

APPAREL GROUP

SINCE 1996

EXCEED EXPECTATIONS EVERYDAY



Sustainability
Report 2020

Table of Contents

 **Overview Of Apparel Group**

 **People**

 **Marketplace**

 **Community**

 **Environment**

About This Report

We are proud to present our sustainability report, summarizing our work and achievements for the year 2020. This GRI-referenced report has been compiled to communicate our sustainability actions to all our stakeholders - customers, suppliers, employees, regulators, community, and society at large. The reporting period is from January 1, 2020 to December 31, 2020. This report provides information regarding our performance on the UN Global Compact principles and Women's Empowerment Principles, therefore, serves as our annual Communication on Progress (COP).

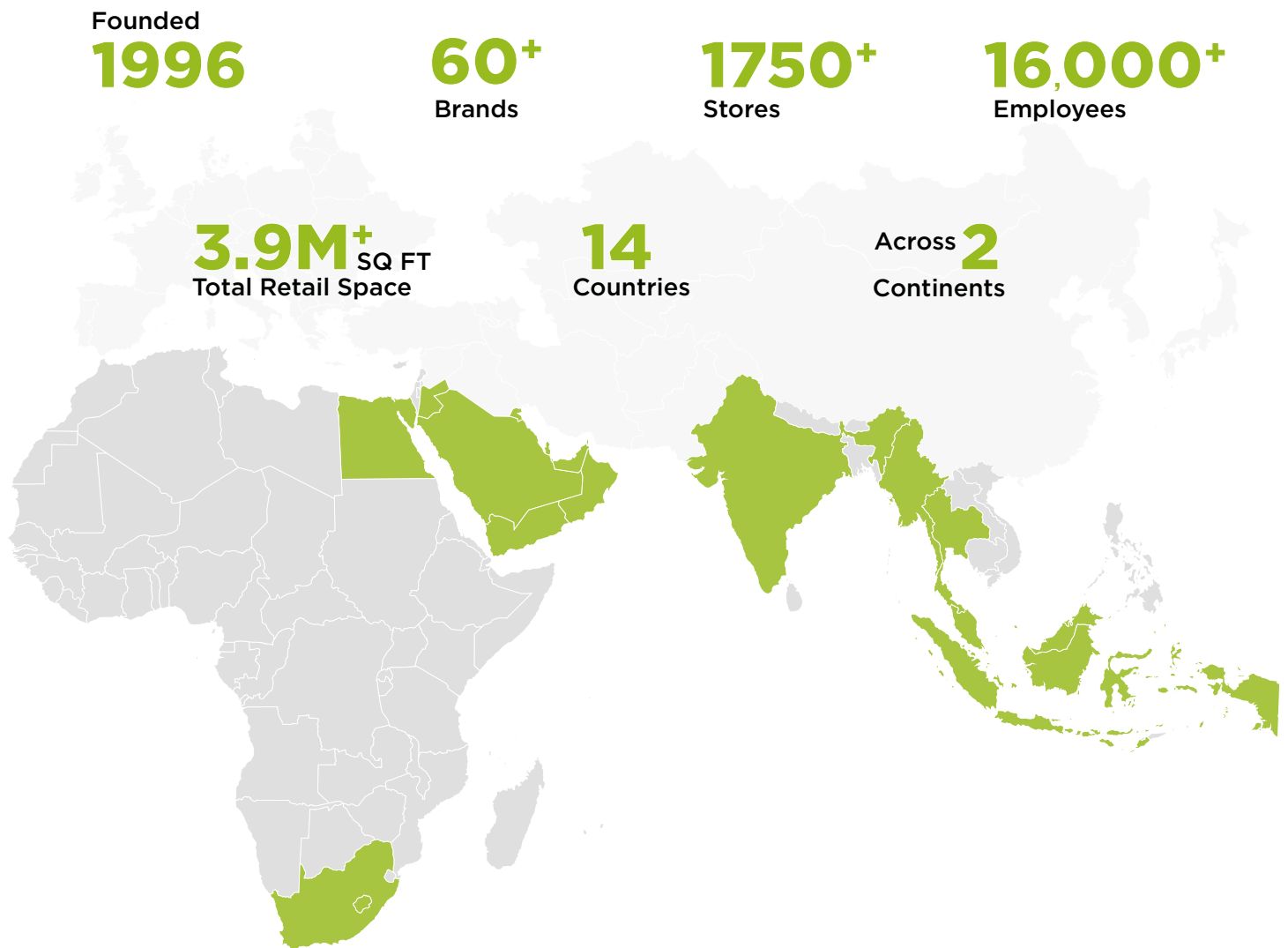
Report Boundary

The 'Reporting Boundary' considers GCC operations and for environmental disclosures, the reporting is based on level of our influence at our corporate headquarters and distribution centres in Jebel Ali.

Feedback

We welcome feedback which will help improve our reporting and ensure transparency. This report is available on United Nations Global Compact website. In case of queries, please contact: apparelcsr@appareluae.com

About Apparel Group



● Vision

Exceed Expectations Every Day

● Mission

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

● Values

Passionate, Empowered, Ambitious and Respectful

Profile

Franchise & License

Footwear



ALDO

ANNE KLEIN

BIRKENSTOCK



adidas kids



CALL IT SPRING

CHARLES & KEITH

crocs

Dune
LONDON

NINE WEST

SKECHERS

SKECHERS
Kids

NAT
UR
LITY

TOMS
One for One



M
MORESCHI
THE ITALIAN SHOEMAKER

Hush Puppies®
FOOTWEAR & ACCESSORIES

CCC
SHOES & BAGS

Fashion & Accessories

AÉROPOSTALE

AUSTIN REED



ARDENE

LC Waikiki
Compare fashion to dress well

POLO
RALPH LAUREN

XIMI
LIFE

Calvin Klein

Calvin Klein
underwear

ck
Calvin Klein
Kids

NAUTICA

la Vie en Rose
LINGERIE • NIGHTWEAR • SWIMWEAR

NEW YORKER
Dress for the moment.

