

ESG REPORT 2024/25





CONTENTS

INTRODUCTION

- 2 About this Report
- 3 Our Story
- 10 Our Milestones
- 11 Message from our Leadership
- 14 ESG Director's Review
- 17 Highlights
- 18 Awards

GOVERNANCE

- 20 Corporate Governance
- 21 Governance Structure
- 27 ESG Integration
- 36 Internal Audit and Assurance
- 37 Enterprise Risk Management (ERM)

INNOVATION

- 44 Innovation & Sustainability

ENVIRONMENTAL

- 49 Environmental Governance
- 51 Air
- 61 Water
- 68 Earth

SOCIAL

- 79 Employees
- 106 Health and Safety
- 120 Community
- 130 Supply Chain
- 133 Customers

ANNEXURES

- 136 GRI Content Index
- 145 Independent Assurance Report





ABOUT THIS REPORT

This is our 10th annual Sustainability Report, signifying over a decade since we began our journey of sustainability reporting.

This report is a core component of our commitment to accountability, and it arrives at a critical juncture. The year 2024/25 marked the conclusion of some of our long-term ESG goals, and the setting out of even more ambitious targets for the future - making this a pivotal moment to transparently assess our progress.

Our sustainability reporting covers the operations of Brandix, a privately owned apparel manufacturer with facilities in Sri Lanka, India, and Bangladesh. All locations have been considered in the scope of this report. Brandix has reported in accordance with the GRI Standards for the period 1st April 2024 to 31st March 2025.

Where relevant, we have also included disclosures from the IFRS S1 and S2 standards and the industry-specific SASB Apparel, Accessories & Footwear Standard, to ensure our reporting addresses the sustainability topics most material to our business and our stakeholders.

We are proud to have surpassed some of our most challenging targets, while making resolute progress toward others, despite setbacks. Our goal is to provide an honest and balanced account of our sustainability performance, grounded in credible data and aligned with global best practices.

Scope and Boundary

The data and disclosures in this report cover all entities and manufacturing facilities owned and operated by the Group across Sri Lanka, India, and Bangladesh, unless otherwise specified. The boundary for our environmental data includes all facilities under our direct operational control. The scope for our social and governance data encompasses all our employees. Where possible, we are progressively working to expand the boundary of our reporting to include deeper insights from our value chain partners.

Data Integrity and Assurance

We are committed to the accuracy and reliability of the information included in this report. Information presented is based on extensive data collection, thorough internal documentation, comprehensive analysis, and stringent oversight from our management teams. The report's contents have undergone rigorous validation by our Internal Audit function, ensuring accuracy and reliability.

The Board of Directors has collectively reviewed all content within the report, alongside the assurance reports obtained from internal teams and external assurance providers. While all information contained in this report has been appraised by Senior Management, Brandix continues to adhere to its policy of undertaking external assurance for its annual Sustainability Reports. In this regard, we have obtained the services of Messrs. Ernst & Young to conduct an independent assurance. Their complete assurance statement is appended on page 145.

Restatements

Restatements of previous years' Environmental and OHS data, are clearly outlined in the relevant sections of this report, with reasons for changes.

Feedback

Please direct any feedback or queries regarding this report to the Brandix Sustainability team.
T: +94 114 727 000
E: esg@brandix.com

Legal name and registered address

Brandix Lanka (Pvt) Ltd.
25, Rheinland Place,
Colombo 03,
Sri Lanka





OUR STORY



With over 50 years of experience, Brandix is a global leader in apparel manufacturing and digital solutions, serving iconic brands worldwide. Driven by curiosity and a commitment to environmental and social sustainability, Brandix has achieved several world firsts in ethical manufacturing such as the first LEED Platinum certified apparel manufacturing facility in 2008 and the first Net Zero Carbon certified apparel manufacturing facility in 2019. The company builds life-long relationships with partners who share its purpose, co-creating Inspired Solutions for clothing that celebrate humanity and drive prosperity for all.

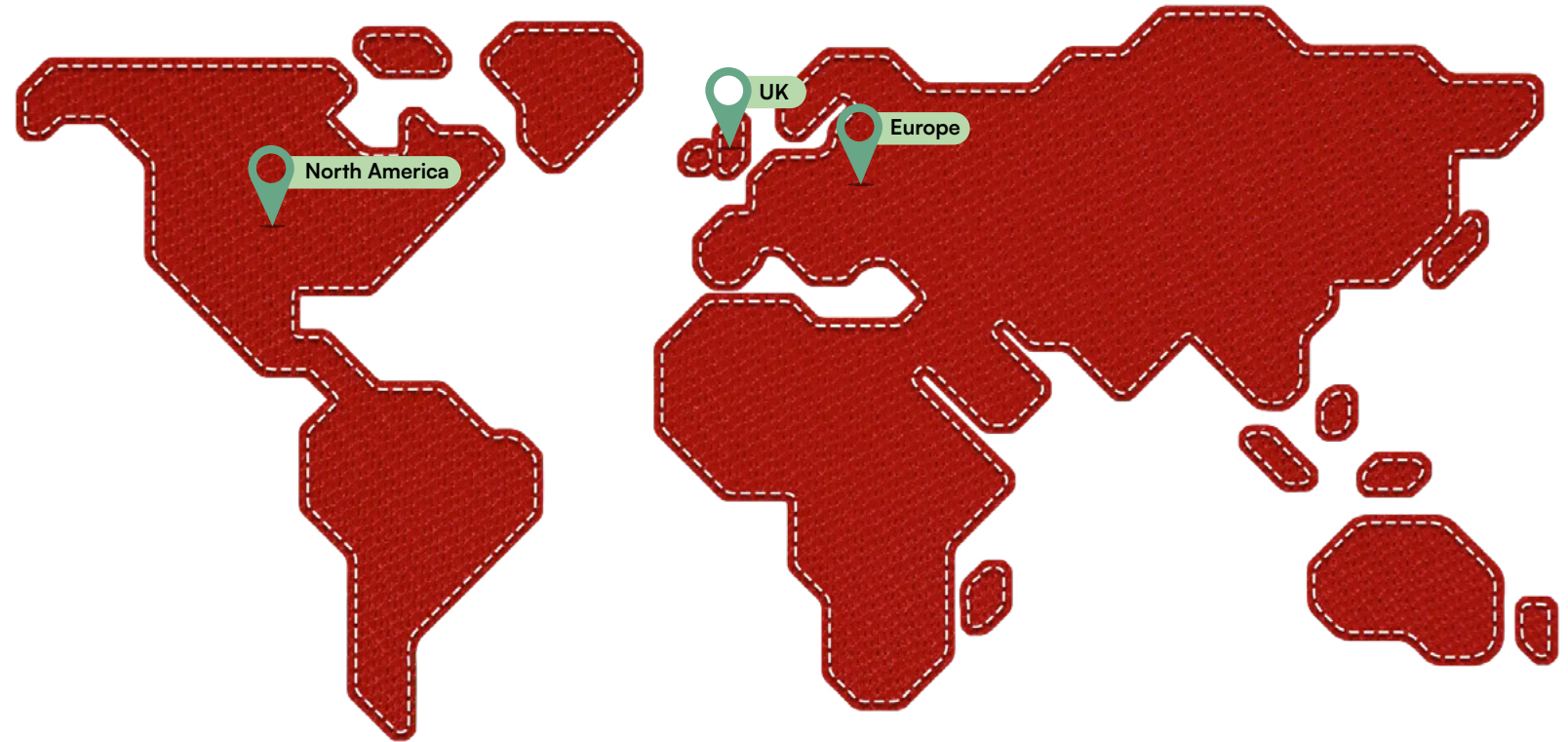


From Sri Lankan Roots to Global Leadership

Brandix stands today as a pre-eminent force within the global apparel value chain. Our story commenced in 1969 with our entry into apparel manufacturing. From those initial steps, our enterprise grew with purpose, culminating in 2002 with the establishment of Brandix Lanka Limited. Our growth in Sri Lanka's apparel sector positioned us as a vital contributor to the national economy, laying a solid foundation for the future.

This deeply rooted strength in Sri Lanka fuelled our global ascent. Driven by a spirit of continuous innovation and strategic foresight, our expansion unfolded year after year. Deliberate investments in India and Bangladesh significantly amplified our influence, weaving our presence throughout the South Asian region.

Today, from our headquarters in Sri Lanka, we have expanded our operations to include a presence in India and Bangladesh. Our formidable operational footprint now encompasses a network of 22 manufacturing facilities across South and South-East Asia. With immense pride, we stand as trusted partners to some of the world's most esteemed apparel brands, consistently delivering inspired solutions that resonate on a truly global scale.



Major Markets



Global Presence

[About this Report](#)[Our Story](#)[Our Milestones](#)[Message from Our Leadership](#)[ESG Director's Review](#)[Highlights](#)[Awards](#)

Our Presence in the Value Chain

The Brandix vertically integrated supply chain spans Sri Lanka, India, Bangladesh, Haiti, Cambodia, the United Kingdom, and the United States. This provides our customers a strong base to serve some of the world's largest consumer markets in North America, Europe, and the United Kingdom.

Our foundational manufacturing and operating capacity offers the scale and control necessary to partner with the world's leading brands and deliver a diverse portfolio of Inspired Solutions.

We maintain a very strong upstream presence through strategic investments with leading fabric manufacturers — allowing us to reliably source necessary raw materials and operate under a made-to-order business model. Brandix meticulously manages the entire production process from planning and raw material sourcing to cutting, sewing, embellishment, finishing, and packing, ensuring timely delivery of finished products to our customers.

Our diverse product offering includes Casual Wear, Intimate Wear, Lounge and Sleep Wear, Activewear, and Accessories; supported by a robust product development process that can consistently meet customer technical specifications and align with changing market trends.

Partnerships

We actively collaborate with partners across the supply chain, to present a stronger offering to our customers, and collectively address sustainability challenges faced by the industry. We are active members of, or partners with, the following associations and multi-national bodies working to improve sustainability in the apparel industry and wider corporate community.

- Joint Apparel Association Forum (JAAF)
- Export Development Board (EDB)
- United Nations Development Programme (UNDP)
- United Nations Global Compact (UNGC)

Certifications

We believe that trust is the cornerstone of our relationships with customers, partners, regulators, and employees. Brandix upholds the following international standards, accreditations, and charters related to sustainability; supported by stringent audits, verification, and certification.

Environmental

- CIOB GreenMark Certification
- ISO 14001: 2015 Environmental Management
- Leadership in Energy and Environmental Design (LEED) Certification
- Higg FEM Index

Social

- Social and Labour Convergence Program (SLCP)
- Ethical Trading Initiative (ETI)
- Business Social Compliance Initiative (BSCI)
- Worldwide Responsible Accredited Production (WRAP)
- Sedex Members Ethical Trade Audit (SMETA)
- SA8000: 2014 Social Accountability

Products / Materials

- Global Organic Textile Standard (GOTS)
- Global Recycled Standard (GRS)
- Recycled Claim Standard (RCS)
- Organic Content Standard (OCS)
- OEKO TEX Standard 100
- Better Cotton Initiative (BCI)
- Regenagri

Operational

- Global Security Verification (GSV)
- ISO 9001: 2015 Quality Management



About this Report

Our Story

Our Milestones

Message from Our Leadership

ESG Director's Review

Highlights

Awards

The Brandix Way

The DNA of our organization, the Brandix Maxims are the guiding principles that define who we are and how we act. Together with our Northstar, which represents our Vision and Purpose, they form the foundation of our culture, shaping our daily decisions and uniting a strong global team. Our philosophy is built upon three interconnected pillars.

Inspired People. What We Stand For:

These maxims define the foundational values that guide individual and collective behaviour, such as Practice Respect & Listen to Lead, Thrive in Integrity & Fairness, Team-First Mindset, and Strive for Excellence.

Inspired Solutions: How We Think & Act.

This category outlines the strategic approaches Brandix takes in its operations and problem-solving, including Think 'Digital-First', Be Flexible & Agile, Stay Curious & Innovative, and Act Sustainably.

Inspired Leadership. How We Lead:

These maxims focus on the leadership principles that steer the Company, such as Simplify & Focus, Drive Vision & Growth, Inspire Each Other, and Excite & Engage Customers.

These principles give life to our Northstar: To Be the Inspired Solution for Branded Clothing.

They are the framework through which we spark creativity and passion:

to deliver enduring value for our customers, our communities, and our country. The Maxims are more than principles; they are the 'Brandix Way'—our guide to navigating the future with a shared sense of purpose and inspiration.

Inspired People: What We Stand For

The foundational values that make up the Brandix DNA and way of life





Inspired Solutions: How We Think & Act

A cultural blueprint for core competencies and long-term resilience

Digital-first



Agility-focused



Innovation



Sustainability



Inspired People: What We Stand For

Empowering our teams to deliver exceptional value in line with our vision

Simplify and Focus



Inspiring Each Other



Driving Vision and Growth



Exciting and Engaging Customers



Shaping Tomorrow's Landscape

Brandix continues to play an active role in addressing global sustainability challenges, recognising the importance of meaningful action towards a more resilient future for the global apparel sector. Our ESG framework, deeply integrated with the Brandix Maxims, forms the bedrock of this ambitious pursuit. It inspires our business priorities and strategies, informs comprehensive risk management protocols, and meticulously guides our pioneering efforts to embed sustainability, responsible innovation, and operational excellence throughout our entire value chain.

As responsible stewards of the environment, we champion material circularity - actively advancing innovation, incorporating sustainable materials, and leveraging technology to drastically reduce our waste footprint. Through our bold, SBTi-validated commitment to emission reduction and our pioneering efforts to achieve Net Zero Carbon status for our facilities, we are making a tangible contribution to decarbonising apparel and supporting the worldwide effort to meet climate goals. Our proactive approach to water stewardship inspires us to responsibly manage water use, while transitioning to more sustainable water sources.

We champion diversity and take pride in creating safe and inclusive workplaces where every individual is given the opportunity to fulfil their potential. Our efforts further extend to uplifting the communities we call home, with a specific focus on strengthening the foundations of thriving societies by improving access to essential needs and services such as education, nutrition, and healthcare. Integral to our social commitment, we also ensure the well-being of our customers through stringent quality, safety, and ethical sourcing practices that span our supply chain.

Our commitment to responsible governance is inherently driven by transparency and integrity. This dedication is further complemented by strict privacy protocols, comprehensive training, and rigorous internal audits that ensure compliance and ethical conduct. Such robust oversight is fundamental to building lasting relationships that uphold stakeholder trust.





OUR BUSINESS MODEL

Apparel Value Chain



Our Governance Structure



Our Purpose, Strategy and Enablers



Risk and Opportunities



Performance

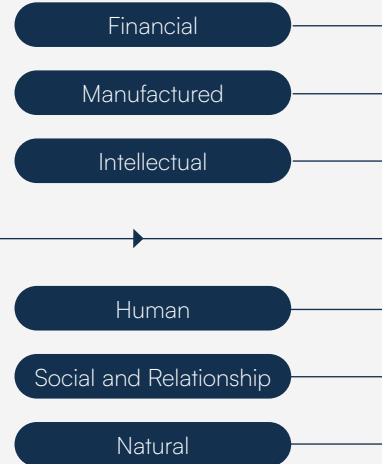


Outlook

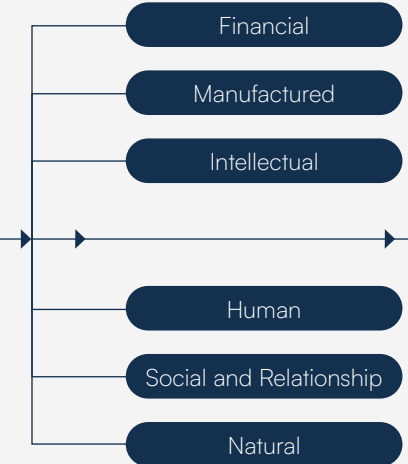
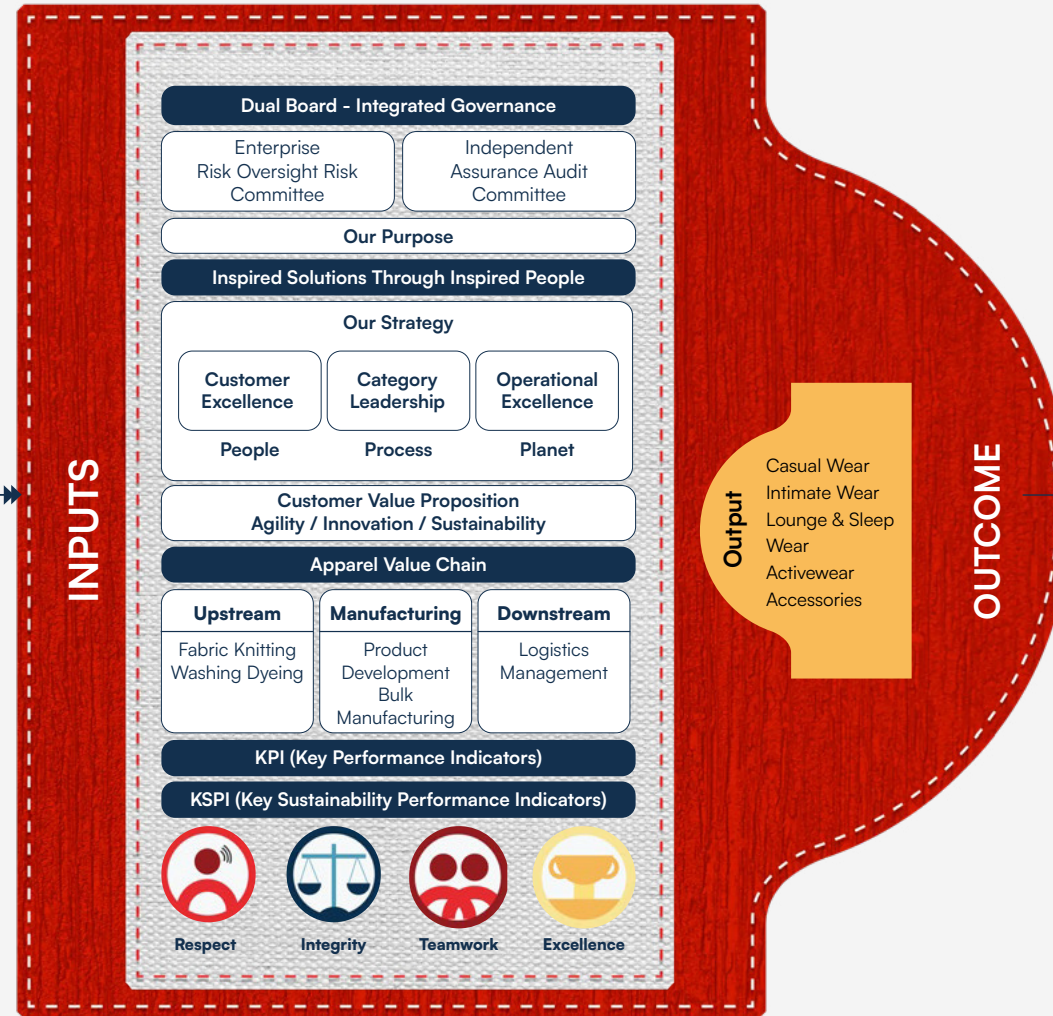


OUR BUSINESS MODEL

P
E
S
T
E
L



INPUTS



Industry Competitive Environment

Air

Water

Earth



OUR MILESTONES

2006-2010

Initiating our
sustainability
journey



Raising the bar for
sustainable manufacturing



2011-2015

Setting new standards
for green buildings and
sustainable development



Expanding our social
programmes



2016-2020

Extending our
social impact



Continuing to set benchmarks
for green facilities



2021-2025

Launching our
Decarbonisation journey with
new climate goals



MESSAGE FROM OUR LEADERSHIP



Ashroff Omar
Group Chief Executive Officer

Hasitha Premaratne
Managing Director

“This past year has reminded us that global economic trends are more than just data points; they shape the lives of our customers, partners, and our communities.”

While the global economy showed signs of recovery in 2024 with the easing of monetary policies, it was tempered by geopolitical volatility and uneven consumer demand. We witnessed the continued shift in economic gravity towards Asia, while established markets like the EU faced continued energy and economic pressures.

As a leader in an industry that is the livelihood for a workforce approaching half a billion people, our responsibility extends far beyond our own walls. The growing call for environmental accountability resonates deeply with our core values and has sharpened our focus on delivering sustainable, Inspired Solutions that benefit our customers, community, and country. Navigating today's dynamic landscape requires more than reaction; it demands foresight. Our strategy is therefore one of anticipation, where our long-term vision and operational agility enable us to uncover avenues for progress and innovation, even amidst significant global challenges.

Our Framework for Impact

Our commitment to leading this transformation is brought to life through a robust Environmental, Social, and Governance (ESG) framework, which is deeply embedded in our daily operational blueprint. Our Governing and Executive Boards provide steadfast oversight, ensuring that sustainability-related risks and opportunities are central to our strategic deliberations.

This year, we took a number of concerted steps to enhance the role of top leadership in harmonising our positive impact across every business unit.

[About this Report](#)[Our Story](#)[Our Milestones](#)[Message from Our Leadership](#)[ESG Director's Review](#)[Highlights](#)[Awards](#)

“We empowered the ESG Steering Committee, assessed next steps to adopt SLFRS S1 and S2 standards, and strengthened the Board’s oversight over climate risk management and sustainability performance.”

A Deeper Commitment to Environmental Stewardship

Our stewardship of the planet is a profound responsibility, reflected in our ambitious environmental goals across our three pillars: Air (emission-reduction), Water (water stewardship), and Earth (waste recycling and re-use, and material sustainability).

Our responsibility is most evident in long-term target for emission-reduction, validated by the Science Based Targets initiative (SBTi): Net-zero emissions across the value chain by 2050. This builds on our existing aggressive climate goal of achieving Net Zero Carbon by 2030. Working to achieve this goal, our widening renewable energy footprint and ongoing efforts for resource optimisation have contributed to six of our facilities in Sri Lanka already attaining Net Zero Carbon status.

We continue to expand our renewable energy portfolio, which now meets almost half of our total energy need.

We are proud to have reached the halfway mark in our goal of net-positive water operations by 2030: The share of sustainable water in our water-mix grew to 29% in 2024/25, backed by Group-wide investments in rainwater harvesting and wastewater recycling.

Our mindfulness extends to the materials we choose and the way we manage waste: We advanced on our exceptional achievements from the previous year by sourcing 45.4% of our raw materials sustainably, and recycling or re-using 90% of all solid waste across operations - directing zero waste to landfills.

Inspiring Our People and Uplifting Our Communities

Our people are the heart of our enterprise, and fostering an equitable and empowering environment is our foremost priority. Advancing gender equality within our management ranks was a key priority, and we have pioneered initiatives focused on mentorship and targeted development pathways to build a more inclusive leadership team.

This year, we refreshed our Employee Value Proposition and strengthened our Inclusivity, Diversity, Equity to Accelerate (IDEA) strategy to realise our commitment to creating inclusive workplaces, and better attract and retain exceptional talent - staying true to our purpose: Inspired People delivering Inspired Solutions.

We also took meaningful steps to support the holistic wellbeing of our team with a comprehensive new Mental Health Strategy, and launched the Associate as a Formula 1 driver — a revolutionary initiative to redefine apparel sector careers with enhanced automation leading to higher remuneration, respect, and clear growth pathways.

This work is rooted in our RITE values —which fosters a team-first mindset, celebrates diversity, and is built on an unwavering commitment to integrity and excellence. It is these values that inspire our people to become leaders in their communities. This year, we launched the Brandix Manusath Champion (volunteer) initiative to formally encourage this spirit of service and established Community Forums to deepen the dialogue with our neighbours, completing seven forums with over 200 participants.



“**Digital transformation initiatives are fundamentally changing the way we do business: improving the workflow of employees, enhancing customer experience, and reducing our environmental footprint.**”



Building a Resilient, Digital, and Ethical Future

To build a resilient future, we are embracing a Digital-First approach, integrating innovation and sustainability into our core product strategy. We expanded our Technical Design Capacity (TDC) during the year, incorporating tools like 3D sampling, and digital fabric colour approval.

Transition to cloud-based services and our Smart Factory initiatives are further optimising resource consumption while strengthening cybersecurity.

This digital evolution is built upon an unshakable ethical foundation. Our commitment to world-class standards is matched by our unwavering ethical stance, with zero incidents of corruption recorded this year. We hold our partners to these same high standards, screening 80% of all new suppliers against stringent environmental and social criteria.

A Future Forged with Gratitude and Resolve

Looking ahead, the path will undoubtedly hold both complexities and opportunities. Yet, our direction is clear, guided by our investment in exceptional people who bring the Brandix Maxims — Our DNA to life.

For over five decades, Brandix has demonstrated remarkable resilience, and it is our collective dedication to the Brandix Maxims that continues to light our way:

- Inspired People — living our RITE values of Respect, Integrity, Teamwork, and Excellence.
- Inspired Solutions — thinking digital-first, staying curious and innovative, acting sustainably, and being flexible and agile.
- Inspired Leadership — simplifying and focusing on what matters, driving vision and profitable growth, inspiring each other, and exciting and engaging our customers.

We are deeply grateful for the unwavering support of our employees, customers, partners, and communities. Together, we are forging a brighter tomorrow, committing to a healthier planet.

Ashroff Omar
Group Chief Executive Officer

Hasitha Premaratne
Managing Director

31 August 2025

ESG DIRECTOR'S REVIEW



Sahad Mukthar
Director ESG

“The story of Brandix is written in the impact we make on people and the planet. With a dedicated team of more than 46,000 people, our operations create a ripple effect that touches the lives of over half a million individuals across Sri Lanka, India, and Bangladesh. This human connection is the heart of our vibrant ecosystem and the source of our greatest responsibility.”

This responsibility is magnified by our physical footprint. In an era of climate urgency, operating 30 state-of-the-art facilities means we are acutely aware of our duty as drivers of environmental progress. We believe that true leadership in our industry is no longer defined by scale alone, but by the initiative taken to confront our impact and the commitment to creating lasting, positive change.

Today, as we stand at a critical juncture for our industry and our planet, we face our greatest challenge yet: building a truly sustainable future. Our sustainability journey is therefore guided by three clear and unwavering intentions:

- To become architects of a net-zero apparel industry.
- To empower lives and inspire generational growth.
- To champion inclusive governance, founded on our RITE values.

[About this Report](#)[Our Story](#)[Our Milestones](#)[Message from Our Leadership](#)[ESG Director's Review](#)[Highlights](#)[Awards](#)

This review outlines our strategic progress, the lessons learned from the challenges we faced, and the direction we are setting for the years ahead.

Our Blueprint for Integrated Impact

Sustainability at Brandix is our operational blueprint. Our ESG Framework is systematically integrated into every policy, process, and strategic decision, ensuring that sustainability is a strategic imperative at every level of the Company.

Our strategy is shaped by continuous dialogue with our customers, suppliers, employees, and communities as we work towards shared goals. Through a disciplined double-materiality assessment, we analyse our impact on society and the environment, while also identifying the sustainability-related risks and opportunities that affect our business. These critical insights are then formally integrated into our Group's Risk Register, providing a clear framework to mitigate risks and build future-focused resilience. To ensure the integrity of this entire process, we leverage standardised tools, consult with experts, and subject our performance to both internal audits and rigorous external verification.

“We worked hand-in-hand with our customers and suppliers to reimagine material inputs - leading to 45.4% of all raw materials sustainably sourced.”

Engineering a Healthier Planet

Our journey towards Net Zero Carbon by 2030 is the north star of our environmental vision. Despite recording a 4% uptick in Scope 1 and Scope 2 emissions, we saw Group emission intensity figures reduce by 13%, compared to the previous year. As we continue to aggressively transition our energy supply, I am pleased to report that renewable sources maintained an impressive 37% of our total energy mix.

We launched an Energy RACE initiative this year: a competitive and engaging programme designed to foster collective ownership of our energy-saving goals and embed a deep culture of conservation across the entire Group. Our commitment to clean air extends even further, reflected in conservation of tree-cover, replanting of native species, and greening of environments around our facilities. As a forward-looking measure, we also began the systematic measurement of indoor and ambient air quality, deepening our commitment to a healthy and safe environment for our people and communities.

Our vision for a circular future begins with the fibres that make up our products. In 2024/25, we built upon previous success - further increasing the share of sustainably sourced raw materials in our products. This includes a significant expansion in our use of recycled materials, now at 16%, and pioneering the adoption of regenerative materials.

This commitment to circularity extends to the full lifecycle of our products. Our policy of zero landfilling remains absolute; a principle we brought to life by ensuring 90% of all solid waste across our operations was recycled or re-used. We are now pushing the boundaries further, tackling one of our industry's toughest challenges with a pilot project to recycle branded elastic waste at a commercial scale. This innovative spirit, combined with operational efficiencies like our 'Paperless Brandix' programme which cut paper across our operations, defines our holistic approach to nurturing our planet.

Water stewardship also remains a critical priority. Our primary goal is to eliminate our dependence on groundwater across all operations. This year, we made tangible progress on this journey in Sri Lanka, building on our success in already achieving this critical milestone at our facilities in India and Bangladesh. Our approach extends to the entire water lifecycle. We are fundamentally shifting our water mix, with sustainable 'green' and 'grey' water sources now constituting 29% of our total usage, supported by investments in rainwater harvesting and recycling. This focus on conservation delivered a marked improvement in our water intensity, reversing a three-year trend. Critically, we recorded zero spillages or incidents of non-compliance, and every one of our wet processing facilities maintained 100% adherence to the stringent Zero Discharge of Hazardous Chemicals (ZDHC) standards.



[About this Report](#)[Our Story](#)[Our Milestones](#)[Message from Our Leadership](#)[ESG Director's Review](#)[Highlights](#)[Awards](#)

“Our spirit of service was brought to life this year through launch of the Brandix Manusath Champion volunteer initiative, which inspired our team to contribute nearly 5,000 hours to vital community projects.”

In Partnership with Our People

Our success is a direct reflection of the wellbeing and potential of our people. This conviction is why we are proud to have maintained zero fatalities and high-consequence injuries, while a 28.5% increase in proactive hazard reporting demonstrates a deeply embedded culture of shared responsibility for safety.

Beyond safety, we are cultivating a culture where every individual can thrive. This year, we strengthened this foundation by securing executive-level sponsorship for our Inclusivity, Diversity, and Equity to Accelerate (IDEA) framework, embedding it as a strategic imperative from the boardroom to the factory floor. With a purposeful agenda to achieve 27% women in management by FY 2026/27, we launched the G23 Female Leadership Development Programme as a strategic investment in the next generation of female leaders. We are championing a modern, supportive environment with the introduction of a new paternity leave policy and the Suwanari health screening programme for women. Additionally, our facility in Rambukkana is now proudly home to a production line entirely staffed by hearing-impaired team members. Furthermore, a comprehensive Mental Health Strategy and a new counselling dashboard were introduced to enhance holistic employee wellbeing.

The empowerment we cultivate within Brandix radiates outwards, strengthening the communities in Sri Lanka, India, and Bangladesh that are integral to our success.

Weaving Stronger Communities

Our commitment to strengthening the social fabric of our communities was demonstrated through our continued investments in targeted initiatives. During the year 2024/25, we successfully implemented over 300 projects under the Provide pillar - reaching more than 400,000 direct beneficiaries and indirectly impacting thousands more. Under the Educate pillar, our initiatives benefited over 20,000 students. Building on this foundation, we launched Community Forums — a formal stakeholder engagement platform. This significant development moves us beyond simply providing aid to building lasting relationships grounded in dialogue and shared action.

A Future Defined by Purpose

The progress outlined in this report is not an end-point, but a foundation upon which we will build a more resilient, equitable, and sustainable enterprise. We invite you to delve deeper into our 2024/25 Sustainability Report, which details the full scope of our journey.

Together, we are proving that a global apparel leader can, and must, be a powerful force for good.

Sahad Mukthar
Director ESG

31 August 2025





HIGHLIGHTS

37%

renewables in our
energy mix
(2023/24 — 41%)

29%

green water and
recycled grey water
in our water mix
(2023/24 — 24%)

90%

waste reused or
recycled
(2023/24 - 95%)

95%

Group-level
average Higg FEM
Score
(2023/24 — 90%)

45%

raw materials
sourced sustainably
(2023/24 — 40%)

Zero

non-compliance
with social or
environmental
regulations

Zero

high-consequence
injuries

Zero

customer
complaints



AWARDS



Most Outstanding Exporter in the Merchandise Category
Board of Investment of Sri Lanka (BOI)



Top Employers in Sri Lanka
AICPA and CIMA Top Employer Awards 2025



Overall Best Performer
PVH Annual Vendor Performance Workshop



Winner (Manufacturing Category)
ACCA Sustainability Reporting Awards 2024



Bronze (Apparel Industry)
Presidential Environment Awards 2024



Largest Corporate Blood Donor in Sri Lanka
National Blood Transfusion Service



Gold Award for Low Carbon & Climate Resilience Production
Green Industry Awards 2024



Platinum Award for Overall Excellence
Green Industry Awards 2024



Outstanding Achievements in the Environment Protection
Greentech Global Environment, Health, and Safety (EHS) Awards 2024



Most Outstanding Women-Friendly Workplace
AICPA and CIMA, and SATYN Magazine, Women Friendly Workplace Awards



Winner - Best Women Empowerment Initiative
Ceylon Chamber of Commerce DEI Champions Awards 2025

[About this Report](#)[Our Story](#)[Our Milestones](#)[Message from Our Leadership](#)[ESG Director's Review](#)[Highlights](#)[Awards](#)

Environmental Footprint

32,010 tCO₂eScope 1 and Scope 2 emissions
(2023/24 - 30,661 tCO₂e)**11,622 tCO₂e**Scope 3 emissions
(2023/24 - 14,796 tCO₂e)**460,866 GJ**energy use
(2023/24 - 460,948 GJ)**1,011,098 m³**water withdrawn
(2023/24 - 1,018,664 m³)**122 million**yards of fabric used
(2023/24 - 84 million)**450 million**yards of elastic and lace
trims utilised
(2023/24 - 346 million)**36,116 kg**of paper used
(2023/24 - 34,074 kg)**9.6 million kg**waste generated
(2023/24 - 9 million)

Social Impact

46,185total workforce
(2023/24 - 44,503)**1,371**subcontractor staff
(2023/24 - 1,371)**100%**of direct employees received
payments towards a retirement
fund**27.3**turnover rate
(2023/24 - 34%)**100%**of employees received
performance appraisals**38.4%**hiring rate
(2023/24 - 34%)**7.53**average hours of training per
employee
(2023/24 - 7.29 hours)**0.179**recordable injury and illness
rate
(2023/24 - 0.225)**86**recorded injuries
(2023/24 - 83)**USD 349,359**invested in community
programmes
(2023/24 - USD 570,514)**4,853**volunteering hours
(2023/24 - 7,875 hours)

Governance Performance

Zerogovernance-related incidents
for which fines were incurred**Zero**incidents of disciplinary
action/dismissal due to non-
conformance with employee
code of conduct

CORPORATE GOVERNANCE

Our approach to corporate governance has evolved over the years. It has grown to encompass a comprehensive system of interconnected processes and structures, helmed by the Board, which inform, direct, manage, and monitor all our decisions and activities.

The Brandix **One Governance Framework** is an integrated governance structure that serves as a strategic enabler in delivering key business outcomes. The structure includes and integrates all of the Company's policies, governance processes, and controls relating to the management of environmental and social risks and opportunities.

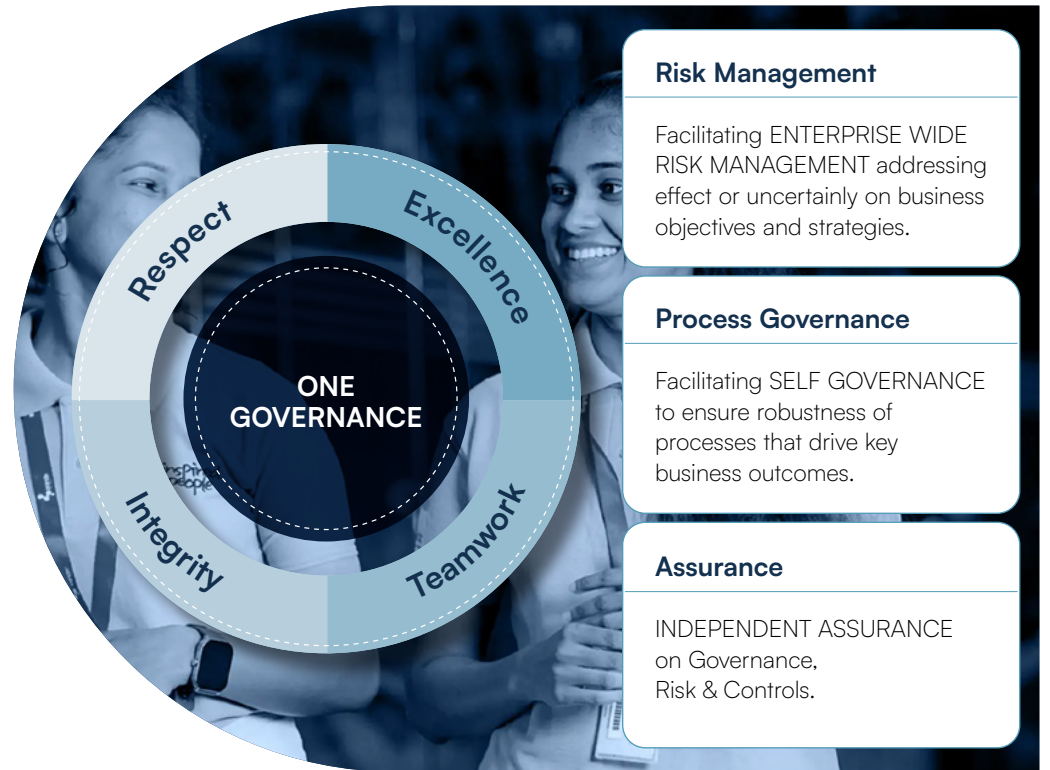
Our corporate governance approach enshrines the precautionary principle to guide operational and investment decisions. It also values the needs, opinions, and input of our stakeholders; who are integral to the success of the business. Our open-door policy, promoted and protected through our safe-to-speak-up policy, encourages all stakeholders to raise concerns directly to our highest governance body.

Additionally, the Group's grievance-handling mechanism, comprises a structured and participatory approach that ensures stakeholder

concerns are suitably heard, assessed, and addressed. We track the Company's performance on non-discrimination, as a metric, which is included in quarterly reviews conducted by the Board.

The first step of attending to grievances, concerns, or mental-health related issues of our employees is the dedicated counsellor for each plant who will directly report to Head of Group Counselling. All matters relating to abuse and harassment are addressed by the Abuse and Harassment Policy, which is governed by a Policy Governance Board at Group level. Each plant/location has an internal committee to attend to any abuse and harassment related matters in the location, and this committee reports to the Policy Governance Board.

In addition, the Brandix Safe to Speak Up Policy is an important element in detecting conduct that goes against our RITE values; including corrupt, unlawful and/or illegal, unethical, or other undesirable conduct. This policy is governed by an independent committee with two external advisors. If there are any matters that relate to, but not limited to, corrupt behaviour, bribery, sabotage, violence, or victimisation, the Safe to Speak Up Committee directs such concerns to the Audit Committee.





