

ESG

Report 2022

*Sustainability in Action:
Our ESG Journey*

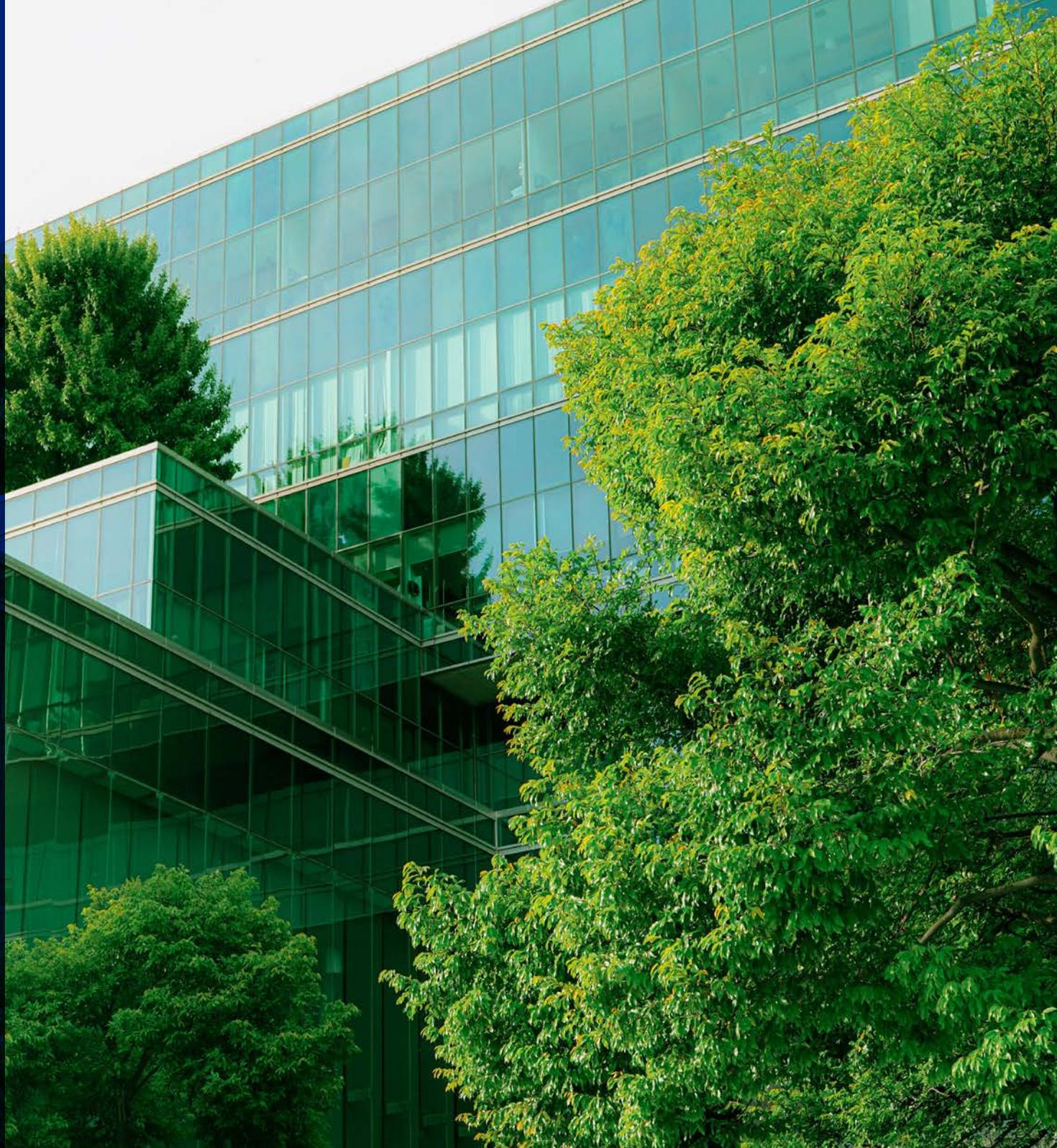


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About THE REPORT

The report provides an overview of the Environmental, Social, and Governance (ESG) performance of Apparel Group for the year 2022. It is an integral part of the Group's corporate reporting framework, complementing the Annual Report and other disclosures.

The report aims to enhance transparency by disclosing our performance, strategy, policies, frameworks, and initiatives that guide our sustainability efforts.

This year, we have expanded the scope of various disclosures to cover additional geographies. Unless indicated otherwise, all the disclosures cover activities within the UAE, India, Bahrain, Qatar, KSA, Kuwait, Oman, and South Africa.

The report has been prepared in alignment with the Global Reporting Initiative (GRI) Standards. The report encompasses both general disclosures and topic-specific disclosures that are relevant to the operations and initiatives of the Apparel Group. The report also reflects how the Group supports the UNSDGs' attainment. Additionally, we have followed the GHG Protocol Corporate Standard for climate-related disclosures.

By aligning with globally recognised reporting standards and addressing material issues, we aim to provide stakeholders with a clear understanding of our commitment to sustainability and responsible business practices.

We strive to demonstrate progress and drive positive change while fostering transparency and

accountability across our operations and supply chains.

If you have inquiries or comments about this report and sustainability practices within the Apparel Group, please don't hesitate to contact us via email at apparelcsr@apparelglobal.com. We look forward to hearing from you.

Leadership MESSAGE From the Founder



In 2022, the Apparel Group reached a pivotal moment in our history, driven by a vision of sustainable excellence and a bold commitment to becoming a net-zero organisation by 2050. This transformation shifts our operational backbone from carbon-reliance to renewable energy, emphasising an unwavering focus on a sustainable supply chain.

Our dedication to environmental, social, and governance (ESG) values is evident in our robust ESG governance framework, ensuring decisions are made with integrity and transparency. We are implementing advanced technologies to reduce energy consumption, integrate solar PV systems, and minimise waste, all showcased in our 2022 ESG Report.

Beyond environmental goals, the Apparel Group is committed to fostering a culture of diversity, inclusivity, and safety. Our “Great Place to Work” Award in 2022 validates this commitment.

I thank employees, partners, and stakeholders for contributing to our ESG journey, emphasising our commitment to exceeding expectations daily.

Sima Ganwani Ved
Founder and Chairwoman,
Apparel Group

Leadership MESSAGE



Dear Stakeholders,

I am delighted to share our second Environmental, Social, and Governance (ESG) Report for the year 2022.

At the Apparel Group, our unwavering commitment to ESG principles underscores our understanding of sustainable business practices' pivotal role in creating enduring value for all our stakeholders.

Recognising the pressing need to address environmental challenges head-on, we have committed to transforming into a net-zero organisation by 2050.

This transformation calls for a profound shift away from carbon-intensive energy sources, with a strategic integration of renewable energy and less greenhouse gas-intensive alternatives throughout our operations.

To make this vision a reality, we are heavily investing in energy-efficient technologies, embracing Solar PV systems, and innovative sustainability initiatives beyond packaging solutions, all geared towards minimising waste and reducing our environmental footprint.

We have achieved a 10% reduction in grid electricity consumption in our offices and warehouses in the UAE, resulting in significant progress towards our sustainability goals.

Furthermore, through our pioneering efforts in solar energy, we have successfully achieved a 1,500 tCO₂e emission reduction, underlining our commitment to reducing our carbon footprint.

In our continued commitment to environmental stewardship, we are pleased to report a remarkable 200% increase in plastic recycling compared to the previous year, a testament to our dedication to responsible waste management.

Additionally, we have witnessed a commendable 13% increase in renewable energy generation, showcasing our strides towards a cleaner and more sustainable energy mix. We are also proud to announce a 20% reduction in diesel consumption within our UAE operations, reflecting our relentless pursuit of operational efficiency and sustainability.

At the core of the Apparel Group's success lie our people. We firmly believe that our employees are our greatest asset. Our steadfast commitment to fostering a diverse, inclusive, and safe work environment empowers our workforce.

There is a 54% increase in female employees within our organisation, a testament to our commitment to gender diversity. Furthermore, we have achieved a commendable 29% representation of female leaders

at the management level and a 33% representation of women on our Board, signifying our commitment to gender equality and inclusivity.

Our diverse workforce now encompasses over 70 nationalities, fostering a rich and dynamic corporate culture.

We have invested 1.7 million AED in training and upskilling initiatives for our employees, resulting in a remarkable twofold increase in employee average hours of training.

This commitment to employee development has been recognised as we achieved the prestigious "Great Place to Work" Award in 2022. Additionally, 53% of high-potential individuals within our organisation received career progression opportunities, a testament to our commitment to nurturing talent from within.

The cornerstone of our sustainability ambitions is robust ESG governance. We hold ourselves to the

highest ethics, transparency, and accountability standards at every level of our organisation. Our governance framework ensures that our decisions are driven by integrity and are always aligned with the best interests of our shareholders, customers, and partners. Through this framework, we aim to minimise our environmental impact while maximising value for our people.

I sincerely thank our dedicated employees, valued partners, and all stakeholders who continue to fortify our journey towards a sustainable future. Through collective unity, we possess the potential to shape a more sustainable, inclusive, and prosperous future for generations to come.

Thank you for your unwavering support and commitment to our shared vision.

Neeraj Tekchandani
CEO

Key HIGHLIGHTS

33%

Of female representation in the Board

100%

Of employees received a performance review

29%

Of female representation at the management level

1.7 Million AED

Invested in training and upskilling of our employees

53%

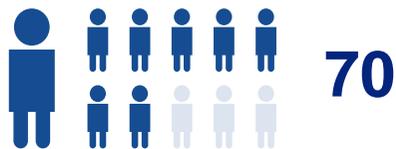
Of high potential individuals received career progression

2-fold

Increase in employee average hours of training



Increase in female employees



Nationalities in the Apparel Group

Net zero

Pledged to achieve net zero emissions by 2050 or earlier

1,500 tCO₂e

Emission reduction through Solar PV

200%

increase in plastic recycling compared to 2021



Reduction in diesel consumption in UAE operation



Increase in renewable energy generation



Reduction in grid electricity consumption in offices and warehouses in UAE

APPAREL GROUP SINCE 1998
EXCEED EXPECTATIONS EVERYDAY



INTRODUCTION

Apparel Group, operating in 14 countries, is a prominent global conglomerate in the fashion and lifestyle retail industry, firmly committed to ethical and responsible business practices.



About APPAREL GROUP

Apparel Group, headquartered in Dubai, United Arab Emirates, is a prominent global conglomerate in the fashion and lifestyle retail sector that believes in conducting business ethically and responsibly. It is part of the multibillion-dollar transnational company APPCORP GLOBAL, and has a network of over 2025+ stores and 80+ brands across 14 countries.

Our portfolio encompasses various offerings: Fashion, Footwear, Accessories, Food and beverages, Kids, Cosmetics, Homes, Department Stores, Entertainment, Malls, and E-commerce.

1996
Launched

14
Countries of operation

80+
Brands



UAE Brand 56 Stores 594	KSA Brand 29 Stores 604	QATAR Brand 58 Stores 226	KUWAIT Brand 29 Stores 159	INDIA Brand 10 Stores 172	OMAN Brand 32 Stores 106	BAHRAIN Brand 25 Stores 64
THAILAND Brand 1 Stores 29	INDONESIA Brand 1 Stores 24	MALAYSIA Brand 2 Stores 18	SINGAPORE Brand 1 Stores 14	SOUTH AFRICA Brand 1 Stores 10	EGYPT Brand 2 Stores 7	PAKISTAN Brand 1 Stores 3

VISION, MISSION AND VALUES

Our Vision, Mission, and Values serve as a guiding beacon to the future we envisage.

They mirror our aspirations and encapsulate the world we are committed to building.



Vision
To go a step beyond the expected.



Mission
We create and operate a business focused on delivering a customer experience that exceeds people's expectations daily.



Values

- Passionate,
- Empowered,
- Ambitious,
- Respectful

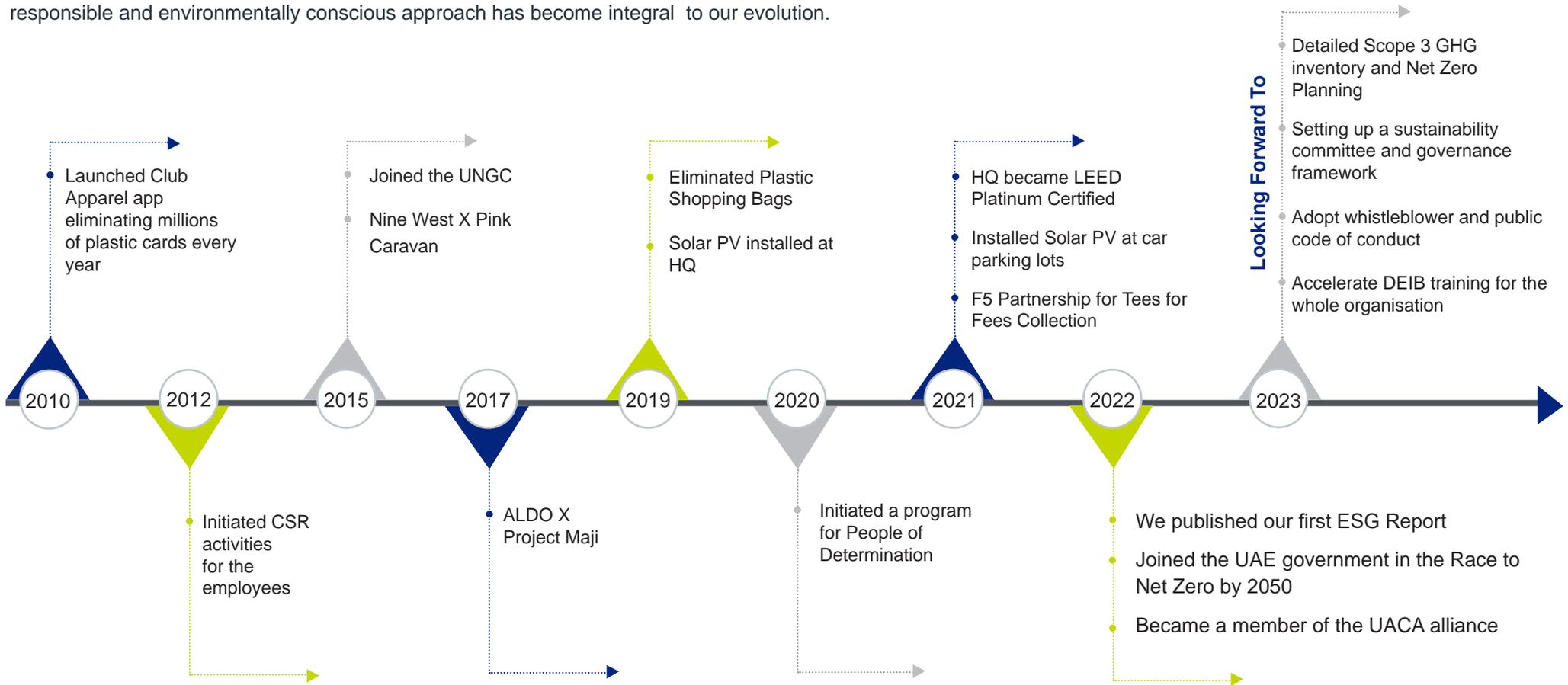


Purpose

- Exceed Expectations Everyday.

