety, security, and environmental (HSSE) management is based on internationally recognised standards and best practices. The Group's policies are established and guided by international frameworks, which channel the Group's ambition to **identify, prevent, and mitigate** breaches of human rights, health, safety, and environmental standards across our operations and throughout our value chain.

Occupational Health & Safety

Occupational Health and Safety (OHS) central to safeguarding team wellbeing, with HSSE practices embedded across retail, logistics, and office environments through structured governance, risk assessments, and robust reporting systems.

Prevention & Mitigation approach

Our approach focuses on proactive risk management, **non-retaliation policies, confidential reporting channels**, and continuous improvement across operations and the supply chain, supported by audits, contractual requirements, and collaborative training to ensure shared accountability across the value chain. Emergency response, crisis management, and business continuity planning further strengthen operational resilience.

Chalhoub Group's approach to this management system **covers both team members and contractors across logistics, retail, and office operations.**

Risk Assessments

In 2025, risk assessments were **standardised across all operations**, enhancing consistency in hazard identification and control. All critical assessments were formally validated with Operations teams, establishing clear ownership, with annual reviews now **linked to KPIs and internal audits** to drive continuous improvement.

Expansion of Audits

In 2025, HSSE expanded its audit scope in Saudi Arabia to cover retail stores, offices, and logistics facilities across Jeddah and Riyadh, supported by **independent external assessments** to ensure consistent safety governance.

The team also contributes to distribution hub enabling early risk identification and alignment with Group standards, while continuing to support business continuity and crisis management efforts in collaboration with the BCP Committee.



Pilot Programme in Operations

In 2025, HSSE piloted an outsourced resource at the JAFZA Fulfilment Centre, complemented by IOSH-trained team members acting as on-site HSE representatives.

This model enhanced day-to-day monitoring, enabled faster risk identification and escalation, and strengthened local ownership of safety. The approach will be scaled across additional sites, supported by continued capability building and specialisation.



Workers' Services Accessibility

Team members are supported through comprehensive **occupational health services aligned with ISO 45001**, including regular screenings, ergonomic assessments, wellness programmes, and access to professional support, addressing both physical and mental wellbeing.

Grievance Mechanism for Incident Reporting

A structured, non-retaliatory incident reporting framework enables team members to raise safety concerns transparently, supported by root-cause analysis, corrective actions, and continuous training.

In 2025, we further strengthened our safety reporting culture through the expansion of digital tools, including **Digitalog** for logistics operations and **Focus** for retail environments, alongside our **Speak Up hotline**. These platforms support incident reporting, safety briefings, and toolbox talks across business verticals.

Risk Governance

In 2025, operational risk assessments were reviewed, updated, and formally approved across Stores, Offices, and Logistics. Clear ownership of risk controls was established with Operations, strengthening alignment between identified risks, mitigation measures, and the Group's HSSE governance framework.

HSSE Performance

29%

reduction in unsafe acts and near misses

15%

decrease in accident rates vs. 2024

Plan for 2026

Looking ahead, priorities include enhancing focus into a Group-wide incident management system, with rollout beginning in Q1 2026.

Other focus areas include establishing an IOSH Training Centre to upskill teams, introducing conflict management training, and deploying loss prevention software across retail stores to reduce fraud risks.

HSSE governance will also expand to India and Jordan, extending standardised policies, risk assessments, audits, and reporting frameworks across the region.

HSSE Training & Awareness

1,609

team members trained across retail, offices, and logistics

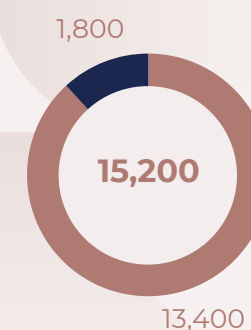
4,119

training hours delivered through role-based and risk-led programmes

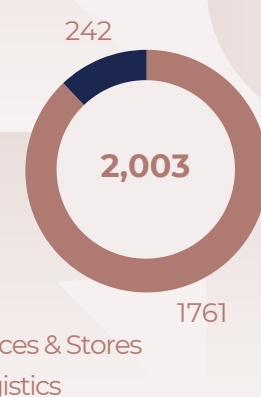
Training covered fire safety, emergency preparedness, first aid, risk assessment, and IOSH programmes, aligned with operational needs.

To reinforce awareness, **9 HSSE alerts and 9 articles** covering topics such as **fire safety, emergency evacuation, electrical safety, power shutdowns, and safe use of equipment** were shared Group-wide, promoting consistent safety practices and engagement.

Number of training hours completed



Number of team members trained in HSE



Emergency preparedness remains a priority, supported by regular response drills, first-aid training, and internal audits to promote continuous improvement.



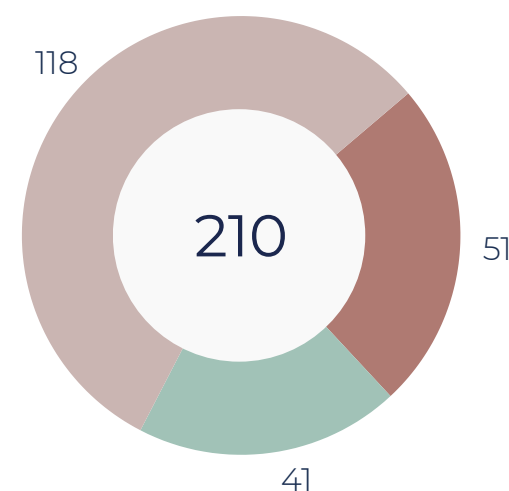
5 IMPACT ON WIDER COMMUNITY

At Chalhoub Group, creating shared value is inseparable from how we grow.

Our approach to community impact is anchored in empowering our people to lead with purpose and translate intent into action. In 2025, we continued to advance our Impact Leaders Programme, strengthening structured engagement across community partnerships, philanthropy, and volunteering. Through this integrated approach, we ensure that our influence extends beyond our business footprint and contributes meaningfully to the societies in which we operate.

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

Number of Impact Initiatives Regionally



— People — Planet — Philanthropy

210

Initiatives

6,080

Volunteers

13,487

Hours

1,297,949

Lives Impacted



Chalhoub Group Wins Silver for CSR at KSA's CSR Forum

Chalhoub Group has been awarded Silver in the CSR category at the CSR Forum organised by the Ministry of Human Resources and Social Development in KSA, marking a significant progression from Bronze in the previous year. This advancement reflects the Group's continued efforts to strengthen its impact across community engagement, sustainability, and social responsibility.

Our teams have further expanded initiatives that support local communities and promote sustainable practices, demonstrating a deeper and more structured approach to creating meaningful impact. This recognition highlights the dedication of our people and reinforces our commitment to continuously elevate our contribution to society.



VOLUNTEERING

Our volunteering efforts reflect a commitment to our values, which unites Chalhoub Group to actively contribute across three sustainability pillars:

People, Planet, and Philanthropy, through a wide range of initiatives. Under People, this includes supporting universities through guest lectures and mentorship programmes, as well as extending support to Jusoor.

Through Planet, workforce engage in tree and mangrove planting, desert and beach clean-ups, Plastic Free July, and planet-focused workshops. Under Philanthropy, efforts include CSR retail campaigns, support for cancer patients and People of Determination, and timely responses to crisis relief initiatives.

At Chalhoub Group,
we create **IMPACT**
together.

SINCE 2010

2050	INITIATIVES
68,753	VOLUNTEERS
93,161	VOLUNTEERING HOURS
4.9M	TOTAL LIVES IMPACTED

INCLUSION & SUPPORT FOR PEOPLE OF DETERMINATION (POD)

Creating inclusive environments where everyone can thrive remains a core priority for Chalhoub Group. In 2025, our efforts focused on fostering meaningful engagement and shared experiences with People of Determination, reinforcing our belief that inclusion is built through connection, participation, and mutual respect.

We began the year with an inspiring Sports Day at the Ajman Disabled Club, where team members and People of Determination athletes came together through activities such as table tennis, badminton, basketball, and goalball. The event highlighted how sports can create common ground, strengthen bonds, and celebrate ability in all its forms, while encouraging teamwork and shared achievement.

During Sustainability Week, this commitment continued through an outdoor initiative that combined environmental action with inclusive engagement. Team members planted trees alongside People of Determination players from Dubai, followed by friendly sports activities that brought participants together in a spirit of collaboration and joy. The presence of senior leadership further reinforced the importance of creating spaces where inclusion, community, and wellbeing are experienced collectively.

Through these moments of shared participation, Chalhoub Group continues to champion a culture where diversity is celebrated and inclusion is lived through action.



EDUCATIONAL EMPOWERMENT

Through partnerships with academic institutions and community initiatives, we support the development of future talent across the region. By combining real-world insights with accessible learning opportunities, we aim to inspire students to learn, grow, and lead with confidence.

CREATING PATHWAYS FOR KNOWLEDGE & GROWTH

Education continues to be a central pillar of Chalhoub Group's community engagement efforts, reflecting our belief in empowering the next generation through knowledge-sharing and real-world exposure. In 2025, we further strengthened our collaboration with leading academic institutions, expanding our reach across global and regional universities.

Through guest lectures and specialised workshops, our teams engaged with institutions including Menlo College, Bocconi University, University of Maryland, IE Business School (UAE), King Abdulaziz University (KSA), and The Big Heart Educational Centre (UAE). These engagements covered key topics such as fashion circularity, design, sustainability, and the evolving dynamics of the luxury and retail sector.

Initiatives such as the Fashion Circularity Guest Lecture in KSA and the Designing Workshop in collaboration with King Abdulaziz University provided students with practical insights into emerging industry challenges and opportunities. By sharing expertise, experiences, and forward-looking perspectives, our teams continue to inspire and equip students with the knowledge and skills needed to navigate future careers.



REGIONAL SUSTAINABILITY WEEK

Sustainability Week continued to be a key moment in the year across **9 countries**, bringing together team members across the region to engage in purposeful activities.

Through a mix of awareness sessions and hands-on initiatives, including environmental actions such as tree planting and clean-up drives, the week reinforced our shared responsibility towards the planet and the role each of us plays in driving meaningful impact.

Focus Area	Initiatives
Circular Living	Resolve, Beach clean-up drives, E-receipt and E-waste campaigns, ReMUSE Webinar, Upcycling workshops
Community Engagement	Blood donation drives Clothes, books, and toy donations Inclusive engagement with underprivileged and specially abled individuals
Nature & Green Practices	Tree planting activites, Biodiversity webinars and awareness sessions
Learning & Leadership	Sustain-O-Rama: gamified team member engagement



53

INITIATIVES

1,320

VOLUNTEERS

1,615

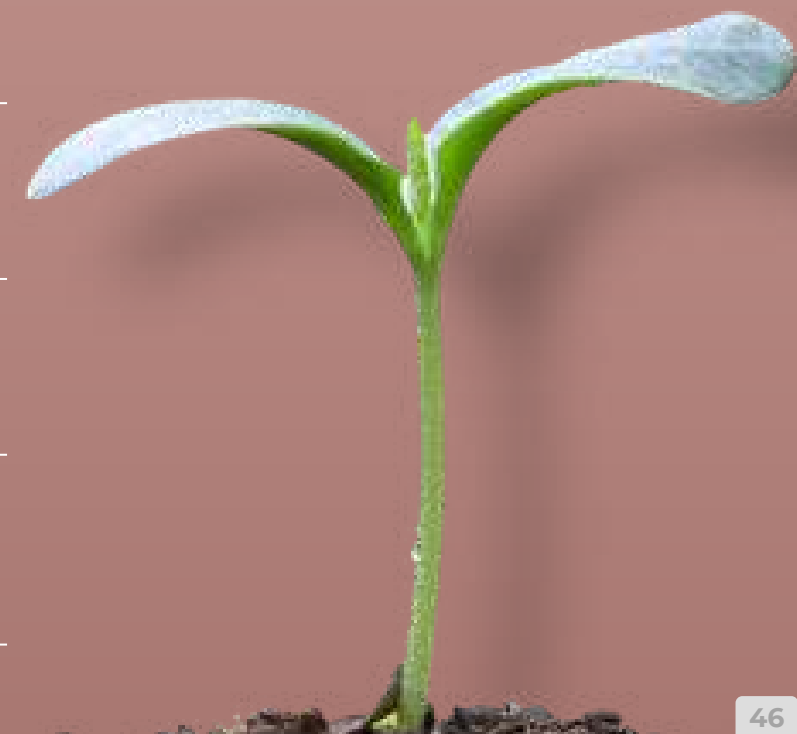
HOURS

231

TREES PLANTED

2,017

IMPACT



PARTNERS

AT CHALHOUB GROUP,

partnerships are central to advancing our Net Zero ambitions and enabling responsible growth. Across our value chain and wider ecosystem, we collaborate with suppliers, brand partners, innovators, entrepreneurs, and institutions to accelerate measurable progress against our near-term climate targets.

By aligning expectations, sharing expertise, and co-developing solutions, these partnerships play a critical role in addressing emissions across operations and value chains. Through structured collaboration and strong governance, we foster collective action that strengthens resilience, supports innovation, and contributes to the transition toward a lower-carbon future.

- Defined industry-level KPIs with partners through Unity for Change across four priority streams including energy and waste
- Advanced ROAD 2.0 pledge implementation through engagement with the UAE Climate Change Alliance (UACA)
- Four sustainability-linked loans signed in total, embedding ESG performance into financial mechanisms
- Engaged 16 partner brands (~75%) and achieved 100% eco-design implementation across Chalhoub Group's own-concept stores
- Activated innovation ecosystem through The Greenhouse, supporting startups, AI deployment and circular business models

Sustainability Across Our Value Chain

Diverse Partnerships for Sustainable Growth

Innovative & Entrepreneurial Partnerships



1 SUSTAINABLE ACROSS OUR VALUE CHAIN

Our value chain continues to play a central role in advancing our decarbonisation ambitions while upholding business integrity and managing risk across a diverse partner network. In 2025, the focus shifted toward deepening engagement with partners to align on decarbonisation pathways.

We view our partners, from global luxury houses to local service providers, as an extension of the Group.

Building on established governance and assessment mechanisms, this next phase is defined by a more structured and prioritised approach, enabling targeted engagement with the most material partners through tailored action plans.

By strengthening data exchange, supporting SBTi alignment, and co-developing high-impact initiatives, we continue to drive measurable progress across our value chain while enhancing resilience and shared value creation.

