

APPAREL GROUP

SINCE 1996

EXCEED EXPECTATIONS EVERYDAY

ESG REPORT

2021

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A MESSAGE FROM OUR FOUNDERS

Welcome to the 2021 Sustainability Report for Apparel Group. 2021 was yet another challenging year for people and businesses around the world as the global pandemic continued to evolve, and the call to action on the climate crisis took centre stage.

There is a growing demand for the fashion industry to adopt more sustainable practices across its value chain and better manage its impact on global resources. In addition, customers are becoming increasingly conscious and are making more sustainable fashion choices. As a result, we are witnessing an unprecedented level of collaboration across the industry as well as a wealth of new technology and innovation. In short, there is a dynamic shift in the industry and a new norm is emerging.

At Apparel Group, we are embracing these changes with firm commitment and determination. 2021 was a time to consolidate our efforts towards sustainability by developing a clear and effective strategy that focuses on our key

areas of impact on environmental, social, and governance matters across our business. Our sustainability strategy aligns with global standards and best practices to ensure that our efforts address the priority material issues identified for the Group and all our stakeholders.

Our strategy supports local and international sustainability ambitions, including the UN Sustainable Development Goals (SDGs). This reinforces our commitment to upholding the principles of the UN Global Compact initiative and the UN Women's Empowerment Principles, of which we are an active member.

This report summarises our main achievements and challenges faced in 2021 while providing insights into how we are adopting more sustainable practices across our business. We acknowledge that we have much more work to do, and we are determined to rise to the challenge. Backed by a



Sima Ganwani Ved
Founder & Chairwoman of
Apparel Group

passionate and talented workforce, and in collaboration with our stakeholders, we believe we can continue to achieve



Nilesh Ved
Founder & Chairman of
Apparel Group

strong business success today, while safeguarding the prosperity of our future generations.

A MESSAGE FROM OUR CEO



“Apparel Group was placed among the top 30 Great Places to Work in the UAE for 2021”

I am pleased to present our Sustainability

Report for 2021. Despite the continued challenges of the global pandemic on people and businesses around the world, we remained steadfast in staying true to our values as an organisation and achieving our goals.

This past year we reaffirmed our commitment to becoming a more sustainable business by conducting a materiality assessment to identify the most pertinent sustainability issues for Apparel Group and its stakeholders. We implemented a sustainability framework which sets the foundation for key sustainability performance aspirations and enables us to manage our material issues. In addition, our sustainability strategy incorporates

a prioritized set of actions over the next three years that will guide our decision-making and allocation of resources on the areas that matter most.

We also continued to progress existing initiatives across key environmental and social areas while achieving strong business growth. Our commitment to giving back to our community has gone from strength to strength with the success of a range of campaigns involving fundraising, donations and partnerships in areas of health and education. These campaigns have contributed to improving the lives of our community members, and most importantly children, both locally and internationally.

With the expansion of our solar power system in 2021, over 60% of the energy consumption at our headquarters in Dubai is now supplied from renewable energy. We were awarded the LEED platinum certification for our headquarters thanks to the environmentally conscious design and efficiency credentials of our buildings and warehouses. In addition, through our strong partnership with recycling organization SOEX, we diverted 33 tonnes of old, damaged, and customer-returned merchandise from landfill in the UAE.

Apparel Group was placed among the top 30 Great Places to Work in the UAE for 2021, once again highlighting our commitment to creating a diverse and inclusive work environment where our employees feel valued and fulfilled. We coordinated a suite of employee health and wellbeing campaigns to encourage healthy lifestyle habits and support our employees through another challenging year. A key highlight for the Apparel Group family in 2021 was our continued support for people of

determination through our internship programme and campaigns in collaboration with our brand partners. We now employ 14 people of determination at our Tim Hortons cafes across Dubai.

Our recently updated vendor management process continues to develop as we reaffirm our commitment to ethical purchasing practices and maintaining strong relationships with our suppliers that are based on transparency and shared values. We continue to promote procurement from local suppliers where possible, and in 2021, 76% of our procurement spending for non-merchandise items was from local suppliers.

The year also reasserted our position as the retailer of choice in the region for brands that are spearheading the adoption of sustainable business practices across the industry, leading the way in areas of climate neutrality, fashion circularity, sustainable supply chains and more. As our business continues to grow and we expand into new markets, our focus will be on promoting sustainable product offerings from our brand partners, onboarding more sustainable brands, and increasing the range of sustainable products from our own home-grown brand concepts. Over the next three years we will also focus on improving how we monitor and report our impacts across all areas of our business. We will review and update our internal policies and procedures to strengthen and formalise our commitment to sustainable business practices. We look forward to an exciting year of new challenges and exceeding expectations every day.

Neeraj Teekchandani
CEO of Apparel Group

ABOUT THIS REPORT

Welcome to Apparel Group's 2021 sustainability report. This sustainability report presents a comprehensive overview of our commitments towards improving our social, environmental, economic, and governance performance and showcases our progress in monitoring and reporting on these areas.

This report contains insights into Apparel Group's sustainability strategy, achievements, and performance. It also highlights our commitment towards creating shared value for all our stakeholders by operating and growing our business in a sustainable manner.

This report provides information regarding our performance on the UN Global Compact principles and Women's Empowerment Principles, therefore, serves as our annual Communication on Progress (COP).

SCOPE

This report covers our operations as Apparel Group within the GCC. This report does not cover our operations in India, or any other country in which we operate. This report also excludes our online beauty platform Nessa.com as well as other business partnership within which Apparel Group is involved. To the extent possible, considering data limitations, and the boundaries outlined above, this report covers all main operational and corporate functions, unless otherwise stated.

REPORTING GUIDELINES

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. For further information and the GRI Content Index, please see Appendix A.

Where relevant, we also show our alignment and contribution to local and regional sustainability-related initiatives as well as the UN Sustainable Development Goals (SDGs)

REPORTING PERIOD

This report covers the period from 1 January 2021 to 31 December 2021, unless otherwise indicated.

FEEDBACK

For questions or comments regarding this report and sustainability at Apparel Group, please contact us at: apparelcsr@appareluae.com.

CAUTIONARY STATEMENT

This report contains certain forward-looking statements that express the way in which Apparel Group and its Subsidiaries intend to conduct various activities. These statements typically contain words such as "anticipate," "believe," "expect," "estimate," "forecast," "intend," "plan," "project" or similar expressions. Such statements are based on assumptions made using currently available information that is subject to a range of uncertainties that could cause actual results to differ from these projected or implied statements. Any forward-looking statements contained in this report are therefore not promises or guarantees of future conduct or policy, and thus Apparel Group and its Subsidiaries assume no obligation to publicly update any statements made in this report. Apparel Group and its Subsidiaries rely on information obtained from sources believed to be reliable but does not guarantee its accuracy or completeness.

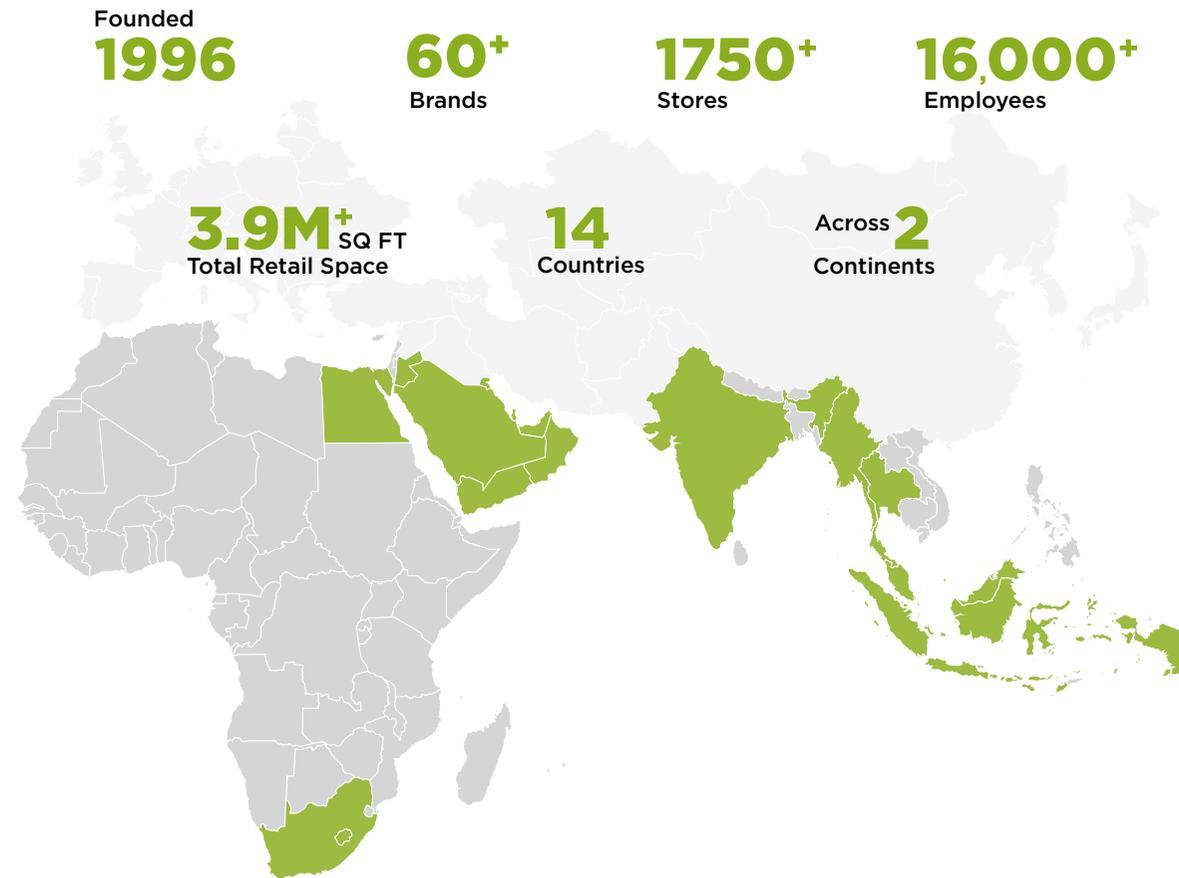
ABOUT APPAREL GROUP

Apparel Group is a global fashion and lifestyle retail conglomerate based in Dubai, United Arab Emirates. Today, Apparel Group caters to thousands of customers through its more than 1750+ stores and 75+ brands across all platforms employing 16,500 multicultural staff covering four continents. We have carved a strong presence in the UAE, Kuwait, Qatar, Bahrain, Oman, and Saudi Arabia and are planning to expand further into Southeast Asia, Africa, and the MENA region.

Apparel Group operates brands from around the world, including leading names in fashion, footwear & lifestyle

such as Tommy Hilfiger, Charles & Keith, Skechers, Aldo, Nine West, Aeropostale, Tim Hortons, Cold Stone Creamery, Inglot, Rituals etc., making it one of the leading international franchise operators and retailers in the GCC region.

Apparel Group also operates one of the region's most popular fashion, footwear & lifestyle e-Commerce platforms, 6thStreet.com to cater towards a growing virtual customer base. The group has also developed various home and multi-brand store concepts in domains such as fashion, department stores, dining and beauty.



To adequately manage our impacts as an organisation, it is important that we identify our key areas of control across our various business portfolios. Apparel Group operates across five main business areas including:

1. Franchising (brick and mortar stores for 50+ brands across the GCC),
2. Apparel Group's home-grown brands (end-to-end activities including design and manufacturing),
3. Licensing (includes manufacturing of non-Apparel brands),
4. Operating multi-brand stores, and
5. E-Commerce (Apparel's 6thStreet.com platform as well as launching and maintaining brand sites for some partner brands such as Rituals, Aldo, Crocs, Tommy Hilfiger, Dune, etc.).

¹ Apparel Group is involved in other business ventures including partnerships and investments across non-retail areas. These areas represent a small percentage of the Group's overall revenues and are not included in the scope of this report

VISION

Exceed Expectations Every Day.

MISSION

We create and operate businesses focused on delivering customer experiences that exceed people's expectation daily.

VALUES

Integrity, Excellence, Innovation, & Social Responsibility. Our core values guide our processes to always ensure we meet customers' expectations.

AÉROPOSTALE

ALDO

ALDO
Accessories

ANNE KLEIN

ACO.
athletesco

ARDENE



BRAND BAZZAAR
BIG BRANDS SMALL PRICES

BIRKENSTOCK
MADE IN GERMANY | FOUNDED 1896 | SINCE 1975

CALL IT SPRING

CCC
SHOES & BAGS



CHARLES & KEITH

Calvin Klein

COLD STONE
ICE CREAMERY

DollarPlus
your dollar is worth more

crocs

Dune
LONDON



Grand Centrale

Hush Puppies

HEMA
AMSTERDAM

Herschel
THE ORIGINAL
CANADIAN
TRAVEL BAGS

havaianas

INGLOT

Jamie's
ITALIAN

LA VIE EN ROSE
PIZZERIA

la Vie en Rose

LC WAIKIKI
Everyone deserves to dress well

Levi's

LAKELAND

MOSCHINO
THE FUTURE OF FASHION AND ACCESSORIES

Molten
Chocolate Cafe

NESSA
FOR THE LOVE OF BEAUTY

NAUTICA

NINE WEST

NEW YORKER
Dress for the moment.

NATUR
UR
ZITV

R&B
LOVE IT - WEAR IT

SKECHERS

RITUALS

SKECHERS
Kids

SKY ZONE
TRAMPOLINE PARK

SUSHI
LIBRARY

THE CHILDREN'S
PLACE

Tim Hortons

TOMS

TOMMY HILFIFIGER

XIMIA
VOGUE

6THSTREET.COM

¹ Apparel Group is involved in other business ventures including partnerships and investments across non-retail areas. These areas represent a small percentage of the Group's overall revenues and are not included in the scope of this report



FRANCHISE

We franchise 50+ renowned fashion brands. We procure products from brand principals directly and are responsible for merchandising, distribution, logistics, pricing, store fit-out, marketing, disposal of old inventory and customer returns.



Apparel has developed its own in-house fashion brands "R&B" and "F5". We are responsible for end-to-end business activities such as product design, manufacturing, branding, marketing, fulfillment, merchandising, distribution, logistics, pricing, store fit-out, marketing, disposal of old inventory and customer returns.

HOME CONCEPTS

AÉROPOSTALE

LICENSING

Apparel has licensing agreements with internationally renowned brands such as Aeropostale, and BHPC to manufacture and market their products. We are responsible for manufacturing, marketing, fulfillment, merchandising, distribution, logistics, pricing, store fit-out, marketing, disposal of old inventory and customer returns.



MULTI-BRAND STORES

Apparel has developed various multi-brand store concepts in domains such as footwear (The Athletes' Co), fashion (Brand Bazaar), and department stores (Dollar Plus). We are responsible for procurement, merchandising, distribution, logistics, pricing, store fit-out, marketing, disposal of old inventory and customer returns.

6THSTREET.COM

E-COMMERCE

Apparel has developed a strong Omnichannel presence by operating one of the region's most popular e-Commerce fashion sites 6thStreet.com. 6thStreet offers customers over 250 fashion and lifestyle brands, including Apparel's own brand names. We are responsible for procurement, merchandising, distribution, logistics, pricing, marketing, disposal of old inventory and customer returns.

MEMBERSHIP OF ASSOCIATIONS

- UN Global Compact
- UN Women's Empowerment Principles
- Dubai Chamber Sustainability Network
- Dubai Quality Group

RECOGNITIONS

- o Apparel Group was placed among Top 30 Great Places to Work in the UAE, 2021
- o Ranked 19th in Best Multinational Workplaces in Asia, 2021.
- o Apparel Group's Founder & Chairwoman Mrs. Sima Ganwani Ved won the RetailME Icons Visionary Award 2021
- o Apparel Group's Founder & Chairwoman Mrs. Sima Ganwani Ved won the Most Admired Retail Personality of the Year

- o Apparel Group earned the LEED Platinum certificate (91/110 points) for the US Green Building Council's Leadership in Energy and Environmental Design for our office and warehouse in Jebel Ali.

- o ALDO Group brands won The Most Admired Brand Campaign of the Year and The Most Admired Footwear & Accessories Retailer of the Year
- o 6thstreet was awarded the E-commerce Retailer of the Year
- o 6thstreet.com was selected as the winner in the Smart Services sector for the Best Service Performance Brand Award in the Dubai Service Excellence Scheme.

OUR RESPONSE TO COVID-19

As part of our effort to protect our employees and customers from the spread of COVID-19, we continued to implement government protocols as well as our own safety protocols throughout 2021. These included:

1. Organizing a vaccination drive for all employees. Apparel Group currently has a vaccination rate of 95%.
2. Anti-covid devices were installed in every room across at head office to protect employees from contracting COVID-19. SHYCOCAN (Scalene Hypercharge Corona Canon) is a new technology that directly and continuously deactivates 99.99% of harmful viruses in an enclosed space, leaving it sterile and safe to occupy.



SUSTAINABILITY AT APPAREL GROUP

A hand is shown pointing upwards towards a line graph that trends upwards from left to right. The background features a bar chart with several vertical bars of varying heights, all rendered in a dark blue color. The overall scene is set against a dark blue gradient background.

At Apparel Group, we believe that we are not just a business, but an integral member of society. This is why we have chosen to adopt an operating philosophy that aligns with the triple bottom line of sustainability – the integrated management of the economic, environmental, and social aspects of our business, for the benefit of all key stakeholders. We are committed to growing our business in a responsible manner that benefits our employees, our partners, our customers, our community, and our environment.

