

# Nurturing Engagement



# About this report

We are proud to publish our first annual sustainability report, summarising our results for the year 2013 and outlining the challenges and commitments that lie ahead of us. This report has been prepared in accordance with the Global Reporting Guidelines (G4) Core requirements, and alians to the universal accepted 10 principles of the UN Global Compact. The information presented in this report serves as a baseline against which we will benchmark our performance in future reports.

The report has been prepared in accordance with the Global Reporting Initiative (GRI) guidelines — the latest GRI version 4 (G4) "core" option. The GRI is a multi-stakeholder initiative with widespread credibility that provides a framework for companies to report on their sustainability performance.

The Chalhoub Group is a member of the UN Global Compact, committed to the 10 universally accepted principles of the United Nations Global Compact (UNGC) in the areas of human rights, labour rights, environment and anti-corruption. This report covers information regarding our performance against the above principles, and therefore serves as our annual communication on progress (COP).

A GRI and UNGC content index is given at the end of this report.

We have applied the GRI principle of completeness for defining the content, primarily by encompassing the dimensions of scope, boundary and time. The report covers MCT FZE, Allied and sister companies, Chalhoub Group Retail, REAL FZE, REAL EMIRATES and 3D only. Our

commitment to sustainability is organisation-wide and inclusive of our operations beyond the UAE. As such, we have highlighted several best practices throughout the report to provide a global insight to our sustainability aspirations across our regional operations. Going forward, we aim to widen the boundary of our report by including other group companies.

All information in the report is complete and within the reporting period starting from 1 January 2013 to 31 December 2013, unless otherwise stated.

The information in this report has been internally reviewed by the respective divisions and departments to ensure that the data presented in this report is accurate and reliable. We aim to put a process in place that makes it possible to obtain external assurance in future and receive an external viewpoint on our sustainability performance.

# We value your feedback

We strive to offer excellent services to all our stakeholders. Your feedback will help us improve our reporting and ensure transparency. Please contact our Department Manager, Strategy & Innovation, at ayla.bajwa@mailmac.net.



10	About Chalhoub	06
7	Operational profile Our differentiating power	06 10
ontent	Our approach to sustainability	11
	Governance	11
	Our sustainability vision Reporting on what matters	13 13
	Our sustainability timeline	20
	,	
	How we conduct business	22
	Our code of ethics	22
	Responsible marketing	23
1	Our impact on the economies where we operate	25
	Our commitment to sustainability	<u>26</u>
	Gulfanisation	26
	Supporting local entrepreneurs	30
	Chalhoub IMPACT	31
•	Supporting education	33
	Preserving the environment	38
	Humanitarian aid	40
2		
S	Environmental stewardship	42
••••••	Energy management	43
	Water consumption	46
	Waste management	46
4	Investing in our people	48
	Learning and development	49
	Employment and benefits	56
	Diversity and equal opportunity	58
5		
	Quality of operations	59
	Quality management	60
	Procurement practices	62
	Customer satisfaction	63
	GRI and UNGC table	65

# **CEO** statements



**Anthony Chalhoub** CEO



Patrick Chalhoub



We are passionate about engaging our teams, our business partners, the youth and marginalized sections of society. It is for this reason we have titled our first sustainability report 'Nurturing Engagement'. 2014 not only marks the release of our first report but also inaugurates our membership to the UN Global Compact.

We are a family business driven by the values of respect, excellence and entrepreneurial spirit; and believe sustainability is the balance between economic priorities; promoting empowerment for all stakeholders and environmental protection. It is our conviction that sustainable business is an opportunity to create value while making the world a better place.

The Chalhoub Group was founded in the Middle East and is here for the long haul. During its history it has relocated its headquarters in the face of political turbulence moving from Syria to Lebanon to Kuwait and finally the UAE. These experiences have made us agile and stimulated an ardent desire to be an agent towards sustainable development in the region.

Our primary tool in engaging with stakeholders is empowerment through education; and our interpretation of empowerment is the courage, discipline, commitment and integrity to reach one's full potential. While reading this report you will find the multifarious ways in which each stakeholder is engaged through the process of education and knowledge sharing.

We have found that empowerment of the youth is an integral starting point. Mindful of the challenges surrounding youth unemployment, we have developed partnerships with universities across the Middle East region and Europe through which students are offered scholarship opportunities, mentorship and a general emphasis on exchange between academia and industry.

The gap between secondary education and industry requirements are becoming wider and through open dialogue with our partners we hope to reduce this gap. In line with our commitment to youth in the region, the Chalhoub Group commemorated partnership with the American University of Sharjah, introducing a luxury brand management professorship. The course merges industry best practices with academic theory.

We believe that engaging our teams in our social development partnerships is creating valuable impact. We are aware that our team's drive and energy is the business's critical success factor. It is our

mission that each employee understands that their responsibility is more purposeful than our bottom line objectives and that their role is meaningful.

Through our annual volunteer calendar we strive for enhanced team synergies across business functions. The community volunteer program allows our team members from diverse business units to come together for a significant task. We believe this has resulted in higher employee motivation and deeper belief in the Group's culture and values.

Teams are empowered through an education process spearheaded by the learning & talent development units. Team members are allotted training resources, executive education and career growth guidance. One of our most beloved projects is the retail academy present in both the UAE and Saudi Arabia, created for the education of our front line teams. The Retail Academy launched in 2007 was the first of its kind in the region.

Our commitment to environmental sustainability continues to be driven by the engagement of our stakeholders through an education and awareness process. Several of the GCC countries contribute to the highest rate of greenhouse gas emissions per capita and fall within the scope of our regional operations. The key challenge in turning this trend around is mind set change. We are obliged as a business operating in these countries to advocate for environmental protection. Internally we have assessed our value chain and are working towards a reduced footprint specifically in logistics. A major component of our business is distribution and thus our warehouses are ISO 14001 certified and our regional warehouse is LEED Silver certified.

We engage our business partners with the same spirit of education and knowledge sharing. Trust is a paramount in our relationships with our business partners and therefore we invest time and resources to keep them abreast of changes happening in the region. Our role is not only to grow the market share but also to deliver market and consumer intelligence to assist in the navigation of strategy and operational practice. In order to continue to add value in our relationships we must innovate.

It has been an exhilarating year for us in all perspectives: social, environmental and economic. We are pleased with the outcomes but cognizant that there is a long road ahead of us.. We look forward to exchanging with you on our achievements, setbacks and learnings as our sustainability agenda grows. We encourage you to send us your feedback so that it is incorporated in future reporting cycles.

# About Chalhoub

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

By blending its expertise with an intimate knowledge of luxury, the Group is building brands in the region and is offering service excellence to all its partners and a unique experience to its customers through its dedicated teams.

At Chalhoub, we are guided by the philosophy of being committed to excellence, respect and entrepreneurial spirit.

Over the past six decades, we have nurtured strong relationships with our international clients and acted as a key driver in building a bridge between the West and the East through the fashion, beauty and gift industries.

### VISION

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

### **MISSION**

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.

## **OPERATIONAL PROFILE**

The Group has a regional coverage of 14 countries across MENA and involves distribution activities in India as well. We

manage more than 500 stores across the region through 65 companies.



 $\begin{array}{c} \text{OVER 500 retail} \\ \text{OUTLETS} \end{array}$ 

ACROSS THE REGION



TEAM OF OVER 10,000 PERSONNEL



92 NATIONALITIES



OVER 65 COMPANIES



REGIONAL COVERAGE OF 14 COUNTRIES











# **OUR ACTIVITY**



47%



40% FASHION





8% OTHERS

# **GROUP MARKET SHARE**







Fadi Jabbour Chief of Retail

The Group's differentiating factor is to commitment growing its partners' added value. Teams work together to continuously identify opportunities and build a network that enables own concepts and partner franchises. Guided by a culture of trust and respect the Group has been able to nurture long term relationships that remain dynamic, agile and that enable us to deliver a great shopping experience built passion, expertise and the ability to make each customer feel unique. With more than 150,000 square meter of retail space, the Chalhoub Group has become a major regional player in providing excellence to all its partners and a unique retail experience to its customers.

Each of our Group companies has retained its own structure while remaining focused on providing core business activities mentioned below:



**Distribution:** to facilitate direct access to regional markets and strategic alliances with international groups



**Retail:** to offer an innovative customercentric environment



Marketing and communication: to create the link between the brands and their customers, developing communication strategies to suit the regional taste

As a company, we strongly believe in building long-term partnerships with all our stakeholders. Showing our commitment over the past years, we have signed memberships with the following well-recognised organisations for responsible business practices in the UAE.

- » United Nations Global Compact (UNGC)
- » Dubai Chamber of Commerce CSR Label for the second consecutive year
- » CSR Arabia Network
- » Dubai Chamber of Commerce Sustainability Network

Through the submission of our letter of intent to the Secretary General of the United Nations (UN) and a donation of USD10,000, we have expressed our commitment to uphold the 10 basic universal principles of the UNGC. Our adherence to the UNGC is part of our firm commitment to sustainable development.

We are very proud to announce that we have been awarded the Dubai Chamber of Commerce CSR Label in 2013. With an improved score from 2012, we are determined to improve year on year.

# Our creative retail concepts

We have created our own retail concepts based on our constant evaluation of the retail market needs. Retail concepts are multibrand retail outlets established after careful assessment of the gaps in the market. Each concept offers the customer a unique experience.

Our retail concepts are listed below.

**TANAGRA** offers an inspiring, refined and edited array of lifestyle gifts and art de vivre under one roof. Since its opening in 1980, it has evolved into an impressive network of 15 boutiques spanning Kuwait, the UAE, Bahrain, Qatar and Saudi Arabia.





# MOOOOH (1) OD -> O

FACES OF BEAUTY

**WOJOOH** is a beauty haven offering an array of fragrance, makeup and skincare products. Wojooh offers a sophisticated fusion of luxury, unconventional, niche and specialty brands as well as expert advice to fulfil every need of the beautysavvy. After extensive study and concept development in 2013, Wojooh will be launching "wow" in 2014, the first makeup line inspired by consumer behaviour in the Middle East. Wojooh is the new name to be given for Faces beauty brand in 2014, to align it self with the local culture. Today, there is a regional network of more than 70 stores across Saudi Arabia, the UAE, Kuwait, Bahrain, Qatar, Egypt, Jordan, Syria and Lebanon.



**KATAKEET** iis a unique luxury children's wear concept store, available in Abu Dhabi, Dubai and Jeddah. Conceived around storytelling with the contribution of British children's book illustrator Polly Dunbar, the store ensures to provide a unique retail experience to both parents and children.



**LEVEL SHOE DISTRICT** is the world's finest shoe metropolis, targeting the luxury consumer through its unparalleled collection of exclusive footwear and bespoke services. This iconic district, spanning 96,000 square feet in The Dubai Mall, is recognised as a global fashion destination with a curated space divided into 40 designer boutiques and 4 multi-brand areas. Bespoke services comprise a VIP lounge, designer eateries, luxury sole lounge, high-end cobbler, shoe stylists and the latest in retail technology.



is TDESIGN an innovative approach to exclusive design, interior design and decoration, which has its presence below the iconic Burj Khalifa in downtown Dubai. It features bespoke limited editions, luxury design and custom-made pieces. It offers an array of inspiring design opportunities, professional advice, exchanges and experiences for global customers, connoisseurs, designers, architects and lifestyle industry insiders.





Marie-Hélène Straus General Manager Strategy & Innovation

Sustainability is the key element to any strategic direction and decision impacting the long term. To stay ahead of the curve, innovation and creativity are mandatory. Innovation comes from cohesive synergy and collaboration between business units and functions: this 'meeting of the minds' results in creative and dynamic initiatives allowing us to add value.

# OUR DIFFERENTIATING POWER

Over the last 60 years, we have built regional expertise and knowledge and we strive to continue adding value by building trust with our customers and partners through unique positioning and guaranteed innovation. We believe these inherent values have differentiated our operations

and built strong resilience against market challenges. In recent years, the GCC countries, similar to the rest of the world, have been affected by global developments related to a variety of socioeconomic factors. Our success in listening and responding to customer needs help address these factors. Our three-pronged business approach is described below.

### Store lease



We negotiate the best locations for our partners retail stores through an innovative approach, extensive retail activities and a well-established presence in the market. Moreover, we

maintain strong relationships with mall developers, resulting in deep credibility within the sector; and hence, we are often requested for expert consultation. All of these help us in securing prime locations for our retail brands.

### **Innovation**



We have a dedicated team to gather information on the region. The team regularly conducts extensive research to identify market needs. In the final quarter of 2013, we released our first

white paper entitled "Luxury in the Middle East: an easy sell?." The paper focused on the particularities of both the economic dynamics and consumer behaviour in the Middle East. Our commitment to innovation has also been recognised over the years through the development of initiatives such as the Retail Academy in the Middle East, the first of its kind, and through the opening of Level Shoe District, the world's largest luxury shoe store under one roof, amongst other leading initiatives.