TAWREED

Supply-chain partnerships and regional logistics advancement

In 2025, Chalhoub Group advanced a strategic partnership with the Special Integrated Logistics Zone Company (SILZ) through the development of Tawreed, a state-of-the-art distribution and fulfilment hub in Riyadh Integrated.

This collaboration reflects a deliberate approach to partnering for decarbonisation, positioning logistics transformation as a key enabler of the Group's near-term Net Zero ambitions. Designed to enhance service across online and offline channels, the facility improves delivery speed, operational efficiency, and reliability across Saudi Arabia and neighbouring markets, while embedding sustainability at its core.

Developed in line with LEED Gold standards, Tawreed incorporates energy-efficient systems and sustainable infrastructure to reduce the environmental footprint of logistics operations.

Supported by automation and digital solutions, the hub strengthens inventory visibility, reduces delivery turnaround times, and enables more efficient cross-border distribution across Kuwait, Qatar, and Bahrain, aligning operational performance with the Group's broader decarbonisation priorities.



Supplier Insights & Engagement

The primary purpose of the Supplier Scorecard is to clearly communicate Chalhoub Group's commitment to responsible business practices to our non-merchandise suppliers.

This year our focus shifted from expanding coverage to using scorecard insights more effectively to **identify trends, prioritise risks and guide engagement**. The scorecard assesses suppliers across five dimensions covering:

Environment, Community, Human Rights & Labour, Governance & Transparency, and Anti-corruption.

Targeted supplier engagement & risk response

In 2025, supplier engagement became increasingly risk-led and proportionate. Approximately 7.2% of suppliers (63 companies) flagged potential concerns by responding negatively to high-risk questions related to human rights or anti-corruption.

To strengthen data credibility, **random compliance checks were conducted** on 85 documents from 35 suppliers, confirming that

87%

of submitted evidence was in compliance

One-to-one remediation discussions with high-risk, high-spend suppliers

Knowledge-sharing materials for lower-performing suppliers

85 evidence verification and compliance checks to strengthen data quality and trust

2025 SUPPLIER PARTICIPATION & THEIR ESG PERFORMANCE

40%

Scorecard completion rate, annual target achieved

3,571

completed scorecards cumulatively over 5 years

872

submissions in 2025 across 45 countries

Highest participation from the UAE **46%**

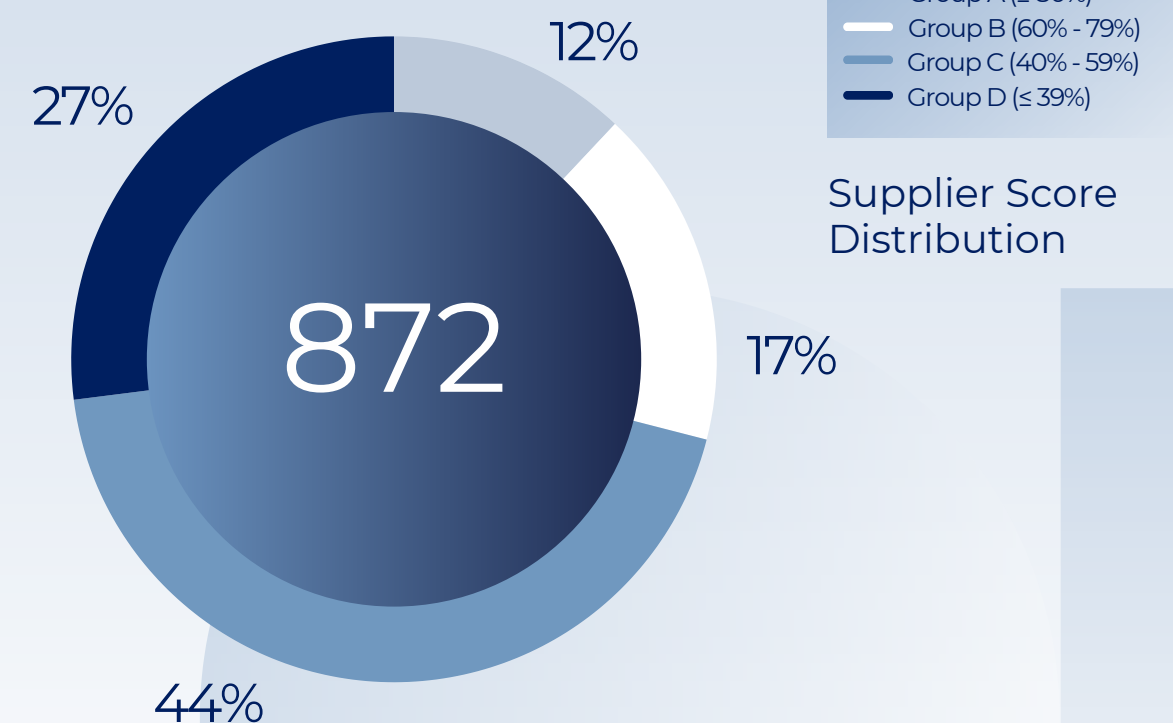
11% in Saudi Arabia

SUPPLIER MIX

Services **49%**

Goods & Services **26%**

Goods **25%**



Digitised Procurement Practices

In 2025, the **Group Procurement Policy was relaunched**, repositioning procurement as a **strategic governance function** focused on ethical purchasing, transparency, and risk management.

- Full digitalisation of end-to-end procurement workflows, improving traceability and approval efficiency
- Enhanced collaboration across core functions
- Environmental actions embedded through procurement, including responsible laptop disposal and reduced printing

Looking ahead, the Group plans to formally embed ESG scoring within RFQs from 2026, further strengthening the link between sustainability insights and supplier selection.



Driving responsible sourcing through recognised certifications (FSC, Fairtrade, Rainforest Alliance, ISO 14001), with practical application across materials, packaging, and supply chain operations.

Customer Awareness & Shared Responsibility

Customers play a key role in shaping how products are used, cared for and returned, **influencing the broader sustainability performance of the retail ecosystem**. We therefore approach customer engagement as a shared responsibility, developed in close collaboration with our brand partners.

Across selected categories and markets, **sustainability touchpoints** are integrated into the customer journey to support informed choices and responsible behaviours.

These include **in-store recycling initiatives, brand-led communication, traceability tools, and digital experiences** that complement in-store advisory and encourage more conscious consumption.

Rather than positioning sustainability as a standalone message, these touchpoints are embedded within everyday retail experiences. This approach enables customers to engage at their own pace, recognising that awareness evolves over time and that progress is built through consistency, relevance, and trust.

With selected brand partners, customers are also offered packaging choices at the point of purchase. In the case of **Level Shoes** for example, there are **Box Free, Signature and Conscious** option types to provide varying levels of material use and recycled content, allowing customers to select packaging based on their preferences while supporting more responsible practices.



2 DIVERSE PARTNERSHIPS FOR SUSTAINABLE GROWTH

Across regions and markets, we engage a diverse network of partners, including industry peers, public institutions, academic bodies, and the wider retail and innovation landscape to address shared challenges and advance our Net Zero ambitions. This engagement is guided by a targeted approach, focusing on the most material partners to accelerate measurable progress towards our near-term targets. These partnerships complement our value chain efforts by enabling collective action, strengthening capabilities, and driving focused, high-impact outcomes where they matter most.

Brand Engagement & Advocacy Model

Following the identification of brand engagement as a key decarbonisation lever, 2025 marked the development of a structured brand engagement framework across our partner ecosystem. The model prioritises high-impact topics including **climate, circularity, biodiversity, and social impact**, integrating advocacy, materiality insights, and risk mapping to identify shared priorities and action pathways.

Over time, it will provide **standardised tools, guidance, and tracking mechanisms** to strengthen transparency, align sustainability performance across brands, and support progress on **Scope 3 and Net Zero priorities**.



Unity for Change

Unity for Change (أفق) continued to serve as a key platform for coordinated action across retail environments in 2025, and a material partnership in advancing Chalhoub Group's decarbonisation agenda. Of the four priority streams defined under the initiative, energy, eco-design, waste, and training, three are directly aligned with the Group's near-term climate targets, reinforcing its relevance in accelerating measurable progress.

During the year, efforts focused on energy efficiency, HVAC optimisation, waste management, eco-design, and clean energy, with partners aligning operational approaches and sharing practical learnings. The finalisation of shared KPIs across these streams established a structured framework to guide implementation and track progress across participating retail environments.

The framework was progressively implemented across the partnership network, collectively advancing toward **100% eco-design** integration. By embedding these guidelines into store design, refurbishment, and operations, Unity for Change is enabling consistent environmental performance while driving tangible decarbonisation outcomes across retail spaces.

Priority streams established through shared KPIs and progress tracking

Energy | Waste | Eco-design | Training

Annual near- and long-term objectives defined

Governance structure with dedicated stream ownership

Centralised dashboard to track progress

Eco-design guidebook

Supporting 100% eco-design integration across priority brands and renovation projects

Supplier engagement aligned with Scope 3 priority categories

Unity for Change also provided a coordination platform for supplier engagement linked to Scope 3 emissions, recognising that categories such as purchased goods and services represent a significant share of upstream impact. Engagement focused on awareness, data quality and readiness, supporting longer-term ambitions aligned with science-based targets.



UAE Climate Change Alliance (UACA)

Chalhoub Group engages with the UAE Climate Change Alliance (UACA) as a key and material partnership supporting the acceleration of its decarbonisation agenda. As a cross-sector platform, UACA enables coordinated climate action and alignment with the UAE's Net Zero ambition, while directly advancing the Group's near-term targets.

Following COP28, this engagement shifted toward implementation, with a focus on **high-impact decarbonisation levers**, particularly in logistics and transport, which represent a significant share of the Group's Scope 1 and Scope 3 emissions. Through active participation in working groups and action-oriented initiatives, the Group contributes to collective progress while accelerating its own transition pathway.

This includes being featured as a case study in the Road 2.0 powered by UACA report, highlighting the adoption of electric delivery vehicles and supporting infrastructure. These initiatives are expected to directly reduce Scope 1 emissions and contribute to closing the gap toward the Group's Net Zero targets, reinforcing the strategic importance of this partnership.

Coalitions such as UACA support alignment, advocacy, and system-level change

Partnership platforms enable coordinated delivery

Business-led initiatives drive measurable emissions reductions across operations and the value chain

19% share of EV fleet

MAJRA Sustainable Fashion Taskforce

Chalhoub Group is part of MAJRA's Sustainable Fashion Taskforce, which aims to position the UAE as a regional leader through the development of a national roadmap, collaborative initiatives, and a sustainable fashion framework. The inaugural meeting brought together industry and government stakeholders to align on key priorities, including consumer awareness, recycling infrastructure, and policy support.

We plan to include defining priority initiatives, accessing Ministry of Culture centres and expanding the Taskforce network, and reinforcing coordinated public-private action in sustainable fashion.



Impact Collective

The Impact Collective represents a structured collaboration between Chanel and Chalhoub Group to strengthen ethical and social practices across shared supply chains.

In 2025, the initiative progressed to implementation, with joint suppliers identified, governance and programme architecture established, and a capability-building framework defined to support supplier alignment and continuous improvement.

Comité Colbert Circularity Taskforce

Chalhoub Group collaborates with industry peers through Comité Colbert, a French luxury association, to address systemic circularity challenges across the sector.

In 2025, engagement focused on structured dialogue and the formation of a dedicated taskforce to identify shared priorities across areas such as product end-of-life, packaging, store fit-outs, reverse logistics, data traceability and customer participation, establishing a common foundation for future collaboration.





At GITEX Global 2025, Chalhoub Group contributed to a panel on scaling sustainability across the Arab region and was recognised among the Top 40 Most Sustainable Companies in the Arab Region, announced on 2 June 2025 by H.E. Ohoud Bint Khalfan Al Roumi.



Chalhoub Group and Buhindi W.L.L. supporting stc Bahrain's "Trees for Life" initiative through a commitment to plant 1,000 trees across Bahrain.



Chalhoub Group CSO at the CSO Network, engaging in regional dialogue on transition planning, ESG integration, and decarbonisation governance.

Sustainability-Linked Loans (SLLs)

In line with our Net Zero pathway and strengthened ESG governance, Chalhoub Group has embedded sustainability performance within its financing structure through sustainability-linked loans.

These facilities are tied to clearly defined ESG KPIs, including emissions reduction targets, renewable energy integration, and sustainability performance across priority value-chain areas. Performance against these KPIs is subject to structured monitoring and third-party validation, reinforcing data integrity and accountability.

By structurally linking financing mechanisms to predefined, measurable sustainability performance indicators, we align capital allocation with decarbonisation trajectories and science-based climate objectives. This integration ensures that progress towards Net Zero is embedded within both operational execution and financial governance frameworks.

Academic Partnerships

Academic institutions are long-standing partners in our wider collaboration landscape. Through formal Memoranda of Understanding (MoUs), the Group has established trusted relationships that support shared objectives across education, knowledge exchange, and future capability development, anchored in mutual understanding rather than transactional engagement.

Our academic partnerships in KSA included collaborations with Princess Nourah Bint Abdulrahman University, King Abdulaziz University, Dar Al-Hekma University, Prince Mohammad Bin Fahd University, Prince Sultan University, and the University of Business and Technology, and in the UAE with the American University of Sharjah, and Sorbonne University Abu Dhabi.

The delivery of training, internships, and talent-focused initiatives linked to these partnerships is presented separately in the People section of this report.



3 INNOVATIVE & ENTREPRENEURIAL PARTNERSHIPS

Innovation at Chalhoub Group is guided by a disciplined, partnership-led operating model that works in close collaboration with brands, central functions, and external partners to address defined business and sustainability challenges.

Activity is structured across two complementary modes, exploration, focused on testing and validating new technologies or business models, and exploitation, centred on scaling initiatives that demonstrate clear traction, performance and strategic relevance. This approach enables regular prioritisation and resource allocation towards initiatives that deliver measurable business value and support long-term growth and Net Zero ambitions.

Across brands, founders, technology partners, and public-sector collaborators, we work to develop and scale new models that elevate the luxury retail experience and strengthen long-term growth. In 2025, our focus was on structured innovation with measurable traction.

Building ventures

Deepening ecosystem partnerships

Translating new capabilities into practical value

Structured innovation with scalable outcomes under 'The Greenhouse'

The Greenhouse is Chalhoub Group's platform for innovation and entrepreneurship, connecting Group priorities with founders, venture partners, and the wider market. The Greenhouse is structured around two pillars:

- **Venture building**, delivered through the Startup Studio with a focus on tech-first retail companies, and
- **Venture sourcing**, supporting early-stage fashion, beauty and retail-tech brands through incubator and accelerator programmes.