We are currently in the process of developing and implementing a strategy that will help us minimize, offset, or eliminate any negative impacts we identify along our value chain. We continuously look for ways to improve our processes to achieve our goal of being a more sustainable business. This approach aligns with our corporate vision and mission, guides our decision-making process, and forms the foundation of our company ethos.

OUR SUSTAINABILITY MANAGEMENT APPROACH

We recognize that the fashion industry is changing, and we have a responsibility and opportunity to embrace this change and be a driving force for good. Our connection to millions of customers around the world across physical and virtual platforms places us in a unique position to raise customer awareness about sustainability, improve the lives of our people and communities, and inspire positive environmental outcomes in the industry.

That is why, at Apparel Group, we are working across all areas of our business to ensure the integrated management of our social, economic, and environmental impacts. We are actively working to align our sustainability and corporate strategies, to ensure that our ultimate goal of creating shared value for all our stakeholders is achieved now and in the future.

We are committed to achieving the goals set out in our sustainability strategy with strong support from our corporate leadership. Our Board of Directors and senior management team will oversee the development and implementation of key policies and processes, and routinely monitor relevant sustainability KPIs.

SUSTAINABILITY GOVERNANCE AT APPAREL GROUP

Our well-established Corporate Social Responsibility (CSR) department has long played an integral part in Apparel Group's sustainability efforts. Responsible for developing and implementing various social and environmental initiatives, our CSR team has been key to many of our notable achievements over the years (please refer to our previous sustainability reports for more detail).

As part of our sustainability strategy, we will be further enhancing our efforts by establishing a dedicated Sustainability Committee. This committee will comprise key members purposefully selected to oversee the execution of various sustainability initiatives across all business areas and will complement our CSR team. Our Sustainability Committee will also be tasked with providing information to all Apparel Group staff members about sustainability initiatives and provide training on how to implement sustainability behaviours at work and in our daily lives.

LISTENING TO OUR STAKEHOLDERS

Our stakeholders are key to our success as a sustainable business. By creating open, transparent, and meaningful dialogue with our stakeholders, we can understand and prioritize the key issues that matter most to them, and ultimately, to our business.

At Apparel Group, we continuously seek to improve our methods of engagement with our stakeholders. By promoting open communication and inclusiveness amongst all our stakeholder groups, we can progress our performance on key material issues and identify new issues that impact our stakeholders.

An important aspect of our sustainability strategy is our stakeholder mapping process. During this process we identify our key stakeholders, our methods of engagement, and the primary needs and expectations of each stakeholder group. This mapping activity is not static, it is a continuously evolving process that will be routinely updated to ensure relevance and meaningfulness.

Please refer to Appendix B for our detailed stakeholder mapping assessment.

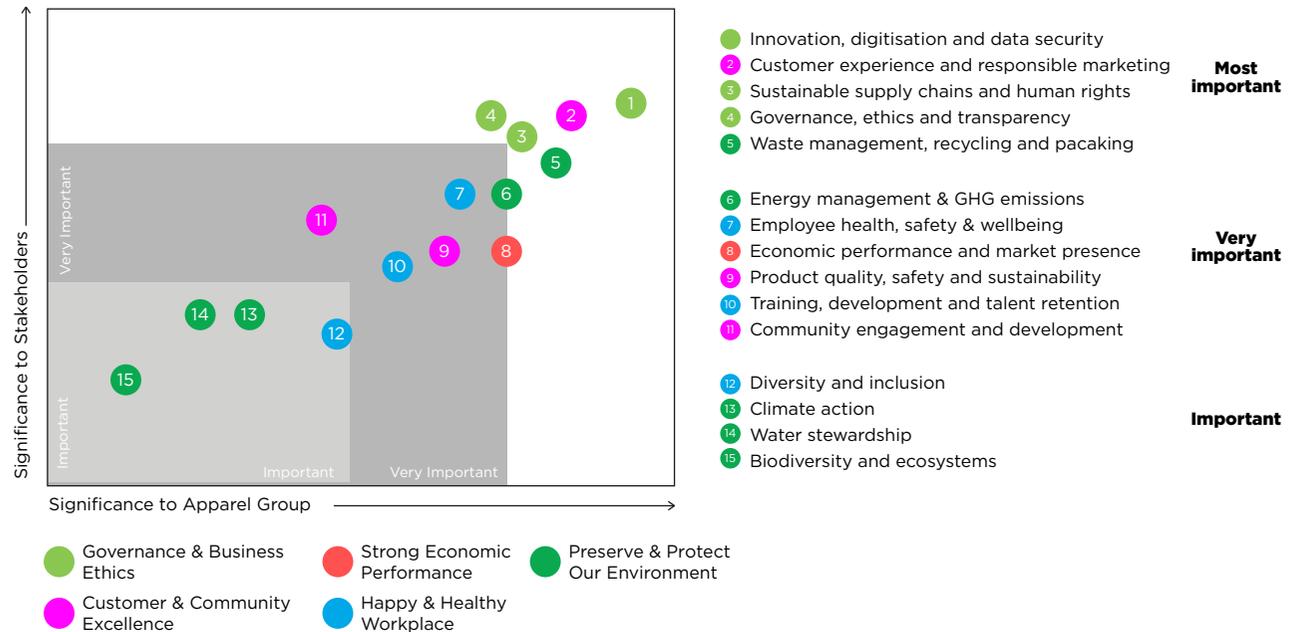


OUR MATERIALITY ASSESSMENT

As part of our journey towards becoming a more sustainable business, it is important that we understand the key issues that are most material to our business, and to our stakeholders. To identify and understand what these material issues are, we continuously examine local and global trends in the industry and assess the wider landscape of issues affecting the industry (e.g., by looking at global standards, initiatives, and policies). We then establish the importance of these trends and issues to our business and our stakeholders.

By conducting our first materiality assessment this year, we identified the key issues that have the potential to impact Apparel Group and established the level of importance of these issues to our stakeholders. By mapping these key social, environmental, and economic topics, we can assign actions to address them. We can set relevant KPIs, establish our reporting requirements, and determine where to focus our resources.

Below are the 15 material sustainability topics that we believe have the potential to impact our business and are of significance to our stakeholders.



The materiality assessment process is an important and ongoing part of sustainability management at Apparel Group. That is why we aim to continuously improve our methods of engagement with our stakeholders and update our materiality matrix and topics on a regular basis. This will ensure that new topics and emerging issues are identified and addressed accordingly.

OUR SUSTAINABILITY FRAMEWORK

Our materiality assessment process enabled us to identify the key sustainability pillars that form the foundation of our sustainability framework. This framework encapsulates what sustainability means for us at Apparel Group, aligning strongly with our corporate vision and mission, and reflecting our values as an organisation.

Under each of our sustainability pillars, we have assigned the relevant material topics which together, form the basis of our sustainability strategy. This framework serves as a guide for the strategic decisions and actions needed to ensure that we meet our social, environmental, and economic responsibilities.

- Governance, ethics & transparency
- Sustainable supply chain & human rights
- Innovation, digitization & data security

- Energy management & GHG emissions
- Waste management, recycling & packaging
- Water stewardship
- Climate action
- Biodiversity & ecosystems



- Economic performance & market presence

- Employee health, safety & wellbeing
- Training, development & talent retention
- Diversity & Inclusion



- Customer experience & responsible marketing
- Community engagement & development
- Product quality, safety & sustainability



SUPPORTING NATIONAL AND GLOBAL GOALS

Our sustainability strategy has been developed to align with key global and regional sustainability guidelines and initiatives. By mapping our material topics to the goals and focus areas of these initiatives, we can ensure that our efforts are directed towards priority

sustainability issues, and we can monitor and benchmark our performance effectively.

Through additional memberships and associations with key initiatives/groups in the region, we seek to further

enhance our sustainability efforts and use our strong networks to promote sustainability, innovation and quality excellence throughout the region.

GLOBAL & REGIONAL SUSTAINABILITY INITIATIVES



We acknowledge that we must play our part in transitioning towards a more sustainable future for all. At Apparel Group, we have identified how we can contribute towards the United Nations Sustainable Development Goals (UN SDGs). We are committed to supporting the SDGs by aligning our business practices with these goals and ensuring that we are operating in a manner that positively contributes to the goals through relevant targets. Please refer to the start of each sustainability pillar chapter in this report to see how Apparel Group is contributing to the SDGs.



The UAE Vision 2021 encompasses six national priorities of which Sustainable Environment and Infrastructure is one. This pillar aims to ensure sustainable development while preserving the environment. The principles and achievements of the 2021 Vision are expected to continue and become “the norm” in the UAE. We have aligned our sustainability management process with the national vision by incorporating key components into our sustainability framework.

GLOBAL & REGIONAL SUSTAINABILITY INITIATIVES



Under the Dubai Clean Energy Strategy, Dubai aims to produce 75% of its energy requirements from clean sources by 2050. The strategy also aims to make Dubai a global centre of clean energy and green economy. This strategy aligns with the national UAE Energy Strategy 2050. Apparel Group has aligned its energy management strategy with the Dubai Clean Energy Strategy in an effort to achieve set targets within the required timeframe. .



The UNGC is the world's largest corporate sustainability initiative which calls on companies to align their strategies and operations with the universal principles on human rights, labour, environment, and anti-corruption while also taking actions that advance societal goals (e.g., UN SDGs). The UN Women's Empowerment Principles is a UNGC initiative that encourages companies to adopt the seven Principles to empower women in the workplace. These Principles emphasize the business case for corporate action to promote gender equality and women's empowerment.

As a member of both the UNGC and UN Women's Empowerment Principles, Apparel Group seeks to align its business in a manner that aligns with and drives the achievement of these initiatives globally.

ADDITIONAL ASSOCIATIONS



The Dubai Chamber Sustainability Network serves as a platform for Dubai's business community to identify and share expertise on CSR and sustainability challenges and develop practical solutions. Apparel Group is an active member of this network.



The Dubai Quality Group is a non-profit organization which delivers various training programs, conferences and awards throughout the year with the objective of improving Quality of Service & Business Excellence in the region. The Group seeks to create and sustain a culture of excellence and innovation for all stakeholders.

STRONG ECONOMIC PERFORMANCE

The background of the page features a blue-toned image of a hand pointing upwards towards a bar chart. The chart consists of several vertical bars of increasing height from left to right, with a white line graph overlaid that curves upwards, indicating a positive trend. The overall aesthetic is professional and data-driven.

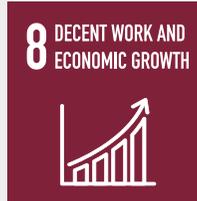
Ultimately, strong, sustainable financial performance creates value for our stakeholders and contributes to the vibrancy of the local economy. We are taking steps to further enhance our financial footing through a well-balanced business strategy that will deliver stable economic growth by minimising costs and maximising operating efficiencies.

MATERIAL TOPIC

RELEVANT UN SDGS

SDG TARGETS

Strong economic performance



Target:

8.1 | 8.2 | 8.4 | 8.5

Target:

12.2 | 12.7 | 12.8

ECONOMIC PERFORMANCE AND MARKET PRESENCE

We are working on expanding our portfolio of brands (franchise and home-grown) within existing markets and further expanding our business into new markets. We are further positioning ourselves as the retailer of choice in the region by enhancing our services to

include the development and maintenance of mono-brand websites for our franchise partners.



BUSINESS GROWTH HIGHLIGHTS IN 2021

1. Launch of mono-brand websites in 2021: Dune London and CrocsGulf (KSA, Qatar, Bahrain, Oman)
2. Launch of mono-brand website in 2021: Aldoshoes.me (UAE, Kuwait, Qatar, Bahrain, Oman)
3. A 0.45% increase in sales from our home-grown concept brands
4. 249 new store openings across the GCC
5. Launch of our home-grown concept Japanese restaurant Sushi Library in 2021 with one store opening in the UAE, KSA, and Qatar
6. The launch of Apparel Group's first home-grown sustainable brand F5

BUSINESS GROWTH PLANS IN 2022

1. Expansion into new markets in 2022: Tim Hortons and Victoria Secret opening in India and 6thstreet Phygital store opening in UAE and Egypt.
2. Opening 100+ new stores across the GCC. (Dubai Hills Mall) and NewYorker opening first store in Oman
3. F5 Global first store projected to open in Dubai Hills Mall in 2022

SUSTAINABLE BUSINESS GROWTH

As part of our commitment to sustainable business growth, we recently conducted a detailed assessment of our franchise brands across a series of sector-relevant sustainability performance criteria. This assessment provided us with important insights into our portfolio of 'sustainable brands', and the percentage of our overall sales generated from these brands. The outcomes of this assessment have been used as guidance on how Apparel Group can enhance its position as the retailer of choice for more responsible brands (both regional and global) in the future. The assessment also highlighted the areas where we need to focus to promote our existing range of sustainable brands and product lines.

OUR COMMITMENTS

- Develop a strategy to onboard new sustainable brands in order to strengthen Apparel Group's brand posture and sustainable brand portfolio.
- Set targets for % of sales from sustainable products.
- Review contracts with less sustainable brands and request information regarding their sustainability plans/efforts.
- Identify sustainable start-ups/SMEs in the region and develop a plan to support/invest in these SMEs.
- Offboard less sustainable brands that do not have any sustainability management plans or cannot demonstrate performance on key environmental and social issues.



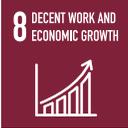
GOVERNANCE & BUSINESS ETHICS

At Apparel Group, we believe that strong corporate governance is imperative to not only achieve business success, but key to embedding sustainability into the fabric of our culture as an organization. With the support and direction of our Board of Directors, and leadership of our executive management team, we strive to protect the rights of all stakeholders and conduct all our business operations to the highest ethical standards.

We are guided by a sound risk management framework and work diligently to eliminate bribery, corruption, and human rights abuses across our entire value chain. We expect sound performance across socio-economic and environmental factors from ourselves as well as our suppliers and business partners.

We are committed to safeguarding our customers' personal data and privacy and seek to develop innovative digitisation processes to further enhance business performance and customer experience.



MATERIAL TOPIC	RELEVANT UN SDGS	SDG TARGETS
 <p>Governance, ethics & transparency</p>	 	<p>Target: 1.1 1.2 1.4</p> <p>Target: 8.1 8.2 8.3 8.4 8.5</p>
 <p>Sustainable supply chains & human rights</p>	 	<p>Target: 9.2 9.4</p> <p>Target: 12.2 12.7 12.8</p>
 <p>Innovation, digitization & data security</p>		<p>Target: 16.5 16.b</p>

GOVERNANCE, ETHICS & TRANSPARENCY

At Apparel Group, we are committed to carrying out our business with the highest level of integrity, diligence, and transparency. Our Supervisory Board and management team lead through example, with an uncompromising commitment to ethical business conduct, demanding the same level of integrity from all staff and partners at Apparel Group.

The Apparel Group leadership team is committed to upholding high standards of corporate governance, that reflect industry best practice and relevant regulatory guidelines/legislation.

Our Board and executive management team provide guidance and support to facilitate responsible business management and strategic decision making, set the Group's core objectives, and assign accountability across the entire business.

APPAREL GROUP SUPERVISORY BOARD

Our Supervisory Board consists of 11 members, purposefully selected to represent the interests of Apparel Group and its stakeholders. Our Supervisory Board consists of the Group's Founder and Chairwoman, Sima Ved, as well as the Group's Chairman, Nilesh Ved, along with four members of the Apparel Group Executive Team. The remaining five members are independent board members with various skills and expertise that will drive the Group's strategic direction.

The Apparel Group Supervisory Board comprises 18% females, with members representing four nationalities.

RELEVANT APPAREL GROUP POLICIES

Our Employee Handbook is a comprehensive document that comprises our policies, guidelines and other relevant information for employees. It was developed with the aim of acquainting Apparel Group employees with relevant benefits, rights, communication mechanisms, and expectations. The handbook also summarizes important practices and procedures that employees should be aware of and conform to during their tenure with Apparel Group. The principles outlined within the handbook also provide a foundation for Apparel Group's system of internal controls.

Some of the key policies and guidelines within the handbook include:

- Diversity & Inclusion (includes Anti-harassment and Equal Opportunity policies)
- Grievance Policy
- Code of Conduct & Ethics
- Regulatory Compliance
- Environmental Management & Protection
- Corporate Governance & Ethics
- Corporate Social Responsibility

TRANSPARENT FINANCIAL TRANSACTIONS

Apparel Group complies with all laws that prohibit money laundering or financing for illegal or illegitimate purposes. We ensure to conduct business with reputable business partners. We do this by obtaining all identification information required to confirm the identity of a person with whom a relationship is being established, an account is being opened or a significant transaction is being carried out.

We use multiple RPA tools such as Automation Anywhere and Softomotive to reconcile the sales and process the financial transactions as well as for banking reconciliation.

OUR COMMITMENTS

To support Apparel Group's journey towards becoming a more sustainable business, our Supervisory Board and Management Team will:

-  Facilitate enhanced stakeholder engagement to better understand material issues
-  Lead the integration of our sustainability strategy with our risk management framework and corporate business strategy
-  Implement key standalone policies and guidelines to further strengthen our standards in business ethics as well as other pertinent sustainability issues
-  Oversee our ESG performance and associated sustainability KPIs/targets on a routine basis
-  Support the development and implementation of an anti-corruption training program for all board members, managers and staff at Apparel Group
-  Support the development and implementation of a Whistleblowing Policy to further demonstrate our commitment to accountability, compliance, and transparency.

