



LEADING PARTNER FOR LUXURY  
ACROSS THE MIDDLE EAST

## THE KNOWLEDGE WE BUILD IS KNOWLEDGE WE SHARE

### 2015 SUSTAINABILITY REPORT



[www.chalhoubgroup.com](http://www.chalhoubgroup.com)

This is an environmentally friendly brochure,  
printed with 100% recycled paper and vegetable oil.



At the Chalhoub Group, the knowledge we build is knowledge we share. Throughout the years, we have built our expertise in luxury, intimate knowledge of Middle East markets and deep understanding of the region's consumers. We share this knowledge with our partners and together, we build successful brands in the region.

We believe that **building and sharing our knowledge on environmental and social issues** help us make our business more sustainable. A few examples of how knowledge sharing makes our business better and stronger are: optimising the way we use energy and natural resources, promoting quality, health and safety practices, responsible behaviour such as recycling, supporting education, engaging and encouraging our employees to take ownership and participate in volunteering activities.

After 60 years of development in the region, we are committed to continuously building and sharing our knowledge with our partners and colleagues.

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## FOREWORD

Michel Chevalier, former chairman of Paco Rabanne, is an expert in luxury brand management and retail. A well-known figure in the luxury industry, he teaches at INSEAD, ISML and HEC in Paris, and has co-authored various luxury business management books.



Michel Chevalier joined the Chalhoub Group Board in 2015.

*"Learning does not necessarily come from a set of official textbooks. As commercial activities are changing very fast, and as customers constantly evolve, it is very useful to exchange ideas and processes from one sector to another or from one product category to the other.*

*But there is much more to "sharing knowledge". Just speaking and exchanging ideas can also provide a useful experience. The more one staff member speaks about the way he or she feels about a given task, the more he or she realises what are the different elements or challenges of this task; in other words, to understand why this task is more meaningful.*

*It is well known that when individuals broaden their scope and see their activities as part of the big picture, they become more effective. Everybody knows the value of experience. Sharing the knowledge of different members of the same group is a nice way to speed up the experience building of everybody.*

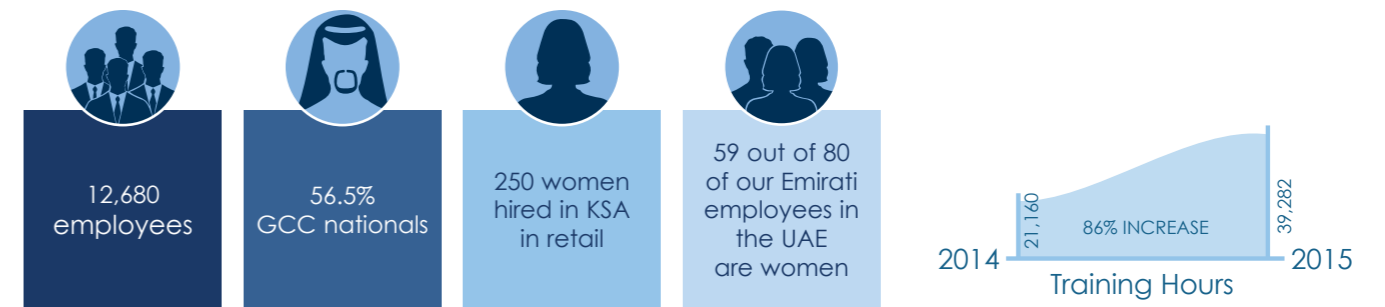
*When one compares different independent groups of companies, it seems that those which have been built on the sharing of individual knowledge, the development of individual staff members and the building of a team seem to have much better operating performances. The Chalhoub Group believes it is and wants to remain part of this group of companies."*

Michel Chevalier  
Advisor to the Board

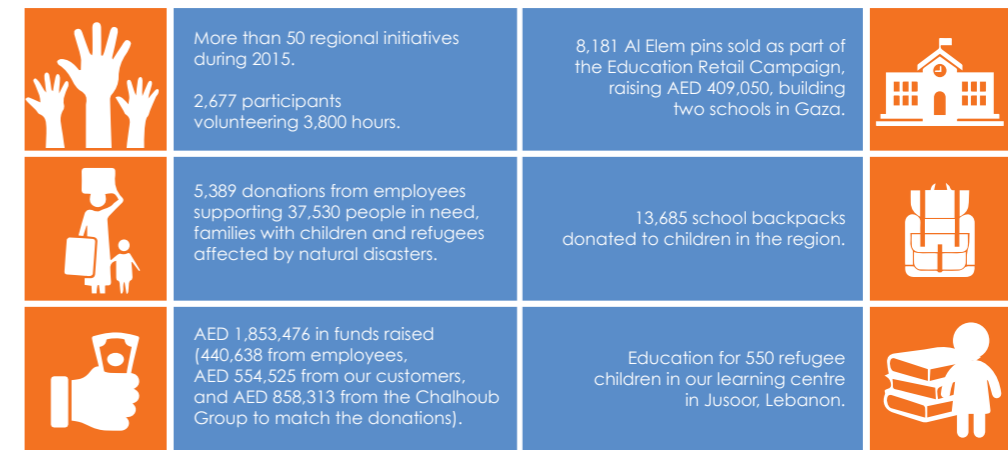
# SUSTAINABILITY HIGHLIGHTS 2015

Sustainable engagement strives to make a positive IMPACT on society and the environment, while adding value to the business and making the Chalhoub Group a stronger, more innovative and successful business. We do this by committing to sustainable business practices, engaging our employees and supporting the communities.

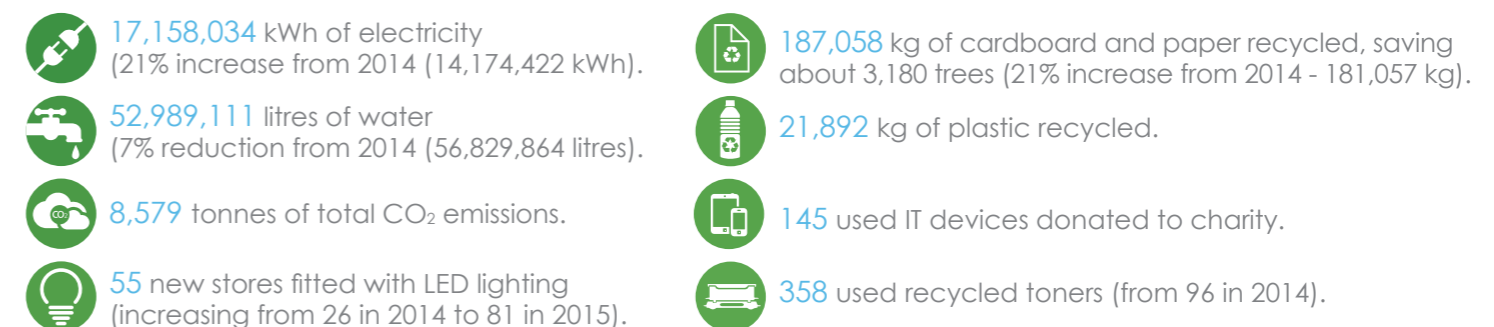
## OUR PEOPLE



## GIVING BACK TO OUR COMMUNITIES



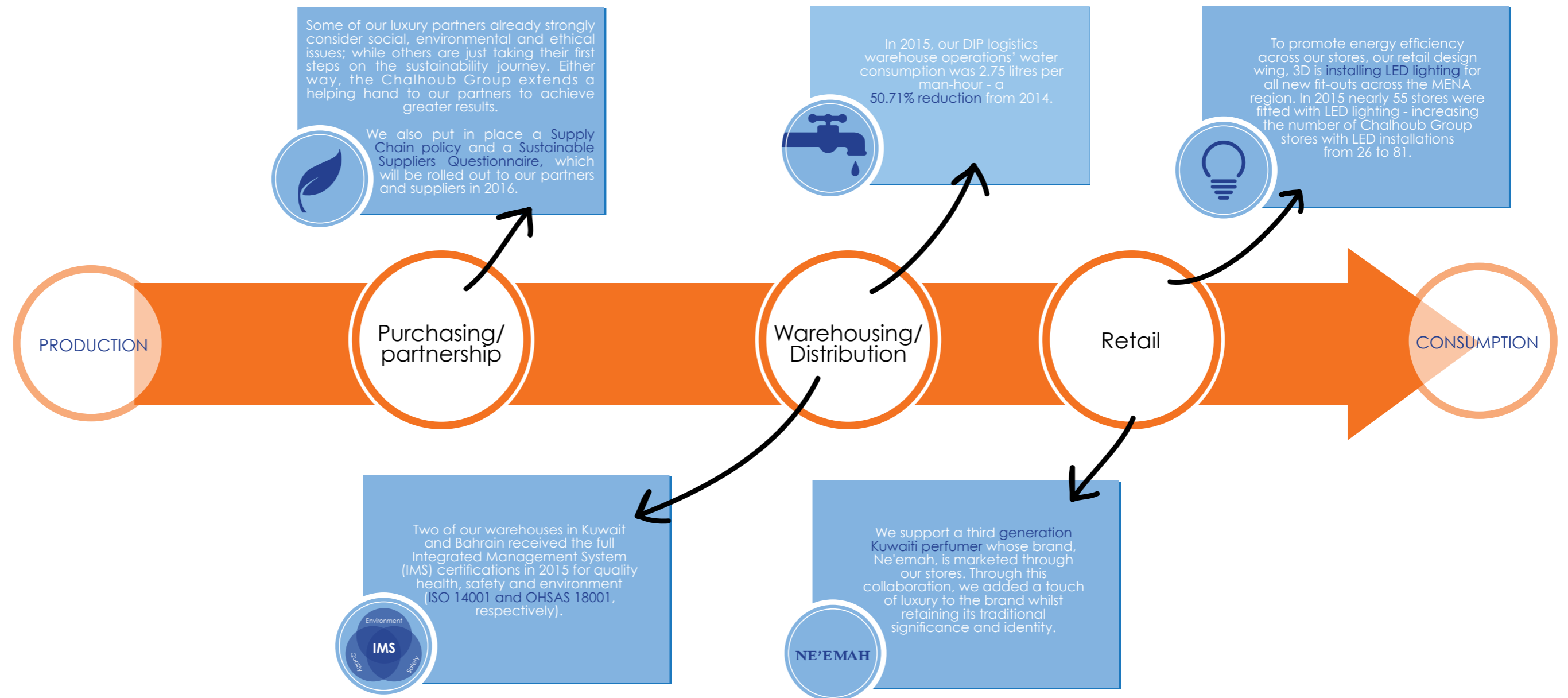
## ENVIRONMENTAL FOOTPRINT



# VALUE CHAIN

Sustainability affects each and every stage of our value chain, which is composed of three main operational areas: purchasing and partnership, warehousing and distribution, and retail. Although we are not directly responsible for the design or production of the items we sell in our stores, we strive to influence our supply chain and our stakeholders to ensure sustainable business practices.

Together with our business partners, we aim to achieve sustainable growth built on a foundation of mutual trust. We strive to evaluate the risks associated with each phase of the value chain and to convert them into opportunities through effective strategies and sustainable initiatives.