The Greenhouse operates under the **Group's Intelligence, Strategy, Growth and Innovation (ISGI) division**, formerly Strategy, Growth, Innovation and Investment (SGII) division, ensuring close alignment with business priorities.



MAKETTE Design-led Innovation

MAKETTE, developed under Chalhoub Group's **Fashion Innovation** function, reflects building **new brands where innovation, craftsmanship, and responsible design** are embedded from the outset. It serves as a platform to test and scale new ways of designing, sourcing, and engaging customers.

Products are designed for durability and functionality, supported by modular features and controlled production volumes that optimise resource use. This includes **sourcing from Leather Working Group-certified tanneries** and the use of **FSC-certified packaging**. Material sourcing prioritises certified and traceable inputs, while NFC-enabled features support product authentication, care, and customer engagement.



Startup Studio & Venture Building

Through the Startup Studio, The Greenhouse built and co-created a portfolio of retail-tech ventures spanning across **fashion, AI-enabled platforms, content, data intelligence, community, and wellbeing**. Ventures referenced in 2025 include **The Abaya Lab (TAL), Mind/me, Armoir, Storywork, Mo7tawa, and ObsrvR**, each addressing distinct customer or operational needs within the luxury retail ecosystem.

Venture development within the Startup Studio follows a disciplined funnel. Early-stage concepts are assessed rapidly, with clear performance and learning thresholds applied during the first months of development. Initiatives that do not demonstrate sufficient traction are consciously discontinued, allowing focus and investment to be redirected towards ventures with the strongest potential for scale, impact and, long-term relevance.

USD 800K+ in co-investment secured across ventures

TAL BY THE ABAYA LAB

TAL by The Abaya Lab is part of The Greenhouse portfolio as a digital-first modest fashion platform that blends cultural authenticity with modern design and on-demand production. It reflects a new model of scalable fashion that meets evolving regional preferences while aligning with efficient, inventory-smart operations.

OBSRVR, DATA-DRIVEN RETAIL INSIGHTS

ObsrvR applies advanced retail analytics to help luxury brands better understand performance across stores, digital channels, and inventory. It supports more informed planning, improved performance visibility, and closer alignment between online and in-store experiences translating complex data into clear insight.

THE FASHION LAB

The Fashion Lab (TFL) is delivered under The Greenhouse's programmes pillar, operating as a focused experimentation and validation platform at the intersection of fashion, technology and sustainability, with a focus on the Middle East fashion ecosystem. In 2025, Cohort 2 supported 10 emerging designers in Saudi Arabia, through a six-month programme combining commercial insight, industry exposure, and visibility.

The programme was designed to help brands test readiness, refine their propositions, and navigate pathways to growth, rather than operate as a venture-building or startup studio model.

The programme concluded with structured milestone moments, including internal evaluations of commercial readiness and a public-facing fashion seminar that brought together designers, partners, and industry leaders. Through this approach, TFL supported the emergence of MENA-born brands with the ambition and capability to scale regionally and globally.



Curated Platforms for Collaboration

The Greenhouse expanded its convening role through curated sessions that brought founders, leaders and ecosystem stakeholders into practical, experience-led exchange.



HBS GCC x The Greenhouse Innovation Mixer Series (Riyadh and Jeddah)



Pearl Initiative Roundtable

A session exploring governance and sustainability as enablers of startup resilience and long-term trust.

Sol3mates Demand-led Luxury Retail

Sol3mates is a premium, contemporary sneaker brand and a flagship Chalhoub Group venture. It applies a demand-led approach to product development.

In 2025, Sol3mates evolved from a pre-order model to small-batch, demand-led production, releasing limited quantities of new styles online to test customer appetite. Production volumes are adjusted based on sell-through velocity, with the objective of achieving 100% sell-through and zero excess inventory.

This test-and-learn approach reduces overproduction and unsold stock, supporting more efficient use of materials and resources across the value chain while supporting emissions avoidance linked to manufacturing, logistics and disposal.



Leveraging AI & new business models to drive meaningful business value

Chalhoub Group approaches AI innovation with a disciplined focus on applications that enhance customer experience, strengthen expertise and deliver tangible business value. Through targeted partnerships and in-house capability building, AI is applied where it supports decision-making and operational efficiency, aligned with **a human-in-the-loop approach**.

Across venture building and operational innovation, Corporate Innovation also **contributes to Net Zero ambitions** by enabling more efficient, **data-driven business models and reducing resource inefficiencies** across the value chain.



Alia AI

Alongside customer-facing applications, internal capability continues to develop through Alia, the Group's secure generative AI platform. Alia supports teams by enabling controlled access to internal knowledge and productivity tools, reinforcing responsible deployment through strong data governance and security.

30%

ADOPTION AMONG
CORPORATE TEAM
MEMBERS WITHIN 3
WEEKS OF LAUNCH

SECURE AGENTIC AI SOLUTIONS, WITH
THE FIRST HR ASSISTANT ALREADY LIVE



Layla AI

Layla AI represents a key in-house generative AI deployment, designed to replicate the in-store beauty advisory experience in a digital environment.

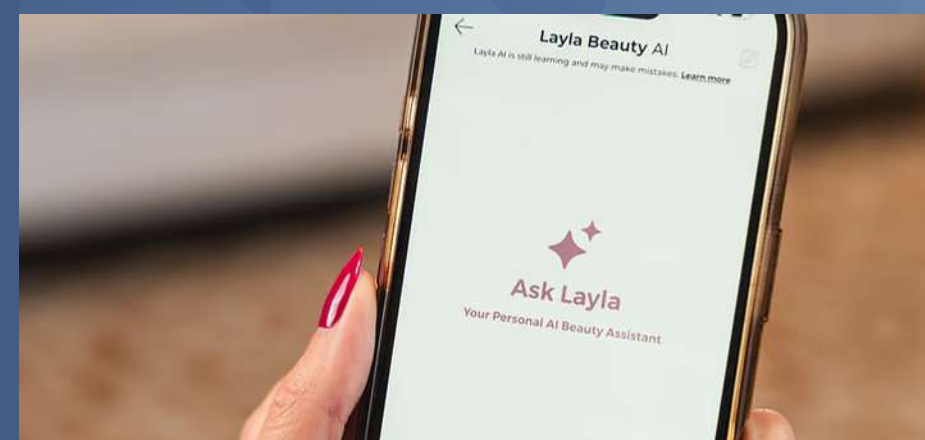
Deployed through FACES, it translates expert knowledge into personalised recommendations, supporting enhanced customer engagement and scalable service delivery.

**10% OF APP USERS
ACTIVELY ENGAGING
WITH LAYLA**

**2.6X HIGHER
CONVERSION RATES**

**2.2X LONGER SESSION
DURATION FOR
ENGAGED USERS**

RECOGNISED BY FAST
COMPANY (MOST
INNOVATIVE COMPANIES
- RETAIL) AND THE
INTERNATIONAL
ASSOCIATION OF
DEPARTMENT STORES
(IADS)



PLANET FWD

Since the beginning of our journey,

Care for the planet has been embedded in how we operate, evolving from awareness to operational discipline. In 2025, this commitment entered a new phase.

As the scale of climate and nature-related risks intensifies, and as our business continues to grow across geographies and categories, we recognised the need to move beyond incremental optimisation toward a more integrated, structured, and value chain-wide transformation.

Planet FWD is the outcome of this strategic inflection point. It represents not only an evolution of our environmental ambition, but a redesign of how decarbonisation, circularity and biodiversity are governed, prioritised, and delivered across the Group.

Introduced as a standalone, Group-wide accelerator, Planet FWD consolidates environmental priorities into a coherent framework designed to drive measurable progress toward our 2032 near-term SBTi-validated targets, while maintaining Net Zero by 2040 as our long-term horizon.

Net Zero FWD

Circularity FWD

Nature FWD

- Planet FWD launched, embedding decarbonisation, circularity, and nature into core strategy and decision-making
- Established a carbon management framework covering Scope 1, 2, and 3, aligned with Science-Based Targets
- 13% reduction against 2021 base year in Scope 3 emissions intensity (tCO₂e per USD million revenue), reflecting improved emissions efficiency across the value chain
- 6% increase in Scope 2 emissions, primarily linked to business growth and operational expansion
- 11% EV adoption across UAE & KSA, supporting lower-emission logistics and transport operations



WHY PLANET **FWD** now?

Over the past years, Chalhoub Group built strong operational foundations through its Environmental Taskforces, advancing energy, waste, fuel, and supply management across operations. In 2025, this evolved into a turning point in our climate journey.

The year focused on redesigning Chalhoub Group's **Net Zero integration operating model**, supported by detailed analyses, leadership discussions, and cross-functional stakeholder engagement.

This process evaluated alignment with our **2032 Science Based Targets**, identified structural gaps, and clarified where acceleration and stronger accountability were required.

One of the key outputs of this redesign was the development of a **Carbon Model Framework**, enabling the quantification of emissions across decarbonisation levers, scenario modelling, and prioritisation of actions based on emissions-reduction potential and business feasibility.

This marked a shift from broad measurement toward the **structured activation of high-impact levers**.

The analysis confirmed a clear imperative: under a business-as-usual trajectory, emissions would diverge from our 2032 targets. Closing this gap requires accelerating high-impact decarbonisation levers, integrating climate considerations into decision-making, and **strengthening ownership of environmental KPIs across the organisation**.

Planet FWD was therefore launched as the strategic response to this context, providing the governance architecture, prioritisation logic, and cross-functional accountability required to embed decarbonisation and nature-related action into the core of business management.

PRIORITY DECARBONISATION LEVERS: CLOSING THE GAP TO 2032

Building on this analysis, the Group prioritised a portfolio of decarbonisation levers based on **abatement potential and business impact**. From approximately 70 levers assessed across Scopes 1, 2, and 3, three were identified as critical to delivering the 2032 trajectory.

RENEWABLE ELECTRICITY SOURCING

Scaling renewable electricity sourcing across operations, with an initial focus on **GCC markets**. In line with SBTi guidelines, this is a key lever for Scope 2 reduction, supported by I-RECs (planned for roll-out in 2026) and green tariffs, while preparing for longer-term solutions such as PPAs.

BRANDS ENGAGEMENT

Deepening collaboration with **brand partners** to align decarbonisation pathways across sites and value chains. This next phase is guided by a prioritisation framework, enabling targeted engagement with material partners, improving data exchange, supporting SBTi alignment, and co-delivering high-impact actions.

INTEGRATION OF CLIMATE CONSIDERATIONS INTO INVESTMENT DECISIONS

Embedding climate considerations across the investment lifecycle, from due diligence to design and governance, ensuring emissions are factored into growth decisions. These levers are mutually reinforcing, linking brand engagement, renewable sourcing, and investment governance to form a **credible, target-aligned Net Zero roadmap**.



TRANSLATING DECARBONISATION LEVERS INTO THE PLANET FWD PILLARS

Net Zero FWD

Net Zero FWD anchors the Group's decarbonisation journey and provides the governance framework within which priority decarbonisation levers are activated. It establishes a clear pathway to achieving Chalhoub Group's near-term SBTi targets and Net Zero by 2040 through carbon budgeting, strengthened accountability at business-unit level, and integration of climate considerations into growth and investment decisions.

Circularity FWD

Circularity FWD shifts the Group from fragmented, ad hoc initiatives to a coordinated, Group-wide approach to circular business models. It embeds material recovery, reuse, recycling, and circular design principles across operations and the value chain, enabling circularity to become a consistent and measurable driver of value creation and emissions reduction over time.

Nature FWD

Nature FWD builds on the outcomes of the Group's biodiversity impact assessment to develop a comprehensive biodiversity strategy and actionable implementation plans. It ensures that sourcing decisions, supply chain activities, and brand operations contribute to nature-positive outcomes and long-term ecosystem resilience.

Our Commitments	Material Topics	Boundaries	SDGs
Net Zero FWD	Scope 1	Fuel consumption across fulfilment activities (for both B2B and B2C operations), as well as Administration.	SDG 13 Climate Action 
	Scope 2	Electricity consumption across offices, distribution centres, and stores.	
	Scope 3	Purchased goods and services, fuel- and energy related activities, upstream transportation and distribution, business travel, team member commuting, end-of-life treatment of sold products and investments.	
Circularity FWD	Zero Waste to Landfill	Waste generated in offices, facilities, and distribution centres. Development of circular business models for our brands through mapping and prioritisation (reuse, resale, repair, recycle, rental).	SDG 12 Responsible Consumption 
	Materials & Packaging	Packaging and materials from brand suppliers and internal operations.	
	Water	Water usage across offices and distribution centres.	
Nature FWD	Conservation & Restoration	Biodiversity-focused initiatives and volunteering for nature-positive activities.	SDG 14 Life Below Water 
	Direct Ecosystem Impact	Own sites and operational geographies.	SDG 15 Life on Land 

1 NET ZERO FWD

METHODOLOGY & EMISSIONS MANAGEMENT

Chalhoub Group has established a robust GHG measurement framework, with Scope 1, 2, and 3 emissions tracked regionally for the fifth consecutive year in 2025. This enables consistent monitoring across the Group's footprint and supports informed performance management and decision-making.

In 2025, our near- and long-term Net Zero targets were formally approved by the Science Based Targets initiative (SBTi), marking a critical milestone in translating climate ambition into externally validated commitments.

Compared to 2024, **overall Scope 1, 2, and 3 emissions decreased by 15%**, primarily due to the adoption of updated emission factors. This reduction was mainly driven by Scope 2 electricity consumption and Scope 3 emissions, while Scope 1 emissions increased by 18% year-on-year.

Against the baseline year, **Scope 1 emissions decreased by 3%**, reflecting continued progress in fleet optimisation and fuel efficiency initiatives. **Scope 2 emissions increased by 5.6%**, primarily driven by business growth and operational expansion. Meanwhile, **Scope 3 emissions intensity (tCO₂e per USD million revenue) decreased by 13%**, demonstrating improved emissions efficiency across the value chain relative to revenue growth.

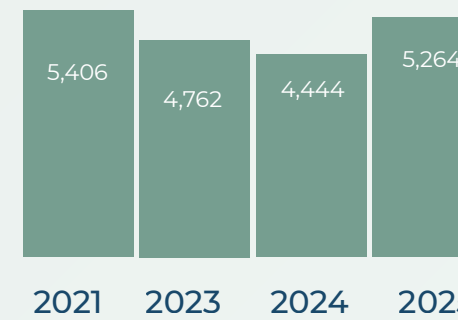
Achieving the Group's SBTi targets will require accelerated action across the most material decarbonisation levers, including strengthened supplier engagement to address Scope 3 emissions, reduced operational energy demand, increased renewable energy sourcing across Scopes 1 and 2, and continued enhancement of emissions data quality and management systems.