### Partnership trust



We highly value our long-term relationships with our business partners that, we believe, have remained strong because they have been founded on the consensus of similar values and trust.

We offer strong logistic support to all our partners, exemplified by a total of 62,000 square meter state-of-the-art warehouse space spread across eight countries. Our Integrated Management Systems including ISO 14001 and 14001 certification.



# Our approach to sustainability

The Chalhoub Group has been supporting the development of luxury brands in the region for the last six decades. During these years, we remained committed to responsible business behaviour, considering the impact of our operations on the local communities, the people we work with and the surrounding environment. Reflecting these commitments, we have introduced a corporate social responsibility (CSR) strateay known as Chalhoub IMPACT, which allows us to better focus on the sustainability aspects of our activities and engage employees in various programs and initiatives.

**GOVERNANCE** 

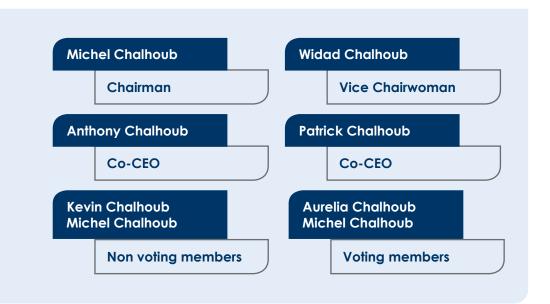
Our board of directors consists and reports on specific risks and of six family members and one challenges. It specifically sets independent member. They targets related to health and meet twice a year to ensure commitment to the Group values, standards.

oversee the progress and define long- and short-term vision and strategies.

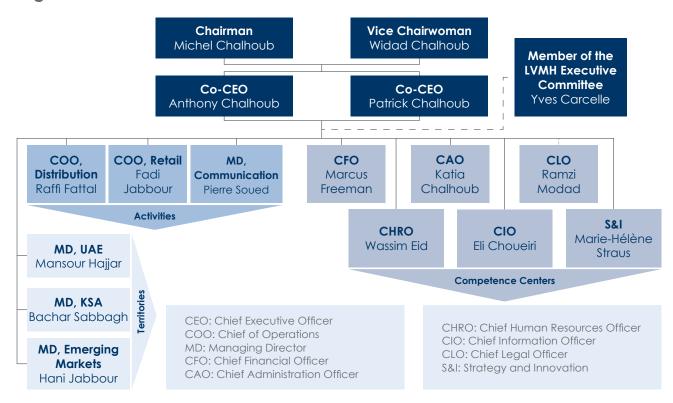
We ensure good corporate governance through various committees. The strategy committee, STRATCOM, is the Group's think tank. It monitors risks and opportunities, oversees specific strategic orientations and defines medium-term (3 years) and long-term (15 years) strategies. The STRATCOM meets three times a year.

The executive committee (COMEX) meets every two months and ensures smooth implementations of the strategies defined by the Co-CEOs. COMEX creates plans and budgets to achieve corporate objectives and reports on specific risks and challenges. It specifically sets targets related to health and safety, CSR and environmental standards.

Sustainability originates first from being a family organisation, anchored on strong values.



# Our organisational structure

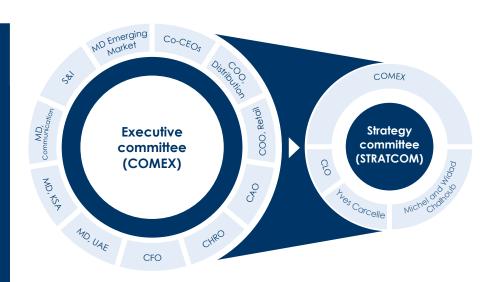




# In memory of Yves Carcelle

For me, you always embodied the great big brother, the ideal mentor, the example to follow and the true friend on whom I could always count. Your early departure put us all in mourning, but we are truly touched by your qualities and courage. Getting the chance to know made us all better.

Anthony Chalhoub CO- CEO of the Chalhoub Group



Co-CEOs: Co-Chief Executive Officers

COO: Chief of Operations MD: Managing Director CFO: Chief Financial Officer CAO: Chief Administration Officer CHRO: Chief Human Resources Officer

CLO: Chief Legal Officer S&I: Strategy and Innovation



IMPACT'S mission is to support education in order to cultivate environmental and social sustainability in the Middle East through the engagement of employees and partners.



# OUR SUSTAINABILITY VISION

Our sustainability vision is to become the leading partner of luxury in the Middle East with a higher purpose, by driving sustainable development in the region. In order to achieve this, we have created Chalhoub IMPACT.

Strongly supported by our CEOs, employee engagement is at the heart of IMPACT. To spread sustainability practices, each of our business units has been assigned an "IMPACT ambassador" who acts as a coordinator and implementer **CSR** objectives related environmental impact, humanitarian contribution and standards/certifications. **CSR** have Currently, we ambassadors located in the UAE and we plan to increase the number on an annual basis. This way, we ensure that CSR and environmental initiatives are cascaded down to the local and operational level.

# REPORTING ON WHAT MATTERS

G4 – 24, G4 – 25, G4 – 27

### Stakeholder inclusiveness

Although we regard our employees as our primary and most important stakeholders, we acknowledge that there is a wide range of partners and other stakeholders who are affected by our services and operations. Our value chain is wide and diverse and spreads beyond our suppliers and customers. It includes the local community, civil society and media.

Over the years, developed multiple channels of communication with our key stakeholders. We have released our first white paper in 2013 representing our biggest communication success. have membership with the three major European luxury goods and creative industries organisations, Comité Colbert, Fondazione Altagamma and Walpole British Luxury. Round table discussions, conferences and talks conducted yearly by our CEOs on topics such as luxury, new market opportunities and trends. Our internal communication tools include "e-mac" intranet, and our internal corporate magazine, Maclines. Additionally, a yearly satisfaction survey is conducted to receive feedback from joint ventures and other business units about the experience with the Group's competency centres.

Meeting the expectations of our stakeholders is critical for our long-term success. Therefore, we aim to expand our stakeholder engagement methods in the upcoming years to keep our stakeholders informed of our sustainability strategies and activity developments.

#### Issues raised

» Engagement method

## Our response

G4 – 18, G4 – 19, G4 – 21, G4 – 24, G4 – 26, G4 – 27

Our ten key stakeholder groups along with our engagement method, their key concerns and our response to their needs are listed in the table below.



Board of directors

- » Economic and financial performance
- » Sustainability and business practices
- » Employee well-being
- » Business integrity
  - » Meetings throughout the year

See section: Governance, Our commitment to sustainable economic growth



**Business** partners

- » Store lease and market positioning
- » Trust
- » Adapted information to region/culture
- » Improved process operations
  - » White paper
  - » Business intelligence
  - » Competency centres
  - » Plug-and-play business model development

See section: Our differentiation power; Responsible marketing



**Employees** 

- » Continued individual development
- » Health and safety
- » Motivation
  - » Intranet, Macline newsletter, EDGE
  - » Training sessions, seminars
  - » Events
  - » Performance reviews and appraisals
  - » Manuals and policy handbooks
  - » Chalhoub Excellence Awards

See section: Our people; Learning and development; How we conduct our business; Our impact on the economies where we operate



### G4 – 18, G4 – 20, G4 – 21, G4 – 24, G4 – 26, G4 – 27



- Customers
- » Privacy and security
  - » Customer satisfaction survey
  - » Customer events

See section: Our code of ethics; Customer satisfaction



- Suppliers/contractors
- » Economic sustainability
- » Reputation
  - » Supplier evaluation process
  - » Supplier checklist
  - » Annual agreements
  - » Sustainable stores checklist

See section: Procurement practices; environmental stewarship



Legal authorities

- » JAFZA compliance
- » National law and regulation compliance
  - » Meeting and interviews throughout the year
  - » Trakhees Accreditation Program

See section: Our code of ethics; Responsible marketing



**Educational** institutions

- UAENational Development
  - » Career fairs
  - » Internships, scholarships
  - » Mentorship
  - » Guest lecturers
  - » Round table discussions

See section: Our people; Gulfanisation



- Recruitment agencies
- » Labour insertion
- » Retention of GCC nationals
  - » Open days

See section: Our people; Gulfanisation; Supporting local entrepreneurs

Issues raised

- G4 18, G4 20, G4 21, G4 24, G4 26, G4 27
- » Engagement method

### Our response



NGOs and the local community

- » Know-how
- » Social concerns
- » Environmental concerns
  - » Advisory services, consultations and knowledge sharing, e.g. university partnerships and Khalifa Fund
  - » Collaborative projects design
    - » Volunteer programs
  - » Donations
    - » Relief Aid for Philippines Campaign
    - » Gift of Giving Campaign
  - » Environmental programmes
    - » Annual Beach Clean Up Campaign
    - » Spirit of the Ghaf Campaign
    - » Fundraising, e.g. Hope for Cancer Patients Campaign
  - » Local community programmes
    - » Jusoor NGO partnership in Syria
    - » START partnership under Al Madad Foundation
    - » One Young World Campaign

See section: Chalhoub IMPACT



Press/media

- Transparency
- » Communication
- » Power of influence
- » Cultural sensitivity
  - » Media release, press kits
  - » Communication campaigns
  - » PR events
  - » Social media, bloggers

See section: Responsible marketing

We believe that the future and success of the Group lie in the development of our people, and thus we emphasise the importance of engaging with our teams.



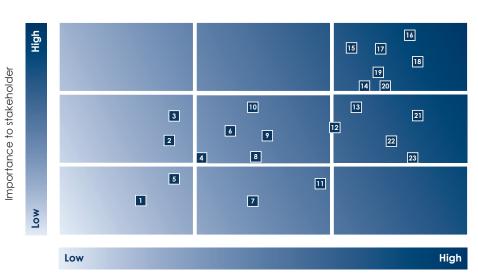
# **Materiality**

### G4 – 18, G4 – 19, G4 – 21

The content of this report has determined been primarily through discussions with the senior management and decision-makers, as well as through a materiality workshop held amongst key departments, in which we determined material issues that are important to our internal and external stakeholders. Topics that our stakeholders have deemed critical for us to address are represented in the materiality matrix below. The materiality matrix illustrates the importance of each topic to our Group's business along the x-axis, and the relevance to our stakeholders on the y-axis.

The matrix has a total of 23 topics that were assessed based on their impact and influence on the society and the environment as well as to our business as a whole. For each material topic, we report against the most relevant GRI G4 KPIs.

Each of the material topics relates to one or more of the GRI G4 aspects. We carefully assessed the limitation of each aspect by analysing its relevance to our stakeholders, the importance of each aspect to our organization, and determined whether the impacts occur within or outside our organisation or both. All material aspects are limited to our operations in the UAE, including MCT FZE, Chalhoub Group Retail, Allied and sister companies, REAL FZE, REAL EMIRATES and 3D.



Importance to Chalhoub Group's business

1 Welfare 16 HSS 8 Diversity 9 Waste management 17 Community engagement 2 Responsible marketing 10 Customer satisfaction 3 Transparency corporate 18 Gulfinisation governance 11 Risk management 19 Lease negotiation 4 E-commerce 12 Carbon footprint 20 Financial performance 5 Gender equality 13 Employee engagement 21 Partnership trust 6 Supplier screening 14 Innovation 22 Capacity building 7 Wages & benefits 23 IT-integrated solutions 15 Total quality imanagement

# G4 – 18, G4 – 20, G4 – 21

Material aspect	GRI aspect	Boundary inside our organisation*	Boundary outside our organisation
Health, safety and security	Occupation, health and safety	UAE operations	Customers
Total quality management	Occupation health and safety and environmental compliance	UAE operations	Business partners
Community engagement	Procurement practices and local community	UAE operations	Civil society
Gulfanisation	Market presence	UAE operations	Civil society, consumers
Store negotiation	No specific GRI aspect to cover this impact area though it affects many aspects	Chalhoub Group (all geographies)	Business partners, customers
Financial performance	Economic performance	Chalhoub Group (all geographies)	Shareholders
Innovation	No specific GRI aspect to cover this impact area, though it affects many aspects	Chalhoub Group (all geographies)	Business partners, Customers
Partnership trust	No specific GRI aspect to cover this impact area, though it affects many aspects	Chalhoub Group (all geographies)	Brand partners
Employee engagement	Training and education	Chalhoub Group (all geographies)	
Carbon footprint	Materials, energy, water, emissions and transport	UAE operations	Legal authorities, Civil society
Capacity building	Training and education	UAE operations	



# <u>G4 – 18, G4 – 20, G4 – 21</u>

Material aspect	GRI aspect	Boundary inside our organisation*	Boundary outside our organisation
IT-integrated solutions	No specific GRI aspect to cover this impact area, though it affects many aspects	UAE operations	
Customer satisfaction	Product and service labelling and customer privacy	UAE operations	Customers
Supplier screening	Supplier environmental assessment, supplier assessment for labour practices, and supplier human rights assessment	UAE operations	Suppliers
Waste management	Effluents and wastes	UAE operations	Suppliers
Diversity	Diversity and employment	Chalhoub Group (all geographies)	Communities
Risk management	Anti-corruption	UAE operations	All external stakeholder groups
Transparency/ corporate governance	No specific GRI aspect to cover this impact area, though it affects many aspects	Chalhoub Group (all geographies)	All external stakeholder groups
Responsible marketing	Marketing and communication	UAE operations	Media
E-commerce	No specific GRI aspect to cover this impact area, though it affects many aspects	Chalhoub Group (all geographies)	Customers
Gender equality	Equal remuneration for women and men	Chalhoub Group (all geographies)	Communities
Wages and benefits	Economic performance	Chalhoub Group (all geographies)	Communities
Welfare	Employment	Chalhoub Group (all geographies)	Communities

<sup>\* \*</sup>Note: Although the impacts of all our material issues are across the Group, the qualitative and quantitative data of this report are only covering our UAE operations, with best practice examples across the region, wherever possible. Therefore, the majority of our aspect boundaries are only on our UAE operations. We intend to increase the boundaries of our report in the pear future.

