

CHALHOUB GROUP



CODE OF ETHICS

OUR COMMITMENT TO ACTING
WITH INTEGRITY





Dear Colleagues

From the early days of our Group, our founders, Michel and Widad Chalhoub, believed that business success is about much more than only the bottom line. They worked to build a business that acted with purpose, passion and integrity.

Over the years, we have stayed true to this ethical approach to business, which has helped us to be among the leaders in our field and will continue to be a cornerstone of our future growth.

As a family business, our Group's reputation and my family name are one, and we are proud to be a beacon of business and ethical excellence. We hold ourselves to the highest standards of ethics and always act with integrity, honesty, and respect for the communities we serve and the environment we all share. This has been, and always will be, at the heart of our sustained success.

This Charter and Code of Ethics reaffirm and reinforce our ethical commitment, which applies equally to every individual in our Group, regardless of seniority, business unit, function or location.

It represents our promise to individually and collectively adhere to and fight for what is right, founded on the three fundamental values that reflect our ambition and guide our actions: **Respect, Excellence and Entrepreneurial Spirit.**

As members of the United Nations Global Compact, our Group is committed to the UNGC 10 principles in the areas of human rights, labour, the environment and anti-corruption. Appointed as a board member of the UNGC in 2018, I take it upon myself to continue driving a responsible business and supporting the 17 Sustainable Development Goals (SDGs) set by the United Nations General Assembly.

While this Code may not cover every situation that may arise, it provides clear guidance to help each of us to conduct ourselves and our business activities ethically – in our workplace, marketplace and society. By understanding and respecting the spirit of our Code of Ethics, the Group is empowering you to make the right decisions as part of an ethical organisation that strives to be a role model without compromise, as I strive to be each day.

Patrick Chalhoub
CEO





OUR CHARTER
OF ETHICS



OUR VALUES

ARE THE PILLARS OF OUR GROUP'S CULTURE

FOR US,

RESPECT means trust, fairness, integrity and humility;

EXCELLENCE means role model, commitment and efficiency; and

ENTREPRENEURIAL SPIRIT means leadership, ingenuity and team spirit.

These values bind us all together: we become one in behaviour and action. Each one of us is the Group, its culture and its ethical legacy. And each one of us is responsible to champion it, nurture it and protect it.

How to live our ethical standards and protect them is simply to always make sure that:

- We respect the human rights and dignity of each individual.
- We act with integrity and fairness.
- We respect the environment and we are committed to sustainability.
- We are part of the communities we serve and are committed to respecting and giving back to them.
- We comply with all applicable laws.
- We respect and protect Group assets and data, as well as those entrusted to us.
- We have zero tolerance for harassment, blackmail, defamation, theft, fraud, corruption, bribery and falsification.
- We have zero tolerance for illegal substance abuse and political or religious activism on Group premises or time.

This is our shared commitment to the essence of who we are, in behaviour and in action, in conducting ourselves and our business.

These principles are elaborated in our Code of Ethics as well as in our internal policies.

Our Code is not subject to compromise or interpretation. It is our Code because we believe it is right to behave and act this way – The Chalhoub Way.



OUR CODE OF ETHICS

INTEGRITY IN ACTION

RESPECT AND PROTECTION OF PEOPLE AND THE ENVIRONMENT

Respect of Human Rights

Fairness, diversity and equal opportunity

Protecting the dignity of others

- Harassment, defamation and violence

- Respecting people

- Personal relationships

- Non-tolerated personal choices

Health and safety for all

Respect and protection of our environment

INTEGRITY IN OUR BUSINESS PRACTICES

Integrity and honesty

- Conflicts of interest

- Gifts and entertainment

- Anti-money laundering

- Anti-corruption

- Lobbying

- Accuracy of our accounting and business records

Fair business and fair competition

- Interacting with our consumers

- Interacting with our customers, suppliers and service providers

- Interacting with our competitors

PROTECTION OF OUR GROUP REPUTATION, INFORMATION AND ASSETS

Communicating about our Group

Confidentiality and sensitive information

Personal information protection and privacy

Responsible use of social media

Intellectual property and anti-counterfeiting

Group assets



INTEGRITY
IN ACTION



WHO IS CONCERNED?

Each of us respects our Code of Ethics and the law because we believe it is the right thing to do.