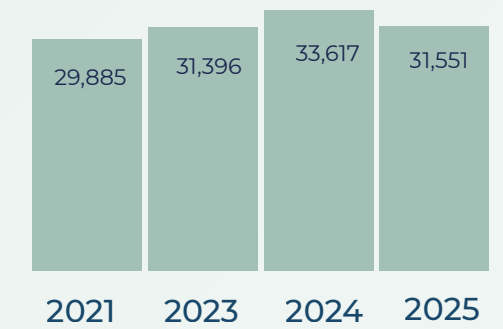
With these foundations in place, the Group's focus has evolved from measurement toward maintaining alignment with SBTi targets amid continued growth. The 2025 gap-to-target assessment confirmed that achieving Net Zero will depend on the prioritisation and scaling of high-impact decarbonisation actions.

As a result, Chalhoub Group has adopted a trajectory-led approach to Net Zero, with approximately 80% of effort focused on modelling emissions pathways, prioritising decarbonisation levers, and embedding them into business planning and governance. The remaining 20% is directed toward strengthening data quality, systems, and methodologies to ensure accuracy and audit readiness.

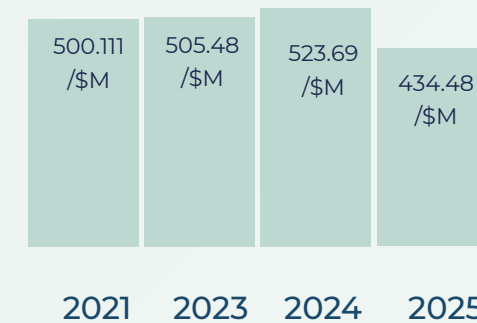
SCOPE 1 tCO₂e



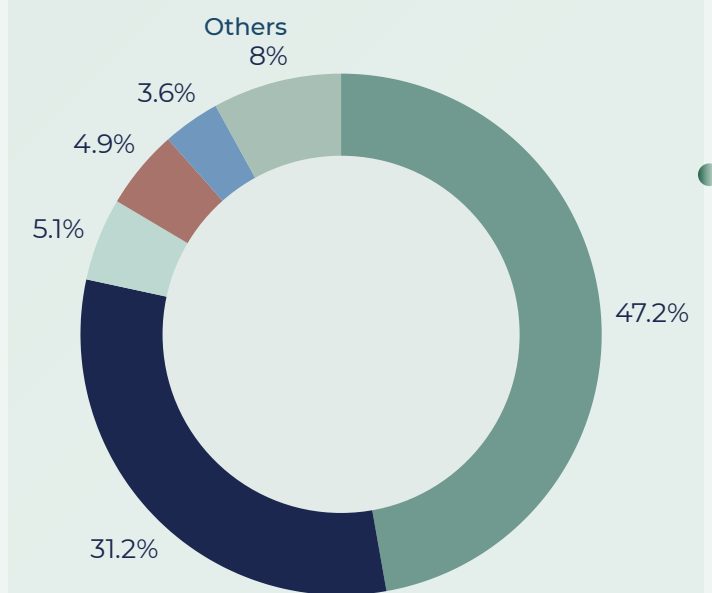
SCOPE 2 tCO₂e



SCOPE 3 INTENSITY tCO₂e/million USD



SCOPE 3 EMISSION BREAKDOWN



Scope 3 category name

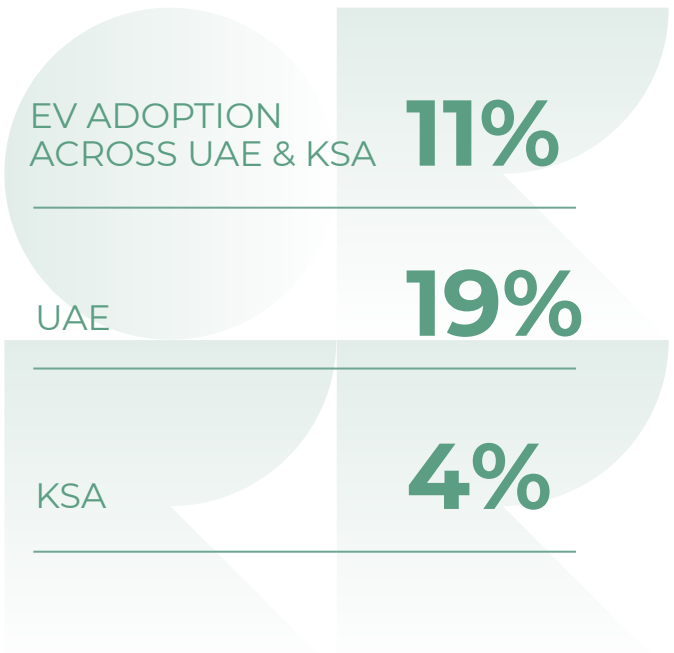
% change in emission 2024 vs 2025

Investments	-16%
Purchased Goods and Services	-8%
Employee Commuting	4%
End-of-Life Treatment of Sold Products	1%
Upstream Transportation & Distribution	-40%
Total Scope 3	-17%

SCOPE 1:
DECARBONISING
OUR FLEET

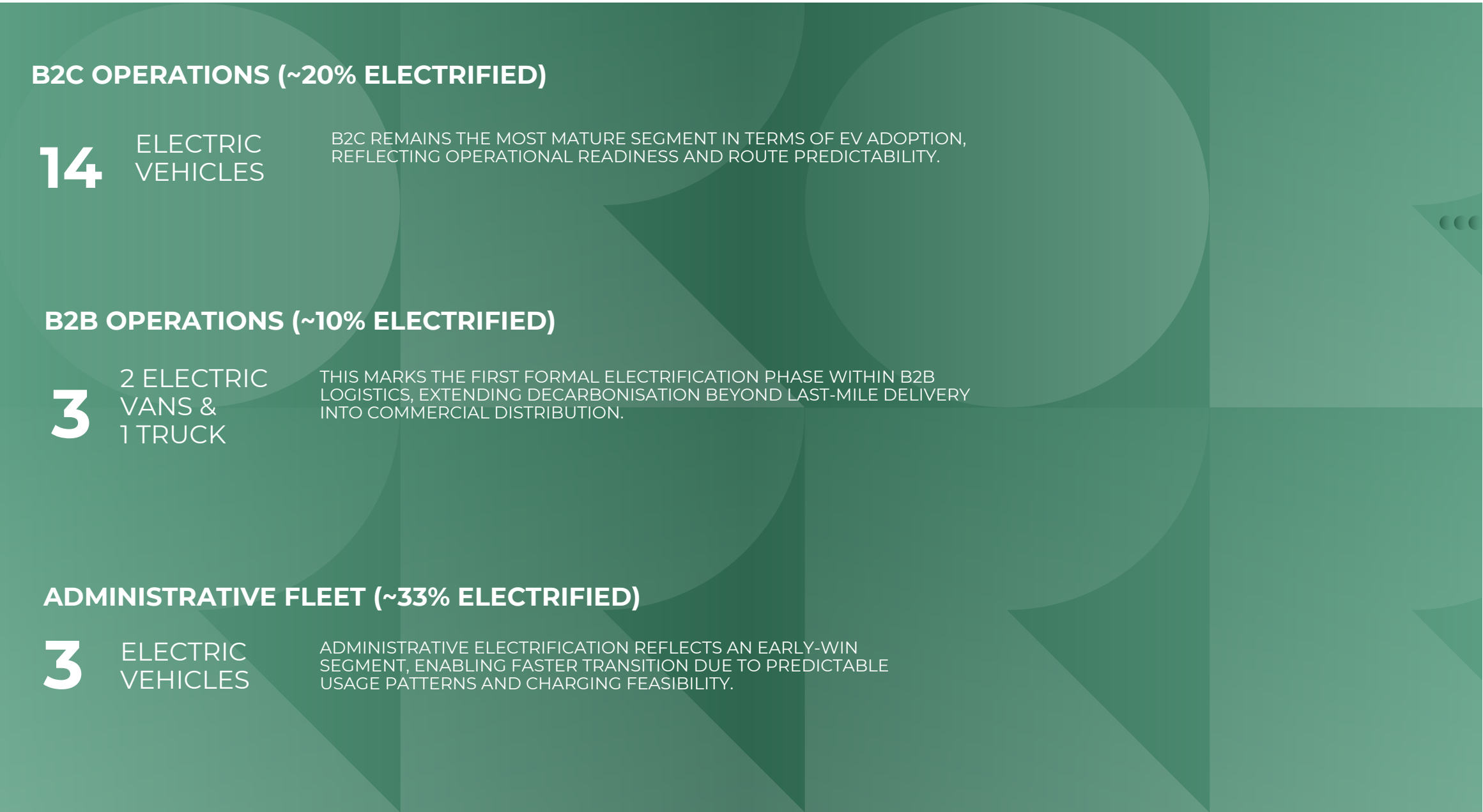
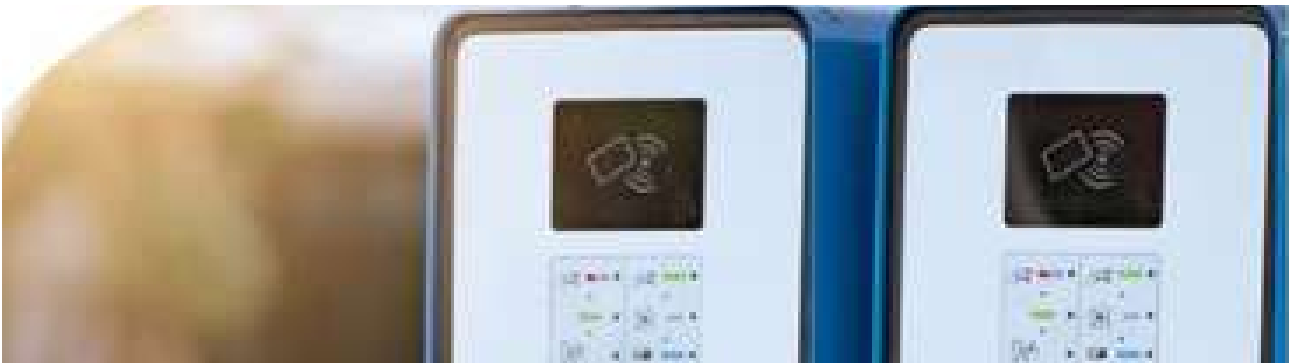
1. FLEET EMISSIONS &
TRANSPORTATION
(SCOPE 1)

The distribution fleet remains a key focus area within Chalhoub Group’s Scope 1 emissions profile, reflecting its importance within our direct operational footprint and broader decarbonisation journey. **Current visibility indicates that Scope 1 emissions in 2025 decreased by 2% against the 2021 baseline**, mainly driven by fleet electrification across B2B, B2C, and administrative fleets in the UAE and KSA. This reduction builds on earlier progress achieved through fuel efficiency initiatives, logistics network optimisation, and the gradual introduction of electric vehicles across priority markets.



PROGRESS IN FLEET
ELECTRIFICATION IN
UAE (2025 SNAPSHOT)

IN 2025, ELECTRIFICATION
EFFORTS ADVANCED ACROSS
ALL OPERATIONAL SEGMENTS



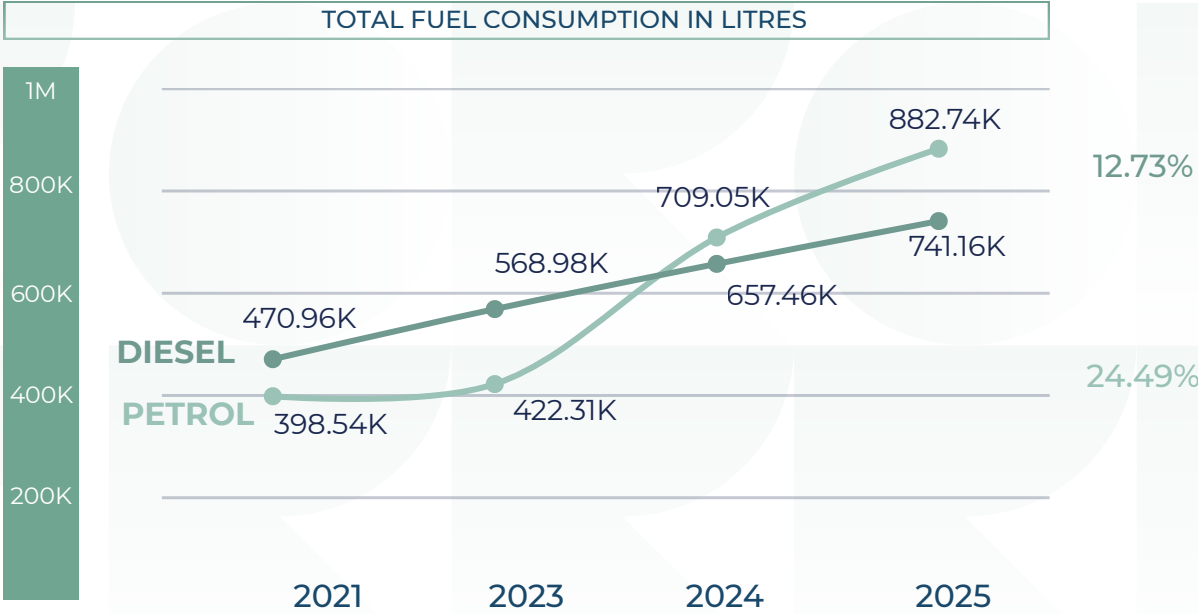
SCALING

LOW-EMISSION LOGISTICS

INFRASTRUCTURE IN 2026

Looking ahead, 2026 will mark a significant step forward in scaling electric mobility across operations. The Group plans to **expand its electric vehicle (EV)** infrastructure to support the growing transition of both commercial and administrative fleets.

A key priority will be the **continued rollout of EV charging infrastructure** across strategic locations. This includes scaling charging capacity at core operational hubs such as the Dubai Investment Park (DIP) distribution centre, which serves as the primary hub for both B2B and B2C EV operations.



Increase between 2024 and 2025 due to business expansion.

