

# ESG REPORT 2023

*Sustainable Progress:  
Our ESG Story*

# 2023

## WELCOME TO OUR ESG REPORT

Apparel Group is proud to present the annual Environmental Social and Governance (ESG) Report 2023. We are committed to transparently sharing our progress with all our stakeholders and disclosing our current achievements. We embrace future challenges as we strive to become a leading global sustainability advocate. Our alignment with the various International and national sustainability commitments is actively demonstrated.

By fostering strong partnerships and collaborations with committed stakeholders, we achieve greater collective impact. This report has been developed with reference to the Global Reporting Initiative (GRI) Standards.





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# ABOUT THE REPORT

*This report highlights Apparel Group's Environmental, Social, and Governance (ESG) achievements and initiatives for 2023, reflecting our ongoing commitment to sustainable practices and responsible corporate governance.*



It is a critical element of our comprehensive corporate reporting framework, supplementing our Annual Report and other public disclosures.

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

This year, we have broadened the horizons of our disclosures, encompassing additional geographic areas compared to the 2022 report. This expansion is a testament to our growing influence

and commitment to sustainability. Unless otherwise noted, all disclosures pertain to activities in the United Arab Emirates, Kingdom of Saudi Arabia, Kingdom of Bahrain, Qatar, Kuwait, Oman, and India.

At Apparel Group, we are unwavering in our commitment to promoting accountability and transparency in our operations and supply chains. This report is a testament to our progress and our relentless drive to effect positive change.



## REPORTING PRINCIPLES

We strictly adhere to the globally acknowledged Global Reporting Initiative (GRI) Standards and Principles in preparing and publishing our sustainability report.

*If you have any questions or comments regarding this report or our sustainability initiatives, please do not hesitate to contact us at [apparelcsr@apparelglobal.com](mailto:apparelcsr@apparelglobal.com). We eagerly anticipate the opportunity to engage with you.*







# MESSAGE FROM THE FOUNDER



**Sima Ganwani Ved**

Founder and Chairwoman, Apparel Group

Sustainable practices are central to Apparel Group's mission, and we are committed to embedding environmental, social, and governance (ESG) principles across our operations. It is a privilege to lead an organisation that enhances the well-being of the environment, communities, and individuals.

Our robust governance framework is not just a commitment to ESG values, it's a proactive roadmap to our vision of sustainable excellence. We are not just aiming to become a net-zero organisation by 2050, we are actively integrating solar PV systems, implementing

energy efficiency measures, and expanding recycling initiatives to reduce our environmental impact.

***Our employees are the foundation of Apparel Group's success; we recognise them as our most valuable asset.***

We are deeply committed to creating a secure, inclusive, and diverse workplace where every individual feels valued and supported. Our commitment to gender equality is reflected in the **36%** female representation within our workforce, and with over **84** nationalities, our team

is a vibrant mosaic of cultures and perspectives. Furthermore, we are dedicated to the continuous growth of our team, with **100%** of our employees receiving comprehensive career development and performance reviews, underscoring our focus on nurturing talent and fostering a culture of excellence.

Our community outreach, including health campaigns and educational initiatives, is a testament to our commitment to improving ESG performance each year. We are grateful to our stakeholders for their unwavering support in building a safer, more inclusive, and sustainable future.



# MESSAGE FROM THE CEO

Dear Stakeholders,

*I am pleased to present our 3rd ESG Report, which reflects Apparel Group's strong commitment to Environmental, Social, and Governance (ESG) principles.*

Sustainable business practices are vital for creating lasting value for all our stakeholders. With a pledge to become a net-zero organisation by 2050, we recognise the urgent need to address environmental challenges. This commitment involves a strategic shift from

carbon-intensive energy sources, integrating renewable energy and low-emission alternatives across our operations.

In 2023, we achieved the remarkable milestone of generating **3,325 MWh** of renewable energy, meeting **65%** of the electricity demand for our owned assets.

Additionally, **469,716 kg** of waste was recycled across our offices, warehouses, and retail stores, alongside our efforts to incorporate sustainable packaging and reduce material usage.

Beyond our environmental goals, Apparel Group fosters a culture of safety, inclusivity, and diversity. Our robust ESG governance framework ensures that every decision is made with accountability, transparency, and ethics, aligning with the best interests of our shareholders, customers, and partners.

I sincerely appreciate our dedicated employees, valued partners, and all stakeholders who support our journey. We can create a sustainable and prosperous future for future generations.



**Neeraj Teckchandani**  
Chief Executive Officer (CEO), Apparel Group



# INTRODUCTION

*Apparel Group, part of APPCORP HOLDING, a multi-billion-dollar transnational company, is a leading retail conglomerate in the fashion and lifestyle industry.*

Established in 1996, the group caters to millions of customers through its extensive network of over 2,200 stores and over 85 brands across 14 countries while employing a diverse workforce of over 22,000 multicultural staff.





## ABOUT APPAREL GROUP

Apparel Group has cemented its position as one of the best retail companies in Dubai & United Arab Emirates (UAE) and has extended its operations across the GCC and beyond.

Under the visionary leadership of Founder and Chairwoman Mrs. Sima Ganwani Ved, Apparel Group has become a symbol of retail success and corporate responsibility.

Her strategic foresight and dedication have propelled the company to new heights, setting benchmarks in the retail industry. Recognised globally for its commitment to innovation, customer service, and sustainable growth, Apparel Group continues to expand its influence as a top retail company in the Middle East and worldwide.





## CORE COMPETENCIES

- **Customer Focus**
- **Passion for Excellence**
- **Working Together**
- **Learning Agility**
- **Continuous Improvement**
- **Innovation**

## VISION, MISSION AND VALUES



### **Vision:**

To go a step beyond the expected.



### **Mission:**

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



### **Values:**

Passionate,  
Empowered,  
Ambitious,  
Respectful.



### **Purpose:**


Exceed expectations everyday



## ETHICS

**Apparel Group is committed to enhancing "SPEED".**


**We believe in "RIGHT FIRST TIME, every time."**

 S – Service

 P – Productivity

 E – Efficiency

 E – Effectiveness

 D – Dedication



# GEOGRAPHICAL FOOTPRINT

The group’s strategy focuses on creating an omni-channel retail experience that meets the needs of every customer, both online and offline.

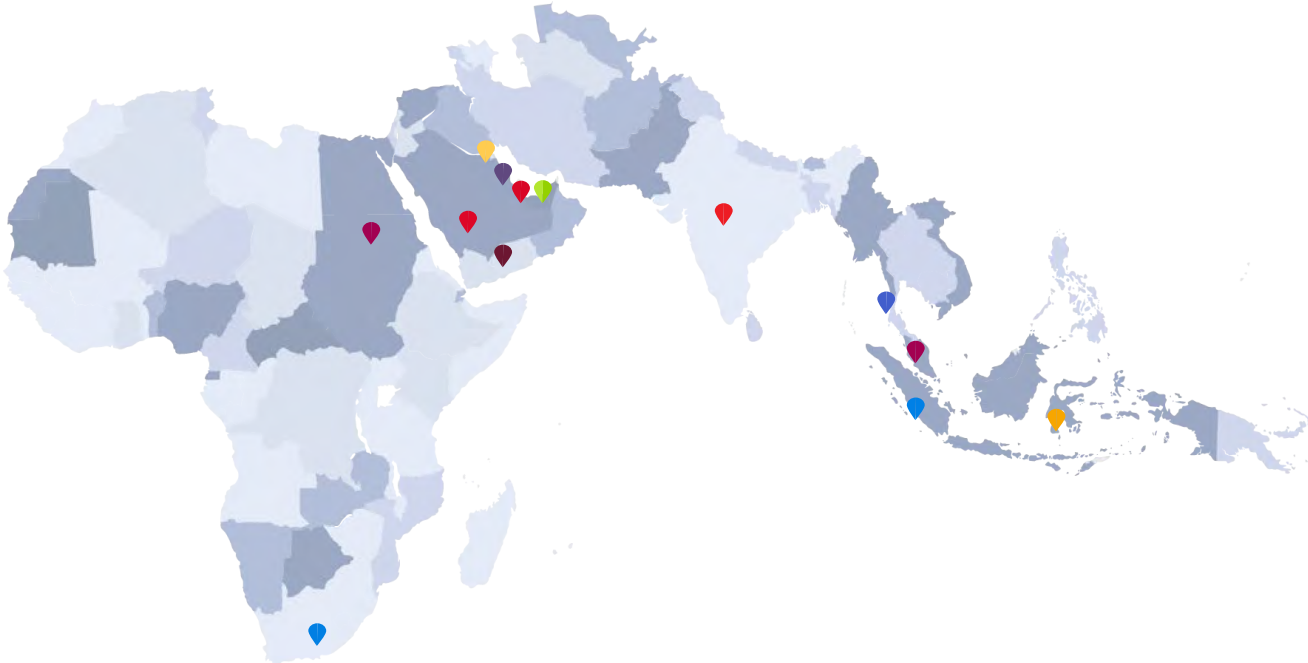
 **2200+**  
Stores

 **85+**  
Brands

 **202**  
Awards

 **14**  
Countries

By continuously adapting to market trends and consumer preferences, Apparel Group stays at the forefront of the retail industry, consistently enhancing the customer journey and driving the dynamics of retail innovation.



<b>UAE</b> Brand 56 Stores 593	<b>THAILAND</b> Brand 1 Stores 29	<b>INDIA</b> Brand 15 Stores 228	<b>OMAN</b> Brand 32 Stores 107	<b>BAHRAIN</b> Brand 27 Stores 72	<b>KSA</b> Brand 29 Stores 620	<b>QATAR</b> Brand 58 Stores 230
<b>SINGAPORE</b> Brand 1 Stores 14	<b>KUWAIT</b> Brand 31 Stores 165	<b>SOUTH AFRICA</b> Brand 1 Stores 10	<b>EGYPT</b> Brand 2 Stores 7	<b>INDONESIA</b> Brand 1 Stores 24	<b>MALAYSIA</b> Brand 2 Stores 18	

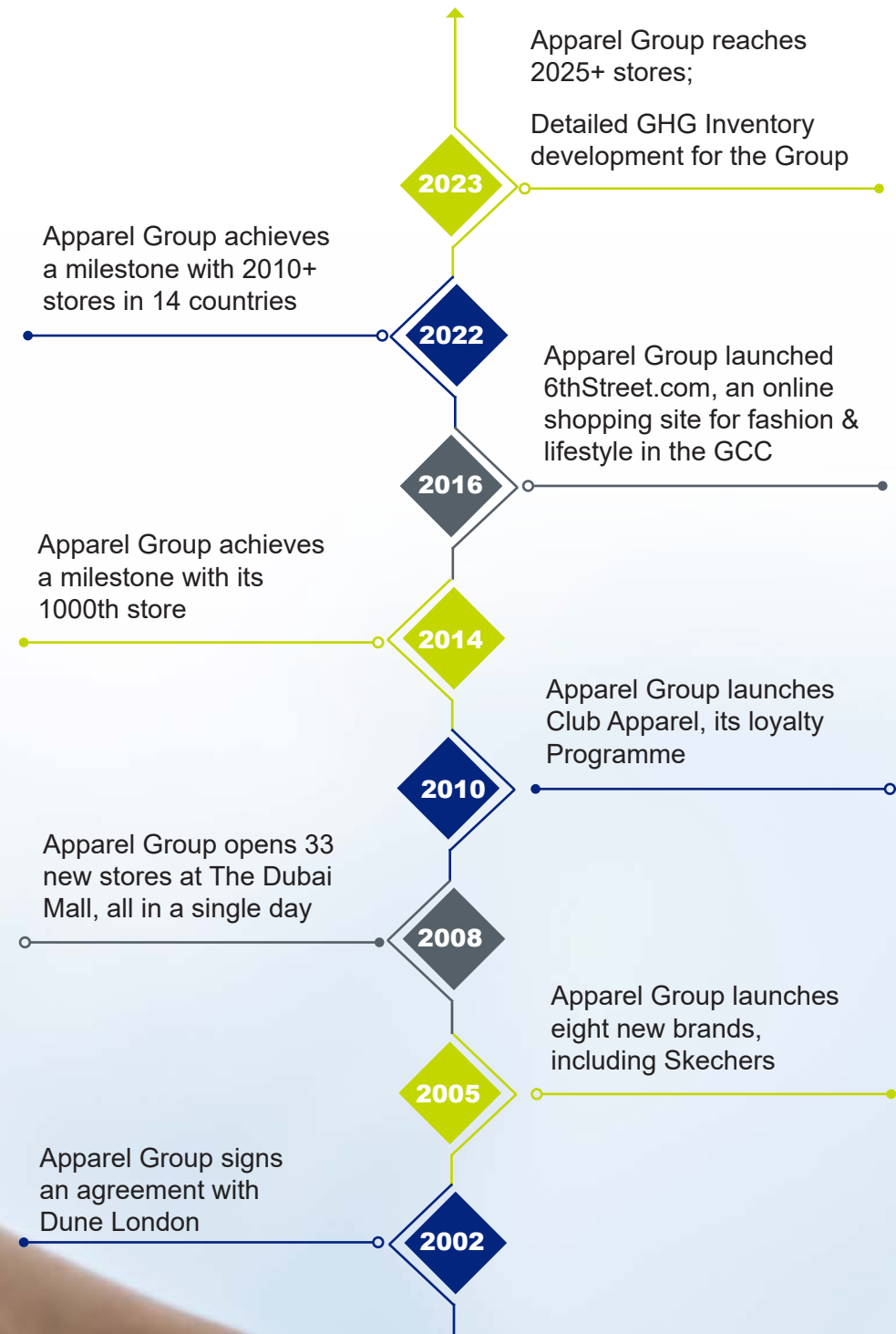




# BENCHMARK AND MILESTONES

Apparel Group's journey began in 1996, and over the past 27 years, the company has experienced dynamic growth.