ALDO
ACCESSORIES

THE FINEST QUALITY
Herschel
SUPPLY CO. CANADA
TRADE MARK

HEMA
AMSTERDAM

6 WAYS
All for kids!

THE CHILDREN'S
PLACE

Levi's®

Levi's® kids

TOMMY HILFIGER

Cosmetics

INGLOT



SZ SKY ZONE
TRAMPOLINE PARK

E Commerce

6TH STREET
.COM

Loyalty

CLUB APPAREL

Food and Beverage

COLD STONE
CREAMERY

Tim Hortons

jamie's
ITALIAN

JAMIE'S DELIVERS
PIZZERIA

Molten
Chocolate Cafe

NYC PIZZA
CHAMPAGNE

Home-grown Concepts

R&B
LOVE IT. WEAR IT.

F5

BBZ
BIG BRANDS SMALL PRICES

ACO.
athletesco

ACO.
Price

Grand Centrale

NESSA
FOR THE LOVE OF BEAUTY

DollarPlus
your family store

Recognition



Great Place to Work ME 2020

Apparel Group was placed among Top 50 Great Places To Work in Middle East for 2020 and 19th rank in Best Workplaces in Asia (Multinational)



Retail ME

- Skechers - Most Admired Responsible Retailer of the Year
- Levi's - Most admired Brand Campaign of the Year



Dubai Service Excellence Scheme

- Inglot Burjuman - Best service performance brand of the year in the fashion retail sector



Dubai Economy's Consumer Friendly Company

- Tommy Hilfiger, Beverly Hills Polo Club, Dune London, Aldo, Charles & Keith, Naturalizer, R&B, Skechers, Athletes Co.



Gulf Sustainability & CSR Awards

- Best Workplace & HR Practices - Gold
- Environmental Sustainability Programmes - Bronze



Dubai Chamber CSR Advanced Label 2020



Majid Al Futtaim's Green Star Awards for Tenants

Commitment

● CSR Vision

To be recognised as the most responsible company

● CSR Mission

Be committed to sustainable actions and contribute meaningfully to the Triple Bottom Line (social, economic and environment) performance.



Nilesh Ved
Chairman, AppCorp

“ Our 2020 sustainability report showcases Apparel Group’s commitment towards corporate responsibility and its ability to emerge stronger despite the challenges posed by COVID-19.

As we continue to be active members of the UN Global Compact and UN Women’s Empowerment Principles, we align our activities with the Sustainable Development Goals (SDGs) and the national priorities of the countries we operate in.

In 2020, we continued to invest in our people and upskilled them to transition into the Ecommerce domain, which saw exponential growth as we faced hardships in the retail stores during the lockdown.

We continue to respond to our customers’ changing needs by digitizing our services to improve the customer’s experience. As a result, we launched individual websites for each brand in response to increased consumer demand, providing new shopping avenues online.

Additionally, to increase transparency and speed up the procurement process, we launched a new interactive vendor management system. We also launched several eco-friendly collections across our brands, catering to the increased demand for sustainable fashion.

Going sustainable in our operations led to our electronic receipt usage increasing by 30%. With over 16,000 employees and 24 years of our growth behind us, we consider ourselves to be in a position of having a global impact. We will work towards continuing our sustainable initiatives and do our bit for the planet we live in. ”



Sima Ved

**Founder & Chairwoman,
Apparel Group**

“ Year 2020 was the year of survival and unity, as we had to adapt quickly to sustain our employees and support those in need to survive in the 'new normal'.

The main focus was the safety of our employees, customers and community. To recognize the role healthcare workers played in keeping everyone safe during COVID-19, we donated comfortable shoes to 9,000 healthcare workers. We continue to support our community partners and raised funds towards breast cancer patient care, in partnership with Pink Caravan.

Some of the biggest groups affected during the pandemic were war-displaced children without access to education. Hence, we launched donation campaigns to support disaster relief operations by providing the community with access to fresh water and medical facilities in Ghana, Lebanon, Sudan and sponsored education of underprivileged children.

Taking our effort to integrate People of Determination further, we organized American Sign Language sessions for customers at Tim Hortons UAE cafe that employ staff with hearing impairment. We are continuing to increase the number of cafés with people of determination as full time staff.

In terms of sustainability, we are excited to launch home-grown brands with sustainability at its core. Besides this, we enhanced our recycling efforts and partnered with recyclers to upcycle customer returned and damaged inventory into reusable material and diverted waste from landfill. We will continue to implement these initiatives to support our employees, community and partners through fund-raising programmes, CSR campaigns, while also reducing carbon footprint and waste. ”



Highlights GCC

● People

- 10,139 employees in GCC
- 71 nationalities
- 31% female employees
- 15 People of Determination
- Launched Digital Learning Platform

● Marketplace

- Launched 6 mono-brand sites (Crocs, Dune London, R&B, Rituals, Tommy Hilfiger, Aldo)
- Introduced new vendor management system
- Introduced sustainable & eco-friendly collections across brands
- Increased e-receipts by 30% vs 2019
- Introduced paper straws & reusable cup

● Community

- Supported 18,446 school children
- Supported 9,034 healthcare workers
- Supported 9,464 refugees
- Provided meals to 8,700+ people
- Supported 4,217 blue-collar workers by donating clothing and footwear
- Supported 2,200+ breast cancer survivors in partnership with Pink Caravan
- Helped 1,000+ families in Ghana have easier access to fresh water in partnership with Project Maji
- Empowered 350+ people with special needs through sign language workshops and internship programs, in-kind donations

● Environment

- Reduced 1,569 tonnes of CO2 emissions by generating 2.95 million Kwh in 2020 through solar power panels
- Recycled 145 tonnes of waste paper and plastic in 2020
- Repurposed 20 tonnes of discarded footwear and clothes through recycling in 2020
- Offices and warehouses in JAFZA consumed 3.56 million KWH of electricity in 2020
- 14.34 million litres of water was consumed across offices & warehouses in JAFZA
- Recycled 2,700,000 litres of waste water through onsite sewage treatment plant; recycled water used for flushing and landscaping

Alignment to Sustainable Development Goals



Apparel Group's footwear brands supported 9,034 healthcare workers by providing comfortable shoes as well as discounts at Tim Hortons café. Additionally, Nine West raised AED 115,100 for breast cancer patient care in partnership with Friends of Cancer Patients, while Skechers and Athlete's Co donated AED 10,000 for treatment of children with cleft lips, in association with Smile Train.