2023 data on diesel and petrol have been restated due to enhanced data collection in 2024.

LOGISTICS MODEL

& OPERATIONAL

CONSTRAINTS

Fuel efficiency and route optimisation remain key to reducing emissions from conventional vehicles. Following last year's optimisation and fuel savings, further gains in 2025 were limited by fixed logistics routes and delivery patterns. **Route optimisation software was explored** and will be implemented in 2026 ensuring system constraints are addressed.

EVOLVING KPIS

& PERFORMANCE

MEASUREMENT

As the business continues to scale, Chalhoub Group is refining its fuel-related KPIs to align with SBTi requirements while maintaining decision-useful performance tracking.

The Group continues to monitor absolute fuel consumption and emissions, while **introducing fuel-based intensity indicators to track efficiency as operations grow**. This dual approach enables visibility on both absolute reductions and efficiency gains, alongside fleet electrification progress.

2026 UAE

EXPANSION PLAN

- B2C Operations

47% | 14 more EVs
- B2B Operations

21% | 3 more EVs
- Admin Operations

33% | 1 more EV

2026 KSA

EXPANSION PLAN

- B2C Operations

16% | across Riyadh & Jeddah
- B2B Operations

7% | across Riyadh & Jeddah

SCOPE 2:

ENERGY, RENEWABLES & GREEN BUILDING PRACTICES

The 2025 Net Zero gap-to-target assessment reinforced the **need to accelerate Scope 2 decarbonisation** as a core pillar of Chalhoub Group's climate strategy. It identified renewable electricity sourcing as a priority lever for achieving near-term targets, highlighting the need to strengthen enabling foundations for this transition.

In 2025, the focus shifted to scalable, system-based infrastructure to support long-term performance tracking and Net Zero ambitions. Key actions included **digitalising energy systems, expanding sub-metering, and implementing targeted retrofits**. This is improving data accuracy, strengthening insights, and enabling more informed decisions to advance Scope 2 decarbonisation across three focus areas:

Renewable Energy, Energy Efficiency, and Green Building.

100%

of our distribution centres globally have upgraded to LED

RENEWABLE ENERGY: A PRIORITY LEVER FOR DECARBONISATION

Renewable electricity sourcing has been identified as a key priority in **Chalhoub Group's 2025 Net Zero gap-to-target assessment**, reflecting its critical role in reducing Scope 2 emissions and achieving near- and medium-term climate targets.

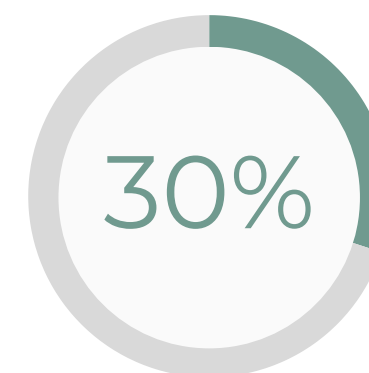
The analysis highlighted that **meeting 2032 milestones will require rapid acceleration** in renewable energy adoption, alongside continued energy efficiency and fleet electrification efforts.

Chalhoub Group is **advancing on-site solar installations** across four UAE locations, including Head Office I, Head Office II, DIP Distribution Centre, and the Main Distribution Centre, expected to provide ~30% of site electricity on average.

With construction underway, additional projects such as the **Tawreed distribution centre in KSA**, expected to be operational in 2026, are being designed to integrate solar generation covering at least 35% of total consumption.

In parallel, the Group is working on **scaling off-site renewable electricity sourcing** in the UAE and KSA, its highest consumption markets. A phased rollout will begin in 2026 with a UAE pilot covering offices and distribution centres, targeting meaningful reductions in Scope 2 emissions.

To enable **scale and accountability**, renewable energy costs are being allocated to business units based on operational footprint and emissions profile. This integrated approach positions renewable energy as a core driver of Scope 2 decarbonisation, supporting Chalhoub Group's Net Zero ambition and closing the gap to 2032 targets.



Of our electricity in four office & warehouse buildings is sourced from solar panels



ENERGY EFFICIENCY:
DIGITISATION AS A DRIVER
OF PERFORMANCE

In 2025, Chalhoub Group strengthened its energy efficiency strategy by moving from reactive utility-based monitoring to a **digitally enabled, data-driven approach**, shifting focus from consumption tracking to active performance optimisation through enhanced visibility and control.

LAYING THE DIGITAL
FOUNDATIONS FOR EFFICIENCY

Digitalisation emerged as a key enabler of energy efficiency in 2025, with **targeted pilots of energy management systems** across selected stores and Head Office I, delivering more granular, actionable insights.

These deployments, combined with upgraded data infrastructure, established the foundations for disaggregated tracking of consumption drivers and advanced data solutions in 2026.

FROM INFRASTRUCTURE READINESS
TO ACTIONABLE INSIGHTS

While 2025 focused on building digital infrastructure and system readiness, **2026 will mark the first full year of operational performance monitoring**, supported by stable data availability. This will enable the identification of high-consumption patterns, benchmarking across sites, and definition of targeted reduction measures grounded in real usage data.

These efforts are supported by **sustainability awareness initiatives, including training sessions** conducted during Sustainability Week, to drive behavioural change across the organisation.

Energy performance is also closely **linked to Executive Committee ESG KPIs**, with progress tracked through quarterly reporting, strengthening accountability and driving consistent focus on energy reduction across the Group.

CONTINUED ENERGY EFFICIENCY INITIATIVES

Alongside digitalising energy management, Chalhoub Group implemented on-the-ground efficiency measures in 2025 to **reduce consumption and strengthen resource performance** across retail, office, and logistics operations.

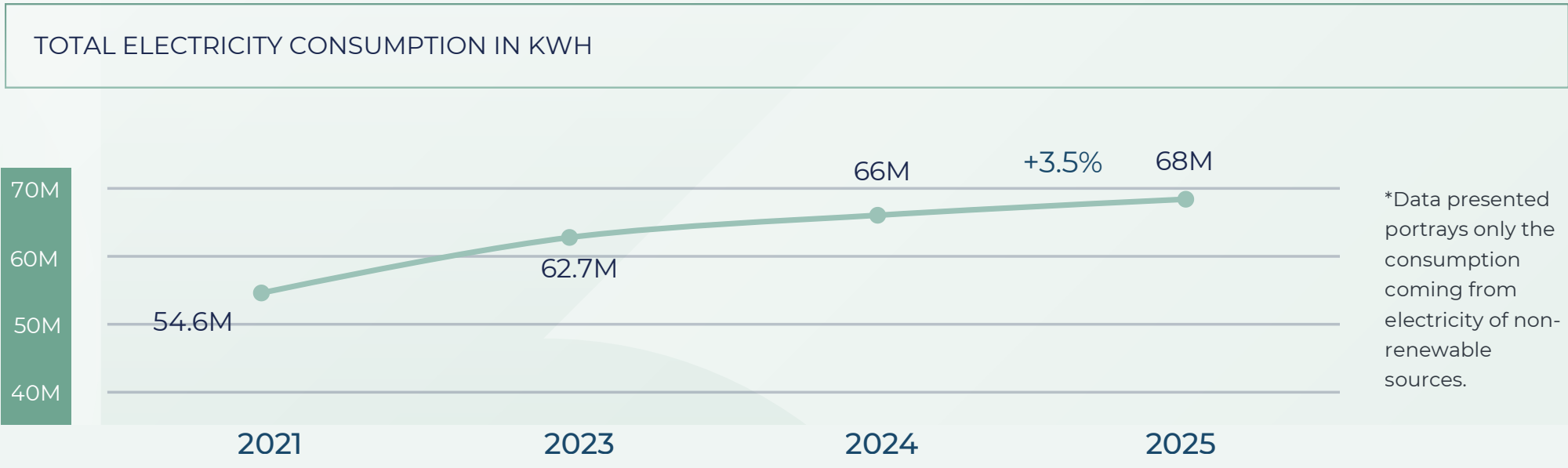
Energy Audits & Operational Improvements

Building on prior audits at Level Shoes and Tryano (UAE), targeted actions such as **LED retrofits and HVAC optimisation** were implemented, while BMS upgrades were assessed and budgeted. Energy sub-metering and management systems have been designed, with rollout planned for early 2026.



Lighting & Fixture Upgrades

All retail stores in Egypt were upgraded to LED lighting, improving energy efficiency and reducing consumption. These efforts, focused on key markets including KSA, UAE, and Egypt, are **aligned with green building principles** and supported by HVAC optimisation and increased LED adoption.



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

Note: Despite an increase in absolute electricity consumption, Scope 2 emissions decreased during the reporting period due to lower grid emission factors across key markets.

GREEN BUILDING SYSTEMS



EMBEDDING GREEN BUILDING STANDARDS THROUGH LEED CERTIFICATION

Building on several years of investment in energy and water efficiency, solar installations, waste management, and reduced resource consumption, Chalhoub Group reached a major milestone in 2025 with the successful attainment of LEED Operations & Maintenance Gold certification for four UAE sites- Head Office 1, Head Office 2, Main Distribution Centre & DIP Distribution Centre.

This achievement reflects the Group's long-term commitment to sustainable operations and its broader environmental transformation journey. It also directly supports the Group Environment Taskforce's objective to reduce emissions through electrification and efficiency measures, positioning LEED as a key enabler of Scope 1 and Scope 2 decarbonisation across facilities.

LEED certification serves not only as external validation of performance, but as a structured framework guiding continuous improvement across facilities. The certification delivers value across environmental, social, and financial dimensions.

It supports **reduced emissions, lower resource consumption, and a minimised operational footprint**, while contributing to healthier, more productive work environments. It also enhances energy efficiency, reduces utility costs, and strengthens asset value.

Looking ahead to 2026, Chalhoub Group will **expand its LEED journey into KSA**, targeting LEED BD+C Gold certification for the new Tawreed distribution centre and LEED O+M Gold for existing facilities across Riyadh and Jeddah.

In parallel, UAE site recertifications will be initiated in 2026, while upcoming projects will be registered early to optimise performance under evolving LEED standards.

These actions **reinforce the Group's commitment to embedding green building principles** across its regional footprint.

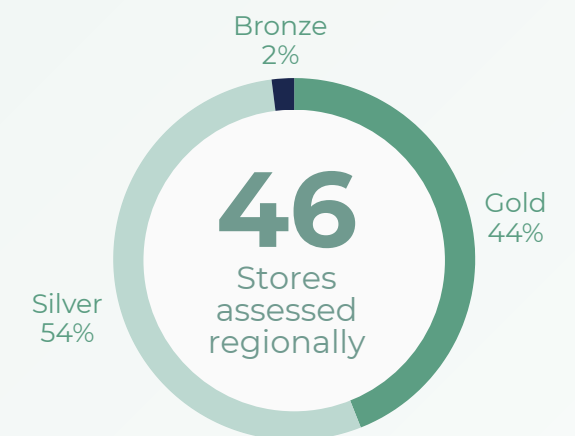


STEP FRAMEWORK: FROM DESIGN TOOL TO LIFECYCLE DECARBONISATION LEVER

The STEP (Stores Towards Environmental Performance) framework was launched in 2025, **expanding from a design-focused tool into a lifecycle framework** embedding sustainability across operations, maintenance, and renovation.

This year, STEP assessments were **extended to both new and existing stores**. For existing stores, approximately 10% of the regional portfolio was assessed, including a stronger focus on maintenance, efficiency, and day-to-day environmental performance. These assessments provided clearer visibility on performance gaps and opportunities for improvement.

Key developments included the integration of STEP into the FOCUS platform, **enabling centralised data capture, enhanced visibility, and consistent tracking across regions**. The framework was also strengthened with new criteria and system enhancements, to improve accountability and benchmarking.



Findings highlighted priority gaps in energy monitoring (sub-metering and EMS), lighting efficiency, HVAC maintenance, waste segregation, and in-store behaviours. These insights are informing targeted action plans and 2026 investments, **reinforcing STEP as a key operational lever** for retail and Scope 3 decarbonisation.



SCOPE 3:

ACCELERATING
VALUE CHAIN
DECARBONISATION

Scope 3 emissions account for over 90% of Chalhoub Group’s footprint, making them critical to achieving its 2032 SBTi targets and Net Zero ambition by 2040. Addressing them requires moving beyond incremental improvements to systemic change, supported by stronger data, deeper partner engagement, and the integration of sustainability into procurement, investment, and growth decisions.

The 2025 gap-to-target assessment confirms Scope 3 as the largest source of remaining emissions. While current initiatives will deliver incremental reductions, achieving meaningful impact at scale will require advanced data capabilities, stronger upstream engagement, and more responsible sourcing practices—key levers in Chalhoub Group’s Scope 3 roadmap.

Deepening brand engagement and integrating climate considerations into acquisitions and investment decisions.

These are core focus areas across the five priority Scope 3 categories, which together account for over **85% of total Scope 3** emissions.

KEY SCOPE 3 CATEGORIES & EMISSION CONTRIBUTIONS

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	Intensity tCO2e/revenue	% in Scope 3	Approach
Purchased Goods & Services	135.43	31	Prioritizing supplier emission factors when applicable and shifting away from spend based methodologies
Investments	205.12	47	Applying climate screening during the due diligence stage to assess the sustainability impact on the Group
Employee Commuting	22.36	5	Corporate commuting initiatives such as carpooling and public transport support
Upstream Transportation and Distribution	15.47	4	Opting for sea freight and requesting emissions data from shipping vendors
Fuel and Energy Related Activities	10.51	2	Scope 1 and 2 reduction initiatives including EV expansion and renewable energy installations

ANNUAL REDUCTION GOALS & IMPLEMENTATION APPROACH

We are committed to approximately 6% annual Scope 3 reduction, equating to an average of 35 tCO2e/mUSD.

This will be achieved through a combination of supplier engagement, procurement strategies, energy-efficient product designs, and responsible investment shifts.



2 CIRCULARITY FWD

ELEVATING CIRCULARITY UNDER PLANET FWD

Launched as a dedicated pillar in this reporting cycle, Circularity FWD shifts the Group from fragmented, ad hoc initiatives toward a structured, Group-wide circularity model embedded across operations, brands, and value chains.

BUILDING A GROUP-WIDE CIRCULARITY FRAMEWORK

Circularity FWD is being developed as a structured operating framework anchored in policies, programmes, partnerships, and performance metrics, shifting from isolated pilots to a scalable, value chain-wide model.