- Each of us has a duty of care to understand, help others understand and follow, both in letter and spirit, our Code of Ethics.
- Each of us is asked to sign our Code of Ethics, evidence of our awareness and engagement to uphold it.
- Each of us understands and agrees that violations of our Code of Ethics will result in disciplinary actions, up to and including immediate termination of employment and as per prevailing labour laws. High risk areas are underlined in our Code with a zero-tolerance warning.

HOW TO BE SURE THAT WE ACT WITH INTEGRITY?

When in doubt, we question our course of action. If still unsure, we ask for guidance.

QUESTIONS WE NEED TO ASK OURSELVES:

- Am I comfortable with this situation?
- Am I authorised to do this?
- Is this consistent with our Code of Ethics?
- Is this legal?
- Will this reflect well on me and our Group?
- Would I feel good if this were made public?

If the answer is “No” to any of these questions, then you hold the decision to act and ask advice from your line manager or HR who are duty-bound to provide clear and timely advice in full compliance with the Code of Ethics.

WHEN HAVING A CONCERN?

We raise a flag in good faith.

- We bring to light any concern or breach of our Code of Ethics or to the law by informing our line manager and/or HR.
- If we don't feel comfortable, we raise our concern on SpeakUP, a reporting channel accessible through our intranet, e-MAC and employee app, MyChalhoub. SpeakUP is an external trusted environment that ensures that all matters are dealt with anonymously, and in an unbiased, timely and sensitive manner.
- We understand that we must be ready to provide our full support during any ensuing investigation, if required.

Raising a concern or reporting a breach of our Code of Ethics in good faith is encouraged: our Group guarantees that we will not be subject to retaliation, such as discrimination, threats or disciplinary action, even if the facts prove to be inaccurate.

However, if done for unethical purposes, such as defaming a colleague, it becomes a violation of this Code and will warrant disciplinary measures, up to termination.

HOW IS OUR COMPLIANCE GOVERNANCE ORGANISED?

Our Group has an Ethics Panel, constituted of members of the Group. This Panel reports directly to the CEO, who in turn sends annual updates to the Board of the Group.

The Ethics Panel's mandate is that of a Group Compliance Officer, including:

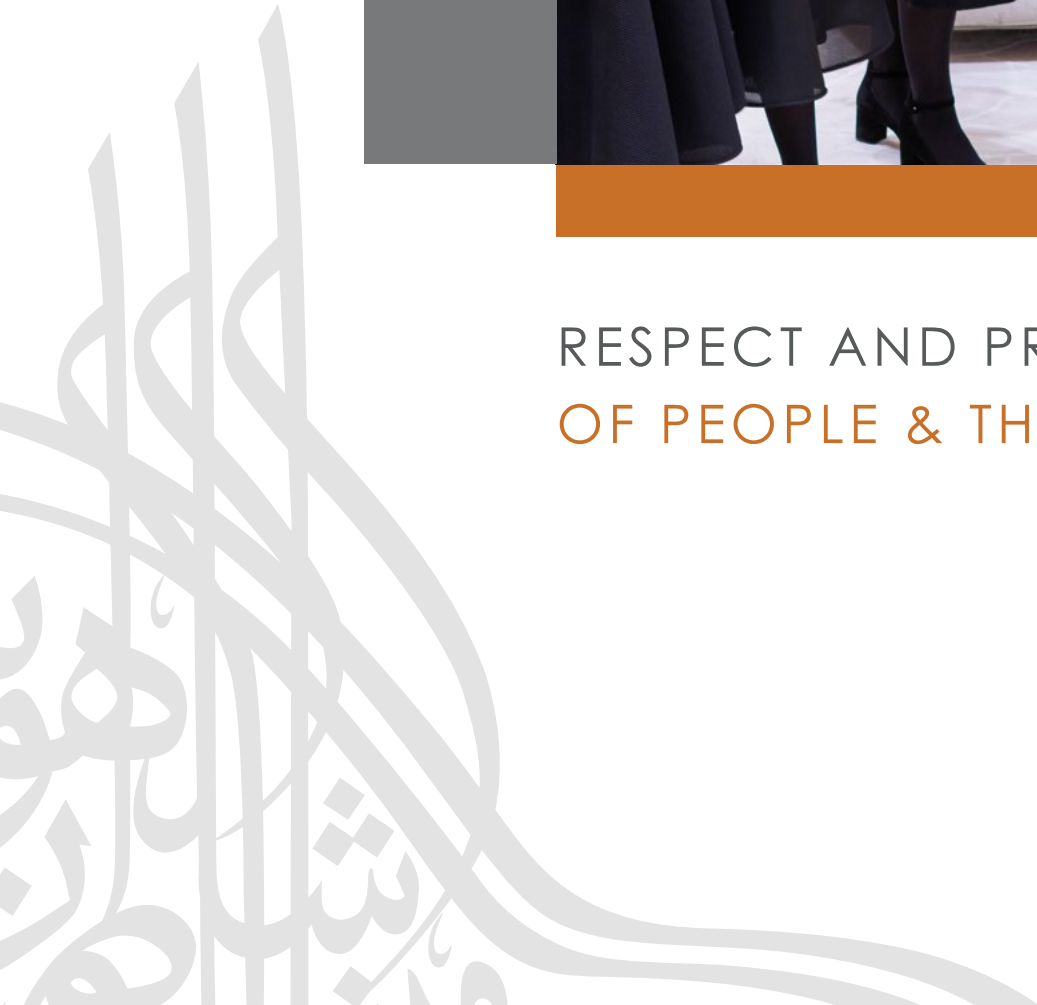
- To ensure that our Code is reviewed regularly and updated whenever new situations arise due to changes in society, work environment and regulations.
- To ensure that our Code is published and to organise surveys aimed at creating awareness and understanding.
- To monitor that SpeakUP, our reporting channel, is handled appropriately by the external provider and change it if need be.
- To monitor overall compliance to the Code and all decisions made on cases of non-compliance.
- To analyse trends of deviance and address root causes.
- To sponsor full fairness and equal opportunity, in the application of key HR processes by managers.
- To provide analysis, findings and recommendations regularly to the CEO.