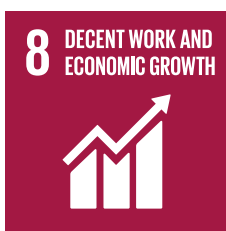
Around 18,000+ underprivileged children were supported through Skechers school kits and other education sponsorship programmes.



Aldo and Aldo Accessories raised over AED 64,000 for families to get access to fresh water in Ghana, impacting 1000+ families. Aldo's solar-powered water kiosks dispensed 2,643,976 litres of safe water.



Apparel Group generated 2.95 million kWh solar energy, fulfilling 55% of the headquarters' consumption needs and helped reduce 1,569 metric tonnes of CO2 emissions.



Apparel Group provides a safe and comfortable environment that enables professional and personal growth.



Apparel Group supported 4,217 blue-collar workers by providing comfortable clothing and footwear. The Group also aided war-displaced, children by providing TOMS shoes and assisted families in Middle East through fundraising and clothing donations. Apparel Group supported People of Determination through employment, internships and training programmes as well as in-kind donations.



Apparel Group eliminated single-use plastic shopping bags across its retail stores and single-use plastic & styrofoam items from our head office. We also introduced eco-friendly collections and e-receipts. To ensure the highest quality and safety standards, our products are tested by independent laboratories. We contribute to the Circular Economy and Waste Management through recycling programmes and have energy and water-efficient facilities in our warehouses, stores, outlets and offices to reduce consumption

Women 31.14%	Total No. Of Employees 10,139	Men 68.85%
13%	Senior Level	87%
25%	Mid Level Management	75%
25%	Junior Management	75%
31%	Non Management	69%

Employee Feedback Forums



To maintain a fair and transparent environment, we provide multiple channels to employees for feedback, suggestions and grievances. Employees can use the employee grievance application to share their concerns, which are addressed by the HR department. We maintain a zero tolerance towards harassment and any reported cases are promptly dealt with. We have a committee to review cases and deliver disciplinary action.

Furthermore, an employee forum 'Hear For You' was organised to receive suggestions, feedback and address any grievances. The forum is overseen by Apparel Group founder & chairwoman Sima Ved and sees participation from staff across GCC offices.

People



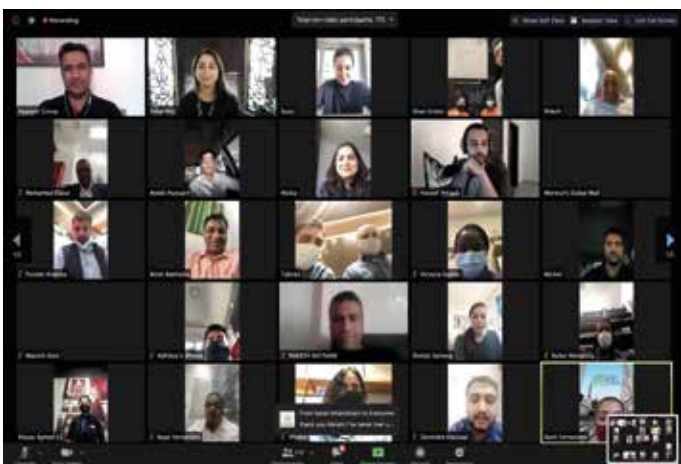
Apparel Group partnered with Great Place to Work in an effort to evaluate and improve the workplace culture. A multilingual survey was conducted among the employees. Based on the anonymous response as well as the efforts taken by the organization during the COVID crisis, Apparel Group was placed among Top 50 Great Places To Work in UAE for 2020.



Graduate Internship Programme

Apparel Group continued its Graduate Internship Program across GCC and India from August to December. We partnered with Zayed University, Middlesex University, HCT, American University of Dubai, University of Southern California, Marshall School of Business, Northeastern University, American College of Dubai, University of Wollongong in Dubai, American Academy, Heriott Watt University Dubai, Canadian University Dubai,

American University of Sharjah, Arab Open University, Austrahan University, PAAET, Sultan Qaboos University, Modern College of Business & Science, NIFT Mumbai, IIM Ahmedabad, IIM Bangalore, IIM Culcutta & IIM Lucknow for this programme. We inducted a batch of 96 interns from different cultural backgrounds into various departments including Operations, E-commerce, Fashion Buying, HR, Marketing, Logistics & Merchandising.



Learning & Development

The L&D team has launched an e-learning website to provide all employees access to training programs and higher engagement. This platform will soon be upgraded to our Oracle Learn system for better tracking and analytics. Keeping with the times, the L&D team focusses on optimizing the digital pathway to impart and encourage learning through use of training videos on WhatsApp, accessed by staff across all regions and brands.

People

Engagement



Dubai Fitness Challenge

During the 2020 Dubai Fitness Challenge, we organised Yoga and Meditation sessions as well as HIIT style training & exercises at our head office and Skyzone locations. We also arranged HIIT/Zumba exercises for our warehouse employees at the labour camp. Our retail employees participated in the 1-min fitness video challenge and participated in the Dubai Run event.



Retail Employees' Day

Retail Employees' Day was organised on December 12 to celebrate and appreciate our hardworking retail employees across different stores. Our leaders Nilesh Ved and Sima Ved addressed the store teams and thanked them for their efforts through an online session. Senior Management members and the Human Resource teams visited the retail staff and celebrated together.



Appreciating Distribution Centre Employees

Apparel Group recognised their distribution centre employees with gifts and certificates for their tireless efforts to ensure smooth operations during Covid-19.

People

Health & Safety UAE



- **200** employees participated in several health camps organised at the head office by Harley Medical Clinic.
- **120** employees participated in mental health sessions organised in association with Lighthouse Arabia
- **92** employees were trained in basic first aid, fire safety and loss prevention
- **20** employees were certified in fire safety training
- **40** employees were certified in basic first aid
- **300** employees participated in fire drills
- **0** major accidents were recorded in 2020

Marketplace

Club Apparel

- 60+ Brands across 1,750+ stores
- Offering rewards on over a million products
- Spanning 7 countries (UAE, Kuwait, Bahrain, Oman, Saudi Arabia, Qatar and India)
- 3.2+ million members

Club Apparel rewards its customers on every purchase, whether during sale and non-sale period. CA provides members access to digital bills for every loyalty transaction. Members can earn and spend points instantly, get personalised coupons and offers as well as gain exclusive access to end-of-season sales, based on their purchase behavior. With the loyalty program benefits accessed via a mobile app, we have eliminated the distribution of printed cards and reduced our carbon footprint.



