

# Our 2020 commitments

We have set ourselves clear and demanding targets relating to each pillar of our sustainability strategy and we monitor our performance against these commitments on a regular basis.

Pillar	2020 targets*	2017	2018	2019
<b>Leadership</b>	15% of hybrid revenue from e-commerce platforms	-	3%	3.3%
	50% of our employees use our online training	-	32%	39%
	20 'ibtikar' business ideas in funding (in total)	-	5	16
<b>People</b>	50% women in middle management	43%	49%	53%
	25% women in senior management	22%	22%	25%
	Hire at least 30 women in our warehouses (in total)	-	22	25
	4.5% Emirati nationals in workforce	2.0%	2.3%	4.2%
	Increase maternity leave to 90 days	70 days	70 days	90 days
	Increase paternity leave to 5 days	3 days	5 days	14 days
	Zero recordable injuries	2	2	2
<b>Partners</b>	400 suppliers completed the Supplier Sustainability Scorecard	192	208	354
<b>Planet**</b>	194 XStores equipped shops	1	4	173
	Reduce electrical energy consumption by 15% against 2016 baseline	1.90%	-7.00%	-6.7%
	Increase electricity consumption from renewables to 30%	N/A	N/A	11%
	Reduce carbon emissions by 15% against 2016 baseline	0.60%	-14.70%	-20%
	Reduce utility water consumption by 15% against 2016 baseline	23.70%	10.40%	30%
	Reduce office paper consumption by 25% against 2016 baseline	-32.6%	-40.70%	-64%
	Increase percentage of stores assessed to 90% (UAE, KSA, Kuwait & Bahrain)	78%	91%	100%
<b>Impact</b>	Increase percentage of stores who obtained STEP certification to 80% in the UAE	65%	59%	100%
	Increase number of volunteers by 20% against 2016 baseline	8.60%	14.80%	52%
	Increase the number of people supported by impact initiatives by 25% against 2016	11.50%	17.60%	40.7%

Note: \* This report covers our operations in the UAE from 1 January 2019 to 31 December 2019, unless otherwise indicated.

\*\* The Planet data related to energy, water, paper and carbon footprint reported above relates to back-office activities of Chalhoub Group in the UAE.

To read our 2020 Sustainability report, visit <http://www.sustainabilityreport.chalhoubgroup.com/>



# Our Sustainability Journey



**Florence Bulte,**  
Group Head of Sustainable Engagement



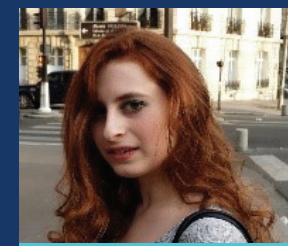
Chalhoub Group is committed to contribute to the sustainable vision of the UAE and to help realise the 17 UN Sustainable Development Goals. In order to achieve this, we have formulated 21 targets across the five pillars of our sustainability strategy."



**Kevin Chalhoub,**  
Chalhoub family



Sustainable use of resources and responsible practices should be at the center of every company's social responsibility."



**Aurelia Chalhoub,**  
Chalhoub family



Our company prides itself on being a family-run business that strives to exhibit family values, one of which is caring for our people and communities around us."

# Building a Culture of Trust for a Sustainable Future

## 2019 sustainability report Executive summary



CHALHOUB GROUP



# CEO Message

I am very proud to present Chalhoub Group's 2019 Sustainability Report. Over the years, we have been openly communicating on our Group's sustainability initiatives and we remain committed to upholding our values and accountability to achieve long-term sustainable growth.

As we continue our transformative journey towards becoming a luxury hybrid retailer, we also continue to strengthen our promise to working towards the UN Sustainable Development Goals.

In 2019, we have launched our SDG 12 strategy (Responsible consumption and production) to achieve a sustainable supply chain, and we have worked very strongly on our commitment to SDG 16 (Peace, justice and strong institutions) by building our Group's ethics framework to ensure accountability and transparency across our organisation. Quality education, SDG 4 is another priority goal we continue to invest in with our people and our surrounding communities.

As part of our strategy, we have set clear commitments for 2020 for each of our five sustainability pillars and we constantly monitor our performance against these targets. With our "people at heart" in everything we do, we continue to build a diverse, inclusive, and fairer work environment, providing the best experience for our employees.