Our approach to reporting is evolving, and therefore, we plan to expand the boundary and scope of our sustainability performance in the future.

# **OUR SUSTAINABILITY TIMELINE**

Our sustainability journey over time



Michel and Widad Chalhoub open the first boutique in Damascus, Syria

Chalhoub Group's headquarters moved to Dubai



Launch of Chalhoub Retail Academy in the UAE

 ▼
 1980
 ▼
 1997
 ▼
 2009

 □
 1955
 ▲
 1990
 ▲
 2007
 ▲

Launch of Tanagra



Regional deployment of the Faces now Wojooh, beauty concept stores

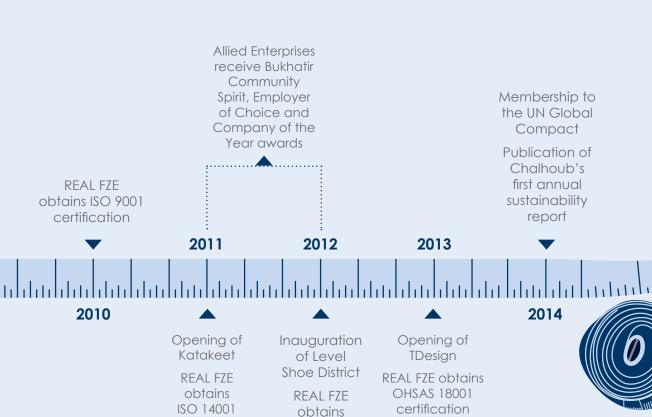


Opening of Chalhoub Retail Academy in Saudi Arabia

Launch of Chalhoub IMPACT







**LEED Silver** 

certification

certification

REAL

**EMIRATES** 

obtains

ISO 9001

certification

obtains OHSAS 8001 certification Chalhoub receives CSR award from the Dubai Chamber

**REAL EMIRATES** 

Chalhoub launched its first white paper

of Commerce

Chalhoub Group Environmental Policy



# How we conduct our business

# **OUR VALUES**

**Respect:** fairness, integrity, humility

# **Excellence:**

role model, commitment, efficiency

Entrepreneurial spirit: leadership, ingenuity, team spirit

With almost sixty years experience in the luxury market, maintained high ethical standards, reflected by our behaviour and actions, both inside and outside the company. This year, we have implemented a "code of ethics" as a testimony to the unique way of how we conduct our business. We provide opportunities to every member of the company to excel in life and work, be a role model to others, and enhance the company's reputation.

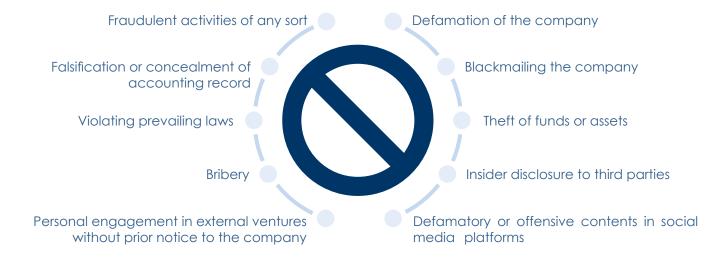
## **OUR CODE OF ETHICS**

Our code of ethics gives us the direction to pursue business opportunities while following our vision, strategy and values. Our values serve as the foundation of our practices and principles and ensure that we conduct business with utmost levels of integrity, fairness and respect for the communities in which we

operate. We strive to incorporate our values into our daily business and take efforts to convey them to our employees on a regular basis. In order to achieve this, we have placed permanent signage of our values throughout our offices and at the main entrance of the head office so that anyone entering our buildings is reminded of the fact that values are an intrinsic part of the Group's culture. In addition, we made a movie in 2013 which we shared with our employees to emphasise the importance of the Group's values.

We encourage our employees to seek innovative and collaborative ways of conducting business. We respect the proprietary information of our competitors and fully comply with the intellectual property laws. Our code of ethics guides us on how to handle intellectual property issues and digital data, and manage confidential information

### Zero tolerance for:





of our own as well as that of not make or receive facilitation third parties. Moreover, it shapes the company etiquette while conducting business within and outside the company.

We strictly prohibit workplace harassment and the practise of violence. Our employees are advised to raise their concerns the Human Resources Department when witnessing or being subjected to any unethical behaviour, discrimination or harassment at the workplace.

## UNGC - 10

We have zero tolerance for any form of fraud or corruption. We seek to ensure that all our agents, contractors and suppliers do

payments on our behalf, when dealing with government or other private organisations.

We are aware and in compliance with all ethical behaviour laws applicable in the countries where we operate. We have zero tolerance for any violations.

### Code of ethics for our employees

If a particular situation is not covered in the code of ethics, employees are encouraged to seek guidance from their country managers, the Human Resources manager or via the contact email ID designated specifically for this purpose



# **Human rights**

G4 – HR5, HR6 UNGC – 4, 5

We are a signatory of the United Nations Global Compact (UNGC), a strategic policy initiative for businesses. Therefore, we are expected to align our operations and planning with the 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.

Our value chain is extensive, with a regional coverage of 14 countries, more than 10,000 people in our network, working to manage 552 stores across the regions that are controlled by 65 companies.

**Employment** remains among the areas of our greatest human impact, and we have many opportunities to help about real change. We oppose illegal labour, including child labour and any unacceptable treatment meted out to workers. We also encourage all our contractors and third parties to adapt this behaviour. Although partnerships have universities and recruit students for internship opportunities, we do not hire people below the age of 23. Furthermore, none of our operations are exposed to significant risks in relation to forced or compulsory labour violations.

## RESPONSIBLE MARKETING

Consumers have become more conscious regarding social and environmental concerns and have preferences specific interests. and cultural sensitivity when purchasing our products. These findings were legitimised through a consumer survey conducted in the UAE in 2011, which claims both local nationals and expats expect businesses to act responsibly. It is important that our brands apply responsible marketing practices so that we can adapt to consumer expectations and build customer confidence and trust.

We have developed an online marketing platform called EDGE in 2013. EDGE is a tool that enables our marketing team to provide operational teams with targeted information related to responsible marketing practices, as well as inspiration and support to better understand the needs of our customers. EDGE offers up-to-date reports on global trends on a weekly basis through the intranet, and provides workshops and training opportunities.

Moreover, our marketing and innovation teams provide strategic advisory consultancy to our brands and assist them during the advertisement process. We continuously work with our brands encourage the adoption of cause marketing strategies that are in line with their brand values while meeting the social developmental needs of the region.

We are aiming to introduce further marketing-related training programs in 2015, which most fit the needs of our employees and define our technical marketing competencies at the Group level.

The sustainability and marketina & innovation team collaboratively support brand strategies to integrate principles of sustainable development into their strategies. Extensive research has been provided for Wojooh, to encourage and inspire women to make a difference in the GCC. Research has included entrepreneurship, women empowerment and other self-esteem initiatives affectina the region.



Over the past five decades, we have been the leading company for luxury goods in the fast-growing Middle Eastern market. Along with the growth of our business in the region, we are consciously contributing towards the development of the communities we operate in.

Our commitment to sustainable economic progress in the region is based on the development of human resources and the promotion of entrepreneurial spirit, especially in the Gulf nations. The Group has witnessed a 10% increase in recruitment and expansion of operations this year and we are determined to maintain this steady growth in the future.

# OUR COMMITMENT TO SUSTAINABLE ECONOMIC GROWTH

As a group, we have seen our business expand because of our steadiness to invest in sustainable growth opportunities and local business partnerships that provide long-term strategic benefits rather than short-term revenue returns. As a result, the Group's growth has been more than 15% in 2013.

We have strict policies to ensure that any new business partner is subject to conformity and alignment with our values and corporate culture. Over the past years, we have on instances declined partnerships with third parties because of nonconformity with our group values.

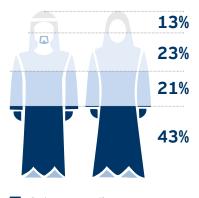
## **GULFANISATION**

As part of our continuous approach to business growth in this dynamic market, we are highly committed to recruiting nationals and enhancing the skills of the local youth. Recognising the regional governments' challenge to increase participation of nationals in the local workforce and in anticipation of the long-term challenge to adhere to strict nationalisation laws, we have various Gulfanisation initiatives and efforts in place.

More specifically for the UAE, Emiratisation has been our focus in 2013. We have set up an Emiratisation Steering Committee and developed a road map for 2013–15. This helped us to define the Gulfanisation strategy for the entire Group, after which we recruited a Gulfanisation Officer in 2013 to execute and manage our performance in this area.

Our commitment to Emiratisation goes beyond the regulatory requirements. We aim to achieve the target of recruiting 5% UAE nationals in our workforce by 2015. In order to achieve this objective, all general managers are expected to set targets to

# Distribution of UAE nationals in 2013



Sales operationsBack office

Support services

Front liners



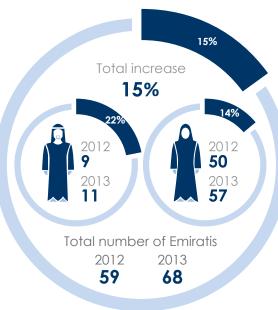
increase the number of GCC nationals in their respective teams. In addition, each business unit is expected to have one GCC national team member. Their aim is to create a team environment that includes local culture and nationalities, and their ability to meet this target will be reflected in their annual bonus. Currently,

we have met and exceeded our initial target and now have 6% GCC nationals in our workforce, including 3% UAE nationals. We have also recruited one GCC senior manager in 2013. In 2014, we aim to develop specific recruitment campaigns that will focus on positioning the private sector as an attractive employer.

Our vision is to become an employer of choice for GCC nationals, by attracting, integrating and developing local talents at Chalhoub.







Increase in Emiratisation: 2012-2013



Vish Sanghani Group Talent Manager

With the EGP, we aim to provide accelerated development opportunities to young emirati graduates to learn & work in the exciting business of luxury within the middle east region. The program involves exciting rotations in different part of the business, training programs, mentoring and coaching. It is also a way to build future leaders and integrate local national into our workforce as part of our long term vision

Our graduate development programme has been designed to help create future leaders in the luxury industry.

# EMIRATI GRADUATE PROGRAMME

Our learning and development team launched the Emirati Graduate Programme in 2013 to provide graduates with the opportunity to grow as part of the Group and experience the different facets of the business. The objective of the programme is to ensure UAE nationals are offered and guided down an 18-month career path programme, wherein they are encouraged to rotate across four development streams: marketing, finance, HR and commercial.

As part of our ongoing strategy to develop young talents across the country, we established various partnerships with universities in order to provide scholarships, lanauaae training, internships educational programmes and to GCC nationals in the region and internationally. The goal is to empower the youth in the Middle East to ensure they are ready to take up the challenges of the current and the future job markets.

We provide scholarship programmes for GCC nationals at various universities across the globe. Partner universities in the UAE include the American University of Sharjah, Zayed University and Paris Sorbonne University in Abu Dhabi. In Lebanon, we have established regional partnerships with the

American University of Beirut, Ecole Supérieure de Affairs (ESA) and the University of St. Joseph. In Europe, partner universities include Polimoda in Italy and Sciences Po in Paris, France.

We also take part in local recruitment initiatives and partner with nonprofit organisations and other institutions in order to enhance our commitment towards Emiratisation. This year, we have joined ABSHER - an initiative launched by His Highness Sheikh Khalifa Bin Zayed Al Nahyan, President of the UAE — with the objective to provide all means of stability and welfare for the UAE citizens by enhancing their participation in the labour market. Through ABSHER, we aim to recruit at least 70 UAE nationals over the next three years.