Customer Rewards



Club Apparel's popular Promotion - 'CA Thanks You' with Half Back as Brand Points takes place seasonally every year. As a member-exclusive promotion, 50% points are returned to members for the respective brands they are shopping at. These brand points can be used by the customers instantly for redemption on the next transaction.

Marketplace

Omnichannel Experience

Apparel Group uses an omnichannel approach to provide a seamless ecommerce shopping experience to customers across multiple platforms. We are heavily invested in modernizing our technology platform and increasing our online presence.

‘Single View of Inventory Online’ orders can be fulfilled from stores based on availability and proximity of inventory. We are piloting ‘Endless Aisles’ in some of our key stores to provide more options to customers and get it delivered to their preferred address.

‘Click and Collect Online’ customers can buy products from our sites or apps and collect them from stores. We provide customers the option to return and exchange online orders through our physical store network.

Customers can earn and redeem Club Apparel points in all our physical stores and online channels. Moreover, customers can experience internet connectivity through our in-Store Wi-Fi Solutions in all countries.



PRESENCE IN 6 COUNTRIES

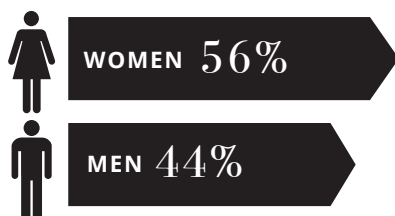


1.8M+
Monthly unique visits

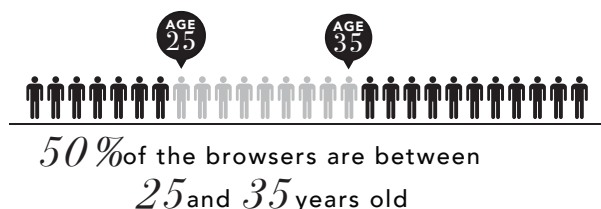
450+
International fashion
& beauty brands

82,000
SKUs available

ONLINE SHOPPER BY GENDER



ONLINE SHOPPER BY AGE



Marketplace

Monobrand Sites

In 2020, Apparel Group launched online websites for more than 6 brands.

ALDO

crocs

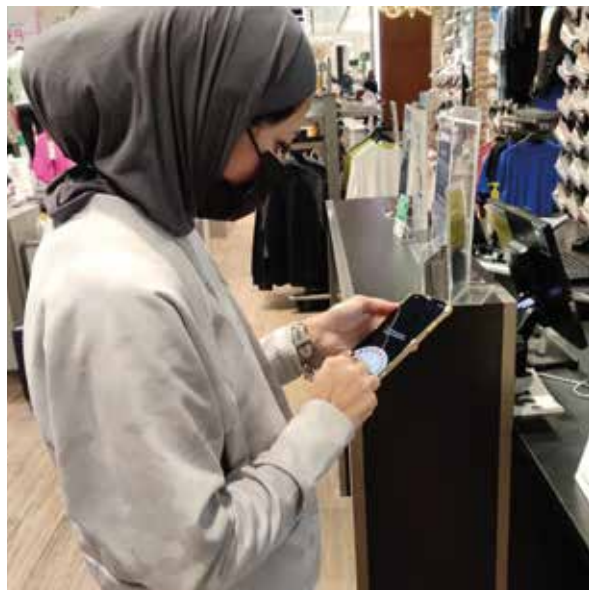
Dune
LONDON

TOMMY HILFINGER



R&B
LOVE IT. WEAR IT.

Customer Feedback



Net Promoter Score

We work on enhancing customer experience by capturing customer feedback on every transaction and engaging with customers through various channels. Customer feedback is captured through Mobile App channel as well as in-store kiosks, to capture feedback from tourists and non-CA members. A Club Apparel customer can give feedback and experience ratings through the Mobile App on every transaction done at the Club Apparel stores. Customers can also use the 'Write to Us' section on the Club Apparel App to write directly to our Customer Care team for any queries, complaints, suggestions and feedback

Mystery Shopping Audits

Dubai Service Excellence Scheme's mystery shopping audits are mandatory for all Apparel brands. Store teams are measured and reviewed for their customer service attributes by Dubai Government-assigned third-party assessors. There are rewards and acknowledgment for positive results, while low-scoring store teams are placed on a training & performance enhancement programme.

Data Privacy

With our growing online presence, data privacy and security is an important focus area. We enhance our security systems periodically and align our IT operations to the highest standards to ensure the privacy of our customers and employees' data.

Club Apparel is linked to an individual mobile number, validated during registration, and is provided by the customer, while email is verified to ensure data integrity. CA app is linked to the Point of Sale and tracks real-time transactions. Customer data is protected and shared with brand teams only in case of complaint resolution to contact customers. We may share non-personal aggregate information (user behaviour, demographic patterns, shopping adjacencies etc) with our affiliates or other partners. However, we expressly prohibit the disclosure, sale or transfer of any information about individual users to any unauthorized third party.

Marketplace



Digital Store Operations

We have rolled out Oracle Retail Xstore Point-of-service that provides mobile checkout and integrated payment options for customer, enhancing their shopping experience.

We are currently piloting a mobile app to digitize store operation and communication with the support centre. The new mobile app will help us enhance our visual merchandising, operations, staffing and marketing with greater accuracy.



Automated Distribution Centres

- 310,581.87 sq feet
- 75% reuse of cartons
- 140 tonnes of cartons recycled
- Restructured our operations by creating 15 different teams, who are cross trained to handle all activities in DC. Top performing individuals and teams are rewarded on a quarterly basis. This has resulted in 15% increase in productivity.



IT Security

We minimise security breaches by strengthening our cyber capabilities. We use next gen tools to monitor our security to mitigate all challenges that include end point security, perimeter strengthening, EDR. We send out regular communication and organize trainings for back-office users on IT security measures and phishing campaigns.