As it strives to become the world's leading retailer, Apparel Group aims to overcome new challenges and set pioneering standards in the retail sector.





# KEY HIGHLIGHTS

**36%**  
Female Workforce

**84**  
Nationalities

**25%**  
Reduction in electricity consumption at our owned assets

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

**229%**  
Increase in total training sessions

**100%**  
Employees received a performance review

**66.5%**  
Waste recycled at offices, warehouses, and retail stores

**1,323 tCO<sub>2</sub>e**  
Emission reduction through Solar PV

**31**  
People of Determination (PoD)

**100%**  
Male employees returned to work after parental leave

**65%**  
Electricity consumption at our owned assets from renewable sources

**469,716 kg**  
Waste Recycled

**75%**  
Increase in average training Hours

**96%**  
Female employees returned to work after parental leave

**1,000**  
Trees Planted



# ACHIEVEMENTS & AWARDS

The faith of our customers and stakeholders can be enhanced by the external validation of Apparel Group’s success, quality, and reliability by business awards. This also differentiates us from our competitors, illustrating the exceptional quality of our products and/or services.



### UAE’s Choice (2023)

10 Apparel Group Brands were Recognised as Super Brands



### European Foundation for Quality Management (EFQM)

5-Star Recognition for Outstanding Business Excellence.



### Brandon Hall Awards

for Best Approach in Implementing a Learning Experience Platform (LPX) and Best Advance in Succession and Career Management



### Silver Award

for Best Community Development at the Gulf Sustainability Awards.



## Apparel Group wins 5 awards at the IMAGES RetailME Awards 2023



Apparel Group wins the Most Admired Responsible Retailer of the Year.

Rituals wins the Most Admired Retailer of the Year – Beauty and Wellness.

Steve Madden wins the Most Admired Retail Transformation of the Year.

Tim Hortons wins the Most Admired Store Design of the Year – F&B and Grocery.

Dune London wins the Most Admired Retailer of the Year – Footwear & Accessories.

## Best Workplaces in Retail™

We are honoured to be named among the Best Workplaces in Retail™ - GCC for the year 2023 by Great Place to Work (GPTW). This accomplishment is indicative of Apparel Group's unwavering dedication to establishing an extraordinary work environment that fosters the growth and development of its employees.



All GCC regions are GPTW certified for the last 3 years.

In the 2023 ranking, 5 out of 6 GCC countries ranked in the top 10 in their respective countries, and UAE ranked 11.

Asia ranking for large organisation category is rank 7 in the 2023 rankings.



# RESPONSIBLE GOVERNANCE

*We have integrated ESG considerations into our governance framework to ensure that our sustainability agenda is driven from the top and is deeply embedded within the DNA of our organisation.*

This commitment ensures that every decision and action is based on environmental stewardship, social responsibility, and robust governance practices.

By implementing transparent and accountable decision-making processes, Apparel Group's governance framework creates an environment that promotes business growth while ensuring responsible, ethical, and sustainable practices.

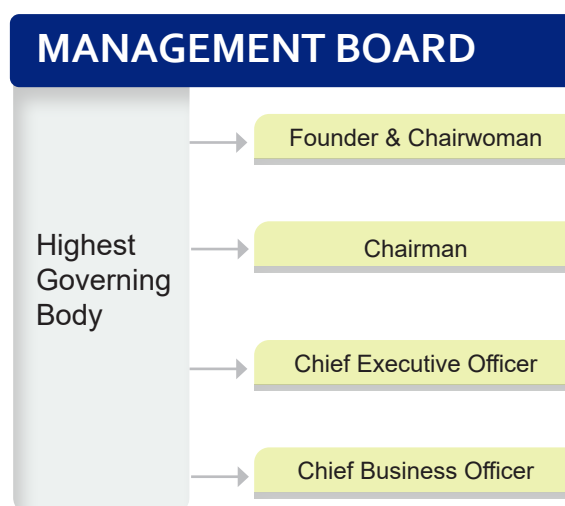


## GOVERNANCE STRUCTURE AND COMPOSITION

Apparel Group's governance structure is intended to guarantee ethical behaviour, accountability, and openness throughout the Group. It is both a strategic advantage and a moral obligation for us.

It enhances the Group's overall reputation, financial stability, and long-term success. Fostering accountability, openness, and moral conduct puts us in a position to expand sustainably and gain the trust of stakeholders. The management board and advisory board make up the governance structure. The Board of Directors, chosen by most shareholders, makes up the governance body.

It consists of three male and one female director. The Group's management board and directors are nominated based on the views and permission of its shareholders. The chair of the board is not a senior executive of the organisation.



## CORPORATE SOCIAL RESPONSIBILITY DIVISION

The Corporate Social Responsibility (CSR) Division of Apparel Group is dedicated to making a positive impact on society and the environment. By implementing a wide range of initiatives, the division focuses on sustainable practices, ethical sourcing, and community engagement.

The CSR Division also plays a crucial role in collecting, monitoring, and reporting on our sustainability metrics, as well as setting ambitious goals and targets. This ensures that every aspect of our business operations aligns with our core values of integrity, sustainability, and social responsibility, fostering a culture of positive change and responsible corporate citizenship.





## 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.

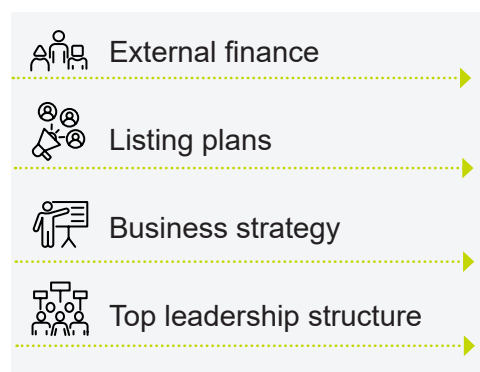
Effective impact management helps identify and mitigate risks associated with supply management, resource scarcity, and negative publicity. This proactive approach protects the Group from potential operational and financial setbacks.

We have implemented a roadmap to identify and manage this risk systematically at the group level.

### ROADMAP FOR IMPACT MANAGEMENT

The mission statement and fundamental values of the Group are established and approved by the Management 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 Management Board, Advisory Board, Vice Presidents, and Heads of Departments gather for periodic board meetings. The consulting framework is examined and aligned with a strategic focus on the following:



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.

***"Critical concerns are communicated as part of Management Board meetings and quarterly business reviews."***



## 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 Management 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 Management Board, validates the following:**



### **Sustainability Reporting Matrix**

Developed by external consultation from sustainability experts



### **Impact Management Roadmap**

Developed by the Group CSR team



## REMUNERATION AND EVALUATION

The remuneration for the highest governing body 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 of executives is 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.

### 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 group board, the chief financial officer, and the chief human capital officer



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 is 36.4.”*







## STAKEHOLDER CONSULTATION & MATERIALITY ASSESSMENT

*Apparel Group's commitment to sustainability is reflected in its comprehensive approach to stakeholder engagement and materiality assessment.*

This process ensures that the company's sustainability initiatives align with the priorities of its diverse stakeholder base and address the most pressing ESG issues.





# MATERIALITY ASSESSMENT

The Materiality Assessment Matrix, an essential tool Apparel Group uses for strategic decision-making, directly results from thorough stakeholder engagement.

This matrix helps identify and prioritise sustainability topics crucial to stakeholders and the company’s long-term success.

The main steps for identifying material topics include:



## STAKEHOLDER IDENTIFICATION:

The first step in our materiality assessment process involves identifying key stakeholders whose interests and concerns are critical to our sustainability efforts.

These stakeholders include:

### INTERNAL STAKEHOLDERS

- Board of Directors
- Employees

### EXTERNAL STAKEHOLDERS

- Mall Owners/Property management
- UN Agencies & International
- Media & Press
- Suppliers/Contractors
- Business Partners
- Customers
- Local Charities & NGOs
- Government Authorities
- Universities

## STAKEHOLDER ENGAGEMENT

To ensure a comprehensive understanding of stakeholder priorities, we conducted interviews and consultations with internal and external stakeholders. This engagement process included the following steps:



### COMPILATION OF SUSTAINABILITY TOPICS:

We began by creating an extensive list of sustainability-related topics. This list was formulated by peer reviews, various sustainability frameworks, and GRI 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

The potential impact of each topic on Apparel Group's business operations.

## 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 305 : Emissions 2016
- GRI 306 : Waste 2020



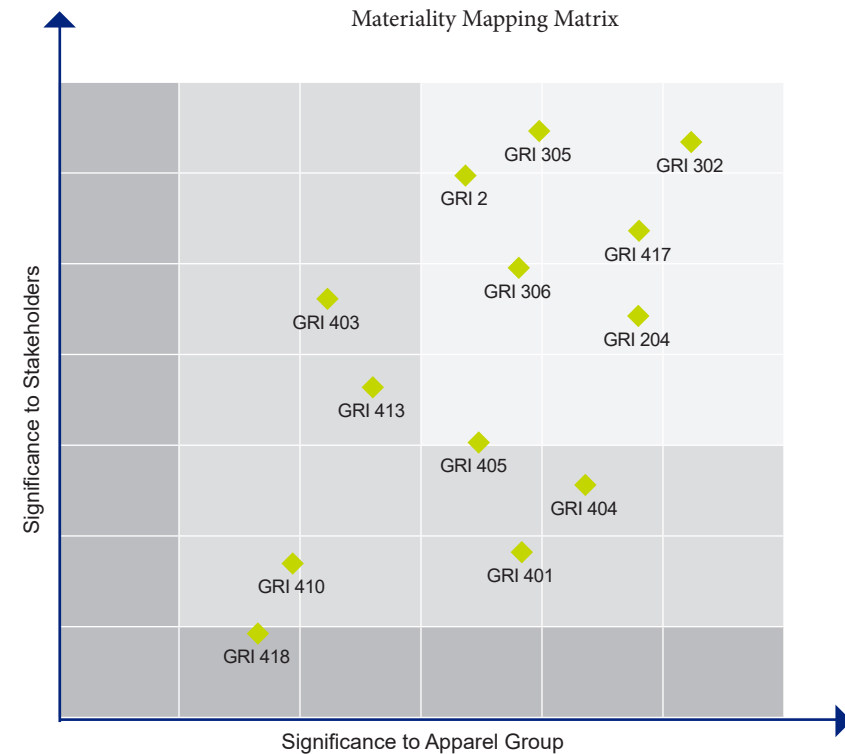
## SOCIAL

- GRI 401 : Employment 2016
- GRI 403 : Occupational Health & Safety 2018
- GRI 404 : Training & Education 2016
- GRI 405 : Diversity & Equal Opportunity 2016
- GRI 413 : Local Communities 2016



## GOVERNANCE

- GRI 2 : General Disclosures 2021
- GRI 204 : Procurement Practices 2016
- GRI 410 : Security Practices 2016
- GRI 417 : Marketing & Labelling 2016
- GRI 418 : Customer Privacy 2016



By systematically engaging stakeholders and incorporating their feedback into our materiality assessment, Apparel Group demonstrates its dedication to transparency, accountability, and continuous improvement in sustainability practices.

This approach meets internationally recognised reporting standards and strengthens our commitment to ethical business practices and positive environmental and social impact.



## CUSTOMER CONTENTMENT

*Apparel Group emphasises a 'Customer First Approach' to ensure high customer satisfaction. Smiling consumers indicate a thriving business.*

Apparel Group provides millions of individuals with access to products and services of the highest quality and global aspirations by integrating a variety of international brands and establishing stores across significant locations. An outcome-oriented customer feedback system is implemented to evaluate consumer satisfaction at all levels.

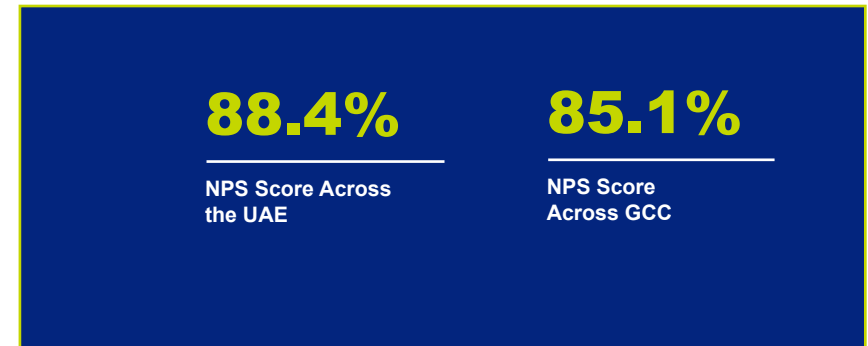
*"There was no non-compliance concerning marketing communications at Apparel Group for 2023."*



## NET PROMOTER SCORE (NPS)

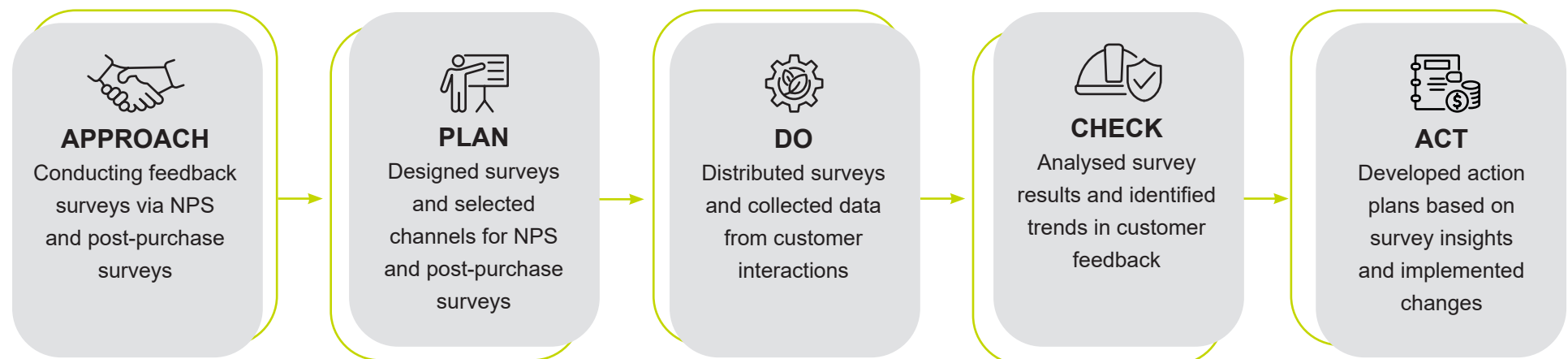
The Group uses metrics such as NPS to conduct feedback and post-purchase transaction surveys via WhatsApp.