# EDUCATION

Employee development is an intrinsic part of the Chalhoub Group culture. We believe that building and sharing knowledge is key to sustainable growth - regardless of whether the learning experience takes place in a classroom, shadowing an expert or by rolling up your sleeves and taking on a challenge.

Our goal is to offer impactful activities, programmes, practices and knowledge-sharing workshops to ensure that each employee has access to the best learning programmes and takes ownership of their career development. We promote self-driven learning, where people are pro-active and choose the right path to further pursue their career ambitions within the Group.

We manage our back office learning and development (L&D) through our Group Learning and Development Department and our frontline/store staff learning through the Chalhoub Retail Academy (CRA). While the training for frontlines is fairly standardised and offers a straightforward development ladder, back of house employee education is approached on a case-by-case basis; ensuring continuous knowledge sharing with our colleagues.

Through the launch of our new HR Performance Management Portal "DRIVE", we have integrated our learning and performance management review process. DRIVE's non-paper based system is in line with our commitment to environmental best practices.

To ensure that our training programmes are relevant and have positively impacted the performance of the employees, we run 360° feedback for our Advanced Leadership Programme (ALP) and the Coaching for Excellence Programme (CFE).

## 70-20-10 MODEL OF LEARNING

To abide by our principle of sharing knowledge, we continue to educate our employees through trainings and workshops but we also push for on-the-job skill development, which is why we instituted the 70-20-10 model.

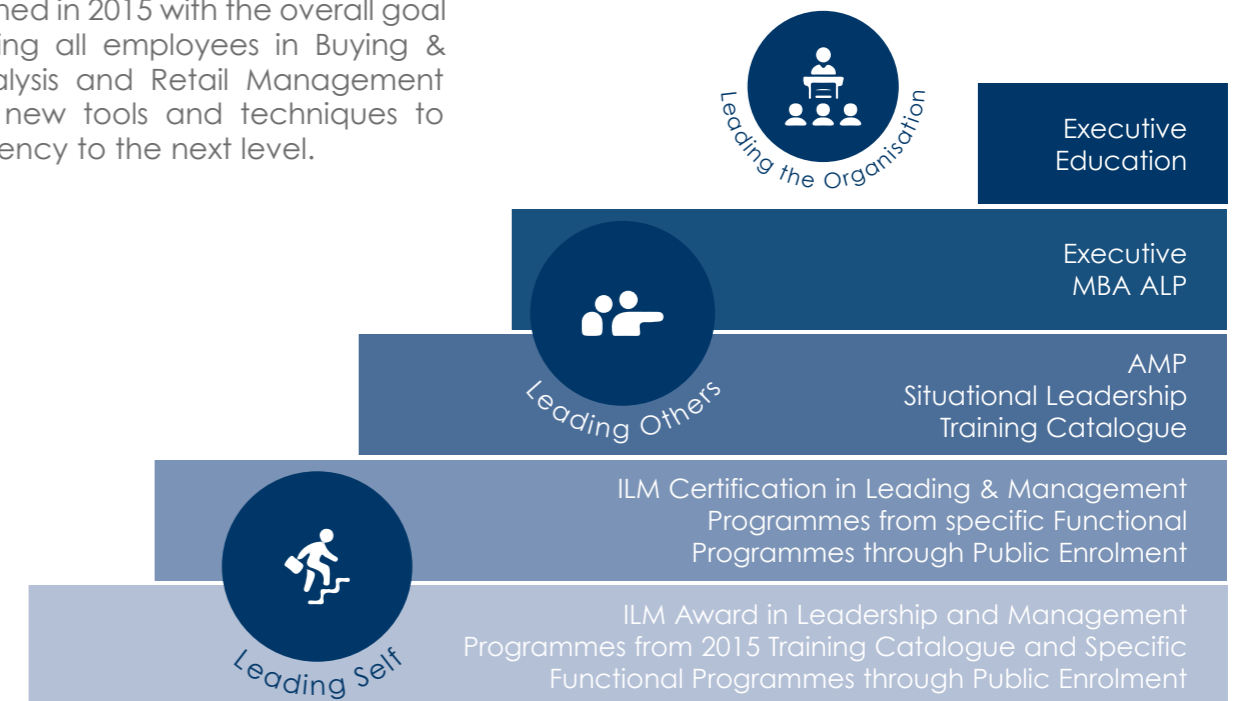


In 2015, we have rolled out over 100 workshops to ensure our employees take ownership of their career development.

## GROUP LEARNING & DEVELOPMENT (L&D)

As part of the Chalhoub Excellence Awards, the Group's L&D team launched the Learning Excellence Award in 2015 to recognise the effort of individuals and teams that go above and beyond their scope of work in developing, implementing and promoting learning initiatives.

The Retail "Good to Great" programme was launched in 2015 with the overall goal of equipping all employees in Buying & Brand Analysis and Retail Management roles with new tools and techniques to drive efficiency to the next level.



We also provide on-going educational opportunities through collaboration and partnerships with some of the world's best business schools, such as IESE, London Business School, INSEAD, Harvard and Hult International Business School. Our MBA graduates are constantly engaged in discussions with our Group's CEO to best understand how to transfer this knowledge back to the business.

## CHALHOUB RETAIL ACADEMY (CRA)

The Retail Frontline Learning Ladder was launched in 2015 in the UAE with the purpose of unifying training and development programmes through a single, clear framework. This helps employees excel in their current roles while preparing them for future roles and professional growth.



# EMPLOYEE TRAINING

The Chalhoub Group's front-of-house and back-office training programmes	
2014 Training Hours	21,160
2015 Training Hours	39,282 (back-office 33,243 and 6,039 Frontlines)

Number of Attendees – Chalhoub L&D Training Programmes 2015	
Leading others	
Advanced Leadership Programme (ALP)	16
Advanced Management Programme ESA (AMP)	19
Executive MBA	7
Leading Self	
Coaching for Excellence Programme (CFE)	12
NLP Certified Coach & Practitioner	13
ILM Certified Courses	196

Number of Attendees – Retail Academy Programmes	
Edexcel QCF (Qualification and Credit framework) Level 2 Diploma in Retail Skills	238
QCF Level 2 Certificate in Retail Skills	164
Chalhoub Retail Vocational Qualification Enrolees	228
QCF Level 3 Certificate in Assessing Vocational Achievement	58
52-week training	41
Standardisation Day	13
START Induction Programme	438
START Distribution	173
START F&B Programme	92
Beyond Make-Up (Elementary)	51
Beyond Make-Up Advanced	13
Level 1 Career Advancement Programme	40
Level 1 Career Advancement Programme (Catch Up)	128
Level 2 Career Advancement Programme	47

## Engaging with our knowledge partners



"My vision is for AUS to become a centre of excellence for luxury teaching and research in the Middle East, and the partnership with the Chalhoub Group is critical to achieving this vision."

We delivered the first senior level Luxury Brand Management Professorship in 2012, where students had the opportunity to work on a practical luxury brand management project alongside a mentor from the Chalhoub Group. This mentoring support system provided students with many benefits including learning from the experience of others, understanding real-world decision-making and developing communication and personal skills.

Since the launch of the Professorship in 2012, over 170 students studied luxury courses at AUS and benefited from internships and full-time employment opportunities."

**Professor Nicholas J. Ashill**  
Professor of Chalhoub Luxury Brand Management,  
American University of Sharjah

## Chalhoub Jusoor Scholarship: Resonating the spirit of sharing knowledge



"The Chalhoub Jusoor scholarship was a turning point in my life. Due to the unfolding events in Syria, I had to leave Damascus University and pursue undergraduate studies in Turkey. I applied for the Chalhoub Jusoor Scholarship and was chosen as a scholar for the year 2014. I knew this would be the key to achieving my dreams."

The opportunity to pursue a Masters' degree in Engineering and Finance at the reputed UCL, located in London, was invaluable. The programme was a boost to my engineering skills and to build up my knowledge of the financial industry. I took advantage of the latter and began working as a junior analyst, moving on to become an Investment Solutions Analyst with an investment management firm.

Thanks to Chalhoub and Jusoor, I met talented people from multiple backgrounds, travelled across borders and discovered new ideas. This experience changed the way I look at things, helped boost confidence in my abilities and improve my entrepreneurship skills – all while living on my own for the very first time. I got a lot more than a great education."

**Tarek Sabbagh**  
Chalhoub - Jusoor Scholar

## OUR APPROACH FOR 2016

Our priority is to push hands-on learning, demonstrate proactive involvement in self-learning and sharing sector-specific best practices. Our action plan is based on increasing satisfaction and enhancing leadership skills - reinforcing our talent pipeline through the leadership competency framework.

At the Chalhoub Retail Academy, the focus is to further strengthen the regional training capabilities and focus on frontline leadership as agents of change for communicating the Retail Competency framework and Guest Experience initiative in the UAE, KSA and other countries. We also plan to strengthen the F&B learning portfolio.

# GULFANISATION

We are committed to offering work opportunities to the most talented nationals of the countries we operate in. Our strategy is to drive Gulfanisation through our programmes and build a quality workforce of GCC nationals. Our Gulfanisation recruitment experts support us in attracting the right talent to gain competitive advantage. In 2015, we successfully held the first Open Day for GCC nationals.



"As a Gulfanisation officer, I am proud to help the Chalhoub Group build partnerships in the UAE, champion our Gulfanisation programmes, improve the retention of our GCC nationals and build a strong talent pipeline."

**Mohammed Al Hajri**  
Gulfanisation Officer, UAE



"When I joined the Chalhoub Group, I felt welcomed. The feeling of being new among experts was overwhelming at the beginning. However, the encouragement and teaching energy surrounding me had a positive reflection on my performance at work. Every person I have dealt with added value to my work experience."

**Hadeel Bogary - Candidate of Saudi Graduate Programme, now made permanent as Marketing Executive, Wojooh KSA**

"After my graduation, I wanted to undertake a challenging job in a dynamic environment like the private sector, but faced hurdles as I lacked the required experience. I was fortunate to be given the opportunity to participate in the Chalhoub Group's Emirati Graduate Programme in 2014. I encountered supportive teams at all my rotations. They advised and supported me and trusted me with more responsibilities. Before the end of the programme, I was offered a position with Allied Distribution. I aim to become a Senior Marketing Executive and pursue my Masters in Marketing and Strategic Management in the future."