We have a cloud first strategy and all our physical servers are moved to Cloud, among the first

in the GCC region. We use Oracle Cloud, AWS and Azure Platform to leverage the best-in-class cloud technologies.

Marketplace

Suppliers

Eco-friendly Collections



F5 brand is a home-grown brand that has a range of products such as mobile phone cases, reusable face masks, wallets, bags and unisex athleisure clothing with Global Organic Textile Standard (GOTS), Fairtrade & Global Recycling Standards certifications, with 100% of the products manufactured at SMETA (Sedex Members Ethical Trade Audit)- approved facilities. All F5 products are made from organic or recycled material, incorporating

zero waste principles, wherein material including mobile cases and plastic used for packing is compostable. For every t-shirt sold from F5's 'Tees for Fees' collection in Athlete's Co stores and 6thstreet.com, 100% of profits are donated to Emirates Red Crescent for children's education.



Levi's products are made using Water<Less technology, drastically reducing the amount of water required to manufacture jeans. Levi's WellThread collection is manufactured in Worker Well-Being facilities with rain-fed cottonized Hemp, Water<Less technologies and maximum recycled materials; wherein every thread is designed to be recycled. Levi's puffer jackets and vests are

now made from recycled plastic bottles and waste. Levi's Tailor Shop provides customers a chance to talk to an expert who can provide advice to extend the life of clothes, customize or upcycle them into something new and recycle clothes in the final stage of the product life cycle.



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



Aldo's new sneaker collection, RPPL, is made from low-impact recycled materials. The sole of the sneaker is created using lake algae biomass instead of petroleum. The knit upper is formed from recycled plastic bottles, using three to six bottles per shoe depending on the size.



From Call It Spring's Spring 2019 collection onwards, all new shoes, handbags and accessories are entirely animal-free. All products are vegan and include the 'V' symbol on the insole or packaging of shoes, tags of handbags and the packaging of vegan accessories.



Charles & Keith's Sustainable capsule had sandals and bags made with recycled cotton, recycled rubber, recycled polyester, water-based faux leather, undyed linen and recycled cotton blend.



Vendor Management Portal

In 2020, Apparel introduced a new vendor management portal, having trained all our suppliers on its use and advantages. The new system ensures greater transparency as vendors can view invoice status, make queries through the portal's helpdesk and update their documents.

We have centralized procurement for non-trading categories and we use the latest auction tools to get the best deals. The entire procure to pay cycle is digitalized using Oracle Procurement system.

We use Newgen Automation, a latest Machine Learning system to process the invoices from Vendors and provide visibility to vendors on the status of their invoices, thereby reducing paper consumption and email communication. The system is designed to provide us with better control and transparency over the entire purchasing cycle.

During the pre-qualification process, potential suppliers submit an application as well as other necessary documentation, depending on their industry. Risks associated with human rights, labour rights, child labour and health & safety are evaluated during site visits.

If any risks are identified, they are thoroughly deliberated with the supplier to understand if they can be mitigated, and, if not, the supplier is disqualified. Qualified suppliers are registered and go through an onboarding process, with clear expectations of both parties communicated. A dedicated email id is available for payments-related queries/ grievances. All procurement is done through Oracle system so all transactions and purchase can be tracked & buying patterns, vendor quotes can be analysed through end-to-end tracking. For non-merchandise purchase, auction takes place to identify vendors, improving transparency. Purchase committee monitors major procurement, ensuring integrity through several levels of approvals.



Transparent Financial Transactions

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

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

Risk Management



Apparel Group develops, circulates, trains and checks implementation of SOPs at all retail stores.

Continuous monitoring through store audits by internal audit team is conducted to identify non-compliance and take corrective action & preparation of Operating Risk Register

- Identify degree of risk associated with business activities
- Plan & review the adequacy / compliance of controls in place
- Functional audit of various activities
- Risk rating of activities as (Low/Medium/High) based on audit performance

New policies & SOPs are developed based on audit findings. Eg: Credit limit approval, vendor registration form, Vendor balance confirmation, Aging of debit balance / advances paid to vendor, etc.

Gifts, Hospitality and Entertainment Policy

Gifts and concessions can impact our independence in taking sound business decisions. We always ensure that any offerings or acceptance doesn't compromise the Group and is in-line with our Code of Conduct.

Conflict of Interest Policy

We always avoid any activity, interest or association that conflicts or appears to compromise our independent judgement

Community

In-Kind Donation



Crocs also donated 450 shoes for healthcare workers in King Khalid University Hospital in Riyadh, Saudi Arabia & Hamad Medical Corporation in Qatar.

Supporting Healthcare Workers

Skechers, Crocs, Birkenstock and CCC donated around 9,000 pairs of shoes to healthcare workers associated with DHA, SEHA and private hospitals in UAE. Skechers also offered 25% discount on shoes for healthcare workers associated with SEHA and DHA. Furthermore, Crocs donated 450 shoes to healthcare workers in King Khalid University Hospital in Riyadh, Saudi Arabia and Hamad Medical Corporation in Qatar.

Additionally, Tim Hortons offered free coffee to DHA members for three months along with 20% discount on all Tim Hortons products.

Supporting those displaced by COVID-related lockdown

Apparel Group partnered with Nefsy and Emirates Red Crescent in their nationwide initiative to feed 49,000 families on the 49th National Day. Apparel Group donated 443 food boxes made up of essential items including rice, wheat, oil, sugar, salt, water and sanitizer to underprivileged families.

Besides this, Apparel Group partnered with Smartlife Foundation to distribute 130 care packages for those who lost their jobs in UAE and donated 200 food packages in Bahrain.



Skechers donated 1,400 school kits to children at Al-Noor Training Center, 200 school kits to Rahma Cancer Patient Society, 200 school kits to Indian Charity school, 200 school kits to Rawafed Development and Learning Centre, 400 school kits to Dubai Autism Centre, and 200 school kits to the Special Needs Future Development Center in UAE. Skechers also donated 500 school kits to underprivileged children supported by Emirates Red Crescent Dubai, UAE.

Aldo partnered with Smart Life Foundation and donated 2,000 pairs of comfortable shoes for female blue-collar workers in UAE, while R&B donated 700 polo t-shirts to blue-collar workers in association with Emirates Red Crescent Sharjah.