These scores have been sustained by the Group's dedication to resolving consumer issues within 24 hours. Refer to the depiction of NPS score across UAE and GCC (Oman, Bahrain, Kuwait, Qatar, Saudi Arabia) that is based on a single survey question asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.



## ITERATIVE FEEDBACK & IMPROVEMENT CYCLE

We systematically enhance customer and employee satisfaction through structured feedback and actionable insights. Implementing a Plan Do Check Act (PDCA) cycle ensures that our processes and interactions continuously evolve to meet and exceed expectations.







# SUPPLY CHAIN SUSTENANCE

*The Apparel Group upholds stringent ethical and environmental standards across its operations and those of its suppliers. We aim to create a sustainable supply chain by gradually integrating sustainable practices.*

We recognise that effective procurement is crucial for achieving value for money and efficiency and fostering numerous co-benefits with our suppliers and partners.

We have begun engaging with our suppliers on sustainability matters and have incorporated relevant questions into our onboarding documents. Through this initiative, we aim to conduct thorough assessments in the coming years, ensuring our supply chain aligns with our sustainability objectives.



## LOCAL SUPPLIERS

We prioritise local suppliers to support the local economy and strengthen our community ties. Working with local suppliers can create job opportunities within the local community, contributing to economic growth and stability. This approach also helps us minimise transportation-related emissions and reduce our carbon footprint by sourcing materials and services closer to our operational bases.

Moreover, it allows us to build stronger relationships with local businesses and stakeholders, fostering a sense of community and shared purpose. Prioritising local suppliers reduces our dependency on international suppliers, making our supply chain more resilient and less susceptible to global disruptions. Lastly, it encourages innovation and sustainability practices within local businesses, contributing to the overall development of the local economy.



796

Global Suppliers

448

Local Suppliers

**By focusing on local suppliers and sustainable procurement practices, we aim to enhance the sustainability of our supply chain, support the local economy, and contribute to economic and environmental goals.**





# SUPPLIER COMPLIANCES

Ensuring supplier compliance is crucial for the Group to maintain a positive impact through our supply chain operations.

## Monitoring

Apparel Group may verify adherence to their supplier's code of conduct through yearly compliance audits or surveys.

## Anti-corruption

Supplier shall refrain from engaging in any behaviour that would be considered illegal under any applicable anti-corruption or anti-money laundering laws.

## Ethics

In all of our business interactions, Corruption, extortion, bribery (including facilitation payments), and embezzlement are strictly forbidden and can lead to immediate termination and legal action.

## No discrimination

Must have a policy that forbids harassment, bullying, and discrimination based on sexual orientation, race, gender, or gender identity or expression.

## No harsh or inhumane treatment

Abuse, threats of abuse, and other forms of harassment or intimidation, whether sexual or otherwise, should be outlawed.

## Freedom from forced labour, bonded labour and human trafficking

Employees are entitled to the freedom to quit their jobs at any moment (except for fair notice periods that must be paid) and are not subject to any restrictions or forms of compulsion. The employment of bonded labour is prohibited.

## Environmental Sustainability

Suppliers must have procedures to guarantee their activities abide by all relevant local environmental laws.

## Child Labour

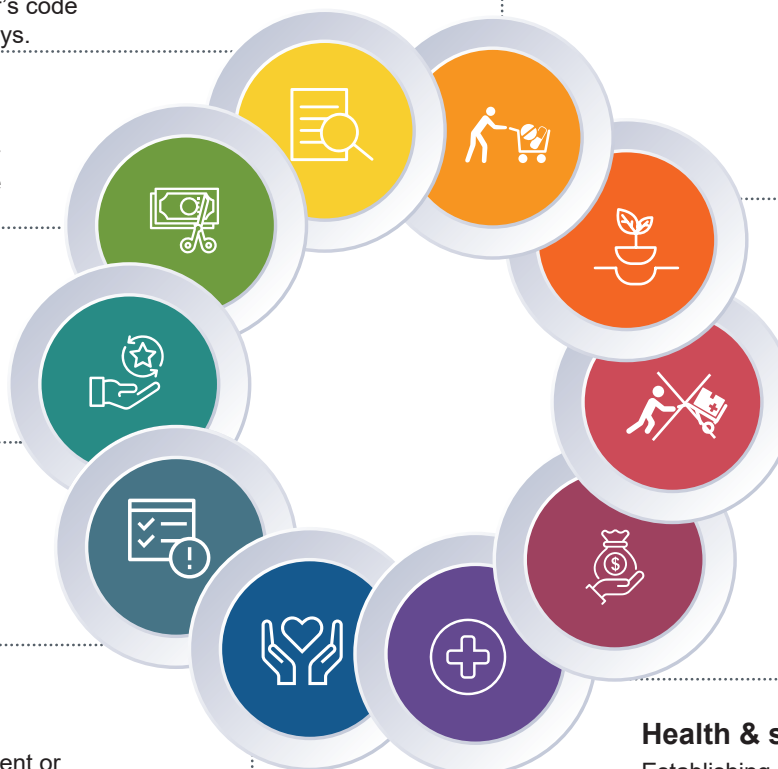
The supplier will not hire children under the minimum age of employment allowed by the law of the country or countries where a contract's performance occurs.

## Wages & benefits

Shall strictly adhere to the territory's applicable labour laws, wage protection, and workers' compensation laws applicable in the respective region in which it operates.

## Health & safety and working conditions

Establishing a safe and sanitary workplace while considering any risks unique to the business and ensuring that staff members receive adequate safety training.







## ADVANCING THROUGH INNOVATION

*At Apparel Group, innovation is at the heart of our sustainability journey. We are committed to driving transformative changes that enhance operational efficiency and contribute to a sustainable future.*

By leveraging cutting-edge technologies and pioneering sustainable practices, we strive to reduce our environmental footprint, improve social outcomes, and strengthen our governance frameworks. Our innovation initiatives are designed to create value for our stakeholders while ensuring we remain at the forefront of the global shift towards sustainability. We are dedicated to fostering a culture of innovation that leads to meaningful and lasting impact.



## 6<sup>TH</sup> STREET

Apparel Group has embraced digital innovation with the launch of 6thStreet, an online platform, to maintain a competitive edge in the ever-evolving retail sector in 2016.

**Building on this success, we are excited to announce the opening of our first Phygital store of 6thStreet in the GCC, in 2022, blending physical and digital retail experiences.**

This store leverages advanced digital technology to provide rich and engaging customer interactions, enhancing customer engagement while promoting sustainable practices through efficient resource use and reduced environmental impact—our commitment to sustainability and innovation positions us for continued growth and success.

*"The Store speaks about UAE's leadership in future technologies"*





## CLUB APPAREL LOYALTY PROGRAMME

Club Apparel is a card-less, mobile app-based loyalty programme of Apparel Group, comprising over 85+ brands and 2,200+ stores across the GCC.

Club Apparel has grown its member base exponentially by making enrolment frictionless at point-of-sale, enabling more members to get higher value for their purchases. Membership has skyrocketed from 1.3 million users in 2022 to over 5 million in 2023.

*The digital transformation enhances customer loyalty and supports our sustainability efforts by reducing the need for physical cards, reducing paper consumption, and optimising resource use.*







## INNOVATIVE MARKETING

*"Apparel Group's innovation is central to our marketing approach".*

Through strategic campaigns, events, and collaborations, we create engaging experiences and deep connections with clients. We offer personalised stations for customising items like perfumes and footwear and immersive virtual reality experiences for major launches. These initiatives showcase our commitment to innovation and create memorable experiences that resonate with our audience.

Our innovative marketing strategy delivers unforgettable experiences and fosters strong client connections, reflecting our dedication to excellence and creativity. Examples of these initiatives are detailed in this section.

### APPAREL GROUP & MONORAIL COLLABORATION

Our strategic business-to-business alliances enhance brand visibility and engagement. In collaboration with the Monorail in the UAE, we promoted our Rituals brand by branding the exterior of the Monorail and adorning the interior seats with pink paint and promotional banners.

This innovative campaign significantly boosted brand awareness and interaction.



### CUSTOMER INVOLVEMENT IN DECISION MAKING

Apparel Group conducts regular customer surveys, promotes the newest deals, and even involves customers in choosing brand names and logos through the Club Apparel mobile app. Their input is swiftly considered and forwarded to

the appropriate teams to implement the customer feedback. Our close relationship with consumers allows us to guarantee the accuracy and applicability of our Unique Selling Proposition.



# EMPOWERING OUR PEOPLE

**36%**  
Female Workforce

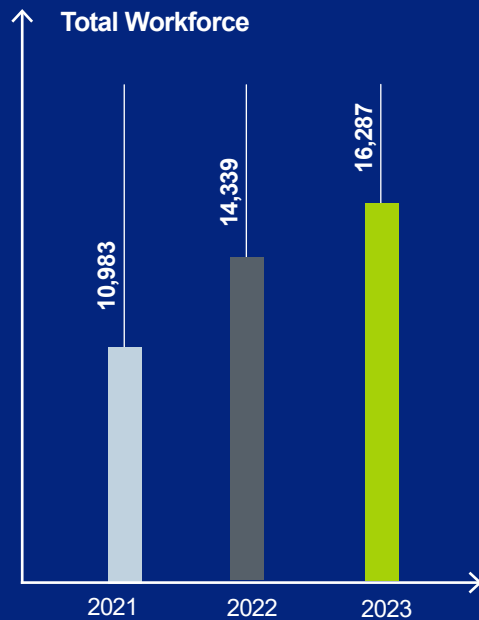
*At Apparel Group, we believe our people are the cornerstone of our success.*

**84**  
Nationalities

This section highlights our commitment to fostering a diverse and inclusive workplace, providing comprehensive training and skill development opportunities, and ensuring safe operations for all employees.

**31**  
People of Determinations (PoDs)

By prioritising these areas, we aim to create an environment where everyone can thrive, contribute to their fullest potential, and feel valued and supported.



Our focus on diversity and inclusion, continuous learning, and safety reflects our dedication to building a resilient and dynamic workforce that drives our organisation forward.

With 16,287 employees, our workforce has seen significant growth. Using 2021 as the reference year, the overall workforce increased gradually from 31% in 2022 to 48% in 2023. It is important to note that permanent employees constitute our workforce.

This steady growth demonstrates our ongoing commitment to expanding our team and enhancing our capabilities to meet the evolving needs of our business and the communities we serve.

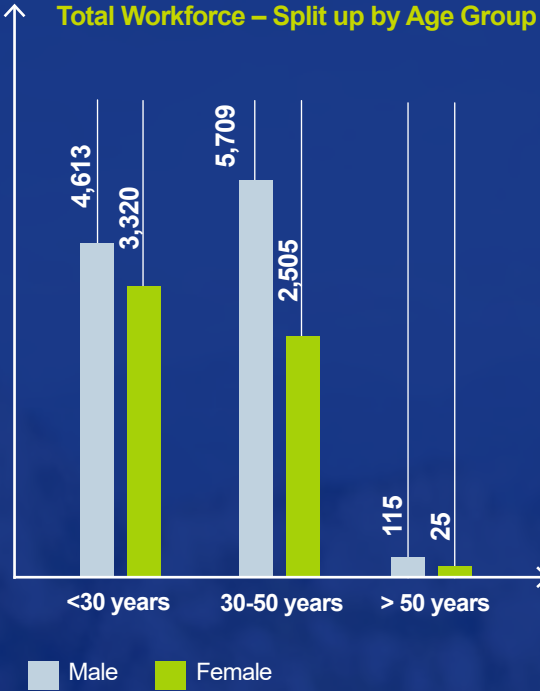






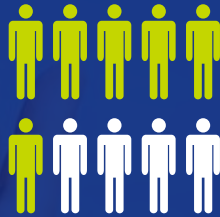
# NATURE OF EMPLOYMENT

Apparel Group boasts a diverse workforce of 16,287 permanent employees, including 10,437 male employees and 5,850 female employees across different age group. The detailed breakdown of employee by gender and age is presented below:



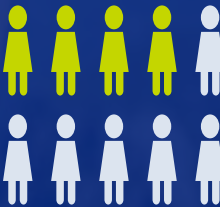
# 64%

Male Employees



# 36%

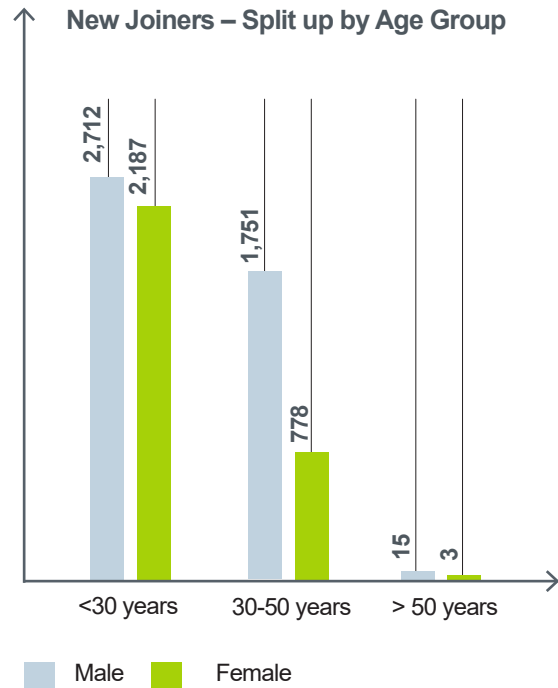
Female Employees



*These statistics highlight our ongoing efforts to attract and retain talent across various age groups and genders, ensuring a balanced and dynamic team that drives our continued growth and success.*

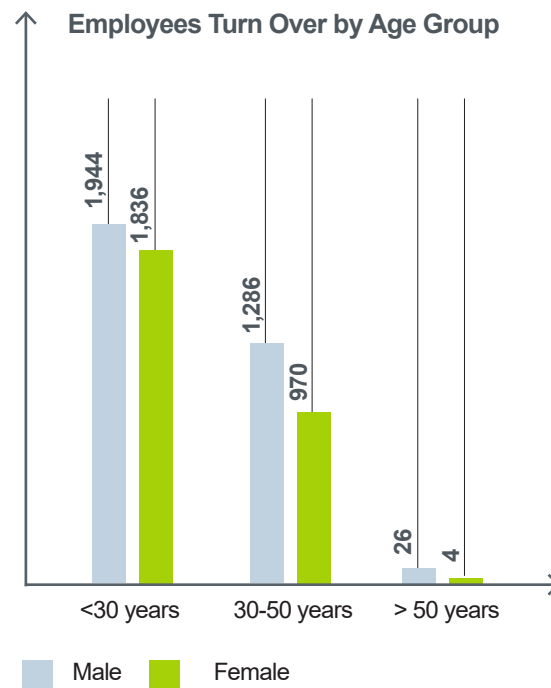
## NEW JOINERS AT APPAREL GROUP

This year, we welcomed 7,446 new members, each bringing fresh perspectives and expertise to our team. Of these newcomers, 60% were men, and 40% were women.



## EMPLOYEE TURNOVER AT APPAREL GROUP

Employee turnover is a critical metric that helps us understand the dynamics of our workforce and the effectiveness of our retention strategies. This year, we observed a total turnover 6,066 across various age groups.





## DIVERSITY & INCLUSION

At Apparel Group, diversity and inclusion are fundamental to fostering a thriving and innovative workplace. Embracing various perspectives, backgrounds, and experiences enriches our corporate culture and drives our success in a global market.

*Having a presence in the United Arab Emirates, where the expat population is high, has enabled us to access people from 84 nationalities and cultures, opening up new avenues for creativity and collaboration.*

We are committed to creating an environment where employees feel valued, respected, and empowered to contribute their unique talents. Through our diversity and inclusion initiatives, we aim to build a more equitable and inclusive company that reflects the diverse communities we serve and enhances our ability to innovate and grow.





## PROMOTING INCLUSIVITY

In our commitment to fostering an inclusive environment, we proudly support 31 People of Determination (PoDs) within our workforce, comprising 20 women and 11 men. This ensures that individuals with extraordinary abilities are integrated into our business operations, reflecting our support for PoDs.

# 20

Female PoDs

# 11

Male PoDs

*By integrating individuals with unique abilities into our business operations, we demonstrate our dedication to inclusivity and diversity.*

This initiative reflects our support for PoDs and enriches our organisational culture by embracing various talents and perspectives. We believe that every employee, regardless of their abilities, contributes uniquely to our success and innovation.






## COMMITMENT TO GENDER DIVERSITY & WOMEN'S EMPOWERMENT

Since 2015, we have adhered to the UN Women Empowerment Principles, demonstrating our unwavering commitment to gender diversity and the advancement of women in the workplace. Gender diversity is a top priority for Apparel Group, and we are dedicated to creating an environment where women can thrive personally and professionally.

Our initiatives to support women include inclusive recruitment practices that ensure equal opportunities, family-friendly policies that provide a supportive work-life balance, and mentorship programmes that foster career growth and development. These efforts are designed to empower women at all levels of our organisation.

This representation reflects our ongoing commitment to gender equality and our belief in women's invaluable contributions to our company.

By championing gender diversity, we aim to build a more inclusive, dynamic, and successful Apparel Group.

 **5,850**  
Female Workforce

## CELEBRATING EMIRATI WOMEN'S DAY

Apparel Group organised a special event at its head office to honour Emirati Women's Day, inviting all Emirati women working in our stores and support roles. The event provided a valuable forum for these women to share their unique perspectives and experiences as Emirati employees of Apparel Group, fostering a sense of solidarity and recognition.



As a token of our appreciation, all Emirati women employees received heartfelt gifts, acknowledging their invaluable contributions. Additionally, we extended our gratitude to our Emirati female customers by presenting them with gifts when they visited our stores. This gesture underscores our commitment to honouring and empowering Emirati women within and beyond our organisation.





*"The artwork depicts Emirati women as the nation's pillars, showcasing their resilience, unity, and spirit. The seven stars' constellation symbolises the emirates' unity, with each woman empowering and collaborating for a better tomorrow."*

We gifted 50 exquisite premium gift boxes to top-tier Emirati influencers, Club Apparel top spenders, and government partners as a token of appreciation for their contributions.

Presents were also provided to all female Emirati employees and consumers who visited our stores as a token of our gratitude, underscoring our dedication to honouring and empowering Emirati women inside and outside the organisation.

***The Emirates Women Subgroup, chaired by H.H. Dr. Shamma bint Mohammed bin Khalid Al Nahyan, invited accomplished women leaders to the Emirates Women Awards hosted by the Dubai Quality Group. At this esteemed event, Mrs. Sima Ganwani Ved, Chairwoman of Apparel Group, was honoured with the award in the Business Category.***





## SALARY PARITY AT APPAREL GROUP

Pay scale parity is crucial to fostering a fair and inclusive workplace. Equal pay for employees across different genders, depending on experience and the type of role, is considered to position the team with equivalent responsibilities and complexities for productive management. This approach not only supports gender equality but also benefits

organisational performance and employee satisfaction. We have collected information on the median remuneration/salary/wages' ratio in a region specific to our operations. This section provides a detailed breakdown of the ratio on the group level for the different levels of employees engaged.

*"At Apparel Group, we have made significant progress in addressing gender pay disparities and underlined our commitment to valuing the contributions of female employees."*





*The female-to-male pay scale ratio is equal in middle management and 12% higher in junior management."*



Percentage of median remuneration/salary/wages (Female to Male)

**80%**

Senior Management\*

**100%**

Middle Management

**112%**

Junior Management



\*Senior management median remuneration data is presented for the employees of the United Arab Emirates.





## EMPLOYEE WELL-BEING

At Apparel Group, we recognise that our employees are our greatest asset, and their well-being is essential to our success. We are committed to creating a supportive, nurturing environment that promotes their health, security, and satisfaction.

*To achieve this, we have implemented comprehensive well-being initiatives to support our employees in every aspect of their lives.*



### **LIFE INSURANCE:**

Provides financial security for employees and their families.

### **HEALTHCARE:**

Includes coverage for necessary medical services.

### **DISABILITY & INVALIDITY COVERAGE:**

Ensures financial support and job security in case of disabilities or invalidity.

### **PARENTAL LEAVE:**

Offers generous leave policies for the birth or adoption of a child.

### **RETIREMENT RECOGNITION:**

Special retirement gift to employees to support financial well-being.

*These initiatives underscore Apparel Group's commitment to fostering a supportive workplace where employees feel cared for, enabling them to thrive personally and professionally.*

## CAREER DEVELOPMENT REVIEW

At Apparel Group, we are dedicated to our employees' continuous growth and development. This year, we proudly report that 100% of our employees received comprehensive career development and performance reviews.

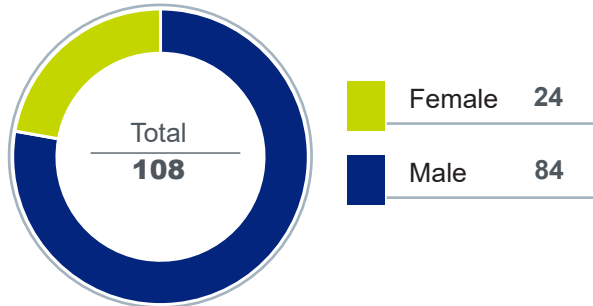
These initiatives ensure that every team member has the opportunity to reach their full potential, aligning their personal growth with the company's objectives. By providing consistent feedback and support, we foster a culture of excellence and continuous improvement within our organisation.



## PARENTAL LEAVE

We understand the importance of providing robust parental leave support to our employees who have become parents. During the fiscal year 2023–2024, 84 male and 24 female employees utilised our parental leave benefits.

We proudly report that 96% of female employees returned to work after parental leave, compared to 100% of male employees who resumed their roles.



Employees Who Availed of Parental Leave

This high return rate reaffirms our commitment to creating a supportive work environment that values family responsibilities and helps employees balance their professional and personal lives.

By offering comprehensive parental leave, we aim to support our employees during significant life events and ensure a smooth transition back to work, fostering a culture of inclusivity and care.



## APPAREL GROUP CELEBRATES DUBAI FITNESS CHALLENGE

This year, Apparel Group enthusiastically participated in the Dubai Fitness Challenge, organising various engaging activities for our employees. From the spirited “Biggest Loser” competition to high-energy Zumba sessions, we embraced the spirit of fitness and camaraderie.

Our team showcased their skills and sportsmanship in events such as the Padel and Cricket Tournaments and demonstrated their endurance in the Plank Challenge and the iconic Dubai Run.



*The excitement continued with a thrilling football match, bringing everyone together to celebrate health, wellness, and teamwork.*



*Zumba sessions promoted physical fitness and strengthened our bonds as a community, reflecting our commitment to a healthy and active lifestyle.*





## EMPLOYEE ENGAGEMENT

Employee engagement is pivotal in sustaining a positive and productive work environment. Apparel Group strives to establish a work environment that motivates and creates a sense of togetherness amongst the employees.

*We undertake various initiatives to foster a workspace that prioritises the social aspects and creates a culture of trust, engagement, and long-term prosperity and sustainability.*





## BRING YOUR KIDS TO WORK DAY

Apparel Group hosted a "Bring Your Kids to Work" day, creating a delightful experience for our employees' children. The event featured engaging activities, including a lively dance party where kids showcased their best moves.

Excitement filled the air as children received fun gifts such as bubbles and colouring books, adding to the festive atmosphere.

A unique playground set-up ensured the youngest attendees had a safe and enjoyable time, providing a secure space to play and interact. This event brought joy to the kids and fostered a sense of community and family within the company.





## APPAREL'S GOT TALENT

Employees participated in “Apparel’s Got Talent,” an event that allowed them to showcase their talents across four categories: singing, dancing, visual arts, and acting. The event was marked by outstanding performances and creative displays, creating an unforgettable experience for everyone involved.

Five winners were honoured with new phones and trophies, while all participants received a Club Apparel gift card and a certificate of participation.

The event was further enlivened by delicious food and enthusiastic performances, celebrating the diverse talents within our company and fostering a strong sense of community and celebration.





## TRAINING & DEVELOPMENT

Apparel Group is dedicated to cultivating an outstanding workforce by attracting top talent, providing extensive training, and implementing robust employee retention strategies.

We are committed to helping our employees reach their full potential by ensuring they have the skills and knowledge necessary to succeed.

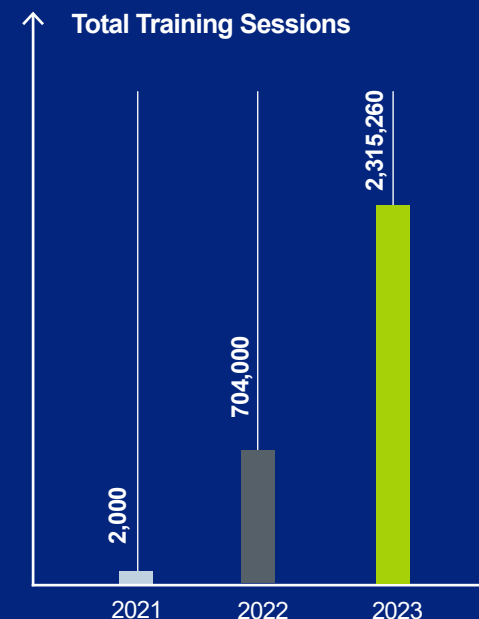
*To achieve this, we conduct regular training sessions, host informative workshops, and offer mentorship programmes designed to enhance skills, broaden knowledge, and promote a culture of continuous improvement.*

Over the past three years, Apparel Group has significantly increased its commitment to employee development. In 2021, employees received an average of 7 hours of training.