**Hamda Alfahim - Candidate of Emirati Graduate Programme, now made permanent as Marketing Executive, Allied Distribution, UAE**



## GULFANISATION PROGRAMMES

We ensure that our Gulfanisation programmes are relevant to all our local talent pools. We implement them at two levels:

### FRONTLINE PROGRAMMES

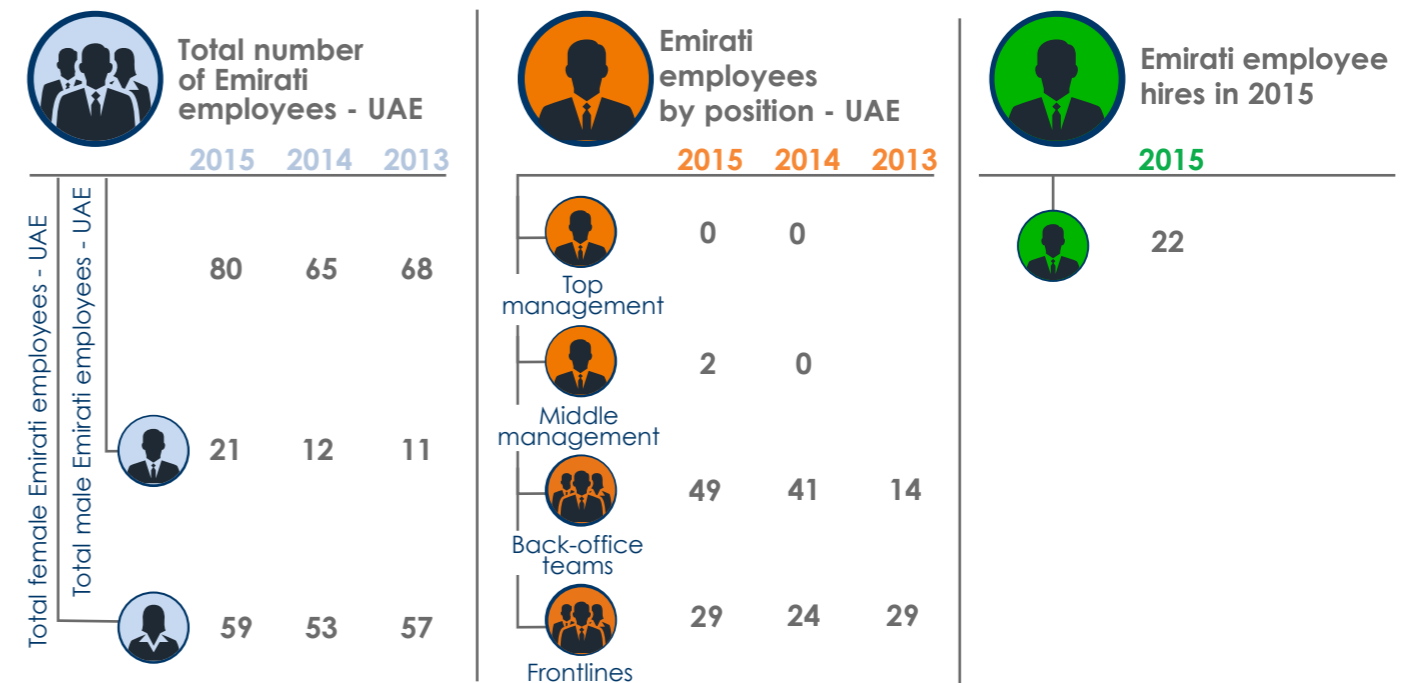
Established in 2015, these programmes provide high school graduates with practical exposure to frontline commercial roles, with the goal of becoming supervisors at the end of the 18-month programmes.

### GRADUATE PROGRAMMES

Our Emirati and Saudi Graduate programmes were established in 2013 and the Kuwaiti Graduate programme launched in 2015. Throughout the 18-month programme, graduates gain exposure and training to accelerate their career within the Group.

2015	2016 TARGET	
	Emirati Graduate Programme (EGP) 13	15 EGP 5 SGP
Saudi Graduate Programme (SGP) 5	Frontline Retail Programme (FRP) 5	15 FRP 5 BDP
	Beauty Development Programme (BDP) 5	

## EMIRATI EMPLOYEES BREAKDOWN



## ENSURING SUCCESS THROUGH PARTNERSHIPS

We look beyond our in-house programmes and work with local partners and government organisations to promote and improve our Gulfanisation efforts. Our main partnerships and external programmes in 2015 included:

- a) Partnering with the Emirates Nationals Development Programme (ENDP) to publicise our Group as an employer of choice for UAE nationals. The ENDP operates under the Dubai Government's Knowledge and Human Development Authority (KHDA) and encourages Emiratis to join the private sector.
- b) Participating in a skills council with other large retail companies (such as Al-Futtaim Group and Al Tayer Group) to discuss the challenges in attracting, hiring and retaining Gulf nationals, and steps to overcome these challenges.
- c) Continued partnership with the Khalifa Fund, an entity of the Abu Dhabi Government that supports local entrepreneurs through training and mentorship.

### **Kuwaiti Perfume Entrepreneur supported by Chalhoub Group**



*"My journey as a perfumer began at the age of 17. Being the third generation pursuing this craft, the art of perfumery and the tradition of the Orient are within my family roots and I believe it is my destiny. I have entrusted my brand Ne'emah to Chalhoub Group, an organisation I truly believe has the vision and dedication to elevate Ne'emah to another dimension in the Middle East. They have shouldered the operational burden that comes with managing a brand and have respected and maintained its identity. This has opened the door for me to finally be able to take a step back and re-focus on the creative development of the brand."*

**Mohammed Ne'emah**  
Kuwaiti Perfumer

## REACHING OUT TO GCC EMPLOYEES

In 2015, we launched the pre-assessment workshop to prepare our GCC candidates for the Chalhoub Group assessment centres. The aim of the workshop is to introduce the candidates to the Group and help enhance their basic soft skills such as teamwork and interview skills.

The Chalhoub Group is one of the main supporters of YES to Work, a three-week national initiative, launched by the Abu Dhabi Centre for Technical and Vocational Education and Training (ACTVET). This initiative introduces school students to a working environment and the private sector, in particular the service industry.

**In 2015, 78 students participated in the YES to Work initiative.**

## OUR APPROACH FOR 2016

We plan to participate in Aon Hewitt's 2016 Qudurat Survey. Focused on understanding what drives and motivates talent in the region, and with an emphasis on understanding national talent, this survey will enable us to benchmark our Gulfanisation performance and success against industry standards, and gain insight into potential areas of improvement.

We will continue to work with top universities in the UAE and actively participate in career and university fairs. In 2016, we plan to extend our recruitment efforts to attract nationals from the Northern Emirates. We also intend to launch overseas recruitment campaigns in Bahrain and Oman to attract GCC nationals for our recently launched food and beverage division.

# OUR EMPLOYEES

We employ more than 12,000 people across the Group from over 100 nationalities. The knowledge and passion of our employees enable us to be the leading player in our field, making our people the biggest contributors to OUR SUCCESS.

In order to further motivate our workforce to develop and share their expertise and go the extra mile, we have instituted a number of awards such as: the Chalhoub Excellence Awards, Loyalty Awards, Guest Experience Excellence Awards (GEAA) and the Chalhoub Logistics Awards (CLA).

Employees across the Group also participate in an Employee Satisfaction Survey every other year. These surveys enable us to gain an insight into the overall satisfaction of our employees with the Chalhoub Group, their jobs, managers and other aspects of their workplace.

## GENDER EQUALITY AND WORK/LIFE BALANCE

The Chalhoub Group ensures gender-equality practices by aligning all benefits between our male and female employees.

In 2015, as a part of our strategy to improve the work/life balance of our employees, we reduced the working hours for our back-office employees by 30 minutes, and our warehouse team now enjoys a two-day weekend instead of one.

We also provide our employees with discounts from 3<sup>rd</sup> party partners including restaurants, fitness clubs, beauty salons, car rentals, clinics and nurseries, amongst others.



*"The Chalhoub Group supports its women employees on the same level as their male counterparts. This encourages women executives to opt for long term careers within the Group."*

**Rania Masri - General Manager, Level Shoes**

*"Two days off a week helps me get rested physically and mentally, and spend time with my family. Professionally, I am able to focus more on my work and am eager to learn more about the operation of the warehouse."*

**Joselito Banadera - Warehouse Staff member, UAE**



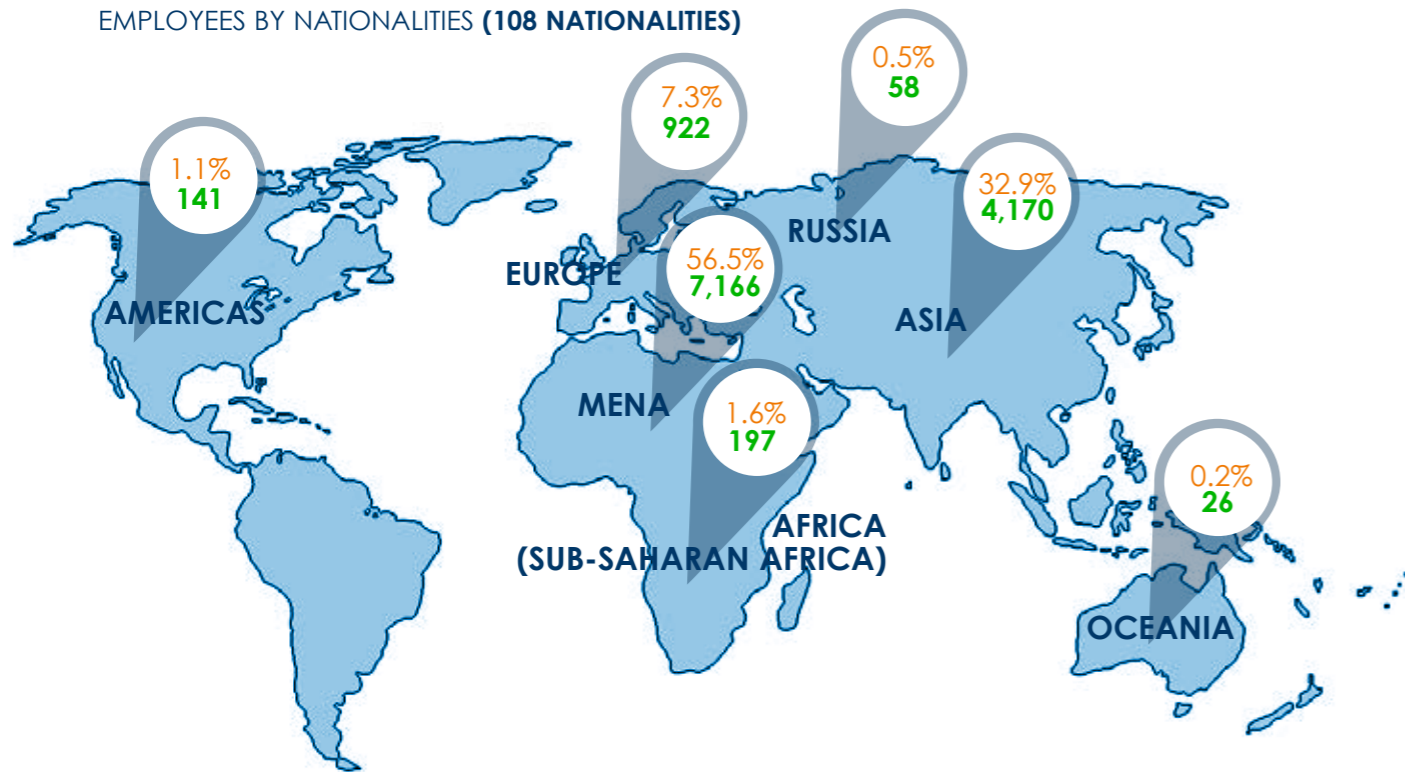


## EMPLOYEES - GROUP

	2015	2014	2013
TOTAL NUMBER OF EMPLOYEES	12,680	11,727	9,979
TOTAL MALE EMPLOYEES	6,268	6,008	5,421
TOTAL FEMALE EMPLOYEES	6,412	5,719	4,558