GOVERNANCE STRUCTURE

The Corporate Governance Framework at Brandix comprises structured principles, policies, and practices that establish responsibilities, inform decision-making, and hold us accountable.

This framework ensures transparency, integrity, and accountability, aligning the organisation with the best interests of its stakeholders. By providing clear guidance on leadership, risk management, and ethical standards, the Corporate Governance Framework safeguards the organisation's reputation and fosters confidence among investors, employees, and the broader community. It serves as the foundation for sustained growth, responsible business conduct, and enduring value creation.

Brandix maintains a two-tier Board structure, with the intention of upholding the highest standards for ethical business practices. The two-tier Board Structure is augmented by the Three Lines Model in structuring governance related roles and responsibilities across the business.

The Data Protection Act implemented in Sri Lanka has already been adopted by Brandix. In India, we are currently in the process of reviewing the Data Protection Act and its requirements, with the support of external consultants, to ensure timely adoption.

Governance Hierarchy

The Brandix Lanka Limited (BLL) Board functions as the Group's highest governing body, offering overall direction and oversight with dedicated Board Committees in place. The Brandix Executive Board (BEB) is the primary governing body responsible for strategy formulation, execution, monitoring, and overall accountability for BLL Board and stakeholders.

The highest governing body, the BLL, is composed of nine members, including five above the age of 50 and four between the ages of 30 and 50. The composition includes one female member and eight male members.

The BLL Board consists of seven non-executive directors possessing extensive industry and functional business expertise with an emphasis on delivering sustainable economic performance. They serve as the highest governing body, and provide talent, strategy and risk oversight to the Brandix Executive Board (BEB) through separate sub-committees; including Talent, Risk, and Audit Committees, which are chaired by non-executive directors.

At BLL Board-level, clear division of responsibilities between the Chairman and Group CEO - each with unique roles and responsibilities, ensures balance of power and authority; with the non-executive Chairman being responsible for providing independent oversight and leadership for effective functioning of the Board. While the GCEO is responsible for the strategic direction and overall oversight of the business.

At the Brandix Executive Board level, balance of power and authority is ensured through distinctly different leadership roles fulfilled by two individuals - the Group CEO and the Managing Director. The Group CEO serves as the Chairperson of BEB, ensuring effective

functioning of the Board, whilst the Managing Director provides leadership to the Board in terms of strategy, governance, policy, performance monitoring, and accountability.

Selection of new board members is based on collective deliberation by the Board, with guidance of the Chairman, and based on the principle that combined knowledge and experience of the Board matches the strategic demands facing the Company.

The Board is composed of representatives from the principal shareholders and other non-executive members; selected for their expertise, professional profiles, and the strategic value they can contribute to the organisation.

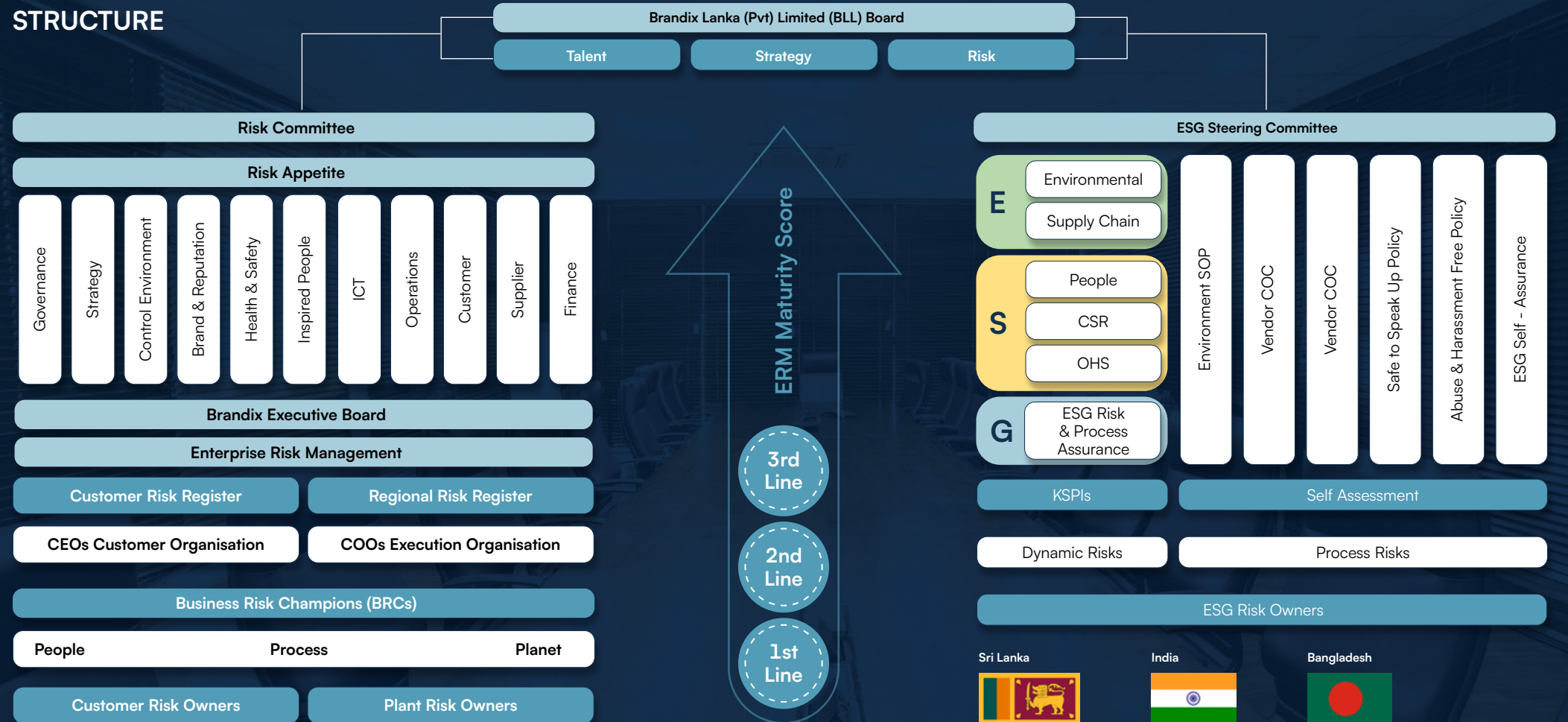
The Group's independent Risk and Control functions report directly to the Group Audit Committee and Risk Committee, in line with the mandates outlined in their respective charters.

The ESG Steering Committee consists of functional heads of relevant ESG pillars, chaired by an executive Board member. The Committee pools expertise, allows for collaborative analysis, and streamlines decision-making across the Group. The ESG SteerCo is critical to integrating ESG considerations that consider the impacts of the Group's operations as well as Sustainability-Related Risks and Opportunities (SRROs) across all business units. The Board of BLL and the Brandix Executive Board have delegated the responsibility of the Group's ESG Management Framework and its sustainability performance to the ESG Steering Committee. These governing bodies also oversee the management of the Group's environmental and social impact topics, and are appraised of the various risks and opportunities that arise from such impacts, along with mitigation action plans, through periodic updates and regular oversight of the ESG Steering Committee.





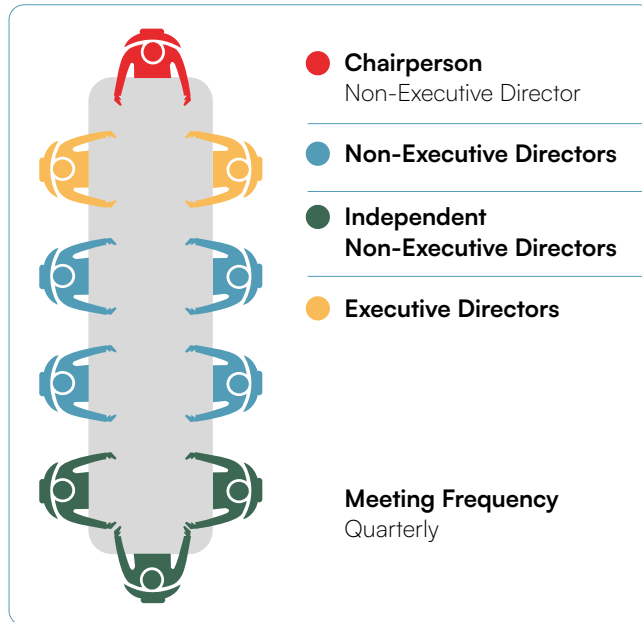
RISK GOVERNANCE STRUCTURE



Brandix Lanka Limited (BLL) Board

The Brandix Lanka Limited (BLL) Board functions as the highest governing body, offering strategic guidance and oversight for talent management, risk mitigation, and financial controls to the Brandix Executive Board (BEB) through dedicated sub-committees chaired by non-executive directors.

Five members of the BLL Board are over 50 years of age, and the remaining four members are between 30 and 50 years of age.



Priyan Fernando
Chairman



Ashroff Omar
Group Chief Executive Officer



Ajit Johnpillai
Non-Executive Director



Nihal Fonseka
Independent Non-Executive Director



Hasib Omar
Non-Executive Director



Sabeen Omar
Non-Executive Director



Sadiq Omar
Non-Executive Director



Jeevan William
Independent Non-Executive Director



Hasitha Premaratne
Managing Director

BLL Board Sub-Committees

Risk Committee

Jeevan William - Independent Non-Executive Director [Chair]

Hasib Omar - Non-Executive Director

Afham Ali - Director Supply Chain Management

Indunil Suranga - Chief Risk Officer

The committee aids the BLL Board in fulfilling its governance and other obligations pertaining to oversight of risk management for the Group.

Core Functions

- Providing guidance on risk governance aligned with the Board's risk appetite and tolerance.
- Presenting recommendations to the Board regarding comprehensive risk management for the Brandix Group and advising on the implementation of a formal and transparent procedure for effective risk management.

Meeting frequency

- Monthly

Talent Committee

Ajit Johnpillai - Non-Executive Director [Chair]

Sabeen Omar - Non-Executive Director

Roland Smith - Director HR (until 30 September 2024)

Sahad Mukthar - Director People (Committee member w.e.f. 01 October 2024)

The committee supports the BLL Board in overseeing the Group's key talent policies.

Core Functions

- Providing recommendations to the Board on potential adjustments to the Brandix Group's talent policies.
- Conducting comprehensive reviews of talent gaps and succession plans.
- Offering guidance on compensation and rewards for BEB Board members.
- Overseeing compliance with the Brandix Group's talent management policies.

Meeting frequency

- Quarterly

The Talent Committee reviews the remuneration of the Brandix Executive Board and C-Suite roles, ensuring that it is competitive within the industry to attract and retain top talent. Although the Committee did not engage external consultants during the reporting period, its function and the remuneration determination process ensure stakeholder and shareholder participation.

The variable remuneration component for the Executive Board and C-Suite is tied to an organisational performance scorecard comprised of clearly-defined performance pillars; this includes financial performance indicators, Enterprise Risk Management maturity score, Internal Audit score, and Key Sustainability Performance and Compliance indicators (KSPIs), measured through an ESG composite score. There are no provisions for clawbacks at Brandix, and any retirement benefits are as per national regulations.

The annual compensation ratio is kept confidential, to ensure the privacy of our employees.

Further, long-term performance measures have been established and are monitored as a part of the Group's Long-Range Plan, which provides a basis for the annual performance targets. Performance of other management levels and employees are assessed semi-annually and/or annually through the HR performance appraisal function.

Audit Committee

Nihal Fonseka - Independent Non-Executive Director [Chair]

Aslam Omar - Non-Executive Director

Ajit Johnpillai - Non-Executive Director

Secretary to the Committee

Indunil Suranga - Chief Risk Officer

The committee supports the BLL Board in establishing transparent structures for financial and other corporate reporting, corporate governance, internal controls and risk management. The committee comprises two non-executive directors who are qualified accountants, with the Group Head of Risk and Control serving as secretary. Brandix's Group CEO and Finance Director attend meetings as invitees, with other BLL Board members invited as appropriate.

Core Functions

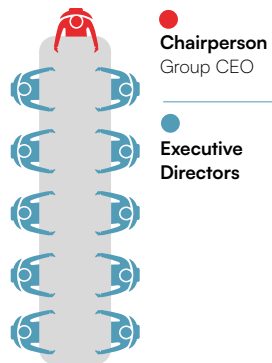
- Facilitating Board review of financial statements for accuracy and compliance with company policies, legal requirements and regulatory standards to safeguard shareholder and stakeholder interests.
- Examining internal control systems
- Identifying and mitigating risks associated with Brandix Group activities.
- Fostering constructive relationships with internal and external auditors.

Meeting frequency

- Quarterly

Brandix Executive Board (BEB)

The Brandix Executive Board brings together industry veterans, combining extensive business knowledge with a focus on sustainable growth. Their years of experience provide invaluable decision-making skills, ensuring prudent and strategic direction with adherence to the highest governance standards.



Meeting Frequency
Monthly



Ashroff Omar
Group Chief Executive Officer



Hasitha Premaratne
Managing Director



Nadun Fernando
Director Operations & Engineering



Afham Ali
Director Supply Chain Management



Suwan Perera
Director Finance



Sahad Mukthar
Director ESG



Asanka Wimalaratna
Director/Customer CEO



Rajiv Malalasekera
Director/Customer CEO



Alok Malhotra
Director/Customer CEO



Lalith Bandara
Director/Customer CEO



Oshada Senanayake
Director Digital



Board Appointment and Evaluation

Board members are appointed by shareholders, with the Chairman providing guidance to ensure alignment with the Company's strategic needs. To enhance governance and effectiveness, a periodic self-evaluation is conducted, identifying areas for improvement.

The Board is composed of representatives from the principal shareholders and other non-executive members; selected for their expertise, professional profiles, and the strategic value they can contribute to the organisation.

Independent board members regularly convene separately with the Chairman, without the presence of family members, to assess collective board performance and explore opportunities for enhancement. Similarly, family board members regularly hold independent discussions with the Chairman to review board effectiveness and identify areas for improvement.

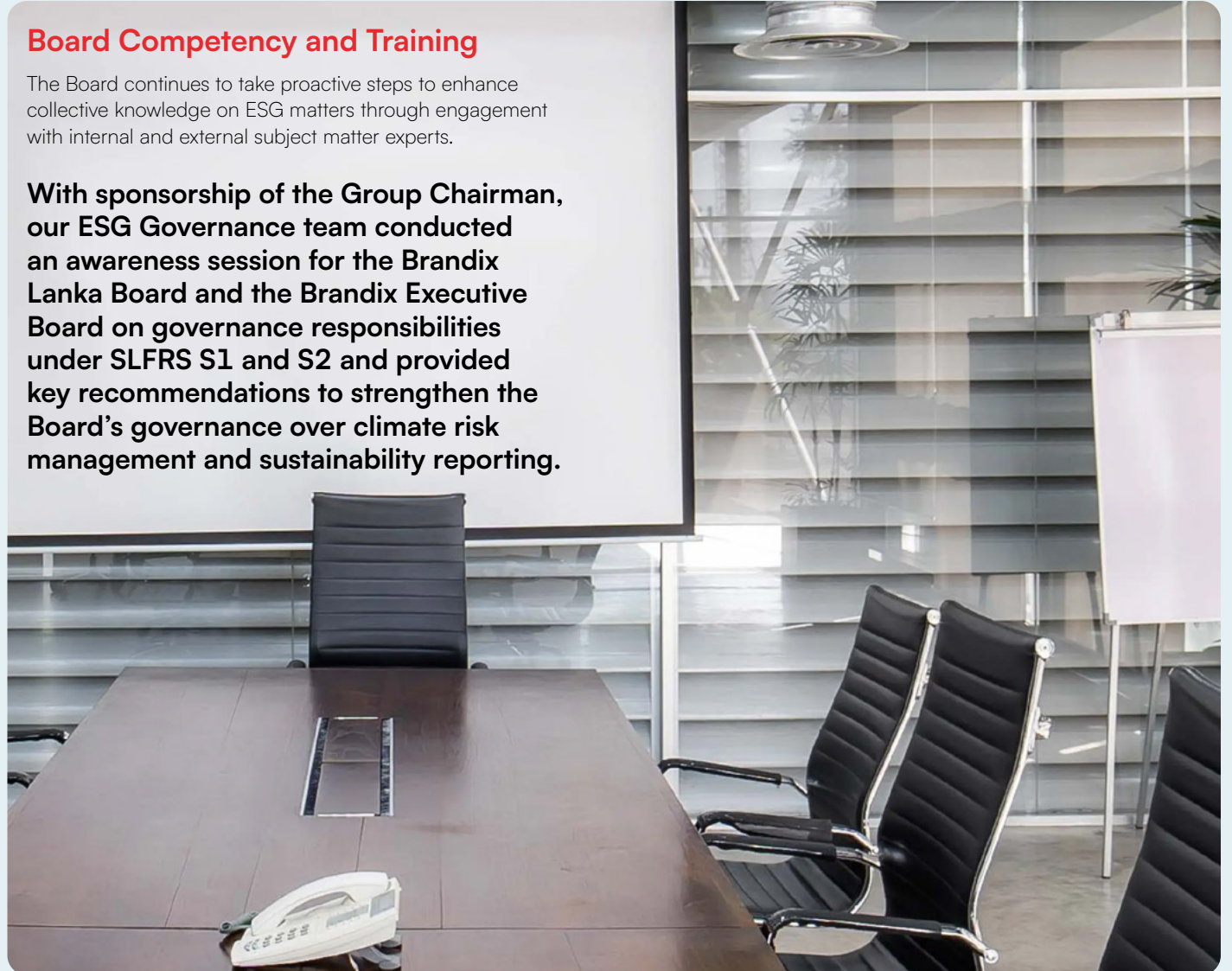
The Brandix Executive Board's performance is evaluated semi-annually by the BLL Board, using a comprehensive scorecard that considers strategy, business performance, talent management, and risk management.

To mitigate potential conflicts of interest, Brandix adheres to the Director's Duties outlined in the Companies Act No. 07 of 2007. This includes sections 192 (disclosure), 200 (interest in shares), and 197 (prohibition on disclosing information acquired as a director for other purposes). Additionally, as part of complying with provisions in the Companies' Act and corporate governance best practices, the Group's legal division conducts rigorous background check when appointing new directors.

Board Competency and Training

The Board continues to take proactive steps to enhance collective knowledge on ESG matters through engagement with internal and external subject matter experts.

With sponsorship of the Group Chairman, our ESG Governance team conducted an awareness session for the Brandix Lanka Board and the Brandix Executive Board on governance responsibilities under SLFRS S1 and S2 and provided key recommendations to strengthen the Board's governance over climate risk management and sustainability reporting.





ESG INTEGRATION

The Brandix ESG Management Framework is a cornerstone of our governance structure; overseen and implemented through dedicated committees and teams that are intrinsic to our core business.

The framework enables the Group to manage its impacts and mitigate its risks, for which end materiality assessments are undertaken utilising a double materiality approach. These analyses enable Brandix to identify significant impact topics as well as the SRROs that arise from impacts and dependencies. The Group's sustainability policy framework ensures effective management of the aforementioned impacts, risks, and opportunities; as we incorporate ESG considerations into our operational policies and management approach, adopt standard operating procedures across our facilities, and integrate sustainable practices across our operations.

ESG Policy Framework

Brandix recognises that as a result of its operations it may have various impacts on its multitude of stakeholders and the environment. These impacts, and the dependencies on the environment and stakeholders may lead to sustainability-related risks and opportunities. Board Risk Appetite recognises such risks and opportunities and establishes risk tolerances for the risks arising from the impacts and dependencies and the opportunities created as a result of sound risk mitigation and impact management beyond compliance.

Through our approach to ESG and ERM integration, we strive to identify and address ESG-related risks and opportunities, while managing risk within the Group's Risk Appetite, as set by the Board. The Board receives quarterly updates on enterprise risk, which include the opportunity to review and deliberate on ESG-related risks and opportunities.

The Group Chairman conducts annual reviews of our ESG framework, structure, and processes as well as the Group's ESG and Sustainability performance and disclosures to the Group's stakeholders via its annual sustainability reports. This includes evaluating Key Sustainability

Materiality Assessment

Material Topics identified through significant stakeholder analysis and enterprise-wide risk assessment are prioritised and classified in accordance with their significance and degree of impact. The approach is aligned with GRI Standards, the Accountability AA1000AS Standard and the COSO ERM Framework. Material topics form the basis for integrating key sustainability performance indicators and ESG risk and opportunities within the business model to pursue a sustainable strategy.

Benchmarking Key Sustainability Performance Indicators

Key Sustainability Performance Indicators (KSPI) are tracked and monitored through a number of performance tracking tools including the Sustainability Performance Analyser, the Eco-Calliper System and the ERP System. The results of the assessment are compiled and analysed by the sustainability team and reported to the Brandix Leadership and Board for decision-making, investments, and corrective action. The Group benchmarks its sustainability performance against globally and locally established industry best practices and standards to pursue targets on ESG performance.

Performance Indicators (KSPIs) for each pillar (Environment, Social, and Governance) in collaboration with the ESG Director and relevant department heads. Additionally, our management teams actively engage with external consultants to stay updated on evolving standards; including national and regional directives and international standards such as IFRS S1 and S2, and GRI developments. This commitment to accountability and transparency extends to our sustainability reporting, where we leverage independent third-party assurance to ensure the accuracy and reliability of our disclosures.

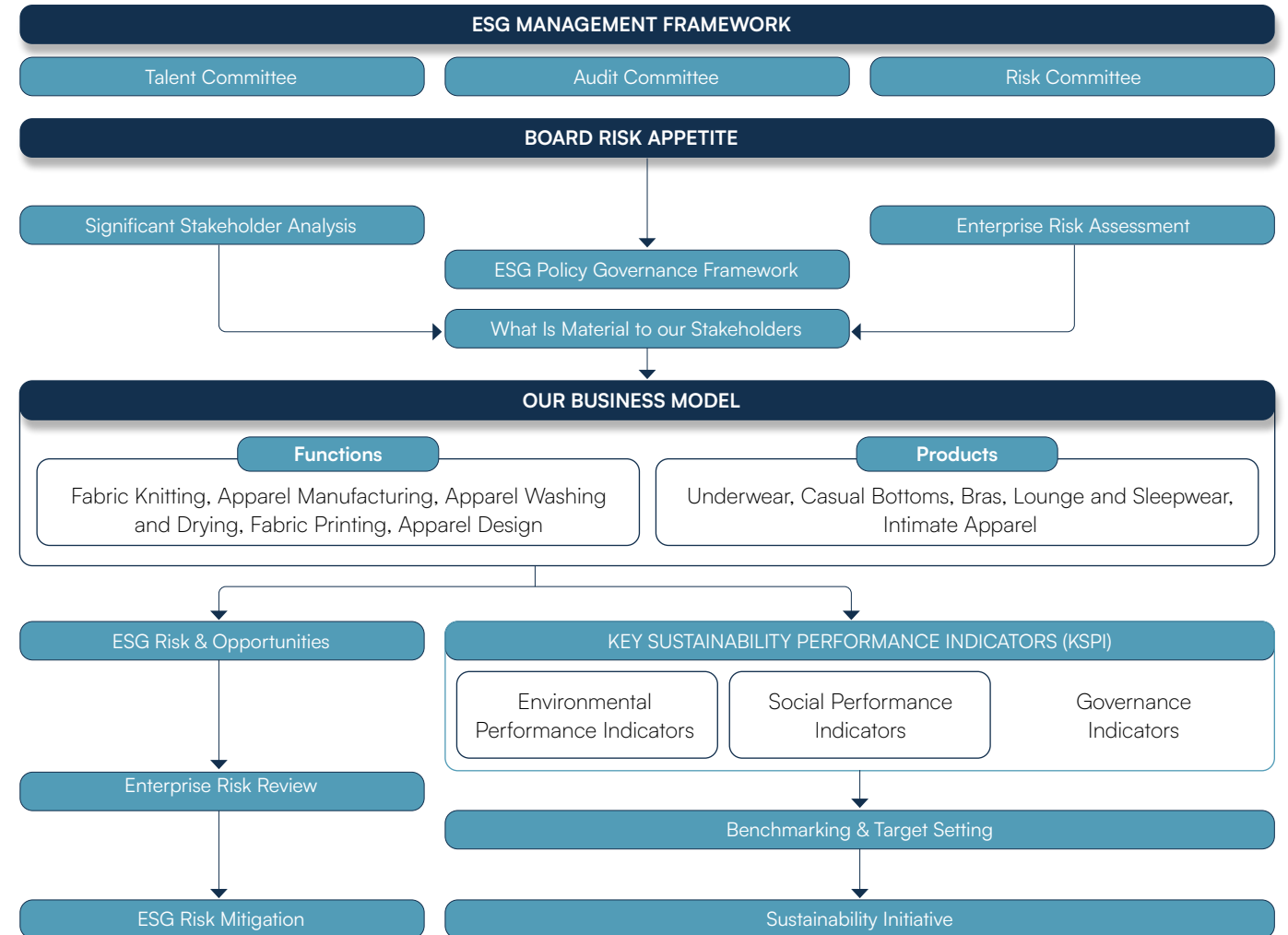
ESG Risk Mitigation and Sustainability Initiatives

Based on the result of benchmarking and periodic risk reviews, the Brandix Group identifies and engages in a range of sustainability initiatives and risk mitigations. These are often directed towards improving overall sustainability performance through improved efficiencies, productivity and stronger engagement with stakeholders. Similarly, risk management strategy is aligned to ensure that Brandix Group operates within the risk appetite of the Board.





Integrating ESG into our risk management process ensures SRROs are assessed, monitored, and considered in strategic decision-making.



ESG Governance Structure

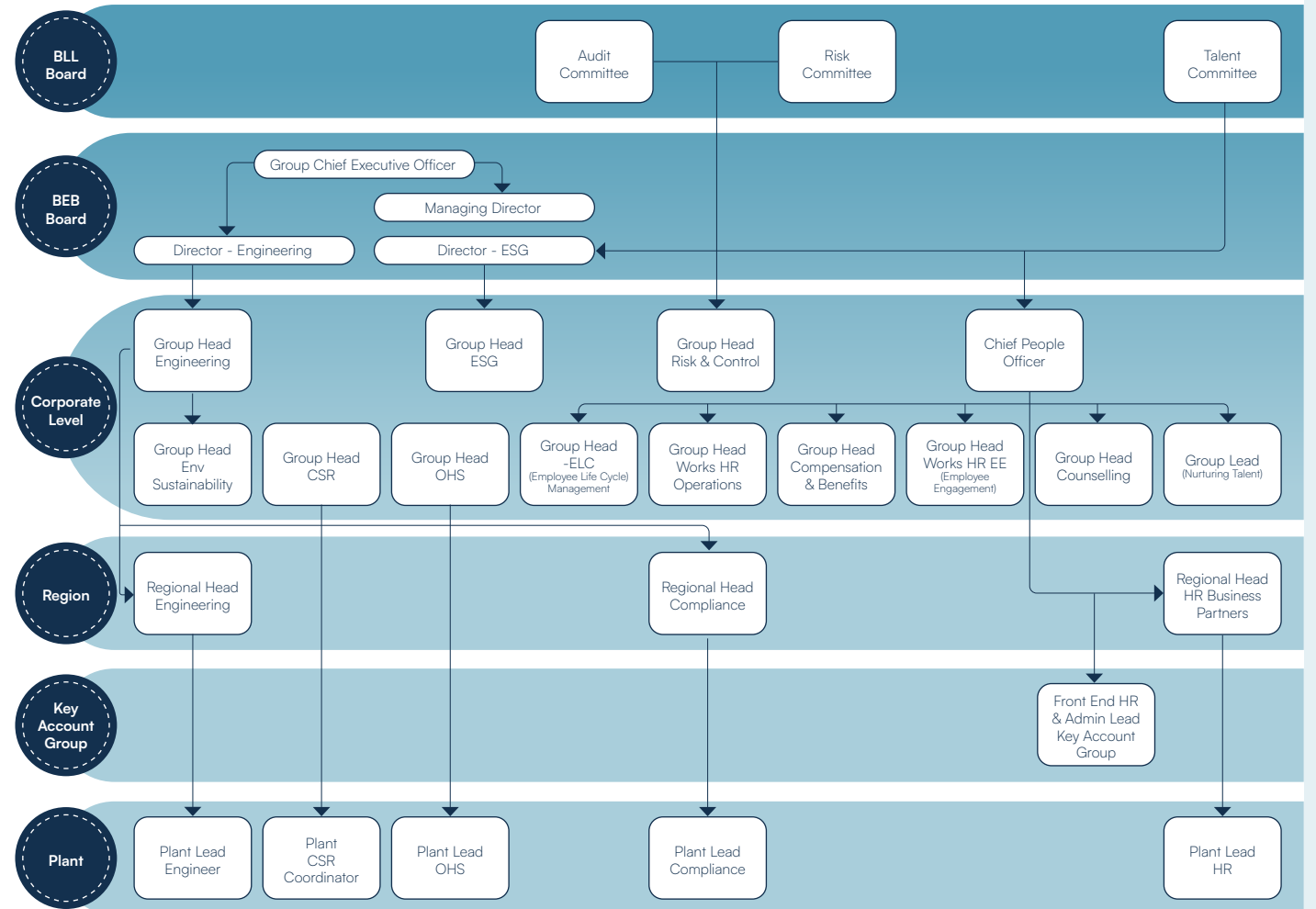
Our ESG governance framework is headed by the Director - ESG, who sits on the Brandix Executive Board (BEB). This structural integration of ESG management oversight provides both strategic guidance and strict operational controls that guide our ESG initiatives. The governance structure also allows for a well-integrated process for management of ESG-related risks.

The ESG function is responsible for driving day-to-day ESG operations for the Group, including materiality assessment, policy reviews, data analysis and inferences, and presenting the same to management for decision-making, initiatives, and reporting.

Key members of our sustainability and ESG teams participated in capacity-building programmes on the application of SLFRS S1 and S2, issued by the Institute of Chartered Accountants of Sri Lanka.

From the Group and cluster level, to our Strategic Business Entities (SBEs), and down to each plant; we have dedicated heads in place for each of the key ESG pillars: Environment, Human Resources (HR), Occupational Health and Safety (OHS), Corporate Social Responsibility (CSR), and Social Compliance. This ensures focused leadership and expertise in these areas.

In 2024/25, we enhanced the ESG Scorecard used to measure and assess employee performance, stemming from Board level.



ESG and ERM Integration

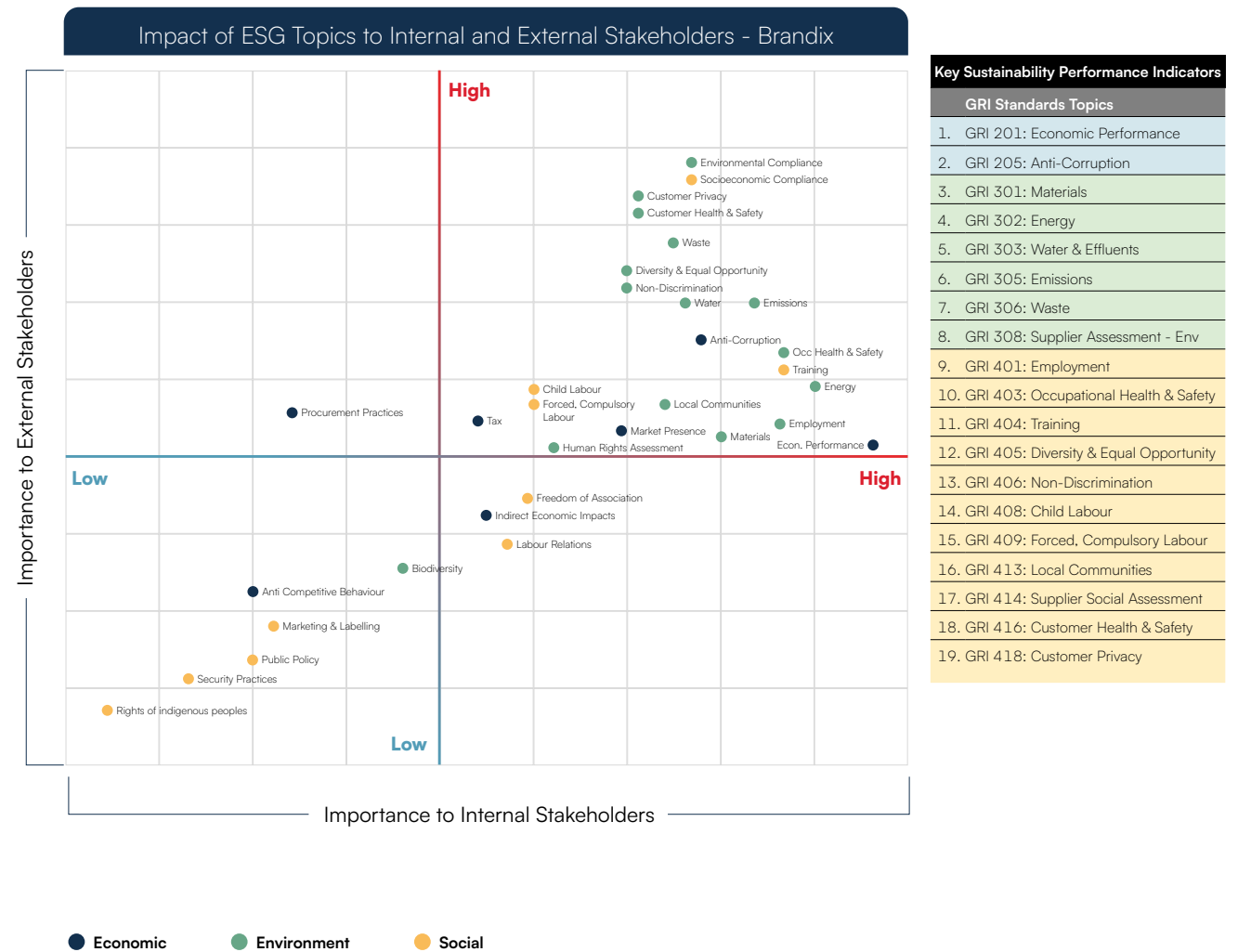
Brandix identifies and assesses sustainability-related risks and opportunities through an integrated Risk Management Framework that includes engagement with risk owners, data-driven assessments, and alignment with global standards, ensuring material ESG factors are embedded into strategic decision-making.

The Group Risk and Control (R&C) Function, while reporting directly to the Risk and Audit Committee, works closely with the ESG SteerCo and the central ESG team to identify, assess, and manage ESG-related risks and opportunities. ESG factors are also integrated into our performance evaluation framework: from the Brandix Executive Board (BEB), down to cluster and plant level risk-owners.

Materiality Assessment

We routinely carry out materiality assessments that help identify the most significant issues impacting our Group and stakeholders. Following the internal materiality perception analysis carried out in 2022/23, which was undertaken using a double materiality approach, we were able to identify 19 material impact topics and identify the risks and opportunities arising from such impacts and dependencies of environmental and social resources. These 19 material topics form the basis of the critical concerns that are communicated to decision-making bodies each quarter.

During the year, while both negative and positive performances of these 19 material topics were communicated to our highest governance body, we noted that incidents of discrimination was of a critical nature to the management of Brandix. Details of this, and how these were resolved, are given on page 99.



Key Sustainability Performance Indicators	
GRI Standards Topics	
1.	GRI 201: Economic Performance
2.	GRI 205: Anti-Corruption
3.	GRI 301: Materials
4.	GRI 302: Energy
5.	GRI 303: Water & Effluents
6.	GRI 305: Emissions
7.	GRI 306: Waste
8.	GRI 308: Supplier Assessment - Env
9.	GRI 401: Employment
10.	GRI 403: Occupational Health & Safety
11.	GRI 404: Training
12.	GRI 405: Diversity & Equal Opportunity
13.	GRI 406: Non-Discrimination
14.	GRI 408: Child Labour
15.	GRI 409: Forced, Compulsory Labour
16.	GRI 413: Local Communities
17.	GRI 414: Supplier Social Assessment
18.	GRI 416: Customer Health & Safety
19.	GRI 418: Customer Privacy



We have tuned our internal and external reporting to measure progress against the GRI Standard Topics, listed on the previous page, which encapsulate these material topics and have commenced tracking performance against the IFRS S2 standard as well. We plan to revisit these material topics and carry out a more detailed and in-depth assessment in the next reporting cycle.

We identify our Material Topics through internal analysis of significant stakeholders and enterprise-wide risk assessment, which are prioritised and classified in accordance with their significance and degree of impact. The approach is aligned with GRI 3 Standard and the Accountability AA1000AS Standard, while the risks and opportunities arising from such impacts are identified, assessed, and managed in alignment with the COSO ERM Framework. The following Material topics form the basis for integrating Key Sustainability Performance Indicators (KSPIs) and ESG risk and opportunities within the business model.

The afore-mentioned Material Topics form the basis of the Group's KSPIs that are tracked via the Ecocaliper and Sustainability Performance Analyser (SPA) dashboards. These KSPIs are based on the GRI Standards and are intended to communicate critical concerns, pertaining to the performance of the Group's on a variety of material impact topics, risks, and opportunities, to senior management for immediate course corrective action if necessary.

Stakeholder Engagement

ESG integration across our operations extends to engaged and involved consideration of stakeholder needs, as identified through a comprehensive materiality assessment process, and resulting alignment of our business focus and practices with these material issues.

We consider significant stakeholders to be those who are affected by our operations and those with the capacity to influence them. The stakeholder engagement process begins with a thorough stakeholder analysis, which ensures our efforts align with the most pressing concerns of our stakeholders. As a manufacturer, our employees, communities, partners in the apparel value chain, and customers, are some of the critical stakeholders who influence our business success, and are impacted by our operations. Therefore, we take a collaborative approach to engaging with these stakeholders and prioritise building strong, long-lasting relationships that focus on mutual advancement.

Additionally, the Group's stakeholders are mapped on an impact-influence matrix to determine suitable channels and frequency of engagement. We engage with our stakeholders through a variety of formal and informal channels, ensuring that their voices are heard and their concerns addressed. This ongoing dialogue helps us gain valuable insights into their needs, as well as emerging trends, risks, and opportunities in the industry and wider economy.

We took steps to enhance the assessment and monitoring of ESG factors across the supply chain through updates to our ESG questionnaire and significant supplier methodology.

In the long-run, this process of engagement with stakeholders and integration of their concerns, ensures we obtain a broader and more accurate understanding of present and emerging risks and opportunities; thereby contributing to the resilience and sustainability of our business.

All material issues, arising from engagement with external stakeholders and the perceptions of our internal management team, are considered in the 19 material topics identified and discussed in the report.