Our JOURNEY

Over the past 27 years, our remarkable journey has been marked by significant sustainability strides. This commitment to a more responsible and environmentally conscious approach has become integral to our evolution.





Responsible GOVERNANCE

The governance framework at Apparel Group is designed to ensure transparency, accountability, and ethical conduct across our organisation.



Responsible GOVERNANCE

The governance framework at Apparel Group is designed to ensure transparency, accountability, and ethical conduct across our organisation. For us, it's a moral imperative and a strategic advantage. It contributes to the Group's long-term success, financial stability, and overall reputation. Promoting transparency, accountability, and ethical behaviour helps build stakeholders' trust and positions us for sustainable growth.

OUR LEADERSHIP

Our leadership is dedicated to upholding the highest standards of corporate governance, adhering to industry best practices and applicable regulatory guidelines and legislation.

The Advisory and Management Board governs Apparel Group. The board members bring valuable skills and expertise to steer the Group's strategic direction.

The Board values diversity and is committed to women's empowerment. The Advisory Board consists of three members, two males, and one female, all of them of different nationalities.

The management board also consists of three members, out of which two are male and one female.

The Board of Directors and executive management provide steadfast guidance and support to enable responsible business management and strategic decision-making.

They define the Group's core objectives and ensure accountability across our business spectrum.



CORPORATE SOCIAL RESPONSIBILITY (CSR) DEPARTMENT

The Corporate Social Responsibility (CSR) department at Apparel Group has been a cornerstone of our sustainability endeavours. The dedicated team is pivotal in conceiving and executing various social and environmental initiatives, contributing significantly to our accomplishments.

The primary responsibilities of the CSR department include the review and approval of our sustainability strategy, as well as the oversight of ESG (Environmental, Social, and Governance) matters. It plays a crucial role in evaluating and endorsing sustainability policies, programs, targets, and performance and ensuring that the expectations and needs of our stakeholders are met.

We are formalising an ESG committee to ensure that ESG principles are incorporated across our operations and we continually enhance our ESG performance. .

OUR POLICIES AND GUIDELINES

The Apparel Group Employee Handbook is a comprehensive resource that houses our essential policies, guidelines, and relevant information for our valued employees.

It is a reference guide providing clear insights into our organisational expectations, benefits, and communication protocols.

This handbook empowers our team members with the knowledge they need for a successful and fulfilling journey with Apparel Group.



OPEN COMMUNICATION AND GRIEVANCE REDRESSAL

As a group, we are dedicated to fostering transparency and open communication through our open-door policy concept. We prioritise accessibility to leadership by providing contact numbers and email addresses widely across the company.

Additionally, employees can raise grievances through dedicated emails IDs. To streamline the process further, we are planning to include an Oracle HR Module that will allow employees to raise grievances directly on the platform, which can be addressed swiftly.

We are planning to implement an effective whistleblower policy to uphold ethical standards and ensure a safe work environment.

This will encourage staff and volunteers to report credible information about unethical, illegal practices

or policy violations, assuring protection against retaliation. Our Loss Prevention Department, Line Managers, and Senior Management shall appropriately handle such reports.

We recognised the importance of addressing employee concerns promptly and fairly.

To enhance engagement and understanding, we ensure accessibility to the entire Middle and Senior Management and HR Business Partners.

A mandate is in place for them to visit stores once a week and cover all stores at least once a quarter.

Our culture's core value is creating an inclusive and empowering environment. Our policies and practices promote equal opportunities and fair treatment for all employees, regardless of race, ethnicity, gender, sexual orientation, disability, or age.

We have constituted an independent and unbiased Anti-Harassment Committee of 5 employees, carefully selected to represent the diversity of Apparel Group.

The committee conducts an impartial investigation of the complaints received and maintains strict confidentiality. It ensures that the investigation is completed within ten working days of the day the complaint was received.

When everyone feels welcomed and valued, they can fully contribute to our organisation's success.

Progress on Commitments

GOVERNANCE & BUSINESS ETHICS			
S.N	Commitments in 2021	Status	Plan
1	Facilitate enhanced stakeholder engagement to understand material issues better.	To be done in 2024	New Materiality Assessment to be conducted in 2024
2	Lead the integration of our sustainability strategy with our risk management framework and corporate business strategy.	To be initiated	To be conducted by 2025
3	Implement key standalone policies and guidelines to strengthen our standards in business ethics and other pertinent sustainability issues.	To be initiated	To be published in 2023
4	Oversee our ESG performance and associated sustainability KPIs/targets on a routine basis.	Partially implemented	Scorecards to be established by 2024
5	Support the developing and implementing an anti-corruption training program for all board members, managers and staff at Apparel Group.	To be initiated	To be conducted in 2023
6	Support the development and implementation of a Whistleblowing Policy to demonstrate further our commitment to accountability, compliance, and transparency.	A whistleblower tool will be implemented in 2023	-

MATERIALITY ASSESSMENT

The materiality assessment is a critical process followed at Apparel Group to identify the most crucial ESG issues that should be considered within our ESG strategy, and performance, which should be publicly disclosed.

By engaging stakeholders and focusing on crucial issues, the materiality assessment ensures that our strategy and public disclosure are relevant and resonate with our stakeholders.

Our first materiality assessment was conducted in the year 2021; the process involved:

- 1** Develop a long list of sustainability topics utilising GRI standards and other frameworks and peer review.
- 2** Undertake stakeholder consultation to gather feedback.
- 3** Utilise the stakeholder feedback and, prioritise these sustainability topics to identify the material issues.

The stakeholder categories that Apparel Group engages with throughout the year include:

Internal Stakeholders	External Stakeholders
Board of Directors	Mall Owners/Property management
Employees	UN Agencies & International
	Media & Press
	Suppliers/ Contractors
	Business Partners
	Customers
	Local charities & NGOs
	Government Authorities
	Universities

The materiality assessment results from 2021, were reviewed in 2022 by the senior management for relevance.

Considering the Net Zero commitments Apparel Group has made publicly, it was suggested that “Energy management & GHG emission” should be moved from very important to most important.

As per the suggestion, from Apparel Group’s Sustainability team the “Innovation, digitisation and data security” placed at 6th ranking. Based on the feedback the materiality matrix was updated and is presented here:



The next round of stakeholder consultation is planned for 2024, following which the matrix shall be further revised. Our comprehensive materiality assessment process has identified and prioritised the critical environmental, social, and governance issues that matter most to our organisation and our stakeholders. By focusing on these material topics, we are dedicated to driving positive change, mitigating risks, and capitalising on opportunities that align with our strategic goals and values.

ACCOLADES AND ACHIEVEMENTS

Superbrands,
UAE Choice



Gulf
Sustainability
Award 2022, Gold
Award for Water
and Waste
Management



RetailME Award,
Most Admired
Responsible
Retailer



Dubai Chamber
of Commerce
Advanced CSR
Label for 2022



Impact Seal,
Platinum
Tier 2022





Investing in **PEOPLE**

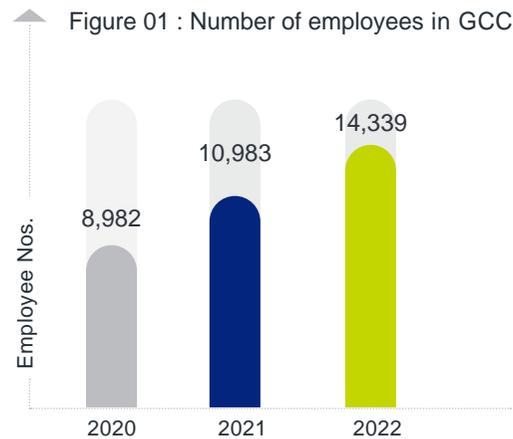
We foster an inclusive, equitable, supportive, and safe environment for people to grow while ensuring that we implement initiatives to bring positive change within our communities.



Empowering, Engaging, AND DEVELOPING OUR PEOPLE

We recognise that our employees are at the core of our success, and their well-being is paramount to achieving our sustainability goals.

Our team comprises 14,339 individuals, reflecting a substantial growth of 31% compared to the previous year.

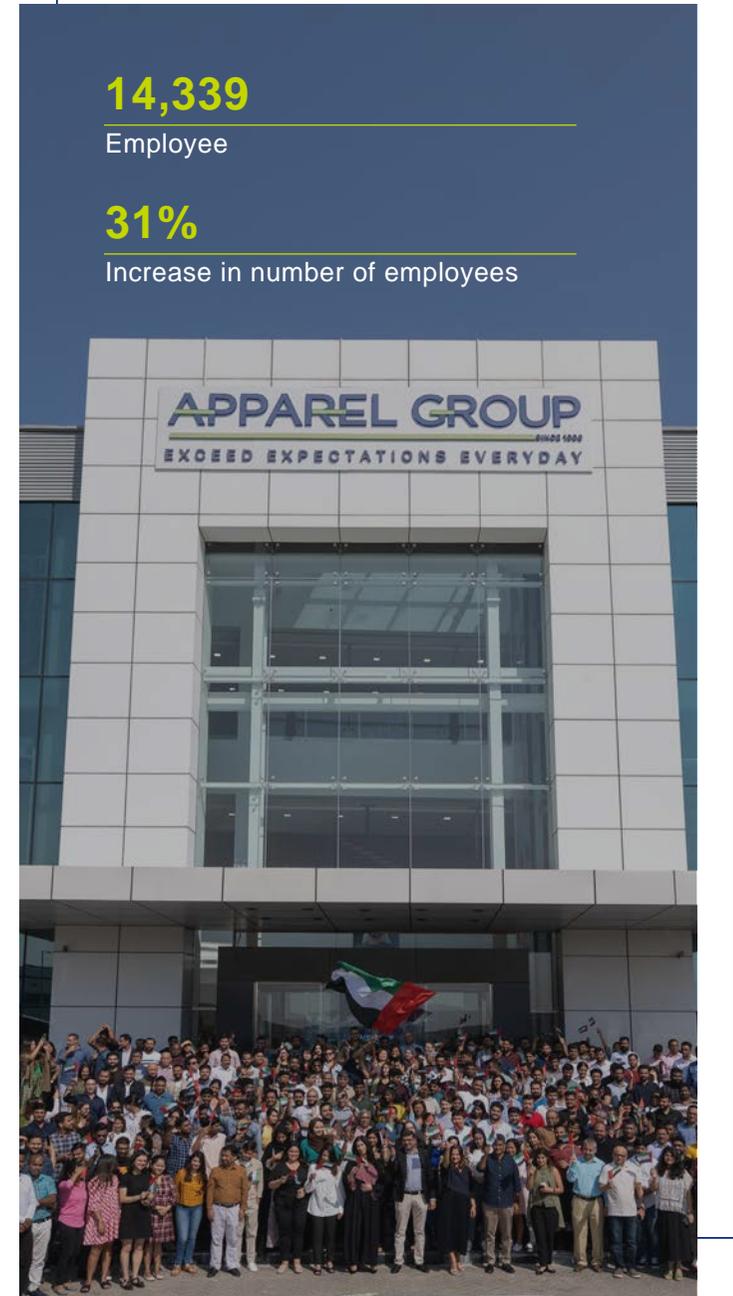


14,339

Employee

31%

Increase in number of employees



In the dynamic landscape of our organisation, it's essential to keep a close watch on various workforce metrics, and turnover rate, as well as new joiners, stands out as a critical indicator.

This year, we had a 25% annual turnover rate, reflecting the ever-evolving nature of our team.

Notably, within this turnover, 48% of those transitioning were women, and 52% were men.

This year, we embraced 7,194 new joiners, each bringing fresh perspectives and expertise to our team. Among these newcomers, 57% were men, and 43% were women, with the majority under 30.