SUSTAINABLE SUPPLY CHAINS & HUMAN RIGHTS

At Apparel Group, our ability to deliver quality products and services to thousands of customers every day would not be possible without strong partnerships with our suppliers. These partnerships are built on mutual trust, shared principles, and value giving.

We understand that the fashion industry is coming under increasing pressure to improve supply chain management and deliver better environmental and social outcomes from start to finish. We recognize that supply chain management is not just about getting quality products, on time and at a good price. Supply chain management involves transparent and ethical sourcing that ensures the rights and wellbeing of suppliers and their workers are safeguarded, as well as safeguarding the environment and our earth's resources, starting at raw material acquisition.

OUR SUPPLY CHAIN MANAGEMENT APPROACH

At Apparel Group, we seek to ensure that the level of transparency and ethical practice we expect of ourselves is extend throughout our supply chain. That is why we demand similar behaviours from our

suppliers including our brands franchises, our own brand suppliers, and our non-merchandise suppliers.

VENDOR MANAGEMENT PORTAL

In 2020, we introduced a new Vendor Management Portal (VMP) and provided training to all our suppliers on its use. The new system has provided a greater level of transparency between Apparel Group and our suppliers through various functions including invoice status checks and updating of documentation.

The new VMP uses the latest machine learning technology to provide us with better control and transparency over the

entire purchasing cycle. The portal has also led to other advantages including reduced paper consumption and more efficient communication with our suppliers.

Our Vendor Management Portal includes a supplier pre-qualification and onboarding function. During the pre-qualification process, potential suppliers submit an application and the necessary documentation, depending on their industry. Risks associated with human rights, labour rights, child labour, health & safety, and environmental management are evaluated through Vendor Evaluation Forms. The information provided in these forms may be verified during site visits.

Identified risks are thoroughly discussed with the supplier, and where possible, mitigations agreed to. In the event that suitable mitigation measures cannot be implemented, the supplier is disqualified. Qualified suppliers are registered and go through an onboarding process, with clear expectations of both parties communicated.

Supplier Screening ²	Unit	2019	2020	2021
New suppliers	#	1370	1135	1623
New suppliers screened using social criteria	#	1370	1135	1623
New suppliers screened using social criteria	#	1370	1135	1623
Percentage of new suppliers screened using social criteria	%	-	0	100%
Percentage of new suppliers screened using environmental criteria	%	-	0	100%

² Data presented in this table only includes Apparel Group's non-merchandise suppliers as well as Tier 1 suppliers outsourced to produce Apparel Group's R&B brand of kidswear, womenswear, menswear and footwear, and does not include Apparel Group brand franchises³

OUR EXPECTATIONS OF SUPPLIERS

Our expectations of suppliers are clearly documented in all our agreements which specify that all suppliers are contractually obligated to adhere to the following conditions:

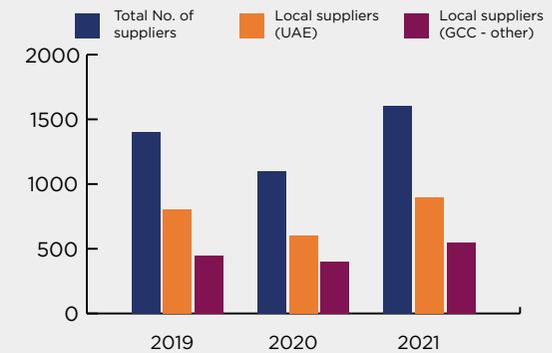
- ✓ Environmental sustainability, including : compliance with local laws and regulations efforts to minimize energy use, waste, water consumption, and raw material use efforts to minimize emissions that are likely to cause pollution or contribute to climate change.
- ✓ Ensure freedom from forced labour, bonded labour, and human trafficking.
- ✓ Child Labour : adhere to local laws relating to the minimum working age and not engage in the employment of child labour, directly or indirectly.
- ✓ Wages & Benefits: comply with the Wage Protection Laws, Workmen Compensation Laws, and General Labour Laws, and ensure the protection of worker's welfare.
- ✓ Freedom of Association and Collective Bargaining
- ✓ Health, Safety & Working Conditions : ensure all employees are provided with a safe and hygienic work environment with an awareness of work-specific hazards and provide necessary training.
- ✓ Human Rights : the prohibition of human rights abuses of all kinds, and the availability of grievance mechanisms accessible to all workers without fear of retribution.
- ✓ Anti-discrimination : Shall have a policy that explicitly bans discrimination/ bullying and harassment based on sexual orientation, race, gender or gender identity/expression.
- ✓ Business Ethics & Anti-Corruption : efforts to ensure the highest standard of integrity in all business dealings. Prohibition of all forms of corruption, extortion, bribery (including facilitation payments), and embezzlement which may result in immediate termination and legal action.
- ✓ Efforts to evaluate the environmental and social performance of suppliers within their own supply chain.

We will give priority to suppliers that are found to be most compliant with these conditions and demonstrate the principles within the Apparel Group Code of Conduct. We are committed to helping our suppliers along the way by providing guidance, training and support where necessary.

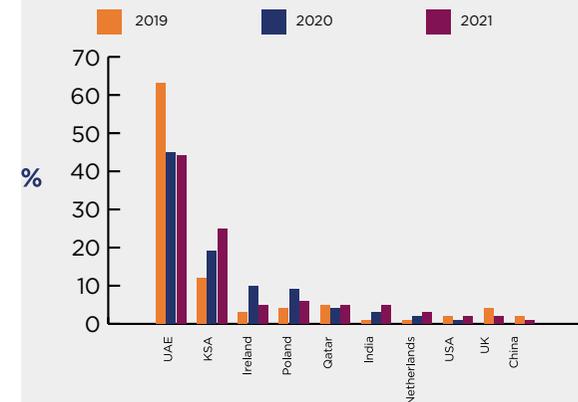
SUPPORTING LOCAL SUPPLIERS

At Apparel Group, we believe in the importance of contributing towards the progress and growth of the local economies in which we operate. That is why we are committed to increasing our local sourcing footprint and will give priority to local suppliers who adhere to our policies and code of conduct.

LOCAL PROCUREMENT - NO. OF SUPPLIERS



PROCUREMENT SPENDING BY LOCATION



Local Procurement Spending ³	Unit	2019	2020	2021
Total procurement spending	Million AED	530	360	562
Procurement spending on local suppliers	Million AED	429	245	427
Percentage of spending on local suppliers	%	81%	68%	76%

Despite a reduction in local spending between 2019 and 2020, which can be attributed predominantly to the COVID-19 pandemic and its effects on supply markets worldwide, in 2021 we had an 8% increase in local procurement spending (across the GCC). Local spending is still predominantly based in the UAE, however, we are increasing our spending in other GCC countries including KSA and Qatar due to our continued expansion in those countries (please refer to the Strong Economic Growth section of this report for more details).

OUR COMMITMENTS

- Develop and implement effective data monitoring and collection methods in relation to supplier screening, performance validation and auditing to determine performance and improve reporting
- Conduct internal audits on all Tier 1⁴ suppliers for performance on environmental and social issues
- Develop a Code of Conduct for suppliers and distribute to all Apparel Group suppliers

³ Local procurement here (including the data presented in this section) refers to Apparel Group's non-merchandising procurement only (i.e., does not include the procurement of merchandise from brand franchises)

⁴ Tier 1 suppliers refer to those suppliers with which Apparel Group conducts business with directly and does not include brands for which Apparel Group is a franchisee



INNOVATION, DIGITIZATION & DATA SECURITY

The dynamic nature of our ever-expanding digital world and customer expectations particularly in the fashion industry, has put the onus on companies to continuously develop innovative methods to improve their products, and services, as well as internal processes.

At Apparel Group, we believe that the responsible use of new technologies can facilitate our ability to meet customer expectations while respecting and safeguarding customer privacy. By adopting the latest innovations in digital technology and providing our staff with the necessary training and knowledge on its use, we seek to increase our operational efficiency and maintain business security.

DATA SECURITY

We minimise security breaches by strengthening our cyber capabilities and use next generation tools to monitor and manage our security. To mitigate our cyber security risks, we have implemented an End Point Detection and Response (EDR) security solution. EDR is the latest technology used to:

- ✓ Monitor and collect activity data that may have a potential threat,
- ✓ Analyse the data to identify potential threats,
- ✓ Automatically respond to identified threats to remove or contain them, and notify security personnel

To further enhance our data security, we send out regular communications to all relevant personnel regarding potential threats and organize training for back-office users on IT security measures and phishing campaigns.

We have a cloud first strategy, and all our physical servers are moved to Cloud, with one of the first Digital Store Operations Automated Distribution Centres IT Security in the GCC region. We leverage the best-in-class cloud technologies by using Oracle Cloud, AWS and Azure Platform across our business.

CUSTOMER PRIVACY

At Apparel Group, our growing online presence makes customer data privacy and security an important focus area. We update our security systems periodically and align our IT operations to the highest standards to ensure the privacy of our customers and employees' data.

Our Club Apparel (CA) application is linked to an individual mobile number provided by the customer and validated during registration. Email verification is also used to ensure data integrity. The CA application is linked to the Point of Sale and tracks customer real-time transactions. Customer data is protected and shared with brand teams only in the event of complaint resolution to contact customers.

We may share non-personal aggregate information (user behaviour, demographic patterns, shopping adjacencies etc) with our affiliates or other partners. However, we expressly prohibit the disclosure, sale or transfer of any information about individual users to any unauthorized third party.

The Club Apparel Data Privacy Policy is available online and provides details to customers regarding what information is collected, what it is used for, and how their privacy is protected. We also include our contact information to allow customers to reach out to us with regards to any data privacy questions or concerns.

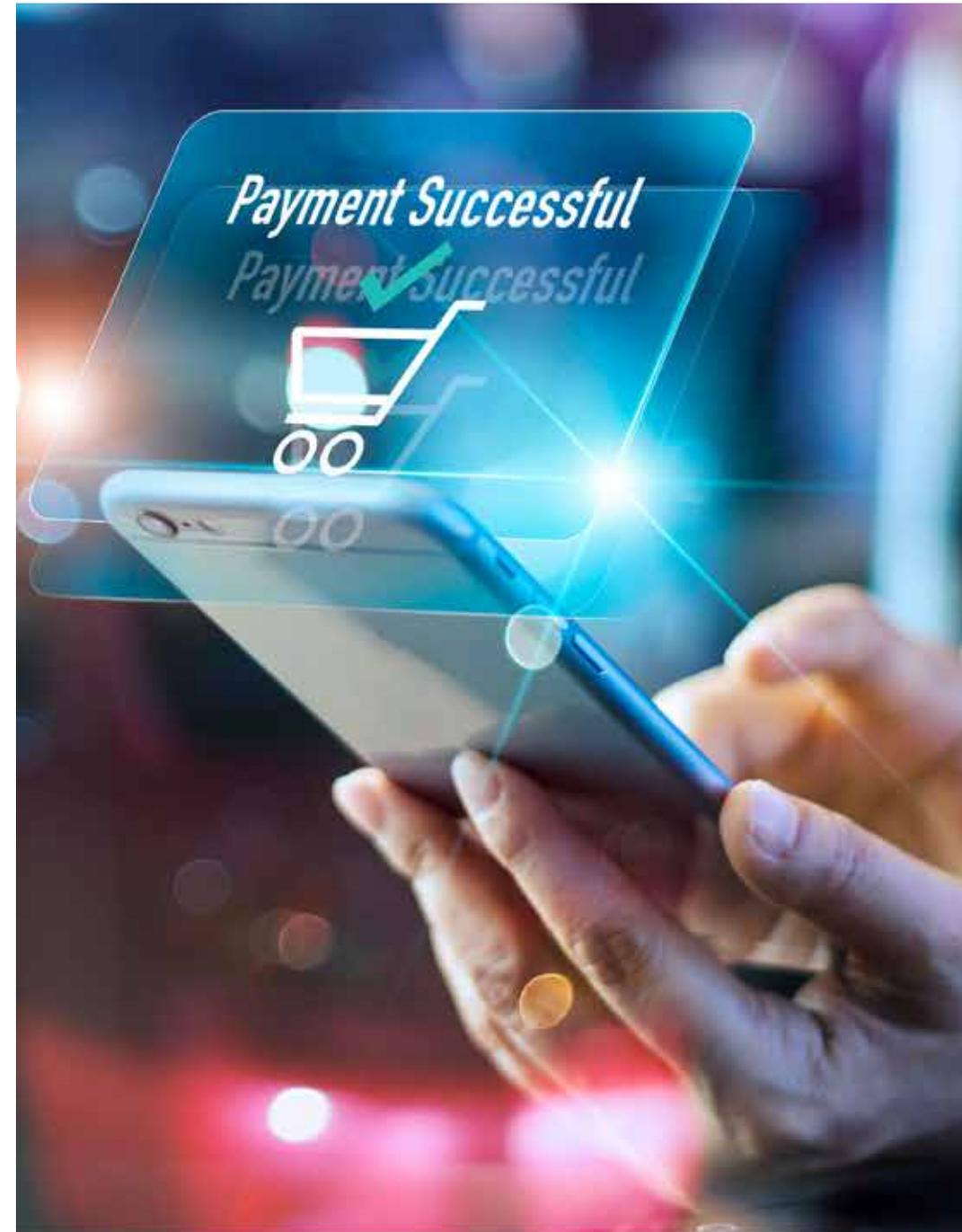
INNOVATION

We recently rolled out Oracle Retail Xstore Point-of-service that provides mobile checkout and integrated payment options for customers. We are currently piloting a mobile app to digitize store operation and communication with the support centre. The new mobile app will help us enhance our visual merchandising, operations, staffing and marketing with greater accuracy.

Data Privacy & Security	2019	2020	2021
Number of data privacy breaches	0	0	0
Number of cyber security breaches	0	0	0
Number of customer complaints regarding privacy	0	0	0

OUR COMMITMENTS

- Develop a robust data security management plan and ensure adequate monitoring of KPIs
- Develop Digital Citizenship Policy that covers all Apparel Group operations in the GCC



COMMUNITY AND CUSTOMER EXCELLENCE

At Apparel Group, we strive to ensure our products comply with the highest standards of quality and safety. We market our products in an ethical manner that empowers customers to make informed purchasing decisions. We seek to increase our range of sustainable products through our strong partnerships with key brands, as well as our own brands.

Customer experience and satisfaction are an utmost priority for us. We seek to continuously implement innovative technology to offer customers sustainable products and services that exceed their expectations. All our products and services are easily accessible across multiple platforms. Our aim is to create long term relationships with our customers based on loyalty and the value and quality of our products and services.

Our culture of community investment and philanthropy aims to prosper the communities in which we operate. We seek to promote Nationalization to support locals in their career aspirations within the Fashion and Lifestyle sector. We are part of a community that we endeavour to support, develop and empower.

MATERIAL TOPIC	RELEVANT UN SDGS	SDG TARGETS
Product Quality, Safety & Sustainability		Target: 12.2 12.6 12.8
Customer Experience & Responsible Marketing	  	Target: 1.1 Target: 2.1 Target: 3.d
Community engagement and development		Target: 4.1 4.4 4.7

PRODUCT QUALITY, SAFETY & SUSTAINABILITY

At Apparel Group, we believe that the delivery of high-quality products and services to our customers is fundamental to our success. We also recognize the growing imperative to diversify our product offerings to include more sustainable options. This is not only in response to increasing customer demands for more sustainable product options, but because as a leading retailer we believe it is our responsibility to be a driving force for positive change within the fashion and lifestyle industry.

Apparel Group operates multiple business portfolios, making it important that we clearly identify our areas of direct control over product quality. Our primary objective across all our portfolios is to ensure that our products meet the highest levels of quality and safety within the industry and in the areas we operate. In addition, we seek to ensure the provision and promotion of a continuously increasing number of sustainable products on offer to our customers through our franchise brands as well as our own brands.

FRANCHISING

We strive to develop strong partnerships with renowned brands where we can guarantee the quality of the products on offer. We are also working diligently to develop new partnerships with more fashion and lifestyle brands that use sustainability to guide their core operating philosophy. At present, we franchise some of the world's highest quality and most sustainable brands, including:



Adidas is one of the world's most well-known brands, and an industry leader in sustainability. It was ranked 61-70% in the 2020 Fashion Transparency Index (3rd out of 250 brands). Adidas is well known for its 'Green Company' program, delivering big results annually on its commitments to minimize water, waste and energy, end plastic waste and ensure fair and safe working conditions in its supply chain. Adidas produces a range of eco-friendly products including FUTURECRAFT.LOOP - a 100% recyclable performance running shoe.



Levi's products are made using Water<Less technology, drastically reducing the amount of water required to manufacture jeans. Levi's WellThread collection is manufactured in Worker Well-Being facilities with rain-fed cottonized Hemp, Water<Less technologies and maximum recycled materials whereby every thread is designed to be recycled. Levi's puffer jackets and vests are now made from recycled plastic bottles and waste. Levi's helped to launch the Sustainable Apparel Coalition (SAC), one of the world's largest sustainability initiatives within the fashion industry. Levi's uses the Higg Index (through the SAC) to measure sustainability across its value chain and improve its performance year on year.