Key workstreams include:

- Developing a Group-wide circular business model prioritising reuse, resale, repair, recycling, and rental, while scaling existing pilots
- Establishing operational enablers such as inventory take-back and redistribution, supported by circularity assessment tools for design and materials
- Embedding circularity into governance through brand policies and alignment with emerging GCC Extended Producer Responsibility (EPR) regulations
- Advancing sustainable packaging initiatives to reduce material intensity and enable circular design

Dedicated taskforces are driving delivery, with pilots underway and a roadmap to scale from 2026 onwards.



TANAGRA RENTAL – ENABLING CIRCULAR LUXURY THROUGH ACCESS-BASED MODELS

As part of its commitment to scaling circular business models across its portfolio, Chalhoub Group continues to advance its rental offering through Tanagra, enabling customers to access curated luxury tableware and home décor without the need for ownership.

The Tanagra rental platform allows customers to rent premium pieces for special occasions, extending product lifecycles and reducing the need for single-use or infrequently utilised items. By shifting from ownership to access, the model promotes more efficient resource use while aligning with evolving consumer preferences for more sustainable consumption patterns.

This initiative represents a practical application of circularity within the luxury retail context demonstrating how rental models can be embedded within high-end categories while preserving brand value and customer experience. It contributes to reducing material throughput and waste generation, supporting Chalhoub Group's broader Circularity FWD objectives.

As the model continues to evolve, Tanagra Rental provides valuable insights into customer behaviour and operational scalability, informing the expansion of circular business models across other owned brands.

RESOLVE OPERATIONAL INNOVATION ACROSS THE VALUE CHAIN

RESOLVE is a Group-wide initiative transforming how non-stock and visual merchandising (VM) assets are managed, evolving from fragmented storage practices into a structured, digitally enabled circular model.

It introduced governance measures including a 12-month non-utilisation policy, mandatory documentation, and a centralised digital platform, enabling full visibility across logistics, brands, and finance.

In 2025, RESOLVE delivered measurable outcomes:

The material breakdown demonstrates a structured recovery approach, with wood representing the largest share (73%), followed by fabric, glass, iron, and plastics.

STRATEGIC RELEVANCE

RESOLVE operates under defined governance, with structured KPIs across clean-ups, adoption, marketing, dashboards, and platform performance. It directly supports Chalhoub Group's Net Zero pathway by reducing emissions associated with manufacturing, transport, and waste treatment.

It demonstrates how operational discipline, digital infrastructure, and cross-functional governance can translate circular principles into measurable value-chain performance.

PLAN FOR 2026 & BEYOND

With expansion planned across Bahrain, Kuwait, and Qatar, RESOLVE is transitioning from an innovation-led initiative to a scalable operating model, reinforcing long-term efficiency, emissions reduction, and smarter asset management across the Group.

- Dedicated FTE and project council
- ESG and financial dashboards
- AI-driven VM platform development
- Regional retailer and marketplace partnerships
- Expansion into Bahrain, Kuwait, and Qatar

DIGITAL MARKETPLACE & INTERNAL CIRCULARITY

RESOLVE also introduced an internally built digital marketplace for selected unbranded VM assets, designed and executed fully in-house.

The marketplace enables reuse before replacement, embedding circular practices within daily operations while improving asset utilisation.

600+ team member visits
60+ items redeployed
AED 12K positive P&L
Zero platform cost

650+

PALLETS
UPCYCLED
ACROSS
WOOD, STEEL,
PLASTIC, AND
ALUMINIUM

90%

WASTE DIVERSION
FROM LANDFILL IN
UAE

**USD
155K+**

ANNUAL STORAGE
COST SAVINGS

700 M²

WAREHOUSE
SPACE FREED
ACROSS TWO
DISTRIBUTION
CENTRES

**37
TCO₂E**

EMISSIONS
AVOIDED

**USD
480K+**

RETRO-COST
SAVINGS FOR
BRANDS (3-
YEAR AVERAGE)

SCALING CIRCULARITY ACROSS THE GROUP

Circularity FWD is being implemented as a long-term transformation programme rather than a standalone set of initiatives. Medium-term goals include ensuring that

100%

**OF NON-MERCHANDISE ITEMS ARE PROCESSED
THROUGH CIRCULAR CHANNELS BY 2030,**

launching at least one circular business model initiative (resale, rental, or second-hand) for each owned brand, and embedding circular design principles across visual merchandising and product packaging.

Through RESOLVE, Comité Colbert, Unity for Change, and ongoing brand-level pilots, Chalhoub Group is laying the operational, data, and governance foundations needed to scale circularity across its ecosystem, positioning the Group as a regional leader in circular retail and a catalyst for industry-wide transformation.



STRENGTHENING WASTE DATA & PERFORMANCE TRACKING

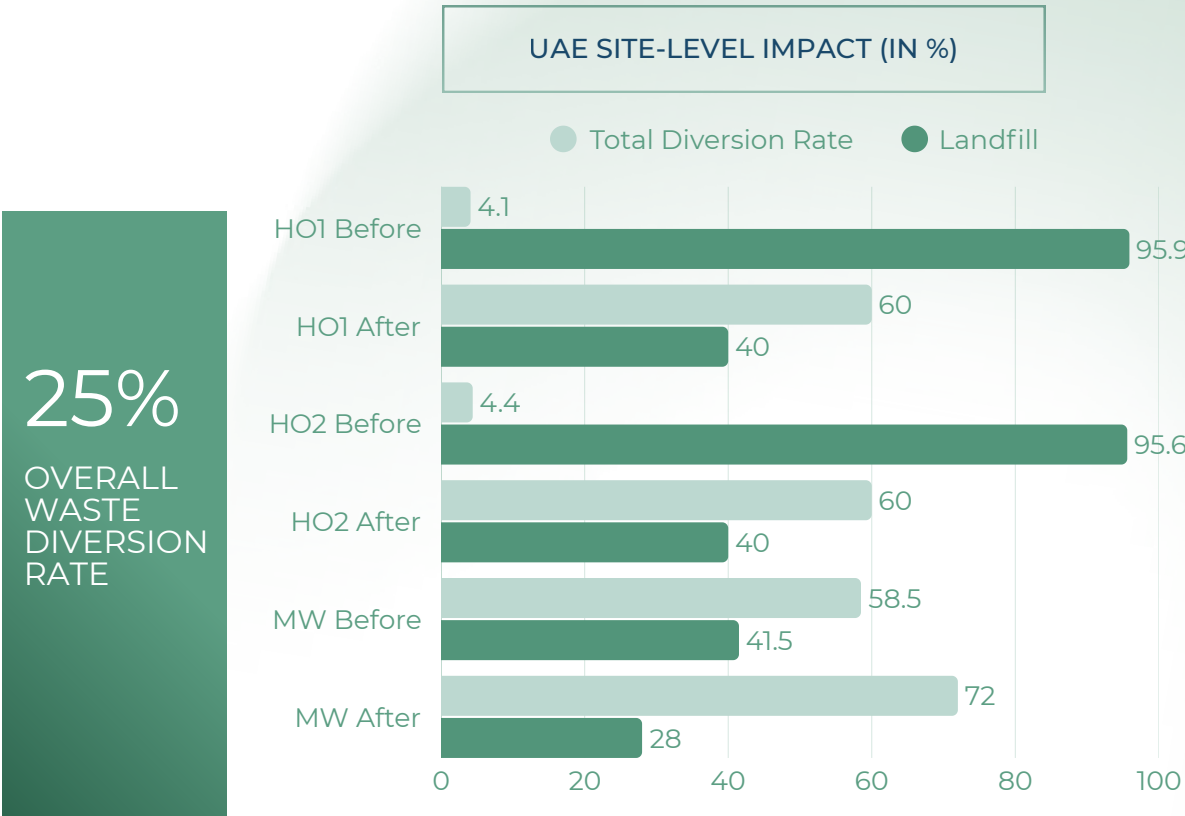
In 2025, Chalhoub Group strengthened waste reporting across UAE operations through the **transition from a recycling-focused metric to a more comprehensive waste diversion rate**. This enhanced methodology captures both recycling and downstream treatment pathways such as waste-to-energy (WtE), providing **a more accurate and complete view of waste performance**.

Previously, general waste collected by providers was estimated and reported as 100% landfill. In 2025, the Group transitioned toward treatment-based reporting, **where waste is accurately measured and tracked across Recycling, WtE, and Landfill streams**. This shift significantly improved reporting accuracy, strengthened visibility into actual waste flows, and revealed greater diversion potential across operations.

Alongside improved measurement, operational enhancements were introduced, including dedicated recycling areas at selected sites to strengthen segregation and reduce contamination. Reporting was also refined through separate tracking of general waste and recycling streams, enabling more accurate site-level performance monitoring and more informed decision-making.

The improved methodology revealed significantly **higher diversion potential across key UAE sites** participating in the Zero Waste to Landfill programme.

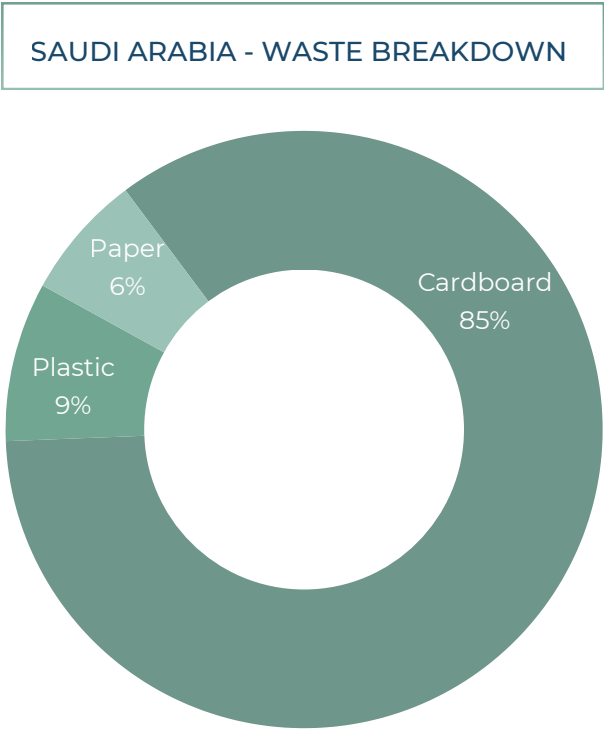
PHILANTHROPY



OPERATIONALISING CIRCULARITY FWD ACROSS OUR OPERATIONS

Building on the recycling initiatives introduced across KSA operations in 2024, Chalhoub Group continued to strengthen waste segregation and material recovery practices across offices and warehouses in 2025.

The latest waste breakdown highlights cardboard as the dominant waste stream (85%), followed by plastic (9%) and paper (6%), reflecting both the operational profile of logistics and retail activities and the progress made in improving waste visibility and segregation. These insights are helping guide more targeted recycling and recovery efforts across KSA operations, reinforcing Circularity FWD through practical, site-level action.



NEXT MILESTONES & OPPORTUNITIES FOR UAE

Looking ahead, Chalhoub Group will focus on further optimising key sites such as D3 through targeted interventions and enrolment in zero waste to landfill programmes. At DIP, additional opportunities are being evaluated, including expanding waste-to-energy integration and exploring further treatment pathways for general waste. These next steps will be critical in accelerating diversion performance and closing the gap toward the Group's Zero Waste to Landfill ambition.



REDUCING FOOD WASTE THROUGH ON-SITE BIODIGESTION

As part of ongoing efforts to support Zero Waste to Landfill ambition, Chalhoub Group installed a food biodigester at Head Office 1 in Dubai to manage canteen food waste more sustainably.

The system enables on-site processing of organic waste, significantly reducing the volume of waste sent to landfill while improving waste handling efficiency at the facility level. Since implementation, approximately 1,700 kg of food waste has been diverted from landfill, demonstrating the impact of targeted, site-level interventions in advancing circular waste management practices.

1,700 KG

FOOD WASTE HAS BEEN DIVERTED FROM LANDFILL SINCE ON-SITE BIODIGESTION IMPLEMENTATION.

REDUCING PAPER CONSUMPTION THROUGH OPERATIONAL OPTIMISATION

As part of its efforts to reduce resource consumption and promote more sustainable operational practices, Chalhoub Group implemented a targeted initiative to optimise paper usage across its operations. The initiative focused on rationalising printer infrastructure and encouraging a shift towards more efficient, digital-first workflows.

In the UAE, **12 printers were eliminated across offices**, reducing paper consumption and associated resource use by 17% compared to 2024. In parallel, KSA operations **reduced paper orders by 25% across facilities**, with the most significant decrease in the Khobar office.

Further strengthening this transition, Chalhoub Group implemented a paperless initiative across distribution centres in Riyadh and Jeddah, eliminating printing within operational processes. Between October and December, this resulted in **over 155,700 paperless transactions, equivalent to approximately 162 kg of paper saved**, demonstrating the impact of digitalisation at scale.

In parallel, paper reduction initiatives were expanded across fulfilment centres in the UAE and KSA. In DIP, order handling was streamlined to a single page per order, reducing paper usage by 11% compared to 2024, while in KSA, the adoption of blind receiving removed the need for printed tally sheets, delivering a further 4% reduction.

DIGITAL RECEIPT ADOPTION

Digital receipt adoption increased from 4.2% in 2023 to 6% in 2024, reaching 14.3% in 2025. This growth was driven by the introduction of WhatsApp receipts in UAE stores, followed by rollout across other markets, improving accessibility and accelerating customer uptake.

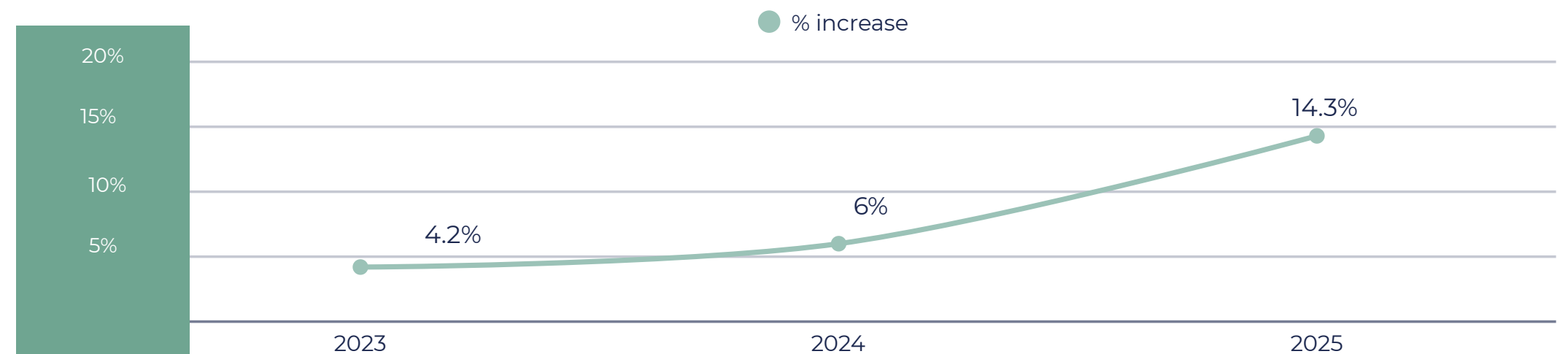


NEXT STEPS

Efforts will focus on validating the methodology for tracking paper consumption, ensuring data accuracy and strengthening the reliability of reporting as the initiative continues to scale.

