ESG
REPORT

**Exceeding Expectations
Through Sustainable Transformation**

2024

APPAREL GROUP
SINCE 1996
EXCEED EXPECTATIONS EVERYDAY

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MESSAGE FROM
SIMA GANWANI VED

FOUNDER AND CHAIRWOMAN,
APPAREL GROUP

As Apparel Group continues to grow, we believe sustainability and innovation go hand in hand. Our commitment to responsible growth is reflected in every aspect of our business—from how we design experiences to how we engage communities and protect our planet.

> **"A sustainable future is built by actions today that uplift tomorrow."**

This report highlights our collective progress toward building a future that is inclusive, resilient, and aligned with global impact goals. We're proud of the strides we've made—and energized by the possibilities ahead. As we continue to grow, we remain dedicated to creating long-term value through purpose, partnership, and progress.

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ABOUT THE REPORT

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ABOUT
THE REPORT

The Apparel Group's Sustainability Report 2024 offers a comprehensive overview of our ongoing commitment to responsible business practices, environmental stewardship, and social impact.

This report highlights our continuous efforts to integrate sustainability into every facet of our operations, including sourcing, production, distribution, and customer engagement, across the United Arab Emirates, Kingdom of Saudi Arabia, Kingdom of Bahrain, Qatar, Kuwait, Oman, and India, unless otherwise noted.

Aligned with international best practices, our Environmental, Social, and Governance (ESG) Report adheres to the Global Reporting Initiative (GRI) standards, ensuring the credibility and transparency of our sustainability performance. We also align our efforts with the United

Nations Sustainable Development Goals (UNSDGs), contributing to global priorities such as responsible consumption, climate action, and decent work and economic growth.

Our approach to climate responsibility follows the Greenhouse Gas (GHG) Protocol, providing a robust framework for measuring and managing our emissions. We have conducted a comprehensive GHG inventory, which has been assured by an independent third party, ensuring accuracy, transparency, and accountability in our emissions reporting.

This report also includes forward-looking statements based on our current expectations, projections, and assumptions about future trends. While we strive to provide accurate insights, actual results may vary due to factors beyond our control.

By setting ambitious sustainability goals, embracing sustainable business practices, and continuously enhancing our operations, we aim to create long-lasting positive change. This report reflects our dedication to transparency, accountability, and delivering long-term value, while fostering positive social and environmental impact for future generations.

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Reporting Principles

We are committed to ensuring the highest standards of transparency and accountability in our sustainability reporting. Our disclosures are guided by key reporting principles, including the following.

- **Accuracy**
- **Balance**
- **Clarity**
- **Comparability**
- **Completeness**
- **Sustainability Context**
- **Timeliness**
- **Verifiability**

By adhering to these principles, we strive to provide stakeholders with reliable, consistent, and meaningful insights into our Environmental, Social, and Governance (ESG) performance, enabling informed decision-making and fostering trust in our sustainability journey.

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GHG Assurance

As part of our ongoing commitment to transparency and accountability in sustainability reporting, the 2024 greenhouse gas (GHG) emissions calculations underwent an independent third-party verification process.

This assurance was conducted in line with globally recognised standards to ensure the accuracy, completeness, and reliability of our reported data. By engaging an external verifier, we aim to provide stakeholders with confidence in the integrity of our GHG disclosures and the methodologies used to quantify emissions across our operations.

The third-party verification not only strengthens the credibility of our reporting but also supports continuous improvement in our data management and emissions tracking processes. It enables us to identify potential areas for refinement and ensure alignment with evolving regulatory and investor expectations.

This initiative reflects our broader climate responsibility and underlines our dedication to adopting best practices in environmental governance as we progress on our decarbonisation journey.

GREENHOUSE GAS (GHG) EMISSIONS ASSURANCE REPORT

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Reporting Year: FY 2024

GHG boundaries evaluated in accordance with the GHG Protocol – Corporate standard as per the current methodology
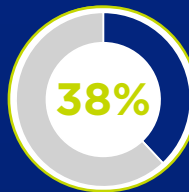
Issued by: Premier Brains

KEY HIGHLIGHTS

39%
Female Workforce

14%
Increase in Nationalisation

38% Renewable Energy Consumption at Owned Assets

Net zero
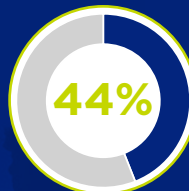Pledged to achieve net zero emissions by 2050 or earlier

7,319
Women Workforce

70,000+
CSR Beneficiaries

44% Decrease in Petrol Consumption

1,200 tCO$_2$e
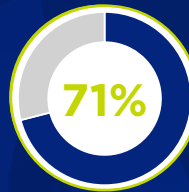Emission reduction through Solar PV

182,381
Training Hours

94%
Return-to-work rate

71% Waste Diverted from Landfill at our Offices and Warehouses

59,600 KG
Apparel Goods Recycled

30
People of Determination (PoD)

0%
Occupational Injury at Workplace

17.5 Million Liters
Water Saved from Apparel Recycling

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ABOUT US

ABOUT
US

Apparel Group is a leading global retail and fashion conglomerate, renowned for its diverse portfolio of over 85 brands across sectors including fashion, footwear, beauty, food & beverage, and lifestyle.

Established in 1996, the company has grown to become a prominent player in the retail industry, with a robust presence in 14 countries across the Middle East, Asia, and beyond.

Under the visionary leadership of Ms. Sima Ganwani Ved, Founder and Chairwoman, Apparel Group has expanded its reach and achieved remarkable success.

With over 2,300 retail stores and a workforce of more than 24,000 employees, the company is dedicated to delivering exceptional value and experiences through both physical and digital platforms.

Apparel Group's focus on innovation, customer satisfaction, and employee well-being has cemented its position as a trailblazer in the global retail market.

28
Years of Operation

85
Brands

2,300+
Stores

18,779
People

14
Operational Countries

Exceed
Expectations
Everyday

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Global Footprint

Our global presence, as depicted in the graphic below, spans 14 countries, with the United Arab Emirates (UAE) and the Kingdom of Saudi Arabia (KSA) accounting for nearly 50% of our total stores.

As we continue our expansion journey, Apparel Group is strategically planning to enter emerging markets such as Hungary and the Philippines, reinforcing our commitment to growth and strengthening our international footprint.

UAE		EGYPT		KSA	
Brands	57	Brands	2	Brands	29
Stores	612	Stores	7	Stores	627

BAHRAIN		THAILAND		KUWAIT	
Brands	28	Brands	1	Brands	31
Stores	78	Stores	29	Stores	162

QATAR		OMAN		SINGAPORE	
Brands	58	Brands	32	Brands	1
Stores	230	Stores	107	Stores	14

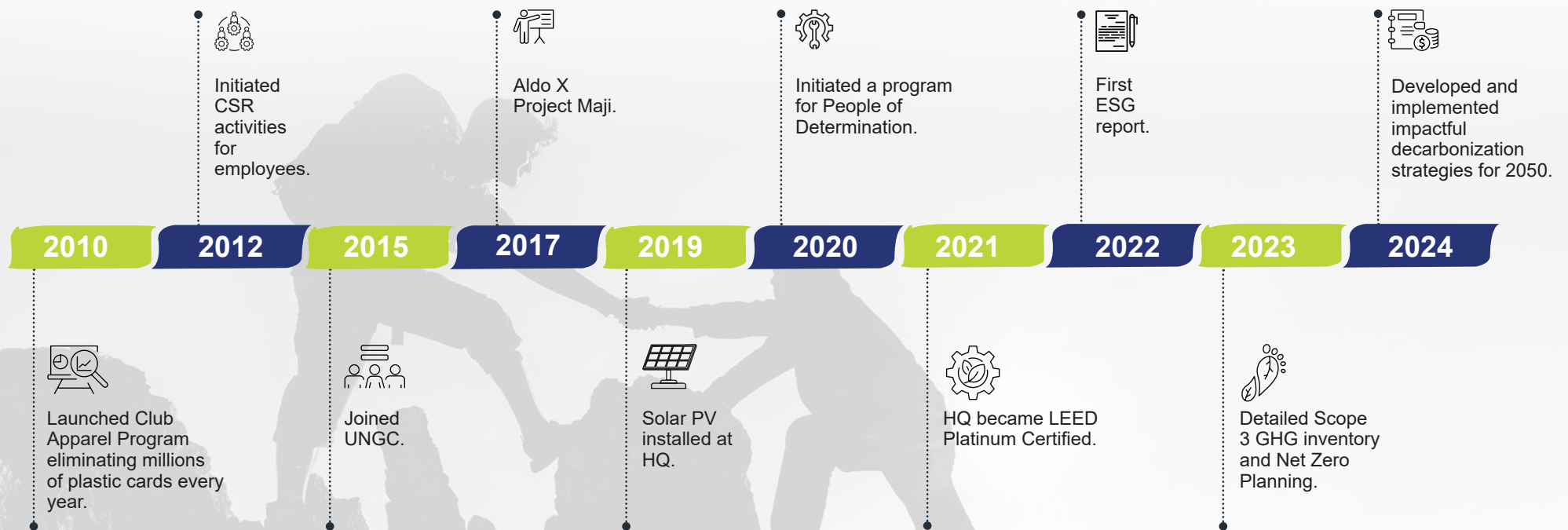| INDONESIA		MALAYSIA		INDIA	
Brands	1	Brands	2	Brands	15
Stores	24	Stores	18	Stores	232

SOUTH AFRICA	
Brands	1
Stores	10

Sustainability Journey

Our sustainability journey, which began in 2010, has been a continuous evolution of commitment, innovation, and responsible business practices. Over the years, we have progressed significantly, integrating sustainability into our core operations, expanding our environmental and social initiatives, and aligning with global best practices. The graphic below illustrates key milestones and achievements that have shaped our journey, reflecting our dedication to creating a positive and lasting impact on the environment, society, and the communities we serve.

2010
Launched Club Apparel Program eliminating millions of plastic cards every year.

2012
Initiated CSR activities for employees.

2015
Joined UNGC.

2017
Aldo X Project Maji.

2019
Solar PV installed at HQ.

2020
Initiated a program for People of Determination.

2021
HQ became LEED Platinum Certified.

2022
First ESG report.

2023
Detailed Scope 3 GHG inventory and Net Zero Planning.

2024
Developed and implemented impactful decarbonization strategies for 2050.

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Brand Strategy

Our vision, mission, values, and purpose collectively drive our commitment to excellence, inspiring us to go beyond the expected, exceed customer expectations daily, and foster a culture of passion, empowerment, ambition, and respect in everything we do.

Vision

To go a step beyond the expected.

Values

Passionate, Empowered, Ambitious, Respectful.

Mission

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

Purpose

Exceed expectations everyday

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ACHIEVEMENTS & AWARDS

External recognition through business awards reinforces customer and stakeholder trust in Apparel Group's success, quality, and reliability. It also sets us apart from competitors by showcasing the outstanding standard of our products and services.

Dubai Quality Group

Emirates Women Award - Women Empowerment

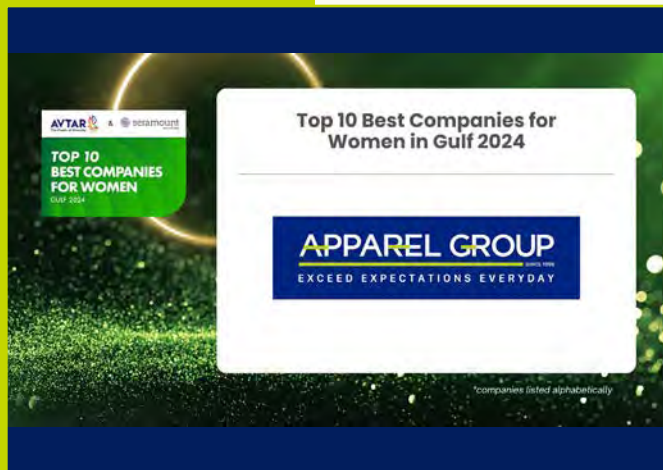**Dubai Quality Group**

Global Artificial Intelligence Award

Dubai Quality Group

UAE Innovation Award

Gulf Sustainability Awards

Best Workplace and HR Practices

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Avtar & Seramount

Top 10 Best Companies for Women

Top Employers Institute

Top Employer Award

RetailME

Responsible Retailer of the Year - UAE

RetailME

Responsible Retailer of the Year - KSA

RESPONSIBLE GOVERNANCE

RESPONSIBLE GOVERNANCE

We, Apparel Group ("Group") have embedded ESG considerations into our governance framework to ensure our sustainability agenda is driven from the top and deeply integrated into our organisation's core. This commitment empowers our employees and the value chain to adopt responsible practices, enhances stakeholder engagement, and minimizes environmental impacts while contributing positively to society.