Tommy Hilfiger and Calvin Klein are part of the PVH Corp. which has implemented a Fashion Forward strategy aiming to transform how clothes are made and (re)used and implementing actions to move its business and the fashion industry toward a more innovative and responsible future. Forward Fashion has three strategic focus areas that guide its activities and drive impact across its business:

1. Reduce negative impacts to zero - products and business operations generate zero waste, zero carbon emissions and zero hazardous chemicals, and for products to be circular.
2. Increase positive impacts to 100% - for 100% of products and packaging to be ethically and sustainably sourced, and for 100% of suppliers to respect human rights and be good employers.
3. Improve 1M+ lives across the value chain - to improve the lives of over one million workers across PVH's value chain, focusing on education and opportunities for women and children; ensuring access to clean water for all; and continuing to champion inclusion and diversity so everyone can achieve their full potential.

Many of our other brands have implemented company-wide sustainability strategies and/or have sustainable product lines on offer.



Through its 'Design the Change' strategy, Ralph Lauren aims to reduce its impact on the environment while championing the lives of all people touched by its business.



Tim Hortons is committed to helping communities and the planet through more sustainable packaging and recycling practices, environmentally friendly restaurants, and responsible sourcing.



As a company focused on children's products, The Children's Place believes that it is important for its business to contribute to a healthy planet and equitable society for the benefit of future generations.



LC Waikiki's GREEN collection is manufactured using organic cotton, recycled material, reduced water, fewer chemicals and less energy.



Aldo has an extensive collection of sustainable footwear and accessories. ALDO is committed to becoming a Climate Neutral company and is also taking extensive steps to source more sustainable materials, improve manufacturing process, find creative ways to reduce packaging and waste footprints, and create innovative technologies such as CleanStep™ Technology.

HOME CONCEPTS

We have developed our own “home-grown concepts” including our R&B family fashion brand and F5, our sustainable apparel brand. Having control over the design and manufacture of our brands, we have implemented robust quality control and assurance measures to ensure we meet industry standards and regulatory requirements:

- ✓ Our Quality Assurance & Control (QA/QC) team develops and implements quality control measures throughout the manufacturing process, setting parameters for all quality parameters. Shipments proceed only after all parameters are met and approvals are complete. Further quality checks are carried out upon receipt of merchandise at our warehouses.
- ✓ Our Tier 1 suppliers (i.e., manufacturing facilities) are regularly audited and visited by our Quality Assurance managers to ensure quality and safety parameters are met.
- ✓ We use the industry-standard AQL (Acceptable Quality Level) method to ensure our product specifications are met.



is a home-grown brand that has a range of products such as mobile phone cases, reusable face masks, wallets, bags and unisex athleisure clothing with Global Organic Textile Standard (GOTS), Fairtrade & Global Recycling Standards certifications, and with 100% of the products manufactured at SMETA (Sedex Members Ethical Trade Audit)- approved facilities. All F5 products are made from organic or recycled material, incorporating zero waste principles, whereby material including mobile cases and plastic used for packing is compostable. For every t-shirt sold from F5's 'Tees for Fees' collection in Athlete's Co stores and 6thstreet.com, 100% of profits are donated to Emirates Red Crescent for children's education.



is Apparel Group's home-grown fashion brand offering quality clothing at affordable prices. The brand offers clothing for children, women and men, as well as a selection of footwear and accessories. The brand also has a home section offering a range of soft furnishings and home accessories. We are currently in the process of developing a sustainable sleepwear range made of LENZING™ECOVERO™ viscose fibres derived from sustainable wood and pulp from certified and controlled sources. We are also working towards incorporating recycled polyester and BCI cotton into our range of clothing. We also recently incorporated a reactive printing method into our garment printing process. The reactive printing process works by permanently locking colour into a fabric. Consequently, it can be washed many times and resist fading thus increasing product longevity.

LICENSING

Apparel has licensing agreements with internationally renowned brands such as Aeropostale, and BHPC to manufacture and market their products. To ensure product quality meets the required standards, we employ the same robust QA/QC measures for these licensed brands as we do for our own brands. Additional quality checks are undertaken by the licensor to ensure the quality of the products we manufacture.

MULTI-BRAND STORES AND E-COMMERCE

Our multi-brand stores and e-Commerce fashion platform 6thStreet.com stock Apparel Group's franchise brands, own brands, as well as other brands across a wide range of categories. We seek to ensure that all products we procure meet industry standards in quality and safety.

As part of our sustainability strategy, we are committed to promoting a wide range of sustainable products across all our platforms. This process will involve product promotion and awareness activities including in-store displays, social media, e-Commerce promotional events, etc.

2021 HIGHLIGHTS

- ✓ Zero incidents of non-compliance with quality and safety regulations/standards in 2021
- ✓ Introduced reactive printing method in our R&B brand to improve longevity of garments
- ✓ Certifications

OUR COMMITMENTS

- 🌱 Increase the number of sustainable products available across our business
- 🌱 R&B: introducing sustainable sleepwear range using LENZING™ECOVERO™ viscose
- 🌱 R&B: incorporating recycled polyester and BCI cotton into our range of clothing
- 🌱 Implement campaigns to promote sustainable product lines in store and online

CUSTOMER EXPERIENCE & RESPONSIBLE MARKETING

As a major fashion and lifestyle retailer, customer experience and satisfaction are an absolute priority for us. We are continuously seeking new and innovative ways to connect to our customers and enhance their experience across all our platforms. We also strive to ensure that our products are labelled in accordance with government regulations and provide accurate and transparent information to our customers. We not only apply this principle to our products but in all our advertising activities and marketing campaigns

CUSTOMER ENGAGEMENT & SATISFACTION

Along with in-store interaction, Apparel Group engages with its customers through its (cardless) loyalty program Club Apparel. Customers include in-store shoppers across Apparel Group brands as well as those shopping across our e-Commerce websites. Club Apparel reaches out to its members through push notifications via its application, SMS's and emails.

After Club Apparel members make a purchase in-store and scan the barcode on their Club Apparel application, they are sent a notification asking them to rate their experience in-store. Based on a rating scale of 1 to 10, an NPS rating is captured (NPS refers to Net Promoter Score which is a widely used metric in customer experience programs). The overall NPS score for Club Apparel in 2021 was 90% for feedback from over 100,000 member transactions across the GCC.

Apparel Group collects customer feedback through various channels including calls, emails and the Club Apparel loyalty application. Where relevant, feedback is routed to the relevant brand to take necessary action which includes contacting the customer (through the customer's requested communication channel) and ensuring the query is addressed within a maximum timespan of 48 hours.

Customer Complaints	Unit	2019	2020	2021
UAE	#	2359	6050	3676
Other (GCC)	#	1684	7835	6539
Resolved	%	100	100	100



Apparel Group was awarded the prestigious Mohammed Bin Rashid Al Maktoum Customer Excellence Award in 2021. The award is organized through Dubai Chamber and aims at encouraging companies to focus and optimize their customer-oriented practices. It recognizes the outstanding efforts of companies that deliver exceptional customer experience at all levels and have a proven customer-centric approach to success.

RESPONSIBLE MARKETING

Our marketing team is charged with not only seeking ways to improve our market position but also conducting market and customer research on an ongoing basis. This enables us to identify new business opportunities that are tailored to the needs and expectations of our customers. Our marketing efforts are not limited to promoting our products but also to promote sustainable products and sustainability initiatives, as well as supporting community development initiatives and charitable causes (see more in Community Engagement and Development).

Our marketing strategy aims to:

- Build an interactive digital presence across the region that caters for different target audiences
- Develop and enhance relationships with popular social media influencers across the region
- Build a community with like-minded individuals who associate with our various brands and engage with them across various platforms
- Conduct qualitative and quantitative surveys to better understand and satisfy customer needs
- Set up an omni-channel approach to prioritize customer convenience and build brand affinity
- Organize engaging annual events with friends of brands including social media personalities, influencers, press and media representatives
- Sponsor and be present at relevant events that cater to our target audience's lifestyle
- Deliver relevant and engaging content through our social media channels



RESPONSIBLE MARKETING



OUR COMMITMENTS

- Develop a strategy to promote Apparel Group's most sustainable brands and products through e-Commerce and physical platforms.
- Consider providing rewards to incentivize customers to make more sustainable purchasing choices.

To encourage our customers to recycle, TOMS developed an initiative where customers could bring in their old pair of shoes and receive a 40 - 50% discount on a new pair of TOMS shoes. In addition, the first 100 customers received a new pair of TOMS shoes completely free. As a result, TOMS recycled over 465 pairs of shoes through our recycling partner SOEX.

COMMUNITY ENGAGEMENT & DEVELOPMENT

At Apparel Group, we believe that through the collective efforts of individuals, governments, and businesses, we can achieve social and economic prosperity for all. As a large business in the region, we are leveraging our resources and our influence to be a driving force for positive change in our community.

Since Apparel Group's establishment, we have placed an immense emphasis on creating and contributing towards social value in our communities. Through our core business activities, our advocacy on important issues, and our collaboration with key community partners, we continue to generate positive social and economic value for our communities.

CSR STRATEGY

Our CSR strategy has been developed around the following key areas in order to focus our resources and efforts on important and relevant social issues in a way that will have a meaningful impact on our community:

- Identify community needs and relevant causes to support (e.g. causes supported by our brands and/or causes most relevant to the region).
- Identify suitable NGOs/groups/partners and develop long-term relationships (e.g. Nine West - Friends of Cancer Patients; ALDO - Project Maji, etc.).
- Develop and implement initiatives through employee volunteering, in-store activation, and social media, as well as sponsorship of fundraising events, awareness campaigns, workshops etc. in collaboration with our partners (this includes cause-related marketing).
- Identify and implement initiatives that have synergies with our areas of operation/business to maximize impact (e.g. recycling of customer returns in collaboration with SOEX). This will often include product (in-kind) donations.
- Conduct impact analysis/ROI for each partnership and collect feedback from relevant parties regarding the impact of our activities, to find ways to improve and increase our impact year-on-year.

COMMUNITY INITIATIVES

Below is a summary of the key community development and investment initiatives we developed, implemented and/or supported in 2021:

SUPPORTING CHILDREN'S EDUCATION

1. Launched in March 2021, our home-grown sustainable fashion brand, F5, partnered with the Emirates Red Crescent in UAE to support education of children in the Middle East. For every 'Tees for Fees' t-shirt sold in Athlete's Co stores and 6thstreet.com between January to December 2021, 100% of profits were donated to the Emirates Red Crescent to support the education of children in Middle East. F5 donated a total of AED 47,625 towards the cause.
2. Skechers partnered with Sharjah based NGO The Big Heart Foundation to provide school kits to underprivileged children in UAE and Jordan. The brand donated 8,075 backpacks, 4,860 lunch bags, 10,248 pencil cases, 259 tiffin box and slippers, 3,647 tiffin box and 5,389 water bottles worth AED 1.5 million. Skechers also partnered with Dubai Cares to donate 6,000 school kits worth AED 1.5 million for their school engagement programme at EXPO 2020.
3. Skechers KSA partnered with Ensan Charity Committee for Orphans Care, Charitable Society Of Autism Families and Saudi Schizophrenia Charity Association to distribute school kits to 11,600 children, worth SAR 2.2 million.
4. The Children's Place raised AED 20,872 through customer donation boxes to support Dubai Cares education campaigns.

SUPPORTING HEALTHCARE WORKERS

Apparel Group sponsored COVID-19 support volunteers working with the Ministry of Health and Prevention. These brave volunteers worked alongside government employees for over a year to help combat the spread of the virus. The volunteers worked in COVID-19 assessment, treatment and vaccination healthcare centers in Sharjah Medical District. Apparel Group showed our appreciation by gifting 20 volunteers Club Apparel vouchers worth AED 10,000.

SUPPORTING OUR COMMUNITY DURING RAMADAN

In 2021, Apparel Group organized a Ramadan food donation campaign across all GCC offices. 407 employees generously donated 5,744 kgs of raw food items. These items were distributed to 180 laborers and 118 needy families through various NGOs like SmartLife (UAE), International Association for Volunteer Effort (KSA), Wa'hab Qatar (Qatar), Trash Tag Kuwait (Kuwait), Bahrain Food Bank (Bahrain) and Ministry of Endowment & Religious Affairs (Oman). Apparel Group also donated 26,075 meals through the 100 Million Meals programme.

PROMOTING HEALTHY HABITS

1. HEMA and The Children's Place partnered with the Ministry of Health and Prevention to promote healthy lunch boxes in the UAE. The Health Education and Promotion department of the UAE's Ministry of Health and Prevention launched a 2-week educational program with the goal of improving the nutritional value of foods and beverages packed and consumed by children at school. The program provides parents with the knowledge and skills needed to prepare healthy, balanced and highly nutritious meals that children enjoy. This campaign reached over 305 mothers and children.

2. Skyzone donated 3,000 free 30-minute jump vouchers to children who participated in the Dubai Cares workshop. The donation was aimed at promoting good health in our community, particularly young children, and encourage them to adopt healthy lifestyle habits, including regular exercise.

CORPORATE VOLUNTEERING

Volunteering - all GCC	Unit	2019	2020	2021
Total number of volunteers	#	770	225	626
Total number of volunteering hours	#	1418	935	367
Average hours of volunteering	#	1.8	4.2	0.6

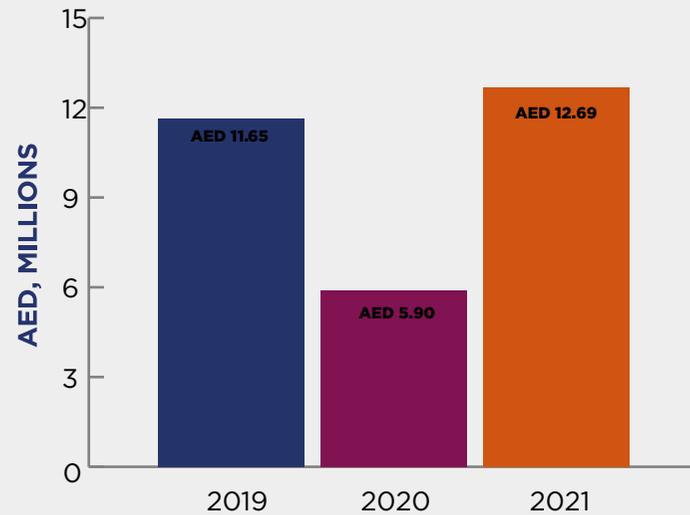
VOLUNTEERING HIGHLIGHTS 2021

- In collaboration with Goumbook, 15 Apparel Group employees volunteered part of their day planting 450 ghaf seedlings. Native to the UAE, ghaf is a resilient plant and good for the soil and requires little water. Ghaf trees enrich the surrounding soil, prevent soil erosion, consume GHG like Carbon dioxide and produce 2.3 kg of pure oxygen every day.
- In collaboration with JSS Private School during the holy month of Ramadan, two Apparel Group employees conducted a virtual teaching session to 224 students. The lessons involved educating students on important but complex life lessons such as "The Value of Money" in an engaging and informative story book format.
- 71 employees in UAE and 50 employees in KSA participated in the blood donation drive in partnership with local hospitals. The employees spent 60.5 hours volunteering, which will save 363 lives.
- E-waste recycling drive - Apparel Group launched an e-waste recycling campaign across our CGG offices. 58 employees volunteered 29 hours of their time, resulting in 1,667.39 kgs of e-waste collected and diverted from landfill.

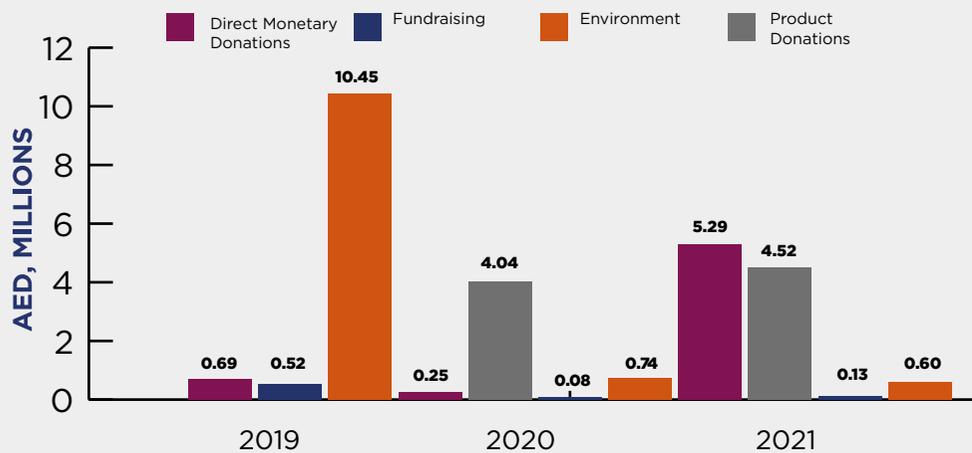
COMMUNITY INVESTMENT

Below is a summary of our community investment in the GCC, with a breakdown of our investment in the UAE by investment form.

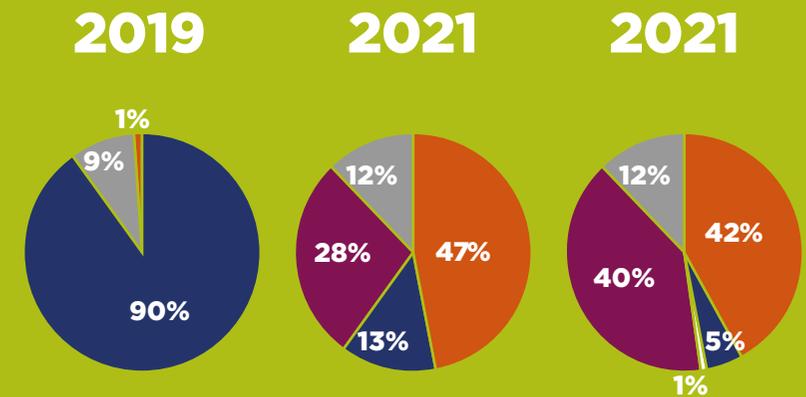
TOTAL COMMUNITY INVESTMENT - ALL GCC



TYPE OF COMMUNITY INVESTMENT (UAE ONLY)



BREAKDOWN OF COMMUNITY INVESTMENT IN THE GCC - BY CATEGORY



- Percentage of investment in the environment
- Percentage of investment in education
- Percentage of investment in healthcare
- Percentage of investment in sports
- Percentage of investment in other

Our extensive CSR efforts have been recognized by various government and non-government bodies across the region. This is a testament to our strong commitment to giving back to our community and using our business for the greater good.