	2015	2014	2013
TOTAL EMPLOYEES BY LEVEL IN THE UAE			
TOP MANAGEMENT	69	67	58
MIDDLE MANAGEMENT	452	419	365
BACK-OFFICE TEAM	2,252	1,957	1,243
RETAIL FRONT-LINERS	3,038	2,896	2,852

### EMPLOYEES BY NATIONALITIES (108 NATIONALITIES)



## EMPLOYEES - UAE

	2015	2014	2013
TOTAL NUMBER OF EMPLOYEES	5,811	5,351	4,521
TOTAL MALE EMPLOYEES	2,795	2,558	2,256
TOTAL FEMALE EMPLOYEES	3,016	2,793	2,265
NEW EMPLOYEE HIRES	1,977	1,601	
TOTAL NUMBER OF EMPLOYEES WHO TOOK MATERNITY LEAVE	122	176	
PEOPLE TURNOVER	1,291	1,240	

## WOMEN EMPOWERMENT IN SAUDI ARABIA

In 2015 we hired 250 women for Chalhoub Retail in the KSA. In order to support and coach our new hires and help them adapt to their jobs, we created the role of a trainer in our KSA offices. To overcome transportation difficulties, we assigned our female employees in stores close to their home and increased their travel allowances. We further motivated them by showcasing case studies of the career growth of women at the Chalhoub Group from shop-level positions to managers.

Noura Al Pakisstani began working as a coach and assessor for our KSA Retail Academy in 2014. While she had prior work experience, she was apprehensive about starting to work at the Chalhoub Group as the new role was a challenge. However, the detailed training plan provided by the Chalhoub Group put her at ease and she greatly benefited from the comprehensive three months training provided by the Retail Academy.



*"From a professional point of view, working at the Chalhoub Group helped me become stronger, communicate easily with people from different cultures, accept new ideas and be more open-minded. I have also learned a lot about the field I am in."*  
**Noura Al Pakisstani**

Her next career step is to become a trainer at the Retail Academy. She intends to study further in HR and return to the Chalhoub Group.

## OUR APPROACH FOR 2016

We will continue implementing initiatives to promote better work/life balance and engage employees in initiatives outside the workplace. To encourage this balance, we increased maternity leaves from 45 calendar days (as per labour law) to 70 calendar days, as well as a new paternity leave of three days, which can be taken prior to or after the birth.

# UNGC MEMBERSHIP

The Chalhoub Group values the importance of conducting business in an ethical and responsible manner. This is why in 2014 we committed to uphold the universal sustainability principles of the United Nations Global Compact (UNGC).

## UNGC PRINCIPLES

## POLICIES, SYSTEMS & MEASURES

### HUMAN RIGHTS

**Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and

**Principle 2:** Make sure that they are not complicit in human rights abuses.

- We abide by all national and international human rights labour laws and regulations.
- Code of Ethics: Covers our commitment to deploying lawful human resources policies and practices, in terms of human rights and employment.
- Ethics Panel: Conducts investigations of any concerns about non-compliance or intent of non-compliance to our code.

### LABOUR

**Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

**Principle 4:** The elimination of all forms of forced and compulsory labour;

**Principle 5:** The effective abolition of child labour; and

**Principle 6:** The elimination of discrimination in respect of employment and occupation.

- Code of Ethics: Covers our commitment against forced or compulsory labour, non-discrimination, 18 years old minimum working age, and our commitment to diversity and equal opportunity.
- Reporting channels: Employees can raise any concerns related to any unethical behaviour, discrimination or harassment in the workplace to our Human Resources Manager, the Country Manager, Ethics Committee or through the Group Ethics email address. No cases of discrimination were reported in 2015.
- Training programmes: Retail Academy's programmes, Coaching for Excellence, and Advanced Management Programme among others.

We also have a Code of Ethics (COE), available online and in our offices, which sets the expected behaviour from all employees, and complements existing rules and regulations such as local labour laws and our policies. It is introduced to our employees during their newcomer orientation and all employees must confirm their understanding of the COE.

### ENVIRONMENT

**Principle 7:** Businesses should support a precautionary approach to environmental challenges;

**Principle 8:** Undertake initiatives to promote greater environmental responsibility; and

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies.

- Environment and Supply Chain policies (refer to Environment, Health and Safety for further details).
- All our UAE, Kuwait and Bahrain Warehouses are ISO 9001 and ISO 14001 certified.
- Implementation of route optimisation to reduce fuel usage and associated emissions.
- Energy efficiency campaigns and retrofits across our operations.
- Efficient waste management through recycling
- Chalhoub IMPACT promoted environmentally responsible behaviour through initiatives such as tree planting and Can Collection Family Day amongst others.

### ANTI-CORRUPTION

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery.

- Zero tolerance of any form of fraud, bribery and corruption.
- Code of Ethics: Covers our commitment to ensuring that we do not offer or receive facilitation payments and neither do our agents, contractors and suppliers do so on our behalf, when dealing with any government or private company.

# CHALHOUB IMPACT

Chalhoub IMPACT is our CSR strategy to drive employee engagement and give back to society. It is based on three pillars: Education, Environment, and Humanitarian. We bring these pillars to action by establishing partnerships, organising volunteering initiatives and always striving to make a positive impact on the communities in which we operate.

In recognition of our commitment towards a sustainable future, the Group was awarded in 2015 the CSR label from the Dubai Chamber of Commerce for the third consecutive year. The Chalhoub Group ranked amongst the top 10% of applicants, achieving a total score of 75.9%, 4.2 points higher than our score of 71.7% in 2014.

Over the years, we have partnered with multiple local charities and NGOs who supported our on-going community level commitment through IMPACT. In 2015, we strengthened ties with the Emirates Environmental Group and the Masdar initiative to continue operating with a sense of social and environmental responsibility.

**During 2015, a total of 2,675 colleagues participated in 50 different IMPACT initiatives across the region and together, dedicated 3,800 hours to volunteering.**

## EDUCATION

### INJAZ UAE Job Shadow Day

Emirati University students were paired with the Chalhoub Group employees in Burjuman offices for on-the-job work experience. Through Injaz, a non-profit organisation, all 12 students received mentoring by job-shadowing 15 employees, preparing them for a career in the luxury retail industry.

### INJAZ Kuwait Entrepreneurship Master Class

Habchi & Chalhoub Group employees' children were provided with a unique opportunity to brainstorm their own business ideas through collaboration with Injaz. 50 children aged 12 to 14 were involved in an educational Entrepreneurship Master Class.

INJAZ Kuwait



### Education Retail Campaign UAE

To provide education for underprivileged children living in the Arab region, we collaborated with Dubai Cares in the Education Retail Campaign UAE. We raised AED 204,525 by selling 8,181 Al Elem (Education) pins. The Group matched this amount and donated a total of AED 409,050 to build two schools in Gaza.



### Gift of Giving

Generous contributions towards 2015's Gift of Giving Campaign allowed us to distribute a total of 13,685 school backpacks to underprivileged children across the region. KSA raised funds to pack and deliver 6,000 school backpacks, 2,000 of which were given to Palestinian refugees in Jordan through a new partnership with the UNRWA (United Nations Relief and Works Agency).



### Chalhoub IMPACT through recycling



We strive to lead by example and establish commercial relationships with people and organisations that are environmentally aware and lead the sustainability journey. A good example is our supplier DGrade, managed by Kris Barber, who provides recycled school backpacks for our Gift of Giving campaign.

Every year, hundreds of millions of plastic bottles are consumed in the UAE, leaving an irreversible negative impact on the environment. In light of this fact, DGrade manufactures clothing and bags from plastic bottles. The products use 50% less energy, 20% less water and produce 55% fewer carbon emissions required to produce conventional polyester. Since 2012, we purchased and distributed 49,113 school backpacks made out of 100% recyclable material.



# ENVIRONMENT

## AUS Luxury Brands Symposium

We launched the first Luxury Brand Symposium focusing on the topic of Sustainability in the Gulf. Experts from the Chalhoub Group, professors and academics from AUS and abroad, in addition to industry and sustainability experts, shared their expertise and knowledge with the AUS students and alumni on the topic of sustainability. An essay competition was run involving 150 enthusiastic students and three groups were awarded.



## Tree Planting

Through three tree-planting events held in UAE and Kuwait, 150 Chalhoub Group employees planted 594 Ghaf trees contributing to the native vegetation of the region, supporting biodiversity and preserving the environment. We estimate the sequestration of 23 metric tons of CO<sub>2</sub> as a result.



## One Young World

For the 6th consecutive year, Chalhoub IMPACT provided opportunity for a delegation of employees and students to attend the One Young World Summit held in Bangkok. Twelve delegates took part in this inspiring event, where world leaders addressed pressing international social and environmental issues.



## AUS Guest Lectures

Under the Luxury Brand Management professorship, Chalhoub Group employees gave guest lectures to 26 students from the American University of Sharjah (AUS) in the Business of Luxury course.



## Recycling Campaign

In order to promote sustainable practices and encourage colleagues to recycle, we ran educational recycling exhibits across ten offices. We also placed 74 new recycling bins in our UAE buildings for paper, plastic, cans, glass and e-waste.



## Jusoor Scholarship & Learning Centre (Lebanon)

With the aim of empowering youth in the region through education, the Chalhoub Group has partnered with Jusoor in a scholarship programme. This collaboration has enabled the Group to provide scholarships to six Syrian students since 2014, giving them access to higher education in prestigious universities in Europe.

A learning centre was also opened in Lebanon in 2014 to help Syrian refugee children between the ages of 5 and 14 to assimilate into the formal education system. This centre comprises 24 staff including 19 teachers and 550 students.





*Environment..*

### AT CHALHOUB, WE RECYCLE!

Did you know that, on average, UAE residents produce **3.5 KILOGRAMS OF WASTE** a day?

This makes the UAE's per-capita ecological footprint one of the highest in the world.

At Chalhoub, we already recycle most of our waste, including paper, cardboard, batteries, printing toners, etc. Now we want to go further and recycle even more.

**CAN WE COUNT ON YOU?**

*Education.. Environment.. Humanitarian....*



## Can Collection Family Day

Chalhoub Group employees got together for a can collection family day in Dubai. Over 550 aluminium cans were collected from employees. The event was made successful through live recycling-stations by the Emirates Environmental Group.



## MASDAR Experience

In line with our commitment to the environment and pursuing knowledge, 16 of the Chalhoub Group's top executives (COMEX) visited Masdar City in Abu Dhabi to learn more about the world's soon-to-be most sustainable city.



## Beach Clean Up

Around 70 volunteers participated at the annual Chalhoub Group Beach Clean Up that took place at the Jebel Ali sanctuary (Ghantoot reserve), in collaboration with EMEG (Emirates Marine Environmental Group). Two tonnes of garbage were collected!



