



GLOBAL COMPACT ANNUAL COMMUNICATION ON PROGRESS 1st Report, 2015

Apparel Group
United Arab Emirates

Statement of Continuous Support

To our stakeholders:

I am pleased to confirm that Apparel Group reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,
Mr. Nilesh Ved
Chairman

CSR Vision

To be recognized as the most responsible company

CSR Mission

To exhibit passion and commitment in improving the lives of those we touch

Our Values

Integrity

**Respect and
Recognition**

**Passion for
Excellence**

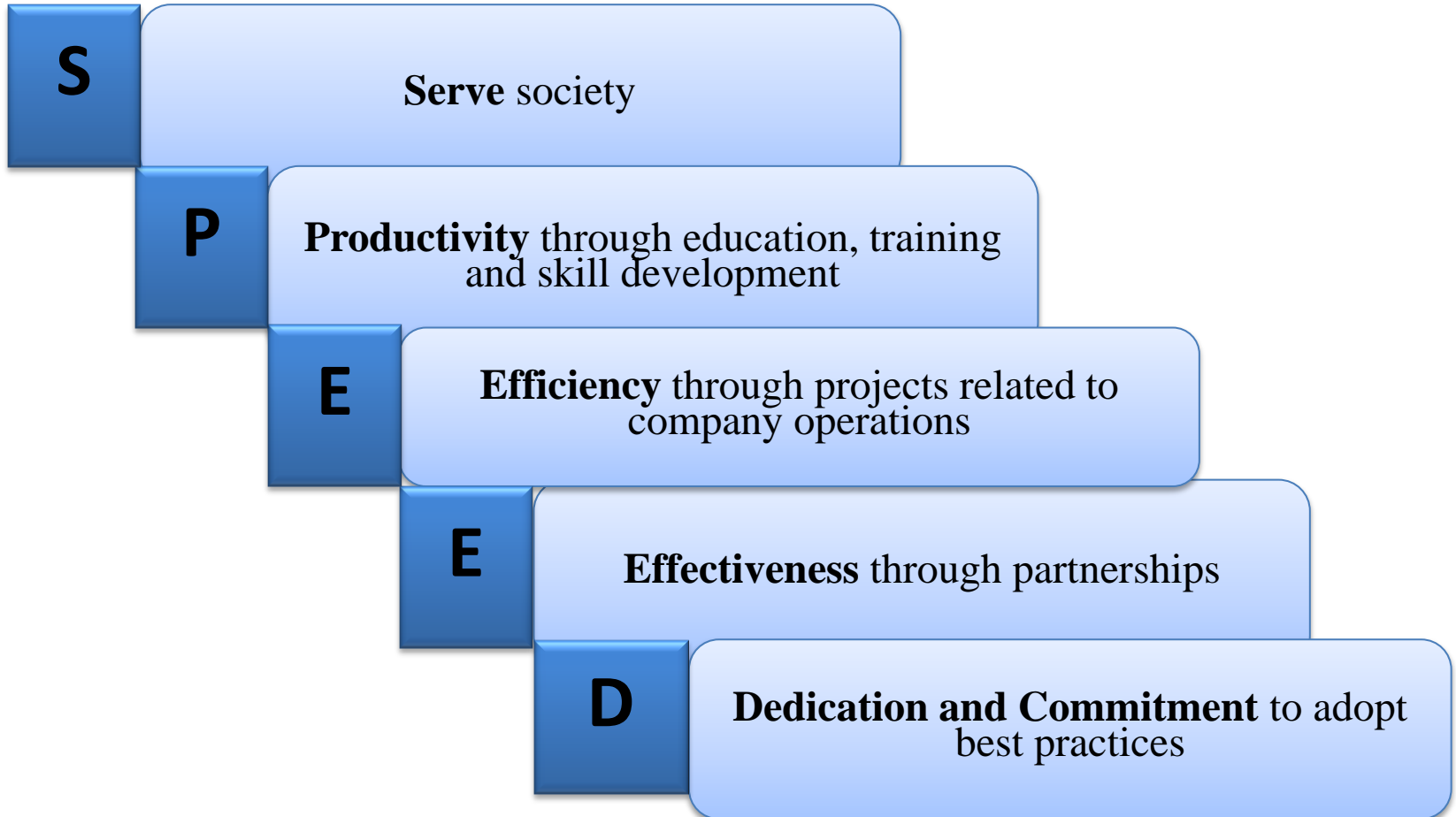
**Working
Together**

CSR Daily Motto
Be Responsible

CSR Policy

Our Philosophy - Make People Grow

Our Preamble - Educate Engage Enable



CSR Preamble: Educate Engage Enable

Our Preamble: Educate Engage Enable

- Apparel Group CSR Preamble is **Educate Engage Enable**. These words introduce and express the purpose and underlying philosophy behind our CSR. Though the preamble is self-explanatory, it encompasses a broad meaning as follows:

- Educate:** Educate people (internal and external stakeholders) and create awareness on key social issues through knowledge sharing and communication.
- Engage:** Engage people in various social activities and encourage them to take productive and responsible actions towards society.
- Enable:** Enable people by providing empowering and healthy environment to be independent and support community around

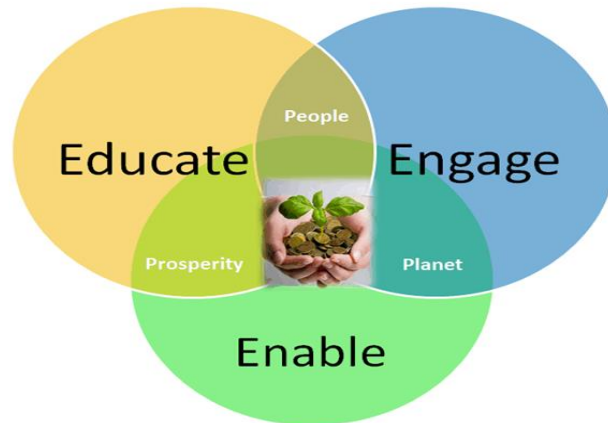


Illustration 1: Apparel Group CSR Preamble

Human Rights Principles: Our Approach



Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: ensure that they are not complicit in human rights abuses.

Apparel Group Approach to P1 & P2: Policies and Goals, Measurements and Outcomes

We have Human Rights Policy and statement based on the principles of Universal Declaration of Human Rights, ILO's Declaration on Fundamental Principles and Rights at Work and Earth Charter and we follow it strictly.

- We have Apparel Code of Business Conduct and Ethics.
- Have 76 nationalities working in our company to promote diversity.
- We also encourage employment of people with special needs and have recruited 12 hearing challenged people in 2015
- Apparel has improved its gender ratio over a period of 2 years, and the current ratio of Male: Female is 60:40 and on retail stores we have increased our Female ratio to 48%.

Human Rights Principles: Our Approach

- We have Zero cases of harassment , zero tolerance on violation of code of conduct as governance targets.
- We are working closely with NGOs especially UAE Red Crescent to support refugees.
- Overtime is paid and compensation offs are given for extra days of work. Improvements were made last year by reducing number of hours at the store level from 9 hours to 8hours .
- To safeguard the rights of under privileged people we conducted 27 Community projects with more than 29 Charity Partners in UAE for countries like Nepal, Syria, Lebanon, Jordon, Yemen, Palestine etc.
- We donated nearly 58128 Units of products including clothes, shoes , coffee, cake and accessories for people in need worth the value AED 3,430,950
- We also made direct donations especially for the education of special needs children worth AED 10, 535,816
- We also raised funds at stores worth AED 178,465 for Breast Cancer Patients and education of children with Autism.

Recruited Differently Abled at workplace



Evidences

Promoting Orphan Children as Master Chefs



**Supported Seeing is Believing,
Invited Global Ambassadors –
Henry Wanyoike (Blind Runner) and
Joseph Kibunja (Runner's Guide)**



**Product donation to safeguard
Yemen people from winters**

Evidences

Educating Special Needs Children on Give & Gain Day



Labour Rights Principles: Our Approach



Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labor;

Principle 5: the effective abolition of child labor; and

Principle 6: the elimination of discrimination in respect of employment and occupation

Our Approach to P3 , P4, P5 & P6: Policies and Goals, Measurements and Outcomes

- Apparel Group strictly abides by the local UAE Government Labour Laws which protects the Labour Rights.
- Apparel Group is determined to avoid any form of forced or child labor .
- Our code of conduct states clearly that code of business conduct and ethics should be followed and ensure that all agents, contractors and vendors also adhere to these standards of practice with respect to Labour Laws.
- Apparel Group has Performance Appraisal Policy to conduct performance review with the employees on regular basis for fostering employee development and motivating employees to reach their full potential. This is to avoid any kind of discrimination at work place.