Apparel Group's governance framework promotes business growth by implementing transparent, accountable decision-making processes while ensuring ethical and sustainable practices.
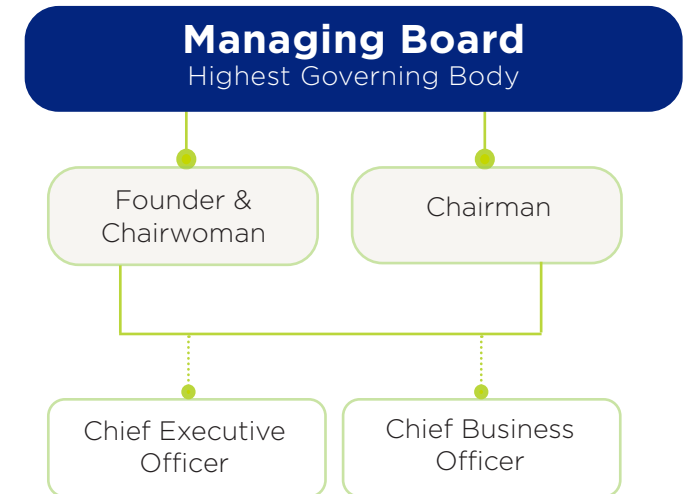
Governance Structure and Composition

Our governance structure is carefully designed to promote transparency and diverse perspectives to ensure effective leadership and accountability.

The Managing Board, Board of Directors and Advisory Members make up Apparel Group's governance body. The Managing Board, chosen by the shareholders, comprises the Governance Body. It consists of three male and one female member.

Each entity within the Apparel Group has a duly constituted Board of Directors, appointed by the shareholders in accordance with the applicable laws. The chair of the board is not a senior executive of the organization.

Managing Board
Highest Governing Body

- Founder & Chairwoman
  - Chief Executive Officer
- Chairman
  - Chief Business Officer

The CSR and Sustainability Committee oversees all ESG matters, while the CSR and Sustainability Division is responsible for implementing, coordinating, and managing ESG initiatives across the entire organization.

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Managing Involvement in the Sustainability Reporting Process

The Managing Board is critical in overseeing the sustainability reporting process, ensuring the Group's sustainability goals align with its overall strategy.

They are actively involved in reviewing and approving the sustainability reports, providing guidance on key ESG topics, and ensuring the

reported information's transparency, accuracy, and completeness.

Their involvement ensures that sustainability reporting reflects the Group's commitment to responsible governance and is aligned with stakeholder expectations.

Expertise on Sustainability Issues

The Managing Board bring collective knowledge of ESG and sustainability topics, drawing on their diverse expertise to guide the organization's sustainability strategy.

They continuously upskill themselves by staying informed on the latest ESG issues, risks, and megatrends, ensuring that their decisions reflect the most current and relevant sustainability challenges.

Remuneration and Evaluation

The remuneration for the senior management executive is dependent on the overall Group and the related department performance. Termination and retirement benefits are provided as per the local labour laws.

The compensation for executives are tied to their annual Key Performance Indicators (KPIs). These KPIs encompass people management, business performance, and other focus areas aligned with driving sustainability efforts, in accordance with principles or local governance.

Additionally, support functions contribute annually through initiatives that promote sustainability in both environmental and people-centric areas.

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Process to Determine Remuneration

Determining remuneration for employees, particularly for senior executives, is a structured process that involves multiple steps to ensure fairness, competitiveness, and alignment with organisational goals. The key steps considered while designing the remuneration policies at Apparel Group are presented below:

Approval by the Managing Board, Board of Directors, the Chief Financial Officer (CFO), and the Chief Human Capital Officer (CHCO)

Relevant stakeholders' involvement

Recruitment consultant's inputs to understand market practices

External salary benchmarking reports

"The ratio of the highest-paid employee's annual total compensation to the median annual total compensation of all other employees changed from 36:1 in the previous year to 30:1 this year"

Management of Impacts

Consumers are increasingly valuing ethical and sustainable practices. By managing environmental and social impacts, Apparel Group aims to build a strong, positive reputation attracting eco-conscious customers, basing its values on sustainable retailing.

Effective impact management helps identify and mitigate risks associated with supply management, resource scarcity, and negative publicity. This proactive approach protects the Group from potential operational and financial setbacks.

We have implemented a roadmap to identify and manage this risk systematically at the group level. We have inititated preparing the process of undertaking climate and sustainability risk assessments to understand mitigate them.

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Roadmap for Impact Management

The mission statement and fundamental values of the Group are established and approved by the Managing Board after consulting with the Advisory Board. The primary focus lies in the continuous dedication to implementing a business model that prioritises financial goals in addition to corporate social responsibility and sustainable development.

To debate and agree on the roadmap for the upcoming quarters and years, the Managing Board, Advisory Board, Vice Presidents, and Heads of Departments gather for periodic meetings.

The consulting framework is examined and aligned with a strategic focus on the following:

External Finance   **Listing Plans**   **Business Strategy**   **Top Leadership Structure**

Based on the results from the previous quarters, a review is conducted, a future course of action is suggested, and steps toward implementation are initiated to achieve the objectives for the following quarters.

Additionally, the Managing Board offers ongoing assistance and feedback on key initiatives, analysing opportunities and challenges as they arise. The annual operating plan, including financial goals, is set, with KPIs tracked and monitored and financial performance reviewed regularly.

Furthermore, the Advisory Board advises on efficient financing solutions for key opportunities and evaluates mergers, acquisitions, and liquidity events.

"Critical concerns are communicated as part of Managing Board meetings and Quarterly Business Reviews and finally presented before the Board of Directors for approval and sign off for implementation."

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Delegation of Responsibilities

Impact and risk management tasks are delegated at every business level and overseen by the respective Vice President, who reports to the Group CEO.
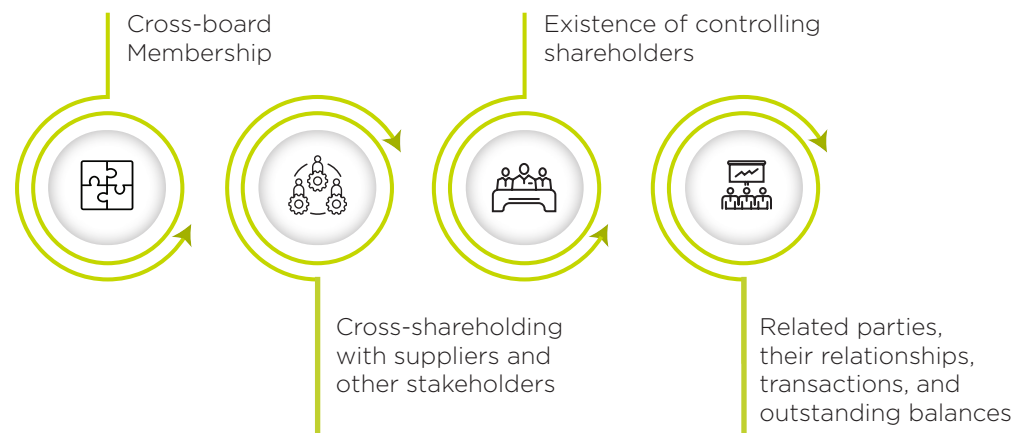
Territory Heads and regional managers are delegated the responsibility for managing impacts to other employees. The Managing Board, along with the Vice Presidents of the Businesses and the Heads of Support Functions, conducts the Quarterly Business Review.

The Group CEO, along with the Managing Board, validates the following

Sustainability Reporting Matrix

Developed by external consultation from sustainability experts

Impact Management Roadmap

Developed by the Group CSR team

Management of Conflict of Interest

The Managing Board Members and Board of Directors do not have any cross-shareholding with suppliers and stakeholders. The stakeholders discloses conflict of interest, covering, at a minimum, the following areas.

Cross-board Membership

Existence of controlling shareholders

Cross-shareholding with suppliers and other stakeholders

Related parties, their relationships, transactions, and outstanding balances

Communication of critical concerns

Critical concerns are communicated to the highest governance body through Quarterly Business Reviews, which are convened in addition to regular Managing Board Meetings. These reviews serve as a platform to highlight and address any matters of critical concern, ensuring that key issues are promptly brought to the attention of the board for timely decision-making.

CSR & Sustainability Committee

The CSR & Sustainability Committee at Apparel Group is a key driver of the company's sustainability vision and strategy, ensuring alignment with its long-term goals. The committee is divided into two components.

The first component includes the Chairwoman, CEO, and the Head of CSR and Sustainability, who focus on shaping the overarching strategy and vision. They meet every two months to review progress, set priorities, and ensure that sustainability initiatives align with the company's values and objectives.

The second component consists of the CEO, Head of CSR and Sustainability, General Managers (GMs) of the brands, Head of Marketing, and Chief of HR, who come together for quarterly meetings to discuss the implementation and execution of the sustainability strategy.

This collaborative approach ensures that sustainability is integrated across all facets of the business, from brand operations to employee engagement, fostering a culture of responsibility and ethical leadership throughout the organization.

CSR & Sustainability Division

Apparel Group's CSR and Sustainability Division is committed to driving meaningful change by integrating sustainability and social responsibility into every facet of its operations.

The core team led by three members oversees key projects and CSR initiatives of the Group and efficiently drives the CSR strategy . Additionally, each country of operation has a representative, bringing the team to approximately six additional individuals who provide valuable support as needed. This collaborative structure ensures that sustainability and CSR efforts are effectively implemented across all regions, enabling Apparel Group to create a positive impact locally and globally, to excel and exceed expectations.

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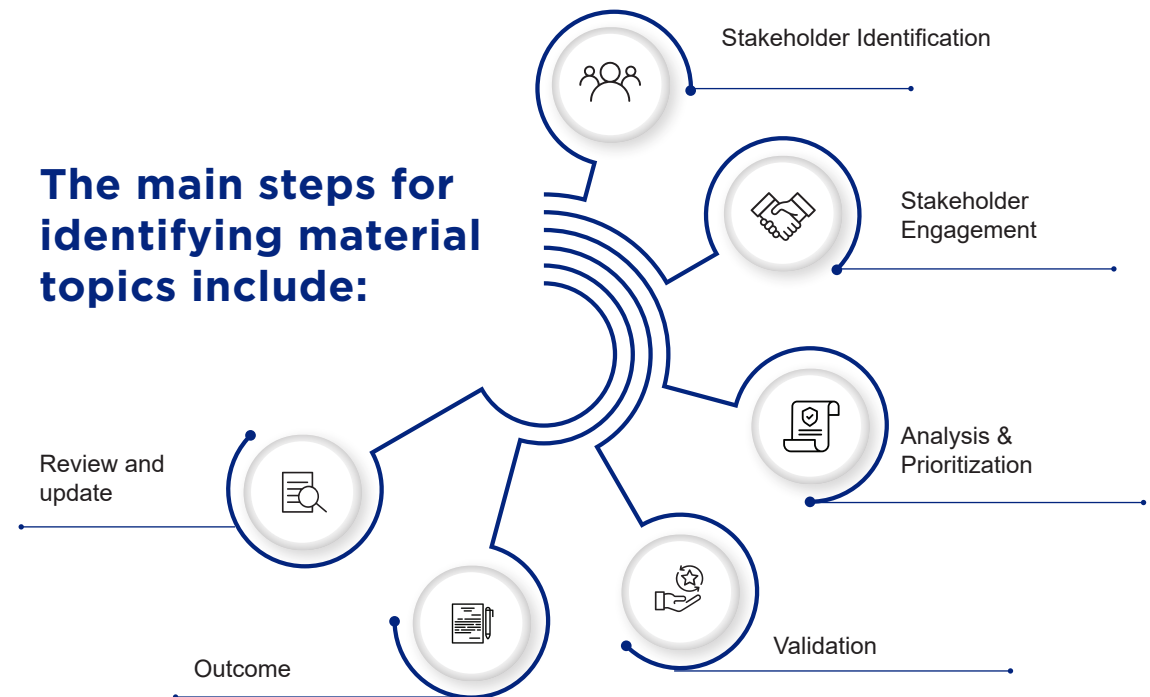# STAKEHOLDER CONSULTATION & MATERIALITY ASSESSMENT

We adopt a comprehensive approach to stakeholder engagement and materiality assessment, in accordance with international best practices and the requirements of GRI Standards, ensuring a robust and transparent framework for sustainability.