Figure 02 : Employee Turnover UAE 2022

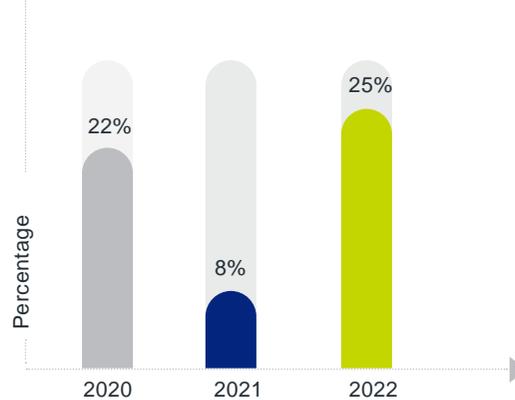


Figure 04 : Workforce Turnover by Gender - UAE

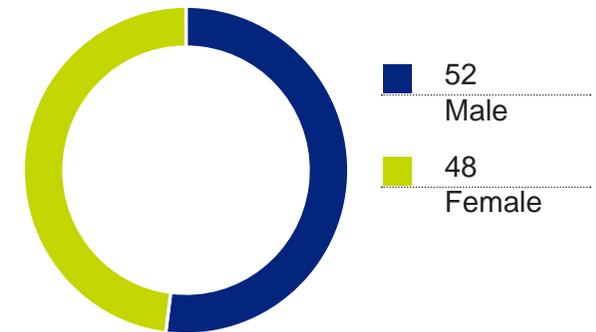


Figure 03 : New Joiner Age Breakdown

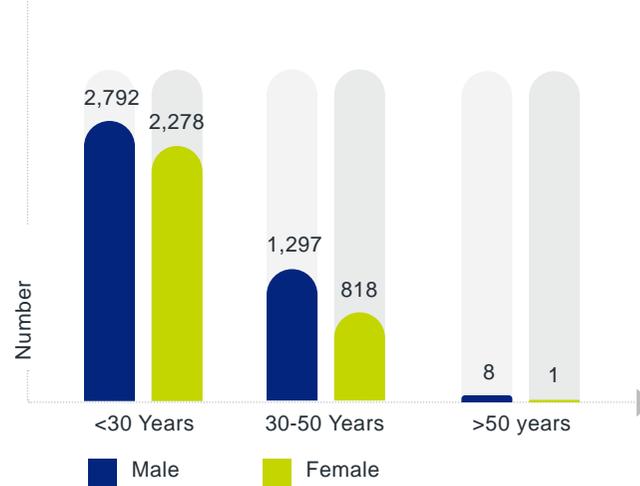
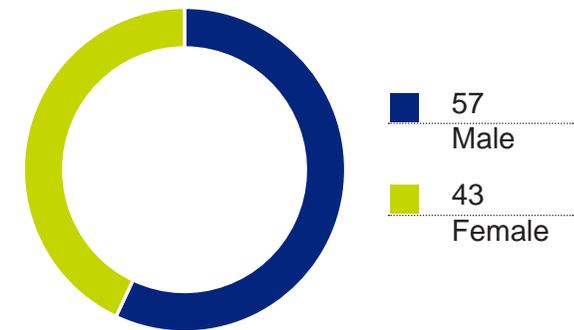
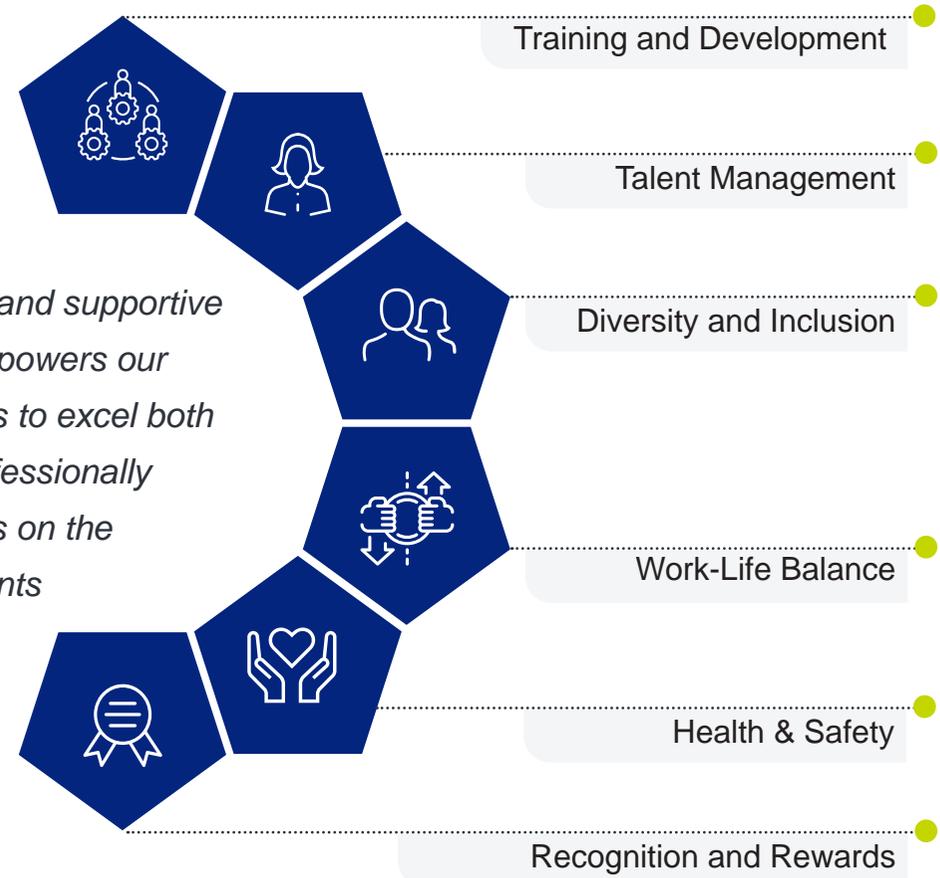


Figure 05 : New Joiner Gender Breakdown





Creating a thriving and supportive ecosystem that empowers our 14,000+ employees to excel both personally and professionally requires us to focus on the following six elements



TRAINING AND DEVELOPMENT

Apparel takes pride in nurturing an exceptional workforce through talent attraction, comprehensive training, and employee retention strategies.

We believe in unlocking our employees' full potential by equipping them with the necessary skills and knowledge to thrive in their roles.

Through regular training sessions, workshops, and mentorship programs, we aim to enhance skills, expand knowledge, and foster a culture of continuous improvement.

Our training hours have increased twofold since 2020, while the average hours of training have increased by fourfold in the same period, a testament to the importance of employee upskilling at Apparel Group.

Figure 06 : Total hours of training

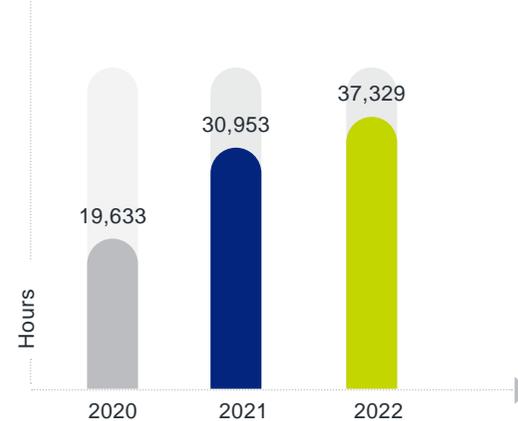
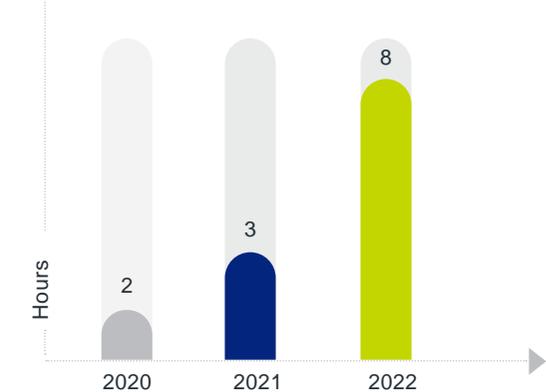


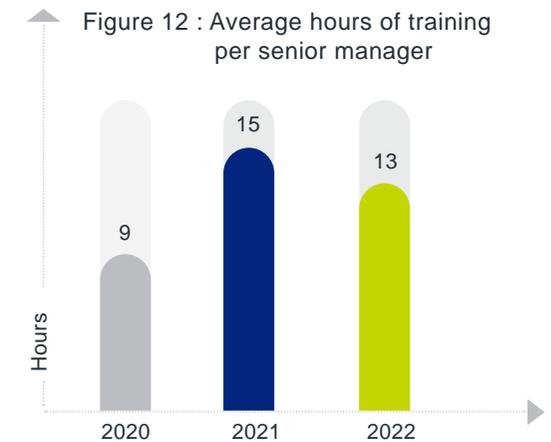
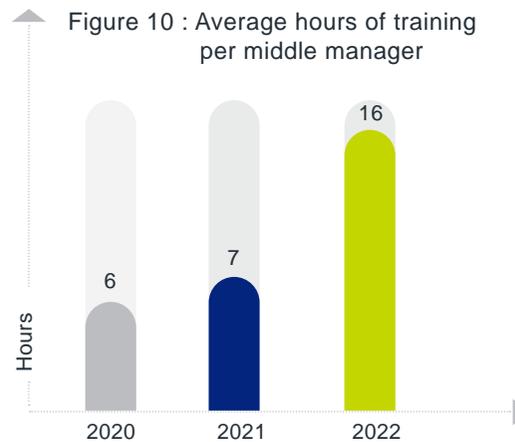
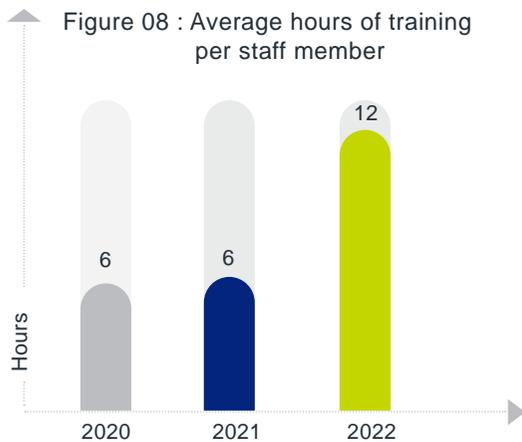
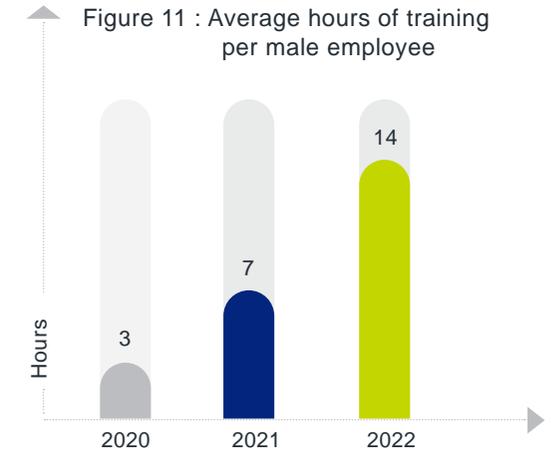
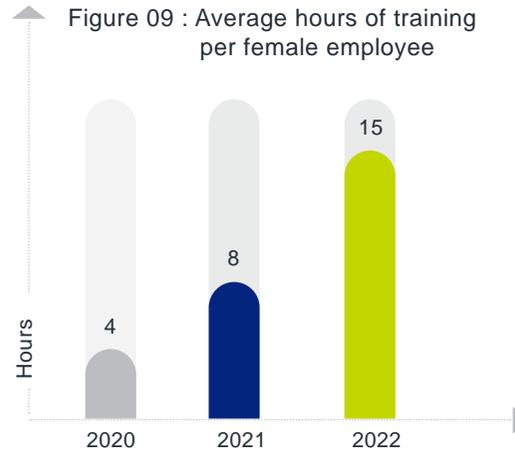
Figure 07 : Average hours of training per employee



The graphs above provide the split between average training hours per gender and seniority level.

The emphasis on skill development and product knowledge ensures that our employees deliver exceptional customer experiences, increasing customer satisfaction and brand loyalty. We invested approximately 1.7 million AED in training and upskilling our employees during the reporting period.

The average training hours for male and female employees have increased significantly and are evenly distributed between the two genders.



There has been a substantial increase in training hours for staff and middle managers this year. The amount of training for senior managers has remained relatively similar to last year.



Train the Trainer

One of our employees came up with the idea for the “Train the Trainer” program, which swiftly evolved into a comprehensive training program in mere months.

It is a strategically designed program for our Distribution Center (DC) team members, particularly the seasoned DC assistants.

The program focused on nurturing essential trainer qualities, including presentability, tone, engagement, content comprehension, training delivery, and empowering the participants to become proficient trainers and coaches.

Through five engaging face-to-face sessions and a comprehensive evaluation by a panel of experienced trainers, this program upskilled our DC employees.

It fostered a collaborative peer-to-peer learning environment, improving daily DC operations and driving us closer to our sustainability goals.

This program empowers employees to take on a more active role in supporting their peers' personal and professional development, creating a culture of continuous learning and growth.

Empowering Retail Excellence and Sustainability Through Apparel Group's Digital Learning Platform



Apparel Group partnered with Axonify to develop a digital onboarding and training platform, Apparel Digital Learning Platform.

This interactive digital onboarding and training program personalises learning experiences for different sales associate roles.

Our comprehensive approach led to an impressive 91% participation rate and a weekly training frequency of 5 times per week across all our brands, providing 4,591 training days in the first year.

By leveraging the digital platform, we achieved a 20% increase in frontline productivity, demonstrating the positive impact of a strategic learning and development program on our business results.

Implementing the digital platform also enabled significant cost savings, with nearly 2 million AED saved from reducing the onboarding program from a 4-day classroom event to a 1-day digital learning experience..

Training on Sustainable Food Production

The CSR department organised an awareness session on sustainable food production. It was attended by 50 employees who received a 25 hour long training on using natural resources in food production, packaging, and transportation. During the training, the carbon footprint of food, food waste, and climate change was assessed. Further, the Farm to Table journey and the impact of food choices on health and the environment were examined.

The “Food Sustainability” module has been available on the Apparel Digital Learning Platform to benefit a wider audience.



Sustainability Newsletter

In 2022, we took a significant step forward in our commitment to sustainability by launching a newsletter informing our employees about our company’s progress and integrating sustainability as a core element of our communication.

Through our newsletter, we strive to keep our employees engaged and informed about the strides we are making toward a more sustainable future, highlighting key achievements, ongoing initiatives, and opportunities for involvement.

By seamlessly weaving sustainability into our communication channels, we aim to inspire and empower our workforce to play an active role in our journey towards a more sustainable and responsible future.

TALENT MANAGEMENT

At Apparel Group, our line managers play a crucial role in understanding the distinction between performance and potential, enabling them to guide the people within our organisation.

The Human Capital Department runs the annual Performance Appraisal and Talent Management session. Equipped with the 9-box performance vs. potential matrix, our managers are adept at evaluating and mapping employees' current performance and future potential.

This strategic approach allows us to make well-informed decisions about career progression, ensuring that our team members have the right opportunities for growth and advancement.

Our line managers create a constant learning and skill enhancement culture by proactively identifying developmental needs, empowering our workforce to thrive and contribute to their full potential.



Feedback Culture

We have implemented a comprehensive approach to talent management, appraisals and feedback. To prepare employees for their self-appraisals, we sent a series of informative daily emails over two weeks, covering essential concepts such as initiating self-appraisals, using the STAR technique for self-review, rating oneself objectively, and creating a positive environment for discussions.

The emails also provided insights on conducting performance assessments with care, honesty, and objectivity, while highlighting biases to avoid during the appraisal process.

During the annual appraisal process, we share simple user guides in PDFs and short one-minute videos on assessing on the performance management system to spread awareness and encourage the use of the system to drive transparency and formal written feedback.



100%
of our people received career performance reviews during 2022, similar to the previous years.



A strong communication campaign is run throughout the appraisal period. Weekly tips and suggestions are sent out via internal communications with links to short videos on how to do appraisals better.

Daily emailers were sent for 2 weeks at the onset of Appraisals which covered the following concepts: “How Do I Begin Self Appraisals?”; “STAR Technique for Self-Review”; “How do you rate yourself?”; “Set the right environment”; “Discussion with Care & Candor and assessing Performance Objectively”; “Biases to Avoid During an Appraisal”; “Giving & Receiving Feedback”.

Additionally, role-play videos on how to handle feedback were shared daily on topics such as “How to handle defensiveness?”, “How to give constructive feedback?”, “How to ask for feedback?”, “Employee giving feedback to Supervisor”, “Awkward Performance Review’ and “Having Difficult Conversations”.

This comprehensive approach to 360-degree feedback equipped employees to present themselves confidently during appraisals and fostered a culture of open communication and continuous improvement at the Apparel Group.





Succession Planning

Succession planning is vital for long-term sustainability of an organisation. We've continued our efforts to consciously manage the career progression of our people by providing end-to-end visibility to the leadership team of outstanding performers, which in return helps us create a succession pipeline for the top 50+ critical roles in the organisation.

The annual Talent Forum was conducted after the Annual Performance Review, where the Leadership and Human Capital Department analysed people's performance and potential for their growth within the organisation.

53% of high-potential individuals received career progression in 2022.

Our Internal Job Portal (IJP) is a centralised platform that streamlines the recruitment process, making it easier for employees to explore career opportunities within the organisation.

Employees are encouraged to take charge of their careers by applying for jobs posted on IJP twice a week and furthering their career goals as per the Career Tracks defined by the Organisation.

During the forum, individuals with stagnated careers were also discussed, and action plans were created to support their learning and skill development.

53%

of high potential individuals received career progression in 2022.

Success Stories

Chandan Mishra

An outstanding performer, started working in Apparel Group Qatar as an Area Sales Manager in 2017 for Tommy Hilfiger and Calvin Klein.

Due to his excellent performance, he was quickly promoted to Assistant Sales Manager and then to Sales Manager.

He was assigned to high-risk projects such as launching new homegrown brands and establishing the e-commerce business for the Group in Qatar. Through Succession Planning, he was recently promoted to Business Head of R&B Kids for the entire Group.