Stakeholder	Frequency & Method of Engagement					
	Ongoing	Regularly	Monthly	Quarterly	Bi-annually	Annually
Customers	1. Meetings, email, phone/conference calls 2. Product & Design Development Reviews/ Customer Touch-bases		1. Calls / meetings with Leadership & Management Teams 2. Review of Customer Scorecard KPI achievements	1. Customer Visits 2. Seasonal Design 3. Customer Scorecard and review of KPI achievements	In-person meetings - Brandix & Customer Leadership teams	Customer Feedback Surveys, Vendor Touchbase with Strategy sessions
Employees	T&D activities, Open door policy at all management levels, Skip level meetings	Intranet communications through Brandnet/Success Factors and email communications/Vyapam/ Social Media	Employee Council meetings		Performance Reviews	Employee satisfaction surveys/Rasadiya Mangalya
Suppliers	Supplier Capability & Capacity Assessments (Supplier Evaluations)	Supplier onboarding, Supplier Production & Quality Meetings	Management level meetings, Supplier Situation Touch-base	Supplier Collaboration Reviews	Supplier Social Compliance Audits (Third Party)	RM Supplier Self-Assessment
Communities	Meetings (onsite, remotely), CSR initiatives under pillars of Provide, Educate, Research & Engage	Stakeholder engagement with internal and external stakeholders	Monthly forum with CSR teams in SBUs	1. Board Update & Review (Workstream level) 2. Quarterly forum with CSR & Operations teams in SBUs	Employee satisfaction surveys	Impact Surveys for projects
Regulatory Authorities	Code of Conduct Audits			Systems Certification Audit		Certifications and Accreditations
Banks and Financial Institutions		Meetings, email, phone/ conference calls		Quarterly meeting, Quarterly consolidated accounts		Review meeting for past year and year forward view, Annual Audited accounts
Media — Local and International	Website, social media platforms, press releases, media correspondence and engagement activities, public relations and advertising, thought leadership panels and forums					
Labour Advocates/ NGOs	Meetings and disclosures					





Grievance Handling Mechanism

Employees

Employee Councils, suggestion boxes, an open-door policy, direct email access to the Safe-to-Speak Up Committee, management policies and the organisational hierarchy enables employees to address concerns and resolve issues/conflicts in a fair and transparent manner. Employees may use these methods to communicate both specific workplace-related grievances as well as any environmental grievances, feedback, or areas for improvement to the management teams.

Community

The company tracks and monitors the community engagement carried out at each operating location, regardless of whether such an engagement was carried out formally through independent third parties, or informally by the location management. Any identified grievances are classified as environmental, social and economic grievances, and location-specific CSR programmes as well as the central BAL level CSR programmes are conducted based on these. The community members engaged, the grievances identified, and CSR programmes undertaken to alleviate and resolve such grievances are tracked through the Sustainability Performance Analyser Tool on a quarterly basis and reported to senior management for review and direction.

Environmental Impact

The Group has in place mechanisms to receive feedback and any grievances from its stakeholders on environmental impacts arising from its operations. As a B2B entity located in across Sri Lanka and in India and Bangladesh, Brandix maintains strong levels of engagement with its customers and their environmental requirements, whilst strongly adhering to the statutory requirements of the country and ensuring the environmental requirements of the end consumers, in addition to that of regulatory bodies such as the local Environmental Authorities, and the communities residing in the areas of operations.

The Group intends to maintain a logbook at the point of entry of all locations for the members of the community to lodge any grievance held with the respective location. Environmental grievances are additionally identified through its internal assessment of stakeholder concerns as well as through direct continuous engagement with its customers. The Compliance Team of each location/SBU serves as the first point of contact for any environmental grievances or point of contact for customers, regulatory authorities and members of the community. Any issues are then escalated to the relevant location operations team and to the respective CEO of the location, and if required to the senior management team of BAL as relevant.

Our engagement and partnering, with government authorities, non-governmental agencies, and a number of academic institutions, private enterprises, and independent bodies. These partnerships incorporate external perspectives, ensure accountability in business conduct, and provide vital insights that inform the Group's sustainability efforts.

Disclosure of Management Approach (DMA)

As part of our sustainability reporting process, we describe in detail the management approach undertaken by Brandix with regard to the material topics identified through our stakeholder engagement and materiality assessment process. These disclosures are part of our commitment to transparency as we strive to adopt and exemplify best practices for sustainability reporting set out by the Global Reporting Initiative (GRI) Standards.

We work with the UN Global Compact (UNGC) on furthering our strategies related to decarbonisation and Science Based Target setting, and partner with the Joint Apparel Association Forum (JAAF) for expert-level involvement to implement end-to-end supply chain traceability.

While the below provides an overall summary of the policy commitments encapsulated in the DMA, a full disclosure can be found at www.brandix.com/sustainability. All our policies are aligned with national regulations (such as the Shop & Office Act, Central Environmental Authority guidelines, etc.), which in turn are informed by international standards and best practices. Policies are communicated amongst staff via induction programmes, targeted awareness-raising activities, and the Company's intranet platform — Brandnet.

The aforementioned Brandix ESG Management Framework ensures the embedding of these policy commitments into our operations, driving sustainability performance through quarterly management reviews. Decision-makers avail themselves of current information based on verified data obtained through the Group's ERP systems and its data collection systems such as EcoCaliper and Sustainability Performance Analyser (SPA).





Economic Performance

Under the economic and governance pillar, the company has in place a sound governance framework supported by ESG related policies and procedures with the oversight of audit and risk committee at the highest level of governance. As depicted below, the anti-corruption policy is supported by enterprise-wide risk assessment and internal audits and compliance audits conducted by the Group Risk & Control division.

Brandix strives to ensure that the economic value addition to stakeholders occurs along with compliance to all local regulations, timely settlements of taxes and payments to the regulatory bodies and Government Institutions, deterrents, and processes to avoid corruption, and timely payments to all its stakeholders such as financiers, suppliers and employees.

Economic Policy & Management Approach

Anti-Corruption Policy: Brandix takes a zero-tolerance stance towards anti-corruption and bribery whilst promoting the highest level of ethical practices through the RITE values which is embedded in Brandix DNA.

- Enterprise Risk Assessment covering fraud risk and corruption
- Employee Code of Conduct
- Vendor code of ethics periodic self-audits and third-part audits for significant suppliers
- Process self-audit
- Internal Audit, compliance audit and audit committee reporting on fraud risks, statutory payments and fraud risk reporting.

Environmental Stewardship

Brandix is dedicated to minimising environmental impacts resulting from its operations, prioritising compliance with relevant regulations in the countries it operates. Acknowledging the significance of environmental stewardship and climate change to its customers, the company follows a comprehensive Environmental Policy. This policy guides Strategic Business Entities (SBEs) in establishing environmental management systems to identify risks, improve processes, and monitor data for informed decision-making.

Specific policies on energy and emissions, water management, and waste management support the Environmental Policy. The Brandix supply chain policy complements the execution of the Company's Environmental Policy through the emphasis on efficient use of raw materials to reduce operational impacts on natural resources, minimise material wastage, and achieve financial savings. The Company considers environmental and energy management as top corporate priorities, striving for an energy-conscious and environmentally responsible approach across all business aspects.

Environmental Policy

Strives to conduct all aspects of business in an environmentally responsible manner.

Supply Chain and Procurement Policy

Procure raw materials transparently from suppliers meeting customer requirements and committed to social and environmental standards.

Energy & Emissions Management Policy

- Aiming to achieve Net Zero Carbon status across all manufacturing locations (Sri Lanka, India & Bangladesh) by 2030
- Focus on conserving energy to reduce operating costs and minimise environmental impact.
- Adopting green operating practices to achieve absolute carbon footprint reduction.

Water Management Policy

- Vision for zero water leakages in operational and office locations.
- Minimise the use of blue water sources and promote rainwater harvesting and recycling and reuse of treated grey water.
- Ensure all water discharged meets regulatory quality and quantity levels.
- Conformance to ZDHC (Zero Discharge of Hazardous Chemicals) guidelines applicable to wet processing facilities.

Environmental Stewardship

- Implement Sustainability Standard Operating Procedures (SOPs) for legal compliance.
- ESG champions at each location monitor sustainability performance indicators
- Environmental Management System for ISO14001 certification.
- Adherence to Higg FEM across all manufacturing locations
- Conduct compliance audits focusing on environmental risks.
- Establish stakeholder engagement and grievance handling mechanisms.
- Employee engagement and grievance handling through worker council, climate survey, and suggestion box





Social and Labour Practices

The Workplace Policy emphasises the RITE Way, representing the company’s core values of Respect,

Integrity, Teamwork, and Excellence. Every employee is expected to embody and work towards these values, making them fundamental to the Group’s business ethos.

Occupational Health and Safety

- Wherever we operate, we are committed to complying with all relevant laws and regulations. Our internal policies, standards, and procedures will take precedence where they exceed but not contradict these legal requirements
- OHS risk management through the OHS Control Framework.
- Focus on risk impacting human safety and health, and high severity risks disrupting business.

Training and Development

- Investment in programmes for workforce training and development.
- Emphasis on developing technical and soft skills for individual and organisational objectives.
- Dedicated Learning & Development function.

Non-Discrimination Policy

- Commitment to a safe and secure workplace free from discrimination, harassment, and abuse.
- Zero tolerance for any form of discrimination.

Child labour/Forced labour Policy

- Zero tolerance towards child labour.
- No hiring of persons below 18 years, extending to stakeholders.
- Ensures no forced labour, coercion, or corporal punishment.

Policy on Local Community Engagement

- CSR policy focuses on empowering and improving the quality of life for associates, families, and communities.
- Aims to inspire communities and enrich lives in the locations of operation.

Customer Related Policies

- Product safety
- Critical aspects of company services and customer solutions integral to meeting customer requirements and expectations.

Brand Protection Policy

- Demonstrates a commitment to safeguarding customer intellectual properties and brand reputation.
- Takes requisite measures to ensure brand protection.

Economic Compliance & Service Quality

- Regular risk assessments conducted.
- Establishes a culture of safety and compliance for process excellence.



INTERNAL AUDIT AND ASSURANCE

Our Internal Audit (IA) function plays a vital role in ensuring the integrity and effectiveness of governance, risk management, and internal control systems at Brandix. This independent and objective function provides assurance to the Board and executive management by evaluating our operations against international best practices and regulatory standards.

The IA function is helmed by the Group Head of Risk and Control, who reports directly to the Audit Committee. The Committee's oversight role has been strengthened by the establishment of a new Charter outlining four key areas of focus; ensuring robust oversight of the Group's internal control systems.

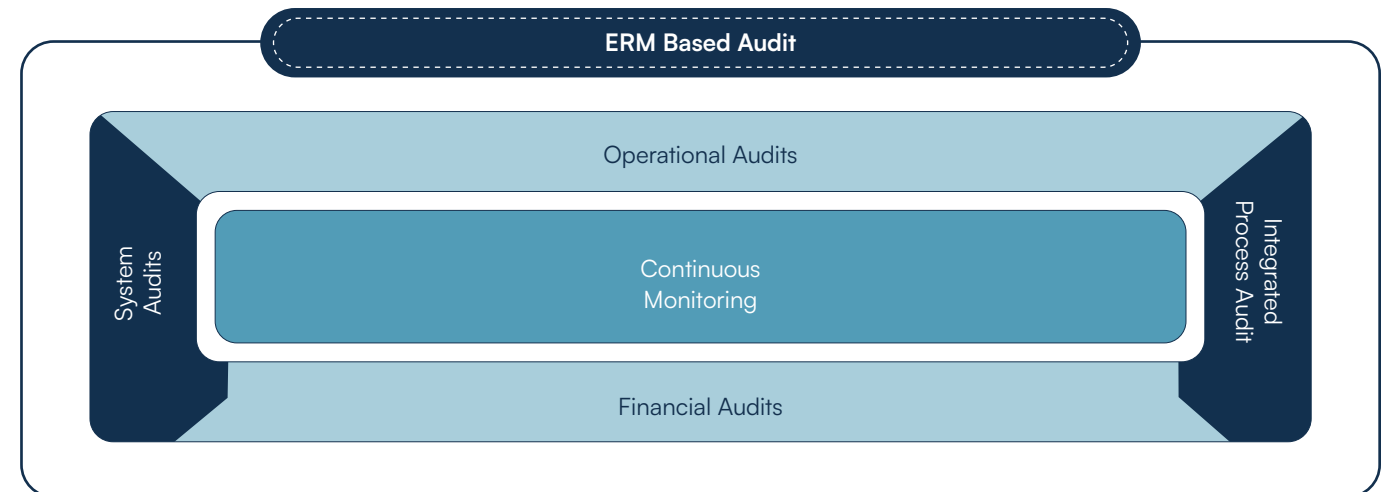
With regard to ESG integration, the Internal Audit function works closely with the ESG team to provide advisory and assurance support to better manage ESG-related risks and opportunities.

There were no significant instances of non-compliance with laws and regulations, and no instances of corruption, reported during the period under review.

A comprehensive Annual Audit Plan, covering all areas of focus, guides the IA function as it collaborates closely with business teams to review and enhance the Group's self-governance framework. As part of corporate governance best-practices, the function conducts thorough examinations of all related party transactions during the quarterly review of consolidated financial statements. Apart from evaluation of potential conflicts of interest, as set out in the Brandix Employee Code of Conduct, the function also monitors and reports on organisational compliance with essential laws and regulations; ensuring that our operations adhere to the highest standards.

In 2024/25 the IA function rolled out a digital audit strategy that enables data-driven risk assessment and continuous monitoring of key risks through identified risk indicators.

With regard to ESG integration, the Internal Audit function works closely with the ESG team to provide advisory and assurance support to better manage ESG-related risks and opportunities.





ENTERPRISE RISK MANAGEMENT (ERM)

The Brandix Enterprise Risk Management (ERM) framework is grounded in a robust Risk Appetite Framework and comprehensive Risk Management Policy established by the Board. The ERM process takes a structured approach that enables systematic identification, quantification, and mitigation of risks; ensuring the Group's wider risk management efforts are aligned with organisational objectives.

The Risk Management Policy enshrines enterprise-wide risk management process that enhance value for customers, employees, supply chain partners, and the broader community; while advancing strategic growth objectives and safeguarding the organisation's reputation.

The Board-approved Risk Appetite Framework guides Brandix business practices by specifying preferred, accepted, or avoided risks that are aligned with the core business model. This framework integrates key value drivers, governance best practices, and control environment as overarching elements; placing the Brandix RITE Values, Code of Conduct, and corporate policies as drivers of business conduct. ESG is explicitly recognised as a low-appetite risk within the framework, reflecting the Group's dedication to managing ESG-related risks and opportunities.

The Group's ERM Division, led by the Group Head of Risk and Control, reports directly to the BLL Board's Audit and Risk Committees, and drives enterprise-wide Risk Management throughout Customer organisation / Operation organisation.

We revised our ICT risk appetite in 2024 to address risks from advancements in AI and digital technology, coupled with the rising frequency and sophistication of cyberattacks.

This updated ICT risk framework aims to strengthen the organisation's resilience by prioritising the prevention of losses related to critical or sensitive data, maintaining data integrity, and ensuring the uptime and availability of critical applications and infrastructure.

We rolled out a new automated tool that facilitates both bottom-up and top-down approaches to risk; where risk owners from different regions/locations can directly escalate high risk to the Senior Management and Board, who in turn provide directions on how such risks should be managed.

ERM Framework and Process

Our approach to risk management, as set out by the Risk Management Policy, is guided by a comprehensive set of ERM Guidelines grounded on the COSO ERM Framework and ISO31000 Risk Management Standard.

1. Based on the board risk appetite framework, risk champions at each SBE facilitate the annual risk identification process.
2. Fraud risks, including corruption, are incorporated into the risk appetite framework, forming an integral part of the risk management process and the annual Internal Audit Plan.
3. Risks identified are quantified based on multifaceted impact criteria and the likelihood of materialisation.
4. Risk champions work with the SBE leadership team to finalise risk mitigation strategies.
5. Group R&C function consolidates enterprise level risks that require board attention and facilitate quarterly risk deliberation at the Brandix Executive Board level.
6. Brandix Lanka Risk Committee reviews enterprise risks on a monthly basis and escalates risks that require attention of the Brandix Lanka Board.
7. Group R&C function conducts an independent evaluation of the effectiveness of risk management processes, semi-annually, using risk maturity criteria.
8. The annual assessment of risk maturity provides recommendations to improve risk management processes at each SBE.

We structure our risk management and governance using the Three Lines Model; a framework that outlines three distinct lines, with clearly defined roles and responsibilities for each line. This model provides a functional and well-integrated framework within which enterprise risk management can be operationalised.





By embedding ESG considerations directly into this structure, we ensure that sustainability-related risks and opportunities (SRROs) are identified, managed, and monitored with the same rigor as all other critical business issues, from our front-line operations to our board-level oversight.



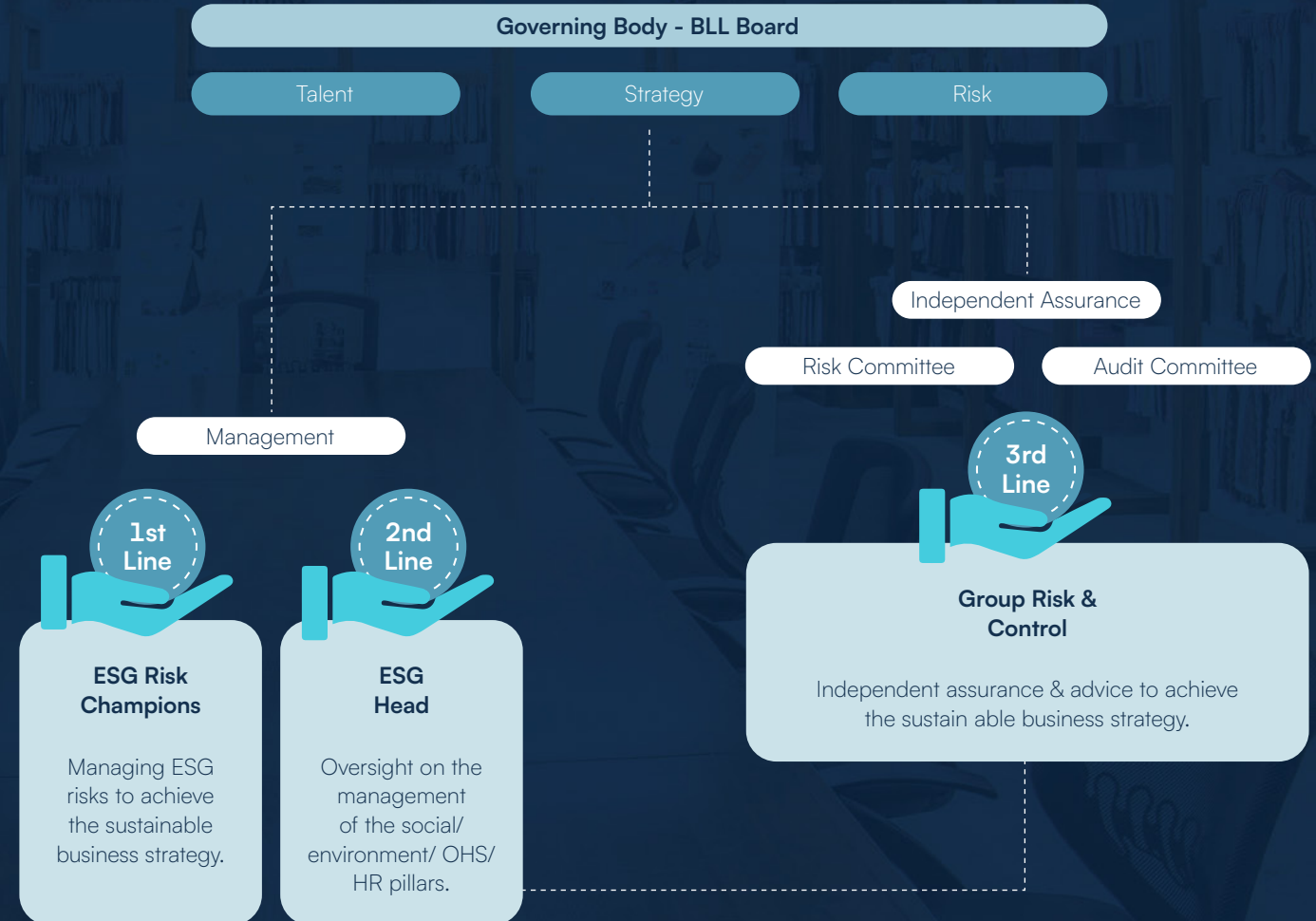
First line of responsibility	Customer risk owners and plant (operational) risk owners at each facility, differentiated by channel. The first line includes ESG champions, specialising in environmental, social, and occupational health and safety (OHS) matters, designated at each location. - Monitoring KPIs against established targets. - Periodic self-assessment on Environmental and Social Compliance, and OHS.
Second line of responsibility	Consists of business and regional risk champions, including CEOs and COOs, who enable cascading of risk management to SBE-level, under each of the five channels. CEOs function as risk-owners for customer-centric risks, while COOs are designated risk-owners for operational risks. The second line is strengthened by a newly instituted ESG Steering Committee (ESG Steerco), consisting of functional HoDs. - Risk Champions monitor business risks including ESG-related risks, and discuss with the SBE leadership team on a quarterly basis. - The Group environmental sustainability team governs the operation of the KPI's relevant to all the environment related areas under ESG and conduct environmental audits. - Corporate OHS team governs the self-assurance process for OHS related controls at each location and conduct OHS Audits. - Group compliance function conducts independent compliance audits to assess any other risks that affect customer/regulatory requirements. - The Group's supply chain function oversees suppliers' adherence to regulatory standards and requirements in both customer locations and shipping destinations. - The Group Works HR function conducts a quarterly PULSE survey to assess employee satisfaction in terms of working conditions, supervisory relationships, and any grievances.
Third line of responsibility	Consists of the Group Risk and Control (R&C) team, reporting to the BLL Risk Committee. - The Group R&C reviews risk assessments conducted at SBE-level, consolidates enterprise-level risks that require attention of the Board, and escalates risk-related matters as appropriate; based on the Board-defined risk appetite. - The R&C's Internal Audit function undertakes independent audits and assurance, with a direct reporting line to the BLL Audit Committee.

The Brandix Executive Board (BEB) oversees enterprise-level risks that consider customer-centric elements (related to the customer risk register) and operational / executive elements (related to the regional risk register). Enterprise risks are also identified in relation to the Group's three strategic enablers - People, Process and Planet; which include ESG-related risks and opportunities.





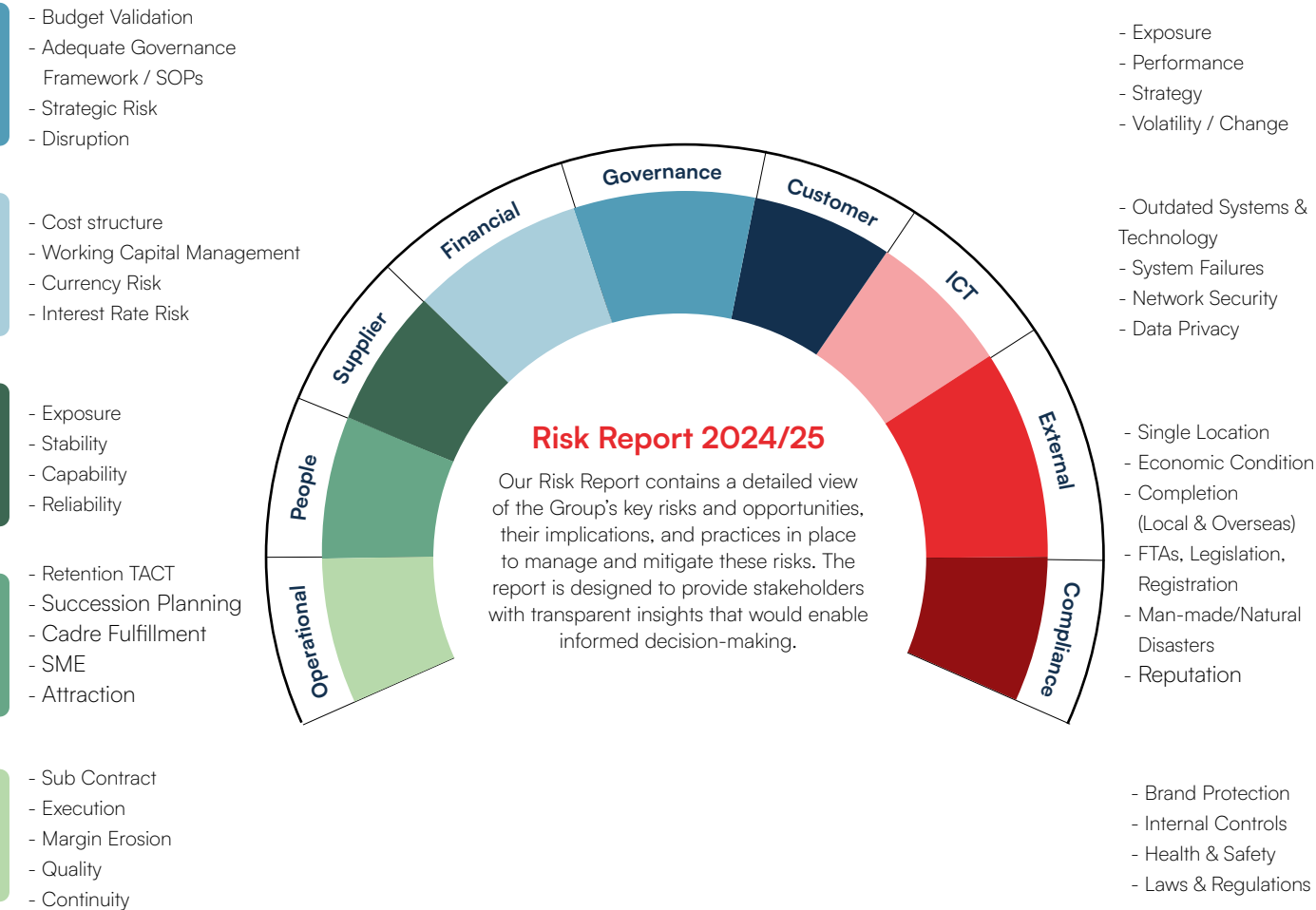
The BLL Board serves as the apex governing body in the ERM Framework, with the dedicated BLL Risk Committee functioning as the primary body in communication with the Group Risk and Control (R&C) function.





Risk Report 2024/25

Our Risk Report contains a detailed view of the Group's key risks and opportunities, their implications, and practices in place to manage and mitigate these risks. The report is designed to provide stakeholders with transparent insights that would enable informed decision-making.



Risk Rating and Response

Impact	Extraordinary	4	8	12	16	4
	Major			9	12	3
	Moderate				8	2
	Minor				4	1
		Unlikely	Moderate	Likely	Almost Certain	
		1	2	3	4	
		Likelihood				

Short term	Medium term	Long term
12 months	2-3 years	5 years





Risk Category	Risk /Opportunity	Risk Rating	Mitigation Plans
Economic and market related risk	Uncertainty over prospects for future macroeconomic growth in Sri Lanka including inflation, interest rate and currency risks and the impact of geopolitical risks which could result in business disruptions and increased costs of operation	●	- Rationalisation of product-plant matrix based on multi-country footprint. - Scenario planning in preparing for adverse business scenarios and formulating alternative business strategies.
	Rising tariff barriers in key export markets pose a risk of reduced order volumes, delayed shipments, and increased pressure on pricing. These developments can directly impact profitability and operational continuity across affected customer accounts.		- Conducted scenario analysis to evaluate the financial impact under multiple tariff scenarios. - Engaged in strategic discussions with suppliers to negotiate cost reductions and improve flexibility. - Strengthened partnerships with customers to align on shared cost-management strategies. - Closely monitored policy developments in key markets to enable timely response planning.
	Volatility in global fuel supply and prices, driven by geopolitical instability and supply chain disruptions, poses a risk to operational continuity and logistics efficiency, potentially resulting in increased transportation costs and delivery delays.		- Diversification of logistics partners and routing options to reduce dependency on fuel-sensitive regions. - Enhanced inventory planning and buffer stock strategies to mitigate the impact of delivery delays. - Continuous monitoring of fuel market trends and geopolitical developments to support timely decision-making
Information Security, Technology, and Personal Identifiable Information related risk	Cybersecurity Risk: Data breaches could lead to financial loss and reputational damage.	●	- Implemented NIST Framework to reduce cybersecurity risk. - Regular cybersecurity awareness campaigns.
	Data privacy risk - loss of personal data of employees / customer / suppliers.		- Advanced threat detection systems and training. - Initiated a governance and monitoring mechanism on personal identifiable information. - Appointment of data protection officer to comply with Sri Lanka ACT.
	IT System Failure which could result in business disruptions and financial loss.		- Disaster recovery sites for continuity. - Periodic IT infrastructure monitoring.





Risk Category	Risk /Opportunity	Risk Rating	Mitigation Plans
People related risk	Economic crisis and regional competition for talents leading to loss of critical talents which could affect strategic growth plan of the group	●	- Strengthening succession planning to ensure successor-readiness for all key positions. - Implement employee engagement initiatives to foster an inclusive work environment and create Employee Value Proposition to attract and retain talent. - Continuous employee engagement initiatives, employee Pulse Check surveys, and a dedicated counsellor for each location to focus on the physical and mental well-being of all our employees.
Supply chain related risk	Financial, reputational, and operational risks arising from noncompliance with growing regulatory/ customer compliance requirements in relation to Environmental and social factors affecting the sourcing of raw material. Geopolitical tensions, trade policy shifts, and may disrupt supply chains, cause material shortages, and drive up the cost of raw materials and finished goods.	●	- Periodic self-assurance on social compliance and independent audits. - Supply chain governance focuses on supplier due diligence and audits. - Assess supplier environmental performance through a self-assurance program. - Scenario planning in preparation for adverse business scenarios and formulating alternative business strategies. - Continuous monitoring of geopolitical developments and engaging in proactive trade compliance. - Identify and develop local or regional suppliers to reduce dependency on global supply chains and shorten lead times.
Occupational Health & Safety (OHS) related risk	Risk of injury and fatalities to staff, contractor's personnel, and visitors.	●	- Systematic and embedded Hazard Identification Risk Assessment (HIRA) and risk management. - Systematic and embedded capability development of OHS, SME and all employees based on capability and training need assessments. - Tracking of work-related injuries and fatalities at both staff and contractor personnel level. - Follow strong RCA, actioning, and lessons-learned across the group.





CLIMATE CHANGE RISKS AND OPPORTUNITIES

Risk Category	Risk/Opportunity	Risk Rating	Mitigation Plans
Transition Risk	Growing customer expectations for emission cuts throughout the value chain underscore the need to advance technology. Not upgrading the existing technology could hinder attempts to decrease waste and improve operational efficiency.	●	Net-zero environmental impact producer to ensure a significant reduction in Scope 1 and Scope 2 emissions in alignment with the SBTi across all Brandix factories in Sri Lanka, India, and Bangladesh. Energy Efficient facilities — Adopting green building features in line with the LEED guidelines. Resource optimisation measures in relation to Heating, Ventilation, and Air Conditioning (HVAC).
Transition Opportunities	Led by eco-conscious consumer behaviour of Gen-Z and millennials, the increase in demand for sustainable fashion is creating new market opportunities for “end of life products” focusing on material circularity, longevity, sustainability and ethical manufacturing practices.	●	Partnering with customers and strategic supply chain partners to reduce usage of virgin raw materials and minimise the environmental impact associated with the disposal of waste through material circularity programmes. Explore long-term sustainable solutions for materials and chemicals, with a significant increase in implementation from 26.64% in 2022/23 to 39.72% in 2023/24, reflecting notable progress. Exploring opportunities to provide long term sustainable solutions for materials and chemicals used in the manufacturing process. Manufacturing locations certified with the highest standards of social and environmental standards compliance practices with global certifications including WRAP and Higg Index. Robust governance framework on monitoring of Key Sustainability Performance Indicators including periodic internal and external audits. Utilise 3D sampling to reduce water, energy, and material waste.
Physical — Acute Risks	Unforeseen heat waves and heavy rainfall causing floods and landslides, could impact and hinder the lives of the 51000+ employees of Brandix and disrupt operations.	●	Continuous employee engagement initiatives, employee Pulse Check surveys, and dedicated counsellor for each location to focus on physical and mental wellbeing of all our employees. Formulation of business continuity plans and deployment of crisis management teams to proactively anticipate and mitigate business disruptions caused by natural disasters.
Physical — Chronic Risks	Uncertain climatic changes could lead to risk of operational disruption and adverse impact on the livelihood of our associates due to lack of water from prolonged dry seasons / drought.	●	Eliminating the use of ground water sources and increasing our share of green water by investing in rainwater harvesting infrastructure at our plants. CSR initiatives to uplift the quality of life of our team members and the community by addressing societal challenges including providing access to clean drinking water to our team members, their families, and the community. Wastewater recycling initiatives and condensed water recovery projects at multiple Brandix locations.

Financial implications of climate change risks are not quantified for the reporting period.





INNOVATION & SUSTAINABILITY

Sustainability at Brandix is intrinsically connected to our product strategy. Innovation, digital transformation, technological advancement, and a relentless focus on environmental and social responsibility come together - defining our ability to develop and deliver unique products.

This holistic approach ensures that our products not only meet the highest standards for quality, safety, and functionality, but also contribute to a more sustainable future.





Innovation and Sustainability Snapshot 2024/2025

Product development

Leveraging cutting-edge technologies and digital tools to deliver inspired, sustainable solutions, across our product lifecycle - from design to dispatch.

We are rolling out a transformative project that is empowering our Technical Design Capacity (TDC) and streamlining the product development flow with digital tools. 3D sampling, and the use of nascent stage AI tools, are aiding our sketch and sample development — reducing turnaround times to seconds, and significantly reducing the need for physical samples. This is supported by a digital fabric colour approval process that has been introduced to reduce physical sample shipments.

These improvements are improving the work-experience for employees, accelerating customer communication, and enabling more design iterations while reducing physical fit sessions - leading to substantial savings in water, energy, and emissions.

We have also begun phased implementation of front-end Robotic Process Automation (RPA), integrated within the product development cycle. This has replaced extensive manual work, enables time-saving for our teams, and reduces potential errors that could result in catastrophic cascaded impacts down to the manufacturing level. Overall, these changes would also reduce waste and improve efficiency.





Systemic Digital Transformation

Continuous transition to cloud-based services and digitalisation of processes across our enterprise, to unlock a host of operational and sustainability advantages.

Having adopted a cloud-first strategy in 2022/23, we maintained momentum during the year with additional cloud movements. As it stands today, we have doubled the number of apps on the cloud, and have plans in place to complete the migration of apps and data-centres to the cloud, for all our facilities, by 2025/26. Our India park data centres will be the newest addition to the cloud, scheduled for the following year.

Working with an internationally recognised cloud-partner, like Amazon Web Services (AWS), means we also stand to benefit from their ongoing sustainability efforts to reduce the footprint of their cloud services. This will have a significant positive effect on electricity and other energy consumption, while also optimising and freeing up space at our facilities.

Recognising the increased risks that accompany our digital transformation, we continued to strengthen our stringent cybersecurity protocols across the Group. In 2024/25, we transitioned to a Secure Access Service Edge (SASE) architecture and took steps to upgrade our Security Operations Center (SOC) with a world-class vendor. These steps helped us maintain the highest levels of data-security, data privacy, and customer confidentiality.





Digital Enablement

Applying new technologies and adapting our processes with a human-centric approach, with people as the genesis component for our digital transformation journey.

We are expanding our data-first approach to gathering, analysing, and utilising business insights to inform decision-making. Brandix has signed up as a first-mover to integrate the Microsoft Fabric platform within our operations. This builds on the maturity of our past data engineering successes, such as utilisation of Power BI and data warehousing.

By August 2025, we will completely transition to Microsoft Fabric; which offers natively AI-enabled capabilities going beyond CoPilot. Once live, systems will incorporate natural language querying built into oversight and controls, and greatly reduce dashboard information crunch.

We are working toward the north-star of utilising AI to build-out our dashboards: a data engineering platform built, integrated, and optimised with AI. Digital literacy within our enterprise has grown over the years, and we feel this is an area with great potential for the future; with usability of AI helping reduce the learning curve.

The Brandix Smart Factory initiative reached its third horizon, advancing on learnings from pilot projects in select locations, with a dedicated team in place to drive the programme. Smart Factory IoT systems are already enabling our teams to monitor resource consumption and utilisation in real-time; resulting in significant energy efficiency and operational efficiency gains.

We have now completed a series of in-depth process and time studies and audits, assessing every stage from raw material inputs to the dispatch of completed products. Through these, we are looking at every level of the operation to identify even more opportunities for digital enablement that could eliminate, replace, integrate, or optimise processes.

With the goal of operational excellence in mind, we are also looking to improve observability through IoT. Considering Overall Equipment Effectiveness (OEE) as our primary gold-standard target, we are looking for solutions that would improve our efficiency; measured through Getting It Right First Time (GIRFT), improved product and service quality, and more efficiency operations overall - all components that can be addressed through systems we are putting in place with our smart factory journey.



Product Sustainability

A holistic vision for product sustainability — decarbonising apparels, incorporating sustainable materials, addressing circularity needs, and ensuring the safety of finished products.

Brandix directly supports decarbonisation of apparels through an SBTi validated commitment to Net-zero emissions across the value chain by 2050. We have been successful in driving down our carbon footprint year-on-year, achieving a __% reduction in Scope 1 and 2 emissions in 2024/25 compared to the previous year. Our journey to net-zero is powered by investments in renewable energy and continuous resource optimisation.

Our efforts to mainstream material circularity and proactively address waste, contribute significantly to the sustainability of our products. In 2024/25, 90% of all solid waste generated was recycled or re-used, as we continued to pursue partnerships and R&D for additional material recycling options and greater waste traceability.

Focusing on the building-blocks of our products, we ensured that almost half (45.4%) of raw materials inputs in our products were sourced sustainably; including 16% recycled raw materials.

Product sustainability can only be achieved if improvements are instituted while maintaining the highest standards for product quality and safety. We achieve this through rigorous testing protocols for both raw materials and finished products. In 2024/25, our wet-processing facilities maintained aspirational level compliance with ZDHC MRSL and other international standards, and we recorded zero incidents of non-compliance concerning the health and safety impacts of products.



ENVIRONMENTAL GOVERNANCE



Our integrated environmental governance framework provides the structure and accountability needed to minimise our impact and manage environmental and climate-related risks.

The framework is implemented through dedicated environment management representatives in place at our facilities, and an Environmental Management System (EMS) team tasked with operationalisation on the ground.

The Group's environmental governance process includes consideration for, and integration of, climate change risks in our Enterprise Risk Management (ERM) process. We work to proactively disclose and manage these potential risks. The effectiveness of our framework is evident in zero environmental fines or non-compliance issues recorded during the reporting period.





Environmental Governance

Air

Water

Earth

Environmental Policy Framework

Energy and Environment Policy



Chemical Management Policy



Waste Management Policy



Energy, Water, Waste and Chemical Management



Emission Management Plan



Green Purchasing Policy



Tracking our Performance and Progress

Reliable environmental data is the foundation of our sustainability strategy. It enables informed decision-making, transparent stakeholder reporting, and tangible progress toward our goals.

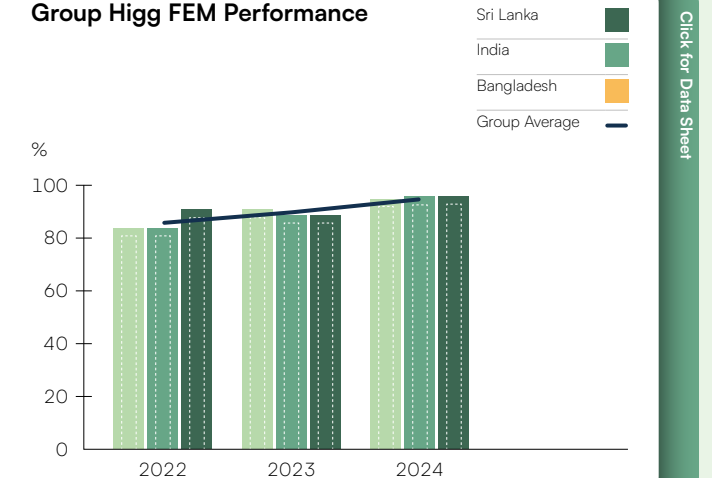
We utilise standardised tools like the Higg Index, benchmark our facilities against ISO standards, and maintain IoT-based systems to track a comprehensive suite of Key Sustainability Performance Indicators (KSPIs). Brandix KSPIs are aligned with GRI Standards and material topics identified in the Group's materiality assessment process. KSPIs are also aligned with GRI Standards, and that cascade from the Board to our operational teams.