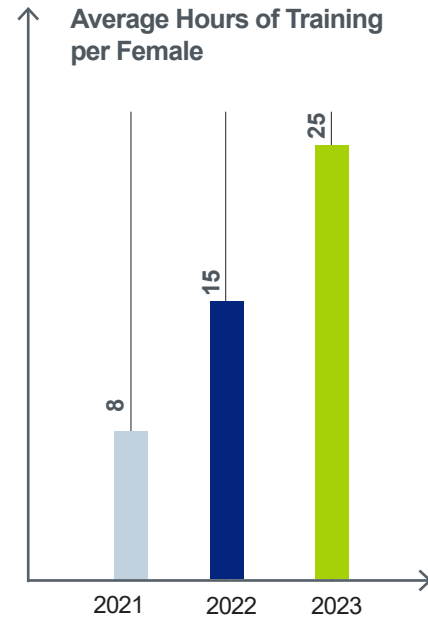
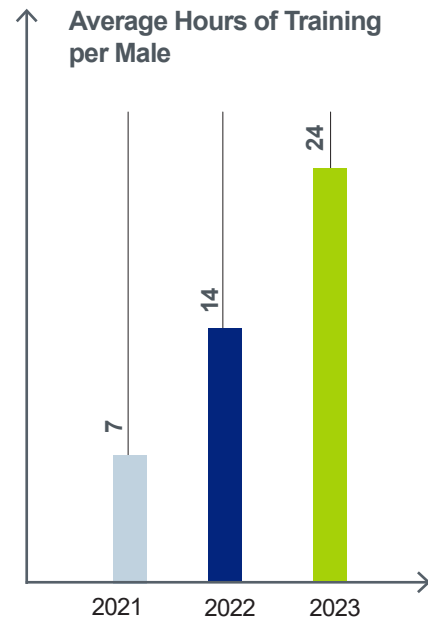
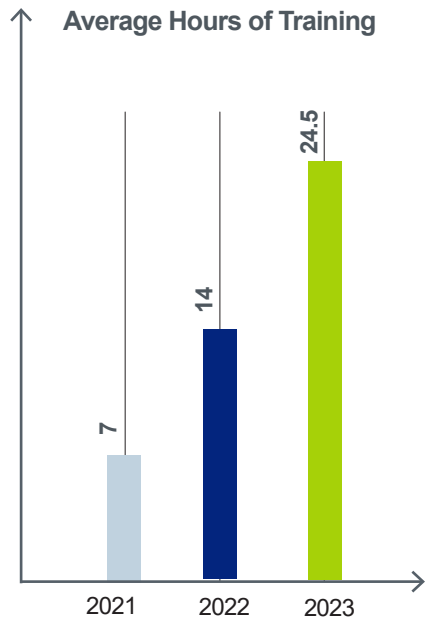


# 229%

Increase in Total Training Sessions.



This number doubled to 14 hours in 2022 and increased to 24 hours in 2023. This growth reflects our dedication to continuous learning and skill enhancement across our workforce.



**75%**  
Increase in Average Training Hours.



## ADVANCING RETAIL EXCELLENCE & SUSTAINABILITY WITH APPAREL GROUP'S DIGITAL LEARNING HUB

Apparel Group's Digital Learning Platform is a cutting-edge educational resource designed to empower our workforce with the skills and knowledge needed for retail excellence and sustainability.

*This innovative platform offers a comprehensive suite of training programmes, workshops, and interactive modules tailored to enhance the capabilities of our employees. By leveraging the latest digital technologies, we ensure our team stays ahead in an ever-evolving industry landscape.*



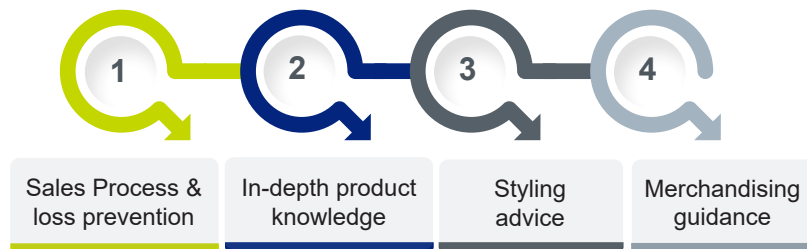
The Group has adopted a two-path approach as a critical component of On-the-Job (OJT) training; these paths provide associates with a single point of access to the product, brand, and company knowledge that guides them in their new roles and responsibilities.

The New Joiner's Path of the platform offers an immersive introduction to the organisation, its culture, values, language, and essential HR procedures as part of this extensive onboarding programme to guarantee a seamless hiring process.

### KEY FEATURES OF THIS PLATFORM INCLUDE:



The Sales Associate Path includes guided training programmes for floor staff to teach everything about the retail customer experience from the 4-Step approach:



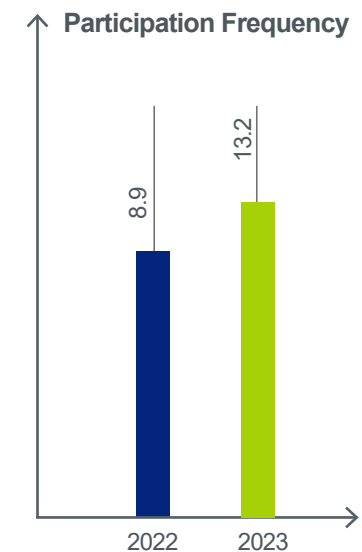
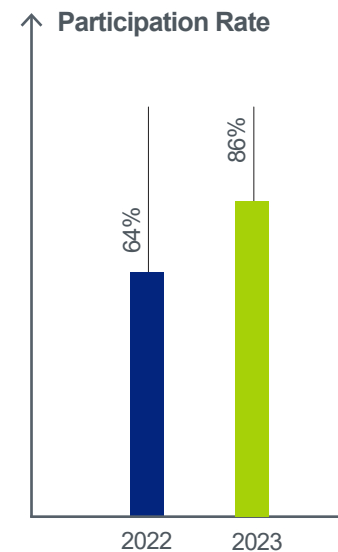
The platform also includes a retail hub community. Here, employees can interact with the company's stakeholders, collaborate with team members in various locations, and access content in Arabic and English.

Engagement with Apparel Group's Digital Learning Platform has significantly increased across the GCC region. In 2022, the participation rate was **64%**, which impressively rose to

**86%** in 2023. Additionally, the frequency of participation also saw a substantial increase, from an average of **8.9** sessions per employee in 2022 to **13.2** sessions in 2023.

This upward trend underscores the growing commitment of our employees to continuous learning and professional development, ensuring they are well-equipped to excel in their roles and contribute to our sustainability objectives.

### Engagement (Digital Learning Platform) – Across GCC



**20%**

Improvement in frontline productivity after implementing Axonify.

**8,000+**

Monthly users at Apparel Group.



## HEALTH & SAFETY

*Our employees' health and safety are of the utmost importance to us, and we extend the same commitment to our visitors, suppliers, and all other stakeholders.*

To ensure a safe warehouse operation, we have prioritised our workplace health and safety by the Occupational Health and Safety Management System (OHSMS) and ISO 45001. We commit to preventing workplace accidents and occupational hazards by conducting regular risk assessments, providing comprehensive training, and investing in state-of-the-art safety equipment.





# OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM (OHSMS)

*Our dedication to health and safety is not a one-time effort. It's a dynamic and integral part of our business strategy, driving us to constantly seek improvement and innovation in this crucial area.*



To mitigate hazards to personnel safety, the National Emergency, Crisis, and Disaster Management Authority (“NCEMA”) has implemented the National Standard for Occupational Health and Safety Management System in the United Arab Emirates (“UAE”).

This national standard for the UAE Occupational Health and Safety Management System defines the requirements that any organisation must follow to develop, implement and maintain a safe workplace.

Apparel Group’s OHSMS is based on the NCEMA and ISO 45001 requirements. The critical elements include:

## Policy & Commitment

## Planning

## Implementation & Operation

## Evaluation & Monitoring

## Management Review

## Continuous Improvement

The scope of our OHSMS covers all the activities, products, services, and processes within our control that can affect employee health and safety.

# 100%

**Of Employees Covered by OHSMS System**



## HEALTH AND SAFETY PERFORMANCE

*An essential element of our OHSMS is the Workplace Health and Safety (WHS) Policy, which has been established in line with our vision, values, and business strategy.*

This policy provides a framework for setting and reviewing the group's Health, Safety, and Environment (HSE) objectives and targets. The WHS Policy is reviewed annually and enhanced to ensure continued suitability for our services. The HS&E manual provides comprehensive

guidelines and procedures to ensure the health, safety, and environmental well-being of all Apparel Group employees, visitors, and stakeholders.

It outlines the procedures, responsibilities, and best practices necessary to maintain a safe and

sustainable workplace, aligning with our commitment to excellence and regulatory compliance and ensuring your safety at all times. Our commitment to health and safety is unwavering. We have implemented a range of proactive measures and initiatives to ensure a safe workplace. These include

a daily Safety Talk procedure for all ground staff, a Monthly Safety Campaign in our warehouses, a safe access system to prevent vehicular crush injuries, motivational safety slogan posters, and a Safety Notice Board with necessary and emergency contact numbers.



## KEY PERFORMANCE INDICATORS

“Apparel Group is dedicated to achieving excellence in every aspect of our endeavours, ensuring the successful delivery of our customers’ requirements through collaborative efforts, with a strong emphasis on health and safety.”

The performance against critical HSE indicators is summarised in the table below; these indicators are continuously monitored and measured across the different regions we operate:



No.	HSE Parameter	Region	Unit	2023
1	Number of workers covered by OH&S management system	GCC	Number	14,158
2	The total number of hours worked	GCC	Hours	17,560,140
3	Total number of lost workdays	GCC	Days	17,491
4	Lost Time Injury Frequency Rate (LTIFR)	UAE	Per-one million person hours worked	527



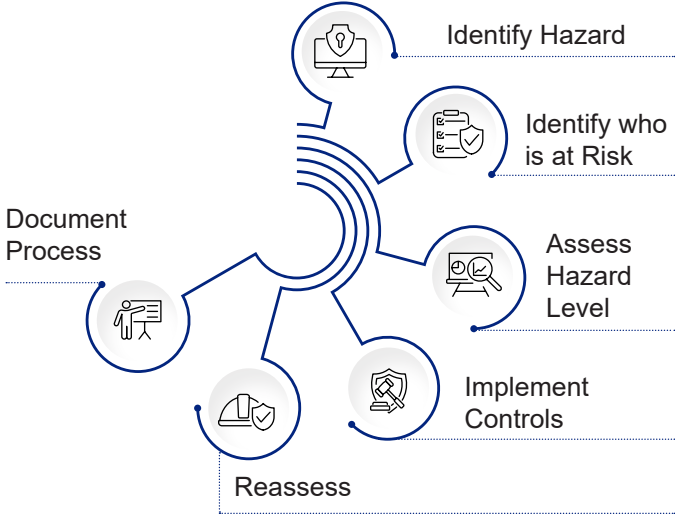
# RISK MANAGEMENT PROCEDURE

The risk management procedure at Apparel Group is a systematic approach designed to identify, assess, and mitigate potential risks. This procedure involves continuous monitoring and evaluation of the key performance indicators.

By implementing robust risk assessment tools and processes, we proactively address potential work-related risks and develop contingency plans to manage unforeseen events. This procedure delineates the

process of hazard/aspect identification, risk assessment, and risk control at Apparel Group. It ensures that all critical activities are assessed regarding their applicable legal requirements before the commencement of work.

***The Directors/department managers/warehouse operators are responsible for the overall implementation of this procedure.***





## RISK ASSESSMENT

All entities systematically identify workplace hazards related to warehousing activities and evaluate their associated risks. This process considers existing control measures and identifies and recommends further measures where required.

The hazards, consequences, and individuals at risk determine the initial risk of the hazard. The control measures further analyse this initial risk, determining the residual risk.

The residual risk is also employed to allocate responsibility to the appropriate personnel.



## RISK TAXONOMY

The risk taxonomy is the foundation for risk evaluation, encompassing the risk impact assessment matrix, likelihood levels, inherent risk, residual risk, risk tolerance, and risk management action. As the risk level increases, the seniority of the management level responsible for risk control action approvals and the urgency of the action timeframe increase.



## HSE RACI MATRIX AUTHORITY

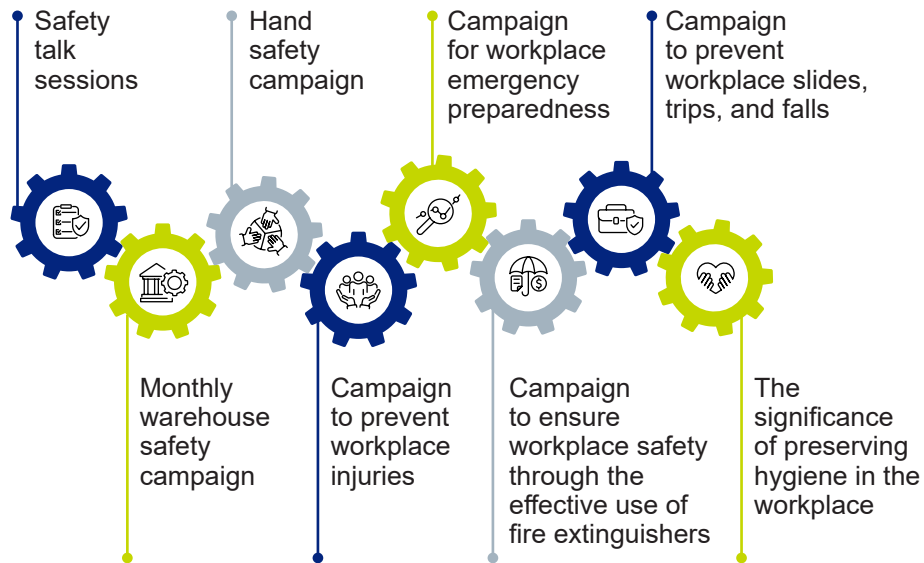
Apparel Group implements continuous improvement project that involves the appropriate stakeholders for each process, in conjunction with a RACI (Responsible, Accountable, Consult, and Inform) Matrix that assigns specific job roles in the organisation with their process role.