## Earth Hour

We celebrated Earth Hour by switching off the lights for one hour in our stores across eight countries to raise awareness about climate change.



## Save food KSA

To celebrate World Environment Day, our colleagues in the KSA launched a food saving campaign during the holy month of Ramadan. We packed and delivered more than 80 Ramadan dry food bags to underprivileged families in Jeddah and Riyadh.



# HUMANITARIAN

## Compassion for the Levant

This fundraising campaign was launched in response to millions of Syrian refugees who had to overcome a harsh winter in January 2015. Employees donated AED 205,653 and the Group matched the amount, giving a total of AED 411,314 to the Emirates Red Crescent and UNHCR. In solidarity with the cause, Chalhoub Group employees also participated through the Wear White to Work initiative.



## Solidarity for Nepal

In April 2015, Nepal suffered one of the worst earthquakes of its history, leaving 8,000 dead and 17,000 injured. The Chalhoub Group ran a solidarity campaign raising AED 197,837 from employees and Group match. The money was donated to CARE, an international NGO that through our donation gave food for 15 days to 346 Nepalese, provided clean drinking water to 1,393 families and offered emergency shelter to 59 more families.

## Breast Cancer Awareness Month

The Chalhoub Group ran multiple campaigns during Breast Cancer Awareness Month in October 2015, across India, Lebanon, Kuwait and Qatar. Employees ran the 10km Peace Runners marathon, celebrated Wear Pink to Work day, and took part in the 5 km Walkathon amongst other initiatives.



## Hope for Cancer Patients

The Daffodil symbolises hope, and as moral and financial support to those suffering from cancer, Daffodil motif pins were sold in over 270 stores across the UAE and the KSA. 18,500 pins were sold over a span of two months, raising AED 416,000 which was matched by the Chalhoub Group. A total of AED 832,000 was donated to Friends of Cancer Patients (FOCP), a local charity based in Sharjah.



## Make-up tutorials for women with cancer

Our make-up artists and skincare specialists conducted a session with female Cancer patients at the Al-Sidra Association Centre in Kuwait. The goal was to boost their morale by making them feel better and restoring their confidence.



# ENVIRONMENT, HEALTH AND SAFETY

Our Group is strongly committed to the continuous improvement of our environment, health and safety performance. We are proactively engaged in retrofitting for energy efficiency, tracking resource consumption, encouraging sustainable on-going purchases and waste management strategies to add value to our operations.

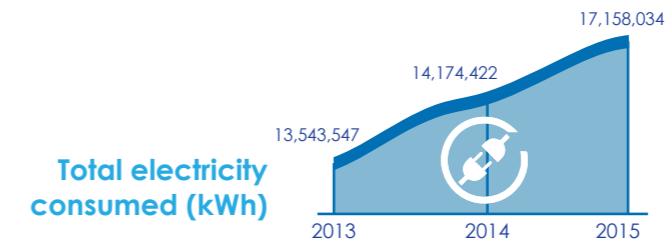
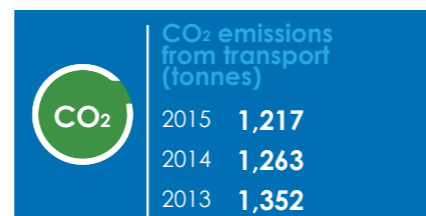
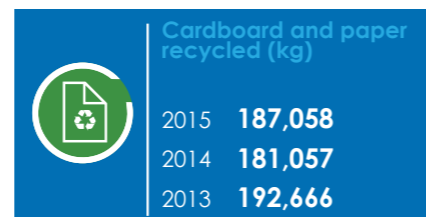
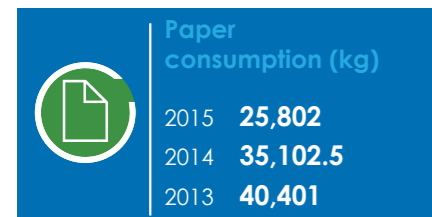
We continue to act upon our Group environmental policy in parallel with the supply chain policy, bearing in mind that our commitment to social responsibility extends to our supply base. These policies ensure that suppliers adhere to applicable national laws and regulations, confer to environmental performance improvement and maintain effective management systems in compliance with UNGC principles.

We understand that some of the highest environmental impacts of our Group are caused by our logistics operations. Our drivers have maximised the Radio Frequency Identification (RFID)/Vehicle Identification (VID) based fuel retailing system at service stations in UAE through fill on the go using VIP Technology (Vehicle Identification Pass).

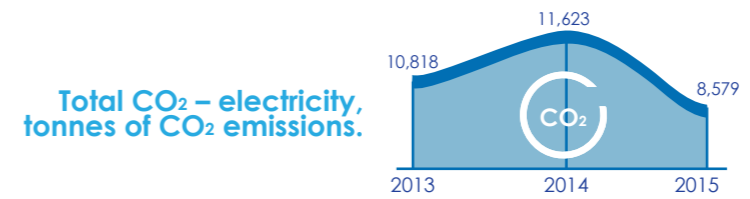
The logistics department for Real Emirates owns a total of 50 vehicles in 2015. Truck drivers' route planning and optimisation have enhanced operational efficiency through lesser fuel consumption. Vehicles on the administration and operations side at Real Emirates FZE use the green special fuel that has a safer environmental impact.

We have achieved the full-integrated management systems in quality health, safety and the environment (ISO 9001, ISO 14001 and OHSAS 18001) for two of our logistics sites in Kuwait and Bahrain in 2015.

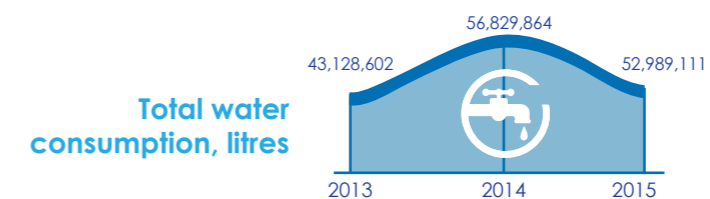
The training programme for health and safety induction was launched in 2015 across all of the Chalhoub Group's logistics sites. A total of 3,082 hours were spent on health and safety training for 100% of our direct staff in the UAE (this included free zones).



Higher electricity consumption in 2015 due to newly occupied warehouse extension of approximately 5,000 m<sup>2</sup> area.



The decrease in CO<sub>2</sub> emissions in 2015 compared to previous years is due to considering a more robust way of allocating the emission factor through the DEWA bills.



Reduced water consumption due to rectified leakage in water storage tanks at warehouses and due to water conservation measures adopted at the Group.

## Fire Evacuation and Headcount Time



	<b>Incident rate</b> (Number of total incidents x 100,000 hours/number of working hours) (Real Emirates and Real FZE - UAE only)	2015 <b>3.77</b>	2014 <b>4.28</b>	2013 <b>3.95</b>
	<b>Total recordable incidents</b> (Number of recordable* incidents x 100,000 hrs / number of working hours) (Real Emirates and Real FZE - UAE only) * Recordable Incidents = Incidents which required medical treatment and days off work	2015 <b>0.19</b>	2014 <b>0.06</b>	2013 <b>0.23</b>
	<b>DART Rate</b> (Days away, restricted, or transferred) (Number of DART days x 100,000 hours / number of working hours) (Real Emirates and Real FZE - the UAE only)	2015 <b>0.45</b>	2014 <b>0.19</b>	2013 <b>0.70</b>

For 2016, our key target for QHSE is to continue to maintain a zero recordable incident rate while continuing to evaluate incident recording mechanisms with clear improvement targets. We are constantly upgrading our QHSE performance and will be developing our management system to conform to the recently released new version of 9001 and 14001 standards. Our longer-term targets are to get Qatar, Egypt and India warehouses certified by 2017.

# OUR JOURNEY



Kevin Chalhoub is the youngest son of Patrick Chalhoub (co-CEO of Chalhoub Group). He is 22 and studying Environmental Engineering at Stanford University, California.

Kevin proudly represents the Chalhoub family's third generation, and he is determined to keep embedding sustainability into the heart of the luxury business.

*"Luxury and sustainability are two words you may not particularly expect to find in the same sentence. But stop and think: 'What is luxury?' As many would simply define luxury as an inaccessible state of great comfort or elegance, Chalhoub Group would like to think of luxury goods as accessible goods sustainable in their consumption. After all, many of the things that we all take for granted today were once considered a luxury, such as owning a phone or a printer. In the Middle Ages, having access to basic educational principles such as reading or writing was even considered a luxury.*

*Increasingly, leading luxury brands are taking steps in this direction and are introducing the idea of 'sustainable luxury' as an integral part of their own brand image. The client's increasing awareness in the Middle East region suggests they are progressively seeking to buy fewer products that are more luxurious and durable. As such, the Chalhoub family's third generation would like to think luxury goes hand in hand with sustainability and embrace the Group's social and environmental responsibility.*

*Chalhoub IMPACT aims to engage in Educational, Environmental and Humanitarian endeavours and turn regional challenges into opportunities to give back to the Middle Eastern community. The Group's third White Paper released on Sustainability, the deployment of the United Nations Global Compact principles across the GCC, the launch of digital platforms for our own concepts Level Shoes and Wojoooh as well as the launch of Tryano, a new innovative retail concept in Abu Dhabi, were some of the Group's biggest achievements in 2015. However, while the Group is adapting to a new norm, the third generation would like to further develop its social engagement in the decades to come, tying the basic principles of luxury to sustainable ends."*

## CHALHOUB GROUP – THE “NEW NORM”

2015 posed multiple challenges on the geopolitical and economic front, primarily because of the drop in oil prices and fluctuating exchange rates. This has led to significant revenue shortfalls in energy-exporting nations and subsequently, the acceleration of reforms and structural changes that were already discussed or under way. Taxation projects, a modernisation of labour laws and consumer protection are part of the structural changes that are impacting the way business is done in the region.

These major changes are also reshaping the Gulf's luxury sector, resulting in lower growth rates, more savvy consumers and increased competition, leading to a more mature market.

With all these challenges shaking the foundations of a well-established environment and questioning business as usual across local markets, the Chalhoub Group is adapting to what we call the “New Norm”. In 2016, we are prepared to welcome this new paradigm with an agile, resilient and innovative approach. Our commitment to sustainability is stronger than ever and will enable us to conduct our business operations in an efficient and cost-effective manner with minimal adverse environmental and social impacts.

### MAPPING OUR PROGRESS IN 2015, AND THE FUTURE PATH FOR KEY STRATEGIC AREAS:

FOCUS AREAS	WHAT WE WANT TO DO	WHAT WE DID IN 2015	WHAT WE PLAN TO DO IN 2016
<b>Operating model</b>  •Economic Sustainability •Business Ethics •Compliance with local laws •Customer satisfaction (Product safety)	Create a strong, diverse and transparent governance and leadership team.	Introduced three advisors to the Chalhoub Group Board.	Gradually introduce Gulf nationals and increase women representation in our leadership team.
	Become a role model for sustainability.	Released a White Paper on sustainability. Sponsored keynote speakers at the Responsible Business Summit (London) and other national and international events. Increased sustainability employee engagement.	Implement a sustainability software tool. Further engage with brands and partners on sustainability initiatives. Continue involving our employees in volunteering activities.
	Enhance our sustainability reporting approach.	Reported in line with the GRI G4 guidelines and UNGC. Included case studies from our regional operations in the 2015 sustainability report.	Gradually extend the scope of our future reports to include all of the Group's operations in all countries.