We utilise a number of digital tools to gather, refine, and analyse environmental data. Dashboards measure solar generation, while on-site BMSs and IoT devices track facility energy consumption in real time. Ecocaliper, integrated with factory BMSs, functions as our in-house data gathering platform for utility consumption. In addition, a Sustainable Performance Analyser (SPA) tool streamlines collation of KSPIs and empowers decision-makers with accurate, up-to-date, information.

This rigorous process for data collection and validation is governed by Standard Operating Procedures (SOPs), and verified through daily checks and routine audits. Environmental performance data is reviewed quarterly by senior management to implement corrective actions and ensure continuous improvement.

Our commitment to environmental excellence is reflected in our performance on the Higg Index, the apparel industry's key sustainability benchmark.

Group Higg FEM Performance



[Click for Data Sheet](#)

We achieved a Group-level average Higg FEM score of 95% (90% in 2023); testament to the strong collective effort of our teams across the region.

Our sustainability disclosures report progress against these Brandix KSPIs and our internal environmental goals and targets in addition to the GRI Sector Standard disclosures, which are being developed and currently undergoing public review.





AIR



Our climate action prioritises proactive and effective change today, to reduce emissions across our operations, and establishes a clear roadmap for a Net-zero tomorrow.

The reality of climate change demands decisive action, ambitious goals, and long-term systemic change. As a manufacturing partner of choice for leading partner-brands in the global fashion industry, our work considers the entire apparel value chain, as we actively engage our customers/brands and suppliers to tackle emissions throughout the supply chain.



Our Decarbonisation Strategy and Roadmap

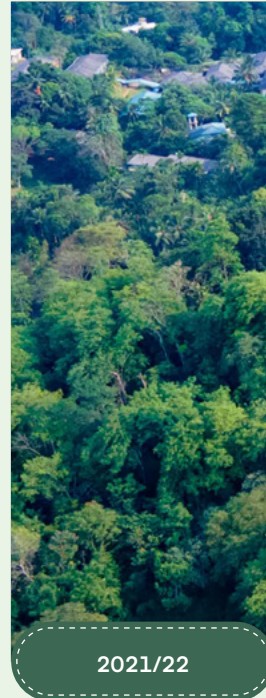
Our decarbonisation roadmap is two-pronged; inspired by a long-standing target of achieving Net Zero Carbon by 2030, and guided by a formalised commitment to deep decarbonisation with absolute emission-reduction targets validated by the Science-Based Targets initiative (SBTi).

In minimising the carbon footprint of manufacturing operations, we have focused our initial efforts on addressing Scope 1 and Scope 2 emissions. Our decarbonisation strategy addresses two levers that have the greatest potential to decarbonise production and reduce emissions: embracing renewable energy, and optimising our processes and resource-use.

In addition to reducing our climate-impact, the Group's decarbonisation roadmap is a vital business strategy that builds resilience to the effects of climate change on our business.

Our approach to identifying, monitoring, and managing climate-change risks is embedded within the Group's Enterprise Risk Management (ERM) framework, allowing us to assess, mitigate, and adapt to these evolving threats and opportunities. This integrated consideration of climate-change risks ensures our decarbonisation roadmap is both ambitious and realistic.

The Group's Risk Report presents a detailed discussion of our climate-related risks, their potential business implications, and our mitigation strategies.



2021/22

Baseline year of reference



2024/25

Net Zero Carbon in Sri Lanka



Where we are today

RENEWABLE ENERGY

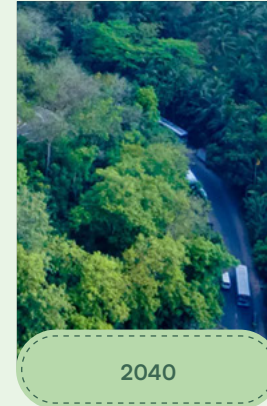


RESOURCE OPTIMISATION

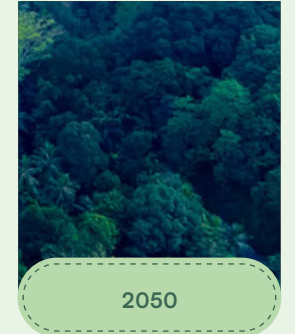


2030

Net Zero Carbon across our Global footprint



2040



2050

Net Zero emissions across the value chain



Environmental Governance

Air

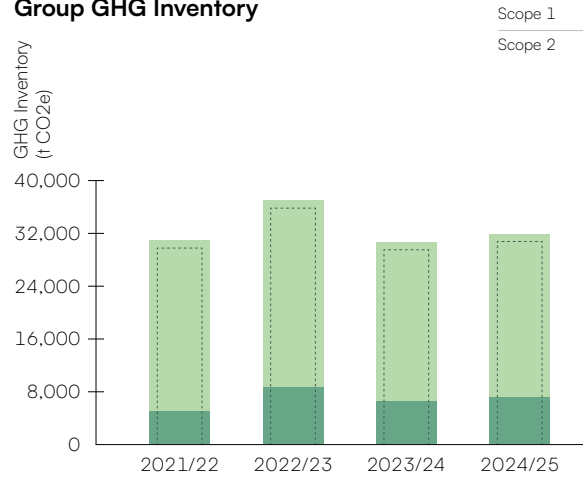
Water

Earth

Brandix emission-reduction targets and overall ambition have been formally approved by the Science Based Targets initiative (SBTi). Our roadmap to achieving these goals is already underway, centred on key actions including expanding our renewable energy capacity across the region, pursuing LEED certification for our newest facilities, and deepening our resource optimisation efforts across all operational locations.

Scope 3 emissions make up a significant portion of our total carbon footprint. Given this importance, we completed a full Scope 3 screening and inventory, as part of our work to set an SBTi-validated emission-reduction goal. As part of our SBTi-validated climate commitments, and building on our work to better assess emissions across the supply chain, we have made ambitious plans to catalyse reductions in Scope 3 emissions across the apparel value chain.

Group GHG Inventory


[Click for Data Sheet](#)

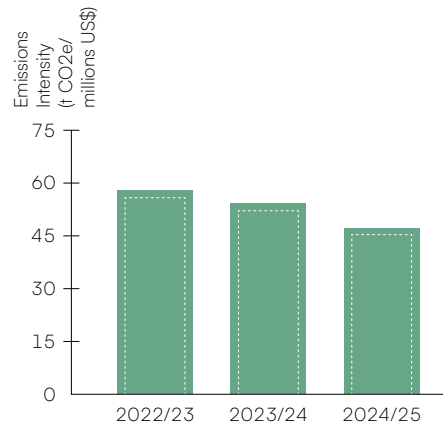
Group GHG emissions (Scope 1 and 2) totalled 32,010 tCO₂e in 2024/25, reflecting a 4% uptick from the previous year, and a 3% increase against our 2021/22 baseline.

Energy consumption was almost unchanged from the previous year whilst managing production increases. Successful energy-saving initiatives at our plants resulted in an overall reduction in electricity use. However, decline in biomass use reduced our renewable energy footprint to 37% (41% in 2023/24), and increased utilisation of natural gas resulted in a marginal emission increase.

The Group reported an emission intensity of 47.4 tCO₂e/USDMn. Emission intensity is calculated based on Scope 1 and Scope 2 GHG emissions per USD Mn in revenue.

Disclosures include minor restatements of emission, energy, and other related environmental data; to reflect more accurate and updated information, following data validation and improvements in measurement methodologies.

Group Carbon Emissions Intensity


[Click for Data Sheet](#)




SCOPE 1

Diesel use declined for the third year running, even as utilisation of natural gas at our Bangladesh facilities increased in line with the scale of production. Our refrigerant phase-out plan continues as planned; working toward elimination of R-22 refrigerants from the Group's inventory by 2030. In addition, leak-detection processes and ongoing preventive maintenance measures continue to control refrigerant-related emissions from cooling and heating equipment. Continuous monitoring at source, installation of abatement systems, and regular tune-ups also help reduce fugitive emissions and Particulate Matter (PM).

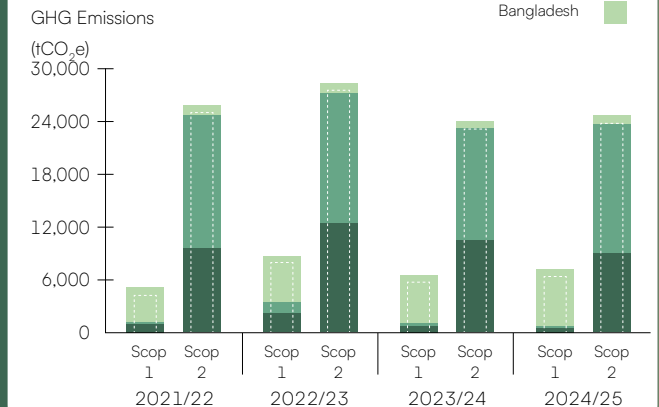
SCOPE 2

Electricity consumption reduced marginally in 2024/25, thanks to Group-wide energy saving programmes and continuous improvements to process efficiency. Details of energy-saving measures instituted during the year are described below. However, inherent dependence on grid electricity for our operations coupled with slow transition to renewables by government utility providers, have limited emission-reduction efforts.

While reductions in Scope 2 emissions, related to the purchased electricity we utilise, is not directly within our control, we expect our investments in renewable energy infrastructure to decrease the load on national power-supply infrastructure, and reduce our overall dependence on non-renewable energy sources.

With solar installations at our Sri Lanka properties coming to a conclusion in 2024/25, we are focusing on India and Bangladesh with studies underway to assess the feasibility of additional renewable energy infrastructure at all plants. Additionally, two of our latest facilities in Sri Lanka and Bangladesh are undergoing LEED certification as part of the Company's net zero strategy.

Countrywise GHG Inventory (Scope 1 & 2)



Country	Scope 1 (tCO ₂ e)					Scope 2 (tCO ₂ e)
	Diesel	Furnace Oil	Natural Gas	Refrigerant	Fire Extinguisher	Grid Electricity
Sri Lanka	333.62	-	-	166.73	-	9,123.27
India	101.53	-	-	217.54	-	14,678.74
Bangladesh	12.71	-	6,116.48	302.12	-	957.54
Total	447.86	-	6,116.48	686.39	-	24,759.54
Group					7,251	24,760





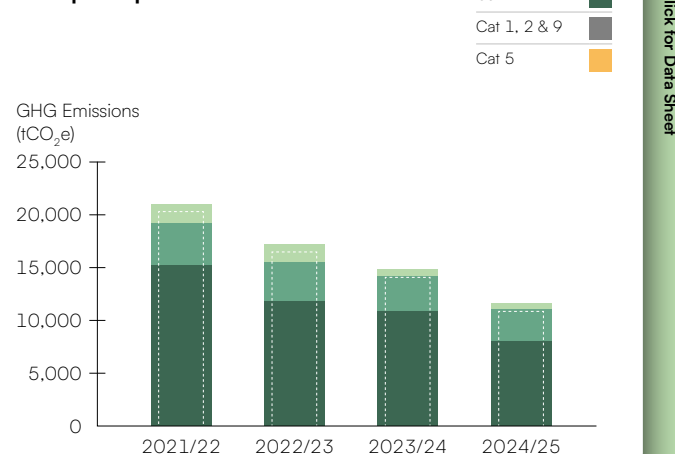
SCOPE 3

Scope 3 emissions totalled 11,622 tCO₂e in 2024/25; a 21% reduction year-on-year, and a 45% reduction against the 2021/22 baseline. Our efforts to reduce indirect (Scope 3) emissions focused on two directly-addressable sources: employee commuting and downstream distribution. To minimise our team's travel-related carbon footprint, we promote carpooling, provide expanded company shuttle services, and support flexible work arrangements. For downstream logistics, we collaborated closely with our partners to optimise delivery routes, improve fuel efficiency, reduce empty runs, and shift to lower-emission modes of transport.

Our approach to identifying, monitoring, and managing climate-change risks is embedded within the Group's Enterprise Risk Management (ERM) framework, allowing us to assess, mitigate, and adapt to these evolving threats and opportunities. This integrated consideration of climate-change risks ensures our decarbonisation roadmap is both ambitious and realistic.

The Group's **Risk Report** presents a detailed discussion of our climate-related risks, their potential business implications, and our mitigation strategies.

Group Scope 3 GHG Emissions



[Click for Data Sheet](#)

Category 7	Cat 7	Employee commuting
Category 1	Cat 1, 2 & 9	Purchased goods and service
Category 2		Capital goods transport
Category 9		Downstream transportation and distribution
Category 5	Cat 5	Waste generated in business operation

In addition to reducing our climate-impact, the Group's decarbonisation roadmap is a vital business strategy that builds resilience to the effects of climate change on our business.





Resource Optimisation

Continuous upgrades to our facilities — for more energy-efficient lighting, incorporation of air-saving devices, improvements to HVAC, and installation of point-emission control, go hand-in-hand with process improvements. These serve to improve energy efficiency and reduce energy-demand across our operational footprint.

In 2024/25, we launched the Energy RACE initiative to motivate our teams and build an energy saving culture within the Group. Best-performing facilities were recognised at the end of each month.

Regular energy audits, supported by regression analysis to benchmark performance, helped identify and implement energy-saving opportunities. Successful implementation of this and other projects during the year resulted in tangible efficiency gains across our operations.

Since implementation of RACE, the Group recorded an average 10% energy-savings each month - in the first few months of project implementation.

Similarly, emission of ODSs reduced by approximately 39% year-on-year, due to improvements in equipment maintenance, awareness, monitoring, and control.





INTRODUCTION

GOVERNANCE

INNOVATION

ENVIRONMENTAL

SOCIAL

ANNEXURES



Environmental Governance

Air

Water

Earth



HVAC



Compressed Air



Lighting



Emission Control
Devices



Smart Factories



Building Management
Systems



Energy-Saving
Culture





Environmental Governance

Air

Water

Earth

Renewable Energy

Energy consumption for the year, stood at 460,866 GJ (460,948 GJ in 2023/24). We maintained a 37% share of energy from renewable sources during the year. The overall percentage declined from 41% the previous year, due to reduced biomass-use; caused by reduced demand for steam generation, successful waste minimisation programmes at our plants, and overall improvements to biomass fuel quality.

Biomass is a valuable source of renewable energy that powers our operations. We are working to further strengthen the supply of sustainably sourced biomass for use in our locations, building on initial work carried out with UNDP and the SLS 1551 standard.

Onsite solar power generation capacity remained at 18.8 MW, as we carried out feasibility studies to assess the potential of further solar capacity expansion at our Indian and Bangladesh facilities.

Energy Intensity is calculated based on total energy consumption per USD Mn in revenue.

Group Energy Consumption

Non-Renewable Energy (GJ)	2022/23	2023/24	2024/25
Furnace Oil	0	0	0
Diesel	38,993	7,547	5,985
Coal	0	0	0
Natural Gas	117,655	114,256	137,138
Grid Electricity	124,315	148,576	145,991
Total Non-renewable Energy (GJ)	280,964	270,378	289,114
Renewable Energy (GJ)	2022/23	2023/24	2024/25
Solar	50,210	75,746	76,335
Biomass	163,680	114,824	95,418
Total Renewable Energy (GJ)	213,890	190,570	171,752
Group Energy Consumption (GJ)	494,854	460,948	460,866





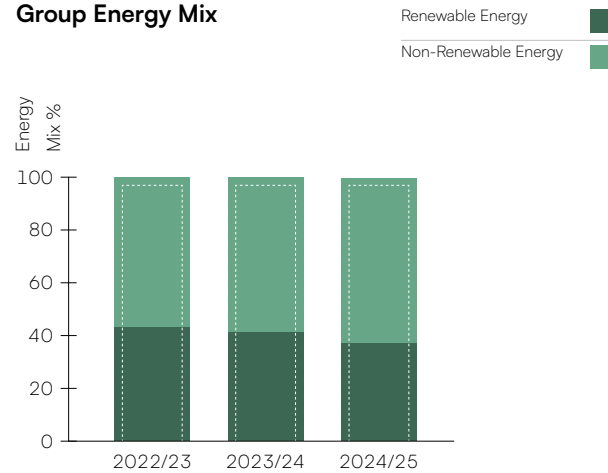
Environmental Governance

Air

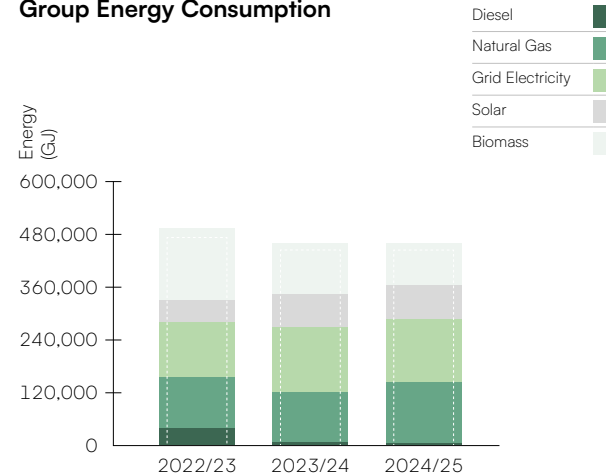
Water

Earth

Group Energy Mix

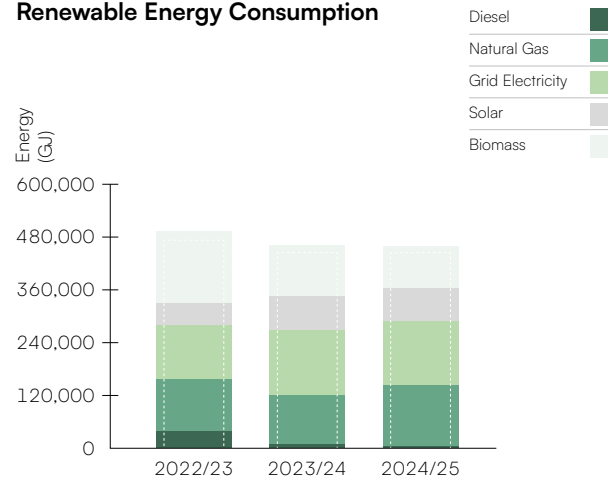

[Click for Data Sheet](#)

Group Energy Consumption

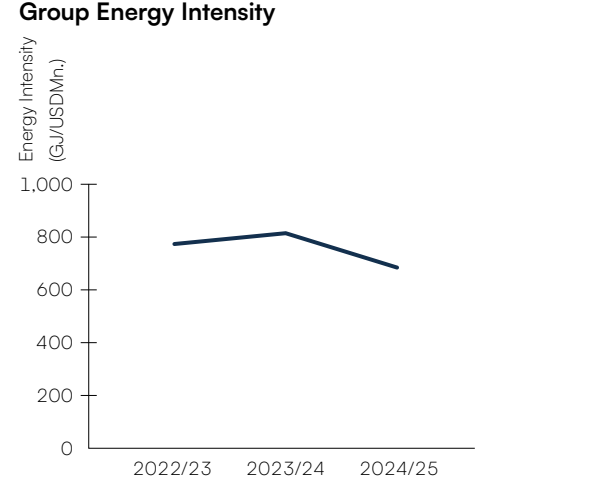

[Click for Data Sheet](#)

Group Energy intensity, of 682 GJ/USDMn., recorded a YoY reduction, as the compounding effects of ongoing energy saving programmes contributed to energy efficiency gains.

Renewable Energy Consumption


[Click for Data Sheet](#)

Group Energy Intensity


[Click for Data Sheet](#)




Environmental Governance

Air

Water

Earth

Commitment to Cleaner Air

Our approach to preserving air quality is comprehensive, and guided by our Group's environmental governance framework. At every facility, Environmental Management Systems (EMSs) ensure we are compliant with, or under all regulatory limits for air emissions.

In 2024/25, we began measuring indoor air-quality and ambient air-quality through a regularised monitoring mechanism.

Emission of Ozone Depleting Substances (ODSs) reduced by almost 40% during the year, on the back of continued responsible management of refrigerants. R-22 used in facility HVAC systems represents the largest share of our ODSs (approximately 173kg in 2024/25). While R-22 has a relatively low Ozone Depleting Potential (ODP), of 0.05, we are executing a time-bound plan (aligned with national regulations) to phase it out from our operations. This is complemented by a robust strategy to control fugitive emissions through rigorous monitoring, preventive maintenance, and advanced leak detection and repair protocols. Beyond this, we are actively investing in cleaner technologies and best practices to minimise all other significant air emissions associated with our operations.

The Group has adhered to all air emission controls and limits for NO_x, SO_x and PM levels; as outlined in country-specific environment regulations, such as Sri Lanka's Environmental Protection Licence (EPL).

Emission of ODS

	2022/23	2023/24	2024/25	METRIC
Emission of Ozone Depleting Substances (ODS)	81.8	512.5	313.8	tCO ₂ e

Data Disclosure

Emissions data below considers all GHGs. The Company uses the Greenhouse Gas (GHG) protocol of the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) as its basis for measuring and reporting carbon emissions. The Company's carbon footprint is calculated using carbon emission factors as per the IPCC guidelines for national greenhouse gas inventories, published by the Institute of Global Environmental Strategies (IGES).

- Calculations consider grid emission factors as published by the Sustainable Energy Authority (Sri Lanka), Central Electricity Authority, Ministry of Power (India), and the Department of Environment (Bangladesh).
- Fuel emission conversion factors have been extracted from DEFRA.
- All reductions are calculated by comparing values with that of the previous financial year.
- All emissions figures below relate to entities included in the organizational boundary, as defined in the report.
- The denominator chosen for intensity calculations is the organisation's revenue in USD, which is the common performance monitoring parameter for manufacturing service sectors.

Our facilities in India, based at Adhistan Integrated Industrial Park, previously known as Brandix India Apparel City (BIAC), includes a thriving region of tree cover spanning 116 acres, which improves ambient air quality for industries and communities in the area.

We planted an additional 24,000 saplings during the year 2024/25, and continued to invest in conserving and developing the green belt.





WATER



We manage water responsibly across our entire operational cycle; from water withdrawal, to water-use for processes and domestic requirements, and discharge of treated wastewater.

Our responsibility stems from a simple truth - water sustains everything. It is vital to the ecosystems we share, the communities we serve, and the creation of every piece of apparel we produce. This is why we pursue sustainable water inputs, maximise water-use efficiency within our processes and facilities, and ensure all wastewater is treated and discharged responsibly.

Our efforts are guided by an ambitious goal: achieving net-positive water operations by 2030. This reflects the urgent action required to address global water scarcity and safeguard our shared water resources for the future.





Environmental Governance

Air

Water

Earth



Our Approach to Water Stewardship

Our goal to achieve net-positive water operations by 2030 is driven by a multi-pronged strategy. We are implementing a fundamental shift in our water-mix: continuously reducing groundwater withdrawal and increasing the share of green and recycled water in our operations — with a goal of achieving 50%.

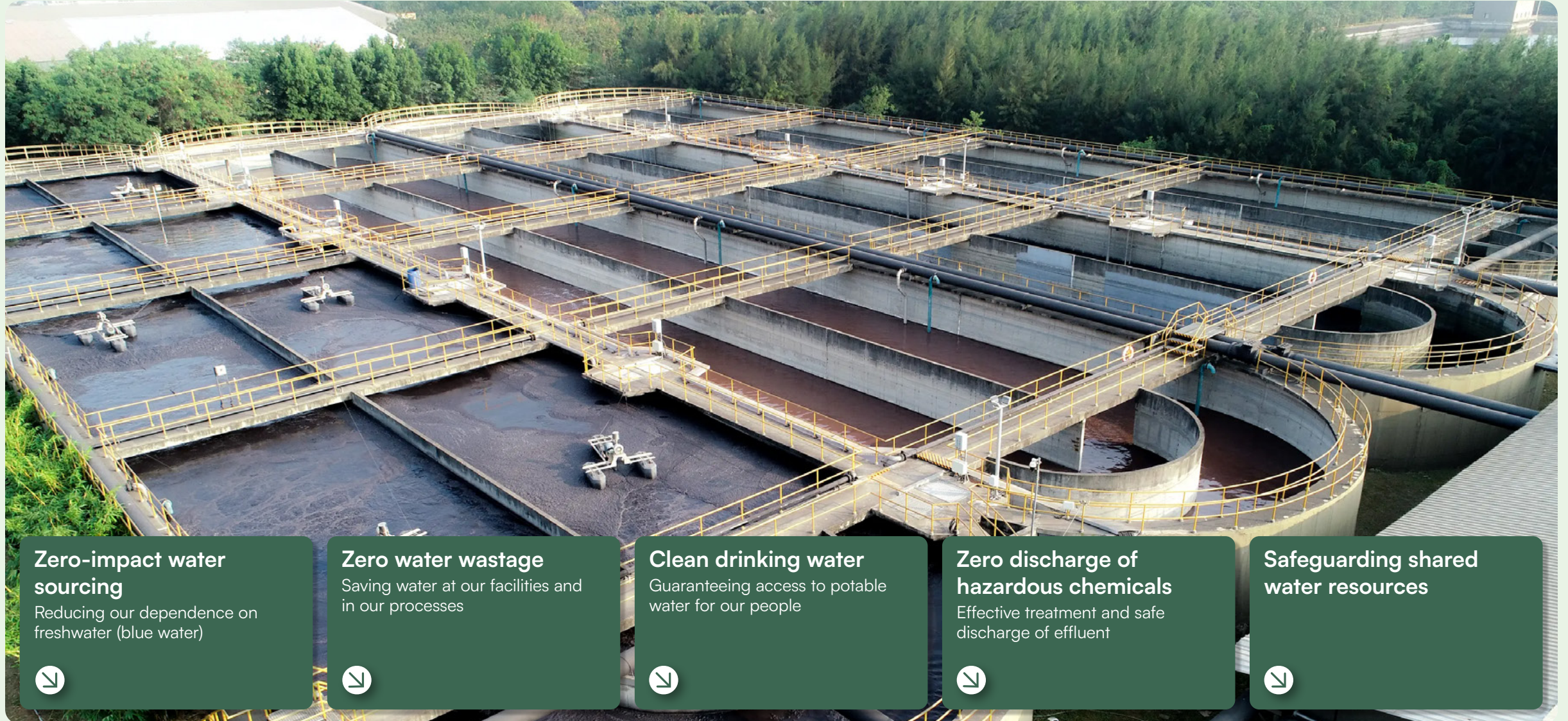
This ongoing process for sustainable water sourcing is complemented by stringent measures to eliminate hazardous chemical discharge, and a number of proactive community programmes to safeguard shared water resources.

Consistent with our water management policy and guidelines, groundwater withdrawal occurs only at select sites with limited municipal water supply. Third-party (municipal) water is obtained from authorised utility companies such as the National Water Supply and Drainage Board (NWSDB) in Sri Lanka, the Bangladesh Export Processing Zone Authority (BEPZA) in Bangladesh, and the Andhra Pradesh Industrial Infrastructure Corporation (APIIC) in India.

The Group maintained zero groundwater withdrawal at facilities in India and Bangladesh, and continued making progress on groundwater elimination programmes at Sri Lankan plants.

Similarly, water is only discharged after treatment at on-site Sewage Treatment Plants (STPs) or Central Effluent Treatment Plants (CETPs) in compliance with local regulations.





Zero-impact water sourcing

Reducing our dependence on freshwater (blue water)



Zero water wastage

Saving water at our facilities and in our processes



Clean drinking water

Guaranteeing access to potable water for our people



Zero discharge of hazardous chemicals

Effective treatment and safe discharge of effluent



Safeguarding shared water resources





Environmental Governance

Air

Water

Earth

Safeguarding Shared Water Resources

Our water management policy frames water as a shared resource. This guides all of our actions for utilising this precious resource, within and beyond our factory walls. Internally, we ensure responsible water withdrawal, effective and compliant treatment of wastewater, and responsible discharge. Externally, particularly in water-stressed regions, we collaborate with communities and stakeholders to ensure equitable access to clean water by implementing programmes to support community-access to potable water, and efforts to conserve catchment areas and aquatic ecosystems.

Our policy and practices are informed by a clear and standardised process, which considers location-specific water-stress, community needs, and other factors. We also have processes in place to analyse water-related risks and impacts, which informs our overall sustainability strategy.

We use the World Resources Institute (WRI) Aqueduct Tool to identify water-stressed areas and use the Higg Index and ZDHC Gateway for consistent reporting of resource-use and compliance with wastewater and chemical guidelines. Where appropriate, and possible, we work with key suppliers to ensure adherence to ZDHC guidelines and promote water-conservation measures across our supply chain.

Biodiversity conservation and enhancement implemented programmes by Brandix, and by our supplier facilities in India and Sri Lanka, are working to protect watersheds and restore riverbanks and riparian ecosystems. These programmes, which involve community engagement and participation, contribute to safeguarding vulnerable catchment areas that provide water resources for consumption by our operations and the communities around us.

Zero Impact Water Sourcing

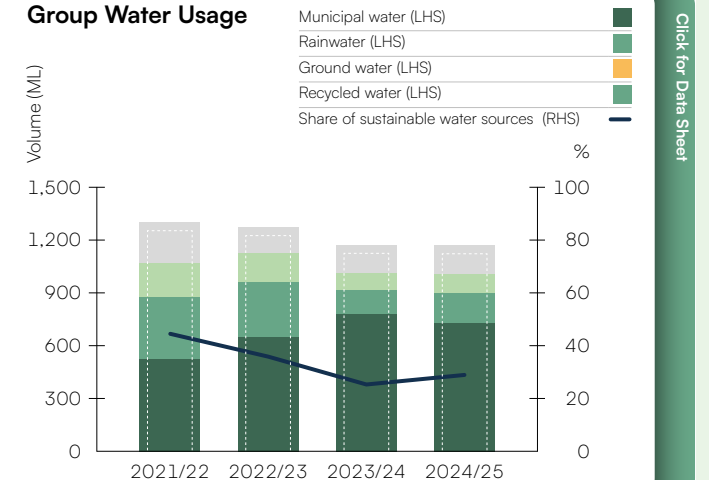
Our water stewardship programme is led by a vision to achieve net-positive water operations. Achieving this goal requires the concerted coming together of multiple sustainability initiatives.

We work to reduce dependence on freshwater or blue-water sources, such as groundwater; pursue alternative and more sustainable options, such as rainwater and recycled water, and maximise water-efficiency across our operations while reducing waste.

Share of sustainable water sources (green and grey water) in our water-mix improved to 29% in 2024/25, supported by continued investments in rainwater harvesting and wastewater recycling.

Group water withdrawal amounted to 1,011,816 m³ and gross water usage stood at 1,174,479 m³; both recording nominal YoY reductions for the reporting period.

Group Water Usage


[Click for Data Sheet](#)



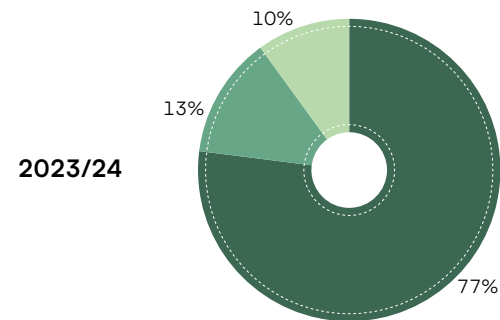
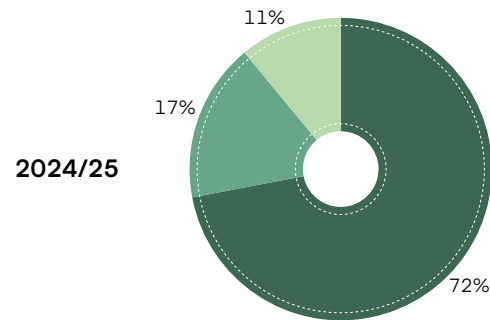

Environmental Governance

Air

Water

Earth

Water Withdrawal by Source



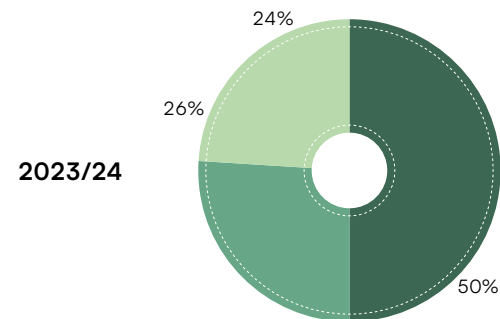
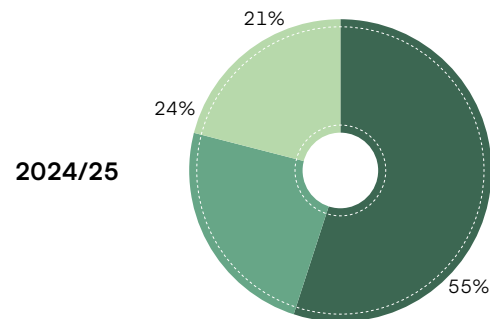
Municipal water
Rainwater
Ground water

[Click for Data Sheet](#)

- Majority of our Sewage Treatment Plants (STPs) and Effluent Treatment Plants (ETPs) were upgraded during the year. Renovation to the STP at BRAM included rehabilitation and upgrade of water-recycling capacity.
- New rainwater harvesting system at our Rambukkana facility became operational in FY 2024/25.
- Initiated conversion of unused ETP at our Avissawella facility into a rainwater harvesting and treatment system. Once operational, in FY 2025/26, it will add 20 million litres to our annual rainwater harvesting and treatment capacity.

While we continue to work toward achieving our target of net-positive water operations, the majority of water used by the Group, for domestic or industrial processes, continues to be released through designated channels after requisite treatment. It is returned to the environment and remains available to ecosystems, communities, and industries in the region.

Water Withdrawal by Country



Sri Lanka
India
Bangladesh

[Click for Data Sheet](#)





Zero Water Wastage

Our approach to achieving zero water wastage is built on a three-pronged strategy: unlocking efficiencies in our most water-intensive production processes, maximising water-use across all other functions, and promoting a culture of water-saving amongst our employees.

Processes at our wet-processing facilities, such as dyeing and washing, are some of the most water-intensive. These processes are inherently complex, with stringent technical requirements, cost pressures, and significant investment involved for new equipment. Despite these hurdles, we are taking concerted steps to improve water efficiency precisely where it matters most.

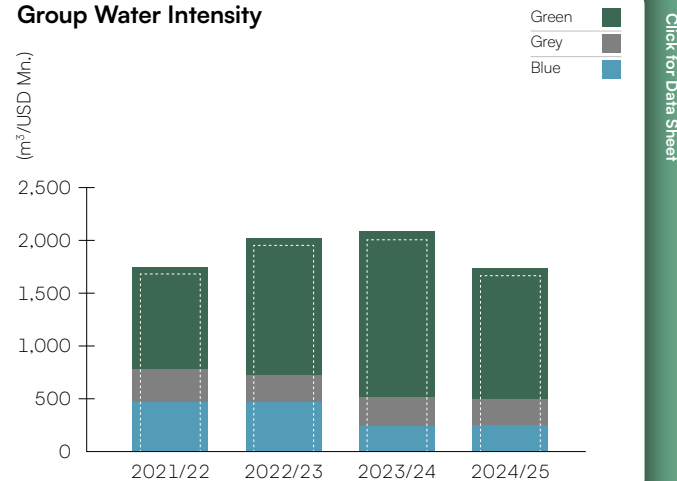
In 2024/25, we continued E-SOFT operations that are reducing water consumption at our wet-processing operations.

More efficient fittings were installed at all facilities during the year. In addition, daily water-use monitoring and leak-control measures are complemented by water-saving awareness programmes for staff. Regular preventive maintenance programmes, carried out through the iAudit application, enabled accurate inspection and timely corrective action where necessary.

Group water intensity showed a marked improvement in 2024/25, reversing the upward trend for the first time in three years, as metrics reduced to the lowest point since 2021/22.

Increased turnover during the year, and related reduction in water consumption, contributed to this achievement.

Group Water Intensity



Click for Data Sheet

Clean Drinking Water

We maintain access to clean drinking water that meets or exceeds World Health Organisation (WHO) standards, across all Brandix facilities. In-house purification systems include Multimedia Filtration (MMF) and UV disinfection, with additional chlorination systems in place where appropriate. This focus on our team's health also supports our environmental goals, allowing us to operate completely free of single-use PET bottles.





Zero Discharge of Hazardous Chemicals

We ensure the responsible management of chemicals and wastewater through a robust, multi-layered process. Our wet processing operations, which rely on water and carefully sourced chemicals, are governed by a strict commitment to responsible use. We adopt internationally recognised standards, implement rigorous chemical management, and ensure effective effluent treatment to safeguard our people and the environment.

Total water discharge for 2024/25 stood at 654,070 m3. Recorded water discharge volumes declined year-on-year, parallel with reductions in overall water withdrawal and usage within our operations.

Our Water Management Policy follows international guidelines, complies with national and regional regulations, and ensures our facilities meet all requirements for recertification of environmental licenses - such as the Environmental Protection License (EPL) in Sri Lanka, and equivalent licenses in India and Bangladesh.

Wastewater from our operations undergoes multiple stages of treatment to ensure discharged effluent is in line with applicable regulatory standards. Our Indian operations utilise a marine outfall for treated wastewater discharge, with continuous marine studies ensuring this process poses minimal risk to the marine ecosystem. For operations outside of economic zones in Sri Lanka, we manage wastewater treatment via dedicated on-site Sewage Treatment Plants

(STPs). Facilities within industrial parks and industrial zones rely on third-party managed Central Effluent Treatment Plants (CETPs).

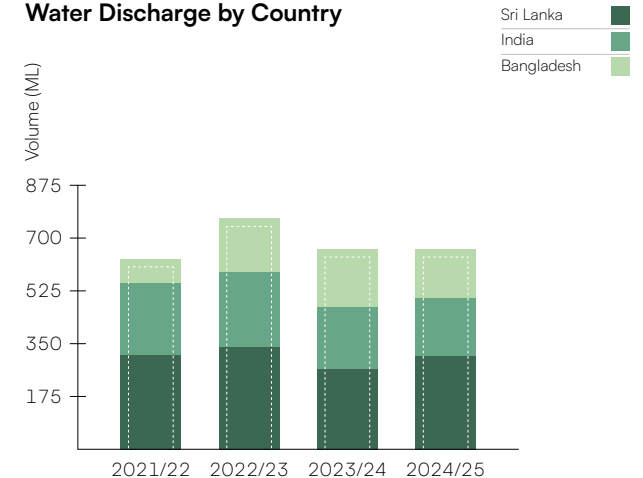
Discharge tolerance levels are established by relevant regulatory authorities. All effluent from Brandix facilities is treated, at minimum, to comply with these standards. We are also recorded zero spillages and no incidents of non-compliance with regard to discharge quality or quantity.