The Ethics Panel receives all information through Speak Up, where all concerns, complaints and cases are logged. A Compliance Coordinator reporting directly to the CEO compiles all reports and tracks actions taken.





RESPECT AND PROTECTION
OF PEOPLE & THE ENVIRONMENT



RESPECT OF HUMAN RIGHTS

We respect and uphold the United Nations Universal Declaration of Human Rights: To life, liberty, dignity, education, work, to freedom from slavery and torture for all human beings, regardless of race, gender, nationality, ethnicity, language, religion, or any other status.

- We make sure our actions do not violate or contradict any of the basic human rights principles, in particular: child labour, forced labour and human trafficking.
- We actively promote our stance on Human Rights to all our business partners, suppliers and customers, and expect them to uphold these principles.
- We provide or actively cooperate in remediation plans in instances of Human Rights abuses within our own activities and with our business partners, suppliers and customers; otherwise, we are ready to end the business relationship.



FAIRNESS, DIVERSITY AND EQUAL OPPORTUNITY

We are committed to a fair, honest and inclusive work environment, promoting diversity and providing equal opportunity to all. This ethical stand reflects in outcome of all our human resources processes: hiring selection, recruitment, working hours, conditions, evaluation, compensation, rewards, promotion, succession planning, training, development and disciplinary measures.

- We select, hire, promote and manage our team fairly, without discrimination on the grounds of, but not limited to, nationality, age, ethnicity, religious and societal beliefs, family situation, gender, physical and mental abilities.
- We make all our decisions based on qualification, merit, technical and behavioural competencies suitable for the job to be performed, and never on favouritism or nepotism.
- We reward employees fairly and provide equal opportunities for professional development.

PROTECTING THE DIGNITY OF OTHERS

HARASSMENT, DEFAMATION AND VIOLENCE

We do not tolerate harassment in any form – physical, verbal, written or visual – including but not limited to:

- Sexual harassment, inappropriate physical contact or behaviour, sexual or sexually suggestive or promiscuous advances or propositions;
- Offensive language or jokes;
- Racist, gender-related, sexist, religious, political or ethnic insinuations, jokes, insults or comments;
- Personal or physical attributes-related demeaning comments; and
- Humiliating, bullying, intimidating or threatening behaviour.

A detailed list of harassment instances is included for reference at the end of this document.

- We embrace and respect diverse customs, practices and behaviours.
- We speak up and tell a person if we are witness to or offended by their actions or behaviour, explaining why and asking them to stop.
- We report if we are the victim of or witness any form of harassment.

Any reported harassment will result in an investigation, which may lead to **disciplinary action up to termination**.

RESPECTING PEOPLE

We respect the dignity and sensitivity of others, each one of us acting as a role model and nurturing team spirit.