# ABOUT US

The Chalhoub Group has been the leading partner for luxury across the Middle East since 1955. As an expert in retail, distribution and communication based in Dubai, the Group has become a major player in the beauty, fashion and gift sectors regionally.

By blending its Middle East expertise and intimate knowledge of luxury, the Chalhoub Group is building brands in the region by offering service excellence to all its partners and a unique experience to its customers through its passionate teams. With a growing workforce of more than 12,000 people in 14 countries and over 650 retail stores, the Group's success is attributed to its most valued asset: highly skilled and dedicated teams. Professionalism and passion fuel the Chalhoub Group's competitive edge in today's market.

We provide a unique and unparalleled experience to our partners and customers through our core activities in the areas of distribution, retail and communication.

**Distribution** Facilitate direct access to regional markets through our distribution companies and their strategic alliances with major international groups operating across beauty, fashion and gifts sectors.

**Retail** Operate in the retail sector through our own retail concepts, franchises, joint ventures and travel retail.

**Communication** Provide a broad range of communication services perfectly adapted to suit regional tastes through our partnership with Havas Group.



Note:  
This means that Chalhoub Group captured 36% and 30% of the Fashion and Beauty industries total sales in the GCC, respectively.

Our concept brands highlight our innovative spirit and commitment to our customers. We have six concept brands, including two new ones developed in 2015 - Level Kids and TRYANO.

**Tanagra** is a destination for timeless luxury, offering an inspiring, refined and edited array of lifestyle gifts and art de vivre under one roof. Tanagra launched TDesign, a multifaceted space located in Dubai that features a showroom for bespoke limited editions, luxury design and custom-made pieces.

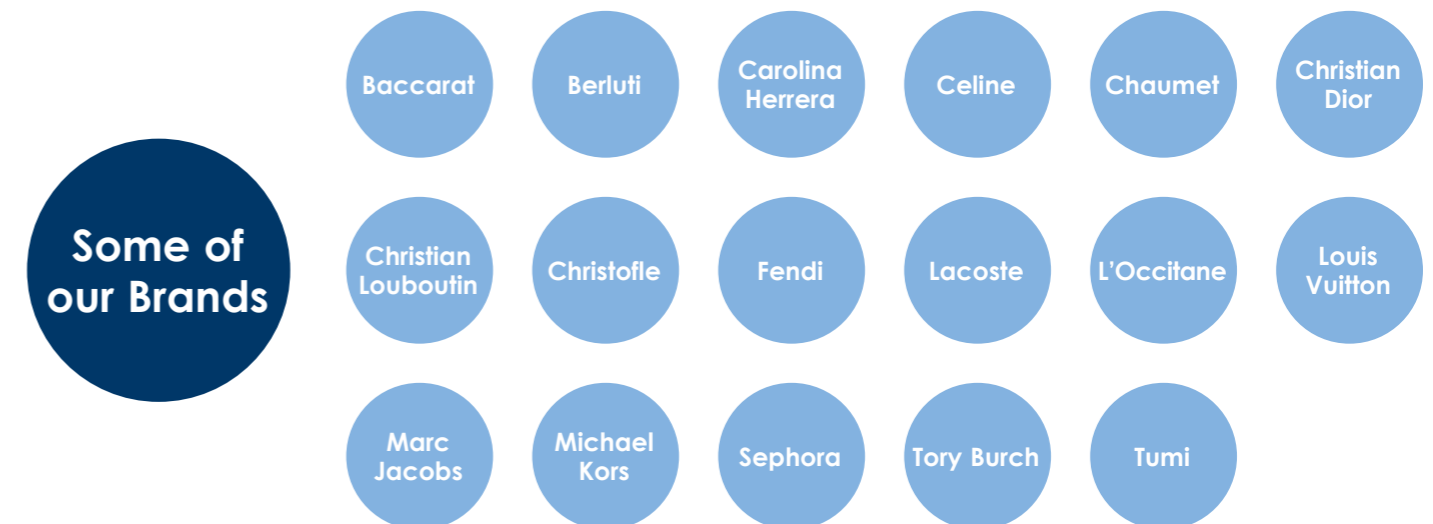
**WOJOOH** "Your Face of Beauty" offers a sophisticated fusion of luxury with unconventional niche and specialty brands, its own make-up line Wow by Wojooh and hundreds of beauty experts.

**Katakeet** This children's wear store, conceived around storytelling, offers a unique retail experience for both children and parents.

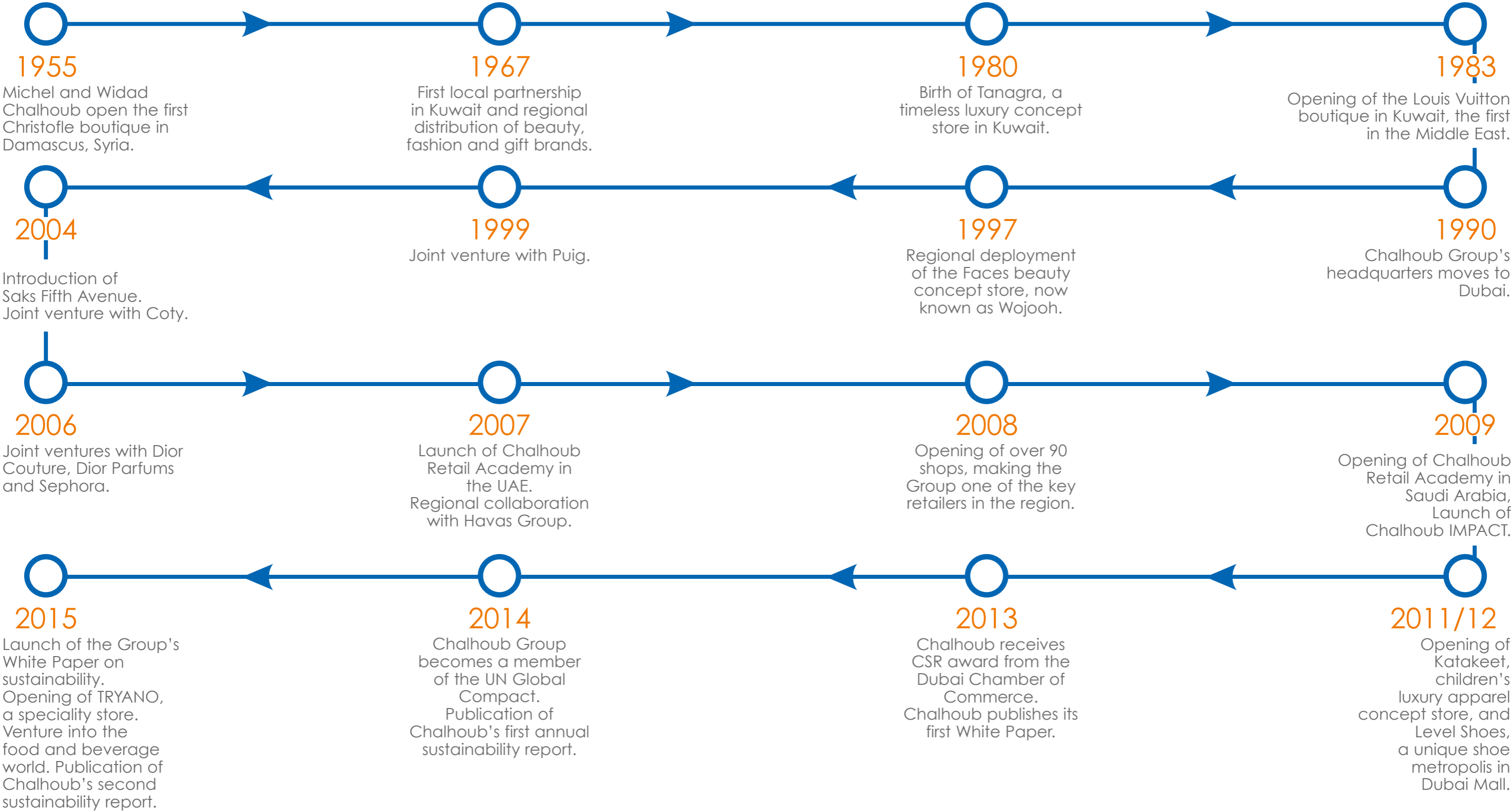
**level SHOES** Located in Dubai, Level Shoes is the world's finest shoe metropolis targeting the luxury consumer through its unparalleled collection of exclusive footwear and bespoke services.

**TRYANO** is a 20,000 sqm specialised store dedicated to three categories: Beauty, Bags and Children's. Located in Yas Mall, Abu Dhabi, TRYANO is inspired by a Garden of Imagination.

**level KIDS** is the first concept of its kind devoted to children's luxury. It offers a comprehensive selection of children's wear, shoes, accessories, toys and specialised services.



# TIMELINE OF OUR GROUP



# HOW WE CONDUCT OUR BUSINESS

## OUR VISION

To be the leading partner for luxury across the Middle East.

## OUR MISSION

Our passionate teams build brands in the Middle East. By blending our Middle East expertise and intimate knowledge of luxury, we offer service excellence to all our partners and a unique experience to all our customers.