# YES TO WORK INITIATIVE



YES to Work is a national initiative taken by the Abu Dhabi Centre for Technological and Vocational Education and Training (ACTVET) in support of ABSHER. It encourages young Emiratis to gain professional experience in the private sector by offering them jobs and training in retail services during their summer and winter breaks. This year, we have been awarded for our contribution in the Yes to Work initiative. We are proud to have supported 46 students through our educational platform under the initiative.

## **FEMINISATION IN SAUDI ARABIA**



Based on the third phase of the feminisation programme introduced by the Ministry of Labour in Saudi Arabia in 2012, enforcing retailers to recruit women at female cosmetic and apparel stores by 27 June 2012, we started recruiting women in all our cosmetic and perfume stores. Many businesses were unable and unwilling to comply because it was a challenge to recruit female candidates in such a short period of time. The Chalhoub Group, however, was determined to comply with the new programme. We used several available communication platforms, such

as social media, newspaper, word of mouth and career fairs, to create awareness. We were successful in recruiting more than 1,000 females in four months and transferring 117 males to other positions within the Group. Our commitment continues with the advancement of university partnerships and knowledge-sharing platforms with young females in Saudi Arabia, so they are better equipped to become part of our workforce.



Mansour Hajjar Managing Director, UAE

When asked what keeps me up at night, my answer is Emiratization. And today, without collective efforts towards the education and the support of the local population of the UAE, the nation that warmly welcomed us won't succeed in its sustainability mission. It is our critical duty as guests to give back by supporting Emirati entrepreneurs, sharing our knowledge with the youth of the country and by investing in local talents and initiatives. A sustainable future for the UAE will only come through the empowerment of Emirati nationals the and this is what we are passionately committed to as Chalhoub Group.



# SUPPORTING LOCAL ENTREPRENEURS

Being a leader in the luxury sector and located in one of the world's fastest growing economies, we look to play a key role in fostering local entrepreneurship. Alongside our work on Gulfanisation and feminisation in KSA, we are committed to providing dedicated support for local entrepreneurs through a range of initiatives.

We actively promote local brands and designers through development our business team. The team offers financial support, know-how consultancy, and brand development and strategy support to local entrepreneurs. We also support local entrepreneurs by offering an exclusive space at Level, the largest shoe district in the world, to promote their products.



# **KHALIFA FUND**

The Khalifa Fund (KF) is a public entity reporting to the Abu Dhabi Executive Council. Its mission is to develop a culture of entrepreneurship, encourage private sector enrolment and help in achieving Plan Abu Dhabi 2030.

The partnership between the Chalhoub Group and KF involved a three-pronged approach as follows:

- » Building the capacity of KF teams by providing them with knowledge on retail business and mentoring aspiring entrepreneurs on its unique dynamics
- » Arranging lectures by experts for entrepreneurs
- » Allowing aspiring entrepreneurs to shadow retail operations

Through this partnership, we aim to encourage local private sector enrolment and help in achieving Plan Abu Dhabi 2030 to diversify the economy.



In 2009, we established Chalhoub IMPACT, our corporate social responsibility strategy. The strategy aims at contributing to the sustainable development of the region through education, environment and humanitarian aid.



# Highlights of 2013

- Chalhoub Group
   Luxury Brand
   Management
   Professorship with
   American University
   of Sharjah
- » Chalhoub Scholar's Day
- » Jusoor Scholarship Programme
- » 45% increase in the Gift of Giving campaign — 12,716 stationary packs were distributed to children
- » 5,000 Ghaf trees planted — initiative of the Spirit of the Ghaf campaign
- » 5 environmental awareness events
- » AED 404,147 raised by the Hope of Cancer Patients campaign

IMPACT focuses on strategic partnerships that address sustainable development needs the region. Community projects launched by the Group require full commitment from the team. Although we contribute a substantial amount of funding to social and environmental initiatives, the objective is to collaboratively create project designs that meet development needs, and ensure business expertise are being leveraged. We aim to achieve these objectives through several retail campaigns, such as the Spirit of the Ghaf, Hope for Cancer Patients and START.

With the support of our IMPACT ambassadors in each of the business units, we intend to reduce environmental our footprint, engage with employees and promote active community participation. IMPACT ambassadors are employees across our services operations who have volunteered become coordinators and advocates for IMPACT campaigns in their respective business units. Currently, there are 78 ambassadors volunteering in the UAE.

IMPACT's mission is to engage employees in supporting initiatives in education, environment and humanitarian matters across the Middle East. Our strategy recognises that employee participation is crucial to creating positive and long-term community impact. We, therefore, aim to engage all our employees in order to bring together a diversity of skills, expertise and knowledge needed for tackling complex societal issues.



### SUPPORTING EDUCATION

We believe education crucial for the socio-economic development of the region. We have an important role to play in the advancement of knowledge in our society. We support our employees during their pursuit of higher education. Additionally, commitment the Group's to education is reflected by the continuous investment in infrastructure development and community engagement.

Through the Chalhoub Group's scholarship programme, we grant scholarships to youth from the Middle East to pursue higher education in reputed universities in the world. The goal is to empower our scholarship recipients to make them capable of facing the challenges of the rapidly changing job market through innovative learning programmes and dynamic partnerships. We expect our scholars to be ambassadors of the Group's values — respect, excellence, entrepreneurial spirit, humility and unity. Our scholarship recipients are expected to sign a

commitment letter sent on behalf of the CEO. This letter highlights our sustainability mission, values and the expectations from a Chalhoub Group scholar.

We also provide our partner universities with the scholarship guidelines to ensure they are accountable to us. The guidelines outline the criteria for student selection and describe sustainability mission and vision, so that the partner universities understand the strong between social responsibility principles and the Group's community investment.

We have partnered with universities to help bridge the gap between cademia and industry. The introduction of the Chalhoub Group Luxury Brand Management Professorship at the American University of Sharjah (AUS) is an example of a unique opportunity for group members to share experience and business knowledae with university students.



# AMERICAN UNIVERSITY OF SHARJAH

In 2012, the Chalhoub Group launched a professorship with the American University of Sharjah (AUS), under which a marketing course in luxury brand management is being offered to students. The course framework has been outlined on the basis of the collaboration between the AUS and the Chalhoub Group, offering real-life insights and shedding light on industry needs. The course is supplemented with Chalhoub Group experts offering guest lectures, mentorship and assessments on senior-level projects. The aim is to create a local understanding of luxury brand management in order to build up talent regionally and, in turn, increase local recruitment.



### RAMI ZAATARI

Words cannot describe the feeling of being awarded a scholarship from Chalhoub Group, I am grateful and appreciate their support to help make my educational endeavors become a reality and exert a powerful influence over my life.

I believe that pursuing the course on Global Economy at University of Glasgow, which will give me the opportunity to receive quality education, is a critical component to my profession in theoretical & practical aspects.

Upon returning to Syria and after deepening my specialisation, I hope to continue working more efficiently in the field of competitiveness researches, consultancy, policy-making and think-tank.

# BRINGING ABOUT A POSITIVE CHANGE IN SYRIA

## Scholarship programme

We have partnered with Jusoor, a non-profit organisation, aiming to utilise the potential of Syrian refugees and bring about a positive change in Syria.

Under the partnership, the Chalhoub Group has provided scholarships for five students attending university in the UK. Scholarship recipients are identified based on the quality of application, nature of circumstances and how their academic development has been affected by the Syrian crisis. These students are attending the University of Warwick, University of Bradford, Birmingham University, University of Manchester and University of Glasgow.



TRAKER SABBAGH

Dear Chalhoub Group,

First I would like to thank Chalhoub group for giving me the chance of my life. I am and I will always be grateful for this consideration.

The moment I was informed that I had been chosen for the scholarship was very unique and unforgettable. To be honest I was not able to sleep that night. Beside all doors that the scholarship will open for me, I felt that there is still hope for Syria. The fact that there are still people who intend to help Syrian youth and contribute to the future of Syria; regardless of our ethnicity religions and political views, this fact gives me the hope that we will be able to rebuild our country again.

Lastly, I assure you that I will do my best to excel in university and be as expected, a good ambassador of Chalhoub Group.



# CHALHOUB GROUP LEARNING CENTRE



The Chalhoub Group, in collaboration with Jusoor, has set up a learning centre in Bekaa, Lebanon, to teach refugee children from Syria the basics of reading, writing and mathematics. We help them in overcoming their learning difficulties that have resulted from the displacement, by raising their standard in English and mathematics. This will eventually help them in joining the formal education system. Currently, the formal education system in Lebanon is saturated and the competition to join the public schooling system is fierce. The objective of the learning centre is to prepare the refugee children psychologically and academically so that they are prepared to join formal schooling system. The learning centre offers transportation to children living in camps in 5 different villages and has enrolled 500 students to date.



## WALLADA SHAABOUK

For being one of those who were selected for the higher study Chalhoub scholarship, I would cordially and gratefully say.. thank you Chalhoub Group.

Thank you for recreating the hope again into our souls, and opening a shining road towards a better future. A future of building and development, a future of knowledge and progress. Amid the sound of bullets, explosions & pains, where the hope almost disappears, and all the dreams turn into a long nightmare; I feel how grateful I am to have the chance of achieving the change, a chance of bringing about the sought impact. Today, I look ahead to the challenges and duties I have; and realize the volume of responsibilities and commitments I bear towards my family, my society, country, and myself. I recollect my strength and go forward with a strongest determination ever, a strongest will ever, and a steady belief in the better tomorrow.



**LUNA GHANNAM** 

Chalhoub Group granted me the opportunity to attend one of the top prestigious schools in England and acquire top notch knowledge and skills. Thanks to Chalhoub Group, I am now able to take one step closer to achieve all that I aspire, and become part of the positive change in Syria. I will be carrying on the Chalhoub Group legacy of improving our beautiful nation with ultimate pride.



Neha Mishra HR Specialist, TARZ

Gift of Giving is one of the many impactful initiatives that brings a lot of cheer to the underprivileged kids and is a humbling experience for the employees.

## GIFT OF GIVING CAMPAIGN





Frederica Triuibiani Marketing Director, Beauty Own Concept

I feel very proud to be part of a group that understands the importance of giving back to the community with programs such as Gift of Giving. Children are our future, so thank you IMPACT for giving us the opportunity to care and make a difference in their life. The Gift of Giving campaign is our largest group-wide campaign. We encourage our employees to support underprivileged primary-level students across the region through the donation of school packs. Employees support this campaign by purchasing stationary items for the students. We match our employee contributions by purchasing a backpack for every school pack donated. In 2013, the Middle East region donated 10,784 backpacks made of 100% recycled water bottles to the students, a staggering 15% increase from 2012. Additionally, all plastic bags from the campaign were donated to the Philippine Community Fund (PCF) in order to be recycled into merchandise to support underprivileged families in Smokey Mountain, Manila.

In the UAE alone, more than 100 of our committed employees were involved throughout the process, donating from purchasing to packing and delivering, spreading happiness to over 300 children on the International Literacy Day, 8 September. The UAE campaign was also supported by our education partner, AUS, where more than 130 students donated AED 4,035 for the campaign.

# **EDUCATION IS MAGIC**



We have partnered with START, an independent project under the Al Madad Foundation, to collaboratively design an entrepreneurship programme being offered to Palestinian refugees living in the Mer Elias refugee camp in Lebanon. Our marketing, advertising, sales and human resources experts create content and facilitate workshops for young aspiring Palestinian entrepreneurs, inspiring them to pursue their dreams.



### ONE YOUNG WORLD



The One Young World summit is a global forum for young people with strong leadership qualities, to gather, discuss and develop solutions for positive social change and a better tomorrow. One Young World campaign's purpose is to empower local students in the Middle East through experiential learning. After each summit, the delegates are expected to return to their home countries and implement initiatives that will bring about a positive change. In 2013, the summit was held in Johannesburg and the Group sent a delegation to the summit for the fourth consecutive year.

The application process that we follow is open to our own employees as well as to students attending our local partner universities, such as the AUS, Zayed University and Paris Sorbonne Abu Dhabi. In the four-day summit, the delegation had the privilege of drawing inspiration from world-renowned dignitaries, such as Kofi Annan, Sir Richard Branson and Sir Bob Geldof.



Sarah Cousin Chalhoub Group, UAE

I feel very lucky to have had the opportunity to attend this very enriching conference.



Amel Adel Paris Sorbonne University, Abu Dhabi

I am taking everything I learned with me back home, hopefully implementing something that will benefit causes I feel very strongly about.



Anas Vadakkengara Chalhoub Group, KSA

This is the first time that I have seen so many people from different walks of life, who are sharing their experiences. It is really amazing.

### PRESERVING THE ENVIRONMENT

We are committed to reducing our environmental impact and we strive to engage all our employees in this process through education, volunteering and providing them with the opportunity to become an IMPACT ambassador.