**The outcome is the Risk Matrix for the Group, which identifies the significant risk factors and observes the entire process.**



## HEALTH AND SAFETY CAMPAIGNS

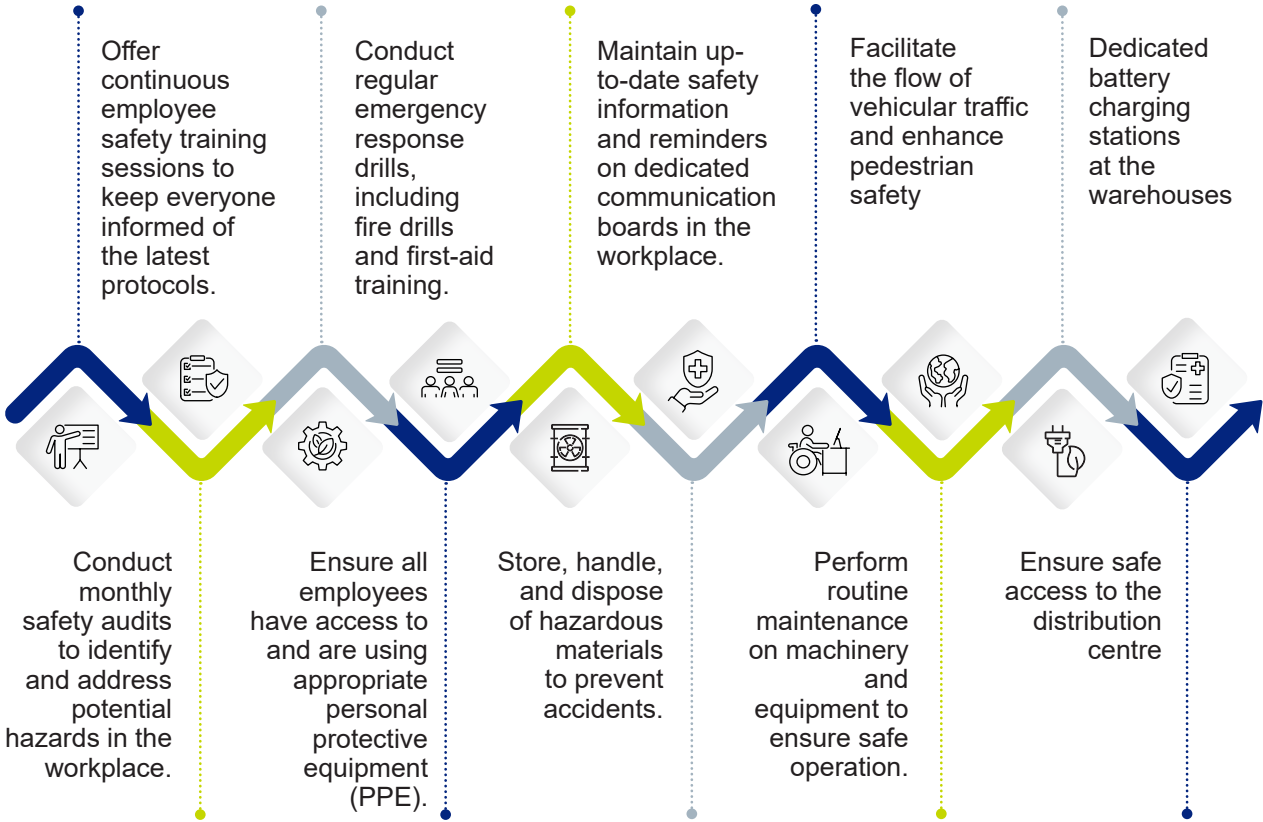
Health and safety are central to our operations. To foster a culture of safety and prevent incidents, we conduct monthly safety campaigns. These include the following:







In addition, Apparel Group consistently adopts best practices to ensure the well-being of our employees, protect the environment, and comply with legal and regulatory obligations. These practices include:



## SAFETY TALK SESSIONS

### HSE TOOLBOX TALKS

The HSE toolbox lectures that commence each work shift and each day serve as a reminder of the significance of health and safety in the workplace. It directs employees' attention to the hazards and risks they are about to encounter. Toolbox Talks (TBT) reminds them of the necessary steps to ensure their safety in the workplace.



### DAILY SAFETY TALK

Furthermore, we have instituted a "Daily Safety Talk" prior to the commencement of work, which serves to maintain the staff's motivation to maintain a safe work environment throughout the day.



## WORKPLACE HEALTH & SAFETY INDUCTION PROGRAMME

A proper health and safety induction not only promote workplace safety but also fosters a positive working environment. It helps new employees understand their rights and responsibilities, building their confidence and trust in the organisation.

A safety induction is conducted to welcome new employees to the company and prepare them for their new role. It ensures workers are fully informed about the organisation and are aware of their work and responsibilities, along with the risks and hazards that may come with their job. It also serves as a starting point for an organisation to introduce a culture of safety in the workplace.



## SAFETY PERFORMANCE STATISTICS BOARD

A new initiative has been introduced in the distribution center (DC) to evaluate the workforce performance in relation to the health and safety management system within DC operations. Using Occupational Safety and Health Administration (OSHA) standards, this tool serves as a key performance indicator to track safe man-days and safe man-hours worked to date. Performance statistics are displayed on a board and updated daily to ensure ongoing monitoring.



## CAMPAIGN FOR WORKPLACE EMERGENCY PREPAREDNESS

At Apparel Group, we have provided our employees with the necessary training and preparation to address emergencies and hazards.

Recovery can be facilitated through preparation. This enables them to be aware of the situation in the event of an emergency and to know how to respond.





## CAMPAIGN TO PREVENT WORKPLACE INJURIES

As part of our ongoing efforts to enhance the safety at the workplace in Distribution Centre (DC), we have installed Leadership Performance Boards in JAFZA DC-01 and DC-02.

Standardising workplace appearances, working culture, and continuous advancement in the pursuit of safe working practices will be the primary objective of this initiative .





## CAMPAIGN TO ENSURE WORKPLACE SAFETY THROUGH THE EFFECTIVE USE OF FIRE EXTINGUISHERS

In the context of workplace safety, it is essential to be adequately prepared for emergencies. One critical component of this preparedness is the ability to utilise a fire extinguisher effectively. Apparel Group acknowledges that these indispensable devices function as primary defence against minor fires, offering a method to manage and contain them prior to their amplification.



Apparel ensures that all the warehouse's fire hose reels and fire extinguishers are numbered as part of the HSE good practices to facilitate their retrieval and to maintain records.





## SAFE WORK PERFORMER

We have introduced the Safety Recognition initiative to motivate our DC employees to exceed and meet safety standards in the workplace through the application of rewards. Safe work recognition programmes emphasise the effectiveness of

employees' safety processes and promote the implementation of existing safety protocols. This includes offering our DC employees "Safe Work Performer" insignia and mementos upon the completion of specific safety objectives.



Mr. Sreejith Verkottil



Mr. Nagaraj Ganeshan



Mr. Ravindra Kumar



Mr. Sudarsanan Pillai

It is imperative that we do not overlook the training of our personnel, as they are also employed on the site. Their lack of familiarity with the workplace places them at a significant disadvantage, as they are unaware of the processes and procedures. We

allocate time to instruct them on the procedures and ensure that they are included in all training sessions. It is also crucial to ensure that this knowledge is consistently reinforced.





# CORPORATE SOCIAL RESPONSIBILITY PROGRAMMES

*Apparel Group has firmly committed to Corporate Social Responsibility (CSR) through various impactful initiatives, such as education, environment, healthcare, and awareness sessions.*

With the enthusiastic participation of over **2,400+** employees, the Group has dedicated nearly **5,000+** volunteering hours to various community service projects. These collective efforts have made a significant difference, positively impacting the lives of **50,000+** individuals.

Apparel Group has reinforced its dedication to social welfare through these activities and fostered a culture of empathy and civic responsibility among its workforce.

*From local community support to advocating for education and prioritising women’s empowerment and development, our CSR activities unwaveringly support our commitment to creating lasting impacts.*

To ensure a targeted and practical approach, we have structured our CSR activities around five thematic areas:







## EDUCATION

*Apparel Group proudly champions educational advancement through CSR initiatives, focusing on empowering communities by providing comprehensive academic support and resources.*

As part of the “Back to School” fundraising campaign at stores throughout Dubai, Skechers and Dubai Cares raised 6,781 AED. Customers were asked to add 1 AED at the top of their bill, supporting the cause of providing education to the underprivileged.

During the “Back to School” campaign in Qatar, 2,457 school supplies were donated to Qatar Charity. This contribution helped support educational initiatives and enhance learning opportunities for needy students.



F5 Global, Apparel Group’s sustainable athleisure brand, has teamed up with Dubai Cares for its Tees for Fees collection, donating 100% of profits to children’s education. The collection, featuring metaverse-inspired graphic tees designed by Sharjah-based students, raised over 150,000 AED last year to fund scholarships for those in need.



HEMA Brand in UAE, in collaboration with Emirates Red Crescent, gave 380 stationery notebooks to students from low-income families.

Apparel Group employees, in partnership with The Big Heart Foundation, created sustainability-themed posters with students as part of the Back-to-School Campaign. We also donated 25,000 AED to support the centre’s mission of providing educational resources to underprivileged children.



## HEALTHCARE

*Healthcare has become a paramount focus area for Apparel Group's CSR activities. Investing in healthcare can improve the quality of life for the communities we serve and foster a healthier workforce. Prioritising healthcare in CSR activities is a strategic and ethical choice that benefits the community and the business.*



La Vie en Rose, a well-known intimate apparel brand from Apparel Group, united against the battle for breast cancer with a motivating campaign during Breast Cancer Awareness Month. The Group gave 10,000 AED worth of donations to Friends of Cancer Patients (FOCP). This initiative demonstrates the brand's commitment to fighting breast cancer and assisting women throughout the UAE.



Apparel Group, in partnership with the Zahra Breast Cancer Association in KSA, supported the Pink October programme by sponsoring educational tents and pamphlets and having employees wear pink brooches in all 400 stores. The initiative was designed to raise awareness about breast cancer and guide the community on appropriate actions and preventive measures.





## SUSTAINABLE PRACTICES

*Our CSR initiatives, centred on environmental sustainability, aim to reduce carbon footprints, minimise waste, promote recycling, and support conservation projects.*

In addition to investing in renewable energy sources at our offices and warehouses, we engage in reforestation and habitat restoration efforts. Some of these critical initiatives undertaken by Apparel Group are presented in this section.



### TREE PLANTATION

The tree plantation initiative offers numerous benefits to both the environment and the community. It is an effective way to demonstrate our commitment to sustainability and environmental stewardship.

Tree plantation not only helps combat climate change but also supports us in fostering community engagement, creating green spaces for public use, and contributing to the well-being of future generations. This initiative aligns with global sustainability goals and enhances the Group's reputation as a responsible and environmentally conscious organisation.

*As part of an employee volunteer programme, the team planted over 500 mangrove saplings, participated in a beach cleanup, and gained valuable insights into sustainability and mangrove ecosystems.*

The event also included a sustainable lunch, showcasing their dedication to environment friendly practices. Impressively, they repurposed collected waste to reinforce the importance of “**Reduce, Reuse, Recycle**”.



## CLEANING UP THE BEACH

Apparel Group supports UN Sustainable Development Goal 14, which targets preventing and significantly reducing marine pollution, particularly from land-based activities, including marine debris and nutrient pollution. Apparel Group partnered with Goumbook to align with this goal for a beach clean-up activity.

*At Kite Beach in Dubai, our employees collected over 5,400 cigarette butts, removing them from the environment to help combat marine pollution.*



## COP 28

In 2023, Dubai hosted COP 28, the UN Climate Change Conference. Apparel Group partnered with Pupilar as a Retail Industry Sponsor for the COP28 Green Skills Career Fair.

As a critical player in the event, we interacted with more than **3,000** young participants, including UN youth delegates. The event aligned with our mission to influence positive change in the retail industry through sustainable initiatives and responsible business practices.



## AWARENESS CAMPAIGNS

*Physical well-being is a cornerstone of a healthy, fulfilling life. It impacts not only physical health but also mental, emotional, and social well-being. By prioritising physical well-being through regular exercise, individuals can enhance their quality of life and overall happiness.*



### PHYSICAL WELL-BEING

Apparel Group organised yoga sessions in Dubai Hills Mall as part of the “Dubai Fitness Challenge.” Over two days, the sessions offered a calm and welcoming environment for mindful meditation. More than 100 people participated in these sessions.

We hosted virtual sessions for Pink October and World Heart Day with Harley International Medical Clinic.

The Breast Cancer Awareness session covered vital information on breast cancer and prevention, while the hypertension webinar addressed causes, impacts, and management strategies for high blood pressure. Both events were highly interactive, engaging over 79 employees and providing valuable health insights.



## MENTAL WELL-BEING

*Prioritising employees' mental well-being is essential for creating a thriving, productive workplace. By promoting a healthy work-life balance, providing education and resources, and fostering an open and inclusive culture, organisations can significantly enhance the mental health of their workforce.*

This investment in mental well-being will lead to happier employees, improved performance, and a more substantial reputation. TOMS Middle East launched a comprehensive programme to support mental health among staff members and the community in observance of Mental

Health Awareness Month. The campaign featured wellness events, community participation, and educational activities to raise awareness and create a supportive environment.

In addition to the mental health of their employees, Apparel Group and Al Noor Training Centre promoted people's welfare, demonstrating support and solidarity. Employees engaged in doodling and colouring activities with students. This initiative encouraged community involvement amongst the employees and broadened inclusivity.