This approach ensures that the company's sustainability initiatives align with the priorities of its diverse stakeholder base and address the most pressing environmental, social, and governance (ESG) issues.

The Materiality Assessment Matrix, a key tool used by Apparel Group for strategic decision-making, is the direct outcome of extensive stakeholder engagement. To maintain relevance and alignment with business needs, the materiality assessment is conducted every two years.

This matrix plays a critical role in identifying and prioritizing sustainability topics that are vital to both stakeholders and the long-term success of the company.

The main steps for identifying material topics include:

- Stakeholder Identification
- Stakeholder Engagement
- Analysis & Prioritization
- Validation
- Outcome
- Review and update

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Stakeholder Identification

We Identify all relevant internal and external stakeholders based on their influence, impact, and interest in the company's operations and sustainability efforts.

Stakeholder Group	Mode of Engagement	Frequency
Board of Directors	Board Meetings, Reports	Quarterly, Annually
Employees	Surveys, Meetings, Feedback	Annually, Bi-Annually
Shareholders/Investors	Annual Reports, Investor Meetings	Annually, As Needed
Mall Owners/Property Management	Meetings, Contracts, Negotiations	Annually, Bi-Annually
UN Agencies & International	Consultations, Reports, Meetings	Annually, As Needed
Media & Press	Press Releases, Conferences	As Needed, Regularly
Suppliers/Contractors	Meetings, Audits, Reports	Annually, As Needed
Business Partners	Partnership Meetings, Collaborations	As Needed, Project-Based
Customers	Surveys, Feedback, Engagement Events	Annually, As Needed
Local Charities & NGOs	Donations, Collaborative Projects, Community Events	Annually, Project-Based
Community Representatives	Consultations, Focus Groups	Annually, As Needed
Government Authorities	Policy Meetings, Consultations	As Needed, Bi-Annually
Universities	Collaborations, Research Projects	Annually, Project-Based

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Stakeholder Engagement

To gain a thorough understanding of stakeholder priorities, we conducted in-depth interviews and consultations with both internal and external stakeholders. This engagement process involved the following key steps.

Compilation of Sustainability Topics

We began by creating an extensive list of sustainability related topics. This list was developed through peer reviews, various sustainability frameworks, and GRI (Global Reporting Initiative) criteria.

Stakeholder Consultations

We engaged stakeholders to gather their insights and opinions on the identified topics.

Ranking of Topics

We ranked the sustainability topics based on stakeholder feedback to determine which issues were most important to them.

Analysis & Prioritisation

After collecting and analysing the feedback, we prioritised the most significant topics for the reporting year. This prioritisation was based on two main criteria the level of concern expressed by stakeholders and the potential impact of each topic on Apparel Group's business operations.

Validation

The prioritized topics were then validated with the senior leadership and relevant departments to ensure alignment with the company's strategic objectives.

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Outcome

Through this rigorous process, Apparel Group identified several key material topics that will be further disclosed in our sustainability report. These topics reflect the intersection of stakeholder concerns and the company's strategic sustainability goals.

The resulting materiality matrix graphically represents these priorities, providing a clear visual tool for understanding and communicating our sustainability focus.

ENVIRONMENT

GRI 302 : Energy 2016
GRI 303 : Water and Effluents 2018
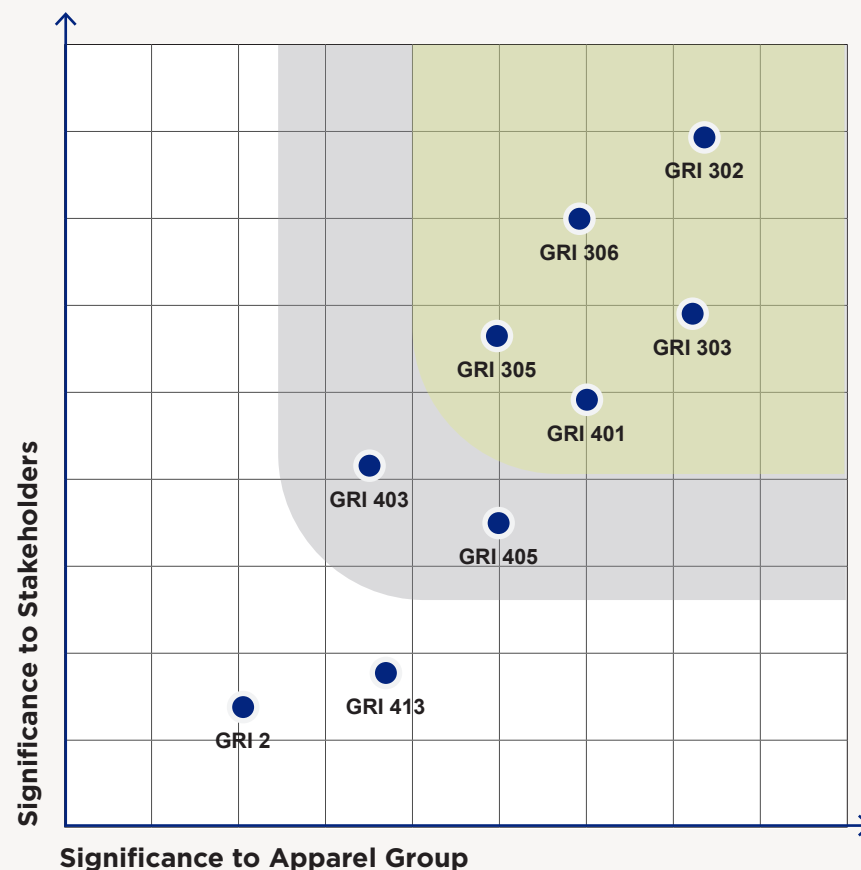**GRI 305** : Emissions 2016
GRI 306 : Waste 2020

SOCIAL

GRI 401 : Employment 2016
GRI 403 : Occupational Health & Safety 2018
GRI 405 : Diversity & Equal Opportunity 2016
GRI 413 : Local Communities 2016

GOVERNANCE

GRI 2 : General Disclosures 2021
        (3. Governance)

GRI 2 : General Disclosures 2021
        (4. Strategy, policies and practices)

Significance to Stakeholders (y-axis)

Significance to Apparel Group (x-axis)

Data points: GRI 302, GRI 306, GRI 303, GRI 305, GRI 401, GRI 403, GRI 405, GRI 413, GRI 2

Review and Update

Apparel Group periodically reviews and updates the materiality assessment process every year to reflect changing stakeholder expectations, regulatory requirements, and shifts in the business landscape. By systematically engaging stakeholders and incorporating their feedback, we ensure the material topics remain relevant while demonstrating our commitment to transparency, accountability, and continuous improvement in sustainability practices.

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ADVANCING THROUGH INNOVATION

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INNOVATION AT
APPAREL GROUP

At Apparel Group, we prioritize innovation to stay ahead of industry trends. Our dedicated team focuses on AI, automation, and data analytics to enhance our operations and customer experience. Below are three key AI-driven innovations.

Replenishment Automation

Allocation Automation

Pricing Optimizations

These innovations streamline our operations, boost profitability, support sustainable operations and enhance customer experience, reinforcing Apparel Group's leadership in retail innovation.

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AI Driven Innovations

Pre-season & Shipment Planning
Aligns stock allocation with sales forecasts
Flexible Constraints
Customized rules at various hierarchy levels
Outlier Handling
Automates sales data adjustments for better accuracy

Results

Efficiency
Reduced planning time from 3–4 days to 4–6 hours
Performance
Enhanced allocation accuracy, improving stock availability and reducing overstocks

Demand-Based Replenishment
AI forecasts consumer demand, ensuring smarter inventory management
Latency-Aware Safety Stock
Factors in transport delays for better stock accuracy
Granular Flexibility
Customizable settings at store, SKU, and location levels
Sales Contribution-Based Refills
Prioritizes replenishment based on sales performance

Results

Availability
Improved from 85% to 95–97%
Efficiency
Planning time reduced from 1-2 days to 1-2 hours

Replenishment Automation

We've revolutionized inventory management with AI-driven replenishment, moving from static stock levels to demand-driven, predictive replenishment.

Allocation Automation

We've optimized inventory allocation through AI, improving stock distribution across stores based on demand and sales data.

Pricing Optimizations

Our AI-driven pricing optimization tool allows for dynamic pricing adjustments based on sales, margin, and demand data.

Elasticity Prediction
Identifies optimal price points for maximum sales and margin
Dynamic Pricing
Adjusts for promotional and non-promotional periods
Scenario Simulation
Simulates pricing outcomes quickly for faster decision-making

Results

Productivity
Reduced analysis time from 35 hours to 3–4 hours
Margin Gains
Improved by 1–5%, reaching up to 8%

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EMPOWERING OUR PEOPLE

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BUILDING A DIVERSE AND INCLUSIVE FUTURE

At Apparel Group, we believe our strength lies in the diversity of our people. We are committed to fostering an inclusive, equitable, and growth-oriented workplace where every employee regardless of age, gender, nationality, or ability can thrive.

Workforce Demographics

Our global team of 18,779 employees reflects a vibrant mix of ages, backgrounds, and perspectives:

Youthful dynamism

55% of employees are under 30, driving innovation and adaptability.

Gender diversity

39% women representation (7,319 employees) across all functions, including leadership and technical roles.

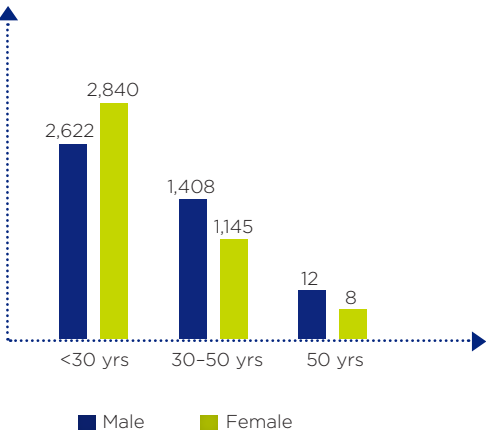**Inclusive hiring**

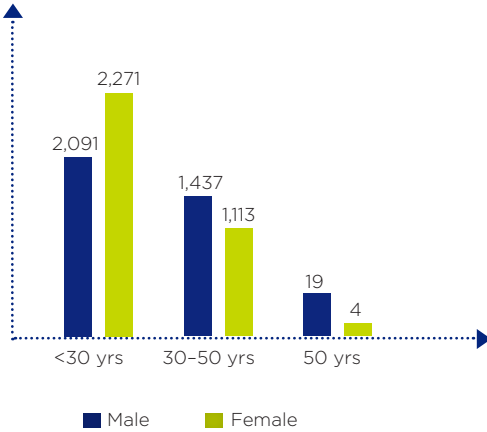50% of 8,035 new hires in 2024 were women, reinforcing our commitment to gender balance.

Age Distribution at Apparel Group

Age Group	Count
<30 yrs	8,668
30–50 yrs	9,885
50 yrs	226
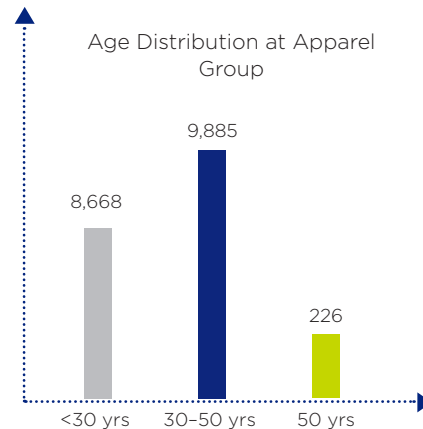
New Joiners

In 2024, we onboarded 8,035 new employees, with females accounting for 50% of all hires.

Bar chart — New Joiners by age group and gender:

Age group	Male	Female
<30 yrs	2,622	2,840
30–50 yrs	1,408	1,145
50 yrs	12	8

■ Male   ■ Female

Turnover

A total of 6,935 employees exited during the year due to retirement, transfer, or other reasons.