DUBAI CHAMBER ADVANCED CSR LABEL

Apparel Group was awarded the 'Advanced CSR Label' for the 9th consecutive year by Dubai Chamber's Centre for Responsible Business, in recognition of our efforts in corporate social responsibility and sustainability. The award recognizes companies that implement outstanding practices across environment, community, workplace and marketplace areas in the GCC region.



OUR COMMITMENTS

- Develop targeted community investment and development campaigns with a focus on pertinent community issues within Apparel Group's areas of operation.
- Develop a strategy to increase representation of nationals (with a focus on Emiratization), people of determination, and local youth.

NATIONALIZATION

At Apparel Group, we understand the importance of nationalization within private industry, and are striving to increase the representation of nationals within our workforce. Through our Internship Program, we focus on providing opportunities for young Emirati college graduates to gain skills and experience within a corporate environment. Emirati interns are provided exposure to a variety of departments and given the opportunity to learn business skills with on-the-job mentors. They are also enrolled in the Apparel Group Alumni Network to stay informed on all future job opportunities.

In regions such as Oman and Saudi Arabia, 100% local interns are taken on board, and we have set ourselves an ambitious target of 80% localization rates.

Nationalization	Number of employees who are nationals			Percentage of employees who are nationals		
	2019	2020	2021	2019	2020	2021
UAE	4	3	2	0.07%	0.07%	0.04%
KSA	1996	1721	1993	62.30%	59.47%	59.96%
Qatar	0	0	0	0.00%	0.00%	0.00%
Bahrain	77	48	58	19.69%	17.33%	21.48%
Kuwait	0	0	0	0.00%	0.00%	0.00%
Oman	213	254	287	56.20%	63.18%	57.98%

ALDO

Families in Ghana struggle to access clean drinking water. Young girls and women, travel approximately 6km daily to collect water in these regions, often risking their safety and education. In order to improve their lives, Aldo and Aldo Accessories brands partnered with Project Maji to sponsor a water kiosk.

Since 2017, the brands raised AED 180,556 by donating AED 1 for every shoeshine product sold in UAE store to Project Maji, which helps set up the solar-powered water kiosks. The current kiosk has dispensed 2,643,976 litres of safe water.

The Aldo brands continued to raise funds for Project Maji by encouraging customers to buy shoeshine products. Between January - December 2021, the Aldo brands raised AED 56,720. This money will be used to fund a second Aldo kiosk in Ghana.

The number of people positively impacted by the Aldo - Project Maji partnership is estimated to be 1000 people.

In March 2021, Project Maji successfully piloted a new water distribution system, the MajiPlus system. This system pumps water from the river, filters it and distributes it to the three satellite communities in the area.

Project Maji has identified a new community in Ghana that requires access to clean water. Atsiek-poe-Bator is a riverine community, and the bilharzia infested river is their only source of (contaminated) water. Project Maji plans to install a new water kiosk in Atsiek-poe-Bator (North Tongu District Ghana) by February 2022.



NINE WEST

As a female-oriented brand, Nine West strongly encourages the support of a cause related to women's health. Nine West's target customers are aged between 30 and 40 years, which is a critical age for potential breast cancer sufferers.

Nine West UAE has been associated with Friends of Cancer Patients since 2015, to support Pink Caravan's nation-wide effort to create awareness of breast cancer. Nine West has contributed to the cause by selling Breast Cancer Awareness pins in its UAE stores, where 100% of the proceeds go towards the medical treatment of women diagnosed with the disease. Through this initiative, Nine West has raised over AED 468,460 to support the campaign. The brand also uses its social media platform and in-store activities to raise awareness on early detection, distribution of health check-up vouchers and fund raising through pin sales.

In October 2021, Nine West donated 2% of product sales (AED 12,236) sold on 6thstreet.com to Emirates Red Crescent and Pink Caravan. Nine West fundraising impact since 2015:

- Mammograms: 400
- Chemotherapy: 12
- Ultrasounds: 8
- Surgery: 2
- PET scans: 2
- Total breast cancer patients sponsored: 424
- Total breast cancer survivors supported through in-kind donations: 7,300

Due to the success of the fundraising campaign, Nine West has extended the campaign until September 2023. The brand set a yearly target of AED 100,000 to support as many breast cancer patients and survivors as possible.

“Addressing this growing burden would be impossible without the unstinting support of our partners in the private, public, and non-profit sectors. We are very happy with our partnership with Apparel Group & Nine West which has contributed so much to further the noble cause and helped relieve the pain of many cancer sufferers. We thank them wholeheartedly for their wonderful support and urge UAE organisations as well as individuals to join hands with FOCP and donate to support the Pink Caravan’s awareness, early detection, and treatment programmes.”

~ Dr Sawsan Al Madhi, Director General of Friends of Cancer Patients and Head of the Medical and Awareness Committee of Pink Caravan

Tim Hortons

Tim Hortons embarked on an inclusivity journey in 2015, by converting its training manuals into American Sign Language and hiring a special trainer to work with the new team of hearing-impaired staff members. These staff members receive the same benefits and career opportunities as the other staff members. Furthermore, one of the staff members is now the official trainer for all new staff with hearing impairment hired at Tim Hortons GCC outlets. Since 2015, Tim Hortons has employed 14 staff with hearing impairment at its cafes at Jumeirah Centre and Meadows Community.

Tim Hortons introduced sign language workshops to the Meadows Community to ease the communication between its hearing-impaired staff and customers. Tim Hortons hosted a series of workshops teaching basic sign language to registered guests and audiences.

Tim Hortons teams (Apparel Group staff members) also attended the workshop and were trained to communicate more efficiently with their own staff. These workshops gave the staff, who are People of Determination, confidence, and the thrill of seeing people's interest in being part of their culture and community.



By the end of the ASL workshop, customers learnt:

- Introduction to ASL and the Deaf Culture
- How to spell A-Z Manual Alphabets and introduce themselves and others
- Getting from 1 to 10 using cardinal numbers and ordering using ordinal numbers
- How to properly greet and farewell, and signing key questions

Tim Hortons is planning annual ASL workshops to provide guests with an overview of Deaf Culture. Tim Hortons store in Al Ghurair, Dubai employs 50% of staff who are people with a hearing impairment and is the third Tim Hortons café employing people of determination. There are a total of 14 people of determination employed at Tim Hortons cafes across the UAE.

HAPPY & HEALTHY WORKPLACE

Our employees are the heart of our business. We are committed to building and maintaining an outstanding workforce by attracting, training, and retaining talented individuals. Our employees undergo the necessary training to develop their full potential. We combat any form of discrimination to provide our employees with an inclusive, safe, and healthy work environment.

We seek to provide our employees with various opportunities and platforms to confidently provide feedback about any work-related issues and be involved in the development and execution of our business strategies.

We are committed to maintaining the highest standards in health and safety at our facilities, and throughout our operations. Our employees are provided with ongoing OH&S training and are encouraged to adopt the safety culture we have established at Apparel Group.

MATERIAL TOPIC

RELEVANT UN SDGS

SDG TARGETS

Employee health,
safety and wellbeing



Target:

3.4 | 3.6 | 3.8 | 3.d

Training, development
and talent retention



Target:

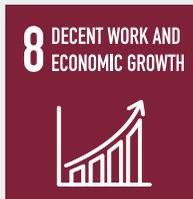
4.3 | 4.4 | 4.7

Diversity and inclusion



Target:

5.1 | 5.5 | 5.c



Target:

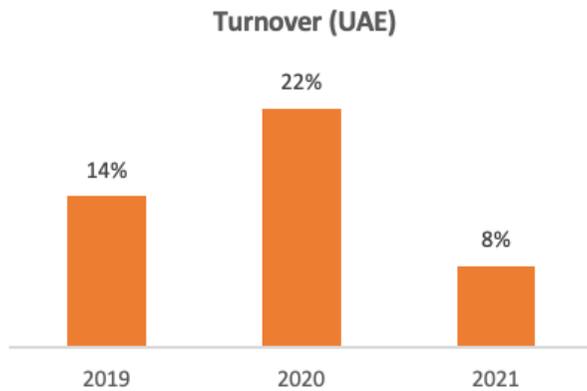
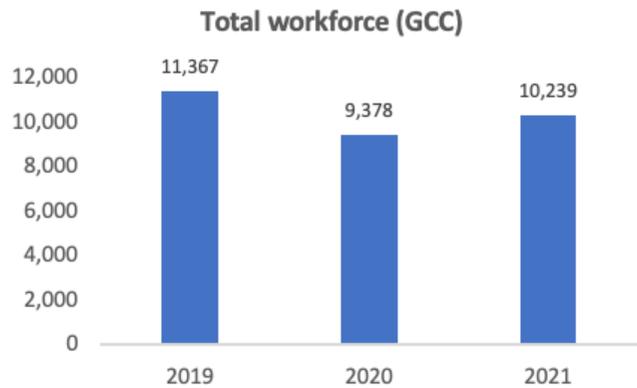
8.5 | 8.6 | 8.8



Target:

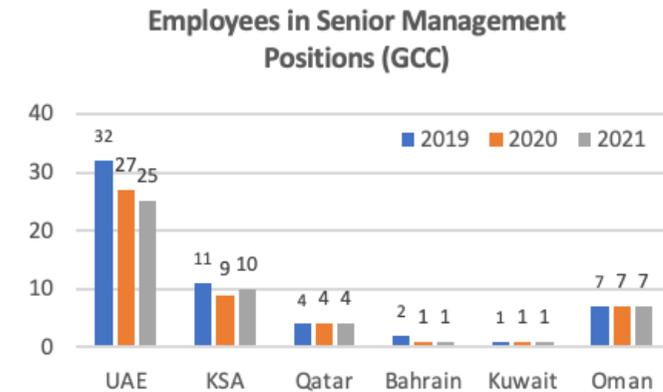
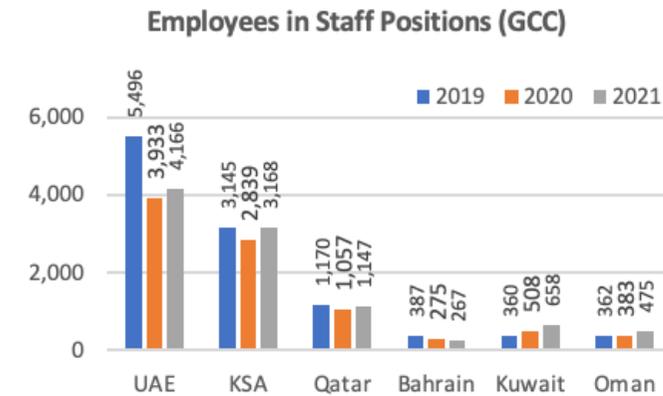
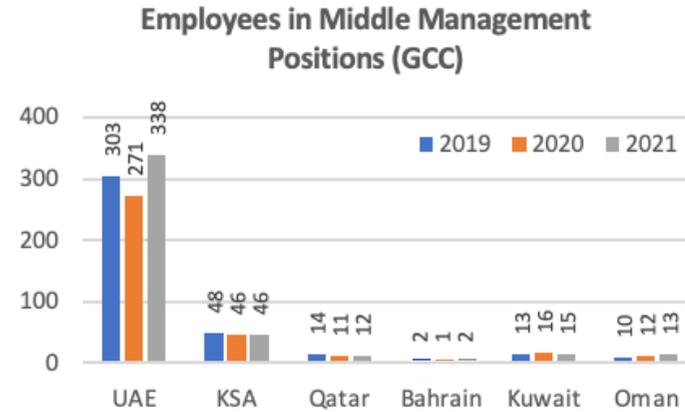
10.2 | 10.3

OUR WORKFORCE AT A GLANCE



EMPLOYEE SATISFACTION SCORE

★ ★ ★
93%



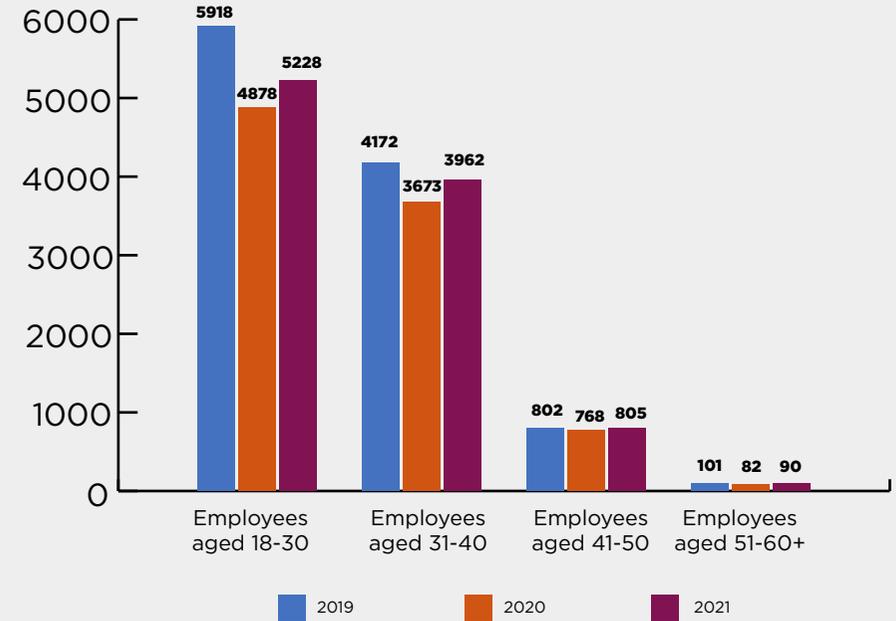
DIVERSITY & INCLUSION

An inclusive and diverse workforce promotes productivity and wellbeing and speaks volumes about the culture of an organization. We employ and support employees from diverse cultural backgrounds and ages, and have zero tolerance for any form of discrimination based on gender, age, race, or colour. Our commitment to equity and diversity is supported by our HR policies on anti-harassment and equal employment opportunity. To further enhance our efforts towards building a more diverse and inclusive workforce, our leadership team and HR business partners have set diversity KPIs.



Different nationalities employed at Apparel Group

EMPLOYEES BY AGE (GCC)



ANTI-HARASSMENT POLICY AND GRIEVANCE HANDLING

The Apparel Group Anti-Harassment Policy outlines our commitment to providing a safe, flexible and respectful environment for our employees. The policy provides guidance to all employees about systems and procedures in place to protect them from all forms of discrimination, bullying and sexual harassment. Our employees are expected to treat others with dignity, courtesy and respect, and every employee has the right to work in an environment free from all forms of discrimination and conduct which can be considered harassing (including sexual harassment), coercive, or disruptive.

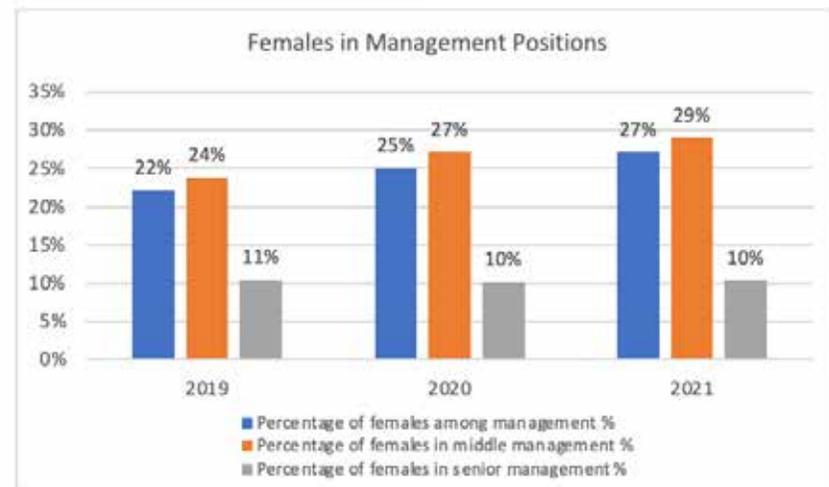
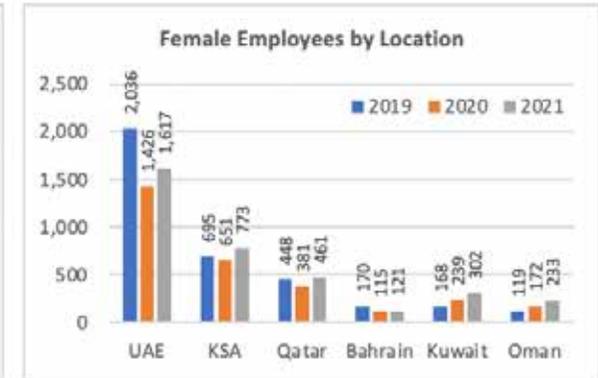
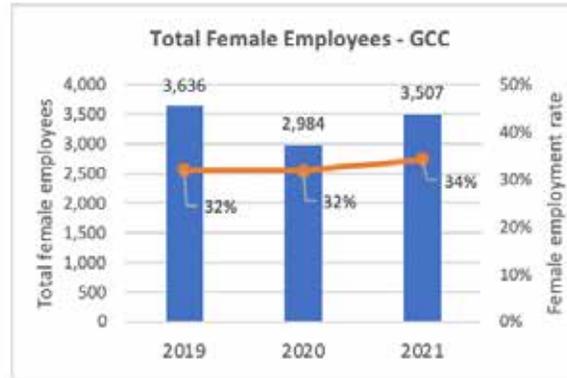
Our dedicated, independent and unbiased Anti-Harassment Committee is tasked with critically evaluating each harassment case and providing a detailed analysis of the case in strict confidence. The Committee will arrive at a final decision and submit the case analysis to the HR department for appropriate action.