Abdallah Radwan Kamel Hamdan

He joined us in 2018 as an Assistant Store Manager. He has been promoted through the ranks of Store Manager, Sales Manager UAE, and now Sales Manager GCC.

Reena Bedi

She joined Apparel Group in 2011. She was promoted to Corporate Marketing Head in 2013. After successfully leading the function for 9 years she was promoted to General Manager level to lead Beauty brands. She is now Vice President at Apparel leading Beauty and Fashion brands.

Let's Check-in:

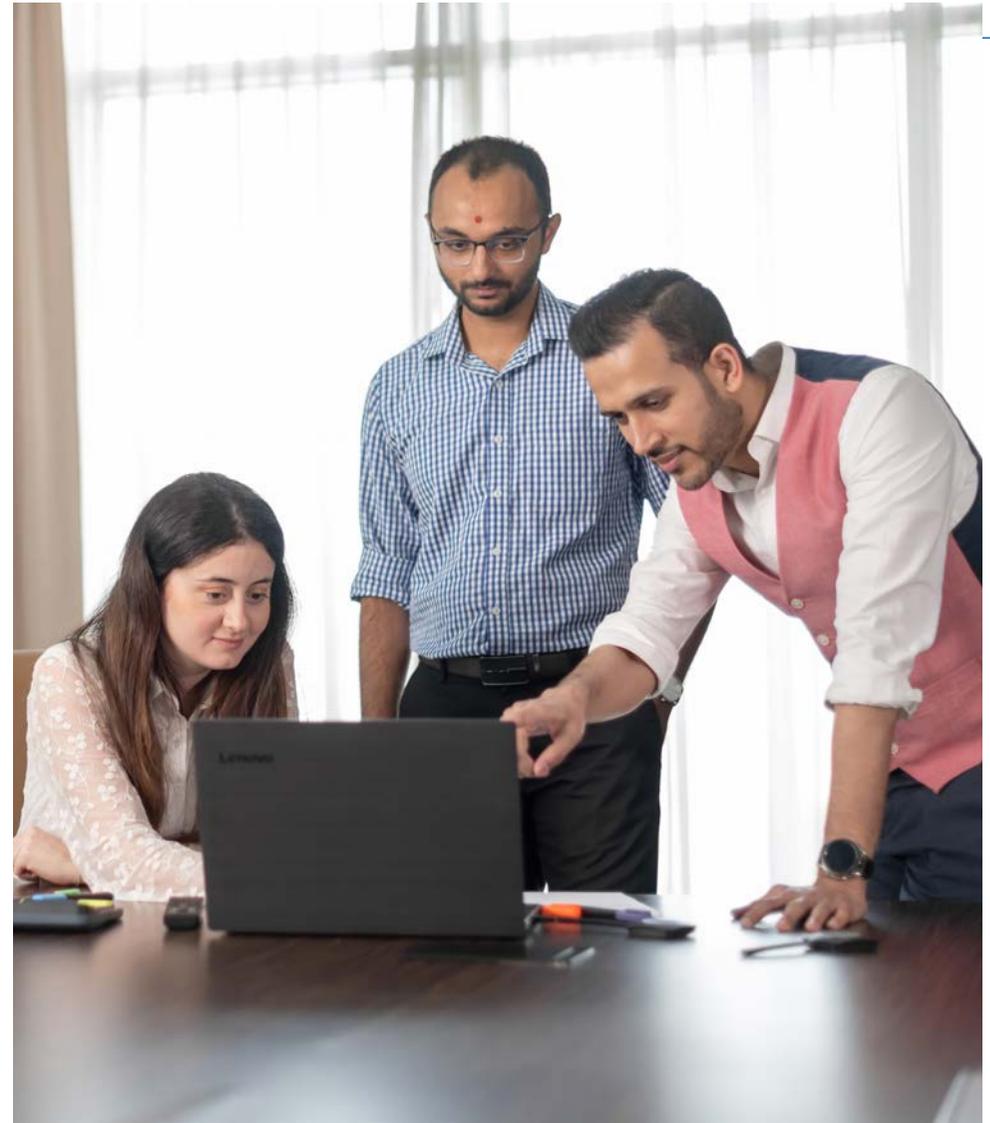
Performance Conversations with Ongoing Feedback

To ensure that our line managers fully grasp the core elements of conducting effective performance conversations and providing constructive feedback, we completed a “Check-In” training for our line managers.

This Line Manager Capability Program was conducted online, and line managers across the GCC joined in. They were taken through the concept of an effective “Check-In.” It was explained that it is an ongoing process and need not always be done in a formal setting.

Further, the standard “Check-In” processes were described, such as Probation, Annual Goal Setting, Mid-Year Performance Review, and Annual Review. SMART goal settings and the roles of employees and their line managers in a “Check-in” process were also discussed.

This Line Manager Capability-building training would ensure that our people receive continuous and honest feedback to help them professionally and personally.



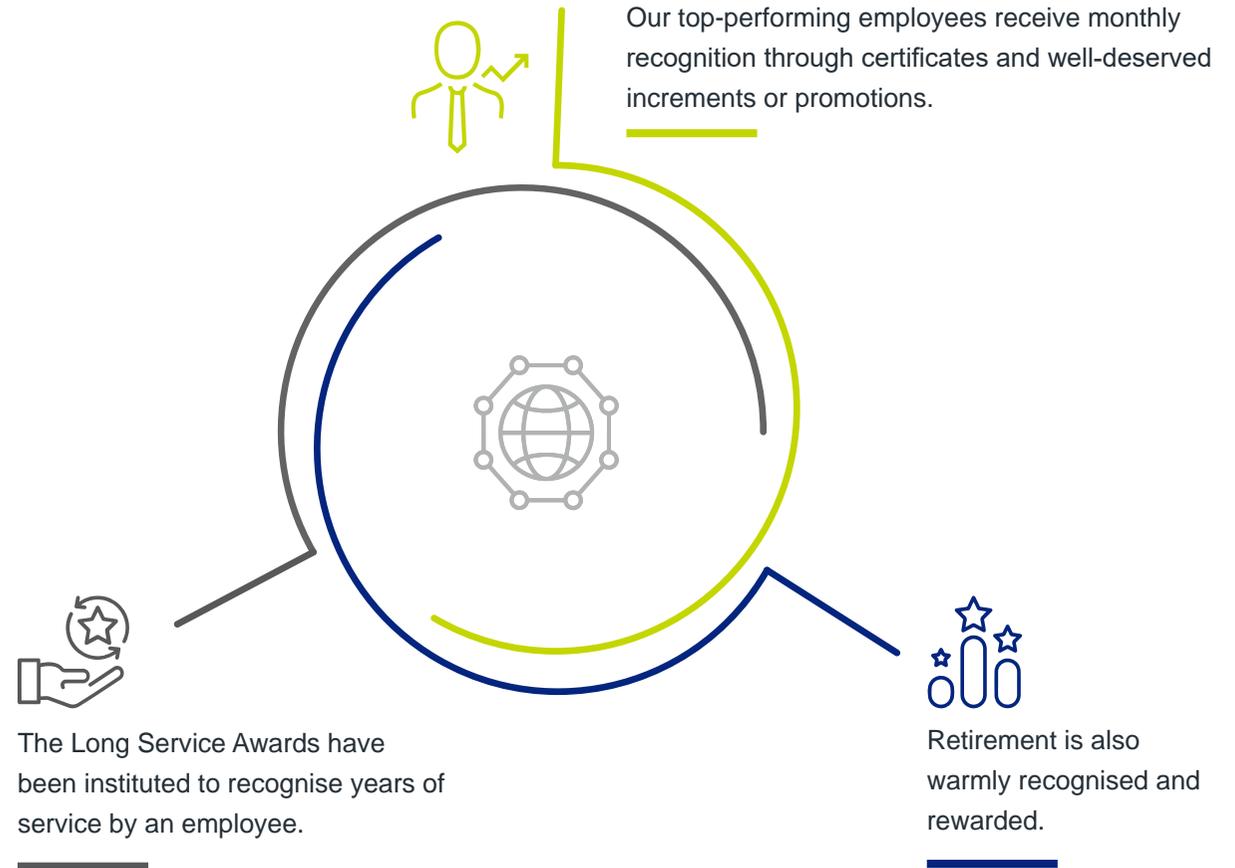
Recognition and Rewards

Recognising, motivating, and appreciating our dedicated employees is crucial for fostering a positive work environment, boosting employee morale, and enhancing overall productivity and job satisfaction.

We take immense pride in acknowledging our employees' commitment and hard work, both in terms of tenure and exceptional performance.

From Star of the Month awards in KSA to biannual Mystery Shopper winners in Bahrain, our recognition initiatives are as diverse as our talented workforce, ensuring every employee feels valued and motivated to excel in their respective roles.

Our recognition programs encompass a diverse range of awards, such as Employee of the Month, Best Store, Mystery Shopper Award, Non-shrinkage Award, Team Performance Award, Going the Extra Mile in Service Award, and many more, tailored to the specific achievements and contributions of our employees.



Recognition Stories

Rewards Night

Rewards Night events were organised in KSA, Kuwait, Qatar, Bahrain, and Oman to showcase our profound appreciation, where our leadership team recognised and commended our exceptional achievers.

Over 750 'Long Service Awards' were distributed to individuals who completed 5, 10, 15, 20, and 25 years with the company, underlining our appreciation for their longstanding loyalty.





Great Place to Work Award 2022

In 2022, the Apparel Group achieved a remarkable milestone by being recognised as one of the top 15 companies by the prestigious Great Place to Work awards. This outstanding achievement is a testament to our unwavering commitment to fostering an exceptional work environment and nurturing a motivated and engaged workforce.

We are incredibly proud to share that an impressive 91% of our colleagues actively participated in the survey, reflecting their trust in the management and their genuine desire to see our workplace build on past successes and embrace new opportunities for continuous improvement.

The Great Place to Work award inspires us to continually pursue excellence and cultivate a workplace where everyone can flourish. Moving forward, we remain steadfast in providing a workplace that empowers our employees to reach their full potential, driving sustained success for our workforce and the Apparel Group.

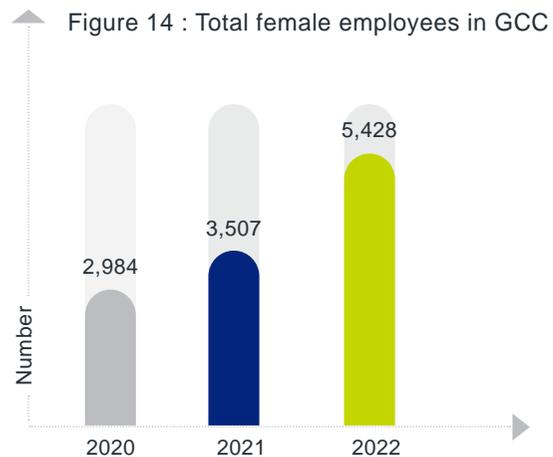
DIVERSITY AND INCLUSION

We firmly believe that diversity and inclusion are moral imperatives and essential to a sustainable and prosperous organisation. We recognise that our ability to embrace and celebrate individual differences in perspectives, backgrounds, and experiences drives innovation, enhances decision-making, and fosters a culture of mutual respect and collaboration.

To achieve this, we actively recruit and retain talent from diverse backgrounds, striving to eliminate barriers to entry and advancement. In 2022, people from 71 nationalities worked with us. Currently, 70 UAE nationals work with us, comprising 62 females and 8 males.

In 2022, we achieved 13th rank among large-sized companies for hiring UAE nationals, per the Ministry of Human Resources and Emiratisation (MOHRE).

Women represent 38% of our workforce, while men constitute 62%. We have achieved a significant number of women employees, from 2,984 in 2020 to 5,428 in 2022.



We have aligned ourselves with the UN Women Empowerment Principles since 2015. We have prioritised gender diversity and are fully committed to supporting women in the workplace.

We empower women to thrive professionally and personally through mentorship programs, family-friendly policies, and an inclusive recruitment approach.

Embracing gender diversity is essential to our identity, as we believe that diverse perspectives drive innovation and contribute to a stronger and more cohesive organisation.

Amongst the 7,194 new joiners, we were delighted to welcome 3,097 female employees (43%), reflecting our commitment to fostering gender diversity. The standard entry-level wage is equitable for both men and women.

This encouraging representation of women in our recent hires highlights our efforts to create

an inclusive and equitable workplace where all individuals can flourish and contribute to our shared success. We recognise the importance of diverse leadership in setting the tone for an inclusive culture.

We are committed to increasing the representation of underrepresented groups in leadership positions, fostering a sense of belonging, and ensuring that diverse voices are heard and considered at all levels of decision-making.

Our board and management represent 33% and 29% of women. All the board members are of the 50 years+ age group as we need experienced people to drive the business growth.

Whereas at the management level, most of our people are between 30 to 50 years of age.

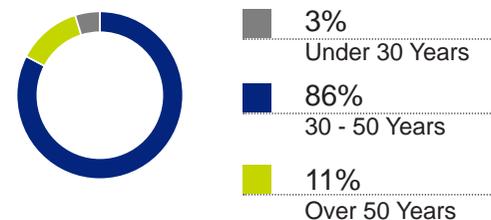
Figure 15 : Diversity of board by gender



Figure 16 : Diversity of management by gender



Figure 17 : Diversity of management by age



Success Stories

Retail Work Experience Training Program

Our retail work experience training program continued collaborating with partners such as Safe Center for Autism, Manzil Center, Jad's Inclusion, and Al Noor Training Center for People of Determination (PoDs). As part of this program, special needs students regularly visited our BBZ and LC Waikiki stores, where dedicated store employees conduct weekly 1-hour training sessions.

The students engaged in essential retail tasks, including folding, sorting, and displaying merchandise, fundamental skills for a retail sales associate position.



Cooking Workshop for PoDS

We also take pride in hosting specialised workshops that foster skill development and social integration. Jamie Oliver's Pizzeria organised its first-ever cooking workshop for 9 Al Noor Training Center students for PoDs. Through this workshop, the participants learned vital kitchen hygiene practices and how to create fresh, and delicious pizzas.

Retail Summer Internship Program

We also launched our People of Determination retail summer internship program, where students from Manzil Center had the opportunity to gain valuable work experience and further enhance their skills.

By actively championing these programs, Apparel Group aims to create a more inclusive society and contribute to the well-being and growth of the People of Determination. Everyone deserves equal opportunities and support to thrive and succeed in their chosen fields.

Inclusive Environment for People of Determination (PoDs)

We firmly believe that everyone brings unique talents and perspectives to our organisation regardless of their abilities. Our integration efforts for PoDs encompass multiple initiatives, including training programs, awareness sessions, and internship opportunities.

Internship at Apparel Group

The Apparel Global Internship Program for GCC has become a cornerstone of our efforts to enhance diversity. We have successfully welcomed over 200 interns from the top 20 universities in the GCC region, representing a diverse range of 20 nationalities.

Throughout the two-month internship, we engage our interns with challenging and relevant business projects, enabling them to gain valuable experiences and skills.

After the internship, we arrange a final feedback session, where the company's Chairwoman and Chief Human Resources Officer (CHRO) meet with the interns to gather feedback about their overall experience.