Bar chart — Turnover by age group and gender:

Age group	Male	Female
<30 yrs	2,091	2,271
30–50 yrs	1,437	1,113
50 yrs	19	4

■ Male   ■ Female

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Inclusion Without Limits

At Apparel Group, inclusion isn't just a policy - it's a practice we live every day through our active support for People of Determination (POD). In 2024, we employed 30 POD colleagues (9 male, 21 female), maintaining strong representation compared to 2023 (31 POD employees: 10 male, 21 female). As part of our 2025 diversity goals, we are actively exploring opportunities to increase POD representation across all levels of our organization.

Inclusive Workplace Facilities

To support our commitment to inclusivity and employee well-being, we have designated dedicated parking spaces for pregnant female employees at our head office, ensuring ease of access and comfort during their maternity journey.

Investing in National Talent

We are proud to contribute to the UAE's vision for economic empowerment by actively developing Emirati talent. Through targeted recruitment, specialized training programs, and leadership pathways, we are building a workforce that reflects the communities we serve while supporting national workforce development goals.

Key Initiatives:

Partnerships with UAE universities and vocational institutes

Dedicated mentorship programs for Emirati employees

Leadership development tracks for high-potential national talent

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Nationalisation at Apparel Group

Apparel Group remains committed to fostering local talent across the GCC. As of 2024, the Group proudly employs 4,089 nationals across its regional workforce, reflecting a 14% increase in nationalisation compared to 2023.

This growth underscores the Group's ongoing efforts to support government localisation initiatives, empower national talent, and build a diverse and inclusive workforce aligned with regional development goals.

	2024		2023		2022	
	Male	Female	Male	Female	Male	Female
Bahrain	93	80	79	79	50	52
Kuwait	1	1	1	0	0	2
Oman	140	167	157	187	168	193
Saudi Arabia	1,204	2,276	1,318	1,684	1,648	1,760
United Arab Emirates	2	125	16	65	11	43
TOTAL	**1,440**	**2,649**	**1,571**	**2,015**	**1,877**	**2,050**

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Employee Benefits and Protection

At Apparel Group, the health, safety, and security of our employees are paramount. We provide essential benefits ensuring our employees are protected against unforeseen circumstances. All our full-time employees are provided with the following benefits.

- **Life Insurance**
- **Health Insurance**
- **PoD Benefits & Invalidity Coverage**
- **Parental Leave**
- **Retirement Provision**

These benefits reflect our commitment to building a resilient and supportive work environment that prioritises employee well-being at every stage of life.

Parental Leave

Apparel Group supports the well-being of new parents by offering parental leave in line with local regulations. In 2024, 198 male and 18 female employees availed parental leave. The Group fosters a supportive environment to ensure a smooth return to work and continued work-life balance for all employees.

94%
Return-to-work rate

WOMEN
EMPOWERMENT

At Apparel Group, inclusion, equity, and opportunity are at the heart of our culture. In 2024, we advanced our commitment to women's empowerment through focused employee initiatives, holistic wellness programs, tailored upskilling, inclusive policies, and strategic partnerships.

Balancing internal career development with external community impact, these efforts align with our long-term vision for gender equality.
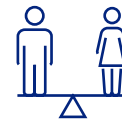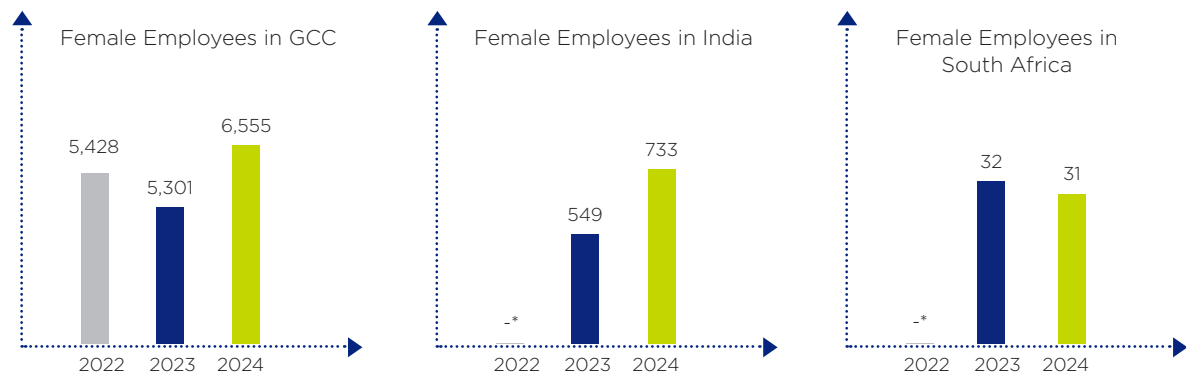
Achieve 42%
Gender Diversity by 2030

7,319
Women Workforce

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Women in Workforce

Women comprise 39% of our workforce, totaling 7,319 female employees, with 35% representation in management roles as of 2024 a consistent upward trend over the past five years. As part of our inclusive hiring practices, we also employ 21 female People of Determination, reflecting our broader commitment to accessibility and equity.

Female Employees in GCC

Year	Value
2022	5,428
2023	5,301
2024	6,555

Female Employees in India

Year	Value
2022	-*
2023	549
2024	733

Female Employees in South Africa

Year	Value
2022	-*
2023	32
2024	31

Note: The data from these regions were not available for 2022

Through our Supplier Code of Conduct we uphold gender-responsive standards across the value chain. Independent audits ensure the following.

Safe and respectful workplaces

Pay equity

Robust anti-harassment mechanisms

Maternity and childcare provisions

These policies embed inclusion into every layer of our operations.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Programs for Women Empowerment

We have implemented several structured programs aim to unlock women's potential at every level.

Fair Appraisals & Goal Setting

Transparent, KPI-based evaluations ensure fair recognition and promotion

Talent Forum & Succession Planning

Regular reviews identify and nurtures high-potential female leaders

Measurable KPIs

Clear metrics track and support women's career growth

Transparent Promotions

Merit-based, clearly communicated processes ensure equal opportunity

Gender-Focused Recruitment

Targeted hiring strategies increase gender diversity at all levels
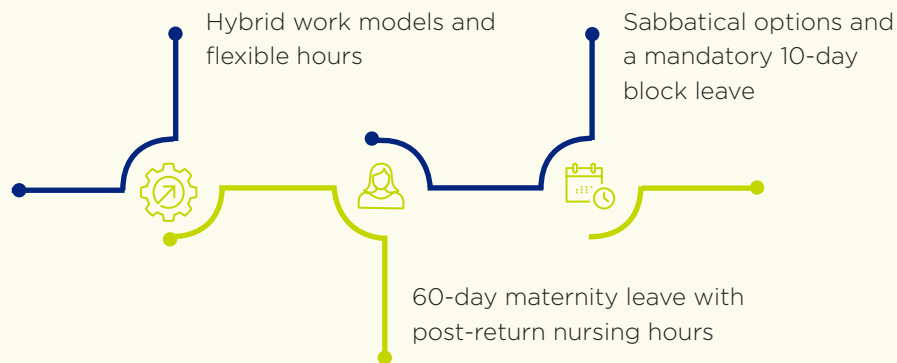
Training & Certification Programs

Tailored development programs empower women through continuous learning. Over the past two years, many have excelled in certifications like Induction, Level 1, Level 2, and DEIB equipping them with skills to thrive and lead within the organization and beyond.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Work-Life Balance Policies

To support working women, especially mothers, we offer flexible, inclusive benefits that promote long-term career sustainability

Hybrid work models and flexible hours

Sabbatical options and a mandatory 10-day block leave

60-day maternity leave with post-return nursing hours

These policies foster job satisfaction and help retain top female talent.

Health & Wellness Initiatives

We prioritize women's well-being through inclusive health and engagement programs that address physical, emotional, and social needs

Free breast cancer screenings

Clinical Screenings, Expert-led sessions

Fitness classes

Yoga, Zumba, Belly Dance

Family Well-being

Mother's Day celebrations, "Bring Your Kids to Work"

CSR Impact Initiatives

Through strategic partnerships with Dubai Cares, Friends of Cancer Patients (FOCP), Al Jalila Foundation and others, the Group supports education, healthcare, and livelihood programs for women and girls worldwide.

Key initiatives include

La Vie En Rose x FOCP

Breast cancer awareness campaigns and donations

Project Maji x ALDO

Clean water kiosks in Ghana empower women with access to safe water, time savings, and job opportunities

Health Camps & Webinars

Hosted a clinical session on women's heart and cancer health to promote awareness and early detection

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

TRAINING AND
DEVELOPMENT

Apparel Group fosters an exceptional workforce by attracting top talent, offering extensive training, and implementing strong retention strategies.

We empower employees through regular training, workshops, and mentorship to ensure growth and continuous improvement. Our goal is to equip them with the skills and knowledge needed for success.

The Group delivers engaging, role-specific training through its digital learning platform "Axonify".

The solution features structured onboarding paths for company culture and retail excellence, along with specialized sales associate training covering customer experience, product knowledge and visual merchandising.

Its Retail Hub fosters collaboration and friendly competition among teams, while continuous micro-learning strengthens employee knowledge and drives measurable improvements in retail performance.

In 2024, we delivered 182,381 training hours, with 7,618 GCC employees upskilled through the Axonify platform.

7,618
GCC Employees Upskilled
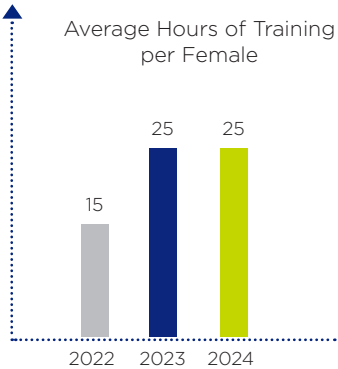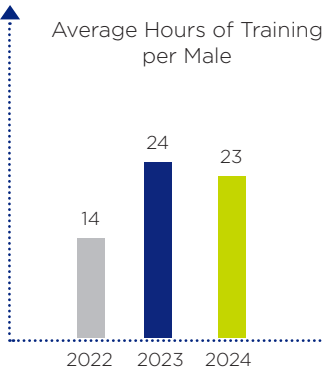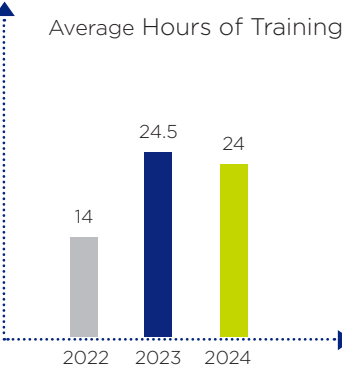
182,381
Training Hours

Average Training Hours

Apparel Group provides structured training across all employee levels, with varying hours based on role and gender. Middle and junior management receive progressively more training hours to support intensive development, reflecting their operational responsibilities. Notably, female employees consistently participate in equal or greater training hours compared to male counterparts at each level.

GRI 404-1: Average Hours of training per year per employee

SI No.	Parameter	Unit	Male	Female
1	Senior Management/Leadership	hours	1	4
2	Middle Management	hours	10	20
3	Junior Management	hours	23	25

Average Hours of Training

Year	Value
2022	14
2023	24.5
2024	24

Average Hours of Training per Male

Year	Value
2022	14
2023	24
2024	23

Average Hours of Training per Female

Year	Value
2022	15
2023	25
2024	25

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Key Training Programs

We invest in tailored development programs designed to equip employees at every level with the skills they need to excel. Below are some of our key initiatives, each crafted to drive individual growth and organizational success, from frontline retail excellence to global leadership and inclusive culture-building.

Sales Associate Programs (Levels 1-3)

Progressively builds retail skills from foundational customer service (Level 1) to advanced sales strategies and team mentoring (Level 3), along with product knowledge expertise specific to the category the staff works in.

Global Leadership Development

Prepares high-potential leaders for cross-border roles with focus on strategic decision-making and cultural agility.

The Global Leadership Development Program (GLDP) is designed to identify, nurture, and develop high-potential employees who are poised to take on significant leadership roles within the Apparel Group across the United Arab Emirates, Kingdom of Saudi Arabia, Bahrain, Kuwait, Oman,

and Qatar. This program focuses on enhancing participants' leadership capabilities, strategic thinking, and operational excellence.