Our Grievance Handling Policy is a formal system developed to address employee grievances on matters associated with the organization. The policy aims to provide all employees with the means to confidently submit any formal complaint and have the assurance that their grievances will be addressed. Our Employee Grievance Committee is charged with addressing and resolving any employee grievances that cannot be directly resolved with that employee's direct supervisor or associated Head of Department.

GENDER EQUALITY

At Apparel Group, we are committed to enhancing gender balance in our workforce and creating an atmosphere that encourages and supports the roles of both males and females. We recognize the immense contribution that women in the workforce make across all fields and aspire to build a work environment that is gender inclusive and has zero tolerance for gender inequality or discrimination. Our Chairwoman and Founder of Apparel Group, Sima Ved, is a big advocate of gender equality in the workplace and plays an active role in overseeing our progress towards gender balance at Apparel Group.

To demonstrate our commitment to achieving gender balance in the workplace and community, we have been an active member of the UN Women's Empowerment Principles since 2015. This initiative was established by UN Global Compact and UN Women in the recognition that businesses have a stake in, and a responsibility for, gender equality and women's empowerment.



SUPPORTING PEOPLE OF DETERMINATION

We are dedicated to providing people of determination with an inclusive and comfortable work environment across our business. As previously mentioned, we encourage people of determination to participate in our Retail Internship Program as much as possible, and in 2021, 6 people of determination were part of the program.

Other initiatives deployed in 2021 to support people of determination included:

- Retail work experience training in partnership with Al Noor Training Centre for Persons with Disabilities. Two Levi's store employees held a one-hour retail work experience training session for 6 special needs students. Students practiced tasks such as folding, sorting and displaying merchandise, which are necessary skills for a retail sales associate position.
- Our Tim Hortons store in Al Ghurair, Dubai was transformed into a more inclusive workplace, where 50% of staff are now people of determination. There are 14 hearing impaired people employed at 3 Tim Hortons cafés across the UAE.
- Tim Hortons also organized American Sign Language (ASL) sessions for 16 customers at the Meadows Cafe to spread awareness and general understanding on how to communicate effectively in ASL as and provide guests with a brief overview of Deaf Culture.
- One Tim Hortons employee held a one-hour workshop for 6 special needs students from Safe Centre for Autism. The students were taught basic kitchen hygiene, how to prepare a donut and assemble sandwiches.

People of determination	2019	2020	2021
Number of people of determination employed at Apparel Group	13	13	14

PARENTAL LEAVE POLICY

We are dedicated to supporting our employees at all stages of their lives, which is why we offer both maternal and paternal leave to all our employees.

Parental Leave	2019	2020	2021
Total number of female employees that took parental leave	252	150	98
Total number of female employees who returned to work after parental leave	252	150	97
Total number of female employees retained 12 months after returning to work following a period of parental leave	244	149	97
Total number of male employees that took parental leave	73	77	46
Total number of male employees that returned to work after parental leave	73	77	46
Total number of male employees retained 12 months after returning to work following a period of parental leave	68	77	46
Return to work rate for female employees taking parental leave	100%	100%	99%
Return to work rate for male employees taking parental leave	100%	100%	100%
Retention rate for female employees taking parental leave	97%	99%	100%
Retention rate for male employees taking parental leave	93%	100%	100%

OUR COMMITMENTS

- Develop a strategy to increase female representation within Apparel Group and percentage of females in senior management positions.

EMPLOYEE HEALTH, SAFETY AND WELLBEING

Our workforce is the foundation of our business and our greatest asset. We seek to maintain a safe and healthy work environment for all our employees and promote their physical and mental wellbeing wherever possible. We consider the adoption of a safety culture one of the fundamental elements to the way we conduct our business.

We have clear Occupational Health and Safety (OH&S) protocols and measures in place to help identify and mitigate any risks to our employees. Our OH&S team is responsible for developing and implementing these protocols and measures, as well as providing the necessary support and training to employees across our business. With strong support from corporate management, our OH&S team continues to develop new and improved methods of maintaining a safe and healthy work environment across all Apparel Group facilities.

OCCUPATIONAL HEALTH & SAFETY

OH&S POLICIES AND PROCEDURES

Our Health and Safety Policy is communicated to all employees upon the commencement of their tenure at Apparel Group. This policy clearly states our commitment to maintaining the highest levels of health and safety throughout all aspects of our business, and our commitment to continuous improvement. Some key aspects of our OH&S Policy Action Plan are:

- ✓ Comply with all applicable Health and Safety laws and regulations in the UAE.
- ✓ Provide adequate staff, equipment and material resources to meet set objectives and targets, to ensure a safe, healthy and secure workplace.
- ✓ Provide our employees and contractors with the knowledge and capability to achieve OH&S excellence, including empowering them to stop work which they believe is unsafe.
- ✓ Set operational and compliance objectives and to be accountable for our performance.
- ✓ Ensure proper qualification of our subcontractors with respect to Health and Safety compliance
- ✓ Communicate our principles and results to employees, contractors, regulators, communities and other stakeholders.



OH&S Standard Operating Procedures

Our OH&S Standard Operating Procedures is a comprehensive set of procedures and guidelines for employees to support the maintenance of a safe and healthy workplace. It also assists management and staff in controlling hazards which will minimize employee and customer injuries, as well as damage to Apparel Group property.

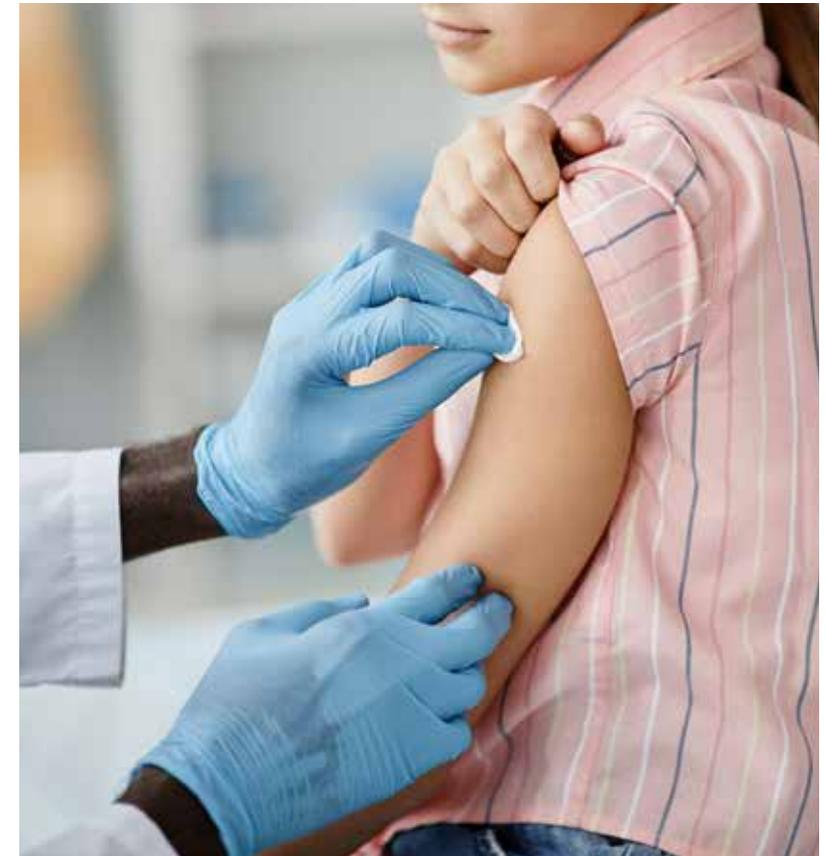
Employees are encouraged to read and understand these safety policies and procedures, emphasising the importance of teamwork in achieving success in our OH&S efforts across the business. Some of the key policies/procedures included in the manual are:

- Understanding safety rights and responsibilities
- General safety rules
- A guide to incident reporting
- A guide to first aid treatment and emergency medical treatment
- Fire safety precautions and procedures
- A guide to personal protective equipment (PPE)
- Emergency Action Plan
- Hazard identification, assessment & control procedures
- COVID-19 precautionary measures
- Communicate our principles and results to employees, contractors, regulators, communities and other stakeholders.

OH&S HIGHLIGHTS FOR 2021

- ✓ We achieved a 95% COVID-19 vaccination rate for all employees
- ✓ Installation of anti-COVID devices in every room at our head office to reduce the spread of the virus and protect 600 employees
- ✓ 530 employees were trained in loss prevention
- ✓ 50 employees were certified in fire safety training
- ✓ 50 employees were certified in basic first aid
- ✓ 18 incidents were recorded in 2021

OH&S Performance	Unit	2019	2020	2021
Work-related fatalities	#	0	0	0
Work-related injuries	#	0	0	0
Reportable incidents	#	6	14	9
Safety observations	#	13	14	3
Hazards identified	#	1	0	0
Hazards mitigated	#	0	0	0
Staff that received OH&S training	#	62	66	215
% of staff that received OH&S training	%	0.55%	0.70%	2.10%



EMPLOYEE WELLBEING

We understand that supporting the wellbeing of our staff, both mentally and physically, is just as important as safeguarding their health and safety. We firmly believe in providing a work environment that encourages healthy lifestyle behaviours, provides support to improve physical health, and offers the means for employees to maintain their mental wellbeing. We are proud of our track record at Apparel Group in developing engaging and impactful initiatives aimed at helping our employees live a healthy and happy life. Some of the initiatives implemented in 2021 include:

Apparel Group dedicated August as team bonding month. All departments were encouraged to organize a team bonding activity indoors or outdoors to improve relationships and promote teamwork. Some departments planned a team lunch while others visited Expo 2020.

TEAM BONDING MONTH



DUBAI FITNESS CHALLENGE

To participate in the city-wide campaign to improve physical fitness, Apparel Group arranged yoga and meditation sessions at our head office. Furthermore, Apparel Group employees were encouraged to participate in the Dubai Run. Around 30 Apparel Group employees were among the 146,000 participants to complete the 5 km or 10 km routes



Other health and wellbeing initiatives programs and events regularly available to our staff include:

- Awareness sessions on various topics such as breast cancer, men's health awareness and drug awareness.
- Fitness video challenges for store employees
- Back-office activities at Skyzone Trampoline Park
- Free health check-ups available to all employees in cooperation with our partner Harley International Medical Clinic
- Flexible Working Policy allowing staff members to choose working hour windows and locations most convenient to them, two days per week
- Sabbatical Leave Policy to support staff who require extended leave periods (4-6 months) to attend to personal commitments, aspirations, sickness, exigencies, etc.

OUR COMMITMENTS

- 🌿 Improve monitoring and recoding of OSH hazards and near misses
- 🌿 Implement OSH management system to effectively identify, record, and manage OSH risks across the organization.



TRAINING, DEVELOPMENT AND TALENT RETENTION

We believe that training, development and upskilling our employees is imperative not only for maintaining a successful business, but to ensure that employees feel empowered and fulfilled. Our training and development programs are created in a way that allows employees to acquire the knowledge and skills they require to perform effectively in their roles while also enabling and supporting them to achieve their individual career progression and/or personal development goals.

We recently made some important changes to our training department which now focusses on developing job-specific training programs for frontline staff (i.e., in-store personnel) as well as back-office staff while also providing them with opportunities to upskill.

FRONTLINER TRAINING PROGRAM

This program involves induction training for new beginners, training by level, and advanced training. Longer, more comprehensive modules are available for staff members who wish to progress into store management positions. These modules have been developed in association with universities and business schools for those employees who demonstrate outstanding performance and enthusiasm. The training is available online to staff members, and we are currently in the process of implementing the latest frontline learning management system, Axonify, into our corporate Learning Management System

BACK-OFFICE TRAINING PROGRAM

Our back-office training program involves various training and development areas (e.g., inductions, onboarding, health & safety, etc.), delivered primarily in-house by our corporate trainers. We are in the process of integrating the LinkedIn eLearning platform into our program to provide back-office staff with dedicated training modules adapted to their specific department. We are also collaborating with universities and business schools to provide staff members opportunities to further develop their skills by gaining formal qualifications (LMS).

Training	Unit	2019	2020	2021
Total training hours	hours	13,905	19,633	30,953
Number of employees who underwent training	#	317	497	1,322
Total training cost	million, AED	8.9	5.2	6.2
Average hours of training per female employee (per year)	hours	32	4	8
Average hours of training per male employee (per year)	hours	16	3	7

TALENT MANAGEMENT

In 2021, we enhanced our talent management efforts by initiating a suite of Talent Forums. During the forums, performance vs potential matrices were developed and used to categorise staff and take action on their career development aspirations. These actions included promotions, online training, on the job training, job rotation etc. Succession pipelines were also created for critical roles across the organization.

Performance Reviews	2019	2020	2021
Percentage of employees eligible for performance reviews	100%	100%	100%
Percentage of employees that received performance reviews	100%	100%	100%

100%

Apparel Group employees received performance reviews in 2021

INTERNSHIP PROGRAM

Our Graduate Internship Program aims to develop graduates from a range of cultural backgrounds across the GCC. We work in partnership with universities and colleges throughout the region to provide a comprehensive and engaging internship program. Interns are offered positions in different departments including Operations, e-Commerce, Fashion Buying, HR, Marketing, Logistics and Merchandising. Our internship program also focuses on encouraging the participation of a high rate of nationals, females and people of determination.

OUR COMMITMENTS

-  Implement sustainability related employee training & development programmes.
-  Set targets for overall training hours/employee.

PRESERVE & PROTECT OUR ENVIRONMENT

We understand that as a leading retailer, we must take meaningful steps to manage the environmental impact of our operations. That is why we are working to minimize the negative impact of our operations on the environment through the support and adoption of national and international efforts to preserve natural resources.

We seek to reduce our energy and emissions footprint, water consumption and waste generation and increase our use of more sustainable packaging for our products. We are committed to acquiring and implementing the latest technologies to enhance efforts to reduce our environmental impact. We also aim to support regional and international initiatives on climate action and biodiversity protection through collaboration and partnership with relevant organizations.



MATERIAL TOPIC	RELEVANT UN SDGS	SDG TARGETS
Energy management & GHG emissions		Target: 6.3 6.4
Waste management, recycling and packaging		Target: 7.2 7.3
Water stewardship		Target: 12.2 12.3 12.4 12.5
Climate action		Target: 13.1
Biodiversity and ecosystems		Target: 14.1 14.2
		Target: 15.5

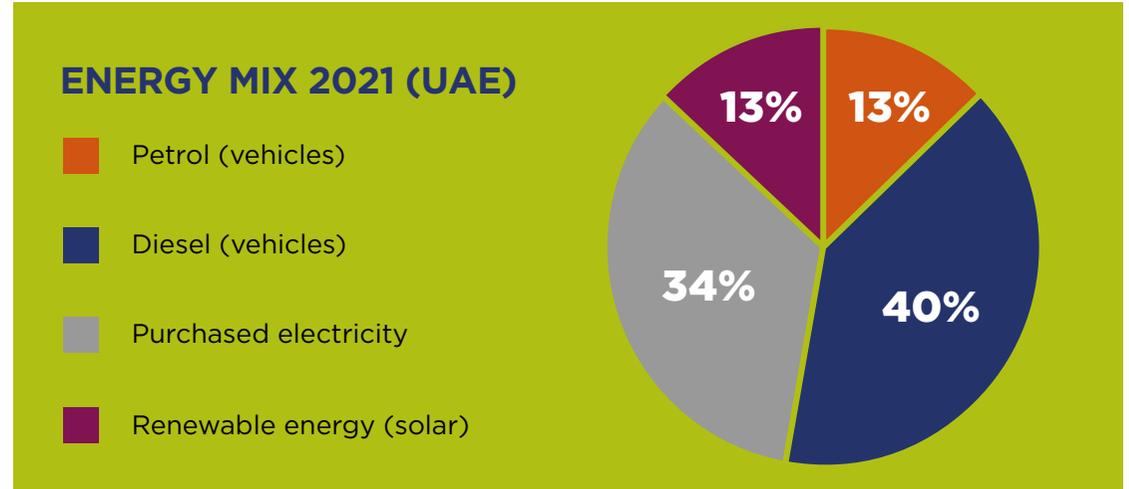
ENERGY MANAGEMENT & GHG EMISSIONS

We recognise the important role that businesses have with regards to managing their energy footprint as well as contributing to regional and global sustainability goals. At Apparel Group, we are exploring new and effective ways to manage our energy consumption and minimize our carbon footprint.