In line with creating a culture around responsible behaviour, we have five environmental awareness campaigns as well as fundraising campaigns such as the Spirit of the Ghaf campaign.

In collaboration with our Chalhoub online marketing platform EDGE, we have produced a presentation titled Top Tips on being a Green Marketer, and shared it with all employees online as well as published it in the weekly newsletter.

### SPIRIT OF THE GHAF CAMPAIGN



Ghaf is a tree that grows in arid lands and is considered a solution to desertification. It stabilises dunes and improves the soil. Today, however, the Ghaf is being over-grazed to destruction and groves are succumbing to urbanisation and rapid infrastructure development. IMPACT organised its second in-store fundraising campaign, Spirit of the Ghaf, in 2013 by using retail platforms to spread awareness about UAE's national tree. Environment-friendly bracelets were sold at more than 100 stores to raise funds for the Give a Ghaf tree planting programme, which resulted in the planting of 5,000 Ghaf seeds in 2013. More than 200 retail staff members have been educated on the cause and urged to prioritise the sale of the bracelets so that significant impact could be achieved.

### Environment awareness events

We have been participating in the Earth Hour movement for the past four years, turning off the lights across our offices for one hour and creating awareness about climate change and environmental stewardship. Since 2012, 120 of our stores across the UAE joined the initiative by switching off the lights for one hour in line with the global movement.

Signage of this initiative is placed at all points of sale to educate customers on the importance of saving energy.

In 2013, we commemorated the Earth Day programme by screening the documentary The 11th Hour at the Pavilion in Downtown Dubai in the presence of more than 50 employees to create awareness about the threat of global warming.



film Mother Earth, made to create environmental awareness amongst employees, screened on Earth Day in 2013. The video is now available on YouTube.

We celebrate World Environment Day annually with an exhibition and auction of our employees' artistic works. The proceeds of the

Chalhoub IMPACT's first short 2013 auction raised more than AED 10,000 for the Emirates Marine Environment Fund to protect was local biodiversity. Through all these efforts, we hope to foster a more environmentally conscious mentality across the Middle East. In 2013 teams went for organic healthy eating cooking classes in line with the theme of 'Think.Eat. Save.'



Francois Schweitzer General Manager

What if it was in our nature to help nature?



Wojooh team in Syria celebrating Earth Hour

### ANNUAL BEACH CLEAN UP CAMPAIGN



A total of 130 employees participated in cleaning up the beach and mangrove areas at the Emirates Marine Environmental Group reserve during Chalhoub's Annual Beach Clean Up campaign in 2013. The participation represented a 54% increase from 2012 level. The purpose of this campaign is to unite our employees and create awareness regarding environmental protection and biodiversity.



Dr Sawsan Secretary General, Friends of Cancer Patients

I think what you are doing is fantastic, it is a noble thing. You helping us to help cancer patients regardless of their ethnicity or religion is amazing. Cancer does not differentiate, it can hit anyone of us and for your support in fighting this we are so grateful.



Issam Aba Zeed Area Supervisor, AUH Retail Fashion

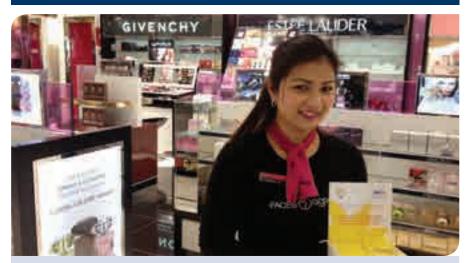
Hope for Cancer Patients is one of the campaigns that touched me deep inside, and made me feel for those who really need this donation just to stay alive. I felt happier with every daffodil sold. It is not about how many pins you sell but how many smiles you were able to plant on someone's face.

#### **HUMANITARIAN AID**

In recognition of our role as global citizens we offer humanitarian support through fundraising, volunteerism and using our retail operations as a platform to create awareness for social issues. Issues focused on include cancer awareness and prevention, political conflict and natural disaster.

### HOPE FOR CANCER PATIENTS CAMPAIGN



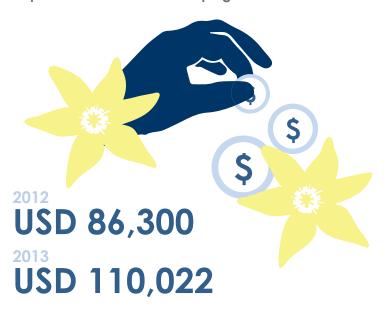


Hope for Cancer Patients campaign represents an important milestone as it was the first time our customers were actively engaged in one of our social initiatives in 2012. Our customers were encouraged to buy a specially designed "daffodil" pin with any purchase in the Chalhoub stores. Daffodil is a globally recognised symbol of hope for cancer patients. Under the initiative, AED 404,147 was raised for cancer patients and donated to the Friends of Cancer Patients Society. This initiative could not have been successful without the support of employees at all levels, from the managing director to the sales representatives in the stores.

For the 2013 Hope for Cancer Patients volunteer mission, we partnered with the local outreach programme, Be Beautiful. The organisation aims to educate and empower women suffering from cancer by conducting workshops on skin care, makeup, wigs and scarves. Beauty advisors from our brands took out time from their busy schedule to share their knowledge and donated products for these workshops.



#### **Hope for Cancer Patient campaign donations**



### **RELIEF AID FOR THE PHILIPPINES**



In 2013, Typhoon Haiyan hit the Philippines. It was one of the most powerful storms ever to be recorded. The natural disaster affected and displaced 13 million Filipinos. The Chalhoub Group raised AED 91,648 from our Kuwait, Bahrain, Qatar and UAE operations, which has been donated to the Philippines Red Cross in order to support the rebuilding of the areas that were hit by the disaster.

Every year, we contribute to numerous social and environmental initiatives that have positive impacts on the communities we operate in. Going forward, we aspire to investigate the social return on investment (SROI) on these initiatives, which would allow us to measure the wider concept of value generated through social investments and take into account the social, economic and environmental factors when calculating the organisation's growth. This would enable us to evaluate the impact on beneficiaries, identify ways to improve social or environmental performance and enhance the performance of investments.





In 2013, we developed our Group's environmental policy committing towards reducing our environmental footprint and improving our overall environmental performance in all operations.

In the future, we aim to evaluate our environmental impacts at every stage of our supply chain.

Our social responsibility team, together with the Logistics and HSSE team, develop Chalhoub's environmental goals and objectives. Representatives from all three departments come together to note down controls and measurable objectives to be followed, hoping to promote a culture of environmental sustainability across the Group.

To further track and mitigate our environmental impacts, our Logistics department maintains an aspect register of all the significant impacts associated with our internal activities, such as water usage, offloading, printing and waste disposal.

Moreover, we aim to implement a holistic environmental management system to help manage our environmental performance in an integrated way. UNGC-1

Our ambition is to identify savings through greater energy and water efficiency, as well as lower the levels of waste generation across the business.



Real Emirates Administration

Man's hunger for power seems insatiable. Reining it in, is a herculean task. At Real Emirates Administration, we determined that baby steps of kindness to Mother Nature via responsible energy consumption, will better translate to a tomorrow for us all.



### ENERGY MANAGEMENT

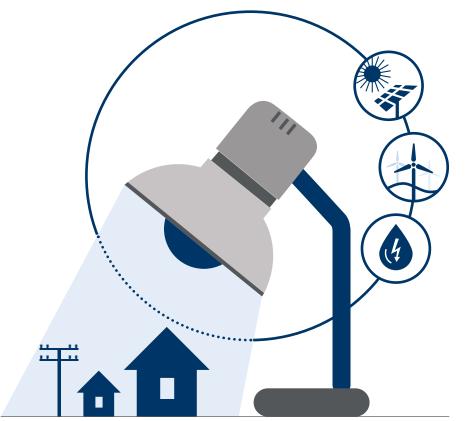
UNGC - 7,8,9

We use both primary and secondary sources of energy sources through fuel and electricity use. In an attempt to conserve energy in our buildings, we conduct regular third-party audits to review and strengthen our environmental performance. We strive to implement our auditor's recommendations.

wherever possible. Environmental performance of our buildings and our maintenance quality have been assessed for continuous improvement through stipulated KPIs, such as fire drill evacuation time and electricity and water consumption.

In order to reduce our electricity consumption, we have been replacing corridor lights with LED lights in our offices. We encourage our employees to use natural light during the day, wherever possible, through our environmental awareness campaigns. In

addition, we have improved the performance of air conditioning systems in our offices. Motion light sensors for lighting control have been installed in our warehouses. At our main warehouse in Jebel Ali, which is operational for 365 days, we have installed daylight sensors and timer controls for both internal and external lights in order to save electricity consumption. In our efforts towards ongoing energy management, we aim to replace the entire conventional lighting system with environmentfriendly alternatives across all our UAE offices.



\* The data given here has been derived from electricity bills. Due to missing data for some of the locations, we have taken the mean average from electricity bills for the main warehouse, CGR and DIP.

\* This is data for HQ, CGR, main warehouse, warehouse 1 and DIP. Data for Burjuman and AD offices is unavailable.

Total consumption of electricity at our UAE locations\*

2012

13,193,068 kWh

2013

13,543,547 kWh

CO<sub>2</sub> emissions due to electricity

2012

10,818 tons of CO<sub>2</sub>

2013

11,106 tons of CO<sub>2</sub>



Sourcing energy from renewables one of our long-term environmental goals. We have invested in solar technology with the ambition to have carbon neutral headquarters in the near future as a pilot for the rest of our office locations and warehouses. In 2012, solar PV panels have been installed at our main warehouse and are being used for our car park lighting. The electricity generated has helped us in saving 1,385,160 kWh in 2013, and an approximate reduction of 1,136 tons of CO<sub>2</sub> equivalents in emissions since its construction.

Our fleet accounts for the largest share of our total greenhouse gas (GHG) emissions. At the same time, we are opening new stores at a fast pace. Nevertheless, we are hoping to reduce our carbon footprint through our zone

map optimisation system. Zone mapping of our main distribution centres and retail stores helps in continual monitoring by GPS over fleet location, traffic conditions, route calculations and route arrival timings.

All our drivers in the UAE have been trained on route optimisation and reduction of fuel usage through the How to be a Green Vehicle Operator initiative. With



this initiative, we aim to educate our employees about the environmental impact of burning fossil fuels and how to reduce our carbon emissions through more responsible behaviour.

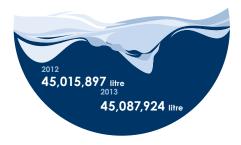
We are in the process of conceptualising innovative ways to save energy, including an integrated building management system for all our existing and future buildings. The centralised system at our headquarters will provide automatic control over monitored devices and overall energy efficiency.

2011 1,389 2012 2013 1,485 2,105



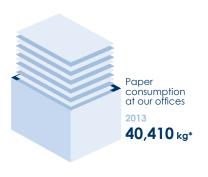
<sup>\*</sup> This information contains fleet data for Real Emirates and Real FZE.

#### Total water consumption at our UAE locations\*



- \* The data given here has been derived from water bills. Due to missing data for some of the locations, we have taken the mean average from electricity bills for the main warehouse, CGR and DIP.
- \* This data is for HQ, CGR, main warehouse, warehouse 1 and DIP. Data for Burjuman and AD offices is unavailable.

In 2013, we managed to save an equivalent of 316 trees through our paper recycling efforts.



\* This information contains data for Real Emirates and Real FZE.

# (F)

### WATER CONSUMPTION

Water is a scarce resource in the

countries where we operate. Although our operations are not very water demanding, we still acknowledge and appreciate the importance of efficient water use.

With the support of our Chalhoub IMPACT team, we have developed various waterreduction awareness campaigns for our offices and warehouses. "Save Water" posters have been designed and will be placed in all the areas of water consumption in 2014 to build Furthermore, the awareness. following activities have taken place in 2013 at our facilities and stores across the globe:

- » Installation of dual-flush water closets
- » Installation of water savers
- » Installation of faucet aerators
- » Identification and replacement of leaky taps
  As an initiative to reduce the amount of water used for irrigation, we have planted UAE's native plants in the gardens surrounding our main logistics warehouse in Jebel Ali. These plants require watering only twice a week. For further water optimisation, we treat sewage effluents and use the recycled water for irrigation.



### WASTE MANAGEMENT

We reduce our waste generation through

recycling initiatives and through effective and responsible waste disposal at all our offices and warehouses. We maintain inhouse segregation and recycling of waste through our recycling centres, of which the first one was installed at our headquarters in 2008.

We installed two more recycling centres in 2009 and additional ones with the installation of new buildings. These recycling centres are a safe and easy place for all our employees to dispose of recyclable wastes including plastics, paper and metal. We also encourage all our employees to dispose of home recyclable wastes in these recycling centres.













Carton

192.66 kg

The table contains data for the main warehouse, DIP and HQ excluding data for Burjuman, CGR and Abu Dhabi.