Through a combination of coaching sessions, practical projects, and online learning modules, participants will gain the skills and knowledge needed to excel in their current roles and prepare for future leadership positions.

Advanced Global Leadership

Deepens expertise for senior leaders through executive coaching, complex scenario training, and global business innovation.

The Advance Global Leadership Development Program (A-GLDP) is designed to identify, nurture, and develop high-potential employees who are poised to take on significant leadership roles within the Apparel Group across the United Arab Emirates, Kingdom of Saudi Arabia, Bahrain, Kuwait, Oman, and Qatar. This program focuses on enhancing participants' leadership capabilities, strategic thinking, and operational excellence.

Through a combination of coaching sessions, practical projects, and online learning modules, participants will gain the skills and knowledge needed to excel in their current roles and prepare for future leadership positions.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Visual Merchandising Programs (Regional & Global)

Regional

Tailored techniques for local market trends

Global

Standardizes best practices across all locations for brand consistency

Fostering Inclusion through DEIB training

In addition to role-specific training, Apparel Group introduced specialized courses on Diversity, Equity, Inclusion, and Belonging (DEIB) to promote an inclusive and respectful workplace culture, which was attended by 3,223 female employees. These programs address topics such as unconscious bias, inclusive leadership, and equitable practices, ensuring that all employees feel seen, heard, and valued.

Apparel Group's training programs are designed to give every employee from leadership to frontline staff the skills they need to grow and succeed. The numbers show our commitment: thousands of hours invested, balanced participation across genders, and clear career-path development. This isn't just training it's how we build a stronger team and better business.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

OCCUPATIONAL HEALTH & SAFETY

Apparel Group is committed to creating and maintaining a safe and healthy environment for all employees, contractors, and suppliers.

Our Occupational Health and Safety Management System (OHSMS) is aligned with ISO 45001 and the UAE's National Standard for Occupational Safety and Health Management System, developed by the National Emergency, Crisis, and Disaster Management Authority (NCEMA).

These frameworks ensure a holistic, legal, and proactive approach to workplace safety adhering to both internationally recognised best practices and local legislative requirements.
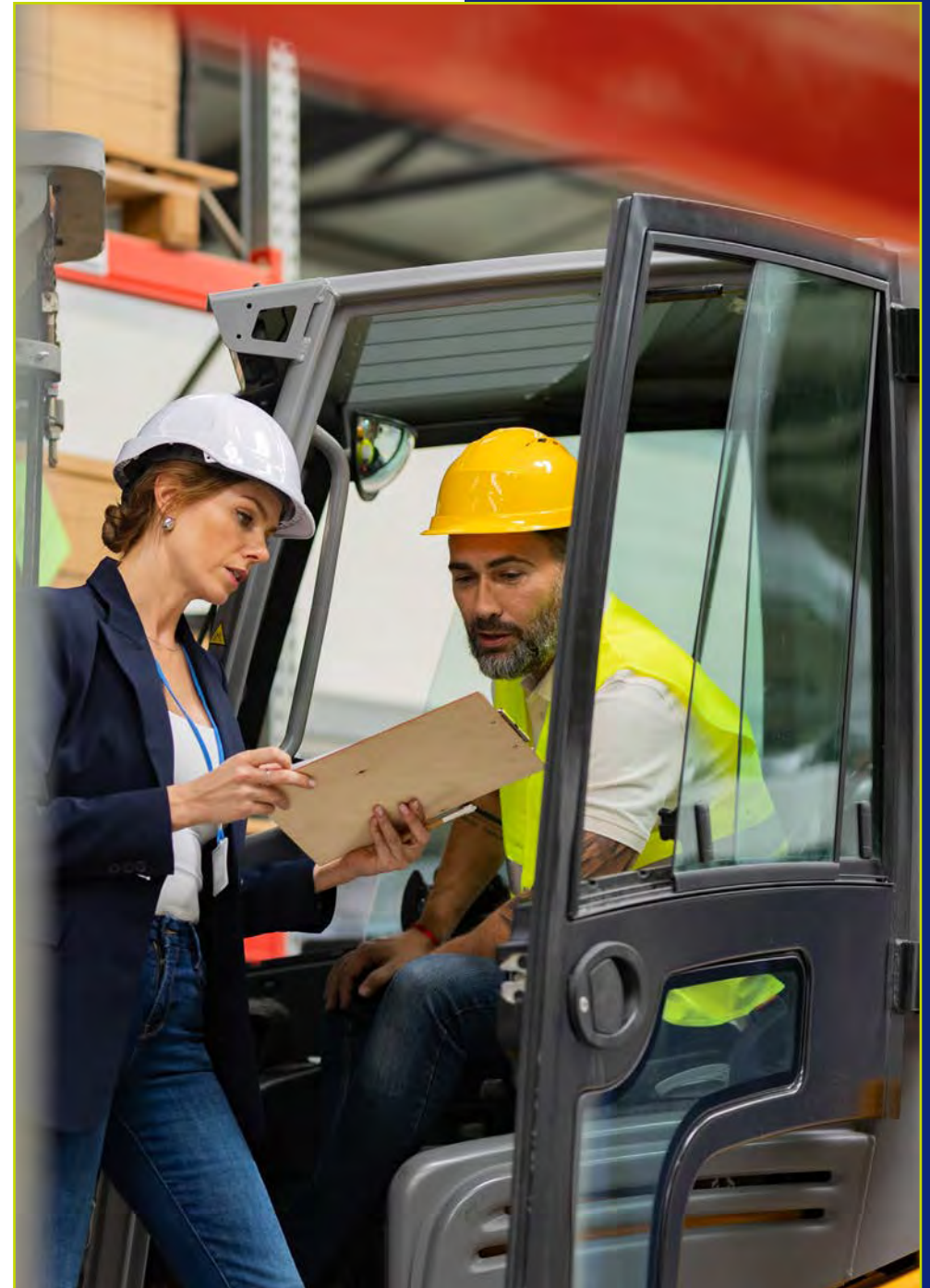
700 Employees
Trained on Occupational Health and Safety

0
Occupational Injury at Workplace

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

OHSMS Framework and Scope

Our OHSMS is structured around key elements outlined in ISO 45001, which includes the following.

Policy & Commitment

Continuous Improvement

Planning

Management Review

Implementation & Operation

Evaluation & Monitoring

This system is embedded across all levels of our operations and covers the full scope of our activities, products, services, and processes that may impact occupational health and safety.

The system is inclusive, covering 15,197 workers, including contractors and suppliers undertaking any form of work within our premises. All individuals working under our operational control are expected to comply with our safety procedures and policies.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Risk Management and Hazard Identification

Apparel Group follows a systematic risk management procedure to identify, assess, and control work-related hazards and risks. This process is embedded across business units and involves continuous monitoring of key performance indicators, ensuring timely interventions and risk mitigation.

Each department, including warehousing and logistics, is responsible for identifying hazards, evaluating risks, and applying appropriate control measures. The risk evaluation process incorporates a risk taxonomy, including a risk impact matrix, likelihood levels, inherent and residual risk analysis, and tolerance thresholds.

> Residual risk assessments guide the assignment of risk ownership and accountability to specific personnel, ensuring a clear chain of responsibility.

In support of this process, we utilise a HSE RACI Matrix, assigning roles across the organisation as Responsible, Accountable, Consulted, or Informed, to ensure clarity in decision-making and governance. The seniority of approving authorities and the urgency of response actions increase proportionally with the level of risk identified.

In 2024, we also undertook several targeted HSE campaigns to enhance awareness and proactivity in risk identification, including the following.

Workplace health & safety induction

Workplace safety culture campaign

Workplace safety behavioural management campaign

Workplace hazard identification campaign

These initiatives supported the reinforcement of a safety-first mindset across all operational areas.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Worker Health Services and Training

We provide a comprehensive range of occupational health services, including wellness checks, mental health resources, and access to medical support. Training programmes are offered across all levels to build awareness and competence in safety practices. These sessions are role-specific and conducted at regular intervals to meet both compliance and operational safety needs.

In 2024, a total of 700 individuals were trained across various safety disciplines, demonstrating our strong commitment to building internal capabilities in workplace safety.

Examples of key training programmes conducted include

- Third-party certified electrical compliance training for electricians, enhancing their technical competencies.

- Emergency response training on operating and controlling the fire alarm control panel.

- Practical training sessions by AMC contractors on managing false fire alarms, handling sprinkler bursts, and understanding the fire panel system.

- Fire marshal/warden and third-party competency training for office staff, aimed at equipping them with in-depth knowledge on handling and mitigating workplace fire emergencies.

- Fundamental firefighting training by a third-party competent team, focused on raising fire danger awareness, teaching correct use of extinguishers, and explaining fire routine procedures.

Examples of key drills/workshops conducted at Apparel Group

Daily Tool Box Talks
Regular safety discussions to enhance awareness and promote best practices among staff

Workplace Behavioural Management
This workshop focuses on fostering positive workplace behaviour and reducing safety risks

Workplace Hazard Identification
Drills aimed at identifying potential hazards in the workplace and mitigating risks

Workplace Safety Culture
Initiatives to instil a strong safety culture, encouraging proactive safety measures and a shared responsibility among all employees

These comprehensive training efforts were critical in reinforcing our safety culture and ensuring preparedness across various workplace scenarios.

In addition to routine training, our HSE campaigns have further contributed to behaviour-based safety improvements, empowering staff to actively prevent incidents through awareness and vigilance.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Worker Participation and Communication

Employees are encouraged to actively participate in safety-related decision-making through formal Health and Safety Committees and feedback mechanisms.

Open dialogue, reporting of near misses, and suggestions for improvement are integral to our safety culture. We ensure transparent communication and timely resolution of safety concerns raised by employees and third-party personnel alike.

In 2024, we recorded 1 near miss, highlighting proactive reporting and situational awareness among our workforce.

Safety Performance

At Apparel Group, we are committed to excellence in all that we do, striving to meet our customers' needs through a collaborative approach that places strong emphasis on health and safety.

Our performance against key Health, Safety, and Environment (HSE) indicators is outlined in the table below. These metrics are consistently monitored and evaluated across all regions where we operate.

No.	HSE Parameter	Region	Unit	2024
1	Number of workers covered by OH&S Management System	GCC	Number	15,197
2	Total number of hours worked	UAE	Hours	967,192
3	Total number of lost workdays	GCC	Days	29,674
4	Lost Time Injury Frequency Rate (LTIFR)	UAE	Per-one million person hours worked	0
5	Near misses	UAE	Number	1
6	Occupational Injuries	UAE	Number	0
7	First Aid Cases	UAE	Number	1

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

SOCIAL IMPACT & CSR STRATEGY

As a global retail conglomerate operating across 14 countries, Apparel Group is committed to making a positive and lasting impact on society through a robust Corporate Social Responsibility (CSR) strategy.

Our programs are designed to align with the United Nations Sustainable Development Goals (SDGs), the UAE Vision 2031, and national CSR mandates.

We focus on strategic partnerships and community engagement to address social and economic challenges.

CSR Strategy Overview

Our CSR strategy is anchored in five core pillars

Education	Healthcare	Women Empowerment	Community Engagement	Humanitarian Aid
SDG 4 Quality Education	**SDG 3** Good Health and Well-being	**SDG 5** Gender Equality	**SDG 17** Partnerships for the Goals	**SDG 1 & 2** No Poverty & Zero Hunger

We activate these pillars through brand-led campaigns, employee engagement, and impactful collaborations with governments, NGOs, and local communities.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Education

We support inclusive education through scholarships, school supply donations, and awareness.

1,200+
Students empowered with essential educational tools through the support of Dubai Cares and F5 Global, gaining access to quality learning and vital resources.

100+
Students at The Big Heart Foundation received support for tuition and learning materials.

Skechers, in collaboration with Al Noor Centre for People of Determination, donated over 2,000 school essentials, including lunch boxes, bottles, and shoes to support students in need.

50,000 items
From LC Waikiki merchandise were donated to Qatar Charity to support individuals and families in need.

Healthcare

Our brands champion physical and mental well-being through donations, awareness, and preventive care.

Pinktober breast cancer awareness across UAE, KSA, and Qatar with over **100 women** clinically screened.

Blood donation
Campaigns across GCC collecting hundreds of liters.

In-kind donations and cancer patient support via Al Jalila Foundation and Qatar Cancer Society.