# 31

Mental Health Tips Shared  
with Employees



*Conducted a  
Mental Health Quiz  
Among Employees*





## HUMANITARIAN AID

*Humanitarian action aims to avoid and enhance readiness for artificial crises and natural catastrophes, as well as to save lives, lessen suffering, and uphold human dignity during and after such events.*

Apparel Group seeks to improve society and help the impoverished tackle environmental and societal issues.



### 1 BILLION MEALS ENDOWMENT

The “1 Billion Meals Endowment” campaign, started by His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the United Arab Emirates and Ruler of Dubai, aims to create the most significant sustainable food aid endowment fund.

Apparel Group supported this initiative to combat hunger and malnutrition, particularly among

those affected by natural disasters and crises, and to offer a food safety net for disadvantaged populations in nations experiencing food insecurity.

***“The Group declared to donate AED 10 million over five years to support the implementation of long-term initiatives to end hunger.”***



### HUMANITARIAN SUPPORT FOR TURKEY & SYRIA

Apparel Group, at the GCC level, donated over 49,000 clothes and shoes to support victims of the earthquakes in Turkey and Syria.

### APPAREL GROUP X EMIRATES RED CRESCENT

Apparel Group is committed to providing volunteering aid to the regions we serve. One such initiative was our collaboration with Emirates Red Crescent, and Nine West provided the following supplies:



**105**

Facemasks



**313**

Hand sanitisers



**2,249**

Shoes to the impoverished population





# ENVIRONMENTAL STEWARDSHIP

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*Our dedication to environmental stewardship is the foundation of our operations. Our comprehensive management strategy includes energy and water efficiency, implementing circularity principles, and our unwavering commitment to achieving net-zero emissions.*

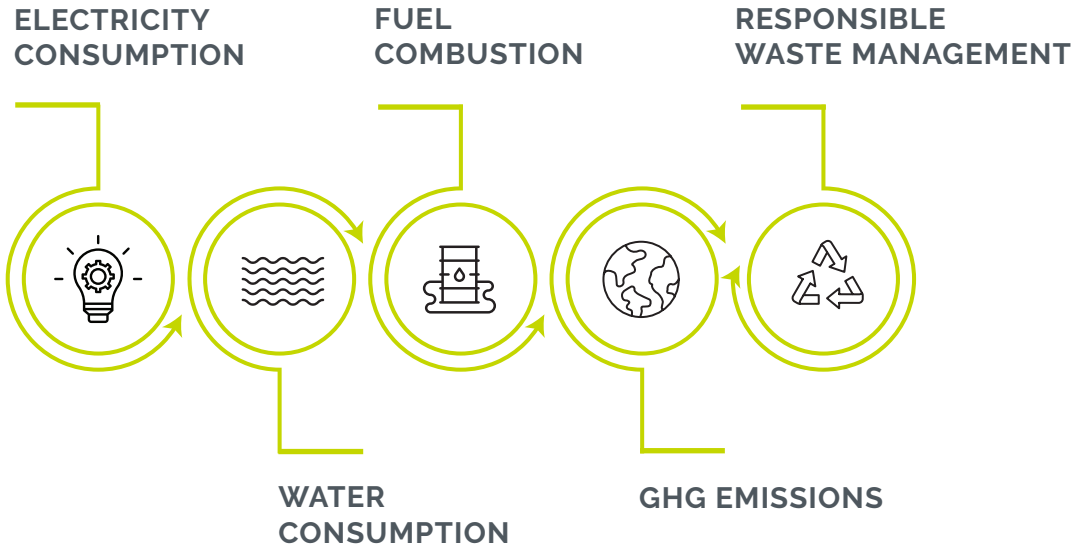




# ENVIRONMENTAL IMPACT & MANAGEMENT

*Given our status as a prominent fashion retailer, we acknowledge our environmental impact and obligation to mitigate our operations' adverse consequences.*

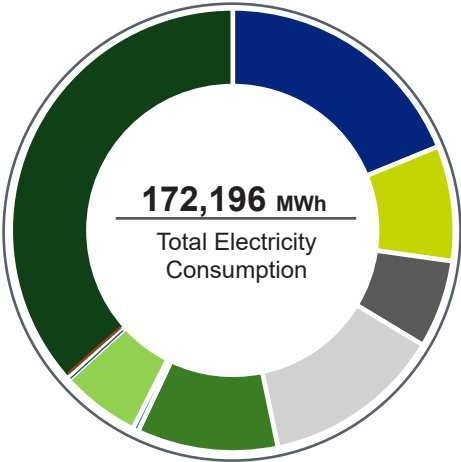
Our infrastructure and assets include warehouses, retail stores, vehicles, and offices. These assets have been identified as having the following significant environmental aspects:



# MANAGING ENERGY & UTILISING RENEWABLE RESOURCES

## ENERGY OPTIMISATION

*We acknowledge energy’s critical role in our business’s operation and know its environmental consequences. Our approach has been to improve consumption efficiency, integrate renewable energy sources, and diversify energy sources.*



In the built environment, we primarily use electricity, while the fleet primarily uses fuel. Some of our retail stores use chilled water for district cooling. The electricity consumption data disclosed covers all the regions of our operations.

37%

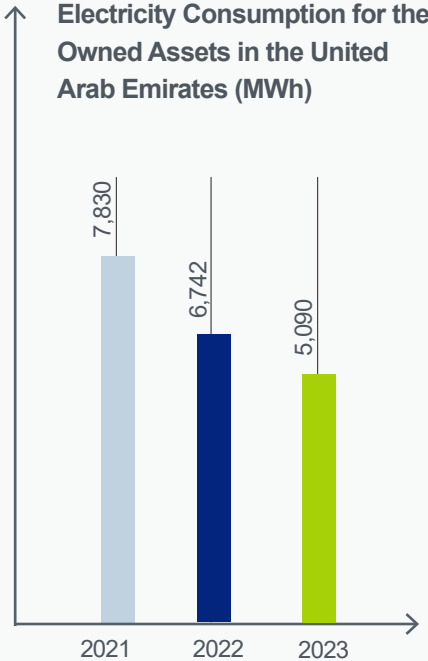
Electricity Consumption for the Group Comes from Tim Hortons GCC

19%

Electricity Consumption for the Group Comes from our UAE Operations.

The Apparel Group consistently endeavours to reduce electricity consumption in its leased assets, including office buildings and warehouses in the United Arab Emirates and Dubai Investment Park (DIP) staff accommodation, by implementing renewable solutions and energy efficiency measures.

*The electricity consumption at our owned assets has decreased by 25%, thus illustrating the Apparel Group's consistent endeavours to reduce its carbon footprint by decreasing power consumption.*



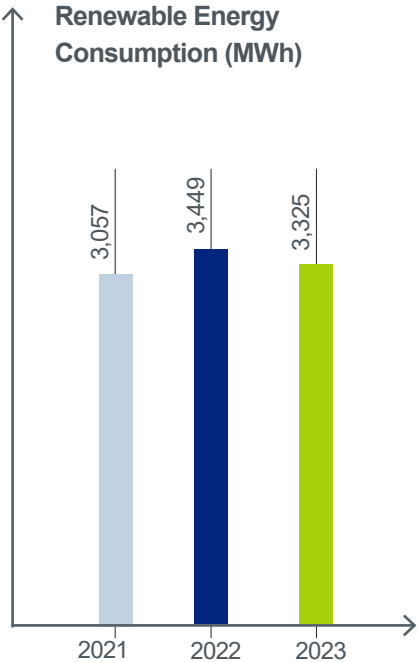




## RENEWABLE ENERGY INTEGRATION

In 2020, we achieved a significant milestone in our sustainability journey by installing solar panels at our Jebel Ali Free Zone (Jafza) warehouse and central office.

This has resulted in the supply of **3,325 MWh** of clean electricity at our assets in 2023, as we have reduced our dependence on grid-supplied electricity by self-generating solar energy.



**65%**

of electricity consumption at the owned assets comes from solar power generated through our solar PV plants.



## FUEL CONSUMPTION

Fuel is a crucial energy source for the apparel industry, playing a significant role in various stages of our operational model. Fuel is majorly consumed in the following processes:



### Finished Goods

The distribution of finished apparel products to retailers and consumers.



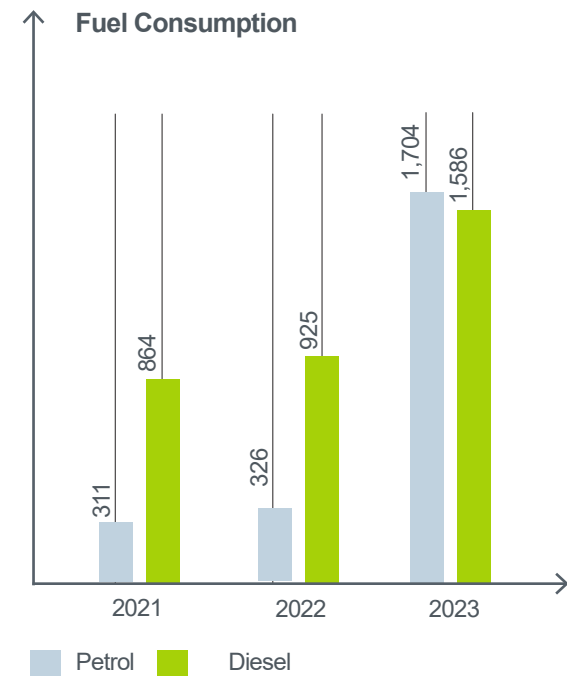
### Backup Generators

The electricity supply is powered by diesel to ensure continuous operations and avoid downtime at our offices and warehouses during power outages.



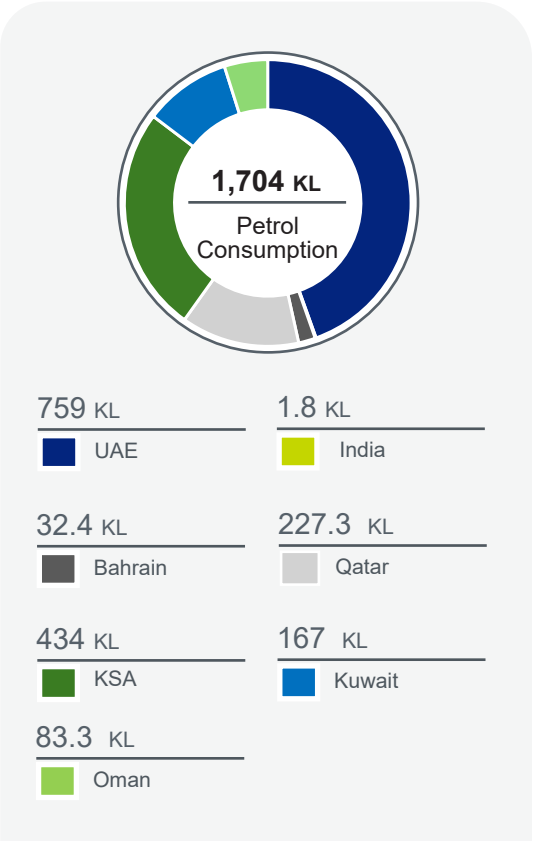
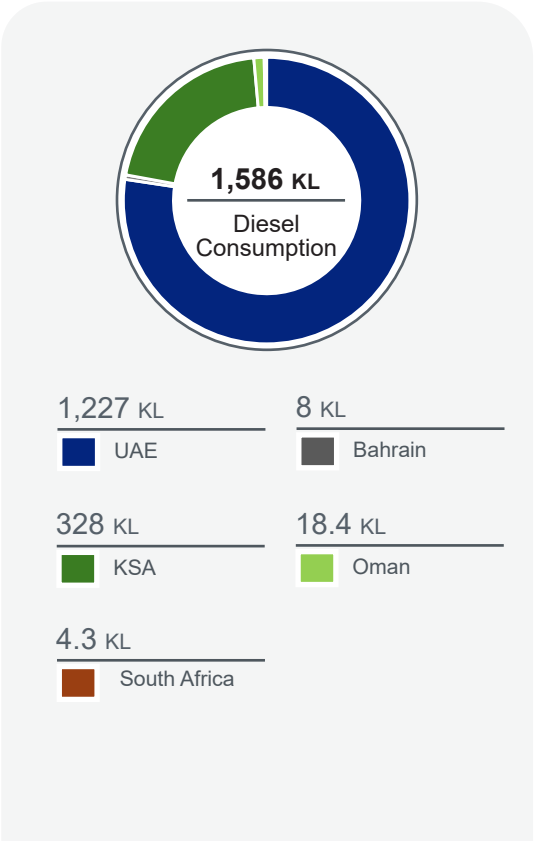
### Fleet Management

Our entire fleet is powered by petrol or diesel. It is responsible for transporting products between warehouses and retail stores.



The diesel and petrol consumption of our assets totalled 3,290 KL. The United Arab Emirates had the highest fuel consumption, with 1,227 KL of diesel and 759 KL of petrol. The fuel consumption (by fuel type) across our operations is depicted in the graphs below.

**COUNTRY-WISE DIESEL CONSUMPTION (IN KL) COUNTRY-WISE PETROL CONSUMPTION**



Although the United Arab Emirates has experienced a modest rise in petrol and diesel consumption, we are actively investigating ways to improve the efficiency of our fleet. We are optimising fuel consumption by improving the efficiency of our truck operations, and ensuring that all new vehicles added to our fleet will meet at least Euro III standards.