Paper

**18,565** kg

This information contains data for the HQ, Burjuman (including HAVAS) and DIP, excluding data for the main warehouse and the CGR and Abu Dhabi warehouses.



Wastes (non-recyclable)

1.880 cbm

This information contains data for the main warehouse and DIP, excluding data for the CGR warehouse and office locations.

### Recycled materials in 2013

In the past few years, we have extended our programme to include battery and printer cartridge recycling.

In 2012, Emirates Marine Environmental Group (EMEG) collected more than 500 toners in our head office, which were sold to third-party suppliers for recycling. In 2013, we partnered with JAFZA's waste management organisation, Imdaad, to collect toners in the Jebel Ali offices.

All our non-hazardous solid wastes such as gypsum boards, metal frames, wood and cement used for the construction of retail stores are first collected by our contractors and later by the Dubai Municipality for appropriate disposal. Going forward, we aim to establish a system to monitor the collection of our hazardous wastes in collaboration with our contractors.

Our retail stores generate high volumes of waste from stock items and damaged products that could not be sold. In order to reduce the volume of stock and minimise the waste, we offer summer and winter sales for our staff and the wider public. Until 2013, we collected up to 50 pallets of damaged or out-of-date stock items. By the end of 2014, we aim to have a compact site to reduce these wastes in the long term.

### Volume of nonrecyclable wastes produced in 2013

To help tackle the issue of waste management further, we have approached some of the major malls in the UAE to understand their waste management processes and expressed our intention to engage our retail outlets in managing the waste in accordance with the malls' operations. In 2014, we plan to develop and implement a "Sustainable stores checklist", in line with existing green building codes, in order to enhance the environmental performance of our retail stores.





We have robust recruitment procedures with well-defined employment and performance standards to ensure that we select high performers and achievers to join our group. We take great measures to motivate and retain our talented people and to assist them in performing efficiently throughout their career.

Our vision is to be the business partner of choice through targeted human capital strategies, people expertise and execution.

We promote and encourage professionalism and the general well-being of our employees, while upholding the Chalhoub Group values of respect, excellence and entrepreneurial spirit. Holding on to our commitment to excellence, we prioritise the professional development of our employees throughout their careers within the Group.

### LEARNING AND DEVELOPMENT

Due to the nature of our business, we have two distinct types of employees: frontliners and back-office staff. Our frontliners, who work in our stores, are the first line of contact with our customers



and are an integral part of the bottom line, both in terms of profit generation and customer satisfaction. Our back-office employees are not as visible as the positions held by frontliners, but are equally important to the success of our business as they handle its administrative aspects and internal processes.

We are aware that the required skill sets for the two types of employees vary significantly. In order to monitor their career paths and encourage talent management, we have created two different approaches to their training and development:

- » Training and development of our frontline staff through the retail academy
- » Use of a performance development review (PDR) procedure for our back-office staff

Frontline as well as back-office staff undergo a variety of learning programmes aimed at developing their managerial, behavioural and functional skills. These learning programmes also follow a natural leadership progression of first leading self, then leading others, and finally leading the organisation.



Wassim Eid Chief HR Officer

Our people will always be a strategic priority for us and for the growth of the group; we recognise employees who are committed and performing. We look after our talented and high potential employees providing them with development opportunities. Investing in Learning and development is one of key differentiation, encourage and support a wide range of professional and personal development initiatives through our 3 established trainings academies in Dubai, Jeddah and Riyadh, offering executive education, study assistance, coaching, and technical skills training. We always give the priority to promote from within and offer our staff stretched assignments to foster a culture of learning and coaching, using the 70:20:10 model

Our goal is to ensure that 50% of our employees are QCF Level 2 qualified. All new joiners at our back office and frontline office, irrespective of their level, have to undergo an induction programme. This programme acquaints them with the organisation's structure and culture with an emphasis



on the Group's values and social responsibilities. It allows employees, irrespective of their rank or function, to be in the

same room for interacting and learning about the organisation. addition, new joiners are introduced to our Co-CEO's in a group meeting, with the opportunity to exchange ideas about the Group's values, culture. social responsibilities and their personal aspirations. The new joiners at the frontline office further undergo a fiveday foundation training, after which all successful candidates have to attend the 30-day START Programme training. The START Programme prepares the new frontline staff for their roles and responsibilities in our stores and focuses on key concepts such as customer service, effective selling techniques, health and safety, and time management.

### THE CHALHOUB RETAIL ACADEMY (CRA)



Our frontline employees further enhance their functional skills at the Chalhoub Retail Academy (CRA) — the first internationally accredited retail academy in the Middle East. With a mission to "inspire excellence in retail," the CRA was established in 2007 in collaboration with the world's largest accreditation body, Edexcel (UK). A wide spectrum of training programmes, ranging from the Qualification Credit Framework (QCF) to Business and Technology Education Council (BTEC) portfolios, contribute to the personal and professional growth of our frontline employees and provide them with the internationally recognised QCF Level 2 qualification. QCF Level 2 provides our frontliners with the knowledge, skills and understanding required to attain a diploma-level aualification in retail.



Our store supervisors and in-store managers undergo a mandatory QCF Level 3 qualification programme. This training programme enables them to coach and support the development and progress of their frontline staff.

Qualifications	Trained frontliners in 2013
QCF Level 2 diploma in Retail Skills	68
QCF Level 2 certificate in Retail Skills	106
QCF Level 3 certificate in Assessing Vocational Achievement	64
52-week training	77
START Induction Programme	496
Distribution Excellence	33
RISE Retail Refresher Programme	194
Standardisation Day	12
START Distribution	80
Total	1,038

### **FOREVER LEARNING**

The concept of Forever Learning has been introduced to support the alumni of CRA and motivate them to "never stop learning." Every quarter, CRA graduates and managers attend an hour-long interactive and motivational session focused on a variety of subjects conducted by the company's management representatives.

All of our supervisory-level frontline employees are QCF Level 3 qualified.



Zaur Shiraliyev
Department Manager,
Retail Academy

Chalhoub Retail Academy we strive to ensure that we remain committed to our vision of "Inspiring Excellence in Retail". We do it by having best programmes, best facilities and services in place for our employees. We are very careful in selecting the Academy trainers, as we believe that they the champions are of change and role models for our front line colleagues. Our training and assessment activities meet the highest industry standards and receive feedback excellent from our accreditation Edexcell. partner,

The 2013–14 refresher programme was named "RISE" and it was inspired by the sunflower.

The programme conveyed that just as the sunflower rises and follows the movement of the sunrays, the employees too must rise up each day to the customers and their expectations.



194 attended the RISE programme in 2013.

### **ANNUAL REFRESHER PROGRAM**

In 2013, CRA developed and rolled out an annual retail refresher that aims to refresh the ongoing commitment to our values and provides training to improve the knowledge and skills of our employees. The key messages and content of the annual retail refresher are incorporated while developing the START orientation programme for the new joiners.

In 2013, the Chalhoub Group implemented the performance development review (PDR) approach to develop the skills of our back-office professional staff. The PDR complements the existing key performance indicators (KPIs) and encourages a transparent, performance-based recognition system. In addition, our learning and career developmental plan adopts the 70:20:10 model — 70% learning is achieved on the job, 20% by coaching and mentoring, and 10% is achieved though classroom or formal training. learning methodology focuses and aligns resources to support the development that is continuously happening at our workplace. Learning programmes mapped to each staff are member's development needs and categorised by three areas of training: managerial, behavioural and functional.

Our back-office entry-level employees are encouraged to attend these training programmes in order to develop their technical, linguistic and functional skills and further enhance their abilities and fulfil their career aspirations.

For our managers, we offer training bespoke courses exclusively tailored to their needs. Our mid-management professionals and supervisors are offered an array of behavioural and functional courses. The Chalhoub group is an accredited centre for the Institute Leadership Management (ILM), offering UK-based international qualification. The ILM courses are developed on the basis of the principle that skilled managers and leaders hold the key to creating productive workforces that deliver organisational and economic success.

Furthermore, our managers have two exclusively tailored group management courses the Advanced Management (AMP) Programme and Advanced Leadership Programme (ALP). The AMP has been designed in collaboration with Harvard Business Publishing and Ecole Supérieure de Affaires.



(ESA), Beirut, in order to develop technical as well as behavioural management. The programme offers participants the opportunity to work with the Group as internal consultants.

The ALP is an in-house personalised reflective leadership programme developed to give and receive feedback. The programme helps our managers become efficient coaches and mentors while setting an example as effective leaders.

We measure the effectiveness of our courses using the "Kirkpatrick model," a highly influential four-level model for training course evaluation, and we continuously work toward upgrading our training programmes to match the industry's best standards.

Although 3% of the annual general manager's budget is currently

set aside for staff training, we do not have set KPIs that measure training hours per employee in 2013. In 2014, our learning and development strategy intend to set up standards and indicators to measure and track average training hours per employee to evaluate the effectiveness of the training opportunities provided for each of our employees.

In addition to the training programmes offered by the Group, we support the educational pursuits and wishes of each and every employee. We have created an education policy in conjunction with group legal to support and guide our staff members who wish to pursue higher education.

### 15 participants in ALP in 2013.



Nabil Chalhoub 2013 ALP participant

[My] ALP journey was interesting, beneficial and customised to my requirements as an individual and as a leader.

### Training received by gender at back-office in 2013







Joseph Ibrahim 2013 ALP participant

ALP was my perfect companion to help me embrace and encourage the group values especially towards the people around me with the aim to set them all for success in their respective function.

We supported 13 employees in their pursuit of MBA and other master's degrees in 2013.

In line with the business requirements, we have adopted two separate performance management systems, each acknowledging the different natures of our business.

- » Individual performance appraisal (IPA) for our frontline staff
- » Performance and development review (PDR) for our back-office staff and management

The IPA process, introduced in 2013, is a system through which managers are able to track monthly performance reviews and feedback from frontline employees. Through this process, employees are encouraged provide feedback on key strengths and areas of improvement. Moreover, a clear performance improvement plan has to be presented. High achievers are identified and rewarded appropriately against their individual rating criteria, as per the individual performance bonus.

We recognise the exceptional work done by our frontline staff through the Customer Service Excellence Award, which is given on a quarterly basis. This award distinguishes outstanding service towards our customers and is awarded to those who are devoted to consistently surpassing customer expectations.

The **PDR** process was implemented in 2013 as a revised approach to developing the skills of our professional staff. This approach complements the ongoing system of KPIs aimed at providing a transparent and positive performance-based recognition system. We believe that performance development is not a one-time event; rather, it is an ongoing dialogue process between the employee and their direct reporter. The PDR focuses on overall performance during the previous year, gives career direction and highlights development areas for the coming year and beyond.

#### Piero Poli

Piero was supported by the Chalhoub Group during his academic pursuit of executive MBA from Berlin School of Creative Leadership. He shared his key learnings of the business studies with the team through mini-sessions and presentations, and plans to integrate his knowledge back into the business. During his MBA, Piero contributed writings to the "Power Essays in Digital" for the Campaign Magazine, wherein he highlighted value creation in Chalhoub's business. Piero is now a seasonal and guest lecturer for MBA classes on digital marketing for tomorrow's business professional at Hult University.



Performance management Compensation processes, Drocess for where the assessing the business unit established KPIs individual Kels for the business units and employees. The performance management business cycle assists us with

100% of our full-time employees received performance and career development reviews in 2013.

Learning and development process, during which the employees are offered training and educational opportunities necessary to contribute and excel in their business setting.

Every year, we recognise the outstanding projects and ideas brought to life throughout the Group with the Chalhoub Excellence Awards. We distinguish and acknowledge those who have tackled difficult challenges, surpassed their strategic goals and have continuously delivered innovative ideas for the Group.

Following are the seven main categories of the Chalhoub Excellence Awards:

- » Creative award
- » Community spirit
- » Manager of the year

- » Entrepreneurial spirit
- » Operational excellence
- » Significant initiative of the year
- » Living the values

A recipient of the Chalhoub Excellence Award must potential demonstrate great and embody our three core excellence, respect and entrepreneurial spirit. The Chalhoub Entrepreneurial Spirit Award aims at employees participating in projects involving sustainable innovation creativity.



Mohammed El Neel Department Manager, Public Relations

Mohammed Εl Neel araduated with bachelor's degree in Law and Economics from the University of Jazeera, UAE. He states, "The support I get from Chalhoub's family and management has broken the barrier of fear and hesitation and helped me during my academic pursuit. The Chalhoub Group values - respect, excellence and entrepreneurial spirit — remain the biggest school in my life.