Provided free eye examinations to over **1,000 warehouse** and back-office employees at the Qatar head office.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Women Empowerment

We promote gender equality internally and externally

2024 Winner
Women Empowerment Award (Emirates Women Award).

Gender Diversity
KPI set to grow from 39% to 42% by 2030.

INGLOT campaign
donations to support mothers at People of Determination Centers on women's day.

Community Engagement

We cultivate employee engagement and sustainability education

Earth Day
and mangrove clean-up drives with over 80kg waste collected.

Plastic-Free
July and anti-garment waste campaigns engaging 330+ employees.

Visits
to Dubai's Solar Innovation Park and The Sustainable City.

Humanitarian Aid

Our outreach extends to vulnerable groups and disaster-affected populations

1,000+
People of Determination in the GCC benefit from donations providing essential support.

3,500+
Individuals across the GCC supported through Eid and Ramadan donations.

4,800
People benefit daily from 3 water kiosks funded in Ghana through ALDO and Project Maji partnership

AED 2 Million
Donated in association with Mohammed bin Rashid Global Initiatives (MBRGI) to support the '1 billion Meals Endowment' campaign, which aims to implement effective and sustainable programs to combat and eradicate hunger.

Impact Dashboard

We cultivate employee engagement and sustainability education

Year	Financial Donations (AED)	In-Kind Donations	Beneficiaries	Employee Volunteers
2022	0.29M	18,107	22,336	988
2023	2.3M	68,664	69,105	2,404
2024	5.5M	68,107	70,000+	1,200

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

OUR ENVIRONMENT

APPAREL GROUP

ACCELERATING CLIMATE ACTION

The apparel sector is a significant contributor to global greenhouse gas (GHG) emissions. At Apparel Group, we recognize the urgency of addressing our climate impact and are committed to supporting the UAE's "Net Zero by 2050" Strategic Initiative.

To comprehensively assess our environmental footprint, we measure emissions across all stages of our value chain including raw material sourcing, manufacturing, distribution, and the operation of owned and leased assets. Our carbon footprint analysis adheres to the GHG Protocol Corporate Standard, covering all three scopes (1, 2, and 3) and encompassing operations across all regions and entities within our organizational boundary.

### Corporate Accounting & Reporting Standard (Revised Edition)

This standard establishes guidelines for defining the organisational boundary, identifying relevant emission sources, and quantifying greenhouse gas (GHG) emissions across Scopes 1, 2, and 3.

Corporate Value Chain (Scope 3) Accounting & Reporting Standard

This standard guides the comprehensive quantification and reporting of indirect emissions associated with an organisation's entire value chain, including upstream and downstream activities.
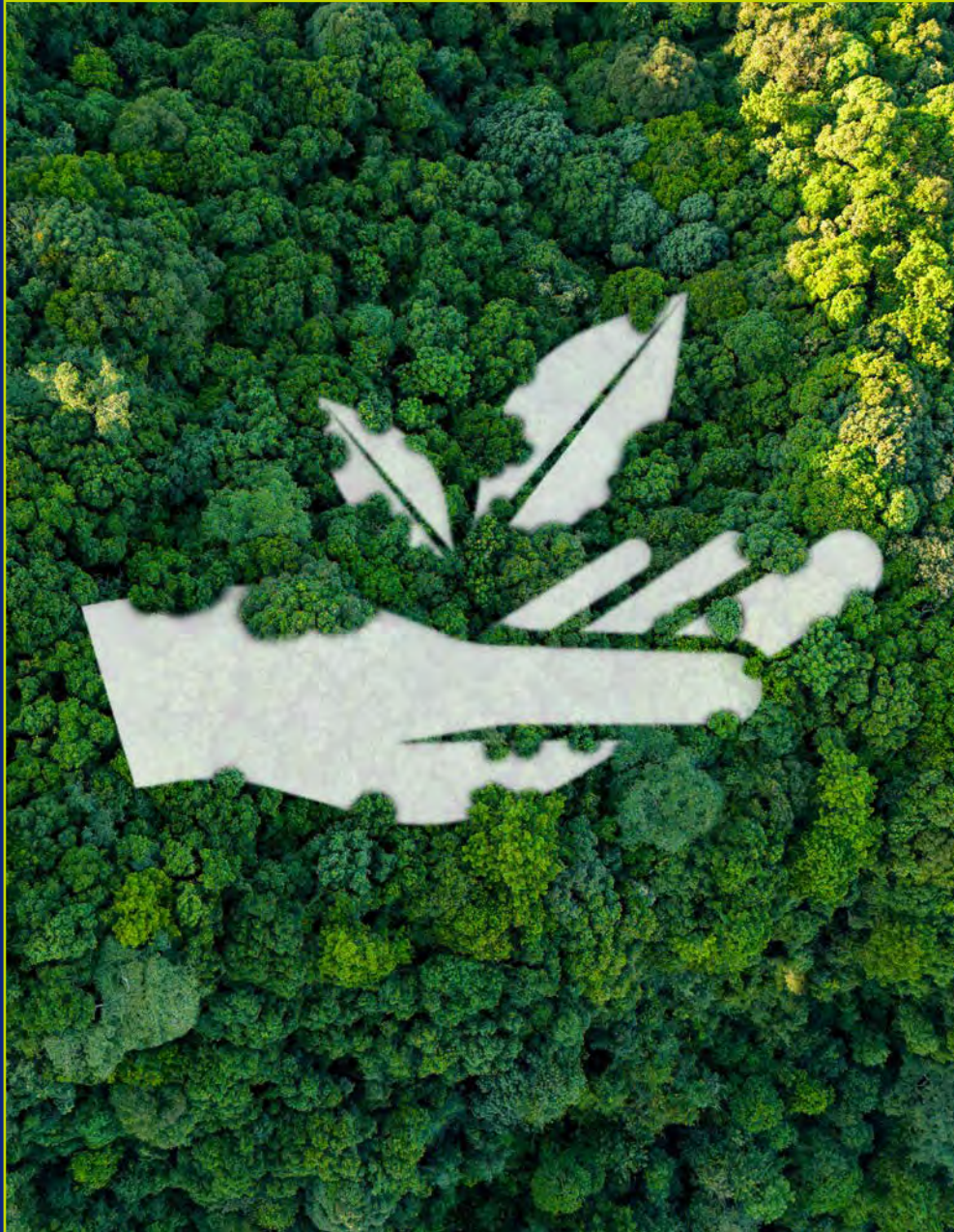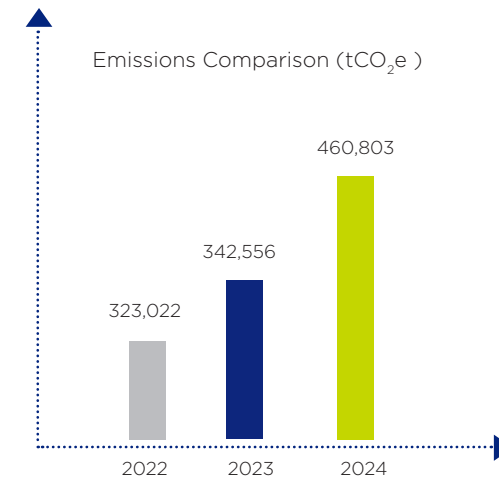
GHG Emissions

Total GHG emissions for the reporting year were estimated to be 460,803 tCO_2e. The emission sources covered included fuel, refrigerant top-up, electricity, water and value chain emissions.

Globally recognised formulas were applied to convert activity data into emissions, using local emission factors such as grid emission values, wherever applicable. The most recent Global Warming Potentials (GWPs) from DEFRA 2024 were used. Emission factors are expressed in tonnes of carbon dioxide equivalent (tCO_2e), accounting for carbon dioxide (CO_2), methane (CH_2), and nitrous oxide (N_2O).

Emissions Comparison (tCO_2e)

2022	2023	2024
323,022	342,556	460,803

The increase in our emissions compared to 2023 is mainly due to the business expansion of our global operations.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

GHG EMISSIONS BREAKDOWN (SCOPE WISE)

The scope-wise breakdown of GHG emissions provides valuable insights into the direct and indirect sources of our carbon impact.

Total
460,803

- Scope 1: 27,300
- Scope 2: 2,113
- Scope 3: 431,390
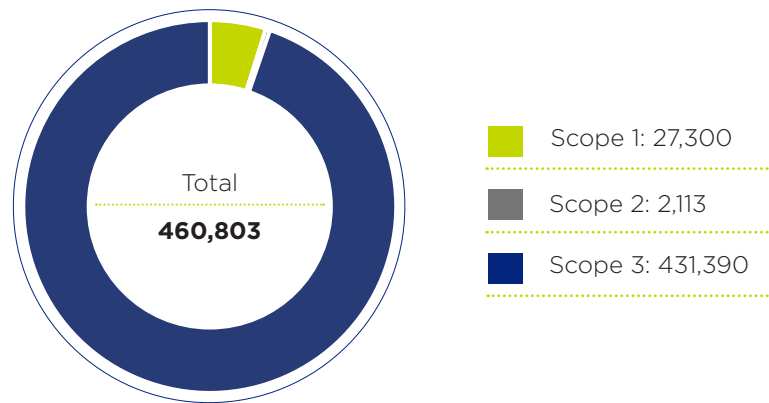
Scope 1: Emissions from sources that Apparel Group owns or controls total **27,300** tCO_2e.

Scope 2: Emissions associated with purchased electricity at our owned assets amount to **2,113** tCO_2e.

Scope 3: Emissions from the value chain beyond Apparel Group's direct control were **431,390** tCO_2e.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY
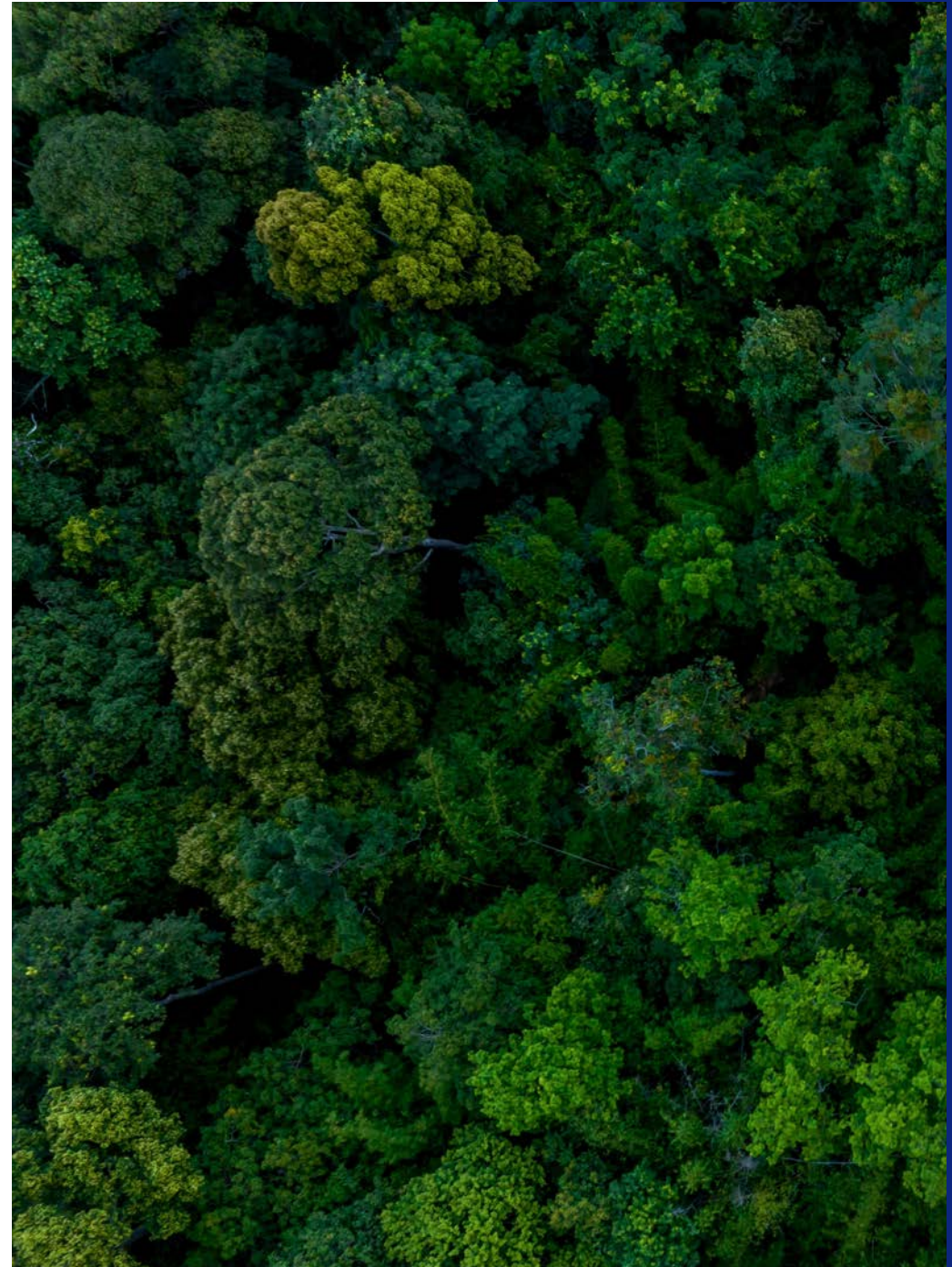
Scope 1 Emissions Overview

In 2024, the Apparel Group's total Scope 1 greenhouse gas (GHG) emissions amounted to 27,300 tCO_2e, originating directly from activities under our operational control.