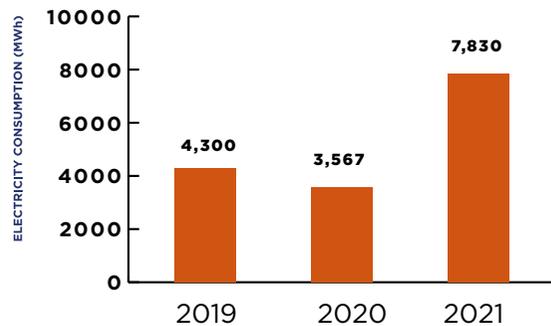
Our energy consumption is derived from four⁵ main sources (UAE only):

1. Purchased electricity (from DEWA)
2. Diesel fuel (from our vehicle fleet)
3. Petrol (from our vehicle fleet)
4. Solar energy (from the solar power plant installed at our head office)

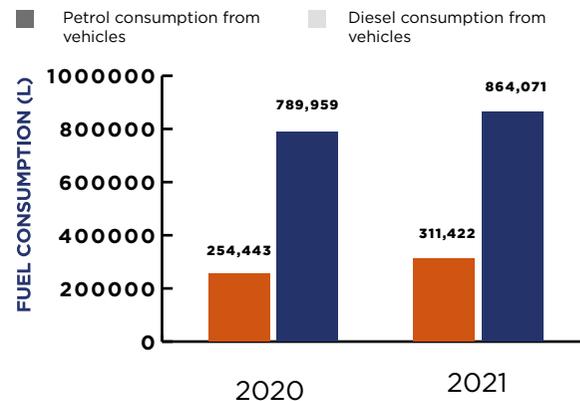
Part of our operations involve business travel as well as the (air) shipment of items purchased through our online platforms. We are carefully monitoring our business travel activities (please refer to emissions information in the next section) and are working on developing a method of collecting energy consumption data related to our air consignments for future reporting.



ELECTRICITY CONSUMPTION (UAE)



FUEL CONSUMPTION (UAE)



The introduction of our roof-top solar system in late 2019 led to a reduction in our consumption of purchased electricity in 2020 (please refer to next section on renewable energy). The increase in electricity consumption in 2021 however, can be attributed to the fact that we have expanded the scope of our electricity consumption monitoring to include 5 of our stores. We did not previously have access to this data as our shops are located within shopping malls that are not operated by Apparel Group. We are continuing to work with mall operators and other property managers to collect more comprehensive electricity consumption data. We will also be expanding this effort to all our locations in the GCC.

⁵ Our jet fuel consumption for air travel is not included here as it is negligible compared to our other energy sources.

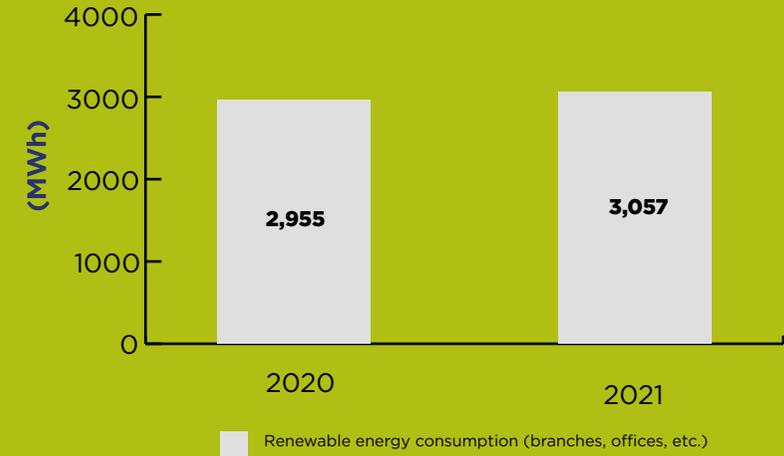
Our fuel consumption increased slightly in 2021 compared to 2020 despite a large increase in our operations including the opening of 26 new stores in UAE, which required additional transport and distribution. This is due to the implementation of route optimization and planning efforts in order to reduce our overall fuel consumption.

RENEWABLE ENERGY

Our 1.8 MW rooftop solar power system commissioned in late 2019, consists of 4,675 solar panels installed at two of Apparel Group’s warehouses in Jebel Ali Free Zone (JAFZA). In 2021, we added additional solar panels to the roof of our head office parking area, which contribute an additional 0.4 MW of power for our head office consumption needs.

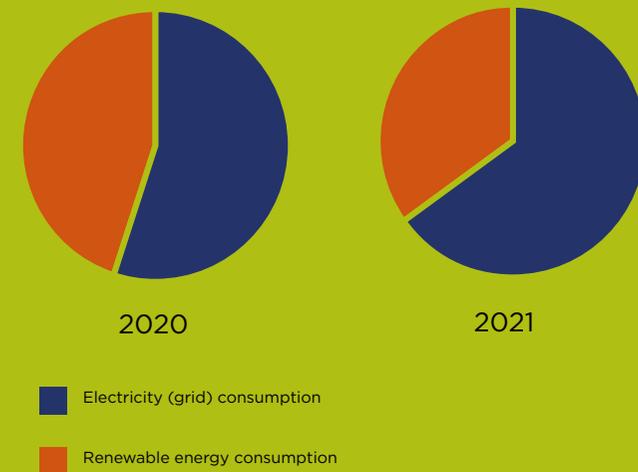
The solar power system now delivers over 60% of Apparel Group’s headquarter consumption requirements (two office buildings and two warehouses). Through the implementation of our sustainability strategy, we plan to expand our solar power generation capability to further reduce our carbon emissions footprint and contribute to the UAE Energy Strategy 2050.

RENEWABLE ENERGY PRODUCTION (UAE)



RENEWABLE ENERGY AS A PROPORTION OF TOTAL ELECTRICITY CONSUMPTION

(Offices, warehouses and staff accomodation in UAE only)



GREEN STORES

Many of our stores are located in shopping malls operated by Majid Al Futtaim – a leading shopping mall, communities, retail and leisure pioneer across the region. As part of Majid Al Futtaim’s Net Positive commitment, the company developed the Green Star Awards designed to recognise its tenants’ environmental efforts and commitment to sustainability. Majid Al Futtaim’s Green Star Rating system assesses tenants’ sustainability policies, and environmental and social aspects relevant to their fit-outs and operation.

Apparel Group stores received a 4 star rating in 2021 for our efforts to minimize the negative environmental impacts associated with in-store fitout construction and store operations. Some of our stores have been designed with LEDs, smart sensors, temperature controls, and energy management systems, in accordance with the UAE green building code and mall specifications. As part of our sustainability strategy, we are developing plans to implement similar measures at our existing as well as future stores.

AWARD

Apparel Group earns the Platinum certificate for the US Green Building Council’s Leadership in Energy and Environmental Design (LEED)

In 2021, our headquarters and warehouses in the UAE were awarded the US Green Building Council’s Leadership in Energy and Environmental Design (LEED) Platinum accreditation for operation and maintenance, underlying our commitment to sustainability.

Around 67% of the building materials used in our 16,553 square metre multi-purpose complex (built in 2017), were sourced using recycled material and 100% of the total wood-based building materials are Forest Stewardship Council (FSC) certified.

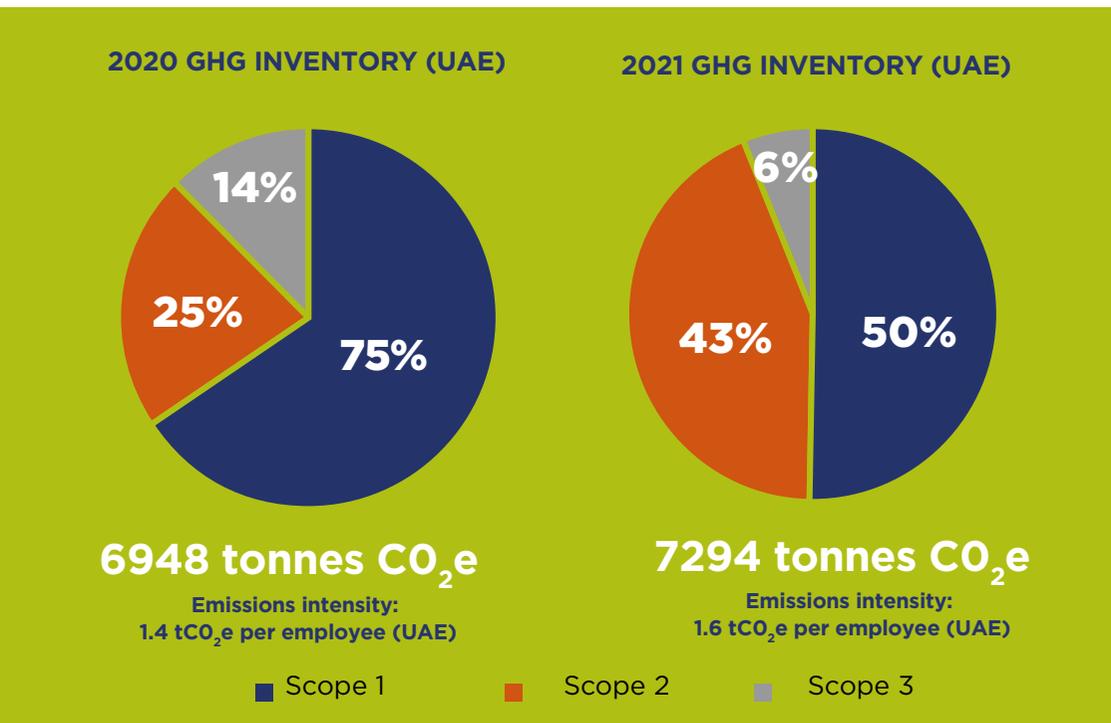
The building is also designed with automated lighting control, energy savers on air conditioning systems, and a design that optimizes natural lighting. Sensor taps and aerators along with dual flush systems increases water savings. The installed irrigation systems use captured rainwater and recycled wastewater, leading to 100% water efficient landscaping.

The solar power systems installed at the site also contributed to the overall “green” rating and Apparel Group’s awarding of the LEED certificate in 2021.



OUR EMISSIONS FOOTPRINT

Our greenhouse gas (GHG) emissions increased in 2021 due to the expanded scope of our carbon accounting. As previously mentioned, we are monitoring and reporting electricity consumption for a number of our stores and facilities in the UAE which we previous did not have data collection mechanisms for. Our aim is to gain a more comprehensive understanding of energy emissions across our business and locations in order to take effective measures to reduce our footprint.



Our scope 1 emissions consist primarily of our fuel consumption as well as refrigerant consumption for our heating and cooling facilities. Our scope 2 emissions are from our purchased electricity consumption. Our scope 3 emissions consist primarily of emissions resulting from air travel, with a small portion stemming from water consumption (i.e., emissions resulting from water treatment and distribution as well as bottled water purchase).

GHG Emissions Summary (tCO ₂ e)		2021
Scope 1	Fuel consumption (diesel)	2,330
	Fuel consumption (petrol)	467
	Refrigerant top-up	874
Scope 2	Purchased electricity	3,164
Scope 3	Air Travel	295
	Desalinated Water Consumption	164
TOTAL		7,294

COMMITMENTS

- Further expand our energy consumption coverage to include all stores, shipments, procurement, production and manufacturing operations in the UAE and GCC.
- Implement improved energy monitoring and metering systems to better understand energy consumption patterns and enable us to improve our performance
- Implement more efficiencies across our facilities to further reduce energy consumption
- Exploring transportation efficiencies such as improved distribution and delivery routes as well as the acquisition of energy efficient vehicles
- Increase our solar power generation capacity to reduce purchased electricity consumption
- Expand our scope 3 accounting to include other emissions within our value chain including product

WASTE MANAGEMENT, RECYCLING & PACKAGING

We are seeing too clearly the effects of waste generation on the planet which is becoming an increasingly critical issue that cannot be ignored. Governments, businesses, and individuals must work collectively to address this issue on both a local and global scale. We recognise, that as one of the largest retailers in the region, we have a responsibility to manage our waste footprint in an effective manner.

At Apparel Group, our waste management approach follows the waste management hierarchy whereby our preferred option is to prevent waste generation wherever we can. We are monitoring our waste generation and management patterns across our facilities in order to identify areas that require priority action.

WASTE REDUCTION

We have implemented various initiatives throughout our facilities that encourage both the avoidance or reduction of waste generation, as well as recycling. In 2019 we eliminated single-use plastic shopping bags across all our retail stores and single-use plastic and Styrofoam items from our head office. We provide employees with reusable water bottles, steel spoons, plates and cups, and paper alternatives for guests. In addition, our cardless application-based loyalty program Club Apparel has eliminated more than 2.3 million plastic cards and associated packaging material. We also encourage customers to save paper by using the e-receipt option for their purchases. 10.61% of all customer transactions are now provided electronically via email instead of paper bills.

In partnership with SOEX, we diverted 32.9 tonnes of old, damaged and unsold merchandise from landfill in the UAE, by sending it for re-use and upcycling. SOEX is an international organization built on a zero-waste philosophy and is dedicated to sustainable business through the collection, processing, trading and recycling of used textiles. While 44% of the products were repaired and resold, 3% were repurposed into raw material and 53% were sent to waste-to-energy plants.



WHAT HAPPENS TO OLD UNSOLD INVENTORY FROM APPAREL GROUP BRANDS?



Additional waste management and recycling initiatives at Apparel Group:

- To celebrate Global Recycling Day in March, 58 employees across the GCC participated in the e-waste recycling campaign. Almost 1,700 kg of e-waste was successfully diverted from landfill. Employees participated in an e-waste recycling quiz, increasing awareness of the importance of proper disposal of this category of waste and the resources that can be derived from it.
- To encourage recycling at our headquarters and warehouses, we organised several recycling competitions throughout the year and provide on-site recycling facilities across the premises.

- Our on-site recycling programme resulted in the recycling of 351.29 tonnes of cartons, 620 kg of paper and 320 kg of plastic from our head office and warehouses.
- We have a food composter installed at our headquarters to encourage employees who are interested in gardening to use the machine to create fertilizer.

Waste Management	Unit	2019	2020	2021
Total waste generated ⁵	tonnes	-	1412	4588
Cardboard recycled (UAE)	tonnes	371	140	351
Metal recycled (UAE)	tonnes	-	-	30
Merchandise recycled (UAE)	tonnes	87	20	32
Paper recycled (UAE)	kg	3000	3880	620
Plastic recycled (UAE)	kg	-	730	320

9%
**Percentage of
waste recycled in
2021 (UAE)**

RECYCLING HIGHLIGHTS IN 2021:



**620 kg
paper**



**320 kg
of plastic**



**351 tonnes
of cardboard**



**30 tonnes
of metal**

⁵ Does not include merchandise waste (i.e., clothing and apparel). Primarily UAE waste with plastic and cardboard waste data from KSA. Includes paper, plastic, cardboard, and general (garbage) waste generated in the UAE.

PACKAGING

To help reduce our packaging footprint, we installed permanent storage facilities in our warehouses, enabling us to reuse 75% of inward cartons for packing activity. We also made changes to our stretch film thickness, which has led to a 40% reduction in plastic usage for packaging activities. We recognise that as our business grows, our waste footprint grows. A large proportion of waste is generated from packaging materials used for shipment deliveries associated with our growing online presence.

Waste Disposal	Unit	2019	2020	2021
Waste disposed to landfill (UAE)	tonnes	-	-	3886
Waste disposed by incineration (with energy recovery)	tonnes	8.66	1.19	13.23
Hazardous waste disposal (sewage sludge)	m ³	-	45	250

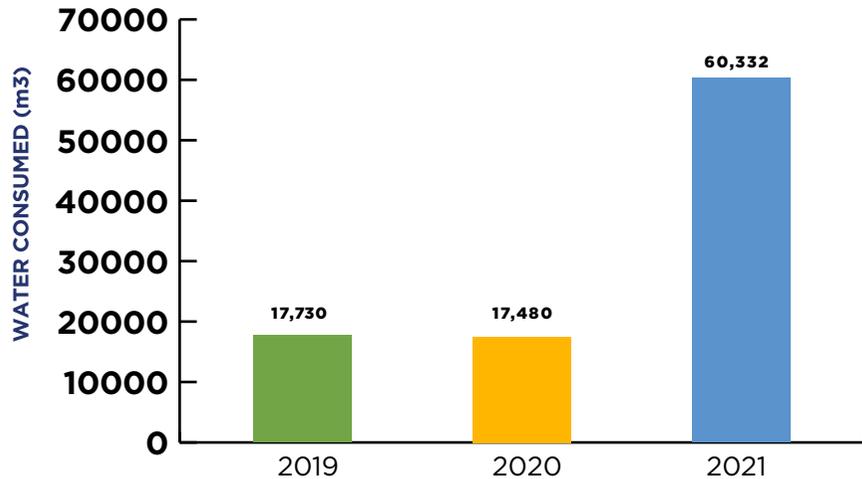
OUR COMMITMENTS

- Improve waste sorting activities across all Apparel Group warehouses, offices and stores and set recycling targets for all recyclable waste materials.
- Introduce garment disposal bins at stores to provide customers with the opportunity to reuse/recycle their old garments. This will also raise customer awareness about sustainability and circularity.
- Develop and implement sustainable packaging plan and set targets.