Labour Rights Principles : Our Approach

- Apparel Group promotes equality among employees of all caste, creed, religion, race, gender, ability , nationality. We have more than 15 differently challenged people at work place with equal and fair compensation and rights at work place.
- We have been actively working with charitable organization Smartlife Foundation in UAE to encourage English education and personality development for Blue Collar workers in various labour camps. The main objective of the course is to bridge the gap between them and management.
- We are also actively involved in various welfare programmes for the labour camps in association with Dubai Chamber of commerce and Industry, Dubai, UAE.

Smart Idol Finale for Blue Collar Workers



Evidences



English Classes for Blue Collar Workers



**Supporting Blue Collar workers
to show their talent**

Environment: Our Approach



Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility;

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Our Approach to P7 , P8 & P9: Policies and Goals , Measurements and Outcomes

- Apparel Group has well defined Environment Management & Protection Policy.
- We regularly assess environmental risk and impact to reduce our footprints.

Environment: Our Approach

- We provided training to our drivers on using GPS for route optimization, consolidation of deliveries, Intermodal transport, Fleet management.
- We provide transport facility to more than 1600 employees to Reduced Carbon Emission by over 5000 metric tons per year.
- In 2015 Apparel Group has successfully recycled **6.4 tons** of plastic and **55.6 tons** of cardboard. Besides this we also continued our efforts for recycling water and its usage for irrigation.
- In 2015 ,we organized in association with Dubai Chamber of commerce and industry and participated actively in Waste Management Campaign 'ACT TO SUSTAIN' . The campaign focused on educating and raising awareness on the importance of waste management especially the 3 R's of reduce, reuse and recycle. The campaign included Consumer touch points in our retail outlets.

Environment: Our Approach

- As a part of our sustainability initiatives, Apparel Group has set a goal of [zero waste to landfill](#) by 2016. The zero waste to landfill will be achieved through 100 percent recycling of all our waste from office, stores as well as warehouses. For this Apparel Group has signed an MOU with Beeah , Leading Environment Change Company to recycle all our waste at their recycling facility in Sharjah.
- To raise awareness and highlight the need to combat climate change and embrace sustainability, Apparel Group joined the global movement for Earth Hour 2015.
- To promote 5 Rs – Recycle, Reuse, Reduce, Renew and Respect, Apparel Group supported “Green Gratitude”, a event to pledge towards environment. It was organized to create awareness amongst children to be grateful to the environment and find ways and means to help preserve and sustain the same. Nearly 2000 students participated
- As a part of our Preamble **Educate Engage Enable**, Bahrain team very proactively organized “Go Green Live Green Month” from 01st August to 31st August, 2015. The major objective of this campaign was to **engage** employees and **educate** them about the benefits of keeping our environment green thus providing **enabling** surroundings to one and all. Around 224 employees participated and showed their commitment towards environment.
- We celebrated World Animal Day and the main objective of the activity was to create awareness among the community on protecting the environment and animals.

Evidences



Educating and raising awareness on the importance of waste management especially the 3 R's - Reduce, Reuse and Recycle.

Evidences

Earth Hour 2015



**GREEN GRATITUDE's
PLEDGE WALL @
DELHI PRIVATE SCHOOL DUBAI**
Creating a Generation to Build a Sustainable Environment



I PLEDGE GREEN GRATITUDE
I PLEDGE TO SAVE & HELP TO SUSTAIN THE ENVIRONMENT



Anti-Corruption: Our Approach



Principle 10: Business Should work against corruption in all its forms, including extortion and bribery.

Our Approach to P10: Policies and Goals , Measurements and Outcomes

- We have Internal Audit Department to assess risks associated with Corruption . We also have 24/7 CCTV cameras vigilance system installed in all stores and monitored through Loss & Prevention Department in corporate office.
- We very strictly follow our code of conduct, our CSR policy to be responsible and our environmental policy while dealing with internal and external stakeholders. Any kind of negative networking with our stakeholders and any deviations is liable to disciplinary action.
- Number of corruption complaints involving Apparel Group employees: 0
- Number of minor observations detected by auditors: 0
- Number of major observations detected by auditors: 0

Way Forward

Apparel Group is continuously working towards upholding the spirit of all 10 UNGC principles. However these are all drop in the ocean as compared to the Global requirements.

Therefore, we will keep on improving our business strategy and approach through our active participation and support towards United Nations Global Compact.

Thank You