Compliance with wastewater treatment standards and requisite limits is validated through quarterly testing by accredited third-party testing bodies, and we have strict protocols to immediately address any deviations. Treatment plant operators conduct regular operational parameter testing and monitoring to maintain plants at optimal performance. If any deviations are detected, our protocols mandate immediate corrective action and re-testing.

All wet processing facilities maintained full compliance with Zero Discharge of Hazardous Chemicals (ZDHC) guidelines for wastewater treatment and ZDHC MRSL and RSL standards, with no non-compliances recorded during the year. Compliance was verified through annual testing.

Brandix Rambukkana and Brandix Bangladesh wet-processing facilities maintained aspirational level compliance with ZDHC MRSL and Metal Wastewater guideline v2.1, and achieved Supplier to Zero (Level 1).

Water Discharge by Country

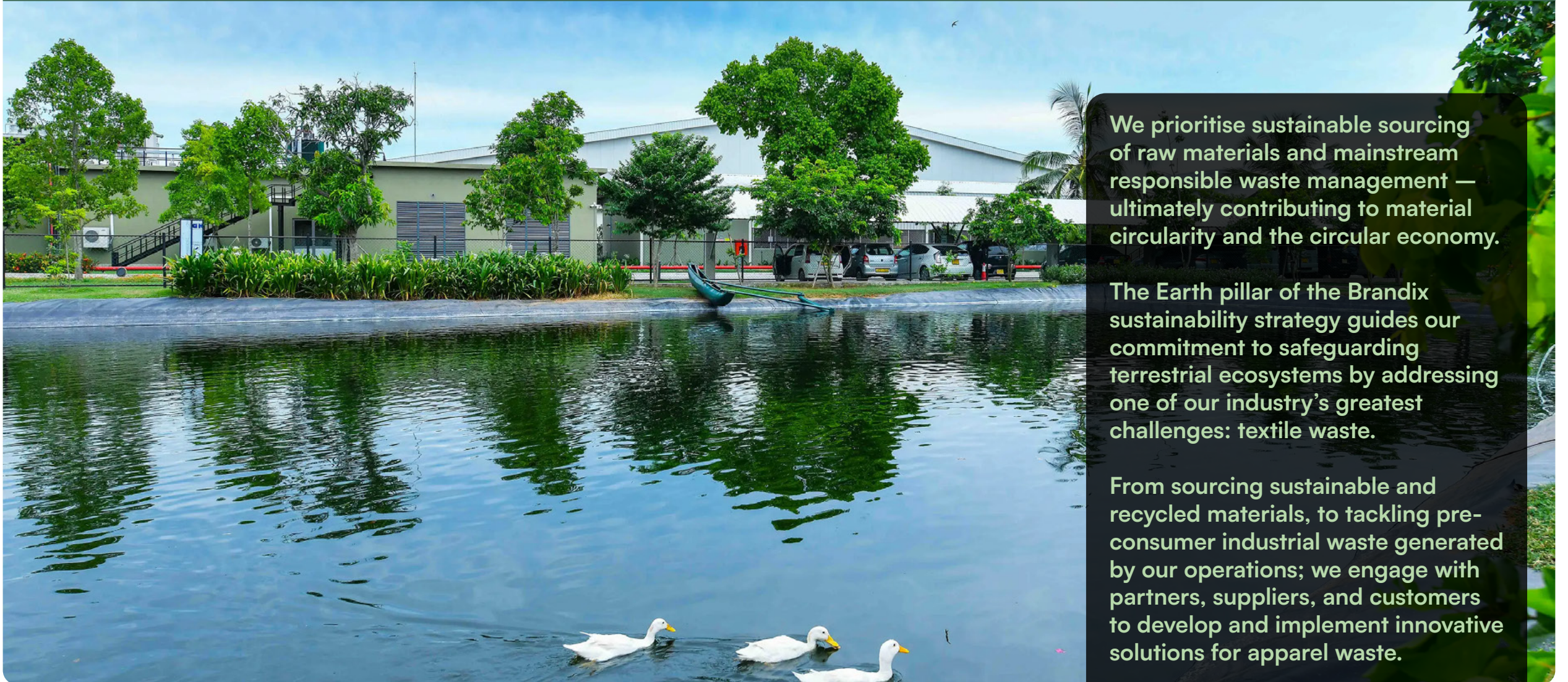


[Click for Data Sheet](#)





EARTH



We prioritise sustainable sourcing of raw materials and mainstream responsible waste management — ultimately contributing to material circularity and the circular economy.

The Earth pillar of the Brandix sustainability strategy guides our commitment to safeguarding terrestrial ecosystems by addressing one of our industry's greatest challenges: textile waste.

From sourcing sustainable and recycled materials, to tackling pre-consumer industrial waste generated by our operations; we engage with partners, suppliers, and customers to develop and implement innovative solutions for apparel waste.





Environmental Governance

Air

Water

Earth



Material Circularity

The apparel industry is at a critical juncture; consumers, retailers, and regulators are demanding a shift away from linear take-make-dispose models toward circular economic principles. Despite ongoing challenges involved in systemic change at this scale, we have incorporated circularity as a critical component of our sustainability strategy as we work to inspire and implement a more responsible future for apparel manufacturing.

We continue to partner with customers, suppliers, and recyclers to align with brand policies and achieve the material circularity targets. Design teams play an important role in actioning circularity, working with brands and suppliers, to develop new products, incorporate new materials, and recycle textile waste to close the loop. In 2024/25, Brandix teams participated in selected workshops and forums to enhance skills and knowledge. We also expanded the reuse of PVC textile tubes and thread cones with designated upstream suppliers as a low-hanging material circularity programme.

Building on the success of past initiatives, we are pursuing a pilot project to achieve commercial scale for recycling of branded elastic waste.





Our approach to material circularity revolves around four pillars.

Brandix pillars for circularity

Networking

Building strong partnerships with customers, collectors, recyclers, and suppliers.

Traceability

Improving accuracy and visibility for materials used in apparels, and ultimately improve recyclability of products.

Research and Development

Essential innovation that is improving the utility of recycled input materials, exploring alternative materials, and developing solutions to close the loop.

Process

Incorporating circular design principles to reduce losses across the product lifecycle, improve durability and longevity of apparels, and introduce solutions for repair and re-use that would keep materials in circulation for longer.

What it means for our customers and end-consumers

Sourcing sustainable materials and supporting closed-loop solutions

We prioritise sustainable fabrics; maximise recycled inputs; and actively partner with customers, producers, and recyclers to source new and innovative alternatives to traditional materials.

We work with trusted suppliers, adopt traceability measures, and leverage globally recognised certifications, to strengthen and uphold a sustainable supply chain.

Incorporating circular design

Our design and merchandising teams are equipped and empowered to work with forward-thinking customers to pursue circular concepts in product design.





Environmental Governance

Air

Water

Earth

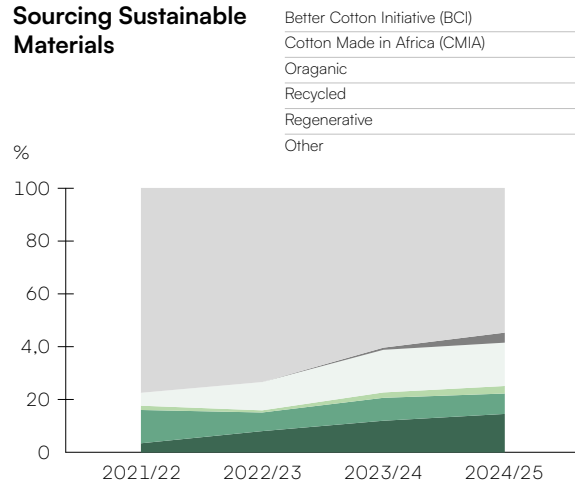
Sourcing Sustainable Materials

Sourcing sustainable materials is fundamental to our circularity strategy. We prioritise environmentally-preferred or sustainable materials bearing internationally trusted certifications, such as the Better Cotton Initiative (BCI), Organic Cotton, Cotton Made in Africa (CMIA), Global Recycled Standard (GRS), and RegenAgri.

Target: 50% Raw Materials Sourced Sustainably, by 2027
In 2024/25, we achieved 45.4% raw materials sourced sustainably — extending on our overachievement of the previous year.

This includes growing utilisation of recycled cotton and polyester (16%), and increased adoption of regenerative certified materials (4%).

Sourcing Sustainable Materials


[Click for Data Sheet](#)

The Group's Supply Chain function plays a key role in engaging with partners and suppliers to improve awareness and adoption, and to drive sustainable transition across the apparel value chain.

As part of our sourcing strategy and supplier management process, we continued to require all pertinent suppliers to adopt OEKO-TEX® Standard 100 Certification, or equivalent standards for material testing; certifying that the input materials we use are free of harmful substances and safe for consumer-use.

In 2024/25, we made improvements to our supplier management framework and methodology, enhanced oversight, and maintained strong engagement with raw material suppliers.

We work to introduce environmentally-friendly input materials into the production cycle; incorporate recycled post-consumer materials in the fabrication of new products; and improve transparency, traceability, and sustainability across the supply chain — from raw material extraction to end-of-life.





Priority Raw Materials

We have identified and analysed Priority Raw Materials (PRMs) as defined by the Material Terminology Guide. This is part of the Group's overall process to identify and manage sustainability-related risks and opportunities that are critical to our enterprise.

By disclosing, monitoring, and managing the risks and opportunities associated with PRMs, we are also informing our strategies and process to be sensitive and responsive to climate change related impacts on production/extraction, processing, and sourcing of raw materials across the supply chain.

Cotton



Polyester



Man-made Cellulose





Environmental Governance

Air

Water

Earth

Reducing our Footprint

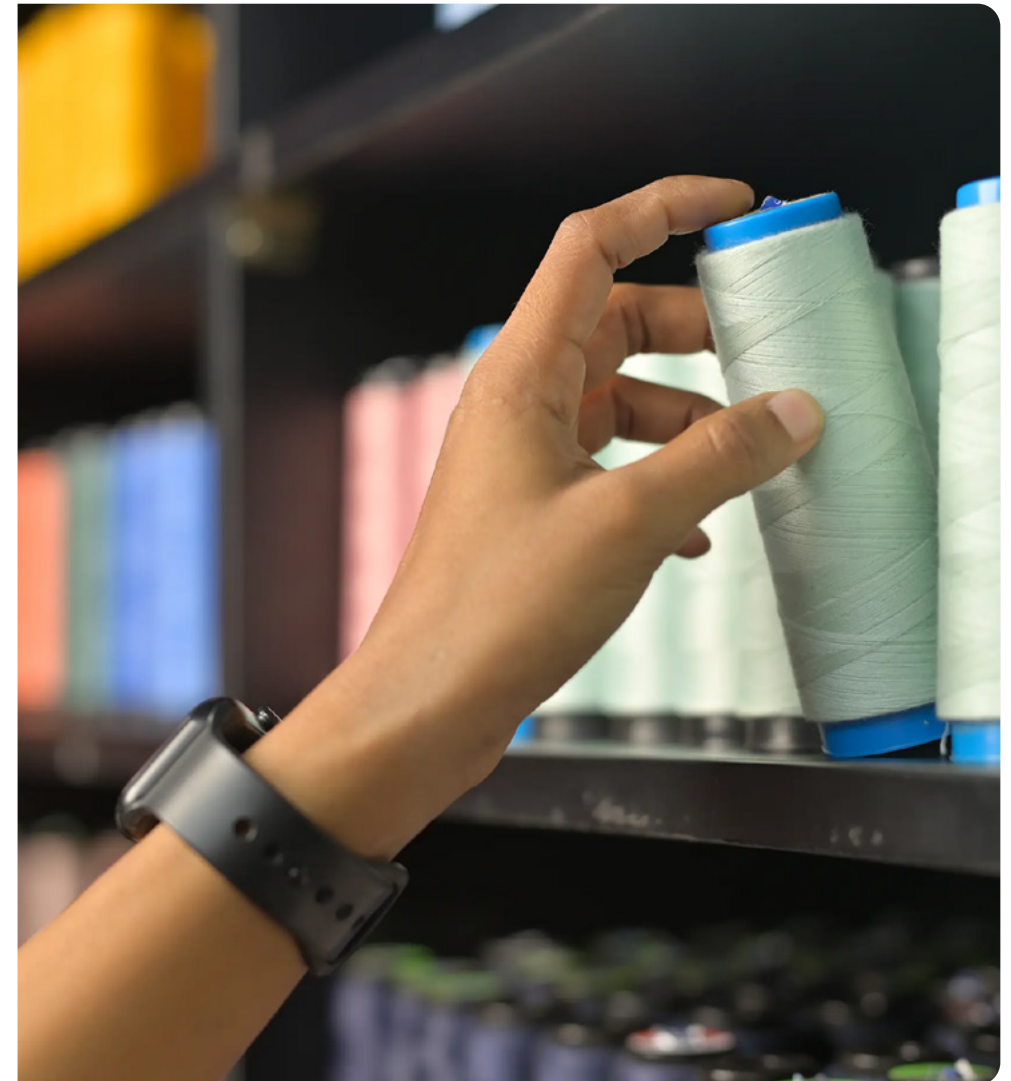
Our material consumption, primarily fabric and trims, is directly correlated to customer orders and production volumes. While these factors determine our overall footprint, and thus consumerism and the retailers that promote consumerism play a significant role in our environmental footprint, we are committed to maximising efficiency and minimising waste within our control. We achieve this through strategic material selection, plant optimisation, and innovative digital processes.

Material Use

Material use	2022/23	2023/24	2024/25
Fabric (yards)	64,215,976	84,372,505	122,199,057
Sewing Trims - Elastic (yards)	114,078,529	274,168,343	365,040,842
Sewing Trims - Lace (yards)	30,402,922	71,638,564	85,051,275
Sewing Trims - Labelling (pieces)	295,385,682	365,475,171	434,509,294
Sewing Trims - Cartons (pieces)	4,039,560	4,925,548	10,744,237
Sewing Trims - Polybags (pieces)	51,916,962	71,206,282	73,822,810
Sewing Trims - Stickers (pieces)	150,283,832	217,090,888	287,580,249
Paper (MT)	47	34	36

Growth in material consumption this year reflects a corresponding increase in our production volumes for 2024/25.

Continued Group-wide digitalisation and digital transformation, together with targeted actions under the Paperless Brandix initiative, are resulting in reduced paper consumption. While there was a slight increase in purchase of A4-paper for our operations, overall consumption still reflects a 10,932 kg reduction from the 2022/23 baseline.





Environmental Governance

Air

Water

Earth

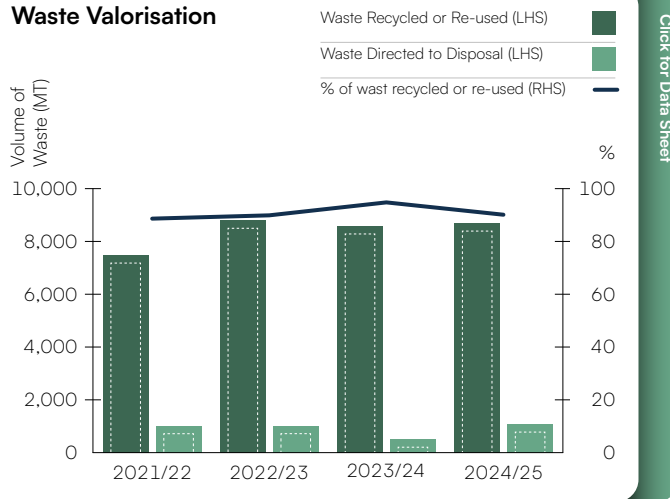
Waste Management

Our waste management programmes actively address the challenge of textile waste by transforming how waste is handled within our operations.

Target: 100% Recycling or Re-use of Recyclable Solid Waste, by 2027

During 2024/25, 90% of all solid waste across Brandix operations was recycled or re-used, maintaining momentum from 95% achieved the previous year.

Waste Valorisation



Additionally, around 7.2% of waste was directed to Energy Recovery processes or off-site co-processing and Waste to Energy (W2E) initiatives. We also maintained zero landfilling across all operations, as certified by third-party assurance and verification processes.

In early 2019/2020, we set ourselves a long-term target of achieving 100% recycling and re-use of recyclable solid waste. This aspirational target was established to inspire facility teams in grasping every possible opportunity to find new value for apparel waste.

However, brand-protection policies and the lack of technological solutions for recycling elastic waste have held back achievement of 100%. Working to address this challenge, our in-house research and pilots for elastic recycling and de-branding yielded positive results in the last few years.

Owing to these gains, we consistently maintained a solid waste recycling and reuse rate of around 90% over the last four years. This significant achievement set a new baseline for excellence at our facilities. While maintaining this high level of performance, the journey to 100% has become a game of inches.

Recognising this new phase in our waste management efforts, we set out a number of proactive initiatives to address technological and compliance-related gaps and extended the target year for achieving 100% recycling and re-use of recyclable solid waste to 2027.

We are focused on meticulous, incremental initiatives and deep-seated process changes for waste management. While these efforts may only move the needle by a fraction of a percent, they also serve to strengthen our foundation for future gains.





Environmental Governance

Air

Water

Earth



During the year 2024/25, we enhanced waste management practices across all facilities, including improvements to segregation protocols for both hazardous and non-hazardous waste; supported by rigorous internal and external audits to ensure compliance and identify new opportunities.

We launched a number of new waste management and recycling initiatives during the year; to reuse PVC textile tubes and thread cones, repurpose sewing-residues, and incorporate additional waste-to-energy solutions. Waste management teams also rolled out a number of targeted initiatives focused on waste generated by both manufacturing operations and support services.

- Improvements to waste segregation, through replacement of garbage bags with write-off bags, allowing for an additional layer of assessment before designation of any material as waste.
- Automating and streamlining the de-branding process to reduce the need for incineration
- Setting up internal return systems, in partnership with upstream suppliers to return plastic and paper thread-cones for re-use; supported by improved on-site segregation at our facilities.
- Developing new waste to value streams for textile waste by upcycling panels from discarded garments into smaller sized (children's) apparels.
- Roll-out of a comprehensive programme to reduce food-waste at our facilities; featuring standardised serving portions, visual guides, and smaller waste-bins to encourage mindful consumption.





Environmental Governance

Air

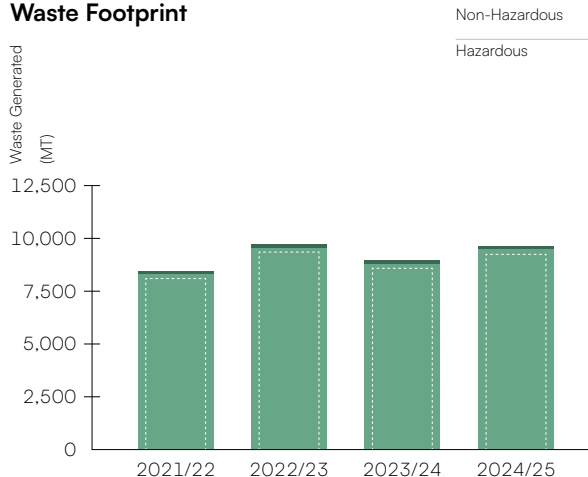
Water

Earth

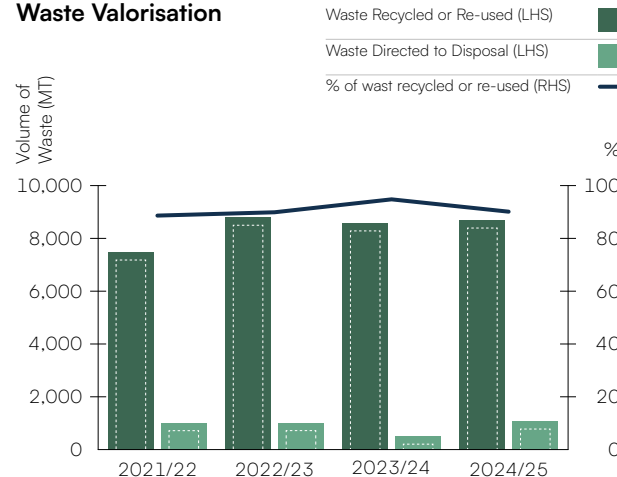
Total waste generated for 2024/25 amounted to 9,633 MT. Proportional to production during the year, waste generation grew by around 7.3%. Waste diverted from disposal (through recycling or re-use) reached 8,696 MT, while waste directed to disposal amounted to 937 MT.

Our waste footprint calculation includes waste streams and items received from supply chain partners, such as packaging, cones, rolls, and carboard, etc.

Waste Footprint

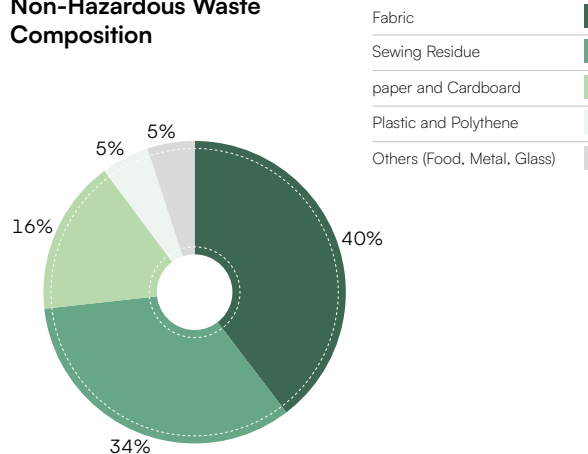

[Click for Data Sheet](#)

Waste Valorisation

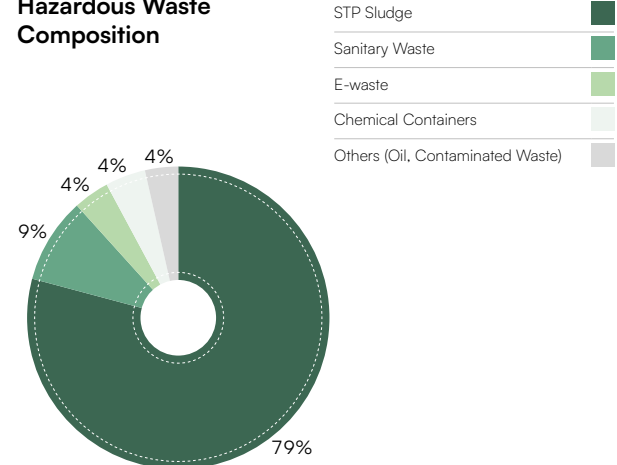

[Click for Data Sheet](#)

On average, fabric waste (40%) and sewing residue (34%) constitute almost three-quarters of all non-hazardous waste generated by our operations. Paper and cardboard (16%) and plastic and polythene (5%) are waste-streams primarily derived from packaging and storage of fabric and other raw materials. These make up almost a quarter of our non-hazardous waste footprint. Effluent sludge, residue from our wastewater treatment processes, makes up the largest portion (79%) of hazardous waste generated by our operations.

Non-Hazardous Waste Composition


[Click for Data Sheet](#)

Hazardous Waste Composition


[Click for Data Sheet](#)




How we Practice Responsible Waste Management

The foundation of our waste management strategy is a meticulous waste segregation process, implemented at every facility by plant-level teams and overseen by dedicated internal teams from the Brandix Reverse Logistics, Corporate Sustainability, and Corporate Admin teams. This allows us to find new ways to reduce waste at source, pilot innovative waste-valorisation solutions, and effectively divert waste from landfills. This process enables the accurate measurement and assessment of our waste data.

Proactive waste reduction



Rigorous waste segregation



Increased waste traceability



Innovative resource recovery



Continuous employee engagement



Regular waste audits and monitoring





Environmental Governance

Air

Water

Earth

Our waste management process ensures waste is sorted and disposed of through approved channels, enabling effective recycling and resource-recovery, while preventing landfilling. Where disposal is handled through a third-party, the Company ensures that the service providers are in possession of necessary environmental licenses and compliant with all relevant laws and regulations pertaining to waste management.

Identification of
waste streams

Segregation
at source and
designation of
collection and
disposal points

Regular Waste
collection by
contracted collectors
and recycles

Documentation and
continuous monitoring
at collection points

A similar system is in place for hazardous waste, ensuring we adhere to strict criteria and partner with authorised agencies for proper treatment and disposal as per regulations.



EMPLOYEES

The heart of Brandix is our people, whose collective dedication is the driving force behind our inspired solutions.

Uniting our diverse global team is the Brandix Northstar: to be the Inspired Solution for branded clothing. This inspires what our people stand for, how they think and act, and how they lead — in their various spheres of expertise and wider society. Defined as the Brandix Maxims; these tenets define the Brandix Way and make up the foundation of our core values and corporate culture.

These core values inform and inspire everything we do for, and with, our people: as we seek to attract and nurture exceptional talent, create an engaging and inclusive environment where skills are cultivated and every voice matters, and prioritise the safety, wellbeing, and vitality of our team members, as they actively contribute to our business, the industry, and community.





The Group workforce reached **46,185 in 2024/25**, reflecting a 4% increase and continuing the steady growth trend from previous years.

Total Workforce Employees (Nos.)

26,344



Sri Lanka

13,488



India

6,353



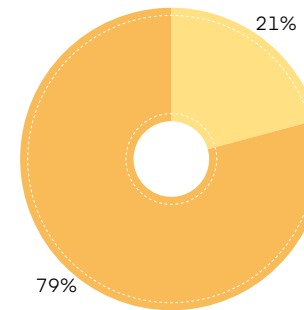
Bangladesh

OUR TEAM IN FOCUS

Composition of our teams was unchanged during the year, with more than 99% (45,862) of our employees on permanent employment basis. Remainder of staff (323) are employed on a fixed-term contract basis. Gender diversity of our workforce also remained stable at Group-level, as we maintained 79% female representation.

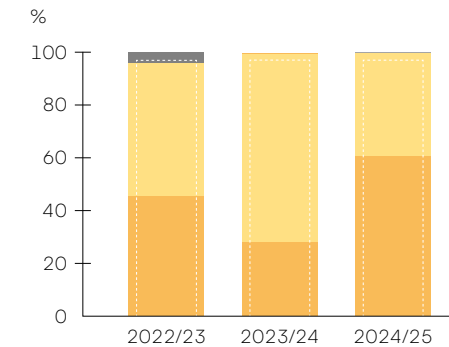
Gender Diversity

Male
Female



Multi-Generational Diversity

Below 30
50-30
Above 50



The generational diversity of our young and vibrant team also remained fairly stable during the reporting year: GenZ (below 30) represent approximately 43% of our workforce, while GenX and Millennials (between 30 and 50) make up about 55%.

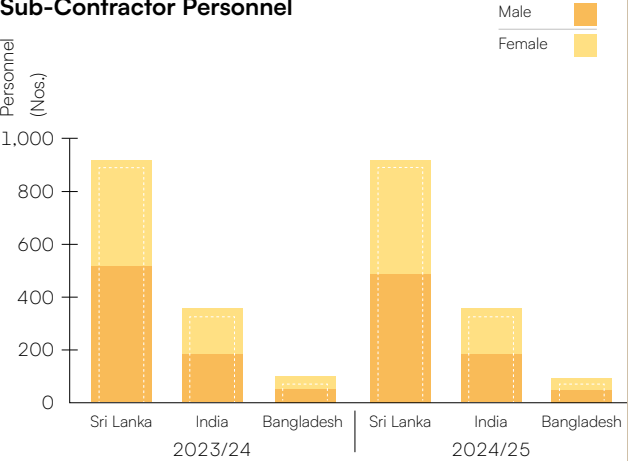




Employees
Health And Safety
Community
Supply Chain
Customers

Employees by category	SL	IND	BD
Permanent staff - Male	6,483	1,617	1,318
Permanent staff - Female	19,570	11,839	5,035
Fixed-term contract staff (Temporary) - Male	180	27	0
Fixed-term contract staff (Temporary) - Female	111	5	0

Sub-Contractor Personnel



Click for Data Sheet

Our total workforce figures are inclusive of employees at InQube, a global apparel Innovation company closely partnered with Brandix. While this company does not fall within the reporting boundary of the annual Sustainability Report, their employees are covered by our social sustainability policies, strategies, and programmes at Brandix; including those relating to talent attraction, talent development, talent engagement, and occupational health and safety.

Considering the stable organic growth of the business during 2024/25, there were no significant year-on-year fluctuations in the number of sub-contractor staff involved in our operations. A total of 1,371 sub-contractor staff continued to be involved in non-core operations such as housekeeping, security, and canteen services in and around our facilities.

All employee figures are calculated on the basis of head-count, based on full-time equivalent (FTE), and reported as at end of the reporting period.





2024/25 PEOPLE REVIEW

During the course of the year, Brandix implemented significant developments to strengthen the Group People Strategy, beginning with updates to existing frameworks, direct HR governance from the Group CEO, and a renewed focus on customer-centricity across four key pillars.

A foundational highlight of the year was Company-wide rollout of the Brandix Maxims that reinforce our core values.

The Brandix Employee Value Proposition (EVP) was also refreshed to attract and retain exceptional talent by emphasising growth and development, fostering high-performing teams, and building robust talent pipelines.

Simultaneously, Brandix drove a significant agenda towards digitalising all HR processes. This transformation enhances our analytical capabilities through the introduction of new dynamic dashboards and a dedicated analytics hub, providing real-time insights for informed decision-making.

Our Inclusivity, Diversity, Equity to Accelerate (IDEA) strategy was also strengthened during the year; securing leadership sponsorship and establishing a multi-tiered operating structure to achieve critical targets: increasing women in management; achieving top quartile performance in critical measures of equity, respect, and fairness; and uniting diverse generations within Brandix by fostering shared knowledge and collaborative growth across the entire organisation.

This included a focus on pioneering initiatives like the RISE for HER mentorship programme, RISE UP Networking Events, Reverse Mentoring, Gen Z forums, and a number of improvements to our Safe to Speak Up Policy and Abuse and Harassment-Free Workplace Policy - which create a safe and inclusive workplace.

Pursuit of holistic employee wellbeing was empowered through introduction of a comprehensive Mental Health Strategy and new counselling dashboard.

Furthermore, we focused on cultivating our workforce's potential through the SMART Operator vision, which aims to fundamentally redefine the apparel sector by enhancing remuneration, structuring clear growth pathways, and prioritising work-life integration.

The embedding of our value-based culture and rigorous controls across all facilities, ensured there were no incidences of child labour or forced and compulsory labour within our operations during the year under review.

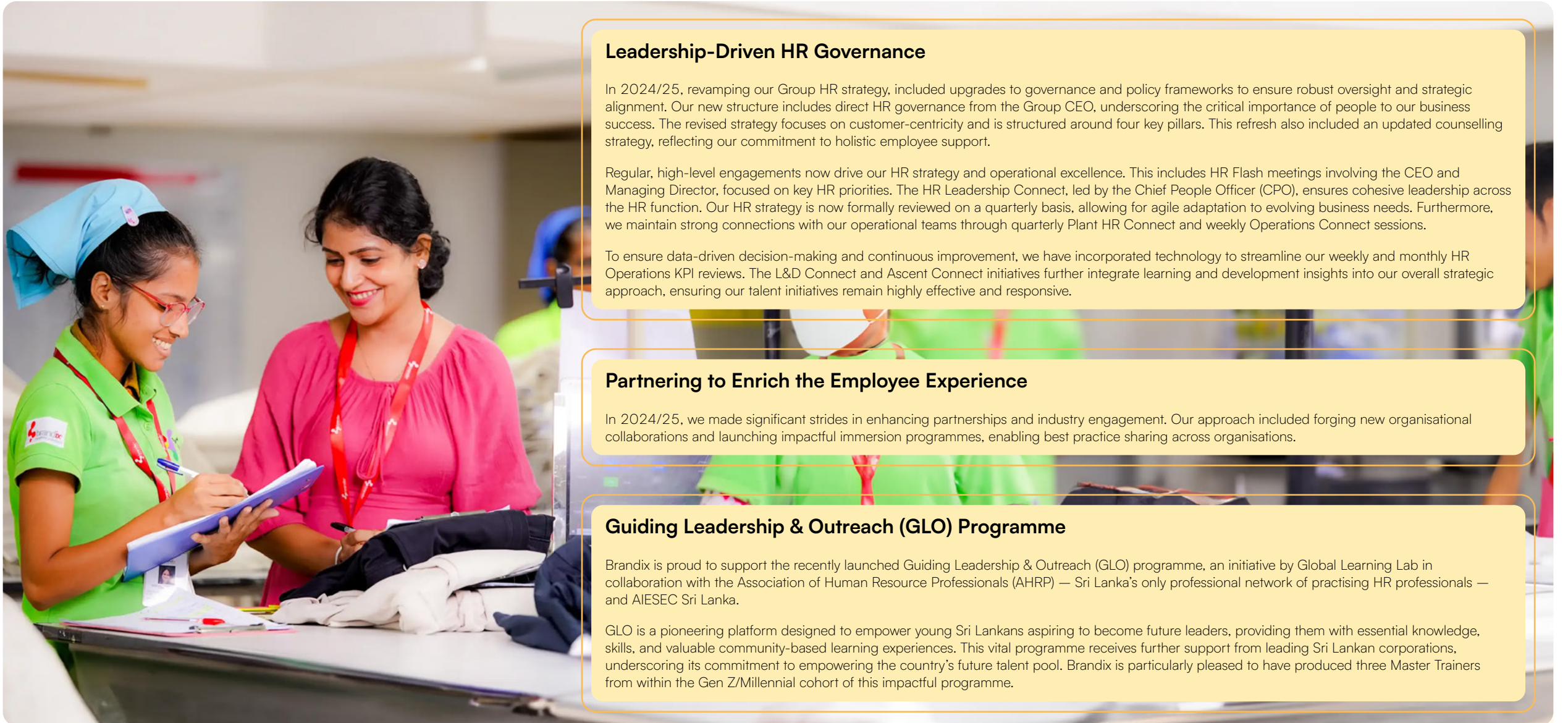
Reinforcing our People-First Position: Rolling-out the Brandix Maxims

Following Board and leadership alignment, which secured executive buy-in in October 2023, the Brandix Maxims were launched organisation-wide through dynamic town halls beginning in June 2024.

A dedicated cross-functional core team spearheaded focused discussions at every factory and centre, engaging executives through interactive presentations, case studies, and practical application exercises that championed agility. We ensured comprehensive engagement across the organisation, utilising engaging sessions featuring cinematic elements and interactive Q&A sessions with staff.

Our commitment to continuous engagement is facilitated through dedicated communication platforms, regular newsletters, internal messaging channels, and ongoing dialogue from the CEO and other leadership tiers. This thorough implementation ensured the Maxims are not just understood, but lived, across the Brandix Group.





Leadership-Driven HR Governance

In 2024/25, revamping our Group HR strategy, included upgrades to governance and policy frameworks to ensure robust oversight and strategic alignment. Our new structure includes direct HR governance from the Group CEO, underscoring the critical importance of people to our business success. The revised strategy focuses on customer-centricity and is structured around four key pillars. This refresh also included an updated counselling strategy, reflecting our commitment to holistic employee support.

Regular, high-level engagements now drive our HR strategy and operational excellence. This includes HR Flash meetings involving the CEO and Managing Director, focused on key HR priorities. The HR Leadership Connect, led by the Chief People Officer (CPO), ensures cohesive leadership across the HR function. Our HR strategy is now formally reviewed on a quarterly basis, allowing for agile adaptation to evolving business needs. Furthermore, we maintain strong connections with our operational teams through quarterly Plant HR Connect and weekly Operations Connect sessions.

To ensure data-driven decision-making and continuous improvement, we have incorporated technology to streamline our weekly and monthly HR Operations KPI reviews. The L&D Connect and Ascent Connect initiatives further integrate learning and development insights into our overall strategic approach, ensuring our talent initiatives remain highly effective and responsive.

Partnering to Enrich the Employee Experience

In 2024/25, we made significant strides in enhancing partnerships and industry engagement. Our approach included forging new organisational collaborations and launching impactful immersion programmes, enabling best practice sharing across organisations.

Guiding Leadership & Outreach (GLO) Programme

Brandix is proud to support the recently launched Guiding Leadership & Outreach (GLO) programme, an initiative by Global Learning Lab in collaboration with the Association of Human Resource Professionals (AHRP) — Sri Lanka's only professional network of practising HR professionals — and AIESEC Sri Lanka.

GLO is a pioneering platform designed to empower young Sri Lankans aspiring to become future leaders, providing them with essential knowledge, skills, and valuable community-based learning experiences. This vital programme receives further support from leading Sri Lankan corporations, underscoring its commitment to empowering the country's future talent pool. Brandix is particularly pleased to have produced three Master Trainers from within the Gen Z/Millennial cohort of this impactful programme.





BRANDIX PEOPLE STRATEGY

At Brandix, our culture is intrinsically linked to our people. 'Inspired Solutions through Inspired People' is the philosophy that drives every endeavour. Our comprehensive human capital governance framework underpins a proactive People Strategy, ensuring excellence and continuous growth across the entire employee journey — from initial engagement and talent development to effective management and meaningful engagement.

Anchored on the Organisational Success Framework, the Brandix People Strategy is structured around three core components: Culture, Strategy, and Talent. This strategy is brought to life through four key pillars — Next-generation Organisational Structure, Transformative Change, a Redesigned Performance Management System, and Inspired People and Capabilities. We have also set out a number of KPIs, used as measures of success, to track strategy implementation progress.

Each pillar is supported by defined levers and targeted initiatives that drive impact. Further strengthening this agenda, the Strategic Workforce Plan is reviewed quarterly, aligned to key business imperatives, and driven through a structured BUILD, MOVE, and BUY approach — where we build people, mobilize people, and seek external talent to meet the evolving needs of the organisation.



The collective skills, competencies, and potential of the workforce. Talent management ensures that the right people with the right skills are in place to execute the strategy effectively.

Shared values, norms, and behaviors that define the company's internal environment. Culture influences how employees interact, make decisions, and approach their work.

Long-term plan that outlines company vision, goals, and actions required to achieve them. Strategy provides a clear direction and sets priorities for the organization, guiding decision-making and resource allocation.