- We actively cooperate with colleagues based on true partnership, extending support at every level with an objective mindset.
- We refuse listening to or partaking in gossip, insidious comments and negative opinions about colleagues.
- We respect the person speaking during meetings by never indulging in whispering and sniggering.
- We maintain a workplace that is respectful to ourselves and others including common areas.
- We avoid personal behaviour and belongings that others may deem careless, provocative or contentious.
- We refrain from making any personal political or religious statements, advocacy or activities on Group premises or time.
- We avoid making requests to our line manager that violate our Group policies or Code of Ethics.

PERSONAL RELATIONSHIPS

Our personal relationships do not interfere with our duties and decisions.

- We maintain the same collaborative working relationships with all our colleagues, without favouring those with whom we have personal relationships.
- We never ask colleagues for favours, gifts or special prices (i.e. staff sales, samples, vouchers, etc.) on the basis of our personal relationships.
- We never use our position in our Group to grant special personal conditions or prices to colleagues, family or friends.

NON-TOLERATED PERSONAL CHOICES

- We never use, possess, distribute, buy, sell or promote any illegal or controlled substances while performing Group tasks regardless of location and time.
- Our Group recognises that each employee is entitled to freedom of opinion, expression and belief. However, personal political and religious statements and activism are not allowed on company time or premises.

Failing to comply with both above statements will result in **immediate termination**.

HEALTH AND SAFETY FOR ALL

We are all responsible for ensuring that our Group premises are safe for all: employees, consumers, visitors and contractors.

- We comply with all applicable health and safety regulations.
- We understand and apply all health and safety programmes organised by the Group.
- We ensure the availability and use of all appropriate protective equipment and measures, when required.
- We report immediately to the Health and Safety in charge within Administration any incident, danger, behaviour or installation that could compromise a person's health or safety.
- We inform our line manager and/or HR when taking any legal medical substance that may result in a safety risk or adversely affect our ability to perform.

RESPECT AND PROTECTION OF OUR ENVIRONMENT

We are committed to respecting the environment in which we operate and take actions for the sustainable and responsible use of our resources.

- We minimise our environmental impact throughout the lifecycle of our operations in every way possible, in accordance with our Group's environmental policy and programmes.
- We integrate our environmental policy in our daily practices, increase our recycling habits and reduce waste, favour renewable materials and eco-efficient processes and optimise natural resources consumption.
- We actively engage in and advocate amongst our colleagues all health and environmental programmes organised by our Group.



INTEGRITY IN
OUR BUSINESS
PRACTICES



INTEGRITY AND HONESTY

It is our individual and collective responsibility to avoid any action that may negatively impact the reputation of our Group or that of each other.

- We conduct ourselves and our business with honesty and integrity, throughout our dealings with our business partners, suppliers, customers and competitors.
- We are transparent and clear on terms of dealing and require the same clarity from other parties.
- We report on our activities, financial status, performance and accomplishments to our shareholders in a timely, accurate and transparent manner.
- We never benefit personally from our position in the Group by conducting personal transactions or deals, and refuse any personal advantage, condition or remuneration from external parties.

We never accept services or money of any value from an external party when awarding a contract or commercial deal, as this will result in **immediate termination**.

CONFLICTS OF INTEREST

Conflicts of interest are personal relationships or financial interests that may interfere with our ability to act in the best interest of our Group, or to make objective decisions on behalf of our Group.

- We exercise sound judgment to avoid any situation or action that could impair our ability to act in our Group's best interest or divide our loyalty towards our Group.
- We avoid any potential conflict of interest when dealing on behalf of our Group, such as:
 - Holding an ownership or financial interest in an entity working with us or competing with us;
 - Supplying products or services to our Group directly; or
 - Dealing with companies to benefit a family member or friend.
- Whenever this is not conflicting with our position in the Group, we fill a declaration form detailing the business opportunity we would like to engage with outside our Group, such as being a board member, holding a part time job, or providing professional services, such as any form of consultancy or freelancing. We also need to gain approval from our Head of activity or Country Manager prior to engaging in such outside activities.

GIFTS AND ENTERTAINMENT

Exchanging gifts and entertainment may affect independent judgment on business decisions and cause actual or perceived conflicts of interest.