For the last 2 years, we have received an average rating of 4 to 5 from our interns on their internship experience. We maintain a strong connection with our interns even after the internship concludes through the Apparel Alumni Network. We also encourage our employees' children to do internships with us. This enhances the pride employees experience for working at Apparel.



WORK-LIFE BALANCE

Recognising the importance of work-life balance in maintaining a motivated and engaged workforce, we implement flexible work arrangements wherever possible.

This allows our employees to manage personal commitments while fulfilling their professional responsibilities. We also advocate for periodic leaves and vacations to help our employees' recharge and maintain a healthy work-life equilibrium.

While a fast-paced organisation like ours can seem all about work, many practices are put into place to support our colleagues to balance to their well-being. In 2021, we introduced a hybrid working policy, allowing office staff to work twice a week from an office branch or store location of their choice.

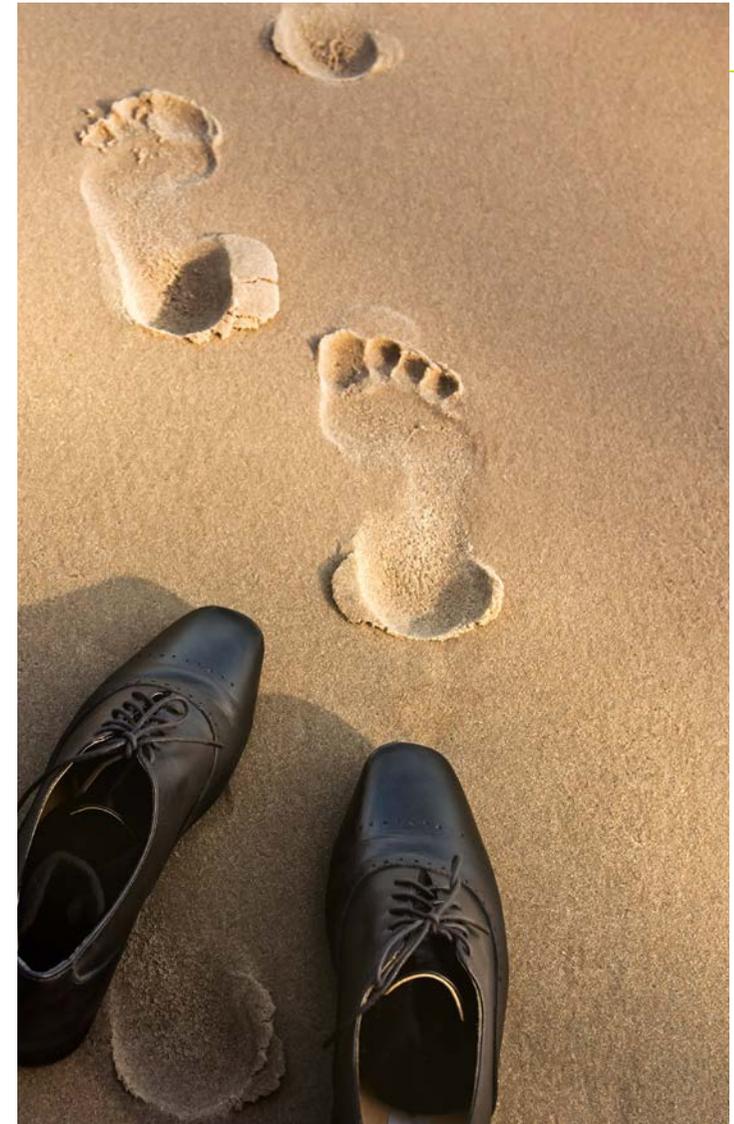
This enables them to be closer to customers and reduces travel time, allowing them to tend to personal matters.

In 2019, we introduced the Block Leave Policy, which encourages employees to plan and utilise their leaves thoughtfully, achieving a harmonious work-life balance without compromising their professional commitments.

Our Sabbatical Leave policy is another testament to our commitment to employees' personal growth and well-being.

It allows staff to take extended leaves of up to 4-6 months, providing them with the opportunity to pursue personal goals and aspirations.

Beyond work-related support, Apparel Group demonstrates a profound concern for our employees' holistic welfare. We proudly sponsor the education of school-going children of our employees who sadly lost their lives, extending a helping hand to families facing financial difficulties.



Moreover, during times of personal crisis, such as the unfortunate event of a family member's critical illness or medical assistance, we ensure that our employees' expenses are duly taken care of.

To foster a positive and enjoyable work environment, our office is equipped with cool-down areas featuring comfortable couches, massage chairs, and a pool table, providing our staff with relaxing spaces during their breaks.

We value the well-being of our employees, and to support working mothers, we have thoughtfully designated a particular nursing room within the office premises.

Additionally, we understand the importance of convenient transportation, and our bus services are available for pick-up and drop-off on designated routes, ensuring hassle-free commuting for our staff.

We also offer subsidised rates for accommodation in Al Sima Tower, making it more convenient and affordable for staff members who choose to live nearby.

To further enhance our employees' experience, we have a Tim Hortons outlet in our pantry, ensuring that our staff can have access to or can access complimentary breakfast and lunch options.



Celebrating Together

Throughout the year, we organise engaging events to build a strong camaraderie among our teams. August has been declared as Team Bonding Month, encouraging groups to participate in recreational activities.

On Retail Employee Day, doughnuts and cakes are distributed to all store staff, celebrating their dedication and hard work.

We take pride in commemorating various occasions that hold significance to our staff. Events like Halloween, International Women's Day, Father's Day, and International Yoga Day are celebrated with enthusiasm and participation from all.

Additionally, we actively engage in the Dubai Fitness challenges, promoting a healthy and active lifestyle among our employees.

These engagement activities are part of our Annual Engagement Calendar, carefully designed to create a vibrant and enjoyable work atmosphere where our employees feel valued and motivated to excel in their roles.



Bring your Kids to Work Day

We organised a memorable event for our people by inviting parents to bring their kids to work for a day filled with fun and excitement. The workplace was transformed into a playground of learning and exploration; everyone enjoyed witnessing their little ones discover exciting things and having fun at

Apparel Group, which they consider their second home.

It was a day filled with laughter, bonding, and shared moments, fostering community and family within the organisation.

Mental and Physical Well-being

Our people's psychological and physical well-being is another area of focus for us. To support our employees' mental health, we offer a range of initiatives, including stress management workshops and mindfulness sessions.

We strive to create a supportive and inclusive culture where employees feel comfortable discussing their mental health concerns without fear of judgment.

We promote acts of kindness and support for the less privileged, fostering a caring and compassionate work environment. Our volunteering programs allow staff to participate and contribute to causes they care about.

We recognise the value of these volunteering initiatives in enhancing employee engagement, and we encourage teams to participate together.

Apparel Group provides health insurance coverage to all its employees. However,

we believe in continuously improving our services based on valuable feedback from our staff. In response to their suggestions for better coverage of specific ailments, consultations and basic laboratory tests at the group-owned clinic are available to Apparel employees at a preferential rate.

In addition, we have established a dedicated hotline for Apparel employees to reach out during emergencies, ensuring prompt support and care.

Our long-term vision includes scaling up the Primary healthcare business across all emirates of the UAE and expanding the range of specialities offered at the Clinic. The positive response from our employees has been overwhelming, with the majority choosing the Clinic for their medical consultations and treatments.

We also actively conduct health camps, such as Breast Cancer Awareness sessions, to raise awareness about important health issues.





Fostering Positivity and Wellness During the World Mental Health Week

In a strong commitment to promoting mental well-being, the Apparel Group launched an impactful Mental Health Week dedicated to raising awareness and supporting its employees' mental health.

The initiative included the installation of gratitude boards at the head office, offering a space for employees to share positive messages and uplift one another.

The company also partnered with 'The Free Spirit Collective Integrative Psychology & Well-being' to conduct a highly beneficial webinar on anxiety management skills, drawing the participation of forty employees eager to learn and grow.

A yin yoga session at the company's headquarters also provided a calming and rejuvenating experience.

Breast Cancer Awareness Initiative & Free Examination

In a collaborative effort to raise awareness about breast cancer, the Apparel Group and Harley Medical Clinic hosted an informative webinar for its employees.

This educational session served as a platform to impart crucial knowledge on breast cancer symptoms, available treatments, and the latest developments in the field.

Additionally, we arranged for a free medical examination, ensuring early detection and providing our women with essential preventive care.



World Hypertension Day

In observance of World Hypertension Day on May 17th, the Apparel Group and Harley International Medical Clinic provided 35 employees with a comprehensive blood test to assess the risk of high blood pressure. By proactively identifying potential health concerns, the Apparel Group aims to empower its workforce with knowledge and encourage early intervention, reducing the risk of severe hypertension-related health complications.

HEALTH AND SAFETY

The health and safety of our employees are paramount to us. We continually invest in state-of-the-art safety gear, conduct regular risk assessments, and provide comprehensive training to prevent workplace accidents and occupational hazards.

We have developed and implemented “**Health Safety & Environment Standard Operating Procedures**,” which provides a comprehensive description of employees’ roles and responsibilities, safe working practices, risk assessments, audits, and drills that must be adhered to ensure a safe working environment for our employees and visitors.



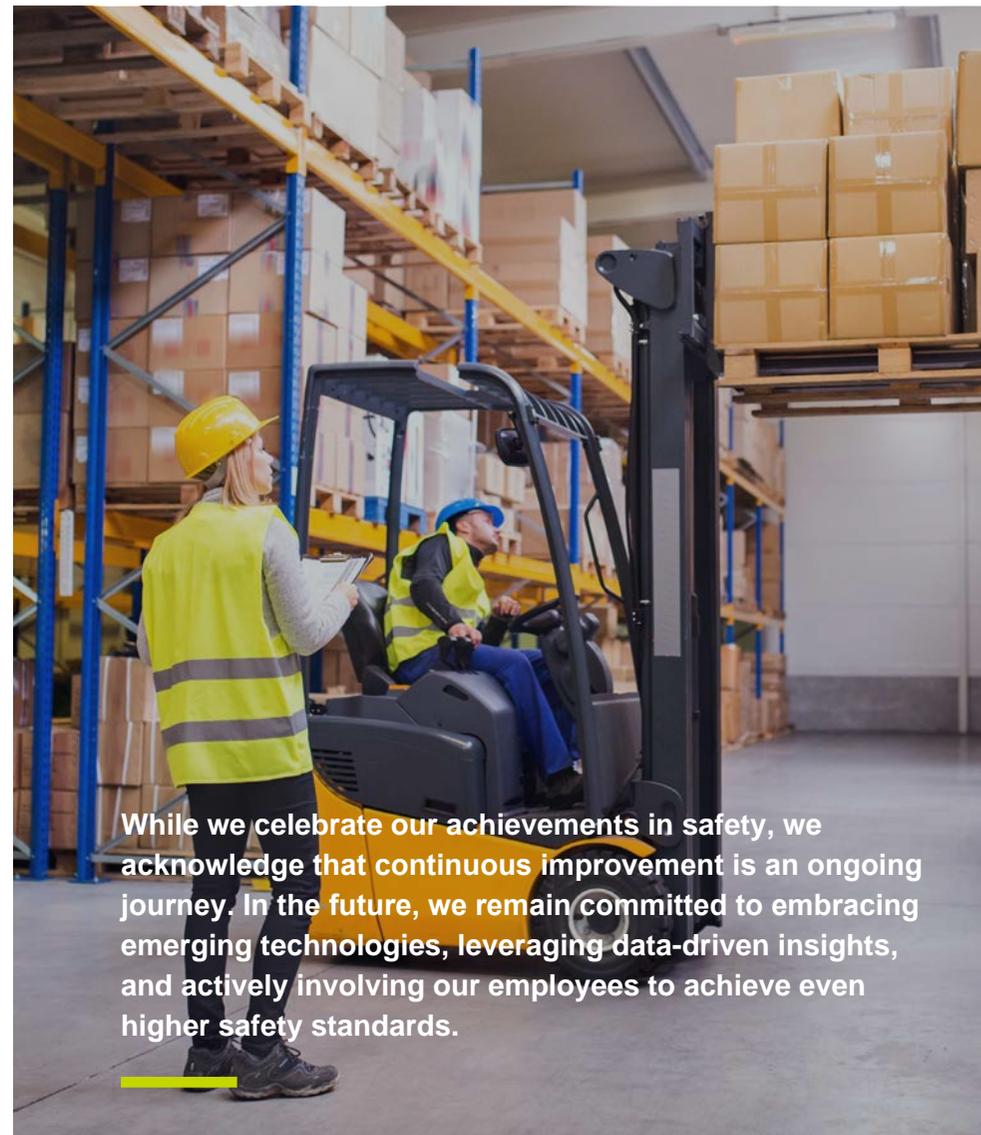
HSE Committee

Our HSE committee looks over the implementation of the HSE SOPs across the organisation. The primary responsibilities of the committee include the following:

- | | | |
|---|---|---|
| 1. Identifying workplace hazards and risks through assessments. |  | 6. Developing and enforcing safety policies and procedures. |
| 2. Providing safety training for employees. | | 7. Encouraging employee involvement in safety matters. |
| 3. Investigating and reporting incidents. | | 8. Monitoring safety performance and compliance. |
| 4. Planning for emergencies and crises. | | 9. Keeping up with health and safety regulations. |
| 5. Conducting safety audits and inspections. | | 10. Promoting safety culture and continuous improvement. |

Multiple HSE performance indicators are measured and monitored continuously, the table below summarises the performance for critical indicators:

S.No.	HSE Parameters	Unit	2022
1	Lost Time Injury Frequency Rate (LTIFR)	per-one-million person hours worked	558
2	Total recordable work-related injuries	Numbers	5
3	High- consequence work-related injury or ill-health (excluding fatalities)	Numbers	2
4	Lost Days	Days	2,009
5	Total Person-hours Worked	Hrs.	3,597,860



While we celebrate our achievements in safety, we acknowledge that continuous improvement is an ongoing journey. In the future, we remain committed to embracing emerging technologies, leveraging data-driven insights, and actively involving our employees to achieve even higher safety standards.

Progress on Commitments

COMMUNITY ENGAGEMENT & INCLUSIVE DEVELOPMENT			
S.N.	Commitments in 2021	Status	Plan
1	Develop targeted community investment and development campaigns focusing on pertinent community issues within Apparel Group's areas of operation	Multiple community initiatives were undertaken, detailed in the Empowering Communities section	Robust calendar of community support
2	Develop a strategy to increase the representation of nationals (focusing on Emiratisation), and local youth	We have already developed the strategy and is being implemented for Emiratisation, and internships for local youth	Emiratisation and youth will remain in focus.
3	Develop a strategy to increase female representation within Apparel Group and the percentage of females in senior management positions	We have developed our strategy and are implementing it. Overall, female representation increased by around 54% in 2022.	Continue our engagement towards building an inclusive workplace

HAPPY & HEALTHY WORKPLACE			
S.N.	Commitments in 2021	Status	Plan
1	Develop a happy workplace	Organised several activities involving employees for team building, inter-personal growth, and other activities which can be found in the People Section	Strong calendar of activities revolving around the following pillars: caring & bonding, environment, health, community
2	Develop a program to support mental health	Multiple sessions on Mental health were organised	We are looking at partnering with external experts to reinforce our mental health support.