Community

Supporting Children's Education



Skechers donated 1400 school kits to children at Al-Noor Training Center, 200 school kits to Rahma Cancer Patient Society, 200 school kits to Indian charity school and Rawafed Development and Learning Centre, 400 school kits to Dubai Autism Centre, and 200 school kits to the Special Needs Future Development Center in UAE. Skechers also donated 500 school kits to underprivileged children supported by Emirates Red Crescent Dubai, UAE. The school kit includes school bags, lunch bags, water

bottles and pencil cases. In KSA, Skechers donated 5,770 school kits to Ehsan Charity Committee for orphans and Sanad Children Cancer Support Association. In Qatar, Skechers school kits were donated to Birla Public School and Newton International School. Besides this, Apparel Group sponsored the education of 9 children associated with Karunasharan Welfare in India and 12 children associated with Ras Ruman Charity Society in Bahrain.



Apparel Group employees participated in the Dubai Cares Walkathon to raise funds for Children's education in developing countries.

The Children's Place has partnered with Dubai Cares, a nonprofit that aims to ensure inclusive & quality education and raised AED 3,267 in funds through customer donations in stores

Community

Supporting Emergency Relief in MENA



Apparel Group employees donated lightly used clothes for Emirates Red Crescent's initiative to raise funds for Lebanon post the Beirut crisis.

Levi's launched a recycling campaign, where customers donated their old jeans for the Lebanon relief fund, while the brand donated funds and new clothes for the cause.



Grand Centrale Ajman raised AED 20,340 for Emirates Red Crescent's relief fund for Sudan, after the country experienced catastrophic flood. Customers were also encouraged to donate their lightly-used items for the cause.

As part of its 'One for One' campaign, for every shoe sold in UAE, TOMS donated shoes to war-displaced children and adolescents in refugee camps associated with Emirates Red Crescent.

Apparel Group supported 9,464 refugees through Qatar Charity.

Community

Supporting Health Needs



Nine West raised AED 115,100 for breast cancer patient care in association with Friends of Cancer Patients' Pink Caravan campaign between 2018 & 2020. With this campaign, we have improved lives of 173 women by sponsoring 153 mammograms, 8 ultrasounds, 2 PET scans and 1 surgery.

Nine West donated 2,000 pair of shoes to breast cancer survivors in association with Emirates Red Crescent & Rahma Charity, as part of 'Buy 1, Give 1'

campaign. For every shoe sold at Nine West Dubai stores during October, Nine West donated a pair. Skechers and Athletes Co. donated AED 10,000 for treatment of children with cleft lips, in association with Smile Train.



Families in Ghana gain access to clean drinking water available through kiosks, sponsored by Aldo & Aldo Accessories. In 2019-2020 the brands raised AED 64,000 by donating AED 1 for every shoe shine product sold in UAE store to Project Maji, which helps set up the solar-powered water kiosks.

Aldo campaign has raised funds to install a kiosk,

which has dispensed 2,643,976 litres of safe water. Community selection for the second Aldo kiosk is in process as we continue to improve lives of young girls and women, who travel approximately 6km daily to collect water in these regions, often risking their safety and education.

Around 40 employees donated blood in Qatar.

Community

Supporting People of Determination



To integrate students with special needs into the workplace, Apparel Group offered a 6-week internship at its headquarters. Students gained work experience performing tasks for various brand teams and support functions. Additionally, students were trained on culinary skills at Tim Hortons cafes.

While Apparel Group brands raised funds for Swaad Association in KSA through stores in Rashid Mall, Khobar; Skechers,

Crocs, CCC, Naturalizer and Dune London donated 300 shoes to children associated with Children Disability Association in Riyadh, KSA.



In line with UAE National Policy for Empowering People of Determination, Tim Hortons organized American Sign Language (ASL) sessions for its customers at the Meadows cafe.

This Tim Hortons' initiative to raise awareness on people with hearing impairment is in addition to its continuous efforts to become an inclusive workplace through employment of staff with hearing impairment, who run some of its cafes in UAE.

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

This workshop is a part of our commitment to spread awareness and general understanding on how to communicate effectively in American Sign Language -ASL as well as provide our guests with a brief overview of Deaf Culture.

Environment

Resource Efficiency



We eliminated 10 million single-use plastic shopping bags across our retail stores, replacing them with paper & other reusable alternatives.



We eliminated single-use plastic items such as water bottles, spoons and foam plates, cups from our headquarters by providing employees with reusable water bottles, steel spoons, plates and cups, and paper alternatives for guests.

Our cardless app-based loyalty program Club Apparel has eliminating more than 2.3 million plastic cards and associated packaging material.

Environment



We regularly upgrade all new fit-outs across our stores, offices and warehouses with effective sustainable building design.

For water efficiency, we use dual flush systems, water taps with sensors and aerators. By doing this, we reduced our water consumption in 2020, with 14.34 million litres of water consumed at our headquarters and warehouses in JAFZA.

For electricity efficiency, we have automated lighting controlling systems, controlled air-conditioning by installing aircon energy saver and have locked thermostats so the temperature remains 24°C, leading to 25% increase in savings. Our building design allows for natural lighting, reducing our dependence on artificial lighting. These measures and work from home provisions have led to a reduction of electricity consumption in 2020, with 3.56 million Kwh consumed in our headquarters and warehouses in JAFZA.

Our modified cloud strategy revolves around optimising our use of the cloud, and as such reducing its energy consumption. This is realised by shutting down servers for non-critical services in production environments when they are not used, typically during the night hours and at minimal peak timings. This new management of our IT infrastructure has resulted in less energy consumption and a reduced carbon footprint.



By encouraging more recycling and reusing of cartons across our warehouses, our carton consumption has decreased by 50% compared to 2019.

Environment

Renewable Energy Production

Apparel Group has a 1.8 MWp single roof-top solar power system with 4,675 solar panels generating energy. This fulfils 55% of Apparel headquarter consumption needs and helps reduce 2,121 metric tons tonnes of CO2 emission annually. In 2020, 2.95 million kWh solar energy was produced at our premises, with savings of around AED 329,000.