	Next-generation Organisational Structure	Transformative Change (Change Leadership and Change Management)	Redesigned Performance Management System	Inspired People and Capabilities
Success Measures	Right-sized organisation	Engagement score above 70%	- Achievement of Business KPIs 90% Retention of key talent - Undesired attrition at 12%	30% Women in Management 60% Succession Readiness





The Brandix Employee Value Proposition (EVP)

Growth & Development

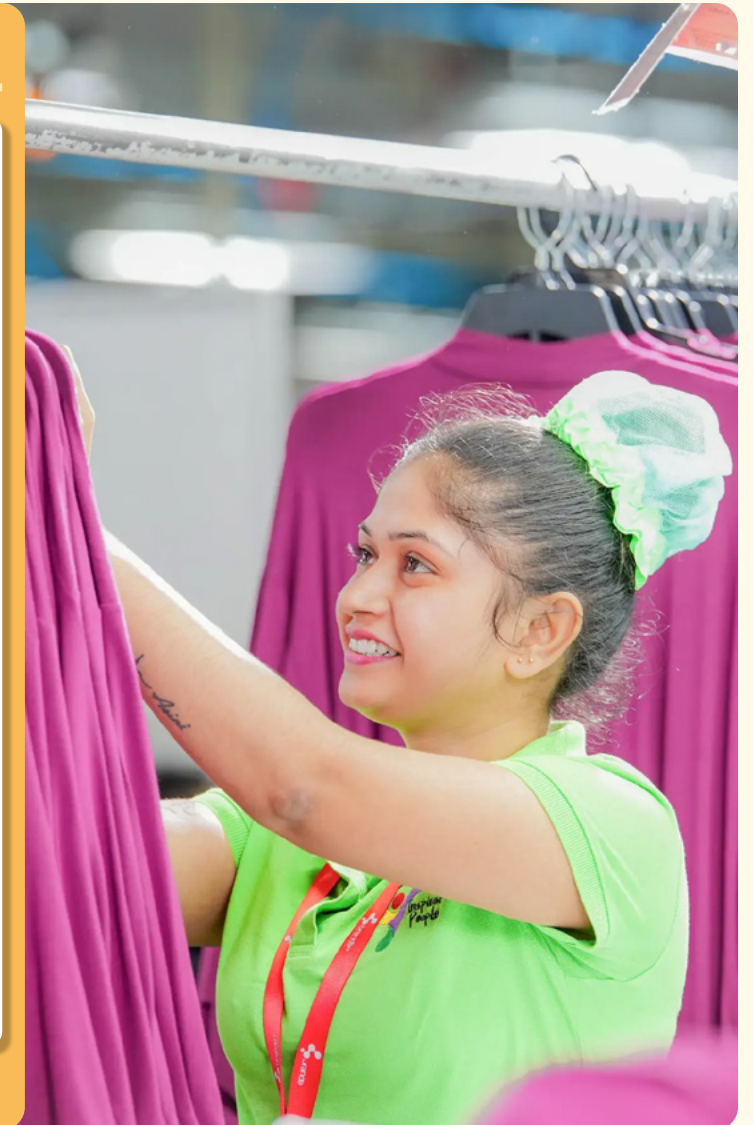
- Capability Building** Promote a culture of learning by: Listening, Staying Curious and Supporting
- Career Pathing**
- Job Rotation** Provide resources, opportunities, and support for skill development and growth.
- Exposure**
 - Set clear expectations and goals; Offer regular constructive feedback and coaching
 - Foster a growth mindset: Encourage employees to embrace challenges, and develop their own solutions

Connection & Care

- Engagement** Promote a culture of trust: BRAVING
- Appreciation** Engage in open and honest communication, and show empathy and understanding
- Culture & Leadership**
- Wellbeing**
 - Encourage work-life balance: Support employees in finding a healthy balance between their work and personal lives
 - Organize team activities to strengthen relationships and improve collaboration
 - Value the individual over the work

Meaning & Purpose

- Vision for growth** Communicate a clear vision and mission; Sense across all leaders.
- Demonstrate the impact of employees' work: Show how their efforts create a positive impact on the organization, customers, and community.
- CSR**
 - Encourage teams to take ownership of their work and give them the authority to make decisions and drive meaningful change.
 - Foster a CSR: Involve employees in these efforts to enhance their sense of purpose.
 - Encourage innovation and creative problem-solving; Inspire employees to think critically, challenge the status quo, and develop innovative solutions that contribute to the organization's mission.



The Brandix Employee Value Proposition (EVP)

In 2024/25, as the trend of overseas migration continued in Sri Lanka, Brandix adapted to evolving employment opportunities globally with a refreshed Employee Value Proposition (EVP), designed to appeal to self-driven professionals with a passion for innovation and progress.

Our EVP now places a stronger emphasis on growth and development, fostering high-performing teams through targeted organisational development interventions. A core tool in this effort is the DAC (Direction, Alignment, Commitment) framework: interventions focused on high performance autonomous teams, which look to improve them from one level to the next. These programmes assess team health, facilitate internal adult learning, enhance communication, and support the creation of self-constructed plans for greater team cohesion.

This year also saw strategic investments in enhancing our sales capability engine, including the recruitment of key senior sales talent, vital for expanding our market presence and delivering value to our customers.

Our strategy includes structured pipeline building, leveraging engagement with academia and a dedicated A/L Qualified trainee programme. Succession planning remains a key priority, with a scientific methodology employed to identify and develop top internal talent. For roles lacking internal successors, we actively focused on cultivating external succession pipelines..



Cultivating a Modern Work Environment

In India, our self-sufficient park is designed to attract young professionals from across the nation. This vibrant hub, complete with a gym, pool, and other modern amenities, provides a safe environment for talent to explore different cultures and co-create, enriching our diverse workforce.

Driving Digital Transformation in HR

All our HR processes are currently undergoing digitisation. Building on established platforms, we are focusing on collating comprehensive information, maturing our processes, and enhancing our analytical capabilities. The introduction of dynamic dashboards, including for Abuse & Harassment (A&H) complaints, replaces manual calculations, offering real-time insights. Our new analytics hub, staffed by dedicated specialists, provides immediate data on critical areas such as budget and employee exits, enabling more agile decision-making.

Advancing Women in Management

Recognising the profound impact of female representation on our organisational vitality and Employee Value Proposition (EVP), Brandix is driving a purposeful agenda to achieve 27% women in management by FY 2026/27. This ambition is supported by our leadership training programmes, which are structured to include a minimum of 40% female participation in each cohort, thereby strengthening our talent pipeline. Furthermore, we extend our influence through active participation in various working groups with the United Nations Global Compact (UNGC), where we collaboratively share and adopt best practices within and across industries.

Empowerment Across Generations

Brandix is investing in growing multi-generational talent through targeted awareness campaigns and increased visibility. We are dedicated to bridging the gap between generations, particularly as our workforce, predominantly comprised of Millennials, sees an increasing number of Gen Z entering the organisation. Forums such as “Bridging Generational Gaps” and “30 Under 30” are fostering an inclusive and forward-thinking dialogue by bringing the valuable perspectives of our younger generation to the attention of the Board. In 2024/25, 23 participants engaged in these initiatives.

Board-Level Commitment to Talent

Leadership interest in talent development has been a key area of focus, underscoring the Board's strengthened commitment. The Brandix Apparel Limited (BAL) board has established a sub-committee dedicated to Brandix's talent profile and a proactive risk mitigation approach concerning our people. To further strengthen communication and engagement, we have established internal and external Communications Champions within our plants.


[Employees](#)
[Health And Safety](#)
[Community](#)
[Supply Chain](#)
[Customers](#)

ATTRACTING AND RETAINING TOP TALENT

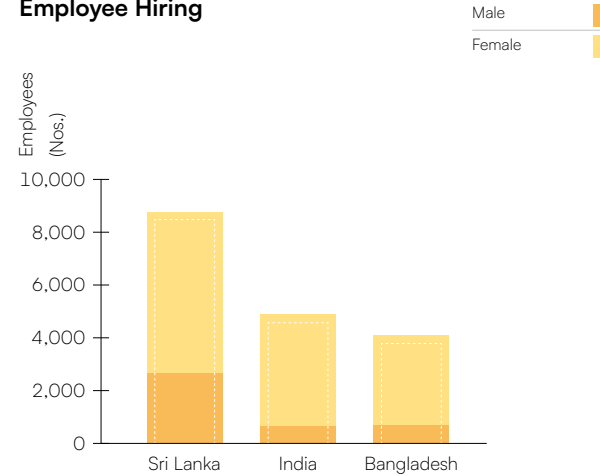
Brandix meticulously seeks to attract high-potential individuals, who contribute both optimal performance and strong cultural alignment. Our forward-thinking technical competency framework is key to identifying ideal candidates; we continuously refine it through enhanced technical assessments and by collaborating with the Brandix Corporate Campus (BCC) to develop cutting-edge online tools and in-house assessment centres. Furthermore, we're exploring the power of AI to ensure unbiased and highly efficient hiring processes.

Academia is central to our talent acquisition strategy. We actively partner with institutions across our operating regions, fostering innovation from the ground up. To enrich our external talent pipeline, the Brandix Group also deploys globally recognised assessment instruments such as the Harrison's Talent Assessment Tool and Hogan Assessments. These tools enable us to pinpoint crucial behavioural traits and establish competency standards for senior and managerial positions.

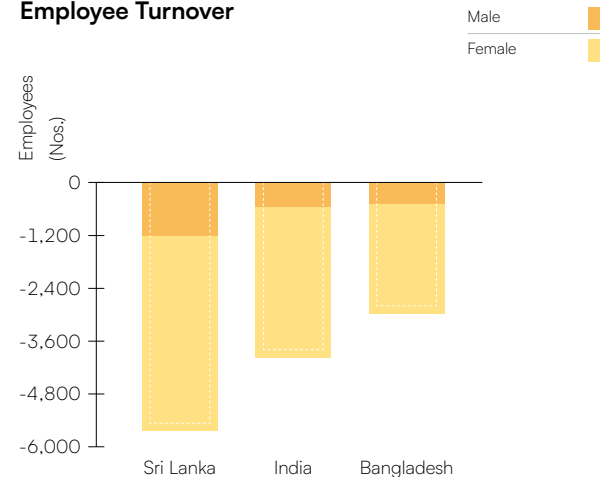
We firmly believe that a positive onboarding experience is paramount. We equip new team members with essential resources and provide a welcoming environment for seamless integration. Beyond professional development, we support their personal journeys: marking significant milestones, like a first salary, and offering crucial financial guidance at the associate level are some of the ways we invest in our people and foster their growth within the Company.

We hired a total of 17,742 employees during the year, at a hire-rate of 38.4%; and reported a turnover of 12,607 employees, at an attrition rate of 27.3%.

Employee Hiring


[Click for Data Sheet](#)

Employee Turnover


[Click for Data Sheet](#)

Compensation and Benefits (C&B)

Recognising and equitably rewarding the valuable contributions of our people is a core tenet at Brandix. Our compensation framework is built on the principle of performance-based, fair pay for all, irrespective of gender, and we maintain a steadfast stand against discrimination in any form.

Compensation structures and benefit packages are reviewed and updated annually to ensure they align with global industry standards. Our packages reflect job scope, individual skills, and competencies, applying consistently across all employment types. To alleviate the impact of increased personal income tax rates introduced in January 2023, affected employees received a quarterly tax reimbursement allowance. Specific details of staff remuneration remain confidential.

In response to Sri Lanka's heightened cost of living, the 'Economic-relief allowance' for all non-executive staff, initially introduced in 2022, continued throughout the year under review. For executives, this economic relief allowance was incorporated and regularised within their monthly compensation packages during the year under review.

During the 2024/25 financial year, we responded to political unrest in Bangladesh by providing ration packs to affected employees and increasing HR support to ensure their safety and wellbeing. In India, our localisation plan at the Vizag facility focused on creating significant employment opportunities for local talent, further integrating Brandix within the community.





Employees

Health And Safety

Community

Supply Chain

Customers

Beyond core remuneration, all employees benefit from staff discounts and comprehensive HR services, particularly vital during challenging periods. Our established performance-based bonus programmes also remained in effect, providing tangible recognition for outstanding contributions throughout the year.

Additionally, we make it a priority to provide employees with benefits that comply with local labour laws and regulations.

Part time and temporary employees are not eligible for the below benefits, which are positioned as privileges for the permanent cadre. However, they are eligible for day-to-day benefits such as free transport and medical facilities.

**The
Chairman's
Fund**

Our Chairman's Fund offers financial assistance of up to LKR 1 million for critical medical needs. This support is available to our non-executive employees and their immediate families, including spouses, children, dependent siblings, and, for unmarried individuals, their parents.

**Randaru
Scholarships**

Brandix proudly champions the educational aspirations of our non-executive employees' children through the Randaru Scholarship programme. This initiative celebrates academic excellence at three pivotal stages: the Grade 5 Scholarship Examination, the Ordinary Level Examination, and university entrance. We provide continuous support throughout a student's university journey, with scholarship financing adjusted by field of study. Notably, the highest grants are awarded to those pursuing Engineering and Medical degrees.

**Staff Insurance
Scheme**

For all staff-grade employees, Brandix provides a robust insurance scheme at no cost. This benefit includes accident cover, life cover, and comprehensive coverage for surgical and hospital expenses.

**Employee
Provident
Funds**

Brandix is dedicated to securing the long-term financial wellbeing of our global workforce through contributions to provident funds (retirement schemes) across the Group. In Sri Lanka, this includes contributions to the Employees' Provident Fund (EPF) and Employees' Trust Fund (ETF). In India, we contribute to the Provident Fund and Employee State Insurance (ESI), whilst in Bangladesh, we support the Provident Fund.





TALENT MANAGEMENT AND DEVELOPMENT



Leadership Development

Tiered Leadership Development

Associates	ATS
Staff	STEP Program
Level 01	EDP
Level 02	MDP
Level 03	Critical Talent Development/ Brandix Accelerator
Level 04	Senior Leadership Development (LDP)
All Levels	Brandix Foundational Skills, New Manager Development

Functional Leadership Development

Operations

1. SIMS Academy Phase 02
2. Factory Core Team Development
3. Team Leader Development Programme
4. SME Development





Employees

Health And Safety

Community

Supply Chain

Customers

Our approach to learning and development balances local needs with overarching strategic goals. Decentralisation empowers our regional HR business partners and L&D leads to tailor training initiatives to their specific geographic areas, fostering a keen focus on local requirements. Central oversight, however, is maintained for high-impact tiered leadership and Top and Critical Talent (TACT) development programmes. These L&D initiatives are specifically designed to fast-track the careers of our change-capable leaders, significantly enhancing their influence across eight key competencies.

We utilise internationally recognised scientific tools including Hogan Assessments, the Influence Style Indicator, Change Style Indicator, Harrison Assessments, MBTI, and FIRO-B. These, combined with self-reflection and adult learning methodologies, provide us with invaluable insights into the effectiveness of our L&D initiatives. This robust data empowers us to continually refine our methods and customise training programmes for maximum impact. Crucially, our equitable and inclusive L&D strategy ensures there was no significant variance in training hours provided to employees, regardless of gender.

We recorded an average 7.5 training-hours per employee during the year, with minor deviations between gender categories — averaging at 7.6 training-hours per female employee and 6.8 hours per male.

This year marked a significant commitment to cultivating our workforce's potential. We prioritised TACT development and made substantial progress in building a robust succession pipeline for senior leadership roles. Our revamped programmes — including the Executive Development Programme (EDP), Manager Development Programme (MDP), and the Leadership Accelerator — were pivotal.

Integration of the Brandix Corporate Campus and Ascent with the Group Learning and Development framework has significantly transformed how we collect and interpret L&D data, driving more informed decisions. Furthermore, we continued to build our robust coaching culture, with 38 IFC-certified coaches (the highest number in Sri Lanka) enabling a tiered approach to leadership coaching.





The Brandix Corporate Campus (BCC) — Our Centre for Learning Excellence

The Brandix Corporate Campus (BCC) stands as a pivotal hub for talent development and continuous learning within our organisation. Since its inception in 1996, BCC has cultivated a proud legacy as a premier apparel training provider, leveraging an extensive network of internal and external industry experts. This commitment to growth is further exemplified by our offering of valuable part-time Diploma programmes, actively enriching Brandix's culture of ongoing professional development and education for our employees.

At its core, BCC plays a crucial role in leadership development. Working in close collaboration with our Learning & Development teams and business leaders, BCC co-creates and delivers a comprehensive array of programmes. These range from Associate to Staff (ATS) and Staff to Executive (STEP) development to in-depth Executive Development Programmes (EDP) and Management Development Programmes (MDP). Each initiative is meticulously designed to equip our high-potential employees with the essential skills and knowledge required for significant career advancement.

BCC maintains strong partnerships with relevant HR departments, ensuring that unique requirements for technical, behavioural, and leadership development interventions are met with tailored solutions. To continuously enhance programme effectiveness, BCC employs a robust system of pre- and post-assessments, providing valuable insights into technical, behavioural, and leadership competencies.





Employees

Health And Safety

Community

Supply Chain

Customers

Investing in Inspired Employees

Non-Executives (Associates and Staff)

Our Vision for the SMART Operator

At Brandix, we view our operations through the lens of a high-performance race team. Our Sewing Machine Operators (SMOs) are the skilled drivers of our success, with every supporting function serving as their dedicated pit crew, meticulously committed to preparing them for victory. We are on the journey to elevate our SMOs, similar to F1 drivers, to understand the key role they play in the business, and that their triumph directly reflects our collective achievement.

Our strategic focus is resolute: to redefine the perception of the apparel sector, positioning it as a highly respected, aspirational, and genuinely rewarding career path. With a baseline fixed income and the introduction of a comprehensive Production Incentive Scheme, we aim to recognise and reward excellence by elevating our Associates to be celebrated as SMART Operators. This esteemed title reflects profound skill, inherent dignity, and immense pride among all stakeholders.

This is not merely a factory; it is a profound movement to elevate people, professions, and their boundless potential. Our overarching goal is clear: to make Brandix the first choice of employment and fundamentally redefine what it means to be an integral part of the apparel industry..

Empowering Our Workforce

To reinforce this elevated status, we will introduce a smart, comfortable, and durable uniform that commands respect both within and outside the factory, something our associates will wear with genuine pride in their communities. The sewing profession itself will be formally recognised as a highly skilled role, offering fair remuneration, structured growth, and clear pathways to supervisory and managerial levels within our global organisation. Performance will be tracked with transparent efficiency through a visible grading system, actively supported by digital tools for SMART skill management.

Cultivating a Next Generation Factory Culture

Our commitment extends to fostering a next generation factory culture that prioritises genuine work-life integration. We ensure minimal disruptions to personal life through effective planning, structured working hours, and supportive policies. From their very first day, new team members benefit from digitally enabled and engaging inductions, designed to provide a seamless understanding of our systems, core values, and clear expectations.

Holistic Associate Wellbeing

Our dedication to associate wellbeing transcends the confines of the workplace, encompassing comprehensive support in areas such as childcare, healthcare, housing, nutrition, legal and financial guidance, and valuable employment opportunities for their families. Every Brandix location will offer dedicated mental health support, led by a certified counsellor under the expert guidance of a clinical psychologist.

Supervisors as Enablers

Our supervisors are positioned as key enablers of respect and empowerment. They are equipped with the essential tools and specialised training required to create an environment where SMOs can truly thrive. Realistic performance targets, meticulously aligned with continuous skill development, will be set and robustly supported by a revitalised Industrial Engineering (IE) team.





Employees

Health And Safety

Community

Supply Chain

Customers

Brandix delivers structured programmes designed for both associates and staff that address identified competency gaps, equipping our teams with the essential skills and knowledge required for excellence. A comprehensive training curriculum, delivered collaboratively by the Group L&D function and the Brandix Corporate Campus (BCC), underpins this crucial goal.

Mechanics Training Programme

Building on our commitment to strengthening our skilled workforce, we continued the Mechanics Training Programme across our Sri Lankan and Indian manufacturing sites. This programme directly addresses the growing demand for qualified mechanics, equipping individuals with the necessary skills to excel in their specialised roles.

Project Shakthi

Initiated in October 2023, this programme is dedicated to empowering our female associates in India through strategic career development. We are driving the core objective of promoting gender equality and fostering a dynamic, inclusive workplace environment by cultivating multi-skilled technicians. From a group of 27 nominated and screened associates, 14 were carefully selected to participate in a comprehensive nine-month training programme. This rigorous curriculum comprised 12 weeks of intensive classroom sessions, followed by 24 weeks of immersive on-the-job training. All participants successfully completed their training and have since been onboarded as trainee mechanics within their respective plants.





From P.A.C.E. to RISE

The P.A.C.E. (Personal Advancement & Career Enhancement) programme at Brandix, initiated by GAP Inc. in 2012 and sustained through the invaluable support of PVH Corp., was our global initiative dedicated to supporting female associates within the apparel industry, reaching 10,637 beneficiaries by equipping them with critical expertise in communication, problem-solving, financial literacy, and health awareness.

In 2024, as the P.A.C.E. programme concluded its active phase, it was seamlessly transitioned into RISE (Reimagine Industry to Support Equality). This pivotal global initiative marks an expansion of our commitment, now empowering both male and female associates with essential soft skills and personal development expertise. RISE's comprehensive curriculum includes core modules on self-management and change, gender and communication, time and stress management, problem-solving and decision-making, execution excellence, and fundamental rights and fair conditions at work. Supplementary modules delve into sexual and reproductive health rights, basic health, and financial health. To ensure effective nationwide rollout across Sri Lanka, 50 dedicated 'train the trainers' have already been qualified to deliver this transformative programme to our associates.





Employees

Health And Safety

Community

Supply Chain

Customers

BUILD Strategy for Career Development

BUILD is a development strategy focused on Top and Critical Talent (TACT). Within our Indian operations, the focus through this initiative has been on critical positions and their successors. During the course of the year, 34 employees were nominated under BUILD, including more than 30% women (10 women). This strategy has helped them create IDP goals and facilitated action plans that are regularly reviewed by supervisors and plant heads. The development plan comprises self-learning, learning from others, and formal learning programmes. Focused attention has supported candidates, pushed them to achieve their IDP goals, and while they do so —to become more self-aware and discover new ways to learn and grow. Feedback and appreciation from candidates during the year indicated the real impact and value of the BUILD programme.

GEAR — The Gender Equity and Returns Programme

The Gender Equity and Returns (GEAR) programme, a collaborative initiative of the International Finance Corporation (IFC) and the International Labour Organization (ILO), is delivered as part of the “Better Work Program” with the generous support of the European Union. Through GEAR, female employees in the apparel industry gain the vital tools and confidence necessary to advance into supervisory and management positions.

ATS — Associate to Staff Development Programme

Brandix’s Associate to Staff (ATS) development programme is a key strategic initiative for cultivating future leaders from within our ranks. High-potential associate-level employees are carefully selected to participate in this enriching programme. Throughout the ATS journey, participants develop crucial tools, deepen their understanding of systems and processes, and hone the leadership skills essential for excelling in supervisory roles.

STEP — Staff to Executive Development Programme

Brandix’s established Staff to Executive (STEP) Development Programme rigorously propels high-potential staff members towards the next significant step in their careers. Through continuous reskilling modules and comprehensive assessments, the programme fosters the development of essential interpersonal skills, robust financial management expertise, and provides valuable exposure to real-world executive challenges, building a pipeline of talented individuals prepared to excel in executive roles.

Executive Talent Management

Graduate/Beneficiary numbers

Coaching & Mentoring

women participated in mentoring programmes during the year

Inspired Conversations

executives participated

Nurturing Leadership Excellence

At Brandix, our bi-annual performance management process, coupled with ongoing Continuous Performance Feedback (CPF), ensures our executives receive consistent developmental guidance. The CPF system, visually represented on a 9-box grid, comprehensively assesses both technical competence and future growth potential. With oversight from the Board, Leadership Team, and Functional Heads, this continuous feedback loop guarantees that our executives’ developmental needs are always at the forefront.

The Group’s Talent Development and Pipeline Building Framework forms the bedrock of our executive learning and development initiatives. Recognising the dynamic needs of our business, Brandix prioritises three core development areas: behavioural (soft) skills, leadership capabilities, and functional (technical) expertise.





Employees

Health And Safety

Community

Supply Chain

Customers

Flagship Leadership Programmes

Our flagship Executive Development Programme (EDP) and Management Development Programme (MDP) are meticulously crafted to cultivate a robust pipeline of future leaders. These programmes act as springboards, propelling high-potential individuals towards shaping the future trajectory of our Company.

Executive Development Programme (EDP)

Brandix's signature EDP prepares high-potential executives for success in mid-management roles. Led by select internal and external experts, the curriculum features engaging modules, a dedicated assessment centre, and ongoing support through post-programme coaching from the Group's internal coach pool. Originally launched in India, the programme's success led to its expansion into Sri Lanka.

Management Development Programme (MDP)

The Management Development Programme (MDP) at Brandix, initiated in 2022, is designed to cultivate the leadership capabilities of our Level 2 Managers, including Assistant Managers, Managers, and Senior Managers. A personalised selection process considers each individual's career aspirations and leverages competency assessments to pinpoint specific skill gaps. We collaborate with leading external experts to deliver rigorous training and assessments. Over 12 months, the MDP covers:

- A development centre
- A 360-degree assessment
- An MBTI personality assessment
- Four comprehensive training modules
- Four individual coaching sessions
- Group Corporate Social Responsibility (CSR) activities

Leadership Development Programme (LDP)

The LDP first leverages Hogan assessments to pinpoint high-potential senior leaders. Expert debrief sessions then help unlock individual strengths and crucial growth areas. Finally, participants are paired with an internal or external coach for tailored, personalised guidance.

Coaching and Mentoring Excellence

We foster leadership excellence through a strong coaching ecosystem. Several of our executives achieved ICF certification, which furthers their coaching expertise. Additionally, selected mentors have received in-house training to provide invaluable guidance to employees as part of the RISE for HER programme. Senior leaders also actively mentor high-potential individuals, generously sharing their wisdom through structured sessions.

Smart and Inspiring Managers Academy (SIMS Academy)

Brandix's SIMS Academy is a strategic initiative designed to drive operational excellence across the Group. This tailored programme equips managers with essential skills in:

- Apparel value chain process insights and integration
- Automation and advanced technologies
- Finance literacy
- Production planning and control
- Customer excellence

Stemming from our core RITE values, the programme utilises curated workshops to develop the competencies necessary for managers to become truly "Smart and Inspiring."

Targeted Technical and Specialised Training

Brandix effectively bridges skills gaps with precisely targeted training. Our annual Training Needs Analyses (TNAs), alongside continuous competency assessments during mid-year and final-year reviews, ensure that technical training initiatives are always aligned with our evolving business needs. Furthermore, the i-Connect platform further enhances our compliance efforts, providing a streamlined approach to assessments, keeping all employees informed on mandatory regulations.

A Dynamic Performance Management System

Our Performance Management System (PMS) is part of the Company's strategy to manage, empower, and groom dynamic talent. To improve transparency and accuracy we utilise a digital system with a user-friendly interface. The system fuels a more open and supportive feedback culture that allows employees at all levels to receive and offer constructive feedback, making it a more collaborative experience for everyone.

A key component of our PMS is active implementation of the 9-box talent mapping process. This allows us to identify, develop, and reward talent with focused efforts. Additionally, the PMS now incorporates Talent Conversations, ensuring rigorous follow-up and action plans to address identified skill gaps. In acknowledging the diverse needs of our workforce, Brandix has further expanded the PMS to encompass staff-level employees, ensuring alignment with specific goals and fostering talent development across the non-executive workforce.

100% of Executives and Staff, eligible for performance reviews, had completed their PM assessments by the year end. Performance of Associates is evaluated through other non-executive grading mechanisms and requisite increments are calculated and provided as per pre-approved rates.





Employees

Health And Safety

Community

Supply Chain

Customers

TALENT ENGAGEMENT

At Brandix, cultivating an inclusive and engaging environment remains a core priority. We continued to champion our Inclusive Workplace (IDEA) initiative, ensuring diversity is celebrated and every voice is heard. To further enhance engagement and retain our key talent, we implemented strategic changes to our compensation and benefits framework. Moreover, the introduction of our new HR System (OneClick) has significantly streamlined processes, enhancing the overall employee experience across the organisation.

In the absence of a formal trade union, we have established a robust Employee Council system to foster active employee participation and open communication. While no formal trade unions are in place, there were no violations of freedom of association within the Company or our supply chain, based on supplier self-declarations and limited audits.

All our councils are transparently registered with the Board of Investment, ensuring clarity in member elections and operations. Employees benefit from multiple avenues to express concerns or offer suggestions, whether through their council representatives, direct engagement with management, or via suggestion boxes.

As a policy, Brandix does not forbid collective bargaining and freedom of association. No significant changes were introduced to the Group's collective bargaining policy during the reporting year.





Employees

Health And Safety

Community

Supply Chain

Customers

Empowering Through Employee Councils

Mandatory across all our Sri Lankan plants, employee councils serve as a vital mechanism for employees to actively engage with senior management, cultivating a sense of ownership and shared success. Council representatives are democratically elected by employees themselves, ensuring a transparent process. Meetings are held regularly at each plant, bringing together council members, senior management, and employees for open dialogue and collaborative problem-solving. All proceedings are recorded in detail, and a dedicated online dashboard tracks the resolution of any outstanding issues. To enhance employee engagement and job satisfaction, we prioritise addressing concerns promptly.

Brandix offers comprehensive training to all council members, equipping them with the knowledge, skills, and positive attitude essential for effectively representing their colleagues. This focused training programme enhances the competency of council members, including presidents and secretaries, elevates their awareness of responsibilities, builds stronger relationships between the employee council and plant leadership, and provides valuable opportunities to sharpen their communication and problem-solving skills.

Gauging Engagement: Surveys and Feedback

To ensure we maintain an environment where every team member thrives, we conduct regular surveys of our non-executive staff across all Brandix plants, gauging employee engagement and job satisfaction. The data collected enables us to pinpoint areas for improvement, prompting rigorous corrective measures applied by both location leadership and central teams to address identified challenges. These crucial

insights are periodically reported to the Board, ensuring senior leadership is proactively informed to address concerns and enhance overall morale.

Bi-annual Engagement Surveys

Comprehensive bi-annual surveys offer a detailed insight into employee sentiment throughout our operations. An in-depth questionnaire explores various dimensions, including supervisor interactions, leave policies, and grievance management procedures, ensuring a representative voice is heard from our non-executive workforce.

Quarterly Pulse Checks

Complementing our bi-annual survey, Brandix conducts frequent pulse checks. These concise, online surveys concentrate on core areas directly impacting the employee experience, such as supervisor reviews and essential services. This avenue includes all non-executive employees, allowing us to remain highly attuned to their concerns on a more frequent basis.

Accessible Suggestion Boxes

Convenient suggestion boxes are provided at all our facilities, offering employees an accessible way to share their insights or raise concerns. Factory management diligently reviews all submissions, and their responses are regularly published on factory notice boards.

Prioritising Wellbeing: Counselling and Support

Brandix adopts a holistic approach to the health and wellness of our workforce, placing equal emphasis on mental and emotional health alongside physical wellbeing. Our dedicated counselling teams play a pivotal role, designing and delivering impactful training and awareness-raising programmes that support our employees' overall welfare.

Grievance Handling at Brandix



Maintaining a safe and inclusive work environment for all — including our third-party partners — is a fundamental priority at Brandix. Our Abuse and Harassment-Free Workplace Policy (A&H Policy) aligns with global best practices, upholding a zero-tolerance approach to any form of abuse or harassment. This policy is rigorously enforced across all our Group facilities.



Employees

Health And Safety

Community

Supply Chain

Customers

embodying the “Respect” element of our core RITE values. It clearly outlines guidelines for preventing gender-based violence, discrimination, and sexual harassment within our workplaces. In 2024, our efforts in India were extended to national-level work relating to the Prevention of Sexual Harassment (POSH) Act. The A&H Policy provides a clear, multi-tiered grievance handling process that includes thorough investigations, effective redressal, and appropriate disciplinary actions for any violations.

Structured Grievance Resolution

Our established A&H reporting system and governance ensures all cases are handled with diligence and transparency. Since its inception in 2021, this system has managed numerous cases across India, Sri Lanka, and Bangladesh, with a high success rate of cases resolved.

A&H complaints are governed by a robust three-tiered escalation process:

Factory Internal Committees (FICs)

Associates have direct access to FICs, which comprise a cross-functional team with equal gender representation. A dedicated three-member FIC panel formally investigates all complaints.

Regional Internal Committees (RICs)

These committees handle concerns that require escalation from the factory level.

Policy Governance Board

Serious complaints can also be directly escalated to the Policy Governance Board for review.

Safe to Speak Up Policy

Our Safe to Speak Up (STSU) Policy empowers employees across the Group to confidentially raise concerns about any actions or matters they believe violate our RITE Values or Code of Conduct. The Ombud’s Office serves as an independent body for employees to report these concerns confidentially. A dedicated team meticulously reviews and addresses all received concerns, ensuring every voice is heard. During 2023/24, comprehensive training on this policy was provided to all staff and associates across all Brandix locations. To ensure continuous awareness and accessibility, clear visuals on the policy are prominently displayed, enabling easy access for anyone who may wish to report concerns. We are pleased that the reach of the Ombud’s Office has now been extended to cover our operations in both Bangladesh and India.

Strengthening Grievance Resolution and Workplace Culture

Our commitment to an effective and fair grievance handling system is maintained through regular audits that assess our Internal Committee (IC) members’ competency and pinpoint areas for continuous improvement. To further ensure impartiality, all serving on these committees receive specialised technical assistance training from the UNFPA, equipping them to conduct fair and objective investigations. We are continually revamping the structures of our Internal Committees, including workforce representation and governance. Regular training and composition reviews ensure these committees accurately reflect our diverse workforce, bolstering our efforts for continuous improvement.

All locations receive annual refreshers for their Internal Committees, specifically targeting inquiry handling teams. These sessions ensure IC members are fully equipped to conduct fair and

objective investigations. Commencing in FY 2024/25, we also host an annual IC Recognition Event, celebrating the invaluable dedication of IC members who contribute their time to handling inquiries across the Company. Over 70 members were recognised for their dedicated voluntary efforts during the year. They also received refresher training from the United Nations Development Programme (UNDP) to enhance their effectiveness in upholding ethical standards.

We are currently developing an A&H workplace policy dashboard and power app. This innovative tool will streamline the tracking and recording of relevant data, and we anticipate its launch in the first quarter of FY 2025/26.

Throughout the year, we conduct annual refreshers on our A&H Policy for both executive and non-executive employees across India, Sri Lanka, and Bangladesh, ensuring ongoing awareness and adherence. In addition, targeted unconscious-bias training sessions across Brandix, foster a more equitable and understanding work environment for all.

We are committed to upholding the highest standards of non-discrimination, dignity, and respect across all our operations. In 2024/25, a total of 162 complaints relating to workplace conduct were received through established reporting channels, including supervisors, FICs, and CICs. Of these, 31 cases were of a sexual nature, comprising verbal abuse (17), unwelcome advances (11), and digital misconduct (3).

Each complaint was thoroughly investigated in line with our A&H Policy, and appropriate actions were taken where policy violations were identified. As in previous years, our priority remains in creating a safe, inclusive, and supportive workplace by continuously strengthening awareness programs, preventive measures, and response mechanisms.





EMPLOYEE HEALTH AND WELLBEING

Counselling and Wellbeing Services

The Brandix Counselling and Wellbeing team is dedicated to providing tailored, quality-assured mental health services that align with the Brandix Way, empowering employees to thrive and achieve excellence.

Regular counselling sessions are readily available in Sri Lanka and Bangladesh, addressing the individualised needs of each employee. Psychometric assessments are conducted as required, and external professional experts are consulted when necessary, ensuring comprehensive support. The team collaborates closely with hospitals, police, and various community resources, including Divisional Secretariats, legal aid services, and Women in Need centres. These strong partnerships significantly enhance the team's ability to respond effectively to employee needs.

Additionally, the Counselling team provides robust support to group-wide initiatives throughout the year, encompassing Abuse & Harassment (A&H) Free Workplace Policy Awareness Programmes, A&H Internal Inquiries, R.I.S.E., and the IDEA rollout. The team consistently provides full support to the Plant HR and Operations teams wherever necessary.

Counselling Excellence and Wellbeing Achievements in 2024/25

As a leader in employee well-being, Brandix stands out in Sri Lanka as one of the pioneering organisations to provide trained, professional, and dedicated counsellors across all our plants, ensuring accessible mental health and support for our associates.

- A comprehensive Mental Health Strategy was introduced in September 2024, aligned with the “Brandix Way”. Complementing this, a Standard Operating Procedure (SOP) for the mental health function was established for the entire Group. To ensure data integrity and efficiency in tracking our efforts, a new counselling dashboard was also introduced, meticulously recording all details of counselling sessions and training. Counselling in 2024/25: Sri Lanka 8936 sessions; Bangladesh 776 sessions.
- Resilience-building and awareness programmes were conducted across the organisation, with 31,125 participants reached.
 - Suicide Prevention Programmes
 - Critical Incident Management Programmes
 - Domestic Violence Prevention Programmes
 - Mental Health Awareness Campaigns
 - Art and Relaxation Sessions
 - Programmes to Manage Stress and Work-Life Balance

- The “We Care Buddy” programme was revamped with a special focus on supporting the mental wellbeing of our executive team. At present, 15 We Care Buddies at the Brandix Intimate Centre provide ongoing support to executives. This initiative includes regular mental health awareness updates and practical guidance on self-care, stress management, overcoming fear and anxiety, addressing stigma, and building resilience.
- The Counselling and Wellbeing team also initiated two community-based programmes at the Brandix Koggala and Wathupitiwala plants, aimed at promoting holistic wellbeing and enhancing the overall quality of life for employees and their families.
- We conducted more than 850 health promotion, awareness, and surveillance sessions, organised by plant-level nursing teams. These informational sessions covered a variety of topics from OHS awareness, to non-communicable and communicable diseases, general health promotion and occupational awareness, and specific awareness for pregnant/lactating mothers. 45 health clinics, providing a range of services from eye care to general health-checks, were also organised within our Sri Lankan plants, with support from local Medical Officer of Health (MOH) offices and private hospitals.





Employees

Health And Safety

Community

Supply Chain

Customers

EQUITY, DIVERSITY, AND INCLUSION (EDI)

In 2023, Brandix launched a pivotal “IDEA” (Inclusivity, Diversity, Equity to Accelerate) strategy, reflecting our commitment to building a dynamic workplace where every individual feels valued, respected, and empowered to achieve their utmost potential.

We collaborate on working groups with UNGC and UNFPA, and measure our progress against international benchmarks such as the UN Women - Women’s Empowerment Principles Gender Gap Analysis Tool, where we scored 66% in 2024/25.

Our efforts are strategically organised under three core pillars:

Gender Equity

We actively ensure diverse gender representation across all levels through inclusive talent practices.

Inclusive Workplace

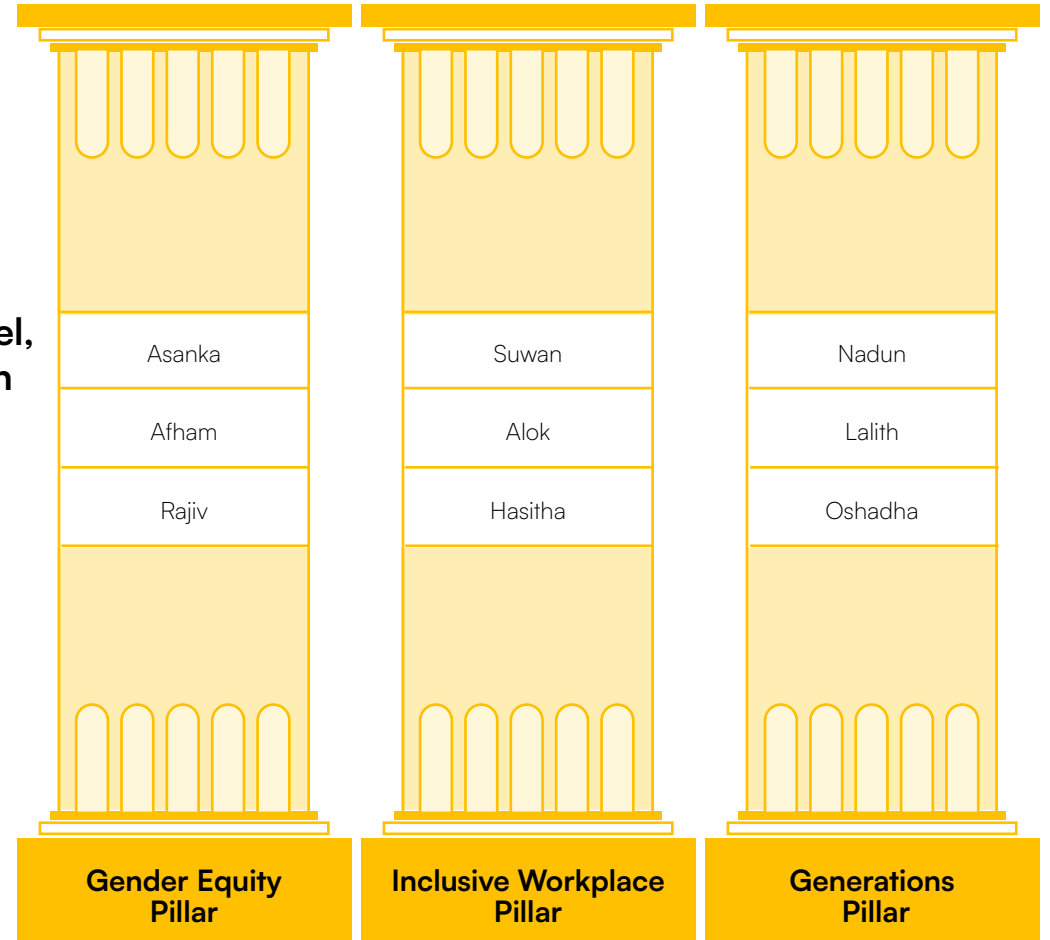
We are dedicated to establishing an environment where every individual feels safe, valued, and empowered to be their authentic best, enabling them to reach their full potential.