OCCUPATIONAL HEALTH & SAFETY

S.N.	Commitments in 2021	Status	Plan
1	Improve monitoring and recoding of OSH hazards and near misses.	Monitoring of OSH hazards and near misses aligned with ISO 45001.	Continued monitoring of OSH KPIs.
2	Implement an OSH management system to effectively identify, record, and manage OSH risks across the organisation.	The organisation wide OSH management system is under-development.	Implementation of OSH management system and planned for external certification (ISO 45001).

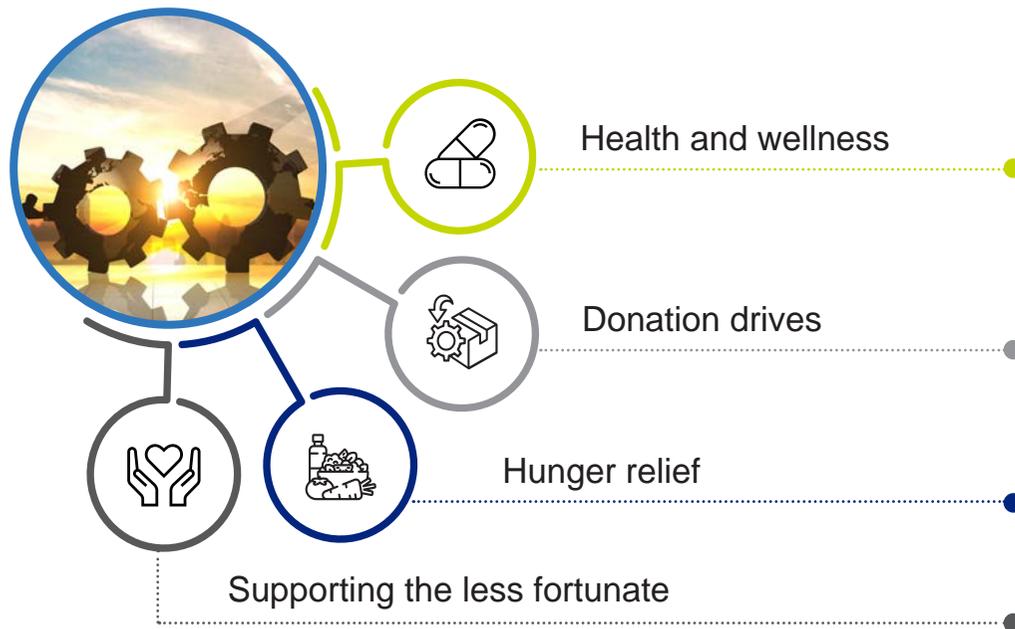
TRAINING, DEVELOPMENT AND TALENT RETENTION

S.N.	Commitments in 2021	Status	Plan
1	Implement sustainability -related employee training & development programmes.	Multiple trainings conducted.	Additional training is planned.
2	Set targets for overall training hours/employee.	Targets have been developed.	Reporting on targets to follow.

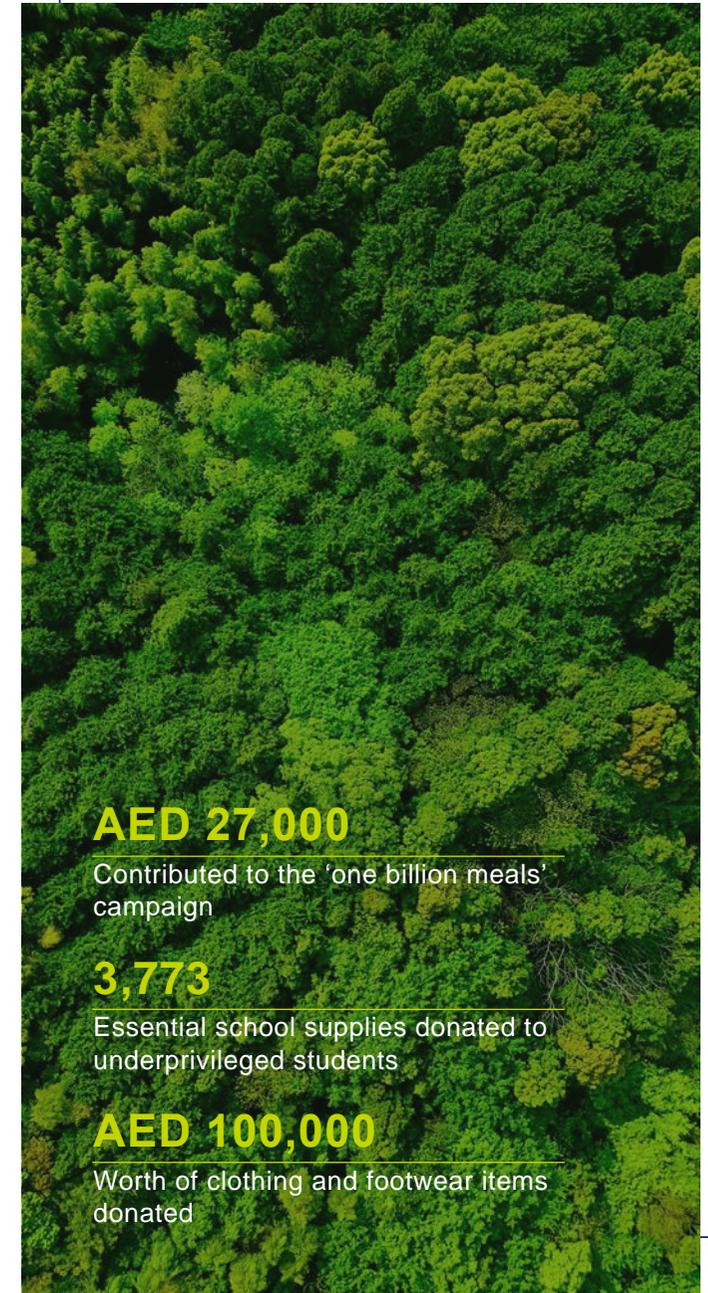
Empowering COMMUNITIES

Our Social Impact Initiatives

Community welfare is pivotal to our commitment to responsible and ethical business practices. We continuously strive to be a force for positive change by implementing various community welfare initiatives.



Through these thoughtful initiatives, the Apparel Group goes beyond business, channelling their resources and compassion to empower our community.



AED 27,000

Contributed to the 'one billion meals' campaign

3,773

Essential school supplies donated to underprivileged students

AED 100,000

Worth of clothing and footwear items donated

HEALTH AND WELLNESS

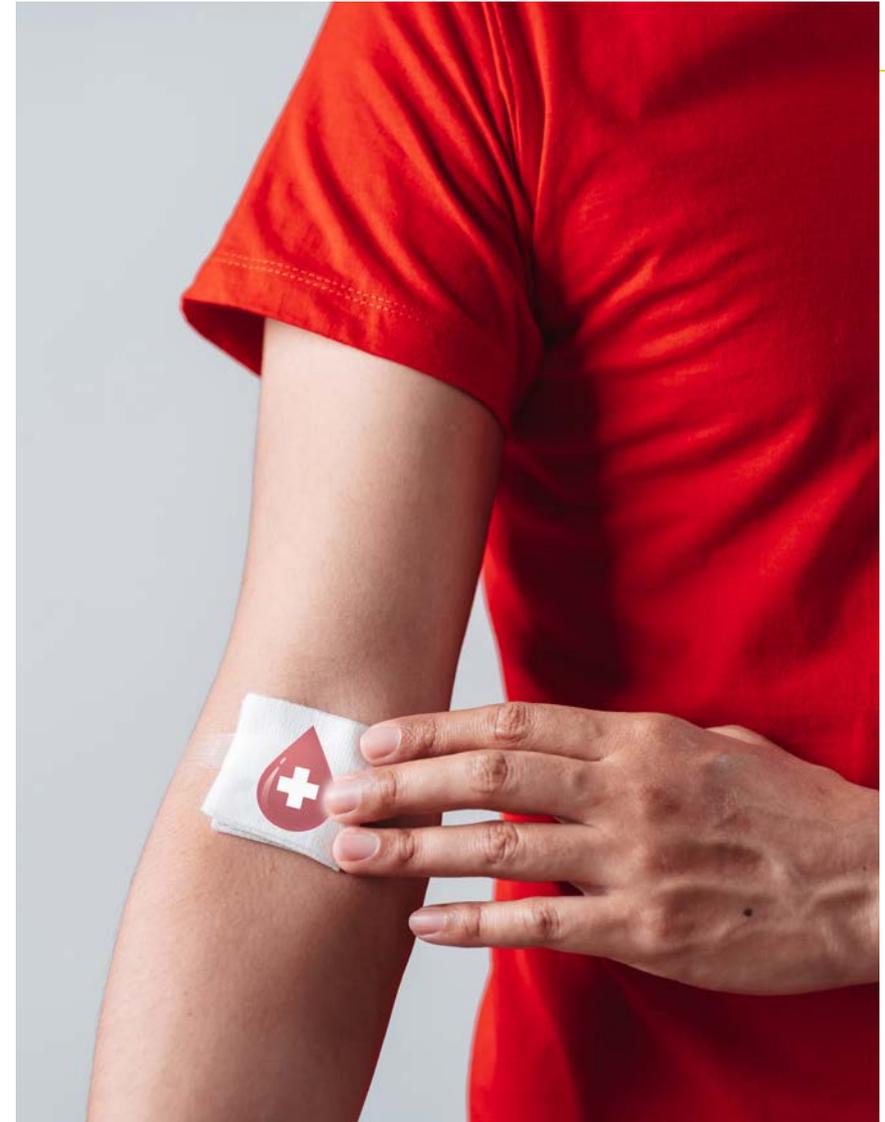
Wellness for Everyone: Health-driven Initiatives in Action

At Apparel Group, we believe in promoting well-being and encouraging positive lifestyle choices. We understand the importance of raising awareness about the benefits of leading a healthy and balanced life. Through our various initiatives and campaigns, we strive to create a culture of wellness within our organisation and among our customers.

Blood Donation Drive

Donating blood is an incredible way to directly impact someone's life that can potentially save lives, providing an essential lifeline for those in need. Our employees recognised this opportunity to give back and eagerly participated in blood donation drives at our Jebel Ali and Bur Dubai facilities.

The initiative was made possible through a valuable partnership with Harley International Medical Clinic and the Dubai Health Authority, whose support and expertise ensured the smooth execution and success of the event.



Medical Camp

Ensuring the well-being of our employees is a top priority for us. Throughout the year, we organised a series of three medical camps, each drawing the active participation of approximately 323 dedicated DC staff members.

These medical camps showcased our commitment to employee well-being and provided an invaluable opportunity for our team to access essential healthcare services conveniently.



Fitness Programs

In support of our commitment to employee wellness, we provide multiple opportunities for our team to stay fit throughout the year. As part of the Dubai Fitness 30X30 initiative, we organised numerous fitness activities. LC Waikiki conducted an Afro beats dance class while Hush Puppies organised a Zumba session.

At the head office, multiple yoga sessions were scheduled. Additional Zumba sessions were organised at our warehouse and the head office. There were numerous sporting events organised as well during the year.



DONATION DRIVES

We believe donation drives play an important role in addressing societal needs by fostering a sense of collective responsibility and giving back to society. Apparel Group actively organises diverse donation drives and continues to contribute to the betterment of communities.

Clothing and Footwear Donation

Apparel Group, Bahrain, donated 8,000 clothing and footwear items worth USD 26,500.

Toy Donation

R&B KIDS organised a toy donation drive where 122 pre-loved toys were donated.

LC Waikiki donated 100 toys to the children fighting cancer.



'Thrift for Good' charity

Employees from our UAE offices donated 945 gently used clothing and footwear items, valued at AED 13,066,

Stationery Donation

Skechers donated 3,773 essential school supplies to underprivileged students, including water bottles, lunch boxes, pencil cases, and school bags.

HUNGER RELIEF



Meal Donations

These initiatives align with UNSDG Goal 2 “Zero hunger” and channel surplus resources to those in need fostering unity and empathy within communities.

Dry Food Donation Drive in Dubai and Sharjah

Donated 300 KGs of essential dry food and hygiene products, benefitting 70 families during Eid in Dubai



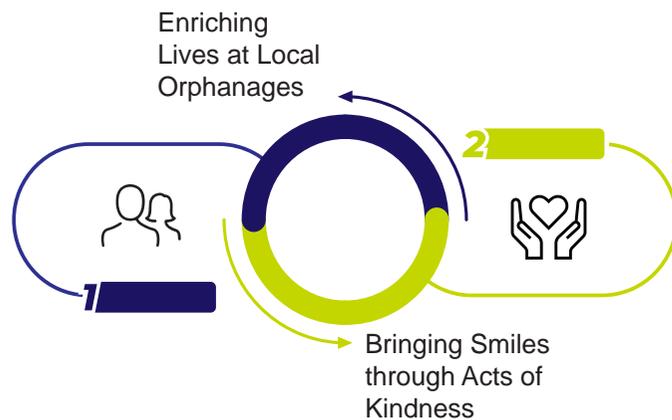
One Billion Meals Campaign

Contributed AED 27,000 to the ‘One Billion Meals’ campaign.



SUPPORTING THE LESS FORTUNATE

Through a range of dedicated initiatives, we have actively embraced our responsibility to support those less fortunate in our community.



Enriching Lives at Local Orphanages

- With a deep compassion and a spirit of giving back to the community, twelve dedicated Apparel Group's India employees devoted two days (21 hours) to volunteering at different orphanages.
- At Vikas Gruh orphanage, focused on caring for abandoned girls, the employees extended educational support by providing 70 textbooks for 9th and 10th-grade students. These books will be valuable to the school library, benefiting young learners over the next three years.
- Additionally, the Apparel IT department lent its expertise by repairing six school computers, providing crucial technological support free of cost.
- At the Missionaries of Charity orphanage, the employees brought smiles to the faces of 17 kids by distributing much-needed food items and essential supplies.

Bringing Smiles through Acts of Kindness

- The volunteers from Modex Trading Ahmedabad part of Apparel Group reached out to the slums with essential supplies and clothes, bringing smiles to the faces of those in need.