- Products or services from the Group are not allowed to be given as personal gifts to colleagues.
- We only offer or receive gifts or forms of entertainment that are lawful and relevant to our business.
- We give or accept gifts only within cultural traditions wherever we operate.
- We make sure that gifts to external parties are of modest value (maximum retail USD 500). This also applies to forms of entertainment, such as business lunches or dinners.
- We opt to give corporate gifts that are Group stamped.
- We only invite colleagues who are involved in the business activity to a business entertainment function.
- We report to our line manager any gift – given or received – that does not comply with the above.

ANTI-MONEY LAUNDERING

Money laundering is when individuals or organisations hide the proceeds of their unlawful activities by making those proceeds look legitimate. This is against the law and it is critical to never be associated – however innocently – with unlawful activities of others.

- We exercise good judgment when dealing with unknown parties or unusual transactions.
- We conduct business only with reputable parties, for legitimate business purposes, with legitimate funds.
- We apply a robust screening and due diligence process of business partners.
- We are vigilant of red flags, such as unusual transactions, payment requests or methods, or refusal to provide legitimate information.

ANTI-CORRUPTION

We are committed to anti-corruption laws that prohibit anyone from offering, giving, accepting or receiving a bribe.

- We never give cash, gifts and entertainment, intended to improperly influence a business decision or obtain an advantage.
- We never undertake facilitation payments, which are small payments to individual officials to secure or speed up routine governmental procedures.
- We ensure that our agents, contractors and suppliers do not make or receive facilitation payments on our behalf.
- We never extend an invitation to an official governmental or related entity official for entertainment and only use stamped corporate gifts during traditional periods of gifting, wherever we operate.

Any instance of fraudulent activity or bribery directly violates our Group's values and the law and will result in **immediate termination**.



LOBBYING

We never make contributions or offerings from Group funds, directly or indirectly, to any individual, party, association or any other entity aimed at shaping public policy and opinion or influencing its outcome.

ACCURACY OF OUR ACCOUNTING AND BUSINESS RECORDS

Business records include any document or communication, in paper or electronic form, which are produced and maintained throughout our operations.

- We make sure our business records, including all financial statements and contracts, are honest, forthright, and accurate reflections of our business and financial situation.
- We comply with all general accounting, tax and financial reporting rules, regulations and legal obligations applicable in the countries where we operate.
- We maintain accurate and true records of all accounting transactions at all times, including those giving rise to liabilities, financial statements and documents.
- We record and process all transactions, in particular payments, in a true, complete and auditable manner.
- We manage and retain our records in accordance with our tax, financial and legal obligations.
- We are ready to provide truthful and substantiated answers to queries from auditors, whether external or internal, investigating as per mandate of the Group or by law.

We never falsify, conceal, disguise or defer any accounting or business transaction or record, as it will result in **immediate termination**.

We never tamper with or falsify any signed company statement or certificate, as it will result in **immediate termination**.

FAIR BUSINESS AND FAIR COMPETITION

Competition laws seek to maintain healthy market competition by regulating anti-competitive conduct by companies, such as – but not limited to – price fixing, price manipulation, limiting prices, dividing territories, exclusive dealings, refusal to deal, and abuse of dominant position.

- We promote trust through clear and healthy relationships between our Group and our business community: consumers, customers, suppliers, partners and shareholders.
- We support free competition in a fair, ethical and open manner wherever we operate, in full alignment with all applicable competition laws.

INTERACTING WITH OUR CONSUMERS

- We earn consumers' business on the basis of fair and honest representation of our products and services, without resorting to deceptive or anti-competitive trade practices.
- We make sure that all our marketing and sale claims are substantiated and deliver on their promises.
- We comply with and actively support any consumer protection initiative, policy or procedure in all our operations.
- We never get or communicate personal information of our consumers through unlawful means and without their consent.
- We always inform our consumers about the use of their personal information and never proceed without their consent.
- We ensure that CCTV monitoring in our premises, such as stores, is clearly announced.

INTERACTING WITH OUR CUSTOMERS, SUPPLIERS, SERVICE PROVIDERS

- We treat all our customers, suppliers and service providers equally and do not give any unfair advantage.
- We use a fair, objective and transparent selection process based on merit, quality and reputation.
- We hold them to the same standard of fairness and integrity throughout our business relationship to which we hold ourselves.

INTERACTING WITH OUR COMPETITORS

- We never slander, spread false information or act unethically towards our competitors.
- We collect information on our competitors only through legitimate public sources and protect this information.
- We never use – in collecting information – theft, deception, misrepresentation, breach of confidentiality obligations, promises or threats, directly or through a source that uses such means.