Generational Diversity

We cultivate a collaborative ecosystem where all generations synergise, sharing unique perspectives and driving collective excellence.

Brandix Executive Board: Driving IDEA Forward

In 2024/25, we significantly strengthened the IDEA framework, securing robust sponsorship that extends from the executive board level, tiered down through key figures such as our Managing Director and Chief People Officer.





To further embed this commitment, Board members have been specifically assigned as sponsors for distinct IDEA-related pillars, acting as guiding mentors for pillar-specific initiatives.

Governance Model

Sponsors



Dinusha



Sahad



Hasitha



IDEA Council



Nishani



Nishadhi



Shiran



Central IDEA Committee

20 Cross Functional Members



Location IDEA Champs

Each SBE nominates Champion & Team 111 members



Strategic Ambition: Our IDEA Targets

27%

women in management by FY 2026/27.

Top quartile performance

(above 75%) in critical measures of equity, respect, and fairness annually.

Unite diverse generations

fostering shared knowledge and collaborative growth across the entire organisation.





Employees

Health And Safety

Community

Supply Chain

Customers

Driving the Change

The effective implementation of our IDEA strategy is driven by a multi-tiered operating structure:

IDEA Sponsors

Three representatives from the Brandix Executive Board provide crucial sponsorship and strategic direction for all Equity, Diversity, and Inclusion (EDI) activities.

IDEA Council

Comprising seasoned senior leadership members, this council works closely with our teams, offering insightful guidance and perspectives to expertly steer all EDI initiatives.

Central Committee

This committee consists of over 20 members from across Brandix, entrusted with the comprehensive planning, execution, and governance of all EDI initiatives.

IDEA Location Champions

These crucial changemakers are responsible for planning and executing location-level plans in alignment with group-level objectives across our centres and factories. With a network of over 100 members, they are instrumental in cascading EDI initiatives, ensuring their impact throughout the Brandix Group.

Brandix is deeply committed to supporting our parents and families, ensuring a nurturing environment throughout their journey. Our provision of maternal leave adheres strictly to local labour laws: all female employees are entitled to parental

leave, and this is extended to our male employees wherever appropriate. During the reporting year, 32,114 female employees and 1,336 male employees were entitled to parental leave. Of these, 684 mothers availed parental leave as per this policy, with 565 successfully returning to work (maternal return-to-work rate of 82%). To facilitate a smooth integration back into the workplace post-maternity leave, we provide comprehensive support, including nutritious meals for mothers, regular Health and Safety check-ins, and dedicated counselling services for expecting mothers.

Recognising the crucial role of fathers, we also provide 10 days of paternal leave for all new fathers at executive level. This support enables them to actively participate in family life and spend crucial bonding time with their newborns. During the period, 28 new fathers availed themselves of this benefit.

Cultivating Gender-Balanced Leadership

The Brandix Group is actively shaping a leadership landscape that transcends traditional gender views by striving to significantly increase female representation at senior management levels. Furthermore, plans are underway to meticulously track enrolment, completion, and promotion metrics related to development programmes. This data-driven approach will empower our Learning & Development teams to precisely understand the return on investment of these crucial initiatives.

RISE for HER

is a pioneering mentorship programme, designed to accelerate the development of promising female employees, who are paired with seasoned leaders for six months of tailored guidance. Mentors actively address both professional and personal challenges, effectively helping mentees navigate

barriers to advancement. While currently available for executive-level staff and above, RISE for HER will be extended to our non-executive team members in FY 2025/26. During 2024/25, the programme enrolled 127 mentees, guided by 30 mentors (47% female).

RISE UP Networking Events

Serve as dynamic, open forums designed to connect women in leadership, enabling them to share their career and personal experiences and collectively inspire one another. Each event features insightful trainers or speakers from diverse backgrounds, specifically selected to motivate women towards achieving their leadership aspirations. To date, Brandix has successfully conducted five networking events, reaching over 200 female employees at Assistant Manager level and above.

G23 Female Leadership Development Programme

Is a new initiative that was launched in FY 2024/25 with 23 participants, creating a vital opportunity for high-potential female Assistant Managers and senior executives not currently enrolled in EDP or MDP. This programme is designed to groom them specifically for future managerial positions, strengthening our leadership pipeline.

Our focus extends to increasing female representation in non-traditional areas such as mechanics (where we currently have 61 female mechanics), operations, and engineering. To this end, a dedicated graduate trainee programme for six females is currently in progress, specifically designed to coach them for operation-related roles.





Employees

Health And Safety

Community

Supply Chain

Customers

Inclusive Workplace Initiatives in 2024/25

Female Success Story Campaign

We proudly promote the achievements of women who have significantly advanced in their careers. Through our social media platforms, we consistently share inspirational stories of both non-executive and executive employees, showcasing their journeys and contributions.

BEB Speaker Series

This unique series invites distinguished female trailblazers from the corporate world to engage with our Brandix Executive Board (BEB). Their insights directly influence BEB decision-making, ensuring a strategic focus on building a robust female leadership pipeline.

Family Support Initiatives

Recognising the importance of work-life integration, we provide essential support for our female employees and their families. This includes **on-site daycare facilities** in India, Sri Lanka (Ratmalana), and Bangladesh, complemented by an **off-site facility** in Sri Lanka (BCEN). We are also expanding **lactation rooms**, with simple spaces being established across all locations as part of our IDEA location plans, building on their current availability at BEL. Furthermore, we support **flexible maternity work-from-home arrangements**, educating supervisors to facilitate these options for mothers returning from leave, in addition to the regulatory two-hour allowance. Expectant mothers also receive a special daily meal to support their wellbeing.

Paternity Leave Policy

Introduced in 2024, our paternity leave policy offers 10 days of leave, reflecting our dedication to supporting all parents.

Suwanari Programme

Brandix provides critical health screenings to women over the age of 35. This includes essential HPV tests and early detection screenings for breast cancer. Conducted in close collaboration with the Ministry of Health (MOH), this initiative reinforces the importance of proactive healthcare and comprehensive cancer prevention.

Female and Maternity Health

Awareness sessions were conducted to educate and empower women with vital knowledge on a range of critical topics from family planning to nutrition.

Specialised Clinics

Brandix conducts health clinics for the benefit of employees, including eye clinics, dental camps and maternity health clinics.

Management Development Programme (MDP)

Enrolled Count**41**
34% Female**Completed Count****40**
(34%)

Executive Development Programme (EDP)

Enrolled Count**62**
40% Female**Completed Count****62**
40%

Associate to Staff (ATS)

Enrolled Count**188**
31% Female

Staff to Executive Promotions (STEP)

Enrolled Count**194**
27% Female

*We ensure a minimum of 30% female representation for each intake.





Employees

Health And Safety

Community

Supply Chain

Customers

Persons with Disabilities (PwDs)

Brandix is dedicated to cultivating a diverse and inclusive culture by continually enhancing our processes and facilities to support persons with disabilities (PwDs). In 2024/25, ___ persons with disabilities were employed across the Brandix Group.

Our approach to inclusivity is data-driven. Key metrics, such as disability status, alongside gender, position, age, training hours, recruitment, and turnover, are captured by our comprehensive ESG dashboard.

We actively support Employee Resource Groups (ERGs), which are instrumental in expanding diversity and representation within the Company. Furthermore, recognising the impact of unconscious bias, we conduct targeted educational programmes to overcome any issues and foster a more equitable environment for all.

Brandix Rambukkana was recognised by local government, as the best employer of PwDs in the Kegalle district.

During the year, a specific training module was introduced at our Rambukkana facility for our hearing-impaired employees. We proactively improved access to resources including sign-language translators and automated machinery to facilitate ease of work. Through our efforts, we established a dedicated production line entirely staffed by hearing-impaired members, marking a significant increase in the employment numbers of PwDs at this facility. This initiative led to our Rambukkana facility winning the award for the best employer of PwDs in the Kegalle district.





HEALTH AND SAFETY

Upholding the health and wellbeing of our workforce underpins and empowers our core values. It is a natural extension of our social commitment to our employees, and a vital facet of our enterprise that enables us to succeed.

We strive to cultivate a safe and empowering work environment for all personnel working within our facilities, and extend this commitment to our indirect workforce and supply chain partners whenever possible.





2024/25 OHS Report

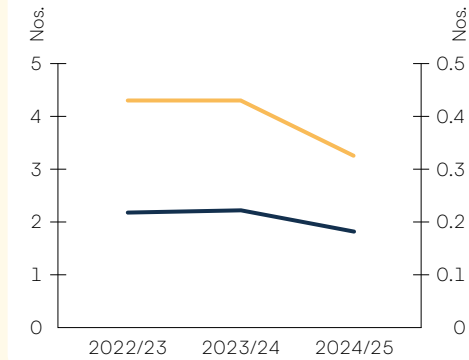
We continued to advance OHS practices, processes, and standards during the year; resulting in significant improvements to OHS indicators and improved health outcomes overall.

Disclosures include restatements of OHS performance data, to accurately represent the Group's reporting boundary and scope.



OHS Performance Indicators

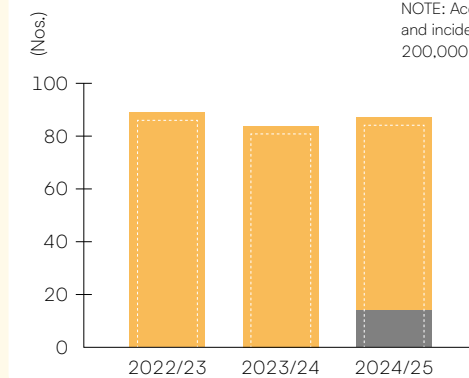
Accident frequency rate —
 Incident rate —



[Click for Data Sheet](#)

Work-related Injuries

Sub-contractor Staff —
 Brandix employees —



NOTE: Accident frequency rate and incident rate calculated per 200,000 man-hours.

[Click for Data Sheet](#)

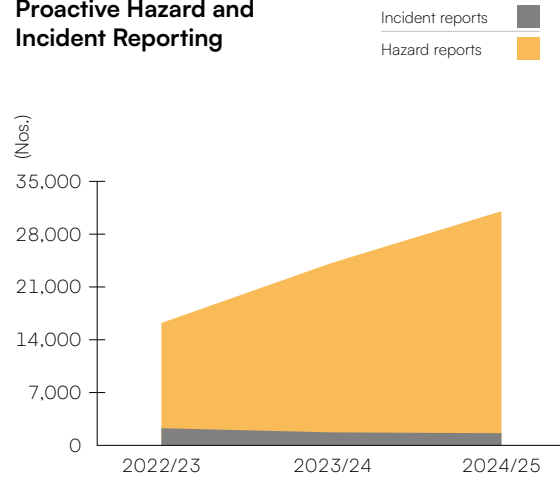




Improvements to OHS performance

Group H&S accident-frequency rate (3.23) and incident rate (0.179) showed steady improvements year-on-year, despite a marginal increase in overall incidents for the year. The Group maintained zero high consequence injuries (with a recovery time of more than six months). Needle pricks and trimmer cuts continued to be the primary types of work-related injuries.

Proactive Hazard and Incident Reporting



Click for Data Sheet

02 new OHS standards issued, and 04 standards fully implemented

The Group OHS Team developed and issued new standards relating to Warehouse and Storage (STD 413), and H&S for Visitors and Contractors (STD 402). The new Warehouse and Storage standard was put into practice during the course of the year, and three previously issued standards were also successfully implemented: STD 302 Health Surveillance, STD 401 Fire & Loss Prevention, and STD 414 Electrical Safety.



10 facility-level projects for OHS enhancement

Projects implemented by facility-level teams led to a number of developments: such as for emergency assembly and medical centre attendance; safety modifications for operation of various machinery; overall safety improvements to chemical management and other facilities; digitalisation for data-handling, risk-assessment, and attendance management; and improved signage across a number of facilities.

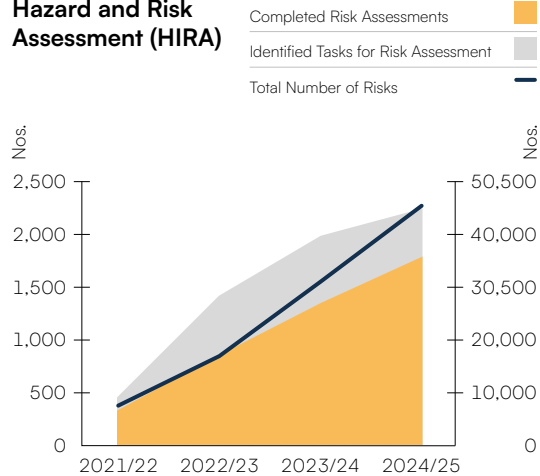




Expertise through OHS capability development

Working toward empowering in-house expertise, we carried out Training of Trainer (ToT) programmes during the year and provided over 80 hours of specialised training on auditing ISO 45001:2018 OHS Management Systems and Consultant Development for Sound Chemicals Management & Safety, based on IOMC Toolkits. Additionally, OHS Teams, Subject Matter Experts (SMEs), and facility-level teams and staff received training on a variety of subjects: including Health Surveillance, Warehousing & Storage Safety, Basic Fire-Fighting and Rescue Training, and RSL / MRSL for Sustainable Chemical Management

Hazard and Risk Assessment (HIRA)

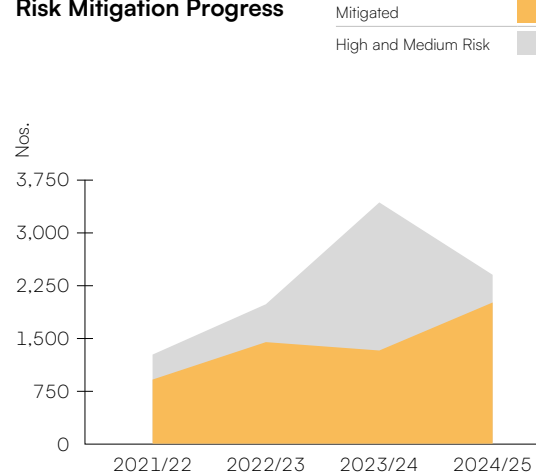


[Click for Data Sheet](#)

Growing employee engagement and awareness

Empowered by ongoing employee engagement and capability development programmes, 2024/25 saw reporting rates continue to grow. We achieved a 7% reduction in incident reports, supported by a significant 28.5% increase in proactive hazard reporting from our teams. The Annual Hazard Reporting Rate, expressed as a percentage of plant-headcount, reached 80% in Plants and 70% in Centres; up from just 30% in 2021/22.

Risk Mitigation Progress

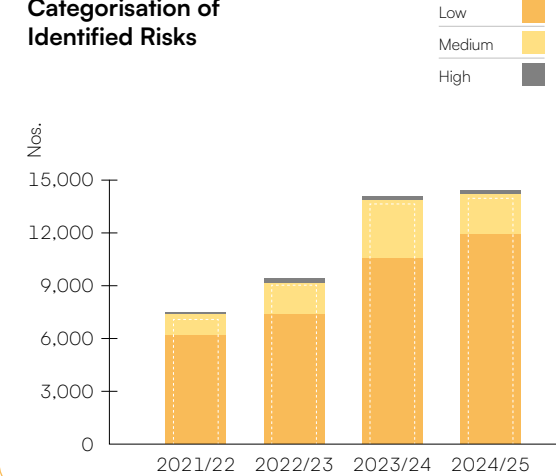


[Click for Data Sheet](#)

Ongoing Hazard Identification and Risk-Assessment (HIRA)

Ongoing risk-reduction processes continued during the year with risk assessments carried out at most plants. By the end of the year, OHS teams had completed risk assessments for approx. 80% of annually identified tasks, including 441 assessments carried out in 2024/25 alone. Teams prioritised high and medium-severity risks, and closed the year with 83% of these risks successfully mitigated.

Categorisation of Identified Risks



[Click for Data Sheet](#)





Approach to Occupational Health and Safety (OHS)

Our Occupational Health and Safety (OHS) strategy is deeply integrated into the business model and a fundamental part of our daily practice; from Group-level, down to individual facilities. OHS scope covers all facilities and centres within the Group, encompassing our employees and indirect workforce (such as subcontractors), and extending to influence safer practices amongst our suppliers wherever possible. We employ an approach that encompasses three key stakeholder groups. Our OHS management system and training programmes also extend to Incube, a joint venture .

**Brandix
Employees**



**Indirect
Workforce**



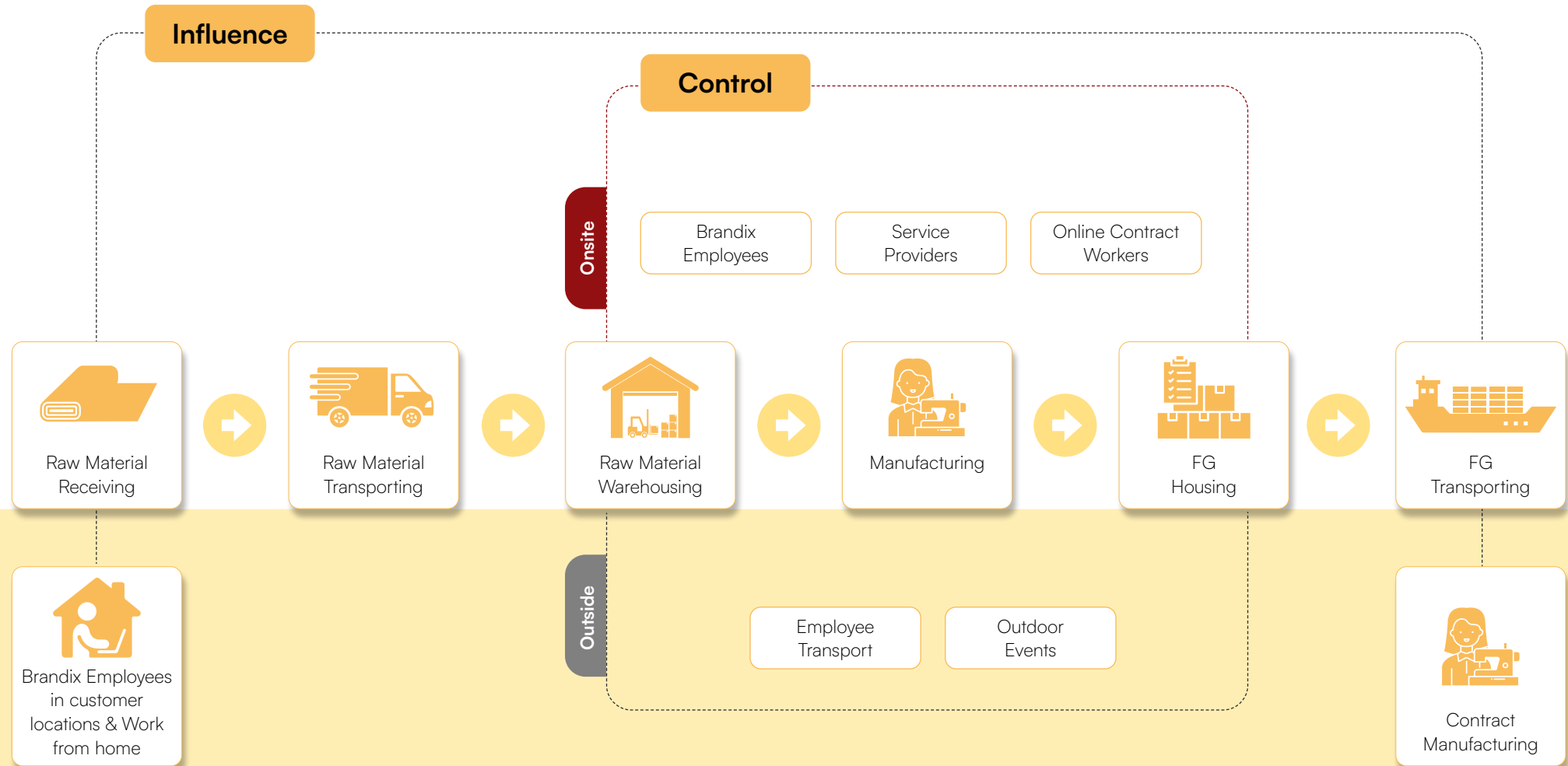
Suppliers





Employees
Health And Safety
Community
Supply Chain
Customers

Outside





Employees

Health And Safety

Community

Supply Chain

Customers

The investigation and analysis of adverse events is an essential part of managing health and safety at Brandix. We have processes to identify root causes of an adverse event in order to take corrective action and prevent recurrence. This investigation process is started with the accident incident notification through our online system - Emojot. There is a notification period for each incident type where responsibilities are aligned to communicate all incidents and accidents within the given time period. Apart from the internal notification, we align with local legal requirements to notify external regulators of certain adverse events (including specified occupational illnesses/diseases as well as incidents).

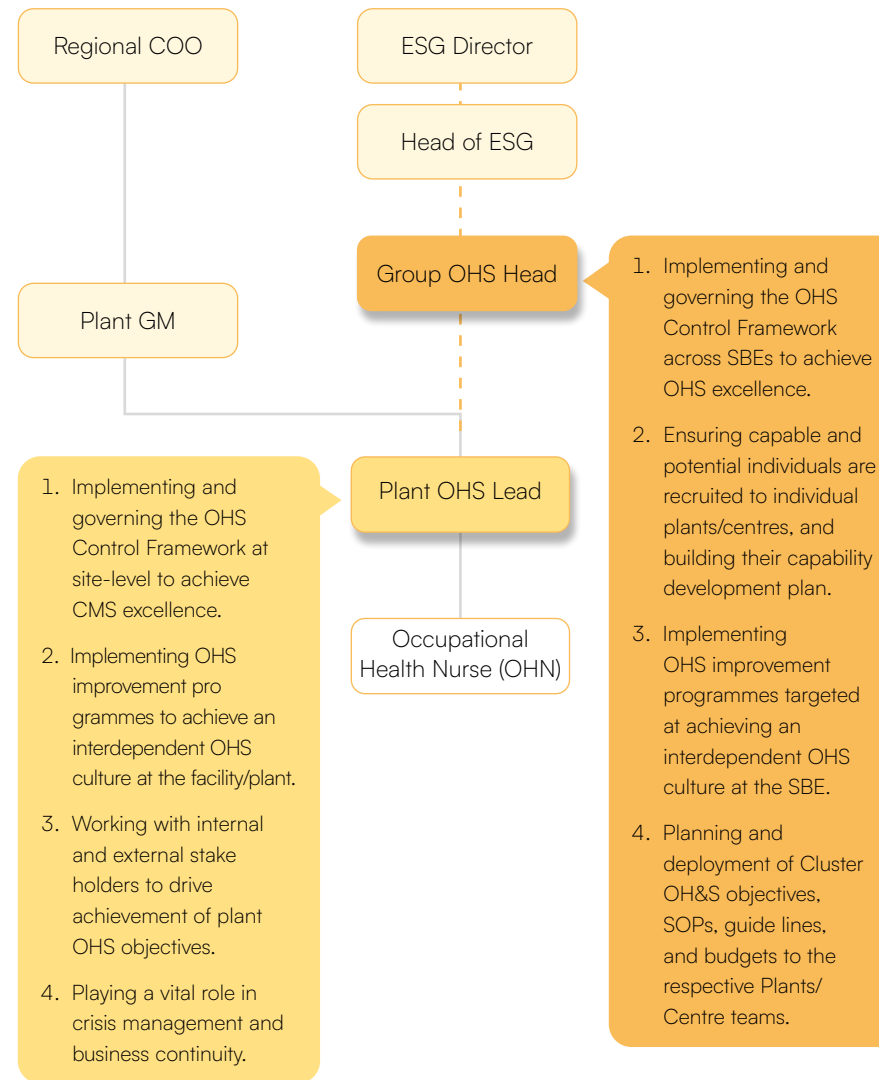
OHS adverse events include near misses, injuries, illnesses, first-aid cases, fires, explosions, property damage, motor vehicle accidents, on- or off-site spills or losses of containment, environmental incidents and incidents during dangerous goods transport.

OHS Governance

Our OHS framework includes rigorous safety standards, necessary health and safety infrastructure, comprehensive training, proactive accident elimination, and prevention of work-related illnesses.

Brandix OHS Standards go beyond mandatory requirements, set by the Sri Lanka Shop and Office Act, Factories Ordinance, and other rules and regulations in our areas of operation, and entrench a higher standard of H&S across facilities, on a voluntary basis.

The Standards are aligned with internationally accepted Occupational Health and Safety Administration Series (OHSAS) Standards, ISO 45001:2018 Standards, and the stringent OHS requirements set by our customers. These standards are developed and routinely reviewed by in-house Subject Matter Experts (SMEs) that operate within a Group Centre of Excellence (CoE) team. The team also monitors the implementation of Brandix OHS standards.



Our OHS governance structure is well integrated with the Group's operational governance structure. Plant OHS Leads report directly to Plant General Managers and indirectly to the Group Head of OHS. The capability and knowledge of our staff, and OHS point-staff in particular, comprise an intangible but integral component of OHS governance, contributing to our Vision Zero journey.

Vision Zero

Zero accidents

Zero occupational illness

Zero customer audit failures

Zero dangerous occurrences

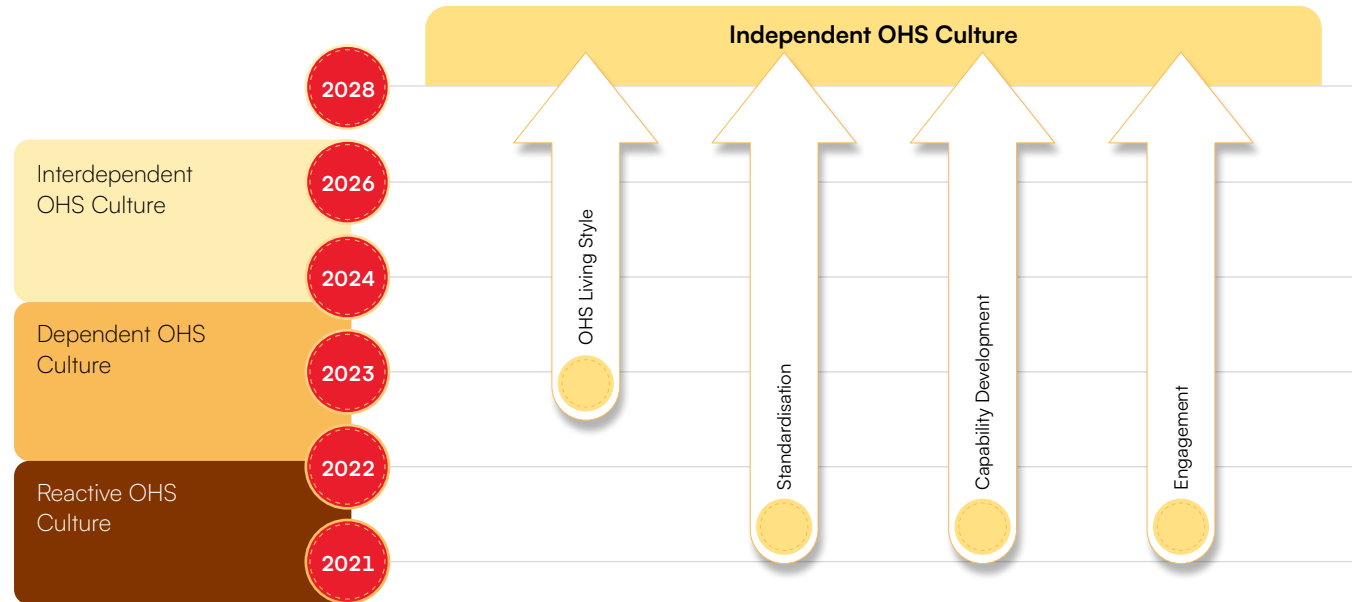
Zero regulatory sanctions

We have a long-range plan in place for OHS Maturity, setting a staggered pathway to 2028, which would see the Group's OHS practice and processes transition from a reactive culture, to one that is interdependent.





OHS Conceptual Framework and Long-Range Plan (LRP) to 2028



Each of our facilities operate dedicated medical centres staffed by qualified nurses, with visiting doctors contracted for additional support. Facility-level medical centres provide services to all employees, subcontractors, and outsourced workers. Well-equipped medical centres are staffed by permanent nurses and contracted doctors. They offer services such as health screenings (audiometry, lung function tests), injury and emergency care, and treatment for non-occupational illnesses. Health promotion initiatives, aligned with our corporate OHS standard (STD303), include quarterly reviews to identify top health concerns and tailor wellness programmes.

OHS Capability Development

We invest in learning and development programmes to equip OHS Staff, and prioritise continuous employee-engagement and awareness programmes to equip all employees with essential OHS skills and knowledge.

Each facility maintains a customised training calendar based on thorough Training Needs Assessments (TNAs), which incorporate regulatory and customer requirements, and 39 critical OHS subject-areas designed for 94 varied job-roles.

Training programmes cover all employees, from General Managers to machine operators, and service providers (security, bus drivers, canteen staff). Training topics vary greatly and are guided and informed by TNAs, roll-out of new standards, and implementation of existing standards. Design and delivery of OHS training is tailored to the various positions and job-specific demands within our organisational structure, and includes significant service providers and contractors. Progress on training initiatives is closely monitored at plant and Group level.





Executives and above Leading OHS Programme: Consisting of nine self-learning modules, interactive workshops, and standardised assessments - delivered through the iConnect e-learning platform. This program is a vital component for building a strong OHS culture within the Group.

OHS Team and Subject Matter Experts (SMEs) Specialised training for OHS Specialists and Subject Matter Experts (SMEs), designed to advance knowledge and build capacity for implementation of the Group’s OHS Standards and practices.

OHS Committee Ongoing training as part of the Group’s Committee Capability Development (CCD) programme.

Staff, Associates, and Others Raising general OHS awareness and providing targeted training, based on TNAs. Training covers a range of topics, including job-specific OHS requirements. Includes training programmes for Occupational Health Nurses (OHNs) who staff our facility-level medical centres.

H&S Training Update 2024/25

Topic	Resource Person(s)	Duration	Participants	Participant categories
Health Surveillance Training	External	8Hrs	40	OHS Teams and OHNs
Warehousing & Storage Safety Training	External	8Hrs	60	OHS Teams, WH Teams (SMEs), and Engineering Teams (SMEs)
Basic Fire Fighting and Rescue Training (CINEC Campus)	External	16hrs	25	Emergency Response Teams (SMEs)
Training Programme on RSL & MRSL For Sustainable Chemical Management	External	2hrs	35	OHS Teams and Chemical Handlers
ISO 45001:2018 Occupational Health & Safety Management Systems Lead Auditor Training Course	External	40hrs	1	OHS Team
Consultant Development in Sound Chemicals Management & Safety based on IOMC Toolkits	External	40hrs	1	OHS Team





Employees
Health And Safety
Community
Supply Chain
Customers

Standardisation of Health & Safety Systems

Brandix OHS Standards cover four key areas — leadership, control framework, health and hygiene, and safety. Together, they support the Group’s systematic roadmap toward an interdependent OHS culture. As of 2024/25, 20 of 31 planned OHS standards have been produced and published. Fourteen standards have been implemented into regular practice after comprehensive assessment and site-analysis by Site OHS Leads. This strategic approach drives continuous improvement of the Group’s Occupational Health and Safety practices in line with industry best-practices.

Leadership	Control Framework	Health & Hygiene	Safety
OHS Control Framework	Risk Assessment & Risk Management	Clinical Quality	Food Safety & Hygiene
OHS Resources, Capabilities & Training	Adverse Event Investigation and Reporting	Health Surveillance	Electrical Safety Machinery Safety
OHS Leadership, Governance & Culture	Performance Monitoring & Audit Emergency Preparedness & Response	Health Promotion Chemical Management	Lock Out & Tag Out Permit to Work & Safe System of Works Pressure Systems Safety Fire & Loss Prevention Warehouse and Storage H&S for Visitors and Contractors

Brandix uses a milestone approach for issuing, implementing, and monitoring of OHS Standards across our operational footprint. Teams track specific OHS milestones for each facility and site, with mandated monthly KPI follow-ups. This process has empowered standard implementation and supported overall OHS performance metrics across our plants.

To ensure the effectiveness of the OHS control framework and compliance with relevant requirements, Brandix has established a structured internal audit process. An OHS audit is conducted annually at each plant, based on the OHS maturity level achieved by our facilities. Audits carried out by the Central OHS team assess adherence to OHS standards, including completion of gap assessments and subsequent corrective action plans (3Ws). Additionally, the maturity level of implemented standards is evaluated at each plant during the audit.

STD No	Standards - I	Implemented
102	OHS Control Framework	2021/22
201	Risk Assessment & Risk Management	2021/22
103	OHS Resources, Capabilities & Training	2022/23
416	LOTO	2022/23
203	Adverse Event Investigation & Reporting	2022/23
424	Pressure System Safety	2022/23
417	Permit to Work & SSoW	2023/24
205	Emergency Preparedness & Response	2023/24

STD No	Standards - II	Implemented
312	Chemical Management	2023/24
415	Machinery Safety	2023/24
302	Health Surveillance	2024/25
401	Fire & Loss Prevention	2024/25
414	Electrical Safety	2024/25
413	Warehouse & Storage	2024/25
205	Emergency Preparedness & Response	2023/24



Employees

Health And Safety

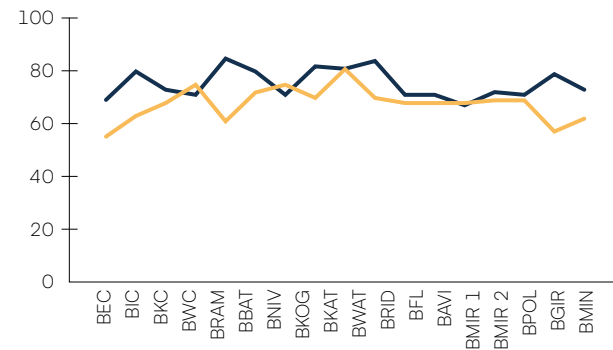
Community

Supply Chain

Customers

Implementation of OHS Standards across the Group - FY 24/25

Maturity (%)



Click for Data Sheet

Internal audits (Levels 1—3) are conducted by Brandix Audit and Assurance teams to evaluate the implementation and effectiveness of site-level OHS controls.

- Level 1 audits are self-assessments conducted monthly by area managers to ensure controls, risk assessments, and training mechanisms are in place and functioning effectively.
- Level 2 audits are conducted annually or biannually by cross-functional teams focusing on deeper review and validation of control frameworks.
- Level 3 audits, or corporate assurance audits, are led by the Brandix group audit team, fully independent of the audited site and SBU, ensuring objectivity and comprehensive review.

Milestone Approach for OHS Standard Implementation




[Employees](#)
[Health And Safety](#)
[Community](#)
[Supply Chain](#)
[Customers](#)

Hazard Identification and Risk Assessment (HIRA)

Our risk assessment and management process, systematically identifies, quantifies, and mitigates risks across our operational footprint. The process involves relevant departments and functions, with department heads responsible for implementation. Employees are formally included and involved in the HIRA process through the Hazard reporting programme and engagements by the OHS Committee.

Hazards are identified through a standardised process covering 14 major and 150 sub-hazard areas. Assessments are enriched by direct observation of work-hours, or through detailed video analysis of work activity. Employees are encouraged to report safety hazards through established systems, with reports collated in a central web-based system for analysis and follow-up, including Root Cause Analyses (RCA) for incidents. Risks are analysed and prioritised based on their potential impact and severity, allowing us to allocate resources effectively.

Having reached a higher level of OHS maturity, with most plants at the stages of assessment, we revamped our operational KPI during the year to ensure that identified risk assessment rules and process are transferred to Standard Operating Procedures (SOPs). This process enables existing and new staff to be equipped with requisite organisational and standardised knowledge, and ensures identified risks are brought into training on facility-specific hazards, risks, and controls.

Approach to Chemical Management

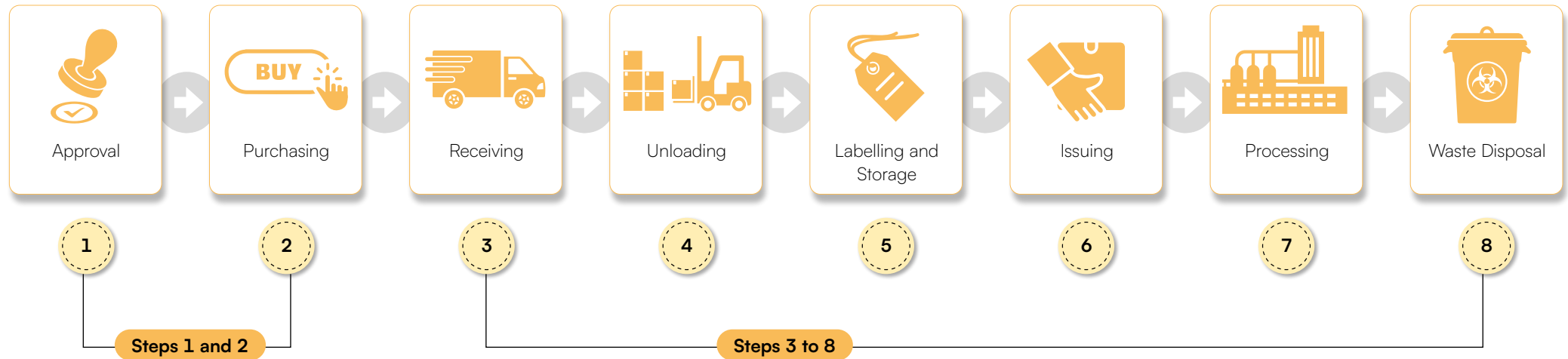
The Group follows a stringent chemical management process, especially in wet-processing operations, which ensures comprehensive oversight from chemical approval to safe waste disposal.

The process enables the Group to minimise and manage potential chemical-related hazards and risks associated with employee health and safety, environmental effects, financial impact, and customer health and safety.





Key Elements of the Chemical Management Process



We have a chemical introduction and approval process in place, which is governed by a centralised chemical hazard analysis team. The team constantly reviews and updates approved chemicals based on review of MSDS/SDS, RSL/MRSL status, and by conducting risk assessments that consider health and safety, environmental aspects, and legal compliance. Approved chemicals are recorded in a centralised chemical list that is updated on a monthly basis.