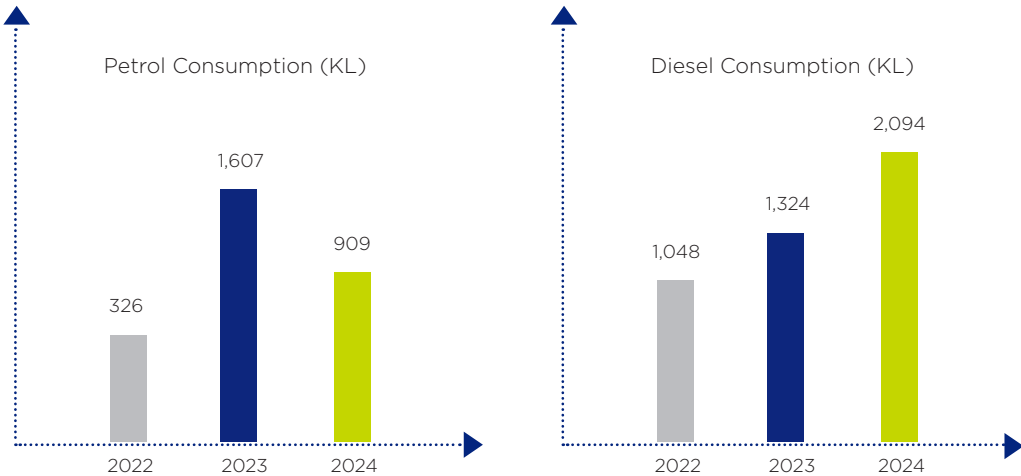The majority of these emissions 72% were attributed to refrigerant top-ups across our facilities, underscoring the significant climate impact of cooling and HVAC systems.

No.	Refrigerant Top-up (Kg)	
1	R404	1,668
2	R410A	1,647
3	R11	1,510
4	R-22	1,051
5	R134A	476
6	R141B	109
7	R407A	91
8	R452A	41
9	R-600	6.5

These figures highlight key emission sources within our operations and reinforce the need for targeted mitigation strategies, including the adoption of low-GWP refrigerants. Additionally, fuel consumption of 105,114 GJ contributed 7,715 tCO_2e, derived from the use of 2,094 kilolitres (74,850 GJ) of diesel and 909 kilolitres (30,264 GJ) of petrol to support logistics, transport, and facility operations.

Petrol Consumption (KL)

2022	2023	2024
326	1,607	909

Diesel Consumption (KL)

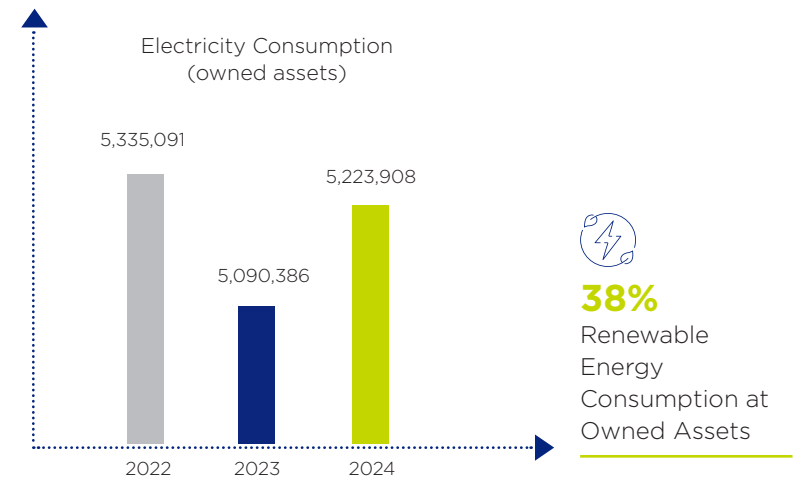| 2022	2023	2024
1,048	1,324	2,094

Apparel Group remains committed to reducing direct emissions through energy efficiency, preventive maintenance of cooling systems, and sustainable fleet management.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Scope 2 Emissions Overview

In 2024, the Apparel Group's Scope 2 emissions originating from electricity consumption in owned assets were driven solely by operations in the UAE. A total of 18,806 GJ (5,223,908 kWh) of electricity was consumed across the Group's owned office buildings and warehouses.

Electricity Consumption
(owned assets)

2022	2023	2024
5,335,091	5,090,386	5,223,908

38%
Renewable Energy Consumption at Owned Assets

It is important to note that this figure excludes all leased assets, such as retail stores and third-party warehouses, which are reported separately under Scope 3 emissions in the leased assets category.

The 3% increase in electricity consumption compared to 2023 is attributed to the expansion of operations and a higher number of personnel working within our owned assets in 2024.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Scope 3 Emissions Overview

In 2024, the Apparel Group reported a total of **431,390 tCO$_2$e** in Scope 3 emissions, reflecting the significant climate impact of indirect activities across the value chain. The largest contributor was purchased goods and service, accounting for **152,809 tCO$_2$e**, highlighting the emissions embedded in the Group's procurement activities. This was followed by upstream leased assets, which contributed **144,065 tCO$_2$e**, primarily from energy consumption in leased retail stores and warehouses not owned by the Group.

Other notable contributors included employee commuting **(45,950 tCO$_2$e)**, downstream transportation and distribution **(40,632 tCO$_2$e)**, and upstream transportation and distribution **(25,014 tCO$_2$e)** demonstrating the significant emissions intensity of workforce mobility and logistics operations.

No.	Detailed Scope 3 Emission Breakdown (tCO2e)	
1	Purchased Goods and Services	152,809
2	Upstream Leased Assets	144,065
3	Employee Commute	45,950
4	Downstream Transportation & Distribution	40,632
5	Upstream Transportation & Distribution	25,014
6	Fuel and Energy Production	16,896
7	Business Travel	4,694
8	Capital Goods	858
9	Solid Waste Landfilled	264
10	Water Consumption	206

This comprehensive Scope 3 inventory enables the Apparel Group to identify high-impact areas and prioritise decarbonisation strategies across the supply chain, retail network, and workforce operations. The Group is committed to deepening engagement with suppliers, enhancing operational efficiency, and supporting behavioural change initiatives to reduce these indirect emissions over time.

APPAREL GROUP
EXCEED EXPECTATIONS EVERYDAY

Energy Efficiency & Decarbonisation Initiatives

Energy efficiency and decarbonisation are central to our sustainability strategy. Through innovative technologies, process optimisations, and renewable energy adoption, we are reducing our carbon footprint while enhancing operational resilience. This section highlights our key initiatives towards a low-carbon future.

Ongoing Monitoring & Reporting for Carbon Reduction

Continuous electricity monitoring and monthly reporting has been implemented across all GCC operations to track usage, identify inefficiencies, and manage emissions.

LED Retrofit for Low-Carbon Retail

Energy-efficient LED systems are integrated across stores, warehouses, and offices cutting electricity usage and lowering maintenance costs significantly.

Intelligent Lighting and Appliance Control

Occupancy sensors have been installed in stores and offices to automate lighting and appliance control, reducing unnecessary energy use during non-operational hours.

Green Building Practices

Our offices and warehouses are designed in line with LEED green building standards, integrating energy-efficient and sustainable design principles.

Employee Engagement in Energy Conservation

Awareness campaigns and training encourage energy-saving behaviours across departments. On Earth Day, all lights were turned off as a symbolic action to promote responsible energy use.

Renewable Energy Integration

The integration of renewable energy systems at our Jebel Ali Free Zone (JAFZA) central office and warehouse resulted in the generation of 3,136 MWh of clean energy, leading to an estimated emissions reduction of nearly **1,200 tCO$_2$e.**
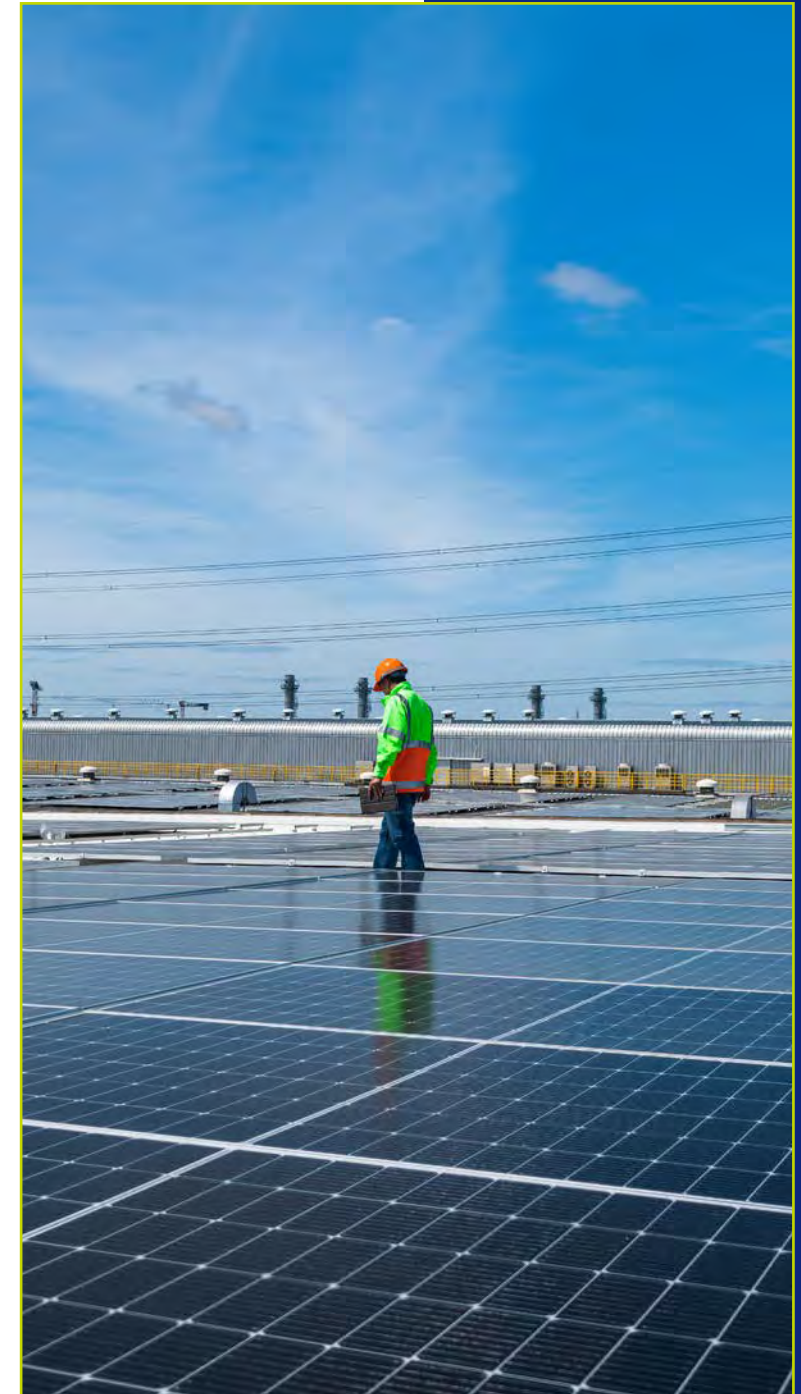
Apparel Group Decarbonisation Plan