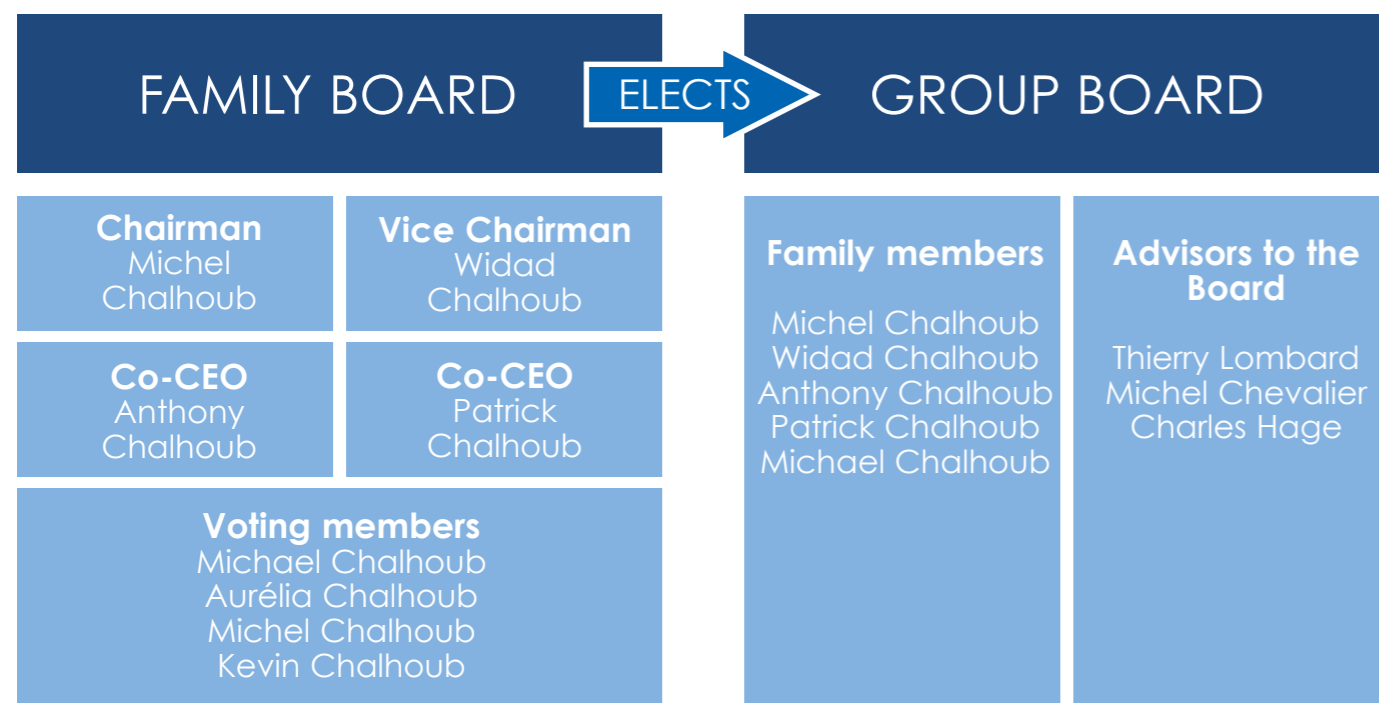
## OUR VALUES

Respect, Excellence and Entrepreneurial Spirit.

## OUR GOVERNANCE BODIES AND STRUCTURES

As a family business, we understand that good corporate governance enables us to establish sustainable business practices and explore growth opportunities. To help build trust in our Group, we ensure that our strategies are aligned to the interests of all our stakeholders.

We have four governance bodies: Family Board, Group Board, the Executive Committee (COMEX), and the Strategy Committee (STRATCOM). To strengthen our governance, in 2015 we added three highly experienced Advisors to the Board to the Chalhoub Group Board. Sustainability is managed by a dedicated, sustainable engagement team within the Strategy and Innovation division. The team oversees the collection of sustainability data for the Group in order to measure our impact and to launch initiatives to continuously improve our performance.



- CEO:** Chief Executive Officer
- MD:** Managing Director
- COO:** Chief of Operations
- CAO:** Chief Administration Officer
- CFO:** Chief Financial Officer
- CHRO:** Chief Human Resources Officer
- CLO:** Chief Legal Officer
- CO S&I:** Chief Officer Strategy and Innovation

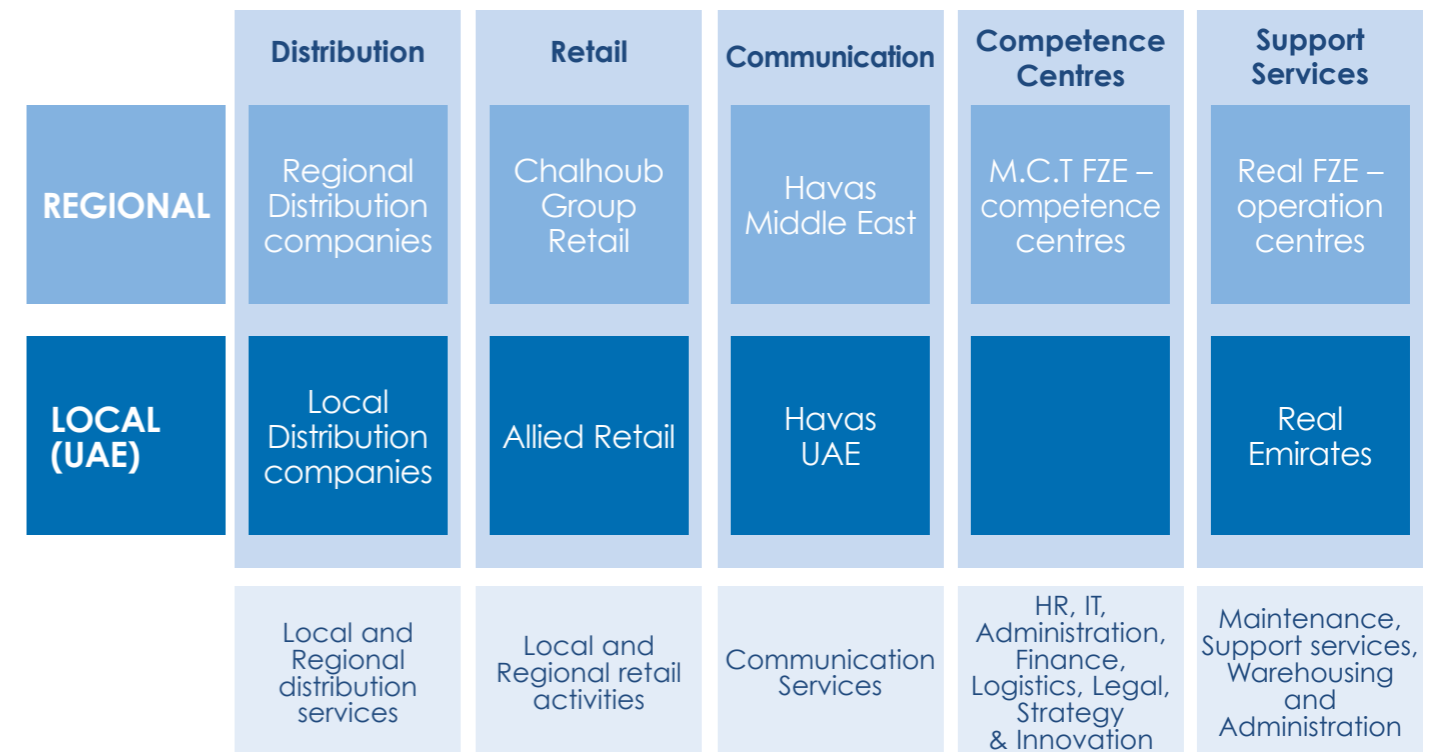
**COMEX:** Monitors all business activities to ensure achievement of the goals set by the co-CEOs. Also identifies potential risks and countervailing measures mainly in the areas of sustainability, health, safety and environmental standards.

**STRATCOM:** Observes challenges and opportunities and works to define the Group's medium-to long-term (3-15 year) strategy.

## G4-17

## OUR UAE OPERATIONS

Our UAE operations can be grouped under Distribution, Retail, Communication, Competence Centres and Support Services.



# STAKEHOLDER ENGAGEMENT

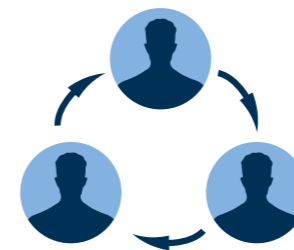
G4-24, G4-25, G4-26

We consider stakeholder engagement crucial to achieving our business objectives. We extensively engage both our internal and external stakeholders in order to identify our strengths, weaknesses and key sustainability topics. In 2015, we introduced two new public relations tools to help promote the Group and reinforce our position as the leading partner for luxury across the Middle East.



We demonstrated our commitment to sustainability through memberships with a diverse range of organisations. CSR Arabia Network, Dubai Chamber Sustainability Network, Comité Colbert, Fondazione Altgamma, United Nations Global Compact and Walpole British Luxury are a few of our many partnerships.

## OUR COMMUNICATION PLATFORM



### INTERNAL

- Corporate events - Group seminar (yearly), Regional General Management Meetings (twice a year).
- e-MAC - Our Group's intranet provides our team members with Group information, enhances Group cohesion and is used as an administrative/HR tool.
- MAClines - Our internal magazine, issued three times a year, contains information about the Group, from the latest launches and events to our people and our sustainable engagement.



### EXTERNAL

- Corporate video and advertising visuals.
- LinkedIn.
- Interviews with the Group's spokespeople.
- Participation in conferences and round tables.
- White Papers.
- Fact Sheets - short documents with some key information and figures about the Group.
- Flashmails - three flashmails were sent to our media mailing list on different topics related to the Group (60th anniversary, sustainability, employer of choice).

## CUSTOMER AND MARKET INSIGHTS

The Chalhoub Group exemplifies its innovation and dedication to customers and knowledge sharing through our internal online platform "Edge". Edge provides the Group with:

- Information on our markets and our consumers
- Inspiration from brand activities internationally and regionally
- The latest creative and communication trends
- Operation tools to support the Business Units

## ENSURING THE SATISFACTION OF OUR GUESTS

We consider every retail shopper as a Guest and aim to make their shopping a unique experience through outstanding service and quality products. We believe our business performance is the prime measurement of our Guest satisfaction. Our three business KPIs (Unit Per Transaction, Average Basket and Conversion Rate) are communicated to all our stores on a daily basis through an automated system. Apart from our business KPIs, we also use a Performance Evaluation Programme to delve deeper into our performance and identify areas of improvement.

## PRIVACY AND SECURITY

In line with our 2014 learning, we added the Customer Privacy Policy into all our on-going and new 3rd party supplier contracts as a measure of safe guarding our customer database. We applied European Data Protection standards to our data collection and usage policies with transparent opt in/out on all customer communication. We had no data breaches in 2015 and will continue to review our security measures to ensure we keep up with the demands of an ever-growing business and commercial landscape.

# MATERIAL ISSUES AND ASPECT BOUNDARIES

G4-18, G4-19, G4-20, G4-21, G4-27

In 2015, we conducted 13 interviews with our external stakeholders including brands, NGOs and academic institutions. Internally, we held one workshop and three focus group discussions with our employees to collect feedback on key topics like the 2014 sustainability report and overall sustainability approach. To ensure objectivity and allow the participants to provide honest feedback, an external consultant conducted the meetings and compiled and analysed the results. The outcome provided us with vital feedback on our sustainability performance, engagements, initiatives and future endeavours.