In parallel, the introduction of paperless picking in fulfilment centres is expected to reduce paper usage by up to 20% per distribution centre, further advancing the Group's paper reduction efforts.

DIGITAL RECEIPT ADOPTION



3 NATURE FWD

Embedding Biodiversity into Planet FWD

Nature FWD represents the biodiversity pillar of Chalhoub Group's Planet FWD strategy. Launched in 2025, it establishes a science-based pathway to integrate biodiversity across operations, sourcing, and the brand ecosystem.

Biodiversity has also been positioned as a strategic anchor project, focusing on addressing indirect impacts across fashion, beauty, and luxury value chains, particularly high-risk materials such as leather, textiles, and packaging. This work supports global nature goals, strengthens traceability and partner education, and reinforces the Group's leadership in business and biodiversity.

BIODIVERSITY IMPACT ASSESSMENT AS THE FOUNDATION FOR NATURE FWD

In 2025, Chalhoub Group advanced its biodiversity agenda through a comprehensive Biodiversity Impact Assessment, building on earlier initiatives such as reef restoration. The assessment, led by an expert ecologist, provides a structured understanding of biodiversity impacts across the value chain.

Aligned with the TNFD LEAP framework, the assessment adopts a phased, pragmatic approach, recognising current limitations in traceability and data. While full application of frameworks such as SBTN and TNFD is not yet feasible, it establishes a strong evidence base for risk prioritisation and strategy development.

Stages 1 to 3 of the biodiversity strategy were completed in 2025, enabling baseline mapping and identification of priority risks using tools such as IBAT and the WWF Water Risk Filter. This work clarified data needs and established a foundation for ongoing decision-making.

Material mapping across fashion, beauty, and home categories confirmed that biodiversity exposure is primarily upstream, at the level of raw material sourcing. Key risks are linked to ecosystem services such as water, soil, and land use.

High-risk materials identified include cotton, leather, MMCs, botanicals, and metals and gems, often sourced from regions associated with water stress or deforestation. Data availability varies across brands, with stronger visibility among selected partners and more limited insight across own brands, highlighting a key improvement area.

A structured stakeholder engagement framework was also developed, enabling targeted engagement based on material exposure and data maturity. Early findings confirmed biodiversity as an emerging topic, with limited data availability across the sector. Insights from a best-practice engagement with L'Occitane further informed future engagement approaches.



KEY FOCUS AREAS IDENTIFIED THROUGH THE ASSESSMENT

As an outcome of the assessment, three priority focus areas were defined:

Traceability

Strengthening visibility of materials across the supply chain, starting with owned brands to support informed decision-making.

Supplier & Brand Engagement

Expanding engagement programmes to integrate biodiversity considerations and address nature-related risks across partners.

Life on Land & Life Under Water KPIs

Strengthening measurement of contributions to ecosystem protection and restoration.

Together, these areas form the foundation of the Group's biodiversity strategy. In 2026, focus will shift to implementation, including traceability tools, data systems, and KPI refinement, supporting measurable progress between 2026 and 2028.



SCALING REFORESTATION EFFORTS

In 2025, Chalhoub Group accelerated its reforestation efforts, exceeding its annual target by planting

4,722 TREES AGAINST A GOAL OF 3,550 ACROSS THE REGION.

This progress contributes to the Group's long-term ambition of restoring **500** hectares **by 2030**, reinforcing its commitment to nature-positive impact through measurable, on-the-ground action.

CORAL REEF RESTORATION – STRENGTHENING MARINE RESILIENCE

As part of our Nature FWD ambition, Chalhoub Group continues to support marine ecosystem restoration through the sponsorship of a constructed reef and coral nursery table under Project REEFrame Phase 2.

Since installation in March 2025, the Chalhoub High Performance Reef (55m²) and nursery table (3.6m²) have become active marine habitats, contributing to biodiversity enhancement along the UAE's east coast. Despite challenging conditions in 2025 including temperature fluctuations, algal blooms, and storm events, the project demonstrated strong ecological resilience.

55m²

high Performance
Artificial Reef installed
and operational

125

live corals currently
established on the
nursery table

72

mature coral
colonies planted on
the artificial reef

208

cumulative coral
fragments planted on
the nursery table since
installation

Reef structure
successfully

WITHSTOOD TWO STORM EVENTS WITH NO RECORDED DAMAGE

The High Performance Reef design has proven both structurally robust and ecologically effective, with larger coral colonies demonstrating stronger survival and reduced overgrowth compared to smaller fragments. While higher-than-average mortality was observed due to extreme environmental stressors, targeted maintenance and coral replacement ensured continued progress.

This initiative reflects Chalhoub Group's commitment to translating biodiversity strategy into measurable, nature-positive outcomes, supporting marine habitat restoration and strengthening ecosystem resilience in the region.

Beyond coral growth, the reef is already supporting marine life, with sightings of reef fish, crustaceans, and green turtles—indicating early ecosystem establishment and positive ecological succession.

SPONSORSHIP TO IUCN:

ADVANCING BUSINESS & BIODIVERSITY IN THE REGION

In 2025, Chalhoub Group strengthened its leadership in biodiversity through its sponsorship and engagement with the International Union for Conservation of Nature (IUCN). The Group curated a panel discussion with expert voices to highlight biodiversity as a strategic business priority and reinforce the role of retailers and distributors within interconnected supply chains.

Participation at the IUCN Congress further emphasised the link between societal wellbeing and ecosystem health, as well as the role of corporate philanthropy in environmental action. This engagement reinforced Chalhoub Group's leadership in business and biodiversity, while informing the next phase of our Nature FWD strategy.



WATER

WATER STEWARDSHIP & CONSERVATION

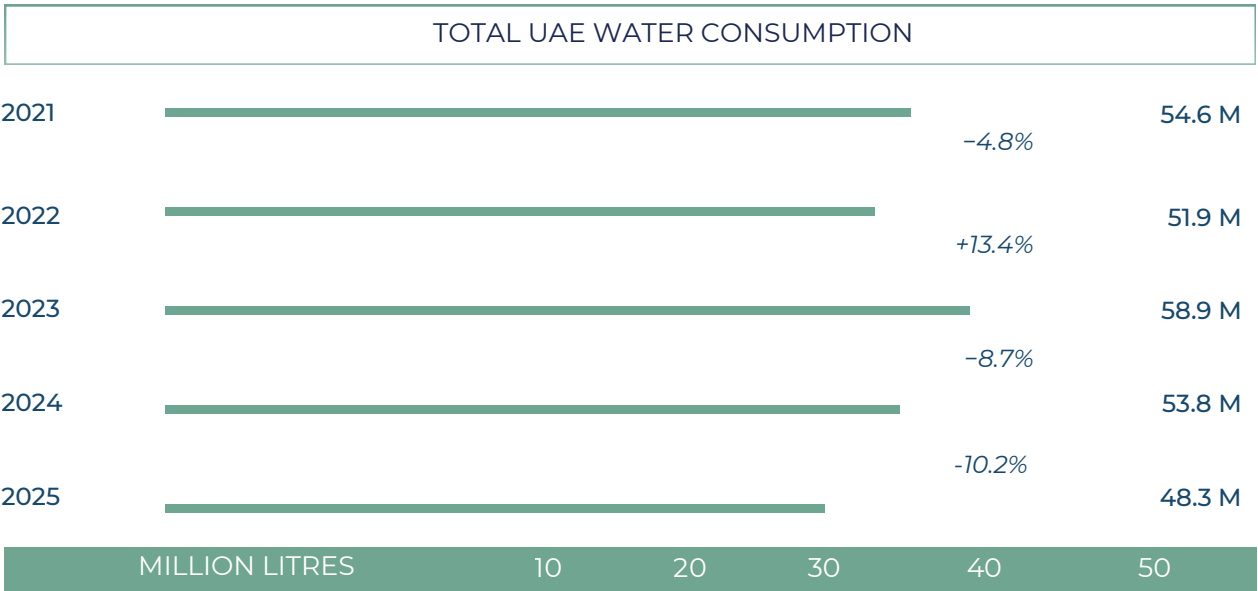
In 2025, Chalhoub Group strengthened water efficiency by scaling design-led and operational measures, shifting from pilot initiatives to system-level interventions that reduce baseline consumption and improve long-term performance across facilities.

Greywater reuse systems are now operational at Head Office 2, while recycled water irrigation at the DIP distribution centre has led to a **48% reduction in water consumption**. Landscaped areas were also redesigned to reduce irrigation demand.

In parallel, smart water management and leak detection systems were deployed across UAE sites, enabling early identification of abnormal usage and reducing losses. Water tap aerators were also installed across offices and distribution centres to support conservation. Together, these initiatives strengthen a facilities-level approach focused on **demand reduction and alternative water sourcing**.

A key area of progress has been the shift to more sustainable solar panel cleaning practices, introduced in 2024. By adopting hybrid and dry cleaning methods, Chalhoub Group has significantly reduced water use, supporting more resource-efficient facilities management.

Looking ahead, Chalhoub Group will continue to scale both infrastructure and data-driven water efficiency measures contributing to the Group's broader resource efficiency ambitions.



- Water consumption decreased by 10% compared to 2024 and 18% to 2023
- Decreases mainly from Main Warehouse by -7% & DIP Warehouse by -48%
- Reasons behind the Decrease:
- DIP Warehouse: Reduction linked to switching irrigation to recycled water
 - Main Warehouse: Reduction aligns with leak fix after June 2024

PHILANTHROPY

Engaging our people to give back remains central to Chalhoub Group's community engagement and philanthropy efforts. Guided by our purpose of Creating Impact Together, we continue to mobilise team members, partners, and communities to support meaningful initiatives that improve lives across the regions where we operate.

In 2025, **6,080 team members** contributed over **13,488** volunteer hours across **210** initiatives, supporting people, planet, and community causes and generating measurable social impact.

Philanthropy alone accounted for **118 initiatives**, engaging

3,756

volunteers and delivering more than

8057

volunteer hours, underscoring the scale of our collective commitment.



Our philanthropic initiatives continue to be structured around three core pillars:

Quality Education for All

Community Health & Wellbeing

Relief Aid & Development Projects



1 QUALITY EDUCATION FOR All

Education remains a cornerstone of Chalhoub Group's philanthropic agenda, reflecting our belief that access to learning is fundamental to dignity, independence, and opportunity.

Gift of Giving Campaign

The Gift of Giving campaign continues to reflect Chalhoub Group's long-standing commitment to expanding access to education and supporting children at critical stages of their learning journey. What began as a simple act of providing school essentials has grown into a sustained initiative focused on opportunity, inclusion, and long-term impact.

In 2025, the campaign supported 26 schools across nine countries, reaching 18,380 students with carefully selected educational resources. These included school bags with stationery, electronic learning devices, digital screens, reusable water bottles, and other learning tools, helping students begin the academic year equipped and ready to learn.

The initiative also continues to be shaped by strong internal engagement. Team members and their families once again took part in preparing and distributing school kits, reinforcing a culture where social impact is shared and lived across generations. As Gift of Giving evolves year on year, it reflects the Group's belief that investing in education remains one of the most meaningful ways to create lasting value for communities.

**26 schools supported
across 9 countries**

18,380 students impacted

Mothers' Endowment Educational Programme

In 2025, we continued our support to the Mothers' Endowment, a UAE Government educational initiative designed to equip millions of individuals worldwide with the tools and skills needed to build independent lives.

Inclusive Education

Our commitment to inclusive education was further demonstrated through support to Handicap International programmes in Jordan, enabling 150 students with disabilities to access tailored learning environments while training 51 teachers and empowering caregivers through awareness sessions and home-based support.

Chalhoub Group x UWC Education Partnership

In parallel, we launched a strategic partnership with United World Colleges (UWC) to provide scholarship opportunities for conflict-affected youth from Syria and Palestine. The programme funds four full scholarships over two years, covering tuition, accommodation, travel, and pastoral care, and promoting intercultural understanding and global citizenship.

Chalhoub Group X Jusoor Jeb Jennine Center

Through our longstanding collaboration with the Jusoor Literacy Centre, we continue to expand access to education for displaced children. To date, the programme has supported 8,625 students through literacy initiatives, in addition to providing thousands with school supplies and academic support. In 2025, this partnership was further strengthened by the engagement of 10 Impact Volunteers from the UAE, who dedicated one week on the ground at the centre in Lebanon, contributing their time and expertise to support learning activities and student engagement.



2 COMMUNITY HEALTH & WELLBEING

Supporting community health remains an important dimension of our philanthropic strategy. In 2025, Chalhoub Group served as a Gold Sponsor for the Children's Cancer Center of Lebanon (CCCL), funding a full year of treatment for a child with cancer and reinforcing our commitment to child welfare and regional healthcare initiatives.

We also partnered with Al Jalila Foundation to support cancer patients through both fundraising and wellbeing initiatives. Retail sales of Daffodil Pins generated significant contributions toward treatment programmes, while dedicated make-up and wellbeing sessions supported 100+ female cancer survivors, fostering confidence and emotional recovery.

Walk for Impact

Mobilising Collective Action for Community Health

In 2025, Chalhoub Group launched Walk for IMPACT, a new, people-led initiative designed to translate collective participation into measurable community benefit. The campaign brought together team members around a simple yet powerful idea:

Every step taken contributes directly to positive health outcomes.

A total of 355 participants completed 968 laps, collectively walking

1,162 kilometres.

Each lap represented a tangible contribution, with

USD 100,000

donation to the Al Jalila Foundation in support of healthcare initiatives.

Walk for IMPACT demonstrates how shared purpose and everyday actions can be transformed into meaningful social impact. As a first-of-its-kind initiative for the Group, it reflects Chalhoub Group's continued commitment to empowering its people to play an active role in advancing community health and wellbeing.