### RECRUITMENT ASSESSMENT CENTRES FOR FRONTLINE STAFF

BENEFITS
UNGC - 6

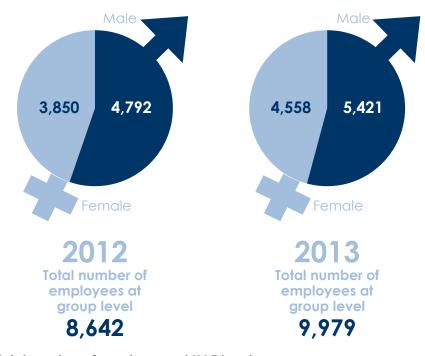
**EMPLOYMENT AND** 

Within our retail services, we have set up several recruitment assessment centres in the past two years for applicants wishing to work in our retail includina stores. store managers. We evaluate their core competencies, skills and behaviours required in our stores and the Group as a whole. During the assessment process, all the applicants get an opportunity to meet and interact with a number of our current employees and get a first-hand experience of our culture.

We strive to attract a diverse pool of local, regional and global candidates that fit the specific skills for each role, match our culture and respect our values. Based on the varied functions of our business, we use diverse attraction tools and recruitment

processes to hire people. Additionally, our relationship with universities and our presence at career fairs and major events, seminars and presentations allows us to find appropriate candidates for different roles.

### Total number of employees at group level



Total number of employees at UAE level





We provide our employees with the appropriate allowances and benefits that aim to guarantee a comfortable and a quality-driven lifestyle. Allowances are established on the basis of the employee's job responsibility. The amounts are reviewed according to the inflation rate and the results of the market surveys in order to maintain fairness and a competitive advantage.

We are conscious of the fact that we have a high ratio of female to male employees in our workforce and we ensure that they are all provided with equal opportunities. We support and encourage our female employees to return to work after their maternity leave. Female employees account for 45% of our employee base and are entitled maternity leave as per the prevailing labour law and company policy. Male employees are entitled to a oneday paternity leave upon the birth of their child.

Employees in the same grade draw the same salary irrespective of nationality or gender. Compensation and benefits are listed in our company policy and are confirmed at the time of appointment. They vary from employee to employee according to the employee category and family status.

As part of our attraction and retention policy, compensation packages have been adjusted for Emiratis and other GCC nationals. In addition, Emiratis are entitled to a monthly national allowance, a child allowance and an annual loyalty allowance paid during their anniversary month as a recognition for their loyalty. Furthermore, tailor-made work-life balance schedules are offered to Emiratis to allow shorter work hours.



### I LOVE ME



In 2013, the Human Resources department organised a series of initiatives to promote community health and well-being activities for employees during work hours. "I Love Me" Dental Wellness Day was organised for all employees willing to attend a painless and fully computerised screening of their mouth and teeth. Similarly, "I Love Me" Blood Donation Drive was organised promoting both employee care and sense of responsibilities towards others and the community. "I Love Me" General Health Drive was organised in partnership with NASCO, our

insurance provider, for employees to have a complete health check-up along with informative presentations on general health and nutrition.

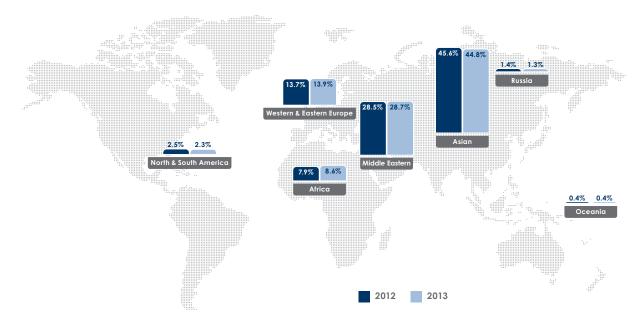
Chalhoub Group Retail UAE has employees from 66 different nations working in synergy and coordination

### **DIVERSITY AND EQUAL OPPORTUNITY**

recruitment encourage diversity and fairness an employee with special needs across our employees. We do and hopes to recruit more in the not discriminate against any future, creating an environment individual on the basis of gender, ethnicity, nationality, religious beliefs, family situation or physical disability.

practices In 2013, Real Emirates recruited comfortable for all people.

#### Chalhoub employees by nationalities





We strongly stand behind our value for "commitment to excellence" and we endeavour to provide high-quality service to all our customers. The quality of our services and products, and the health, safety and security of our employees, are of paramount importance to our business.



Marouane Rihoume Group logistics manager

9001 was first obtained for our Loaistics Operations in Jebel Ali in year 2000. We have then deployed it to our Operations in Kuwait, UAE and KSA. We have then added ISO 14 001 for Environment as well as OHSAS for Occupational Health and Safety. Our ISO Certifications are all integrated in what we call IMS (Integrated Management System) and are a proof towards achieving Customer Satisfaction through a documented process without forgetting our duty towards the Environment and the Safety of our colleagues.

#### **QUALITY MANAGEMENT**

In line with our corporate values, we have adopted a quality, health, safety and environment (QHSE) policy and have developed an integrated management system, which was launched in 2013, to maintain safe and healthy working conditions and to adequately control risks arising from our activities.

Aligned to international best practices, all our operational activities and services are carried out both in accordance with contractual, legal and regulatory requirements. In addition, we follow international standards such as ISO 9001, ISO 14001, OHSAS 18001 and Leadership in Energy and Environmental Design (LEED).

Our Real FZE business unit in charge of our logistics, facilities, accounts and traffic control for all our free-zone companies is ISO 9001 and OHSAS certified. Real FZE's logistics department, which manages the main warehouse and is ISO 14001 certified, successfully achieved the LEED Silver certification in 2013. The main warehouse oversees the distribution of products across the region.

Real Emirates Dubai Investments Park warehouse, which overlooks the distribution of products in UAE, is ISO 9001 certified, and aims to achieve ISO 14001 and OHSAS certification in 2014.

Real FZE and Real Emirates manage the overall health and safety of all our buildings. We ensure certifications are implemented across the board through the head of safety assigned this year, who reports directly to the CAO.

We plan to implement our current ISO and OHSAS certifications at all our offices and warehouses, and to obtain LEED certification for all our buildings under construction in the coming years.

Health and safety is part of an ongoing process, both at our back-office locations and our retail stores. In addition to looking after our employees, we make it a priority to take care of our customers. Our newly established health and safety department provides training for our retail staff and aims to manage various emergency situations on the shop floor.



# 2013

### Incident rate-3.6

DART rate-2.6

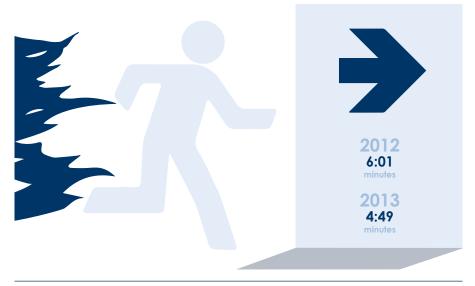
#### Fatalities-0

- \* This graph contains data for the main warehouse and DIP, excluding all other locations.
- \* The Fatalities column shows data for all the locations.

At our back-office locations, we conduct regular fire drills as part of our emergency preparedness exercises for all employees who could face emergency situations at the workplace. Our target is to have a total evacuation time of

4 minutes, including a headcount exercise. In 2013, we achieved a total evacuation time of less than 4 minutes; however, our target was not reached because the headcount exercise could not be completed in time.

#### Fire evacuation and headcount time\*





<sup>\*</sup> It also includes the time spent on evacuation and headcount.



Dirk Bruwer Security Operations Manager

recognizes The Group and is committed reducing the environmental impacts and health & safety risks associated with its business. It is the Company's policy to operate an Integrated Management System accordance with requirements of ISO and OSHA. The Company believes that QHSE is everyone's responsibility.



Jonathan de Fraine Logistics Manager

At Real Emirates Logistics, as well as striving to provide the best possible service to our customer, quality, H&S and the environment have always been on our minds. With the accreditation in these 3 areas we received earlier this year, it shows that we are fulfilling our obligations in line with audited standards. What remains, is continuing to improve our services and standards in every aspect that effects our daily operations and subsequent service.

### **EYE TESTING OF FORKLIFT DRIVERS**

As part of health and safety initiatives in the workplace, we requested our forklift drivers to conduct a mandatory eye test at our main logistics warehouse. Of the 21 licensed forklift drivers who underwent the vision test, 7 required special care by an eye specialist and have been prescribed spectacles.

### PROCUREMENT PRACTICES

Our commitment to sustainability extends to our supply base as we expect our suppliers to conduct their worldwide operations in a socially and environmentally responsible manner.

We work in close collaboration with our suppliers and encourage each supplier to respect the following principles:

- » Legal and regulatory compliance: We expect our supplier's products and services to comply with all national and applicable laws and regulations.
- Environmental performance improvement: Our suppliers are expected to reduce the environmental impacts of their operations and of their products and services. We encourage them to include programmes that promote energy efficiency and reduce emissions to air, water and soil.

Management systems: We urge our suppliers to maintain a robust management system that integrates environmental and occupational health and safety, human rights and labour policies and ethics into their business and decision-making processes. We also encourage our suppliers to establish appropriate objectives and targets, regularly measuring and assessing performance and practising continual improvement.

In 2013, we ran an awareness workshop educating general managers on the importance of selecting ethical and responsible partners and the need for communicating our values to them. We also drafted a supply chain policy, which will be rolled out in 2014.



### 3D TEAM WORKING WITH CONTRACTORS AND SUPPLIERS – A PILOT STUDY

3D is our in-house design and project management team in charge of building retail stores across the region. In 2013, the Chalhoub developed a "Sustainable Supplier Questionnaire" in collaboration with the Dubai Chamber of Commerce for our UAE-based contractors and suppliers in order to assist the supplier procurement process.

The questionnaire has been developed to gather information on topics pertaining to suppliers' governance structure and business integrity. In addition, the questionnaire helps determine whether our suppliers comply with human rights, child labour and local labour laws as part of the recruitment procedures.

We have an existing list of contractors and suppliers who voluntarily comply with our principles. Our aim is to engage and form partnerships with many more suppliers who share our business values.

Currently, our 3D business unit conducts periodic supplier reviews and selects contractors based on the business ethics criteria specified in the sustainable supplier questionnaire. We strive to encourage our suppliers to show commitment to social and environmental compliance. In the coming years, we intend to employ independent auditors to conduct supplier audits that cover the following topics: labour practices and decent work, human rights and product responsibility.

#### **CUSTOMER SATISFACTION**

With a wealth of information available online, today's customers are very well informed, making relationship marketing ever more important in the luxury business. At Chalhoub, we focus on developing strong connections with our customers by listening to their needs, being aware of their personal or cultural sensitivities and placing greater emphasis on their shopping experience. Our Customer Relation Management (CRM) business unit focuses on projects and initiatives that deliver better customer service.

CRM's Customer Experience Project aims to formulate company-wide customer communication best practices. Our central repository for inbound customer queries and complaints records customer interactions received via mail and emails. Our closed loop mechanism for resolving customer complaints expedites the processing of queries received on any platform (social media, email, contact centre in the store).

# OUR FIRST DEDICATED CALL CENTRE – WOJOOH STORE LOYALTY PROGRAMME IN KSA (PILOT STUDY)

CUSTOMER
EXPERIENCE
MANAGEMENT – A
PILOT STUDY
THE DEAL – HAPPY
OR NOT

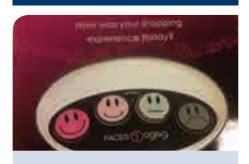
As a pilot for our Wojooh store across the region, our KSA Loyalty Programme has established a regional contact centre in Dubai to communicate with our customers via inbound and outbound calls, emails, SMSes, mail and live chats. Customers can contact our dedicated staff members using our toll-free call centre number to resolve all questions and concerns, even if they are not related to FACES.

Handling customer data is becoming a challenging task, as technology today enables various levels of transparency. We are in the process of monitoring and controlling the collection and use of customer data in compliance with the UK Data Protection Act best practice. Our CRM & Loyalty database is held in a secure data centre in the UK, with stringent data transfer protocols, data retention and disaster recovery policy compliant with "Safe Harbour," an agreement between the US and the EU governing the protection of data during transfer between these countries. Remote access to individual customer data is highly restricted to our CRM team, who is solely responsible for internal distribution via secure FTP when necessary.

We did not receive any substantial complaints regarding breaches of customer privacy or loss of customer data in 2013.

CRM's customer experience management implements the necessary initiatives to better understand our customers in order to improve their experience. Our central data storage facility enables us to retrieve client information and interaction history with our business to differentiate customer treatment based on their personal and cultural sensitivities. We take extra care while providing services to our special-needs customers. We ensure that our UAE retail shops are compliant with Dubai's Department of Economic Development (DED) and mall management regulations.

One such initiative is the pilot study, "The Deal – Happy or Not," set up to gather information on our customer's shopping experience at our stores.



We conducted pilot programme to collect our customers' shopping experience through a feedback device called "Happy or Not," located at the cashiers across our store network. Daily customer feedback reports generated with the help of the feedback device allow us to analyse the data and take appropriate actions on a day-to-day basis. The customer feedback tool is adjustable, which enables gather specific feedback customer issues aligned to our values and standards of service. We intend to roll out the complete programme across the company at the end of the pilot study in July 2014.