## Employees

- Employee awareness/training on sustainability
- Employee skill development
- Employee welfare
- Diversity and inclusion at the workplace

Addressed in section: **Our Employees**



## Operating Model

- Economic sustainability
- Business ethics
- Compliance with local laws
- Consumer satisfaction (product safety)
- Innovation

Addressed in section: **About us, How We Conduct Our Business**



## Community

- Gulfanisation
- Community development/philanthropy
- Support of women entrepreneurs

Addressed in section: **Chalhoub Impact and Gulfanisation**



## Value Chain

- Supply chain management
- Reduce environmental footprint of value chain
- Partnership trust
- Brand engagement

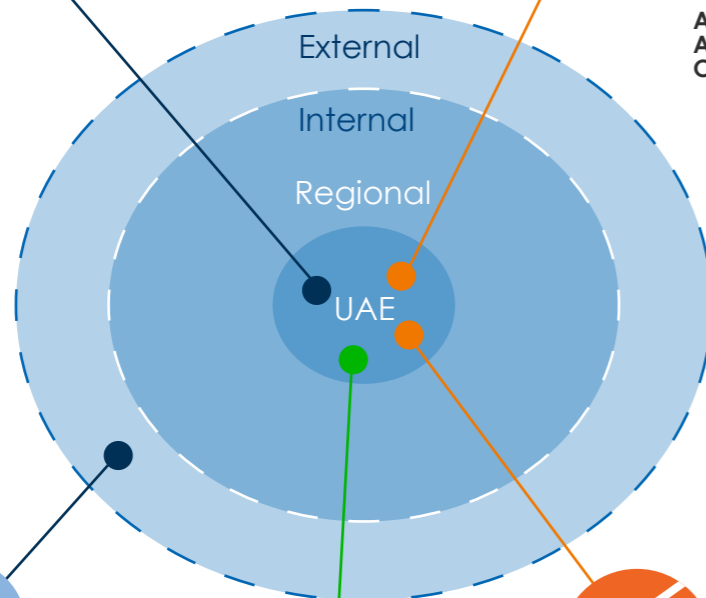
Addressed in section: **Value Chain, Environment, Health and Safety**



## Environment

- Water management
- Energy management
- Waste management
- Protect natural resources

Addressed in section: **Environment, Health and Safety**



# CEOs STATEMENT

Dear Partners,

Passion and audacity have allowed us to grow our Group and our activity in the Middle East region for the last 60 years. We are developing our Group on the strong values of Respect, Excellence and Entrepreneurial Spirit. We are building our expertise in our categories through solid partnerships with our brands and thanks to the hard work and dedication of our team members. It is important for us to share what we have learned and transmit knowledge. Our third sustainability report "The knowledge we build is knowledge we share" highlights our commitment to Education.



As a UN Global Compact member since 2014, we are sharing our commitment and continuous effort made by our teams to embed Sustainability in our Group culture, and to integrate, support and advocate the ten universally accepted principles of the UN Global Compact and the 17 Sustainable Development Goals.

In 2015, we focused on engaging our team members and encouraging their creativity, passion and energy to create a positive and sustainable impact on the business and society. The education of our team members is a point of focus and part of our investment priorities in our yearly budget. We are striving to provide them with the right educational platforms to excel in their roles, taking full ownership and responsibility, acting with courage, consistency, dedication and integrity.

We are determined as a Group to go further in our support of Education, Environment and Humanitarian challenges. We are determined to build a strong Sustainability Governance. We believe that sharing and transmitting good practices, awareness and knowledge are the pillars of sustainability. As a mindset, it requires a collaborative effort to be integrated into all business functions, making sure it is adapted to the region we operate in and create a positive impact for the future. To achieve this goal, the involvement and effort of each and every team member is crucial. We are determined to keep on sharing our knowledge with our team members, business partners and all our stakeholders to, together, continue our journey to start creating from today a more sustainable future.

Anthony Chalhouh  
Co-CEO

Patrick Chalhouh  
Co-CEO

# GRI G4 CONTENT INDEX

This Report has been prepared in accordance with the reporting standards as defined by the Global Reporting Initiative (GRI) G4's Core option. This report has also undergone the Materiality Disclosures Service by GRI.



## REPORT SNAPSHOT

G4-17, G4-22, G4-23

This is the third Sustainability Report of the Chalhoub Group. Data in this report covers the period from January to December 2015.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) G4 Core option.

We have expressed our commitment to uphold the ten basic universal principles of the UN Global Compact. This report addresses our performance against these ten principles (please refer to the "How We Conduct Business" section of this report).

Our report covers our UAE operations: Chalhoub Group Retail, Allied Retail, Havas, M.C.T FZE, Real FZE, Real Emirates and regional and local distribution companies. We did not experience any significant changes during the reporting period with respect to our size, structure, ownership or supply chain. In 2015, no significant change was made to the scope or coverage compared to our 2014 Sustainability Report. We have also not restated any information provided in our earlier reports.

Your feedback is important to us. Please contact us at [impact@mailmac.net](mailto:impact@mailmac.net) for any feedback on this report.

GENERAL STANDARD DISCLOSURES				
General Standard Disclosures	Description	Page No	UNGC	Comments
<b>STRATEGY AND ANALYSIS</b>				
G4-1	Statement from the most senior decision-maker about the relevance of sustainability to the organization	41		
<b>ORGANIZATIONAL PROFILE</b>				
G4-3	Name of the organization	front cover		
G4-4	Primary brands, products, and services	32-33		
G4-5	Location of the organization's headquarters	32		
G4-6	Number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	32		Countries of operation: UAE, Saudi Arabia, Qatar, Kuwait, Bahrain, Lebanon, Egypt, Iraq, Oman, Yemen, Jordan, India
G4-7	Nature of ownership and legal form	36-37		
G4-8	Markets served	32-33		
G4-9	Scale of the organization	32-33		
G4-10	Breakdown of workforce	16	6	
G4-11	Percentage of total employees covered by collective bargaining agreements		3	N/A- Collective bargaining agreements are not currently permitted in the UAE
G4-12	Describe the organization's supply chain	6-7		
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	42		
G4-14	Addressing precautionary approach or principle	28-29	7	We address the precautionary principle throughout our report
G4-15	External charters, principles, or other initiatives endorsed	38, 42		
G4-16	Memberships of associations and advocacy organizations	38		
<b>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</b>				
G4-17	Entities included in organization's financial statements	37		
G4-18	Process for defining the report content and the aspect	40		
G4-19	Material aspects identified	40		

General Standard Disclosures	Description	Page No	UNGC	Comments
G4-20	For each material Aspect, report the Aspect Boundary within the organization	40		
G4-21	For each material Aspect, report the Aspect Boundary outside the organization	40		
G4-22	The effect of any restatements of information provided in previous reports	42		
G4-23	Significant changes from previous reporting period in the Scope and Aspect Boundaries	42		
<b>STAKEHOLDER ENGAGEMENT</b>				
G4-24	List of stakeholder groups engaged by the organization	38		
G4-25	Basis for identification and selection of stakeholders	38		We identified our key stakeholder groups through interactive workshop and interviews
G4-26	Approaches to stakeholder engagement	38		
G4-27	Response to key topics and concerns raised	40		
<b>REPORT PROFILE</b>				
G4-28	Reporting period	42		
G4-29	Date of most recent previous report	42		
G4-30	Reporting cycle	42		Annual
G4-31	Contact point for questions	42		
G4-32	“‘In accordance’ option, the GRI content index and external assurance”	43		
G4-33	Policy and current practice regarding external assurance	-		No external assurance has been sought for this year’s report. We aim to put an assurance process in place for our future sustainability reports
<b>GOVERNANCE</b>				
G4-34	Governance structure of the organization	36-37		
<b>ETHICS AND INTEGRITY</b>				
G4-56	Describe the organization’s values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	18-19	10	
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines	18-19		

<b>SPECIFIC STANDARD DISCLOSURES</b>				
General Standard Disclosures	Description	Page No	UNGC	Comments
<b>CATEGORY: ECONOMIC</b>				
<b>MATERIAL ASPECT: ECONOMIC PERFORMANCE</b>				
G4-DMA		15-17		
G4-EC3	Coverage of the organization’s defined benefit plan obligations	15-17		The benefits received by the Chalhoub Group employees include transportation, housing, ticket allowance, school allowance, medical and life insurance
<b>MATERIAL ASPECT: MARKET PRESENCE</b>				
G4-DMA		13		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	13	6	
<b>CATEGORY: ENVIRONMENTAL</b>				
<b>MATERIAL ASPECT: ENERGY</b>				
G4-DMA		28-29		
G4-EN3	Energy consumption within the organization	29	7, 8	
G4-EN6	Reduction of energy consumption	29	7, 8, 9	No reduction achieved
<b>MATERIAL ASPECT: WATER</b>				
G4-DMA		28-29		
G4-EN8	Total water withdrawal by source	29	7, 8	
<b>MATERIAL ASPECT: EMISSIONS</b>				
G4-DMA		28-29		
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	28-29	7, 8, 9	
G4-EN19	Reduction of greenhouse gas (GHG) emissions	28-29	9	
<b>MATERIAL ASPECT: EFFLUENTS AND WASTE</b>				
G4-DMA		28-29		
G4-EN23	Total weight of waste by type and disposal method	28	8	
<b>MATERIAL ASPECT: COMPLIANCE</b>				
G4-DMA		28-29		
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations		8	We have not received any fines nor have been imposed any non-monetary sanctions for non-compliance with environmental laws and regulations

General Standard Disclosures	Description	Page No	UNGC	Comments
<b>MATERIAL ASPECT: TRANSPORT</b>				
G4-DMA		28		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	28	8	
<b>MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT</b>				
G4-DMA		6-7		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	6-7	8	
<b>CATEGORY: SOCIAL</b>				
<b>SUB CATEGORY: LABOR PRACTICES AND DECENT WORK</b>				
<b>MATERIAL ASPECT: EMPLOYMENT</b>				
G4-DMA		16		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	16	6	
<b>MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY</b>				
G4 - DMA		29		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	29		
<b>MATERIAL ASPECT: TRAINING AND EDUCATION</b>				
G4-DMA		8-10		
G4-LA9	Average hours of training per year per employee by gender and by employee category	10		
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	8-10	6	The Performance and Development Review is a yearly process done for all employees of the group
<b>MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITY</b>				
G4-DMA		15, 17		
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	16	6	
<b>MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>				
G4-DMA		18-19		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	18-19		
<b>SUB CATEGORY: HUMAN RIGHTS</b>				
<b>MATERIAL ASPECT: CHILD LABOR</b>				
G4-DMA		18 - 19		

General Standard Disclosures	Description	Page No	UNGC	Comments
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor		5	We adhere by a minimum hiring age of 18 years
<b>MATERIAL ASPECT: FORCED OR COMPULSORY LABOR</b>				
G4-DMA		18 - 19		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor		4	None of our operations and suppliers use forced or compulsory labor
G4 - HR10	Percentage of new suppliers that were screened using Human Rights criteria	18 - 19	2	
<b>SUB CATEGORY: SOCIETY</b>				
<b>MATERIAL ASPECT: LOCAL COMMUNITIES</b>				
G4-DMA		20-27		
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	20-27	1	
<b>MATERIAL ASPECT: ANTI-CORRUPTION</b>				
G4-DMA		18 - 19		
G4-SO4	Communication and training on anti-corruption policies and procedures	18-19	10	
G4-SO5	Confirmed incidents of corruption and actions taken		10	The Standard Disclosure or part of the Standard Disclosure is not applicable. There has been no incident of anti-corruption
<b>SUB CATEGORY: PRODUCT RESPONSIBILITY</b>				
<b>MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY</b>				
G4-DMA		39		
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes			There has been no incident of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services
<b>MATERIAL ASPECT: MARKETING COMMUNICATIONS</b>				
G4-DMA		39		
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes			The Standard Disclosure or part of the Standard Disclosure is not applicable. There has been no incident of non-compliance with regulations and voluntary codes concerning marketing communications
<b>MATERIAL ASPECT: CUSTOMER PRIVACY</b>				
G4-DMA		39		
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	39		