PROTECTION OF
GROUP REPUTATION,
INFORMATION AND ASSETS

COMMUNICATING ABOUT OUR GROUP

Everything we communicate about our Group may have an impact on its reputation.

- We talk to the media or make statements on any public communication channel, including social media, about our Group, its subsidiaries, its business partners and its resources only when authorised to do so.
- We make sure the information we communicate is reliable, consistent and accurate.
- We always use the highest professional and ethical standards in our communication.
- We make sure that our information is sent only to the relevant people.
- We only use our Group's name and logo in compliance with our corporate identity guidelines.

We never – on any personal or public communication channel (ex. MyChalhoub employee app, e-MAC intranet, personal social media, Group and personal emails, etc.) – blackmail or make negative statements or share information that defames our Group in any way: such communication is considered a civil offence and will result in **immediate termination** and legal action against the author.

CONFIDENTIALITY AND SENSITIVE INFORMATION

While performing our job, the Group trusts us in full transparency with sensitive information, such as:

- Financial information, such as earnings, losses, forecasts, budgets and sale turnover.
- Internal activities (organisation, shareholding, etc.).
- Upcoming strategies, mergers or potential business opportunities.
- Marketing campaigns, product launches or price structures.
- Contracts, quotations or operations manuals and know-how.
- Information on business partners or competitors.
- We use and share this information on a need to know basis and if it makes business sense.
- We maintain the confidentiality of this information while performing our job, except when disclosure is authorised or legally mandated.
- We keep this information within the Group and do not share it with friends or family.
- We protect this information even after leaving the Group.

PERSONAL INFORMATION PROTECTION AND PRIVACY

Our Group acquires and retains personal information about each of its employees, business partners, suppliers and customers.

- We respect and protect the privacy of all our employees, business partners, suppliers and customers who have entrusted their data to us.
- We handle this data – collect, store, share, use, retain, transfer and delete it – responsibly and in compliance with applicable privacy laws, as well as with the General Data Protection Regulation 279/2016.
- We do not retain this data for longer than needed, and make sure to only use it for a clear business purpose or if required by law.
- We respect any non-disclosure agreements signed with your previous employers' and with our Group.

RESPONSIBLE USE OF SOCIAL MEDIA

Our Group acquires and retains personal information about each of its employees, business partners, suppliers and customers.

- We use social media, such as Facebook, Twitter, Instagram and similar platforms and forums, with caution and care, being aware that, whether acting in a personal or professional capacity, all ideas, opinions and comments that are posted never truly disappear and can have personal, professional and legal consequences at any time.
- We respect the terms and conditions of the social media platforms we use.
- We never upload, post on, forward or post a link to any site using abusive, obscene, discriminatory, defamatory content, nor to chain mail, junk mail or spam.
- We report to IT Security any suspected or confirmed cybersecurity, privacy or social media risks or incidents, as well as any loss, theft, misuse or improper access to data or computing equipment.

INTELLECTUAL PROPERTY AND ANTI-COUNTERFEITING

Our Group's intellectual property – such as but not limited to trademarks, patents, copyrights, software, apps and any proprietary information – is protected by Intellectual Property laws.

- We respect our Group's intellectual property rights and protect all documents, films, music and software produced by any of us during our employment. These belong to the Group.
- We never share any such intellectual property with external parties without written authorisation.
- We apply the same level of care to third parties' intellectual property rights as we do to our own, and only use it when authorised to do so.
- We never promote or condone the use of counterfeit or imitation products.

GROUP ASSETS

These may include tangible and intangible assets, such as funds, business plans, financial data, buildings, equipment, supplies, communication systems, licensed software, confidential and proprietary information, know-how, data, trademarks and copyrights, any other resource owned by or entrusted to our Group.

- We do everything possible to protect and secure our Group's assets.
- We only use assets when authorised to do so, for business purposes only, and in the exclusive interest of our Group.
- We make use of these assets and resources in a responsible way while performing our job, avoiding waste, loss, damage, misuse, misappropriation or infringement.
- We protect our Group's IT ecosystem: desktops, laptops, mobile devices, networks, software, email, business applications, internet, intranet and all Group internal communication platforms, by observing all security recommendations.

Any instance of theft of Group funds and/or Group assets, or intention of theft or abetting such instance, will be subject to disciplinary measures which may include **immediate termination**.



CHALHOUB GROUP

www.chalhoubgroup.com