Environmental **STEWARDSHIP**

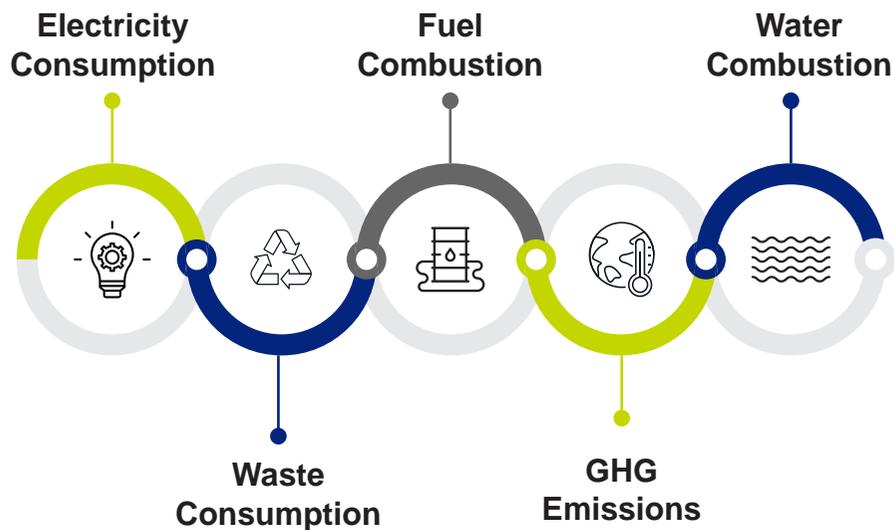
Our commitment to environmental stewardship is at the heart of our operations. Our comprehensive ecological impact management strategy encompasses energy and water efficiency, adopting circularity principles, and our unwavering dedication to achieving net-zero emissions.



Environmental STEWARDSHIP

As a leading fashion retailer, we understand our environmental impact and recognise our responsibility to minimise the adverse effects of our operations.

Our assets and infrastructure include offices, warehouses, retail stores, and vehicles. The significant environmental aspects identified for these assets include the following:



NET ZERO

Pledged to achieve net zero emissions by 2050 or earlier.

10%

Reduction in grid electricity consumption in the UAE

1,500 tCO₂e

Emission reduction through Solar PV

200%

Increase in plastic recycling

13%

increase in renewable energy generation

20%

Reduction in diesel consumption in the UAE

ENERGY MANAGEMENT AND RENEWABLE RESOURCES

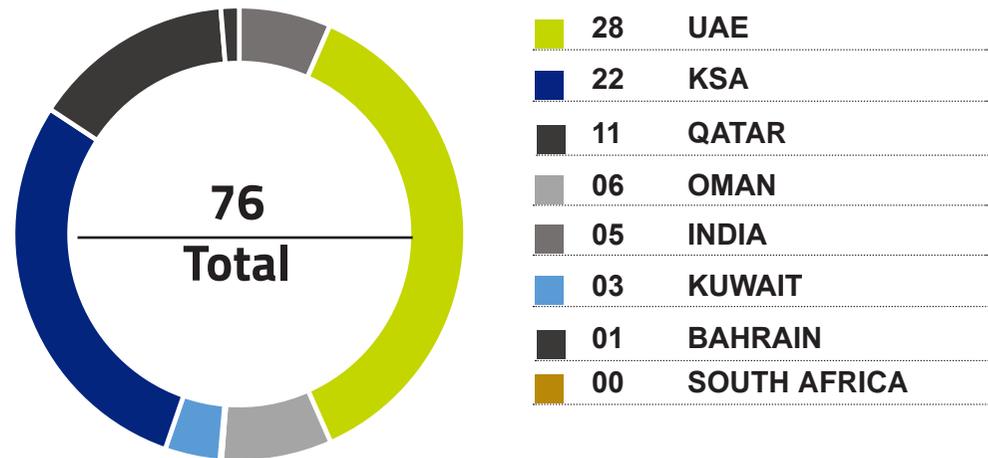
Energy Optimisation

We recognise the critical role that energy plays in running our operations and are also aware of the environmental impacts of its use. Our strategy has been to diversify energy sources, integrate renewable energy, and enhance consumption efficiency.

We primarily use electricity within the built environment, fuel for the fleet, and district cooling for some of our retail stores.

This year, we expanded the scope of electricity consumption disclosure to eight countries from one reported last year. The electricity consumption data disclosed covers UAE, KSA, India, Oman, South Africa, Bahrain, Kuwait, and Qatar. The total electricity consumption was 76 GWH in 2022.

Figure 18 : Country wise electricity consumption in GWH





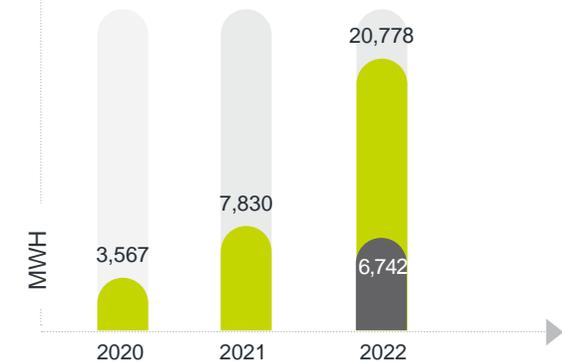
The electricity consumption pattern reflects the size of operations we have in these countries. The electricity consumption at our UAE operations is depicted in the graph below:

In 2022, we enhanced the scope of reporting and included the electricity consumption of all our stores in the UAE.

This has led to a visible spike in electricity consumption for 2022; however, for a comparable depiction, we have presented the consumption for offices and warehouses as well.

The offices and warehouses in the UAE achieved a remarkable 14% reduction in electricity consumption due to ongoing energy management initiatives such as employee awareness, regular maintenance, and integration of efficient lighting, cooling, and other equipment.

Figure 19 : Electricity consumption in the UAE



14%

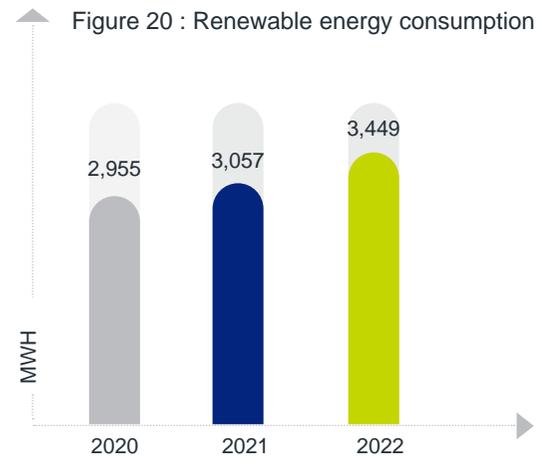
UAE achieved a remarkable reduction in electricity consumption

Renewable Energy Integration

In 2020, we installed solar panels at our JAFZA warehouse and head office, a significant milestone in our sustainability journey.

This has reduced our reliance on grid-supplied electricity by 3,449 MWh in 2022, a 17% decrease from 2020.

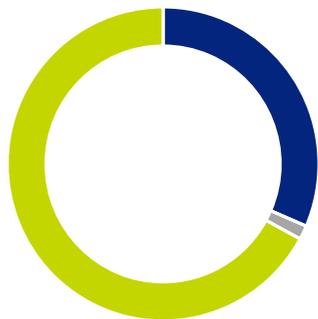
It has also helped us reduce our greenhouse gas emissions by almost 1,500 tCO₂e.



FUEL CONSUMPTION

Fuel is another significant contributor to our energy consumption. Our vehicles facilitating the movement of goods between warehouses and retail stores consumed 2,161 KL of diesel and petrol. The highest fuel consumption was in the UAE with 925 KL of diesel and 326 KL of Petrol. The graphs below represent the fuel consumption across our operations.

Figure 21 : Country wise petrol consumption in KL



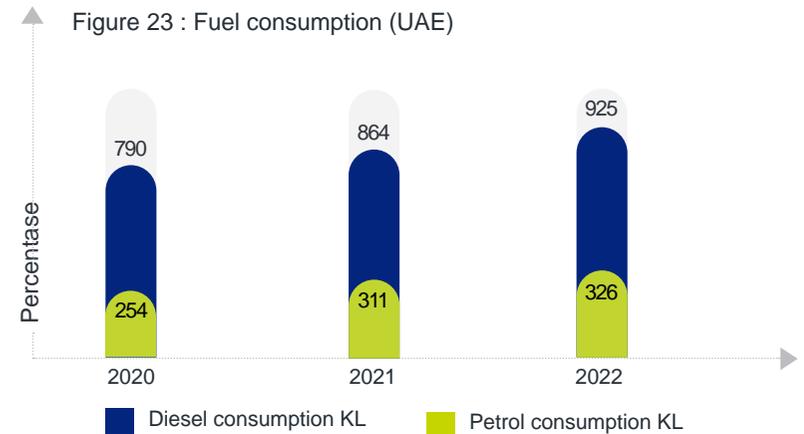
153	Qatar
7	India
326	UAE

Figure 22 : Country wise Diesel consumption in KL



925	UAE	58	Qatar
483	Kuwait	41	Bahrain
85	Oman	1	South Africa
82	KSA		

Figure 23 : Fuel consumption (UAE)



While petrol and diesel consumption has increased slightly in the UAE, we are consciously looking into enhancing the efficiency of our fleet. The petrol consumption across our UAE operations has risen from 311 KL to 326 KL, and the diesel consumption has increased from 864 KL to 925 KL.

All new vehicles inducted into our fleet will comply with at least Euro III norms, and we are exploring the integration of electric vehicles into our fleet in 2023.

We are also considering the implementation of a fleet management system, details of which can be found in the Climate Action section of the report.



WATER CONSERVATION AND MANAGEMENT

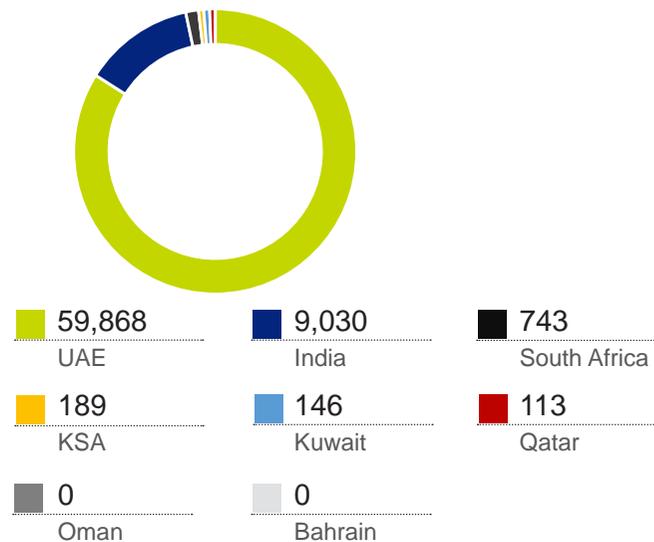
Water Consumption

At Apparel Group, we recognise that corporates must shoulder the responsibility to reduce water consumption, especially in the Middle East, where most of the potable water is desalinated and has considerable energy and GHG footprint.

Similar to other disclosures, we expanded the reporting scope and included water consumption for seven countries this year.

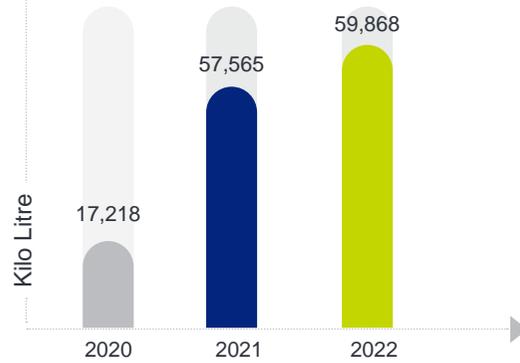
The total water consumption across these seven countries was 70,089 KL. The graph below provides a breakdown of the water consumption across these countries.

Figure 24 : Country wise Water consumption in KL



The UAE has the largest water consumption, as a significant proportion of our employees are based out of the UAE office and warehouse.

Figure 25 : Water consumption in the UAE



In 2022, we consumed 59,868 Kilo litres within our UAE operation, an increase of about 4% from last year.

Considering that the number of employees within the UAE grew by almost 31%, it's a significant achievement that water consumption grew only by 4%, all thanks to our facilities management and sustainability team, who worked on employee awareness and optimisation initiatives.



While the number of employees increased by 31%, water consumption increased only 4% due to the conservation initiatives implemented during the year.

Project Maji

Apparel Group has continued its partnership with Project Maji to offer clean and safe drinking water to one million people in the rural communities of Ghana by 2025.

Soon our customers will also be able to participate in the initiative by donating AED1 to their purchase.

These donations will directly fund the establishment of solar-powered water kiosks, offering reliable access to clean water.

To date, we have funded three solar-powered water kiosks delivering over seven million liters of clean water daily to more than 4,900 people



Progress On Commitments

Water			
S.N.	Commitments in 2021	Status	Plan
1	Install a filtered water fountain in the office	Implemented	Rolling out to other offices
2	Improve water consumption monitoring across all Apparel Group buildings, warehouses and stores.	Monitoring and reporting increased to 7 countries	Piloting an energy and water-saving program that will also monitor our water consumption
3	Develop and implement further water efficiency initiatives and set targets.	To be initiated	Explore opportunities and implement



WASTE REDUCTION AND MANAGEMENT

Waste - Circular Operation

Embracing the principles of circularity is at the heart of our sustainability journey, as we recognise the imperative to redefine how we consume, produce, and manage resources.

We have adopted transformative strategies and implemented initiatives that characterise our commitment to closing the loop and minimising waste in our operations.

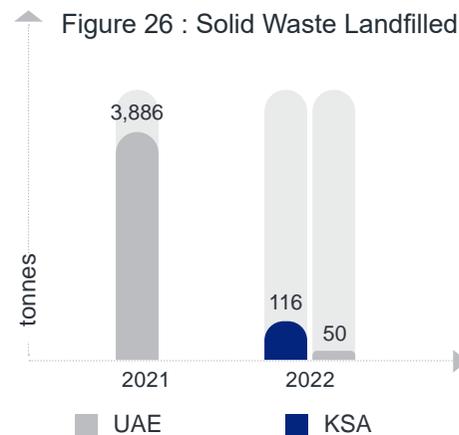
Engaging with our suppliers for innovative design, responsible consumption within our operation, and the promotion of circular business models are critical to the success of our commitment to circularity.

We continued our partnership with SOEX and diverted 95 tonnes of old, damaged, and unsold merchandise from landfills by sending it for reuse and upcycling.

SOEX is an organisation built on a zero-waste philosophy dedicated to sustainable business by collecting, processing, trading and recycling used textiles.

Our recycling initiatives recycled 421 tonnes of waste generated across our operation.

As a result of the multiple waste management initiatives, significant drop can be observed in waste landfilled between 2021 and 2022.



The table below provides the breakdown of different materials that were recycled.

Waste Management (UAE Operation)				
	Unit	2020	2021	2022
Merchandise Recycled	tonnes	20	32	95
Cardboard Recycled	tonnes	140	351	318
Wooden Pallets	kg	-	6,435	6,950
Plastic Recycled	kg	730	320	970
Paper Recycled	kg	3880	620	375
Metal Recycled	tonnes	-	30	-
Electronic Waste	kg	-	1700	200



Old Toys Get a Second Life

R&B Kids took the initiative to give old toys a new purpose, where; our customers can bring in their old toys, and in return, they receive a generous 20% discount on new ones.

It's a win-win – not only are our customers getting great deals on fresh toys, but we're also reducing waste by recycling and refurbishing them for new adventures and smiles. Together, we're making a difference, one toy at a time.

Circularity in Action: TOMS Waste Management Program

At TOMS, we invited customers to bring in their old shoes in exchange for a remarkable 40-50% discount on brand-new TOMS shoes.