## GRI Index



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
Gene	ral Standard Disclosures							
Strate	gy And Analysis							
G4-1	Statement from the most senior decision-maker of the organization.				4–5			No
Organ	nizational Profile							
G4-3	organization.	About Chalhoub			6			No
G4-4	Report the primary brands, products, and/or services.	About Chalhoub			6-10			No
G4-5	Report the location of organization's headquarters.	About Chalhoub			6			No
G4-6	Report the 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.		Operational Profile		6–7			No
G4-7	Report the nature of ownership and legal form.	Outside back cover		M.C.T FZE (Chalhoub Group) A Jebel Ali Free Zone Establishment registered under the Irading Licence no.04616. Registered office located at P.O. BOX 261075, Jebel Ali, Dubai, United Arab Emirates.				No
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).		Operational Profile		6–8			No
G4-9	Report the scale of the reporting organization including: Total number of employees; Total number of operations; Net sales (for private sector organisations) or net revenues (for public sector organisations); Total capitalization broken down in terms of debt and equity (for private sector organisation); Quantity of products or services provided.	About Chalhoub	Operational Profile		6–7			No

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
G4-10	a. Report the total number of employees by employment contract and gender.  b. Report the total number of permanent employees by employment type and gender.  c. Report the total workforce by employees and supervised workers and by gender.  d. Report the total workforce by region and gender.  e. Report whether a substantial portion of the organisation's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors.  f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).				56 - 58		Principle 6	No
G4-11	Report the percentage of total employees covered by collective bargaining agreements.			N/A - Collective bargaining agreements are not currently permitted in the UAE			Principle 3	No
G4-12	Describe the organization's supply chain.	Quality in all our operations	Procurement practices		62			No
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.			Not applicable, this is our first standalone report				No
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.			At Chalhoub we conduct risk assessments through our significant aspect register, for every activity of our operations. This register provides a scoring system to assess impacts.				No



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses.	About Chalhoub	Operational Profile		8			No
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization participates, provides funding, views as strategic.		Operational Profile		8			No
Identi	fied material aspects and bo	undaries						
G4-17	<ul> <li>a. List all entities included in the organization's consolidated financial statements or equivalent documents.</li> <li>b. Report whether any entity included in the organization's</li> </ul>			Not rereleased for confidential reason				No
	consolidated financial statements or equivalent documents is not covered by the report.							
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries.	Our approach to sustainability	Materiality		17			No
	b. Explain how the organization has implemented the Reporting Principles for Defining Report Content				19			
G4-19	List all the material Aspects identified in the process for defining report content		Materiality	Materiality Matrix	17			No

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
G4-20	For each material Aspect, report the Aspect Boundary within the organisation, as follows:  -Report whether the Aspect is material within the organisation  -If the Aspect is not material for all entities within the organisation (as described in G4-17), select one of the following two approaches and report either:  -The list of entities or groups of entities included in G4-17 for which the Aspect is not material or  -The list of entities or groups of entities included in G4-17 for which the Aspects is material  -Report any specific limitation regarding the Aspect Boundary within the organisation.		Materiality		18 - 19			No
G4-21	For each material Aspect, report the Aspect Boundary outside the organisation, as follows:  -Report whether the Aspect is material outside of the organisation -If the Aspect is material outside of the organisation, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified  -Report any specific limitation regarding the Aspect Boundary outside the organisation.		Materiality		17 - 19			No
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.			Not applicable, this is our first standalone report				No
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.			Not applicable, this is our first standalone report				No
G4-24	Provide a list of stakeholder groups engaged by the organization	Our approach to sustainability	Reporting on what matters		13 - 16			No



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
G4-25	Report the basis for identification and selection of stakeholder with whom to engage	Our approach to sustainability	Reporting on what matters		13			No
G4-26	Report the organisation's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	approach to	Reporting on what matters	We engage with our stakeholders depending on the need and availability	14 - 16			No
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	Our approach to sustainability	Reporting on what matters		13 - 16			No
Repor	t profile							
G4-28	Reporting period (such as fiscal or calendar year) for information provided.			This report covers our performance during the period of January 2013 – December 2013	2			No
G4-29	Date of most recent previous report (if any).	About this report		Not applicable				No
G4-30	Reporting cycle (such as annual, biennial)	About this report		Annual	2			No
G4-31	Provide the contact point for questions regarding the report or its contents.		We value your feedback		2			No
G4-32	<ul> <li>a. Report the 'in accordance' option the organisation has chosen.</li> <li>b. Report the GRI Content Index for the chosen option (see tables below).</li> <li>c. Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.</li> </ul>			This report has been prepared according to the "Core" "In Accordance" option.	2			No

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
G4-33	a. Report the organisation's policy and current practice with regard to seeking external assurance for the report.  b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided.  c. Report the relationship between the organisation and the assurance providers.  d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organisation's sustainability report.			No external assurance has been sought this year. We aim to put an assurance process in place for our future sustainability reports	2			No
G4-34	Report the governance structure of the organisation, including	Our approach to sustainability	Governance		11 - 12			No
Ethics	and integrity							
G4-56	Describe the organisation's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	About Chalhoub How we conduct our business			6, 22 - 23			No
Speci	fic Standard Disclosures							
Econo	omic indicators							
DMA	<ul> <li>a. Report why the Aspect is material. Report the impacts that make this Aspect material</li> <li>b. Report how the organization manages the material Aspects or its impacts.</li> </ul>							No
	c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach				26 - 30			



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
Econo	omic performance							
EC1	Direct economic value generated and distributed	Our Impact on the Economies			26	Wages and benefits		No
EC3	Coverage of the organization's defined benefit plan obligations	Investing in our people	Employment & benefits		57	Wages and benefits		No
Marke	et presence							
EC6	Proportion of senior management hired from the local community at significant locations of operation		Gulfinization		26 - 30	Gulfinization	Principle 6	No
Enviro	nmental indicators							
Mater	ials							
DMA EN1	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts. c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach  Materials used by weight or volume	Stewardship			43 - 47	Carbon	Principle	No
Energy	V	Stewardship			47	footprint	7, 8	
EN3	Energy consumption within the organization	Environmental Stewardship	Energy Management		44	Carbon footprint	Principle 7, 8	No
EN6	Reduction of energy consumption	Environmental Stewardship	Energy Management		45	Carbon footprint	Principle 7, 8, 9	No
Water								
EN8	Total water withdrawal by sources	Environmental Stewardship	Water Consumption		46	Carbon footprint	Principle 7, 8	No
Emissio	ons							
EN16	Energy indirect greenhouse gas (GHG) emissions	Environmental Stewardship	Energy Management		45	Carbon footprint	Principle 7, 8	
EN19	Reduction of greenhouse gas (GHG) emissions	Environmental Stewardship	Energy Management		45	Carbon footprint	Principle 8, 9	No

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
	nts and waste	<b>∨</b>	ν ·	₩ 00	<u> </u>	<		шС
EN23	Total weight of waste by type and disposal method	Environmental Stewardship	Waste Management		44 - 47	Waste management		No
Comp	oliance							
EN29	Monetary value of significance fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations			There have not been any economic sanctions for noncompliance with environmental laws and regulations		Total Quality Management		No
Transp	port							
EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations and transporting members of the workforce		Energy management		45	Carbon footprint		No
Suppli	ier Environmental Assessment	†						
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material		Procurement Practices					No
	b. Report how the organization manages the material Aspects or its impacts.							
	c. Report the evaluation of the management approach, including:				62			
	<ul> <li>The mechanisms for evaluating the effectiveness of the management approach</li> <li>The results of the evaluation of the management approach</li> <li>Any related adjustments to the</li> </ul>				63			
EN32	management approach  Percentage of new suppliers that	Quality in all	Procurement		62	Supplier		No
	were screened using environmental criteria	our operations	Practices		- 63	screening		11.0
	ur Practices and Decent Wor	k Indicators						
-	pyment							
LA1	Total number and rate of new employment hires and employee turnover by age group, gender and region	Investing in our people	Employment and benefits		56 - 58	Diversity		No



GRI 4 standard disclosures	Description  Return to work and retention rates	Section Section	Sub section	Report status/ comments/ Omissions	Page 56	Material aspect	UNGC principles	External Assurance (Yes/No)
	after parental leave by gender	people	and benefits		- 57		6	
Occu	pational Health & Safety							
LA6	Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work		Quality management		61	Health, Safety and Security		No
LA7	Workers of high incidence or high risk of diseases related to their occupation		Quality management		60 - 61	Health, Safety and Security		No
Trainir	ng and education							
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts.  c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach	people		W	49 - 58			No
LA9	Average hours of training per year per employee by gender and by employee category		Learning and Development	We are currently in the process of obtaining this data, to be release in the next reporting cycle.		Capacity building		No
LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings				49 - 55	Capacity building		No

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	Investing in our people	Learning and development	100%		Employee engagement		No
Divers	sity and equal opportunity							
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts. c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach	_			58			No
LA12	Composition of governance bodies and breakdown of the employees per employee category according to gender, age group, minority group membership and other indicators of diversity  Remuneration for Women as	people	Diversity and equal opportunity		11, 56 - 58	Diversity	Principle 6	No
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts. c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach	Investing in our			56 - 58			No



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	Investing in our people	Employment and benefits		57	Gender equality	Principle 6	No
Suppli	er Assessment for Labor Prac	tices						
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts. c. Report the evaluation of the management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach	,	Procurement Practices		62 - 63			No
LA14	Percentage of new suppliers that were screened using labor practices criteria	,	Procurement Practices		62 - 63	Supplier screening		No
Huma	n Rights indicators							
Child	labor							
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	Quality in all our operations How we conduct our business	Procurement Practices Human rights		24, 62		Principle 5	No
Force	d or Compulsory Labor							

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor and measures taken to contribute to the elimination of all forms of forced or compulsory labor	Quality in all our operations How we conduct our business	Procurement Practices Human rights		24, 62		Principle 4	No
Suppl	ier Human Rights Assessment							
DMA	<ul> <li>a. Report why the Aspect is material. Report the impacts that make this Aspect material</li> <li>b. Report how the organization manages the material Aspects or its impacts.</li> </ul>	,	Procurement Practices					No
	c. Report the evaluation of the management approach, including:				62			
	» The mechanisms for evaluating the effectiveness of the management approach				63			
	» The results of the evaluation of the management approach							
	» Any related adjustments to the management approach							
HR10	Percentage of new suppliers that were screened using human rights criteria		Procurement Practices		62 - 63	Supplier screening	Principle 2	No
Socie	ty indicators							
Local	community							
DMA	<ul> <li>a. Report why the Aspect is material. Report the impacts that make this Aspect material</li> <li>b. Report how the organization manages the material Aspects or its impacts.</li> </ul>							No
	c. Report the evaluation of the management approach, including:				32			
	» The mechanisms for evaluating the effectiveness of the management approach				41			
	» The results of the evaluation of the management approach							
	» Any related adjustments to the management approach							



GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
SO1	Percentage of operations with implemented local community engagement, impact assessments and development programs				43	Community engagement	Principle 1	No
Anti-c	corruption							
DMA	<ul> <li>a. Report why the Aspect is material. Report the impacts that make this Aspect material</li> <li>b. Report how the organization manages the material Aspects or its impacts.</li> <li>c. Report the evaluation of the</li> </ul>				22			No
	management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  » The results of the evaluation of the management approach  » Any related adjustments to the management approach				23			
SO4	Communications and training on anti-corruption policies and procedures		Our code of ethics		22 - 23		Principle 10	No
SO5	Confirmed incidents of corruption and actions taken			There has been no incident of anti-corruption			Principle 10	No
Produ	uct responsibility indicators							
Custo	mer health and safety							
DMA	a. Report why the Aspect is material. Report the impacts that make this Aspect material b. Report how the organization manages the material Aspects or its impacts.							No
	c. Report the evaluation of the				60			
	management approach, including:  » The mechanisms for evaluating the effectiveness of the management approach  The results of the evaluation of				64			
	» The results of the evaluation of the management approach							
	» Any related adjustments to the management approach							

GRI 4 standard disclosures	Description	Section	Sub section	Report status/ comments/ Omissions	Page	Material aspect	UNGC principles	External Assurance (Yes/No)
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			All our operations are in compliance with regulations concerning health and safety		Total Quality Management		No
Produ	ct and service labelling							
PR5	Results of survey of customer satisfaction	Quality in all our operations	Customer satisfaction		63 - 64	Customer satisfaction		No
Marke	eting and communications							
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	Quality in all our operations		There are no incidents of non-compliance		Responsible marketing		No
Custo	mer privacy							
PR8	Total number of substantiated complaints regarding breaches of customer privacy and loss of customer data	Quality in all our operations	Customer satisfaction		63 - 64	Customer satisfaction		No