2050

Net Zero SBTI Target Date

- Decarbonize logistics (100% EV)
- Sustainable innovation
- Positive carbon contribution

2040

Acceleration Phase

- **80%** sustainable materials
- **100%** product traceability
- **100%** Glocal
- Decarbonize Manufacturing
- Zero Waste & Circular Economy
- LEED platinum & retrofit
- **40%** reduction in scope 1, 2, 3

2025-2030

Foundational Steps

- **20-30%** reduction in energy consumption
- **40%** Sustainable materials

2024/2025

Develop reduction plan and change carbon methodology + Ecodesign and LCA implementation

2022/2024

Assess carbon scope 1, 2 & 3

2022

Establish embodied carbon baseline Scope 1 & 2

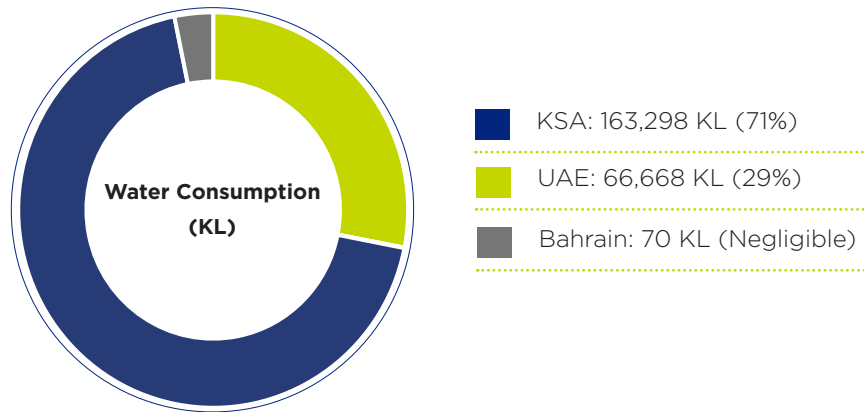# WATER
STEWARDSHIP

Apparel Group recognizes water as a vital resource and is committed to responsible water management across its operations. In 2024, our total water consumption reached 230,036 kiloliters, primarily used in offices and warehouses.

Regional Water Consumption (KL)

Water Consumption (KL)

- KSA: 163,298 KL (71%)
- UAE: 66,668 KL (29%)
- Bahrain: 70 KL (Negligible)

Year-on-Year Comparison

The significant increase in 2024 reflects improved monitoring and reporting, with KSA accounting for 71% of total consumption.

Water usage in comparable markets (excluding KSA) decreased by 5% year-on-year, attributed to building optimization and a range of water conservation initiatives implemented by the group.

Water Consumption (KL)

230,036

70,089   70,345   66,738

2022   2023   2024
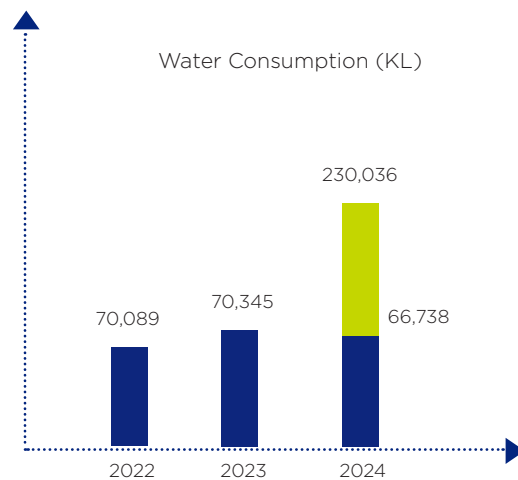
At Apparel Group, we are committed to reducing our water footprint through continuous water optimisation initiatives across our offices and warehouses

Water Conservation Measures

To minimize our water footprint, Apparel Group has undertaken several initiatives such as.

Green Building Standards

All new buildings and warehouses are designed to achieve green certifications (e.g., LEED, Estidama) and incorporate low-flow faucets, dual-flush toilets, and water-efficient HVAC systems as part of their baseline design.

Periodic Monitoring

Water consumption from all assets is reported and reviewed periodically, with anomalies flagged to facilities management for immediate corrective action.

Employee Awareness Programs

Environmental campaigns and training sessions include awareness on water-saving practices.

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CLOSING THE
LOOP IN FASHION

As a responsible fashion retailer, we acknowledge that sustainable waste management is critical to reducing our environmental impact. While we recognize that our environmental footprint extends far beyond warehouses and retail stores, we are committed to transparently addressing our waste generation and implementing circular solutions across the value chain. We recognize that our environmental footprint extends far beyond warehouses and retail stores.

In 2024, we generated 775,778 kg of waste across our operations a 9.9% increase from 2023 that reflects our business growth. More importantly, 71% of this waste was diverted from landfills through innovative recycling programs and partnerships that transform waste into resources.

1,313 tCO$_2$e
Emissions Avoided by Apparel Recycling

71% Waste
Diverted from Landfill at our Offices and Warehouses

Understanding Our Waste Streams

Our waste profile largely constitutes of

Cardboard and plastic waste generated from shipping and packaging materials

Wood waste resulting from store fixtures and shipping pallets

Electronic waste (e-waste) from outdated office and retail store equipment

Waste Generation (kg)
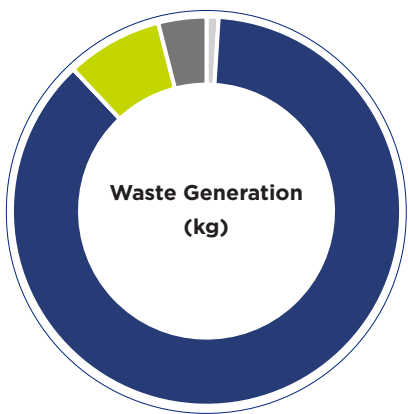
- **Waste Cardboard** 671,985 kg (87%)
- **Wood Waste** 61,496 kg (8%)
- **Plastic** 30,829 kg (4%)
- **E Waste** 8,996 kg (1%)
- **Metal Scrap** 1,489 kg (Negligible)
- **Other Waste** 982 kg (Negligible)

While total waste generated increased with business expansion, our recycling systems kept pace

Wood and metal achieved **100%** recycling

Cardboard reached **71%** recovery

Plastic recycling **(5%)** remains a key focus for improvement

Giving Clothing a Second Life

We have partnered with like-minded organizations which supports us in repurposing apparel returned by our customers, this has become a cornerstone of our circular economic efforts.

In Qatar, 4,029 kg of returned apparel was responsibly sorted and passed on to partner organizations who offer them to those in need. This initiative alone diverted over 4 tons from landfills.

In the UAE, we recycled 55,571 kg of apparel goods. This represents a 121% increase in clothing recycled compared to 2023, underscoring Apparel Group UAE's strong commitment to enhancing our recycling efforts.

Apparel Goods Recycled (KG)

25,069	55,571
2023	2024

Through smarter operations and strategic partnerships, we're working to minimize our waste footprint while maximizing the lifecycle of every material that passes through our business.

This initiative achieved significant environmental benefits*

Saved **17.5** million liters of water (200L per kg of clothing)

Avoided **1,313** tons of CO_2 emissions

*Note: These numbers came from SOEX Processing Middle East waste recycling report of Apparel Group

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PROGRESS ON COMMITMENTS

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PROGRESS ON
COMMITMENTS

Focus Area	Action Plan	Impact
Parental Support	3-month maternity leave 10-day paternity leave Flexi Ten remote work policy	Support work-life balance and fosters an inclusive, family-friendly workplace
Social Compliance	Conduct 100% social audits of Suppliers of our home-grown brands.	Ensure ethical labor practices and safe working conditions across the supply chain
Product Traceability & Environmental Impact Measurement	Launching of Digital Product Passports for F5 100% traceability and LCA across all styles Ecodesign to be integrated into all owned brand development	Promote transparency, minimizes environmental impact, and embeds sustainability into product design
Sustainable Materials	Incorporate 50% sustainable materials in our home-grown fashion brands	Reduce environmental impact and promotes conscious and sustainable materials
Brand ESG Survey	Roll out ESG survey to 100% of franchise brands	Strengthen alignment with our sustainability goals and promotes responsible practices across all brands
Environmental Policy	Launch of comprehensive policy aligned with SDGs covering decarbonization, biodiversity and circularity	Embed environmental responsibility across operations and supply chain, supported by governance and training
Green Buildings	LEED certification for new warehouse	Ensure environmentally responsible, energy-efficient infrastructure and healthy workspaces
GHG Emissions Assurance	Continue third-party assurance of Scope 1, 2, and 3 GHG inventory	Enhance credibility and transparency of our climate action, ensuring accountability in emission reduction efforts

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ANNEXURE

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GRI
CONTENT INDEX

Statement of use	Apparel Group has reported in accordance with the GRI Standards for the period 1st January 2024 - 31st December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

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	9, 10, 11, 12	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	10				
	2-3 Reporting period, frequency and contact point	5 apparelcsr@ apparelglobal. com				
	2-4 Restatements of information	5				
	2-5 External assurance	-				
	2-6 Activities, value chain and other business relationships	9, 10				
	2-7 Employees	31				
	2-8 Workers who are not employees	-		Not applicable		
	2-9 Governance structure and composition	17				
	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	17				
	2-12 Role of the highest governance body in overseeing the management of impacts	19, 20				
	2-13 Delegation of responsibility for managing impacts	21				
	2-14 Role of the highest governance body in sustainability reporting	18				
	2-15 Conflicts of interest	21				
	2-16 Communication of critical concerns	21				
	2-17 Collective knowledge of the highest governance body	18				
	2-18 Evaluation of the performance of the highest governance body	18				
	2-19 Remuneration policies	18				
	2-20 Process to determine remuneration	19				
	2-21 Annual total compensation ratio	19				
	2-22 Statement on sustainable development strategy	3				
	2-23 Policy commitments	-				
	2-24 Embedding policy commitments	-				
	2-25 Processes to remediate negative impacts	21				
	2-26 Mechanisms for seeking advice and raising concerns	21				
	2-27 Compliance with laws and regulations	17, 19, 21				
	2-28 Membership associations	-				
	2-29 Approach to stakeholder engagement	23, 24, 25				
	2-30 Collective bargaining agreements	-		Legal prohibitions		

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	23, 24, 25	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	26				
Energy						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	56, 57				
	302-2 Energy consumption outside of the organisation	58				
	302-3 Energy intensity	-				
	302-4 Reduction of energy consumption	59, 60				
	302-5 Reductions in energy requirements of products and services	-				
Water and Effluents						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	61				
	303-2 Management of water discharge-related impacts	62				
	303-3 Water withdrawal	-				
	303-4 Water discharge	-				
	303-5 Water consumption	61, 62				

| 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	26				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	55				
	305-2 Energy indirect (Scope 2) GHG emissions	55				
	305-3 Other indirect (Scope 3) GHG emissions	55				
	305-4 GHG emissions intensity	-				
	305-5 Reduction of GHG emissions	59, 60				
	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	26				
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	63, 64				
	306-2 Management of significant waste-related impacts	63, 64, 65				
	306-3 Waste generated	63, 64				
	306-4 Waste diverted from disposal	63, 64, 65				
	306-5 Waste directed to disposal	63, 64, 65				
Employment						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	32				
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	35				
	401-3 Parental leave	35				

GRI STANDARDS/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Occupational health and safety						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	44, 45				
	403-2 Hazard identification, risk assessment, and incident investigation	46				
	403-3 Occupational health services	47				
	403-4 Worker participation, consultation, and communication on occupational health and safety	48				
	403-5 Worker training on occupational health and safety	47				
	403-6 Promotion of worker health	46, 47, 48				
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	45, 46				
	403-8 Workers covered by an occupational health and safety management system	45				
	403-9 Work-related injuries	48				
	403-10 Work-related ill health	48				

| GRI STANDARDS/ OTHER SOURCE | DISCLOSURE | LOCATION | OMISSION | | | GRI SECTOR STANDARD REF. NO. |
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
Material topics						
Diversity and equal opportunity						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	17				
	405-2 Ratio of basic salary and remuneration of women to men			Confidentiality constraints		
Local communities						
GRI 3: Material Topics 2021	3-3 Management of material topics	26				
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	49, 50, 51				
	413-2 Operations with significant actual and potential negative impacts on local communities	49, 50, 51				

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