Any new chemicals introduced to the system undergo a thorough study and analysis, with the oversight of Group-level SMEs for chemical management. Chemicals are checked against customer requirements and legal regulations, which are already reflected in Brandix internal standards.

Chemical transportation and storage is a key element in the Brandix chemical management process that ensures all chemicals are transported according to international and local requirements and stored in well-developed and standardised chemicals storage. Further, details of all chemicals are added to the chemical inventory which organises and tracks chemicals throughout their lifecycle, within our processes. It includes all details from procurement, storage, handling, use, clean-up, and disposal.

All chemicals received at our plants are labelled in the native language for ease of understanding. Labels are written or printed clearly and graphical information, including pictograms, concerning any hazardous chemical is affixed to, printed on, or included on the immediate container or outside packaging of containers. Necessary information regarding signal words, hazard and precautionary statements, product identifiers, and supplier identification are also included for both primary and secondary containers.

Step 8 relates particularly to responsible disposal of hazardous solid waste and effluent .



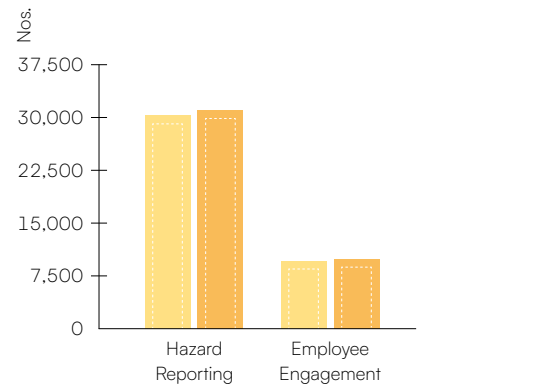


Employee Engagement in OHS

Employee engagement is a cornerstone of our Vision Zero initiative; fostering a positive and safe work environment for all stakeholders, including contractors and visitors. The Group employs a variety of engagement activities, from high-level C-Suite engagement to safety-discussions incorporated into regular meetings. Individual plants select and implement appropriate programmes based on their specific needs and local cultural nuances. Aside from optional activities, Group-wide annual Safety Weeks, bring together OHS staff and raise awareness amongst all staff.

Employee engagement is incentivised, prioritised, and safeguarded through a robust hazard reporting system across all operations, with Key Performance Indicators (KPIs) and rewards to encourage active participation. Successful implementation saw our teams overachieve both hazard reporting and employee engagement targets for 2024/25. Aside from OHS-specific engagements, the Brandix Grievance Handling Mechanism serves as a conduit for strong employee engagement with regard to H&S concerns.

Hazard Reporting and Employee Engagement 2024/25


[Click for Data Sheet](#)

Effective hazard reporting is a critical component of the Brandix safety management system, enabling identification and mitigation of potential risks before they result in incidents. Employees are encouraged and trained to report any observed hazards promptly, ensuring that all safety concerns are documented and addressed in a timely manner.

Hazard reporting program all employees are educated to stop the work if any unsafe behaviour is observed and it involves remove themselves from work also.

The hazard reporting process involves documentation of the observed risk, including its location, potential consequences, and any immediate actions taken to mitigate it. Hazard reporting is one of the main Key Performance Indicators (KPIs) of the OHS function. Annual targets are set to enhance employee engagement, with incremental percentage improvements year-by-year.

Hazard and incident-reports are collated within the Group's Site Safety Index KPI; measured by the number of hazards reported vs closed within the stipulated 60-day timeframe. To incentivise proactive reporting, a negative impact is applied for unresolved hazards. The Site Safety KPI is a strong indicator of OHS Maturity that assesses open and closed hazard reports and employee engagement, relative to total headcount.

OHS Living Style: Culture of Health and Safety for All

The fourth component of our Long-Range Plan, OHS Living Style, aims to instil safety consciousness in the lives of our employees and their communities, extending beyond the workplace. A key initiative in this area is the Safety for All project.

During the year 2024/25, we conducted more than 850 health promotion, awareness, and surveillance sessions, organised by plant-level nursing teams. Additionally, 46 facility-led community health projects helped raise awareness and support healthcare for the wider community.





COMMUNITY

The Brandix way of life that defines our enterprise is tightly woven with the economic and social fabric of the countries and communities in which we operate. Our employees are deeply rooted in their local communities, and as such our commitment to social empowerment extends to their homes, families, and surrounding populace.



Employees

Health And Safety

Community

Supply Chain

Customers

Our community commitment took shape in 2007 with a focused mission: providing clean water to the areas surrounding our manufacturing facilities. This foundational work laid the groundwork for a deeper, more holistic approach.

The global crisis in 2020 highlighted the urgent needs of vulnerable populations, prompting us to evolve our social sustainability strategy. We aligned our efforts with the UN's Sustainable Development Goals (SDGs) and established three core pillars: Provide, Educate, and Engage.

Today, our initiatives are tailored to the specific requirements of our workforce and their families. Formalised and well-integrated mechanisms for community engagement ensure we are also responsive to the urgent needs of our communities.



CSR Policy



Community Forums



Formal Requests and Concerns



Social Projects



Employee Engagement



Key Developments in 2024/25

Launch of Community Forums

Community Forum (Social Sustainability Forum) was initiated as a formal stakeholder engagement platform, in enhancing dialogue and interaction with our communities. These forums bring together our teams and members from state agencies, Non-Governmental Organisations (NGOs), local authorities, and community leaders - including formal and informal groups in the community. Forums play a catalytic role in identifying basic needs, grievances, and assessing impact of social programmes. They also serve as a channel to receive feedback and updates on basic-need gaps fulfilled, concerns addressed, and the overall positive effect derived from community initiatives. During 2024/25, we completed 07 Social Sustainability Forums with over 200 participants.

Integrating our Gender Commitment

CSR Policy has been broadened to include a gender element and has been integrated into the social sustainability framework. Measures are in place to track gender-wise beneficiary representation in both project implementation and community engagement.

Incentivising Employee Volunteerism

To foster a culture of service and volunteerism, we launched the Brandix Manusath Champion (Brandix Volunteer) initiative in 2024/25; encouraging and mobilising our employees as community volunteers. The first recognition event for these champions was successfully held this year.

Engaging our Communities

07 stakeholder forums with 210 participants

91 community requests responded to

26% of community concerns or requests resolved

Culture of Volunteerism

04 Manusath Champion initiatives with 153 volunteers

2,316 employee volunteers

4,853 volunteer-hours

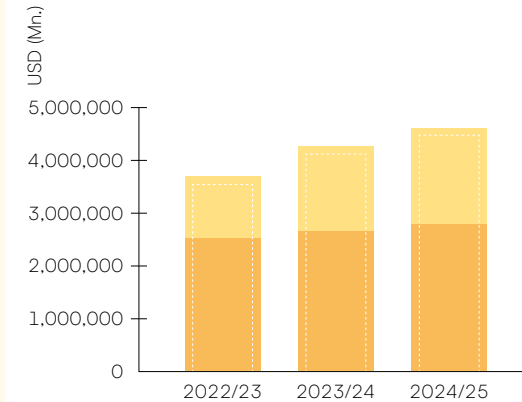
Assessing our Impact

321 PROVIDE projects with 400,815 beneficiaries

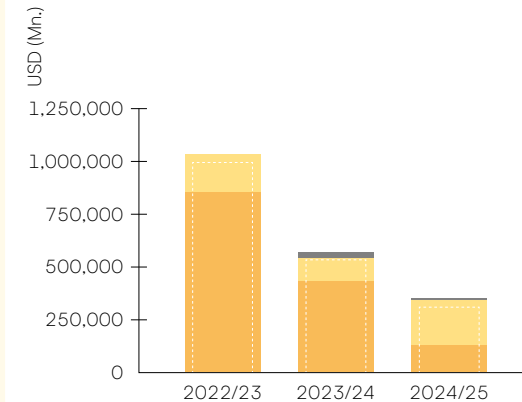
21,989 ongoing EDUCATE projects benefitting 21,989+ students

USD 349,359 invested in community initiatives

Group Community Investment (Cumulative)


[Click for Data Sheet](#)

Community Investment by Country (Annual)


[Click for Data Sheet](#)

[Employees](#)
[Health And Safety](#)
[Community](#)
[Supply Chain](#)
[Customers](#)

Culture of Volunteerism

At Brandix, volunteerism is a reflection of our soul. In giving back to the communities we call home, our employees find fulfillment and enrichment, while strengthening our collective connection to the world around us.

In 2024/25, Over 2,300 employees participated in volunteer activities, during the year, contributing a combined total of 4,853 volunteer-hours.

The Manusath Champion initiative, rolled out in 2024/25, saw 153 volunteers recognised for their invaluable contribution to social and environmental projects. The initiative uses a digital platform with a point-scheme and rating system to transparently and accurately track and reward employee volunteering. Regular feedback and updates are gathered from volunteers and the community to continuously refine our processes.



Employees

Health And Safety

Community

Supply Chain

Customers

Engage

The Engage pillar serves as a bridge between Brandix and our stakeholders. We nurture long-term relationships with communities through continuous engagement, which helps us better understand mutual needs and implement purposeful interventions. Brandix also functions as a facilitator, partnering with government and non-governmental expert agencies, and strengthening customer connectivity.



Engaging our Communities

As one of the largest employers in our areas of operation, Brandix has a significant positive effect on local communities — from direct and indirect employment, to support for local business and supply chains. With a majority female workforce, the inherent structure of our operations and local hiring practices serve to bolster gender equality at community level.

However, as a manufacturer in the apparel industry, we are aware of the exposure and localised negative impacts of waste created, effluent released, and other potentially environmental pollution caused. With this in mind, our strategies and policies that are described throughout the report, endeavour to minimise and mitigate these potential negative effects.

As part of our actions under the ENGAGE pillar, we host formal community forums that bring together a diverse range of stakeholders—from government officials and community leaders to local associations.

Community forums create a vital platform for the community to raise concerns, while allowing internal and external stakeholders to collaborate on solutions. They also allow our teams to better identify critical needs while communicating vital information on planned projects and the potential positive impacts of the same. These and other continuous engagements with our stakeholders ensure projects address real and felt needs, achieve lasting impact, and garner essential community support.

In 2024/25, we significantly expanded our outreach, conducting a number of formal engagement sessions, and holding seven community forums across Sri Lanka with approximately 210 attendees.

Forums in Sri Lanka brought together representatives from central and local government, including the Government Agent / District Secretary Office, Provincial Council, and Grama Niladari. They also engaged support services and representatives such as the respective Area Police Officer, Medical Officer of Health (MOH), Public Health Inspector (PHI), Officers in Charge of District Base Hospital, Zonal Education Office, Area District Labour Officer, Board of Investment (BOI) Zone Representative, Heads of Schools, and representatives from informal community groups such as Three Wheel Drivers' Association, Women's Association, and Traders' Association, etc.

To facilitate continuous engagement beyond physical meetings, we have established dedicated WhatsApp groups for each of our operational locations, and maintain a master-tracker for all community requests.

After successful piloting of community forums in Sri Lanka, we have planned for each of our manufacturing locations to organise similar formal gatherings with the participation of all relevant stakeholders.



INTRODUCTION

GOVERNANCE

INNOVATION

ENVIRONMENTAL

SOCIAL

ANNEXURES



Employees
Health And Safety
Community
Supply Chain
Customers

Partner Organisations



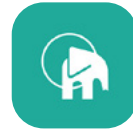
Global Water Partnership (GWP)
Network — GWP Regional Office -
South Asia



National Water Supply and
Drainage Board



Sri Lanka Rainwater Harvest Forum



Kansarmen SL Foundation



UNDP — Private Sector facility



National Enterprise Development Authority



UNICEF



Cleantech



National Apprenticeship and
Industrial Training Authority (NAITA)



UNGC SL



UN Women





Provide

Our work to create societal value is focused on facilitating sustainable livelihoods and enhancing the quality of life for our communities. To guide our efforts and ensure impactful outcomes, our initiatives are strategically aligned with five of the UN SDGs.



From completion of our very first water-sanitation project in 2008, Brandix has successfully implemented over 5,800 projects under the Provide pillar; creating over 1.3 million beneficial opportunities and creating an indirect positive impact on the lives of millions in Sri Lanka, India and Bangladesh.

In 2024/25, we sustained water and sanitation projects, maintained our commitment to creating model villages around our areas of operation, provided emergency relief to those affected by natural disasters, and continued the Company's drive to improve health outcomes for employees and their communities.

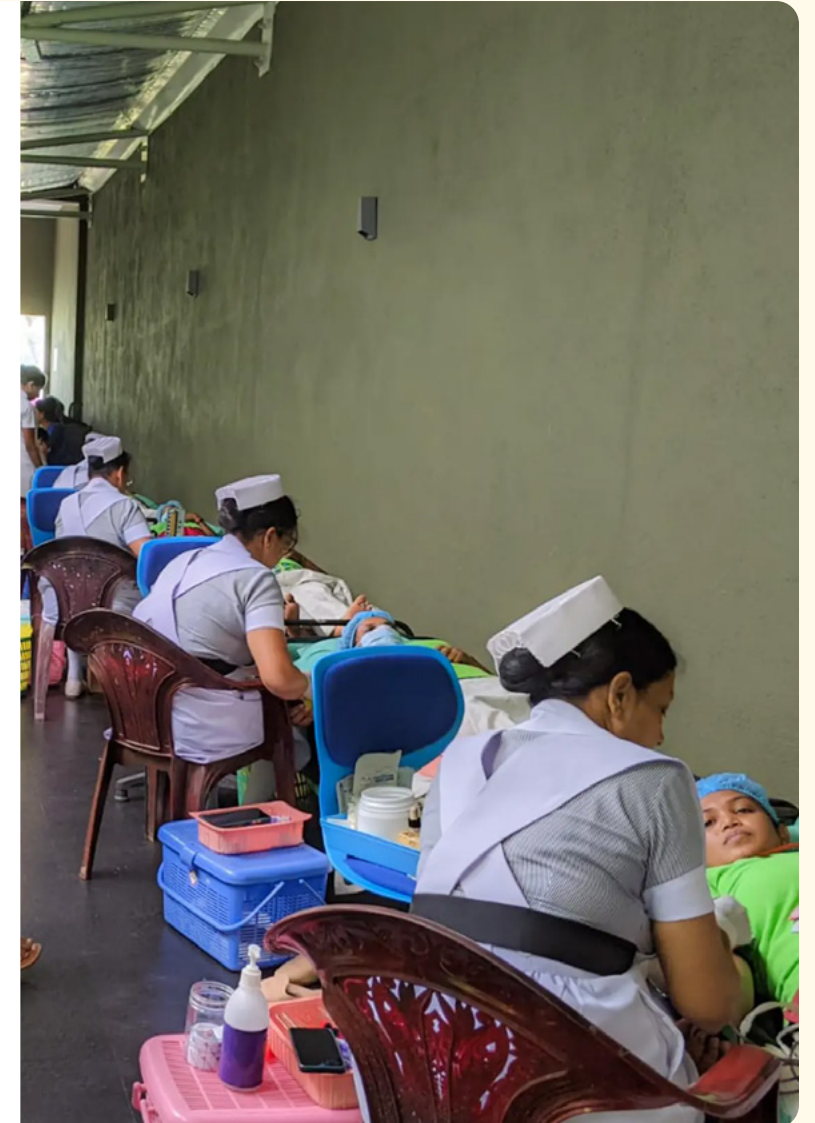
We also leveraged expertise of our on-the-ground teams to drive a number of community health and safety programmes during the year. Plant-level OHS teams, who identified critical needs outside our facilities, were directly involved in project implementation.

46 facility-led community health projects

Community health efforts reached over 12,000 beneficiaries through facility-led projects. Projects aimed to support public healthcare infrastructure, raise community health awareness, provide essential safety briefings, and improve general health indicators for the wider community. Projects saw strong employee engagement and volunteerism, and were implemented in partnership with local authorities and healthcare systems to maximise impact.

Investing in societal health and wellbeing

Brandix facility-level OHS teams hosted a number of student visits at our plants, sharing knowledge on OHS governance, H&S best-practices, and practical industry application. In addition, teams visited a number of local schools, universities, and businesses to raise health awareness, provide essential training, or carry out expert facility-assessments. Brandix OHS experts also continued to engage in dialogue at industry-level and national-level OHS platforms to share best-practices and learnings.







Assessing our Social Impact

We rigorously measure the impact of our community initiatives through formal Social Impact Assessments (SIAs). Assessments are conducted collaboratively with external stakeholders, including community leaders and government officials. Studies are also informed by ongoing dialogue with external and internal stakeholders throughout each project's lifecycle - from identification and implementation to completion and monitoring. SIAs and project evaluations also serve as gap analyses that help us better understand community needs, and strategically refine our future programmes for greater impact.

A structured and engaged approach to social projects ensures they emphasise community needs and result in real quality of life improvements for employees, their families, and surrounding communities.

Needs-based project selection

Majority of projects are initiated based on a needs assessment.

Diverse and targeted initiatives

Projects address a range of social needs to provide holistic support.

Strategic stakeholder engagement

Beyond direct project execution, teams engage with a broad spectrum of stakeholders to ensure relevance and effectiveness.

Dedicated project teams

Plant-level project teams typically include employees from HR, L&D, CSR, and the Employee Council — including functional leads and Employee Engagement Officers, wherever possible.

Defined stakeholder roles and commitments

Clearly defined roles and time commitments apply to project teams, employee volunteers, and beneficiaries. We set expected volunteer hours, and outline specific roles - such as due diligence, local coordination, and partner engagement. Additionally, project beneficiaries are considered key partners in many projects, contributing to the long-term sustainability of interventions.

Rigorous due diligence

Our Plant teams conduct due diligence for potential beneficiaries to ensure that support reaches the most vulnerable, and those with the greatest need.

Quantifiable beneficiary metrics

We employ standardised and industry-accepted metrics to quantify direct and indirect beneficiaries and assess the impact of our initiatives.

Social Impact Assessment (SIA) and Social Return on Investment (SROI) are studies carried out after 6 to 12 months of project completion. These also help inform yearly strategies and define priority projects; as basic needs and status of fulfilment are mapped based on the outcome of SIAs and SROIs.

The SIA entails a formal integrated engagement mechanism of surveys, one-on-one discussions, group discussions, and on-site observations, which enable assessment teams to evaluate the impact of projects. Community Forums for stakeholder engagement play a pivotal role in facilitating regular impact assessments.

Additionally, any community grievances and concerns are also addressed through project implementation and fulfilling of needs. An established Grievance Handling Mechanism is in place at regional level through our manufacturing facilities, where communities have easy access to raise concerns or make complaints through a telephone call, email, formal letter, or even reporting at the security. All matters are reported and handled by location Human Resources Manager and General Manager - Operations. The mechanism tracks and monitors status until closure of 3Ws and feedback on the satisfaction level of the complainant.





Educate

We believe that education is the cornerstone of children's progress and a powerful catalyst for broader social development. Through our EDUCATE pillar, we carry out interventions to empower future generations to succeed by improving access to education and creating new educational opportunities and incentives. Our efforts are aligned with four UN SDGs that serve to improve quality education while reducing inequalities across communities.



Since 2007, Brandix has supported the educational aspirations of millions of children. Our interventions, from targeted scholarships, to broader school-essentials support, continue to improve access to education and contribute to better educational outcomes for our employees' children and other students in our areas of operation.

During the year 2024/25, we provided essential school supplies to our associates' children, offered targeted scholarships to students in primary, secondary, and tertiary education, and continued to support groundbreaking work done by the Right to Read project.

School Essentials Packs



21,989

Right to Read Project



556 continuing

projects initiated in FY 23/24

Educational Scholarships



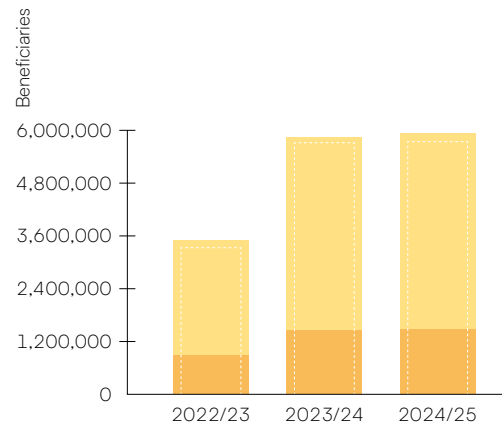
126

University Scholarships



8

EDUCATE Pillar Impact (Cumulative)



Click for Data Sheet





SUPPLY CHAIN

We are committed to building collaborative partnerships with our suppliers, while upholding ethical practices, minimising environmental impact, and facilitating transparency and traceability.

We set exemplary standards for responsible sourcing and focus our engagement on significant suppliers, providing vital materials and services, who represent the majority of our supplier expenditure. This approach allows us to effectively manage risk, ensure compliance, and drive meaningful progress on our sustainability goals.

By the end of 2024/25, our supplier network includes hundreds of unique vendors and partners, including upstream and downstream suppliers.





2024/25 Supply Chain Update

The global apparel value chain in 2024/2025 continued to be impacted by persistent macro-economic and geopolitical pressures. From an industry standpoint, intense price competition from regional players was compounded by growing customer-demands - for shorter lead-times, greater agility, and heightened sustainability compliance. In this environment we directed our focus toward supply chain innovation, and were able to set new performance benchmarks.

75% of total Raw Material (RM) buy was from regional sources. Fabric regional-buy improved by 3% year-on-year.

80% of new suppliers screened on environmental and social criteria, as part of the Brandix Vendor Code of Ethics (VCE) onboarding mechanism.

All significant suppliers assessed for environmental and social impacts.

100% cotton traceability up to Tier 2 suppliers.

Implemented an enhanced ESG / Positive-Assurance Survey amongst all significant suppliers.

Achieved the status of Sri Lanka's best logistics performer to the United States and Canada.

Recognised as Overall Best Performer, At PVH's annual vendor performance workshop.

Obtained the highest score amongst PVH vendors in Sri Lanka, and topped all KPIs for discipline in document timelines, delivery timelines, and booking timelines.

Responsible Sourcing and Procurement

The Brandix core values shape our commitment to responsible sourcing - ensuring ethical practices, improving environmental outcomes, and encapsulating social responsibility.

Aligned with our regional (SBE-based) business model, the Group's sourcing strategy prioritises localised or regional sourcing wherever possible, while guaranteeing quality and maintaining compliance with customer-specific requirements. Localised sourcing minimises transport-related costs and emissions, reduces customer lead-times, and simplifies regulatory compliance.

Raw materials, in the form of fabric and textiles, comprise the largest volume of raw material we utilise in our operations. Even the smallest incremental shifts toward localised RM sourcing can net significant cost-savings and result in positive environmental outcomes.

Our procurement guidelines and supplier management processes are also integral to increasing the use of sustainable materials in our products. Our product development team collaborates closely with customers to incorporate certified and traceable sustainable materials. Simultaneously, our proactive supplier assessments ensure we have a reliable supply-base ready to meet customer and consumer demands.





Employees

Health And Safety

Community

Supply Chain

Customers

Transparency and Traceability

Traceability is essential for a sustainable apparel value chain, as it builds trust between consumers, brands, and partners, and drives better environmental and social outcomes at scale. Our supply chain and sustainability teams actively collaborate with customers and suppliers to incorporate traceability for our primary materials.

We continue to work with pioneering customers, like PVH and Victoria's Secret, to roll-out traceability and visibility to Tier 1 suppliers and beyond.

Transparency and traceability of the raw materials in our products are also fundamental to our commitment to customer compliance and consumer health and safety. We continue to mandate that all pertinent suppliers hold OEKO-TEX® Standard 100 certification, ensuring our products are free from harmful substances.

Supplier Management and Compliance

Strong supplier relationships, built on effective engagement and proactive but strict supplier management, are fundamental to our social and environmental sustainability.

Brandix Vendor Code of Ethics (VCE)

The Brandix VCE is a cornerstone of our robust framework for supplier assessment and compliance. The VCE mandates high standards for human rights, labor conditions, and environmental responsibility.

The document and guidelines are also updated regularly to address emerging risks, changing regulatory demands, and other developments in the industry and operating environment. By the end of the year, 80% of new suppliers had been screened as part of the Brandix Vendor Code of Ethics (VCE) onboarding mechanism; and we recorded zero incidents of non-conformance with the Brandix VCE, as identified through audits or assessments.

Strong supplier relationships, built on effective engagement and proactive but strict supplier management, are fundamental to our social and environmental sustainability.

As suppliers play a key role in achieving our business and sustainability goals, we continuously monitor the performance of our significant suppliers against a number of metrics, including Key Sustainability Performance Indicators (KSPIs) integrated into the Higg platform modules.

We utilise the Higg suite of tools in our supplier engagement strategy; and actively support significant suppliers to adopt Higg Facility Environment Module (FEM) and/or Facility Social and Labour Module (FSLM) to track and improve their environmental and social performance. Wherever necessary, we provide technical guidance, share best-practices, and routinely monitor supplier performance against the Higg FEM and Higg FSLM. Continuous monitoring and proactive engagement ensure our partners not only comply with compliance-standards but also exhibit the core values outlined in our VCE.

Based on the ESG questionnaire and positive assurance survey carried out in 2025, there were no significant negative environmental impacts observed from the supply chain. Our due-diligence checks and assessments indicated no significant negative social impacts from the supply chain, related to child labour, forced or compulsory labour, and freedom of association, or non-compliance with local laws and regulations.

There were zero instances of child labour or forced / compulsory labour within the organisation, and no reported instances of child labour or forced / compulsory labour in the supply chain, based on supplier self-declarations and limited audits carried out.

The Group's supply chain function is tasked with supplier selection, supporting supplier development, developing collaborative partnerships, ensuring adoption of processes and tools, and monitoring supplier performance and conformance. Part of the due-diligence we undertake involves environmental and social assessments carried out as part of the onboarding process for suppliers.

The Group's supply chain function oversees three vital dimensions of compliance:

- Product Regulatory Compliance - Supplier compliance and adherence to product and process regulatory requirements. Including active monitoring of suppliers for compliance with OEKO-TEX, AFIRM Restricted Substances List, and other related certifications.
- Adherence to Destination Country Laws.
- Compliance with customer requirements that go beyond local regulatory requirements.



CUSTOMERS





Product Health, Safety and Quality

Brandix prioritises product quality and safety throughout the entire product lifecycle. We maintain stringent standards and have established rigorous processes to identify and comply with all applicable test protocols for both raw materials and finished products.

Lifecycle Assessment and Mitigation

Potential health and safety impacts are assessed at multiple stages, including design, fabric sourcing, production, and pre-shipment inspection. While current assessments primarily focus on the fabric, production, and finishing stages, Brandix is actively working to extend these evaluations to the product use and disposal phases, particularly concerning environmental sustainability. This proactive, lifecycle-based approach ensures that every manufactured item meets the highest standards of quality and aligns with our commitment to consumer well-being and regulatory compliance.

Rigorous Testing and Certification

Both raw materials and finished goods undergo testing by independent, authorised laboratories. For fabrics, tests include assessments for dry cleaning, perspiration, crocking, bleaching, abrasion, shrinkage, and elongation. Finished garments are tested for essential properties such as flammability, dimensional stability, tensile strength, and stretch, ensuring product durability, safety, and compliance with global standards. All mills supplying fabric to Brandix are required to hold OEKO-TEX certification, confirming that materials are free from harmful substances and safe for human use. We ensure transparency and thorough documentation in our testing protocols, establishing the types of tests during the design and development phase. Brandix also strictly follows Manufacturing Restricted Substances Lists (MRSL) and Restricted Substances Lists (RSL).

Systematic Quality Assurance and Compliance

Assessments are conducted in a structured manner across all product categories, guided by internal quality protocols and customer requirements. Findings from testing are used to drive continuous improvement, leading to changes in raw material sourcing or process optimisation. During the reporting period, there were no recorded incidents of non-compliance with health and safety regulations or voluntary codes related to Brandix products.





Employees

Health And Safety

Community

Supply Chain

Customers

Customer Privacy and Data Protection

Brandix is deeply committed to upholding the highest standards of customer confidentiality and data protection. Group has implemented a robust system of controls to safeguard both physical and digital customer information. This system is particularly stringent for branded garments and associated materials, which are subject to stringent privacy protocols. For instance, every metre or yard of fabric issued for cutting is reconciled with actual usage, and every finished garment undergoes a comprehensive reconciliation process. Panels sent for external embellishment are tracked on a one-to-one basis, ensuring complete accountability. Unshipped garments, leftover branded trims, or fabric identified during reconciliation are handled by a dedicated internal team and destroyed through approved methods, including shredding or incineration at Environmental Authority-authorised facilities following necessary statutory approvals.

During 2024/25, no substantiated complaints were recorded concerning breaches of customer privacy or the loss of customer data. Furthermore, the Group did not receive any fines or sanctions from regulatory bodies related to data protection or confidentiality breaches.

To ensure effective governance of customer privacy, Brandix maintains robust systems and practices across all operational units and geographies. These include dedicated compliance teams actively monitoring privacy risks, comprehensive training programmes for all relevant staff handling sensitive data, and rigorous internal audits and controls to prevent unauthorised access or misuse of information. We also have clear procedures for managing customer concerns through formal grievance mechanisms.

Building Digital Resilience

Our cybersecurity posture embodies the values of sustainability, responsible governance and transparent practice that define our ESG commitment. Proactively safeguarding the sensitive data of our customers, employees, and business partners reinforces the reliability and security of our operations, and solidifies accountability and stakeholder trust.

Our commitment to cybersecurity is benchmarked against the highest global standards, making us the first apparel manufacturer in Sri Lanka to adopt and receive external validation for our Cybersecurity Framework — meeting the NIST-CSF Tier 3 Maturity Level. This Framework is integral to shaping our policies, enabling robust risk management, securing sensitive information, and ensuring agile responses to evolving cyber threats.

Our dedicated cybersecurity team consistently performs risk assessments and proactively monitors emerging threats, a process critically overseen by our Board of Directors, ensuring a robust, top-down approach to digital security.

During the year 2024/25, a key milestone was successful transition to a state-of-the-art Secure Access Service Edge (SASE) architecture in partnership with Palo Alto. This moves us beyond traditional firewalls to a zero-trust model, where every interaction across our network is rigorously validated through multiple security layers; exponentially increasing our data safety.

In parallel, we continued to take steps to upgrade our Security Operations Center (SOC) with a world-class vendor. This proactive step ensures our alignment with global data protection regulations like GDPR and places us in a strong state of readiness for Sri Lanka's forthcoming Data Protection Act.

Looking ahead, we will strategically invest in artificial intelligence and machine learning to further enhance our predictive threat detection capabilities. This will be complemented by a sustained and significant investment in employee education and engagement, cultivating a pervasive culture of cybersecurity awareness throughout the entire organisation.





GRI CONTENT INDEX

Statement of use

Brandix Lanka (Pvt) Ltd has reported in accordance with the GRI Standards for the period 1 April 2024 to 31 March 2025

GRI 1 used

GRI 1: Foundation 2021

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	2					
	2-2 Entities included in the organization’s sustainability reporting	2					
	2-3 Reporting period, frequency and contact point	2					
	2-4 Restatements of information	2					
	2-5 External assurance	2, 145					
	2-6 Activities, value chain and other business relationships	4,5, 9				Principle 1, 2, 7, 8, 9, 10	
	2-7 Employees	80				Principle 3,4, 5, 6	
	2-8 Workers who are not employees	81				Principle 3,4, 5, 6	
	2-9 Governance structure and composition	21-24, 28-29				Principle 1, 2, 10	
	2-10 Nomination and selection of the highest governance body	26				Principle 6,10	
	2-11 Chair of the highest governance body	21, 27					
	2-12 Role of the highest governance body in overseeing the management of impacts	20-21, 27-30				Principle 1, 2, 7, 8, 9, 10	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
	2-13 Delegation of responsibility for managing impacts	20-21, 27-30					
	2-14 Role of the highest governance body in sustainability reporting	29					
	2-15 Conflicts of interest	26,36				Principle 10	
	2-16 Communication of critical concerns	30					
	2-17 Collective knowledge of the highest governance body	26					
	2-18 Evaluation of the performance of the highest governance body	26				Principle 10	
	2-19 Remuneration policies	24				Principle 6, 10	
	2-20 Process to determine remuneration	24				Principle 6, 10	
	2-21 Annual total compensation ratio	-	2-21	Confidentiality constraints	Omitted due to confidentiality constraints	Principle 6, 10	
	2-22 Statement on sustainable development strategy	14					
	2-23 Policy commitments	33-35				Principles 1-10	
	2-24 Embedding policy commitments	33-35				Principles 1-10	
	2-25 Processes to remediate negative impacts	20, 33,98-99,128				Principles 1, 2, 10	
	2-26 Mechanisms for seeking advice and raising concerns	20, 33,98-99,128				Principles 1, 2, 10	
	2-27 Compliance with laws and regulations	36				Principle 10	
	2-28 Membership associations	5					
	2-29 Approach to stakeholder engagement	31-32				Principles 1, 2	
	2-30 Collective bargaining agreements	97				Principle 3	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Material Topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	30					
	3-2 List of material topics	30					
Economic Performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	43					
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	43				Principles 7, 8, 9	
Anti-Corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	34					
GRI 205: Anti- corruption 2016	205-3 Confirmed incidents of corruption and actions taken	13					
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	68-73					SASB CGAA-440a:
GRI 301: Materials 2016	301-1 Materials used by weight or volume	73				Principles 7, 8, 9	Raw Materials
	301-2 Recycled input materials used	71				Principles 7, 8, 9	Sourcing





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	58-59					
GRI 302: Energy 2016	302-1 Energy consumption within the organization	58-59				Principles 7, 8 ,9	
	302-3 Energy intensity	58-59				Principles 7, 8 ,9	
	302-4 Reduction of energy consumption	58-59				Principles 7, 8 ,9	
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	61-67					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	61-65				Principles 7, 8 ,9	
	303-2 Management of water discharge-related impacts	66-67				Principles 7, 8 ,9	
	303-3 Water withdrawal	65				Principles 7, 8 ,9	
	303-4 Water discharge	67				Principles 7, 8 ,9	
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	51-56					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	53-54				Principles 7, 8 ,9	
	305-2 Energy indirect (Scope 2) GHG emissions	53-54				Principles 7, 8 ,9	
	305-3 Other indirect (Scope 3) GHG emissions	53-55				Principles 7, 8 ,9	
	305-4 GHG emissions intensity	53				Principles 7, 8 ,9	
	305-6 Emissions of ozone-depleting substances (ODS)	60				Principles 7, 8 ,9	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	74-78					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	74-78				Principles 7, 8 ,9	
	306-2 Management of significant waste-related impacts	74-78				Principles 7, 8 ,9	
	306-3 Waste generated	76				Principles 7, 8 ,9	
	306-4 Waste diverted from disposal	74				Principles 7, 8 ,9	
	306-5 Waste directed to disposal	74				Principles 7, 8 ,9	
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	130-132					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	131				Principles 7, 8 ,9	
	308-2 Negative environmental impacts in the supply chain and actions taken	132				Principles 7, 8 ,9	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	79-105					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	87				Principle 3	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	87-88				Principle 6	
	401-3 Parental leave	103				Principle 6	
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	106-119					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	106-119				Principle 1, 2, 3	
	403-2 Hazard identification, risk assessment, and incident investigation	106-119				Principle 1, 2, 3	
	403-3 Occupational health services	106-119				Principle 1, 2, 3	
	403-4 Worker participation, consultation, and communication on occupational health and safety	106-119				Principle 1, 2, 3	
	403-5 Worker training on occupational health and safety	106-119				Principle 1, 2, 3	
	403-6 Promotion of worker health	106-119				Principle 1, 2, 3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	106-119				Principle 1, 2, 3	
	403-8 Workers covered by an occupational health and safety management system	106-119				Principle 1, 2, 3	
	403-9 Work-related injuries	107-108				Principles 1, 2	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Training and Education							
GRI 3: Material Topics 2021	3-3 Management of material topics	79-105					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	90				Principle 6	
	404-2 Programs for upgrading employee skills and transition assistance programs	89-96				Principle 6	
	404-3 Percentage of employees receiving regular performance and career development reviews	96				Principle 6	
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	79-105					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	23				Principles 1, 2	
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	99					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	99				Principle 1, 2, 6	
Child labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 132					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	82, 132				Principle 5	





GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Forced or compulsory labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	82, 132					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	82, 132				Principle 4	
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	120-129					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	120-129				Principles 1, 2	
	413-2 Operations with significant actual and potential negative impacts on local communities	124				Principles 1, 2	
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	130-132					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	131				Principles 1, 2	
	414-2 Negative social impacts in the supply chain and actions taken	132				Principles 1, 2	





GRI Content Index
Independent Assurance Report

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			UNGC PRINCIPLES	SASB INDICATORS
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION		
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	133-134					SASB CGAA-250a: Management of Chemicals in Products
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	134				Principles 1, 2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	134				Principles 1, 2	
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	135					
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	135				Principles 1, 2	





INDEPENDENT ASSURANCE REPORT



Shape the future
with confidence

Independent practitioner's assurance report to the Board of Directors of Brandix Lanka (Pvt) Ltd on the Sustainability reporting criteria presented in the ESG Report FY 2024/25

Scope

We have been engaged by **Brandix Lanka (Pvt) Ltd** to perform a 'limited assurance engagement,' as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on **Brandix Lanka (Pvt) Ltd's Economic, Environment, Social and Governance (EESG) indicators** (the "Subject Matter") contained in **Brandix Lanka (Pvt) Ltd's** (the "Entity's") **ESG Report for the year ended 31 March 2025** (the "Report").

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

Ernst & Young
Chartered Accountants
Rotunda Towers
No. 109, Galle Road
P.O. Box 101
Colombo 03, Sri Lanka

Tel : +94 11 246 3500
Fax : +94 11 768 7869
Email : eysl@lk.ey.com
ey.com

Criteria applied by Brandix Lanka (Pvt) Ltd

In preparing the Subject Matter, Brandix Lanka (Pvt) Ltd applied the following criteria ("Criteria"):

- The Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>

Such Criteria were specifically designed for **the purpose of assisting you in determining whether Entity's Economic, Environment, Social and Governance (EESG) indicators contained in the Entity's Report is presented in accordance with the relevant criteria**; As a result, the subject matter information may not be suitable for another purpose.

Brandix Lanka (Pvt) Ltd's responsibilities

Brandix Lanka (Pvt) Ltd management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA, B E Wijesuriya FCA FCMA, R N de Saram ACA FCMA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakthivel B.Com (Sp), M U M Mansoor ACA

A member firm of Ernst & Young Global Limited





Ernst & Young's responsibilities

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the **Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised))**, and the terms of reference for this engagement as agreed with the **Brandix Lanka (Pvt) Ltd** on **06 August 2025**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the **Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)** and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organization through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organization's personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.
- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.





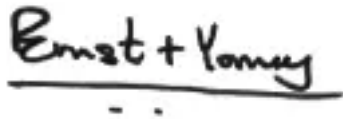
Emphasis of matter

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity's Report.

Conclusion

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the information on the Economic, Environment, Social and Governance (EESG) contained in the ESG Report of Brandix Lanka (Pvt) Ltd for the year ended 31 March 2025**, in order for it to be in accordance with the Criteria.



02 September 2025
Colombo





www.brandix.com