Transport



We provide bus transport for employees (covering 70% of staff in head office) from Sharjah & Dubai locations to our head office in Jebel Ali.

Through route optimization and planning, diesel consumption across our fleet in UAE reduced by 24.45% compared to 2019 and petrol consumption in UAE reduced by 12.4% in 2020 compared to 2019.

With an aim to reduce our carbon footprint, we have reduced our air shipments and rely on consolidating shipments and routing through land and sea.

While at GCC level, our air shipments reduced by 26% compared to 2019, in UAE, air shipments were down by 69% vs 2019.

Environment

Green Stores



Our stores are designed to be energy efficient with LEDs, smart sensors, temperature controls, and energy management systems, in accordance with the UAE green building code and mall specifications.

Apparel Group has won the prestigious Green Star Awards from Majid Al Futtaim, for its environmental efforts and commitment to sustainability in store fitout construction. Majid Al Futtaim's Green Star Rating system assesses tenants' sustainability policies, environmental and social aspects relevant to their fit-outs and operation.

Several brand stores won the coveted 5-star ratings, while others have been rated between 3 & 4-stars.

Waste Management



We encourage recycling at our headquarters and warehouses, with several recycling competitions organized throughout the year and on-site recycling facilities available across the premises.

Our clothes and shoe recycling competitions diverted 809kg and 101kg respectively from the landfill. While the clothes were donated to charity, shoes were recycled and over 100 employees participated in this initiative, organized as part of Dubai Chamber Sustainability Network's 'Lets Reduce and Reuse campaign 2020' campaign.

We diverted 20 tonnes of old, damaged and customer-returned clothes and footwear from the landfill in UAE, by sending it for re-use and recycling. While 57% of the products were repaired and resold, 37 % was repurposed into raw material & 6% was sent to waste-to-energy plants.



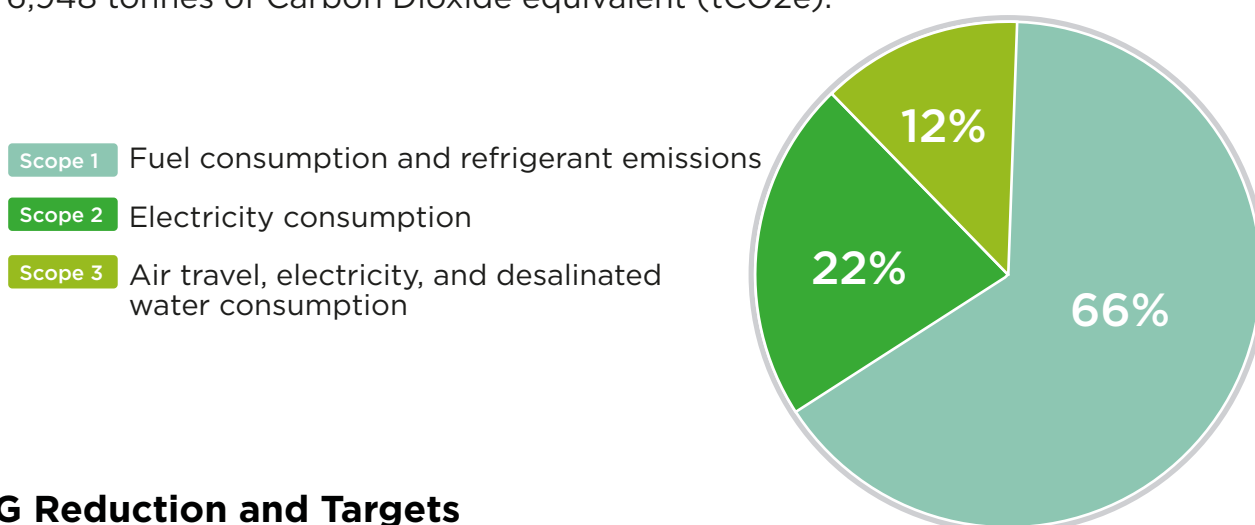
Our on-site recycling programme helped us recycle 140 tonnes of cartons, 4 tonnes of paper and 1 tonne of plastic from our head office and warehouses in JAFZA & DIP.

Our on-site sewage treatment plant generates recycled water for landscaping and flush systems. We recycled 2.7 million litres of waste water in 2020.

Greenhouse Gas (GHG) Emission

As an environmentally responsible organisation, we began carefully monitoring our CO₂ emissions resulting from our operations to better assess our impact and plan interventions as needed.

Apparel Group's GHG inventory was prepared in accordance with The GHG Protocol – Corporate Standard. The emissions captured in this inventory for 2020 includes refrigerant emissions, water and electricity consumption within our offices and warehouses, as well as air travel and fuel consumption in UAE. The aggregate GHG emissions within this scope was 6,948 tonnes of Carbon Dioxide equivalent (tCO₂e).



GHG Reduction and Targets

Apparel Group has undertaken several steps to reduce its greenhouse gas emission intensity, these include: integration of renewable energy, improving energy efficiency, rationalizing water consumption, reducing generation of organic waste, phasing out single-use plastic as well as recycling and repurposing merchandise (customer-returned goods & damaged or unsold inventory) to divert waste from landfill. Apparel Group is also looking to increase its solar generation by installing solar car sheds in 2021.

1,569 tCO₂e

Emissions Reduction from solar generation in 2020

15,689 tCO₂e

GHG reduction target set by Apparel Group over the next 10 years in UAE

Solar panel installed capacity	1,800 KW
Annual generation	3,582 MWh
Annual emission reduction	1,569 tCO ₂ e
Expected emission reduction over 10 years	15,689 tCO ₂ e
Expected emission reduction over life of 20 years	31,377 tCO ₂ e