But that's not all; as a token of our appreciation, the first 100 customers received a free pair of TOMS shoes. It's a small step toward sustainability, but we're taking giant leaps towards a circular and responsible future together.

2021:

TOMS recycled 465 shoes in UAE (3 events)
126 shoes recycled in KSA (1 event)

2022:

TOMS recycled 180 shoes in UAE (1 event)

2023:

Repeat the initiative in 2023

Plastic Use Reduction in Packaging

We use non-plastic packaging for 85% of our product shipments of Levi's originating from Singapore; only a few selected tops utilise polybags when it is essential for product safety or is an export requirement. All our shipments from India also use biodegradable polybags.



Within our stores, we stopped using plastic bags years ago and instead use paper bags made of recycled material.

Progress on Status

Waste Management (UAE Operation)		
	Commitment/Plan	Status
1	Increase our recycling program within the office and introduce garment disposal bins at stores	To be implemented in 2023
2	Increase of e-receipts rate.	Target set for 80% e-receipts by 2023
3	Start a take-back program from the store.	To be implemented in 2023
4	Improve waste sorting activities across all Apparel Group warehouses, offices and stores and set recycling targets for all recyclable waste materials.	The target shall be decided based on the 2023 baseline data collection
5	Develop and implement a sustainable packaging plan and set targets	Opportunities explored, plan to be devised in 2023



CLIMATE ACTION

We understand the urgency to act on reducing GHG emissions to stay on the 1.5-degree trajectory.

Apparel Group was amongst the first companies to sign the UAE Climate Responsible Companies Pledge and a member of the UAE Alliance for Climate Action (UACA). Through the UACA pledge we have made a public commitment to set and achieve science-based targets for GHG reduction.

Managing our emissions is one of the material topics for us. We have planned multiple GHG management initiatives for the next year as UAE prepares for the COP28, in Dubai, UAE.

These initiatives include setting science-based targets systems, integrating renewable energy, energy and water efficiency, fleet management, and reducing waste

We continued to estimate our GHG emissions using the Greenhouse Gas (GHG) Protocol’s Corporate Standard. We expanded the scope by conducting a detailed estimation of our Scope 3 emissions using the GHG Protocol’s Corporate Value Chain (Scope 3) Standard. The total emissions for 2022 were **323,022 tCO₂**, with 98% being Scope 3 emissions.

Figure 27 : GHG Emissions 2022

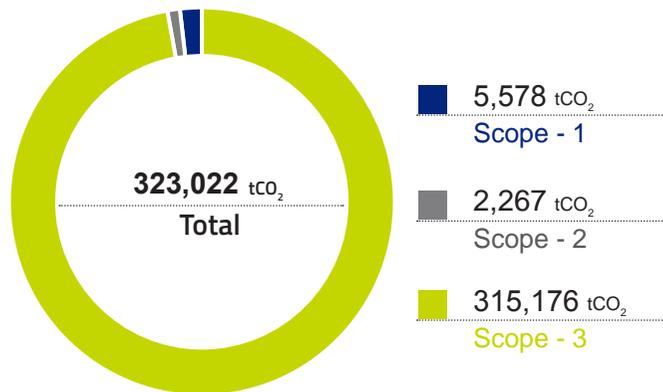
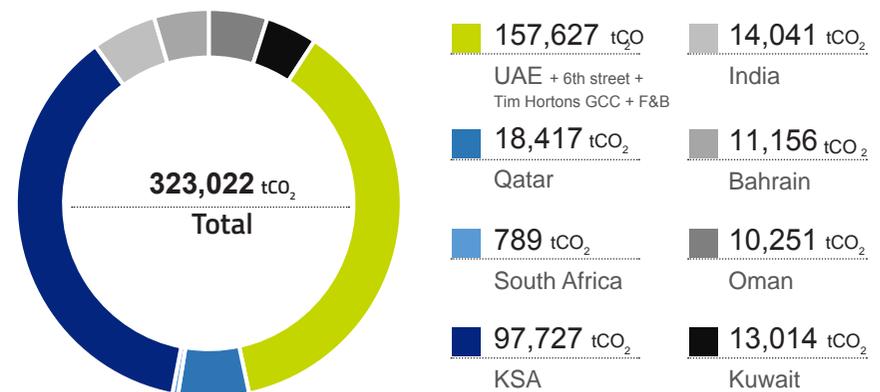


Figure 28 : Total Emissions in tCO₂



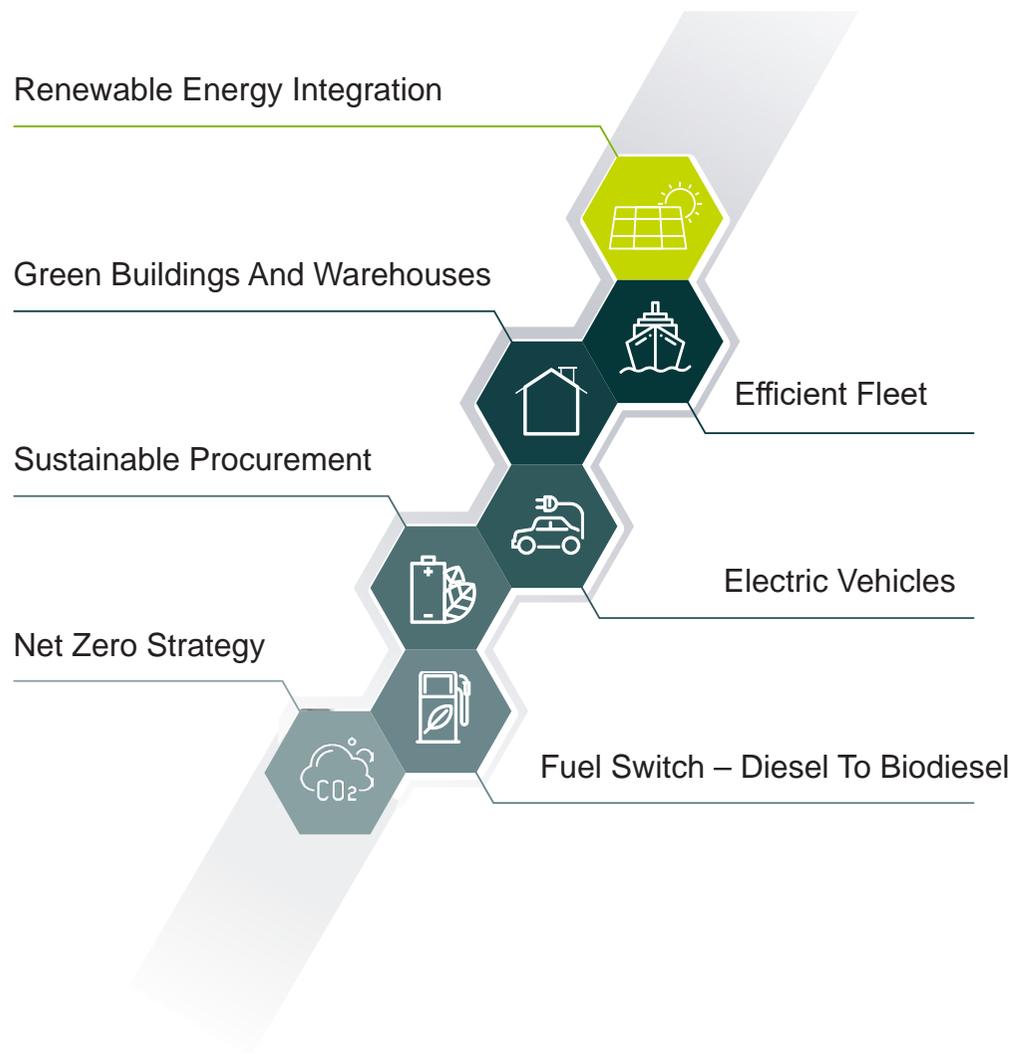
In 2022, we also expanded the geographical scope of our emissions reporting to include seven additional countries e.g., India, Bahrain, Qatar, KSA, Kuwait, Oman, and South Africa. Saudi Arabia and the UAE were the largest contributors to our footprint.

Climate Action at Apparel Group

As a member of UACA we are working with other organisations in the UAE to share best practices and develop practical solutions to climate change.

We shall continue to drive our low-carbon transformation in the coming years and achieve our goal of net zero emissions.

We shall continue to explore low-carbon transformation opportunities related to:



Fleet Management System (FMS)

We are currently reviewing various available FMS and considering implementing it in 2023. The FMS shall streamline vehicle fleet operations and bring notable environmental benefits:



Progress on Commitments

ENERGY MANAGEMENT & GHG EMISSIONS			
S.N.	Commitments in 2021	Status	Plan
1	Further expand our energy consumption coverage to include all stores, shipments, procurement, production and manufacturing operations in the UAE and GCC.	Expanded the scope to eight countries.	Improve the accuracy of the data by using third-party verification.
2	Implement improved energy monitoring and metering systems to understand energy consumption patterns better and enable us to improve our performance.	Pilot program to be launched in 2023.	Expand the scope to include additional regions/countries where we operate.
3	Implement more efficiencies across our facilities to further reduce energy consumption.	Electricity consumption reduced across the UAE.	Continue to identify and implement efficiencies across our facilities, to reduce energy consumption further. Keep exploring innovative technologies and practices to optimise energy usage.
4	Exploring transportation efficiencies such as improved distribution and delivery routes the acquisition of energy-efficient vehicles.	The Pilot program will be launched in 2023 to optimise delivery routes, save fuel, and decrease emissions by avoiding congestion.	Initiate the study, plan to implement enhanced distribution and delivery routes, and acquire energy-efficient vehicles.
5	Increase our solar power generation capacity to reduce purchased electricity consumption.	In 2022, we have increased our solar power consumption by around 12% compared to last year.	After implementing the energy efficiency program, we will act where it is critical and work on expanding our renewable energy consumption.
6	Expand our scope 3 accounting to include other emissions within our value chain including products.	Scope 3 accounting was completed.	We will continue to include other emissions within our value chain, including those associated with our products, to address our indirect emissions better.

SUSTAINABLE SUPPLY CHAIN

At the Apparel Group, we are committed to upholding the highest ethical standards across our supply chain. To achieve this commitment, we have established a Supplier Code of Conduct that reflects our core values and expectations for all our suppliers and service providers. This section outlines our collective responsibility to adhere to these ethical guidelines and the mechanisms in place to ensure compliance.



Supplier Code of Conduct Agreement:

As a commitment to ethical business practices, the Apparel Group has developed a Supplier Code of Conduct. Each supplier/service provider is required to sign and adhere to this code of conduct contract.

Active Monitoring and Reporting:

Suppliers must actively monitor their day-to-day management processes. In the event of non-compliance with the Supplier Code of Conduct, suppliers are obligated to report such instances to the Apparel Group promptly.

Annual Compliance Surveys:

To ensure adherence to the Supplier Code of Conduct, the Apparel Group may conduct annual compliance surveys.



ESG Framework for Suppliers:

(E)

Environmental



Adherence to Environmental Regulations:

Compliance with local environmental legislation, resource efficiency, emissions control, and responsible waste management.

(S)

Social



Freedom from Forced Labor, Bonded Labor, and Human Trafficking

Wages and Benefits

Freedom of Association, Collective Bargaining, or Parallel Means

Health and Safety and Working Conditions

No Discrimination or Harsh or Inhumane Treatment

(G)

Governance



Ethics and Anti-corruption:

Upholding the highest standards of integrity in all business dealings. Strict adherence to anti-corruption and anti-money laundering laws.

Monitoring:

The Apparel Group may conduct compliance surveys to verify adherence to the Supplier Code of Conduct.

GRI

CONTENT INDEX

For the Content Index - Advanced Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report. For the SDG Mapping Add-on, GRI Services reviewed that the GRI disclosures included in the content index are appropriately mapped against the SDGs.

Statement of use		[Name of organization] has reported in accordance with the GRI Standards for the period [reporting period start and end dates].				
GRI 1 used		GRI 1: Foundation 2021				
Applicable GRI Sector Standard(s)		[Titles of the applicable GRI Sector Standards]				
GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organisational details	8	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	3				
	2-3 Reporting period, frequency and contact point	2				
	2-4 Restatements of information	4				
	2-5 External assurance					
	2-6 Activities, value chain and other business relationships	8				
	2-7 Employees	21,22				
	2-8 Workers who are not employees					
	2-9 Governance structure and composition	12				
	2-10 Nomination and selection of the highest governance body			Confidentiality constraints		

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-11 Chair of the highest governance body	5				
	2-12 Role of the highest governance body in overseeing the management of impacts	4, 5				
	2-13 Delegation of responsibility for managing impacts	4, 5				
	2-14 Role of the highest governance body in sustainability reporting	4, 5				
	2-15 Conflicts of interest				Information unavailable/incomplete	
	2-16 Communication of critical concerns	15				
	2-17 Collective knowledge of the highest governance body	12				
	2-18 Evaluation of the performance of the highest governance body				Confidentiality constraints	
	2-19 Remuneration policies				Information unavailable/incomplete	
	2-20 Process to determine remuneration				Information unavailable/incomplete	
	2-21 Annual total compensation ratio				Information unavailable/incomplete	
	2-22 Statement on sustainable development strategy	4, 5				
	2-23 Policy commitments	14				
	2-24 Embedding policy commitments	14				
	2-25 Processes to remediate negative impacts	15				
	2-26 Mechanisms for seeking advice and raising concerns				Information unavailable/incomplete	
	2-27 Compliance with laws and regulations	14				
	2-28 Membership associations	10				
	2-29 Approach to stakeholder engagement	17				
	2-30 Collective bargaining agreements	78				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics	17, 18	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	3-2 List of material topics	18				
Economic Performance						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	-				
	201-2 Financial implications and other risks and opportunities due to climate change	-				
	201-3 Defined benefit plan obligations and other retirement plans	-				
	201-4 Financial assistance received from government	-				
Market Presence						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	39				
	202-2 Proportion of senior management hired from the local community	22				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	61, 62, 64				
	302-2 Energy consumption outside of the organisation	61, 64				
	302-3 Energy intensity	-				
	302-4 Reduction of energy consumption	62, 63				
	302-5 Reductions in energy requirements of products and services	-				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Emissions						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	73				
	305-2 Energy indirect (Scope 2) GHG emissions	73				
	305-3 Other indirect (Scope 3) GHG emissions	73				
	305-4 GHG emissions intensity	-				
	305-5 Reduction of GHG emissions	-				
	305-6 Emissions of ozone-depleting substances (ODS)	-				
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-				
Waste						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	-				
	306-2 Management of significant waste-related impacts	70, 71				
	306-3 Waste generated	-				
	306-4 Waste diverted from disposal	70				
	306-5 Waste directed to disposal	69				
Supplier environmental assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	77				
	308-2 Negative environmental impacts in the supply chain and actions taken	-				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Non-discrimination						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	78				
Child labor						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour					
Security practices						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	78				
Supplier social assessment						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	77, 78				
	414-2 Negative social impacts in the supply chain and actions taken					
Customer privacy						
GRI 3: Material Topics 2021	3-3 Management of material topics	17, 18				
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data					



APPAREL GROUP
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EXCEED EXPECTATIONS EVERYDAY