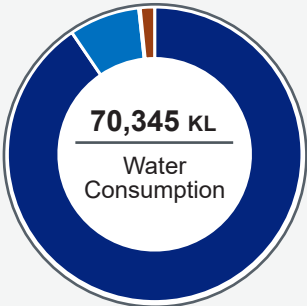


# WATER MANAGEMENT AND CONSERVATION

*The significant sources of water consumption at Apparel Group are the offices and warehouses.*

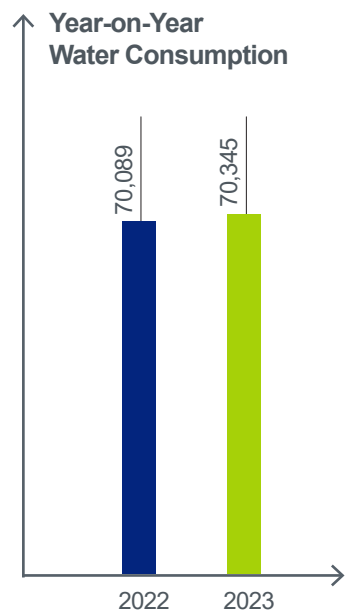
Corporate entities are responsible for reducing water consumption, particularly in the Middle East, where most potable water is desalinated and has a significant energy and greenhouse gas (GHG) footprint.

The total water consumption at Apparel Group was 70,345 KL. The graph below provides a breakdown of the water consumption across these countries.



63,751 KL	5,472 KL
<span style="color: #003366;">■</span> UAE	<span style="color: #0070C0;">■</span> Kuwait
13 KL	1,109 KL
<span style="color: #333333;">■</span> Bahrain	<span style="color: #8B4513;">■</span> South Africa

*Below is the comparison of water consumption from 2022. We have seen an increase of 256 Kilolitres of water consumption.*



Notably, water consumption increased by only 0.4%, compared to the 14% growth of our workforce. Our sustainability and facilities management team has implemented employee awareness/sustainable initiatives.

One such initiative is the establishment of filtered water dispensers in one of our new buildings in place of plastic water dispensers.



### **FILTER WATER DISPENSERS**

*We have significantly minimised our environmental impact by installing seven filtered water dispensers across our premises. This initiative aims to replace traditional water gallon dispensers, thereby decreasing emissions from transportation and addressing plastic pollution.*



## RESPONSIBLE WASTE MANAGEMENT

Our sustainability voyage is fundamentally rooted in the acceptance of circularity principles. We acknowledge the necessity of redefining how we consume, produce, and manage resources. We have implemented initiatives and transformative strategies that demonstrate our dedication to minimising waste and closing the cycle in our operations.



*The success of our commitment to circularity is contingent upon our engagement with our suppliers to promote circular business models, responsible consumption within our operation, and innovative design.*

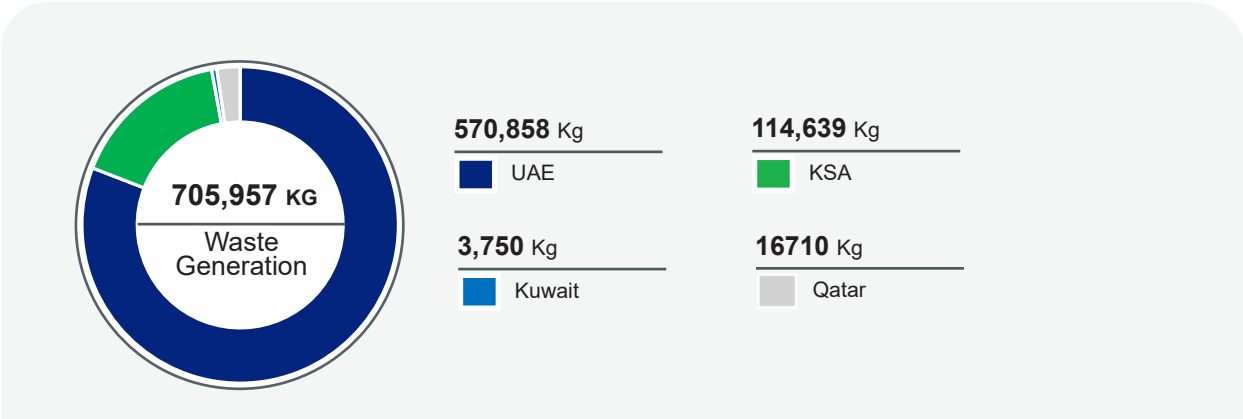


## WASTE GENERATION

Apparel Group generates 705,957 kg of waste from its various regions of operations. The United Arab Emirates generates the most waste, 81%, because of its large number of warehouses and offices.

The Kingdom of Saudi Arabia follows with 16%. Qatar and Kuwait follow, contributing 2% and 1%, respectively.

Additionally, due to the rapid expansion and ongoing construction activity for our new office building, we generate significant green, general and construction waste. Apparel Group engages with different vendors (Imdaad & Mr. Skips) to collect the waste from these activities.

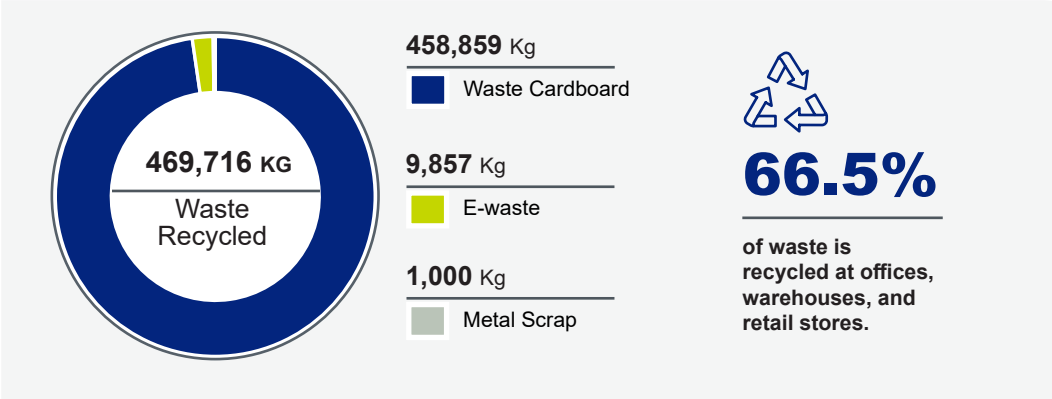


<b>959,500</b> Kg	<b>969,704</b> Kg
Waste Collected from Mr. Skips	Waste Collected from Imdaad

## CIRCULAR OPERATIONS ON WASTE

Apparel Group is implementing the circular economy principles in its waste management practices. It is committed to recycling, reuse, and reclamation. In 2023, we recycled **469,716 kg** of the total waste generated from our offices, warehouse, and retail store.

The graph below provides the breakdown of different materials that were recycled. Annually, most of the recycled waste is comprised of waste cardboard, followed by minor quantities of E-waste and metal scrap recycled from our operations.



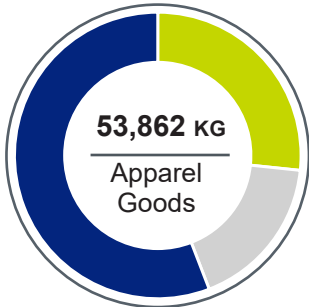


## APPAREL GROUP'S COLLABORATIVE EFFORTS TOWARDS IMPLEMENTING RECYCLING MEASURES

### APPAREL GROUP X SOEX

As part of an employee volunteer activity, SOEX, in collaboration with the Apparel Group, facilitated a visit to its recycling facility.

There, employees were informed about the recycling and repurposing processes for shoes, bags, and clothes. The following represents apparel items that have been restored, resold, repurposed, and recycled.



- 14,361 Kg**  
Repaired & Resold
- 9,422 Kg**  
Re-used
- 30,079 Kg**  
Recycled

*A key takeaway from this collaboration was that recycling clothes offers a sustainable solution to mitigate environmental impacts. This initiative helps significantly reduce the apparel industry's water consumption and emission footprint.*

**9,770** Kilolitre's

Water Consumption Reduced.

**733** tCO<sub>2</sub>

Emission Reduction.



**APPAREL GROUP X KISWA**

One of the recycling programmes was in collaboration with KISWA; this collaboration encouraged the donation of old bags, clothing, and shoes for further recycling or re-use. The Group donated **595 pieces** of goods weighing 119 kg.

By recycling pre-owned clothing, we are making a meaningful contribution to environmental preservation. We are delighted to share the details of our positive impact with you.



**714** Kilolitre's  
Water Consumption Reduced.

**428** kgCO<sub>2</sub>  
Emission Reduction.





## QUANTIFYING OUR ENVIRONMENT IMPACT

*The apparel sector significantly contributes to global greenhouse gas (GHG) emissions. Understanding the industry's GHG footprint involves examining emissions across various supply chain stages, including purchasing, distributing, and managing owned and leased assets.*

At Apparel Group, we estimate our carbon footprint following the GHG protocols corporate standard. The footprint's boundaries cover different operations regions and entities managed within the defined boundary per the below standards.

### **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.

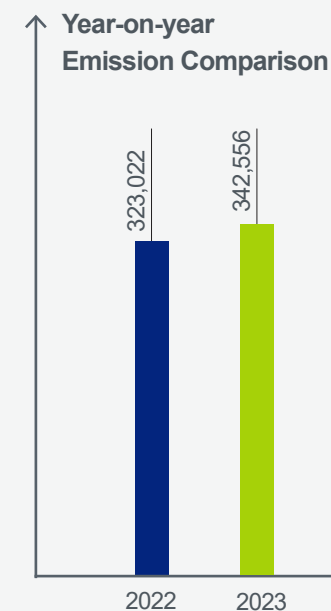
### **CORPORATE VALUE CHAIN (SCOPE 3) ACCOUNTING & REPORTING STANDARD:**

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 342,556 tCO<sub>2</sub>e. The emission sources represented all three scopes of the carbon footprint, including fuel, electricity, and value chain emissions.

Local emission factors, such as grid emissions, were used wherever possible; IPCC-based emission factors, such as fuel emissions, were used where required. The emission factors used are tonnes of carbon dioxide equivalent, which includes the gases carbon dioxide (CO<sub>2</sub>), Methane (CH<sub>4</sub>), Nitrous oxide (N<sub>2</sub>O), Hydro Fluorocarbons (HFCs) and Perfluorocarbons (PFCs).

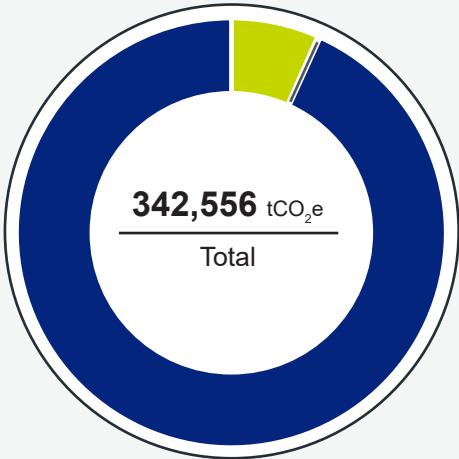


The 6% increase in our emissions compared to 2022 is mainly due to the detailed emission boundary covered for Tim Hortons GCC across our 254 stores and the procurement expense on goods and services as per the business growth.



### GHG EMISSIONS BREAKDOWN (SCOPE WISE)

The scope-wise breakdown of GHG emissions provides valuable insights into the sources of our carbon impact. By analysing emissions data within each scope, we aim to identify opportunities for reduction, enhance our climate change mitigation efforts, and ultimately pave the way for a more sustainable future.



**22,618** tCO<sub>2</sub>e.

**Scope 1:**  
Direct Emissions  
Emissions from sources that Apparel Group owns or controls.

**702** tCO<sub>2</sub>e.

**Scope 2:**  
Indirect Emissions  
Emissions from Purchased Energy—Emissions associated with purchased electricity and chilled water at our assets.

**319,236** tCO<sub>2</sub>e.

**Scope 3:**  
Other Indirect Emissions  
Emissions from the value chain beyond Apparel Group's direct control.

## GHG EMISSIONS BREAKDOWN (LOCATION WISE)

Apparel Group is committed to environmental stewardship and recognises the importance of understanding our carbon footprint impact at the regional level.

***By analysing emissions data specific to each location where our operations are situated, we aim to identify areas of improvement and implement targeted sustainability strategies.***

This location-wise GHG emissions breakdown provides valuable insights into our overall environmental impact and serves as a roadmap for our ongoing commitment to a greener future.

### GHG Emission breakdown analysis country and operation wise (tCO<sub>2</sub>e)

	Scope 1	Scope 2	Scope 3	Total
UAE	4,365	702	85,655	<b>90,722</b>
India	4	-	21,235	<b>21,239</b>
Bahrain	99	-	12,380	<b>12,479</b>
Qatar	640	-	24,381	<b>25,021</b>
KSA	4,442	-	99,158	<b>103,601</b>
Kuwait	399	-	13,803	<b>14,202</b>
Oman	53	-	8,889	<b>8,942</b>
South Africa	-	-	554	<b>554</b>
Tim Hortons GCC	11,558	-	48,785	<b>60,343</b>
6th Street	1,058	-	4,395	<b>5,452</b>

*\*Note: Apparel Group operates 254 Tim Hortons restaurants across the GCC. As of 2023, the brand has a presence in 83 locations within the United Arab Emirates and 171 locations in other GCC countries.*

## ECOMATCHER INTEGRATION

The climate pillar of our sustainability objectives supports the achievement of SDG 15, which seeks to

***“protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss.”***

To achieve this objective, we undertake tree plantation drives on an annual basis as part of our CSR initiatives.

The Apparel Group and The Storey Group partnered to plant 2,000 mangrove trees in strategic locations throughout the UAE, 1,000 of which were planted in 2023. This initiative not only contributes to carbon offsetting but also significantly strengthens the resilience of the local ecosystem and

community, demonstrating our commitment to the environment and society.

Additionally, the Group has implemented a digital platform provided by EcoMatcher that helps monitor and measure the growth and impact these trees have on the environment.







**APPAREL GROUP**

SINCE 1996

EXCEED EXPECTATIONS EVERYDAY