Stakeholder Engagement



Impact Boundaries

Material Topic	Corresponding GRI Standards Material Topics	Impact Boundaries	Page
Customer Excellence	Stakeholder Engagement/ Customer Health & Safety/ Customer Privacy	Within & Outside the Organisation	11,15,21,24
Training & Development	Training & Education	Within the Organisation	10
Economic Performance	General Disclosures (Organisational Profile - Scale of the Organisation)/ Economic Performance	Within the Organisation	13,14
Health & Safety	Occupational Health and Safety	Within & Outside the Organisation	12
Ethics & Compliance	Ethics & Integrity	Within & Outside the Organisation	9,18,19
Overall Diversity	Diversity & Equal Opportunity/ Non-Discrimination / Local Communities	Within & Outside the Organisation	9
Well-being	Employment /Occupational Health and Safety	Within & Outside the Organisation	12
Gender Diversity	Diversity & Equal Opportunity/ Non-Discrimination / Local Communities	Within & Outside the Organisation	9
Digital Transformation	General Disclosures (Organisational Profile - Scale of the Organisation)	Within & Outside the Organisation	14,15
Innovation	General Disclosures (Organisational Profile - Scale of the Organisation)	Within & Outside the Organisation	17, 26
Waste Management	Waste	Within & Outside the Organisation	29
Anti-Corruption	Anti- Corruption	Within & Outside the Organisation	18,19
Procurement Practices	Procurement Practices	Within & Outside the Organisation	17,18,19
Governance	Ethics & Integrity	Within the Organisation	20-24
Human Rights	Child Labour / Forced or Compulsory Labour / Human Rights Assessment	Within & Outside the Organisation	18
Energy Consumption	Energy	Within the Organisation	27
Protection of Marginalised Communities	Local Communities	Outside the Organisation	20 - 24
Climate Change	Energy/ Water & Effluents/ Emission/ Waste	Within & Outside the Organisation	25 - 30

GRI G4 Context Index

GRI 101: FOUNDATION 2016					
General Disclosures		Page No	UNGC Principles	WEPs Principles	Comments
ORGANIZATIONAL PROFILE					
102-1	Name of the organization	1			
102-2	Activities, brands, products, and services	2, 3, 7, 13, 14, 16, 17			
102-3	Location of headquarter	1			
102-4	Location of operations	2			Countries of operation: UAE, KSA, Bahrain, Oman, Kuwait,Qatar, India, Indonesia, Malaysia, Singapore, Thailand, Egypt, South Africa,Pakistan
102-5	Ownership and legal form	3			
102-6	Markets served	2			
102-7	Scale of the organization	2			
102-8	Information on employees and other workers	7, 9	6		
102-9	Supply chain	3, 17, 18			
102-12	External initiatives	20-24			
102-13	Membership of associations	6			
STRATEGY					
102-14	Statement from senior decision-maker	5,6			
ETHICS & INTEGRITY					
102-16	Values, principles, standards, and norms of behavior	2			
102-17	Mechanisms for advice and concerns about ethics	9, 19			
STAKEHOLDER ENGAGEMENT					
102-40	List of stakeholder groups	31			
102-43	Approach to stakeholder engagement	31			
REPORTING PRACTICE					
102-46	Defining report content and topic Boundaries	1			
102-48	Restatements of information	7			
102-49	Changes in reporting	1			
102-50	Reporting period	1			
102-52	Reporting cycle	1			Annual
102-53	Contact point for questions regarding the report	1			
102-55	GRI content index	33-35			
102-56	External assurance				No external assurance has been sought for this year's report. We aim to put an assurance process in place for our future sustainability reports

GRI G4 Context Index

GRI 200 ECONOMIC STANDARD SERIES				
General Disclosures	Page No	UNGC Principles	WEPS Principles	Comments
GRI 205 ANTI-CORRUPTION		10		
205-1 Operations assessed for risks related to corruption	18,19			
205-3 Confirmed incidents of corruption and actions taken				There has been no incident of corruption
GRI 300 ENVIRONMENTAL STANDARDS SERIES				
GRI 302 ENERGY				
302-1 Energy consumption within the organization	26-28			
302-4 Reduction of energy consumption	26-28,30			
GRI 303 WATER AND EFFLUENTS		7,8		
303-5 Water consumption	26,28,29			
GRI 305 EMISSIONS		7,8,9		
305-1 Direct (Scope 1) GHG emissions	30			
305-2 Energy indirect (Scope 2) GHG emissions	30			
GRI 306 WASTE		8		
306-1 Waste generation and significant waste-related impacts	7,26,29			
306-2 Management of significant waste-related impacts	25,26,29			
306-4 Waste diverted from disposal	29			
GRI 401 EMPLOYMENT		2,3		
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees				The benefits received by the employees include transportation, housing, ticket allowance, medical and life insurance
401-3 Parental leave				5 days parental leave and 45 days maternity leave is provided
GRI 403 OCCUPATIONAL HEALTH AND SAFETY		3		
403-4 Worker participation, consultation, and communication on occupational health and safety	12			
403-5 Worker training on occupational health and safety	12			
403-6 Promotion of worker health	11,12			

GRI G4 Context Index

GRI 400 SOCIAL STANDARDS SERIES					
General Disclosures		Page No	UNGC Principles	WEPs Principles	Comments
GRI 404 TRAINING & EDUCATION			6	4	
404-2	Programs for upgrading employee skills and transition assistance programs	10			
404-3	Percentage of employees receiving regular performance and career development reviews				Performance and Development Review is a yearly process done for all employees of the group
GRI 406 NON-DISCRIMINATION					
406-1	Incidents of discrimination and corrective actions taken	9	6	2	
GRI 407 FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING			3		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk				N/A- Collective bargaining agreements are not currently permitted in the UAE
GRI 408 CHILD LABOUR			5		
408-1	Operations and suppliers at significant risk for incidents of child labor	18			UAE Labour law is applicable
GRI 409 FORCED OR COMPULSORY LABOR			4	2	
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	18			UAE Labour law is applicable
GRI 412 HUMAN RIGHTS ASSESSMENT			1,2	2	
412-1	Operations that have been subject to human rights reviews or impact assessments	18			
GRI 413 LOCAL COMMUNITIES				6	
413-1	Operations with local community engagement, impact assessments, and development programs	20-24			
GRI 416 CUSTOMER HEALTH AND SAFETY					
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services				There has been no incident of non-compliance with regulations and voluntary codes concerning the health & safety impacts of products & services
GRI 418 CUSTOMER PRIVACY					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	15,16			

APPAREL GROUP

SINCE 1996

EXCEED EXPECTATIONS EVERYDAY

Jebel Ali South, Dubai, UAE | P.O. Box: 261873
Phone: +971 48136111 | Email: apparelcsr@appareluae.com