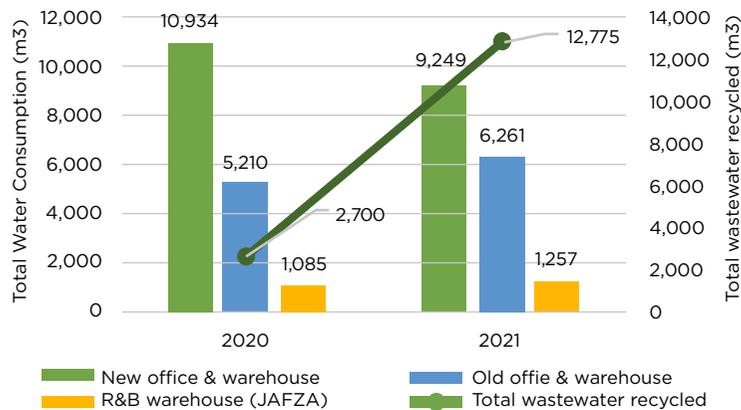


WATER STEWARDSHIP

TOTAL WATER CONSUMPTION (UAE)



Total Water Consumption 2020 vs 2021



Water is without a doubt, one of our most precious resources, and is becoming increasingly scarce throughout the world – particularly in the Middle East. At Apparel Group, we recognize that businesses in the fashion industry have a responsibility to reduce water consumption and help to preserve the world’s water resources.

Increased water consumption in 2021 can be attributed to the fact that we have expanded the scope of our water consumption monitoring to include a number of our stores and other facilities. We did not previously have access to this data as our shops are located within shopping malls that are not operated by Apparel Group. We are continuing to work with mall operators and other property managers to collect more comprehensive water consumption data. We will also be expanding this effort to all our locations in the GCC.

Despite an increase in productivity and business growth in 2021, we saw a reduction in water consumption at our head office and warehouse in JAFZA. This can be attributed to the increase in wastewater recycling at the site. Our wastewater treatment plant recycles 100% of the wastewater generated at our head office, and all treated wastewater is recycled for landscaping and toilet flushing.

As previously mentioned, our head office is LEED certified, and designed with sensor taps and aerators along with dual flush systems to increase water savings. The installed irrigation systems use captured rainwater and recycled wastewater, leading to 100% water efficient landscaping.

OUR COMMITMENTS

- Improve water consumption monitoring across all Apparel Group buildings, warehouses and stores.
- Develop and implement further water efficiency initiatives and set targets.

CLIMATE ACTION

Climate change is one of the most urgent issues facing our planet and we all have an important role to play in thwarting its impacts. We are now witnessing these devastating impacts with erratic weather patterns, increasing water scarcity, rising sea levels, and much more. Without immediate, meaningful, and collaborative action, our ability to manage these impacts will become increasingly more difficult.

At Apparel Group, we are committed to identifying and managing any climate-related risks associated with our operations. As outlined in previous sections of this report, some of the commitments that we believe will support efforts to address climate change include:

- ✓ Increasing the number of sustainably sourced materials used throughout our value chain
- ✓ Further utilising our physical and online platforms to educate customers about sustainability
- ✓ Reducing energy consumption and carbon emissions across our operations
- ✓ Reducing water consumption and increasing treated wastewater reuse throughout our facilities
- ✓ Implementing an effective waste management strategy to reduce our waste footprint
- ✓ Increasing our recycling efforts
- ✓ Reducing our packaging footprint and increasing the use of sustainable packaging for our products

BIODIVERSITY

At Apparel Group, we recognise the clear relationship between climate change and biodiversity. Our continued use of the world's natural resources at an unsustainable rate is threatening our survival which is dependent on a thriving and diverse environment.

By improving our ethical sourcing practices such as the use of organic cotton in our clothing range as well as other sustainable raw materials, we aim to contribute to safeguarding biodiversity on a global level. We also believe that by reducing our plastic waste footprint, we are contributing towards a reduction in the volume of plastic waste finding its way into our oceans and threatening marine diversity.

As part of our commitment to protecting biodiversity, we ensure that none of our sites are located in areas that are assigned as protected or considered to be areas of high biodiversity value. As part of our sustainability strategy, we will:

- ✓ Identify Apparel Group sites that are in or adjacent to protected areas or areas of high biodiversity value, including those of our Tier 1 suppliers.
- ✓ Implement actions to protect or restore habitats in protected areas or areas of high biodiversity value for which Apparel Group may have a negative impact through its products or activities (including raw material acquisition).
- ✓ Supporting conservation efforts beyond our footprint and exploring ways to support local conservation groups and promote biodiversity initiatives both in the region and globally.

APPENDICES

Social

Responsibility

Corporate

CSR

GRI STANDARDS

GRI STANDARD / DISCLOSURE	PAGE NUMBER(S)
GRI 101: FOUNDATION 2016	
GRI 102: GENERAL DISCLOSURES 2016	
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102-1 Name of the organization	6
102-2 Activities, brands, products, and services	6
102-3 Location of headquarters	6
102-4 Location of operations	6
102-5 Ownership and legal form	6
102-6 Markets served	6
102-7 Scale of the organization	6, 46
102-8 Information on employees and other workers	46
102-9 Supply chain	6
102-10 Significant changes to the organization and its supply chain	N/A
102-11 Precautionary Principle or approach	20
102-12 External initiatives	15 - 16
102-13 Membership of associations	8
STRATEGY	
102-14 Statement from senior decision-maker	3 - 4
102-15 Key impacts, risks, and opportunities	13
ETHICS AND INTEGRITY	
102-16 Values, principles, standards, and norms of behaviour	7

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102-22 Composition of the highest governance body and its committees	22
102-24 Nominating and selecting the highest governance body	22
102-26 Role of highest governance body in setting purpose, values, and strategy	22
102-29 Identifying and managing economic, environmental, and social impacts	13
102-32 Highest governance body's role in sustainability reporting	22

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102-40 List of stakeholder groups	12
102-42 Identifying and selecting stakeholders	12
102-43 Approach to stakeholder engagement	12, 78 - 79
102-44 Key topics and concerns raised	12, 78 - 79

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102-46 Defining report content and topic Boundaries	5
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102-51 Date of most recent report	13
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102-56 External assurance	None

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GRI 200 ECONOMIC STANDARD SERIES	
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GRI 202: MARKET PRESENCE 2016	
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103-3 Evaluation of the management approach	18 - 19
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GRI 103: MANAGEMENT APPROACH	
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GRI 204: PROCUREMENT PRACTICES	
204-1 Proportion of spending on local suppliers	24

GRI 300 ENVIRONMENTAL STANDARDS SERIES	
GRI 302: ENERGY 2016	
GRI 103: MANAGEMENT APPROACH	
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302-4 Reduction of energy consumption	58
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GRI 303: WATER AND EFFLUENTS	
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GRI 304: BIODIVERSITY	
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STAKEHOLDERS	IMPORTANCE TO APPAREL GROUP	NEEDS AND EXPECTATIONS	METHODS OF ENGAGEMENT
Customers	<p>Our success and growth depend on our ability to maintain strong and healthy relationships with our customers. Through long-term customer relationships and a sustained commitment to customer-focused innovation and continued trust. We offer a comprehensive suite of products across various lifestyle areas and platforms supported by a premium customer experience. We are working diligently to assess our current journey and identify areas of improvement with the latest technologies afforded to the market.</p>	<ul style="list-style-type: none"> • Friendly and responsive customer service • Open and simplified communication • Innovative and sustainable products and services • Secure shopping platforms (data and information security) 	<ul style="list-style-type: none"> • Social media channels, including Facebook and Twitter • Customer Service (telephone and email via website) • Customer Feedback forms • 6th Street/Club Apparel applications and online platforms • Shops and malls
Employees	<p>Our human capital is the catalyst for achieving our long-term strategy. Employees are key enablers of growth and are in direct contact with our customers. We seek to be number one in the hearts and minds of our employees, always putting their needs ahead of our own agenda. We aim to provide them with training and development opportunities and a safe and diverse working environment for them to realize their full potential.</p>	<ul style="list-style-type: none"> • Career advancement • Recognition and rewards • Attractive benefits • Timely payment of wages • Safe working environment • Fair and equal opportunities • Open communication channels 	<ul style="list-style-type: none"> • Employee engagement surveys and feedback forums • Group-sponsored and employee-driven events • HR Call Centre • Training and development programs
Business Partners	<p>Attracting investment and seizing opportunities are critical factors to our future success. Our visionary leadership, robust governance and a clear strategy are designed to give our existing and prospective business partners confidence in our investment potential. Through strategic partnerships and ventures, we seek to enhance our core business streams and expand our portfolio.</p>	<ul style="list-style-type: none"> • Strong balance sheet and stable cash flows • Solid market positioning • Dynamic risk management • Strong brand image • Transparency and disclosure • Incorporate ESG criteria into business operations and activities 	<ul style="list-style-type: none"> • Annual Reports • Sustainability reports • Board Risk Management Committee meetings

STAKEHOLDERS	IMPORTANCE TO APPAREL GROUP	NEEDS AND EXPECTATIONS	METHODS OF ENGAGEMENT
<p>Government Regulators</p>	<p>Promotion of a healthy compliance culture lies at the heart of our strategy. We adopt comprehensive principles of governance, compliance and control and all-round transparency while remaining fully compliant with the applicable laws and regulations. We are committed to complying with all legal and regulatory requirements.</p>	<ul style="list-style-type: none"> • Alignment to national strategies and visions • Compliance with legal and regulatory requirements • Transparency and disclosure • Protecting customers • Management of corruption, bribery and human rights risks 	<ul style="list-style-type: none"> • Internal / External audits • Compliance department • Compliance with obligations • Board Risk Management Committee • Annual Reports
<p>Community</p>	<p>As a member of the communities within which we operate, and as a contributor to the economic vitality of the country, we recognize our responsibility to uplift the communities and people we serve across our operations. Corporate social responsibility is deeply integrated into our business activities, reflecting our commitment to make a positive impact on the world. We are conscious of our environmental responsibilities and seek to limit our environmental footprint.</p>	<ul style="list-style-type: none"> • Employment opportunities • Advancing social development including initiatives and programs to promote health, education, security, sports and culture • Limited use of finite resources • Charitable initiatives • Partnerships on common social and environmental issues 	<ul style="list-style-type: none"> • Employee volunteering • CSR activities • Partnerships and cooperation • Donations and sponsorships • Products and services • Local events
<p>Suppliers & Contractors</p>	<p>Strong business relationships across the supply chain are needed to mitigate potential risks and ensure business continuity and excellence. We always seek to maintain good relationships with suppliers to streamline our value chain, and are committed to ethical, fair and transparent dealings with our suppliers. At the same time, we have high expectations from our suppliers in terms of ethical practices and transparency and require all suppliers to adhere to our social and environmental criteria.</p>	<ul style="list-style-type: none"> • Timely payments • Fair and transparent bidding process • New opportunities for engagement and interaction • Open communication channels • Support in improving ESG performance 	<ul style="list-style-type: none"> • Local procurement • Bidding and tendering • Fair competitive selection • Partnerships • Public reports • First engagements

UN SDG	CONTRIBUTION
 <p>1 NO POVERTY</p>	<ul style="list-style-type: none"> • Apparel Group Qatar donated 1 Million Qatari riyals worth of merchandise to Qatar Charity’s winter drive “Warmth & Peace”. The in-kind donation included men’s, women’s, and children’s clothing, shoes, accessories, and toys. This donation delivered aid to over 1.4 million people, including the displaced, refugees, and underprivileged families, in 17 countries across Asia, Africa and Europe. • Levi’s donated clothes to underprivileged families in UAE and war-affected regions in the Middle East through Emirates Red Crescent. The brand donated 3,500 products with a retail value of AED 1.3 million.
 <p>2 ZERO HUNGER</p>	<ul style="list-style-type: none"> • Apparel Group organized a Ramadan food donation campaign across all GCC offices. 407 employees generously donated 5,744 Kgs of raw food items. These items were distributed to 180 laborers and 118 needy families through various NGO partnerships. • Apparel Group also donated 26,075 meals through the 100 Million Meals programme. • Tim Hortons provided meals to 150 underprivileged children in partnership with Tarahum Charity Foundation.
 <p>3 GOOD HEALTH AND WELL BEING</p>	<ul style="list-style-type: none"> • Nine West raised AED 12,236 for breast cancer patient care in association with Friends of Cancer Patients’ Pink Caravan campaign in 2021. Since 2015, this fundraising campaign has improved lives of 173 women by sponsoring 153 mammograms, 8 ultrasounds, 2 PET scans and 1 surgery. • In 2021, Apparel Group sponsored the medical expenses of some employees and also provided oxygen cylinders to hospitals in India to aid in the Covid19 treatment, to the tune of \$1.2 million. • HEMA and The Children’s Place partnered with UAE Ministry of Health and Prevention (MOHAP) to launch a 2-week educational campaign to improve the nutritional value of school lunches. The program provided parents with the knowledge and skills needed to prepare healthy, balanced and highly nutritious meals that children enjoy. This campaign reached over 305 mothers and children. • UAE Ministry of Health & Prevention (MOHAP) recognised Skechers UAE for its contribution to support health awareness programmes. Skechers sponsored MOHAP’s ‘Together We Move’ campaign to promote physical activity among women of all ages. An awareness session was conducted to encourage women to adopt healthy lifestyles; which will reduce illnesses, enhance physical and mental well-being. Skechers provided MOHAP employees 25% discount on Skechers merchandise. • Skyzone donated 3,000 Free 30-minute jump voucher for children who participated in the Dubai Cares workshop. Through this donation, we are promoting good health in our community, especially young children, so they can develop a healthy lifestyle which includes regular exercise. Between, December 12th – January 6th Skyzone organized a winter camp for kids to encourage fitness and team building. • During Dubai Fitness Challenge held in November 2021, Rituals, TOMS and Athlete’s Co hosted several yoga and fitness workshops for the community. 545 people participated in these sessions. • Skechers offered 25% off full priced items to users of the STEPPI app, to incentivize the community to become more active. Users had to achieve 10,000 steps to unlock the discount. 27 people availed this offer.

UN SDG	CONTRIBUTION
	<ul style="list-style-type: none"> • Launched in March 2021, home-grown concept F5 is Apparel Group’s first sustainable fashion brand. The brand sells a range of products that are made from organic or recycled material, incorporating zero waste principles. To ensure that the brand gives back to the community, F5 has partnered with Emirates Red Crescent in UAE to support education of children in Middle East. For every ‘Tees for Fees’ t-shirt sold in Athlete’s Co stores and 6thstreet.com, the brand donated 100% of profit to charity. In 2021, F5 donated AED 47,625 towards the cause. • We actively create annual internships in partnerships with various universities across the GCC; providing learning opportunities for young students. • In 2021, Apparel Group sponsored the education of employee’s children, to the tune of \$19,000. • Skechers partnered with The Big Heart Foundation to provide school kits worth AED 1.5 million to 8,000+ underprivileged children in UAE and Jordan. • Skechers KSA partnered with Ensan Charity Committee For Orphans Care, Charitable Society Of Autism Families and Saudi Schizophrenia Charity Association to distribute school kits to 11,600 children, worth SAR 2.2 million. • Skechers partnered with Dubai Cares to donate 6,000 school kits worth AED 1.5 million for their school engagement programme at EXPO 2020.
	<p>In 2021, Aldo and Aldo Accessories raised AED 56,720 for a community in Ghana to get access to fresh water. This campaign provided 56,720 people with access to fresh water for 1 day. Aldo’s solar-powered water kiosks dispensed over 2,643,976 litres of safe water.</p>
	<p>In 2021, Apparel Group generated 3,057,482 million kWh of solar energy, fulfilling over 60% of the headquarters’ consumption needs and helping to reduce 1,569 metric tonnes of CO2 emissions.</p>
	<ul style="list-style-type: none"> • Tim Hortons store in Al Ghurair, Dubai has transformed into a more inclusive workplace, where 50% of staff are people with hearing impairment. This marks the 3rd Tim Hortons café with people of determination. • Tim Hortons also hosted an American Sign Language workshop for customers where 16 registered guests learned basic sign language and general introduction to Deaf Culture. • Apparel Group launched Retail Work Experience training in partnership with Al Noor Training Centre for Persons with Disabilities. 6 students were trained in 2021.

UN SDG	CONTRIBUTION
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<ul style="list-style-type: none"> • Apparel Group eliminated single-use plastic shopping bags across all retail stores and single-use plastic & styrofoam items from our head office. We also introduced eco-friendly collections and e-receipts. To ensure the highest quality and safety standards, our products are tested by independent laboratories. We contribute to the Circular Economy and Waste Management through recycling programmes and have energy and water-efficient facilities in our warehouses, stores, outlets and offices to reduce consumption. • TOMS created an initiative where customers would bring in an old pair of shoes and get 40% off a new pair of TOMS shoes. As a result, TOMS recycled over 465 pairs of shoes through our recycling partner SOEX. This recycling campaign was also implemented in Al Nakheel Mall, KSA where 126 shoes were recycled. • 18,000 refillable products sold at Rituals stores across the GCC, to reduce unnecessary packaging.
 <p>14 LIFE BELOW WATER</p>	<p>Millions of marine creatures die every year worldwide from eating plastic straws and choking on them. To prevent this, Apparel Group's F&B brands Cold Stone Creamery, Jamie Oliver's Pizzeria, Molten Chocolate Cafe, NYC Pizza, and Sushi Library replaced 1.07 million plastic straws with paper straws across its restaurant outlets, cafes and home delivery services in UAE.</p>
 <p>15 LIFE ON LAND</p>	<p>15 employees volunteered 22.5 hours of their day planting 450 ghaf seedlings. These seeds are expected to grow into 250 ghaf trees. National tree of the UAE, ghaf is a resilient plant which enriches the soil and requires little water. Ghaf trees prevent soil erosion, consume carbon dioxide and produce 2.3 kg of pure oxygen every day. Our reforestation helps to repair damaged ecosystems and mitigate the effects of climate change. This leads to a greener and healthier community and planet.</p>