This year we launched the Speak Up platform, which provides our employees with a safe environment to speak against any violations. This platform, together with the revision of our Code of Ethics, aligns our governance with the highest international standards.

As part of our efforts to protect our environment, we have installed solar panels at our head offices and main warehouses and have also taken various important steps to manage our energy and water consumption, reduce digital pollution, create paperless store operations, and minimise our waste to landfill.

2019 marks the tenth year of Chalhoub IMPACT, our community giving pillar. We have come a long way in creating a positive impact towards our communities with a total of 183 social initiatives in 9 countries where we operate, inspiring 5,037 people to volunteer for a total of 10,457 hours impacting 27,220 lives.

This success is accredited to our people's tireless efforts, striving to create, innovate and transform. I would like to thank our teams who work hard every day to help our Group meet the needs of our stakeholders. On behalf of Chalhoub Group, and as a board member of the UNGC, I thank you for reading our sustainability report and I encourage you to join us on our journey for a more sustainable future.



Patrick Chalhoub,  
Chief Executive Officer



## The 5 Pillars

### Leadership

#### Building resilience to grow-beyond market disruptions

In the aim of becoming a leading hybrid retailer, we have relied on our SHIFT transformation program for a second year. In 2019, SHIFT has facilitated the launch of our MUSE loyalty program, helping our brands with customer journey mapping, creating our Speak Up platform, and our 'Ibtikar' program. These developments have allowed us to build resilience to market disruptions by focusing on digitalization, people empowerment and customer centricity, while ensuring that our people are actively involved in the transformation process.

### People

#### Striving forward with people at heart

We adopt a 'people first' approach, focused on empowering, enabling and engaging our employees. As part of our cultural shift, we have created an action plan in 2019 to further promote equal opportunities for all. We also launched several well-being initiatives such as employee journey mapping. We continued our focus on learning in development, as this is key to our talent management. In 2019, we have also managed to increase our Emiratisation level to 4.2%, well beyond the legally required 3.5%.

### Partners

#### Collaborating with the right partners to champion sustainability across the industry

As a luxury retailer, we work with our partners and stakeholders to ensure responsible business practices. In 2019, we have enhanced our supply chain processes by finalising our SDG 12 Strategy, helping us to identify and address social and environmental issues in our value chain. We have additionally revamped our STEP scorecard, have ensured that all our suppliers fill our supplier scorecard and have digitalised it to promote its effectiveness and accessibility. Finally, we enhanced our cybersecurity and privacy further by aligning it with the latest international guidelines.

### Planet

#### Advocating for environmental stewardship

To manage our natural resources wisely, including the efficient use of energy, water and waste throughout our operations, we have been transitioning to renewable energy, increasingly driving our plastics reduction campaign and have worked towards reducing our plastic consumption and exposure to plastic by installing water filters which allows us to drink directly from tap.

### Impact

#### Creating social impact through community initiatives

Our people are always passionate and eager to contribute to the community. As a Group, we encourage employees to volunteer and to participate in at least one of our IMPACT initiatives every year. We complement our employee volunteering by investing in initiatives that support people in need such as supporting children at the Jusoor Literacy Center.

Over the past 10 years, we have achieved the following:

Our mission:  
To help build a strong and sustainable business and community



39% of our employees use our online training program



38 brands that are part of our MUSE loyalty program



60 events organised to engage employees on 'Ibtikar' innovation



4 'Ibtikar' business idea in process of funding and mentoring



60% women in the workforce



3 people of determination hired



4.2% Emiratisation rate achieved



99,000+ training hours delivered



100% of new stores in the UAE, KSA, Kuwait and Bahrain are STEP certified



3.3% hybrid revenue from e-commerce platforms



173 X-Store equipped shops in 2019



0 data security breaches



271 total waste recycled in tons



39% reduction in paper consumption per employee from 2018



Increase in electricity consumption from renewables by 11%



Reduction in electricity consumption from grid from 2018 by 12.5%



176,355 Number of people positively impacted



25,889 Number of volunteers



720 Number of initiatives



20,836 Number of children supported at Jusoor Literacy Center