Cancer Awareness & Care Initiatives

Across our markets, we continued to support cancer awareness and patient care through targeted initiatives that combine education, community engagement, and meaningful support.

In Bahrain, the SMILE Summer Camp created a safe and uplifting environment for children with cancer, offering moments of joy, connection, and emotional support. In Jordan, Pink Awareness Day focused on raising awareness around breast cancer, encouraging early detection and community dialogue.

In Kuwait, our teams supported a Breast Cancer Awareness event in collaboration with Kuwait Fund, KCCC, and H&C, with FACES contributing to engagement and outreach. These initiatives reflect our ongoing commitment to supporting patients and communities through awareness, care, and compassion.



3 RELIEF AID & DEVELOPMENT PROJECTS

Our approach to humanitarian support focuses on timely interventions and sustained partnerships that address urgent needs while supporting long-term recovery.

Throughout the year, Chalhoub Group mobilised teams to support crisis response initiatives, food-packing campaigns, and community programmes in collaboration with leading humanitarian organisations.

In parallel, our broader team member engagement calendar included programmes such as Ramadan initiatives, Sustainability Week activations, and community outreach activities, reflecting a culture where volunteering and philanthropy are deeply embedded across the organisation.

Restoring Access to Healthcare in Gaza

HEAL Palestine – South Gaza

Chalhoub Group partnered with HEAL Palestine to support the establishment of a new medical point in Al-Mawasi, Khan Younis, one of the most densely populated areas hosting displaced families in South Gaza. Located near the Fishermen's Port, the facility strengthens emergency healthcare delivery in a context marked by widespread displacement and the near-collapse of medical infrastructure.

The centre provides essential primary care services while also serving as a critical backup facility to ensure continuity of care in the event of disruptions to main hospitals.



Services provided include:

- Emergency care and general medicine
- Specialised clinics, maternal and infant health
- Laboratory and radiology services
- Pharmacy, nutrition and mental health support
- Physical therapy and community health education

Impact to date:

23,588

Patients treated

9,295

Emergency cases
addressed

This partnership reflects the Group's commitment to supporting life-saving interventions where access to healthcare is most constrained.

Palestine Family Support Initiative – Egypt

As part of Sustainability Week, Chalhoub Group Egypt partnered with Heal Palestine to support Palestinian families in Egypt. The initiative focused on children's emotional wellbeing, resilience, and social inclusion through structured creative and educational activities, including arts and crafts, origami, tote bag colouring, and interactive experiences such as face painting and performances, creating a safe and uplifting environment for self-expression.

Alongside these activities, essential food supplies were distributed to families, combining psychosocial and practical support. The initiative reached 45 beneficiaries and was supported by 65 team member volunteering hours, reflecting Chalhoub Group's commitment to meaningful community impact and regional solidarity.



Strengthening Food Security Through Essential Infrastructure

World Food Programme – Syria

In partnership with the World Food Programme (WFP), Chalhoub Group contributed to the rehabilitation of critical bakery infrastructure in Syria, where access to affordable bread remains fundamental to food security.

Through this collaboration, the Group supported restoration efforts aimed at ensuring the continuity of bread production for communities affected by prolonged crisis and displacement.



Aleppo Bakery Rehabilitation

With Aleppo's population rising significantly following the return of residents since December last year, planned upgrades include the addition of a new production line alongside essential civil, electrical, and plumbing works. These enhancements are designed to stabilise and expand daily production capacity to meet growing demand.

Buqrus Bakery – Eastern Rural Deir Ezzor

Building on partially completed construction undertaken prior to the crisis, further civil works and the installation of a production line are required to bring the facility into full operation and support the surrounding population.

Once operational, the rehabilitated bakery in Aleppo alone is expected to provide fresh, quality, and affordable bread to approximately **40,000 residents daily**, strengthening food resilience in highly vulnerable areas.



Ramadan: 1 Million Meals

Chalhoub Group's commitment to deliver 1 million meals this Ramadan to those in need was successfully achieved, in collaboration with authorised NGOs across all regions to ensure effective distribution and maximum impact. To achieve this goal, we gained support from brands and the workforce to participate in various initiatives, including Ramadan kit packing, meal distribution in labour camps, and Eid shopping for orphan children.

Team Member Volunteering for Emergency Relief

MBRGI Gaza Packing Initiative – UAE

Team member engagement remained a key pillar of Chalhoub Group's relief efforts. In December 2025, the Group participated in the Mohammed bin Rashid Al Maktoum Global Initiatives (MBRGI) Gaza Packing Event, one of the UAE's largest volunteer drives in response to the humanitarian crisis.

CHALHOUB GROUP VOLUNTEERS

participated, in line
with allocated
capacity.

This initiative exemplifies how collective action, even at limited scale, contributes to broader national and regional humanitarian responses.



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 Organisational details	4-5		Material Topics				
	2-2 Entities included in the organisation's sustainability reporting	3-4		GRI 3: Material Topics 2021	3-1 Process to determine material topics	17-21		
	2-3 Reporting period, frequency and contact point	3			3-2 List of material topics			
	2-4 Restatements of information	NA		Market Presence				
	2-5 External assurance			GRI 3: Material Topics 2021	3-3 Management of material topics			
	2-6 Activities, value chain and other business relationships	5, 49-57		GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage			
	2-7 Team members	34, 37-38			202-2 Proportion of senior management hired from the local community	38		
	2-8 Workers who are not team members	41		Procurement Practices				
	2-9 Governance structure and composition	22		GRI 3: Material Topics 2021	3-3 Management of material topics			
	2-10 Nomination and selection of the highest governance body	22			GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50	
	2-11 Chair of the highest governance body	22		Anti-corruption				
	2-12 Role of the highest governance body in overseeing the management of impacts	22		GRI 3: Material Topics 2021	3-3 Management of material topics	23, 50		
	2-13 Delegation of responsibility for managing impacts	22			GRI 205: Anti-corruption 2016		205-1 Operations assessed for risks related to corruption	
	2-14 Role of the highest governance body in sustainability reporting	22		205-2 Communication and training about anti-corruption policies and procedures				
	2-15 Conflicts of interest	23		205-3 Confirmed incidents of corruption and actions taken				
	2-16 Communication of critical concerns	19		Materials				
	2-17 Collective knowledge of the highest governance body	22		GRI 3: Material Topics 2021	3-3 Management of material topics	68-70		
	2-18 Evaluation of the performance of the highest governance body	22			GRI 301: Materials 2016		301-1 Materials used by weight or volume	
	2-19 Remuneration policies	22		301-2 Recycled input materials used				
	2-20 Process to determine remuneration	23		301-3 Reclaimed products and their packaging materials				
	2-21 Annual total compensation ratio	NA		Energy				
	2-22 Statement on sustainable development strategy	23		GRI 3: Material Topics 2021	3-3 Management of material topics	64-65		
	2-23 Policy commitments				GRI 302: Energy 2016		302-1 Energy consumption within the organisation	
	2-24 Embedding policy commitments			302-2 Energy consumption outside of the organisation				
	2-25 Processes to remediate negative impacts		302-3 Energy intensity					
	2-26 Mechanisms for seeking advice and raising concerns	23		302-4 Reduction of energy consumption				
	2-27 Compliance with laws and regulations	23-24		302-5 Reductions in energy requirements of products and services				
	2-28 Membership associations	Not applicable						
	2-29 Approach to stakeholder engagement	20						
	2-30 Collective bargaining agreements	Omitted - Collective bargaining is not allowed within the UAE laws						

GRI STANDARD	DISCLOSURE	LOCATION	OMISSION
Water & Effluents			
GRI 3: Material Topics 2021	3-3 Management of material topics	74	
GRI 303: Water & 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	61-64	
	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	68-70	
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	49-50	
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	29, 32-34	
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 & Safety			
GRI 3: Material Topics 2021	3-3 Management of material topics	42,43	
GRI 403: Occupational Health & 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 & Education			
GRI 3: Material Topics 2021	3-3 Management of material topics	39-40	
GRI 404: Training & 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	39	
Diversity & Equal Opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	34-36	
GRI 405: Diversity & 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	44-47 75-80	
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	50-51	
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	22-23	
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

Metric	2023	2024	2025
Total Workforce	15,741	16,551	16,345
Male Workforce	5,993	6,318	6,178
Female Workforce	9,748	10,233	10,167
Nationalities Represented	4,969	5,510	5,587
People of Determination (PoD)	16	50	58

Diversity by Age

Description	Unit	2023			2024			2025		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Team members age 18-30	No.	3618	1625	5243	3615	1692	5307	3528	1664	5192
Team members age 31-50	No.	5832	4053	9885	6303	4249	10552	6368	4178	10546
Team members age 51+	No.	288	325	613	345	347	692	271	336	607

Female Representation Across Workforce

Description	Scope	Unit	2023	2024	2025
Women representation in total workforce	Group-wide	%	61.61%	61.9%	62.20%
Women representation in senior leadership roles (E1, 2, 3)**		%	32.79%	39.68%	36.11%

**E1, E2, E3, M3 are the career levels. 'E' represents executive roles (Chiefs, Vice Presidents, Senior VPs and Presidents). 'M3' refers to General Managers and Directors. So the representation refers to how many of these roles are held by women.

New Hire by Age

Description	Unit	2023			2024			2025		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Team members age 18-30	No.	1230	1147	2377	1801	821	2622	1719	847	2566
Team members age 31-50	No.	903	946	1849	1621	678	2299	1084	560	1644
Team members age 51+	No.	11	46	57	33	21	54	19	18	37

Workforce by Management Levels & Gender

Management Level	Male	Female	Total
Senior Management	56	30	86
Middle Management	473	518	991
Non-Management	5649	9619	15268

New Hires Year by Year

Year	Female	Male	New Hires
2023	2144	2139	4283
2024	3455	1520	4975
2025	2822	1425	4247

Description	Scope	Unit	2023	2024	2025
Total training delivered	Group-wide	Hours	144,512	82,846	144,279
Senior management team members		Hours	1,453	846	2,201
Middle management team members		Hours	24,725	13,557	25,559
Non-management team members		Hours	118,335	68,444	116,518
Male team members		Hours	56,437	33,295	58,903
Female team members		Hours	88,075	49,551	85,376
Average training per team member		Hours	12.52	12.20	13.58
Number of e-learning training hours delivered		Hours	30,332	13,978	15,522
Amount invested in training		AED	20,981,489.01	20,435,157	16,568,054

Localisation

Description	Scope	Unit	2023	2024	2025
Localisation of senior management	Group-wide	%	6.50%	7.47%	8.22%
Localisation among total workforce		%	31.50%	32%	34.30%
Total number of local team members		Number	4969	5510	5587
Number of female local team members		Number	3906	4279	4358

Parental Leave

Description	2023			2024			2025		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of team members that took parental leave	245	N/A	245	415	N/A	415	368	N/A	368
% of team members who returned to work after maternity/paternity leave	92.65%	N/A	92.65%	93.49%	N/A	93.49%	94.84%	N/A	94.84%
Number of team members returned from parental leave who were still employed twelve months after return to work (retention)	227	N/A	227	388	N/A	388	349	N/A	349
Retention rate (%)	N/A	N/A	82%	N/A	N/A	81%	N/A	N/A	83%

Nationalisation

Metric	2023	2024	2025
Emiratisation Hiring Growth	63%	55%	21%
Saudisation Hiring Growth	3%	6%	5%

People of Determination

Metric	2023	2024	2025
Total PoD in Workforce	16	50	58
PoD Retention Rate	70%	84%	87%

Parental Leave & Return-to-Work Ratio

Metric	2023	2024	2025
Number of workforces taking parental leave	245	415	368
Return-to-work ratio	0.9265	0.9349	0.9484

People

NGO Partners - Donations Raised

Name of NGO	Country	Donation Raised
UAE Food Bank	UAE	\$190,000
Kuwait Red Crescent Society	Kuwait	\$15,000
Sanhya Keramn	Jordan	\$31,712
AlSanabel Orphan Care Society	Bahrain	\$4510
Riyadh: Al Bir, Jeddah: Al Oula, Khobar: Tarahum	KSA	\$7200
Qatar Red Crescent	Qatar	\$16111

Partners

Scorecard Completion

Description	Scope	Unit	2021	2022	2023	2024	2025
Number of Scorecards Completed	Group-wide	Number	1055	1447	1689	2,706	872
Completion Rate of Scorecards Over Time		%	25%	24%	30%	37%	40%

Planet (Group-wide)

Energy

Description	Scope	Unit	2021	2023	2024	2025
Total petrol consumption	Group-wide*	Liters	398,544	422,310	709,058	882,742
Total diesel consumption		Liters	470,961	568,988	657,469	741,168
Total electricity consumption		KWh	54,608,259	62,780,524	66,045,192	68,404,194.71
Refrigerants		kg	190	106.47	140	260

*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	2025
Scope of the emission: Scope 1	Group-wide*	tCO2e	5,406.00	4,762.00	4,444.00	5,264.00
Scope of the emission: Scope 2		tCO2e	29,885.00	31,396.00	33,617.00	31,551.00
Scope 3 emissions (Intensity-based)		tCO2e / \$ Million	500.11	505.48	523.69	434.48
Direct CO2 from diesel		Tonnes	1,181.30	1,429.00	1,652.73	1,905.41
Direct CO2 from gasoline		Tonnes	883.98	888.00	1,478.06	1,826.53
Indirect CO2 from refrigerants		Tonnes	1,542	1,416	992	1208

Scope 3 Emissions Breakdown

Scope 3 Category	Intensity tCO2e/revenue
Investments	47.21
Use of Sold Products	2.46
Purchased Goods and Services	135.4
Capital Goods	7.81
Fuel and Energy Related Activities	10.51
End-of-Life Treatment of Sold Products	21.35
Employee Commuting	22.36
Upstream Transportation & Distribution	15.47
Business Travel	3.60
Waste Generated in Operations	10.35

*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	2025
Total weight of waste generated	UAE	Tonnes	5,047.8	6185.7	6,305	5,689.3	5522.5
Total weight of waste diverted from disposal		Tonnes	550.7	603.9	724.0	1,083.0	1,372.9

Water

Description	Scoope	Unit	2021	2022	2023	2024	2025
Total water consumption	UAE	Litres	54,605,709	51,984,873	58,900,000	53,800,000	48,352,351

CHALHOUB IMPACT

Sustainability Report 2025

CHALHOUB GROUP
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