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ESG Report 2025/26

Driven by Precision.
Powered by Purpose.









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About This Report

This report represents the 11th annual Sustainability Disclosure of Brandix, a privately owned apparel manufacturer, with manufacturing locations in Sri Lanka, India, and Bangladesh. All locations have been considered in the report.

Brandix has reported in accordance with the GRI Standards for the period 1st April 2025 to 31st March 2026. 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. All data, disclosures, and management approaches presented herein cover the same aforementioned financial period.

Reporting Improvements in 2025/26

As part of our commitment to continuous improvement, this reporting cycle introduces a number of reporting and disclosure enhancements:

Additional Analysis and Metrics

Our Social Sustainability disclosures now feature additional commentary on health and wellbeing structures and metrics. Environmental disclosures include disaggregation and analysis of biogenic emissions for greater transparency and accountability.

Broader Commentary on Business Transformation and Sustainability

The report incorporates a deep-dive into the Innovation framework at Brandix and its tangible outcomes: examining the intersection of product, technology, and organisational transformation, with ESG aspects.

Internal Improvements to Data Veracity

Advancements made to internal sustainability dashboards and performance monitoring tools, links to ERP systems, and granular machine-level data collation, link sustainability metrics and enabling stronger verification of internal data registries

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 204.



Restatements

Restatements of previous years' Environmental (Energy, Material), Employees 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.

Legal name and registered address

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Sustainability Team

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Our Story

With over 50 years of experience, Brandix is a global leader in apparel manufacturing and digital solutions, serving iconic brands worldwide.

We are guided by our fundamental RITE values - Respect, Integrity, Teamwork, and Excellence, as we strive to spark innovation and create a lasting, positive impact on people and the planet, while propelling our business to grow and perform on a global scale.

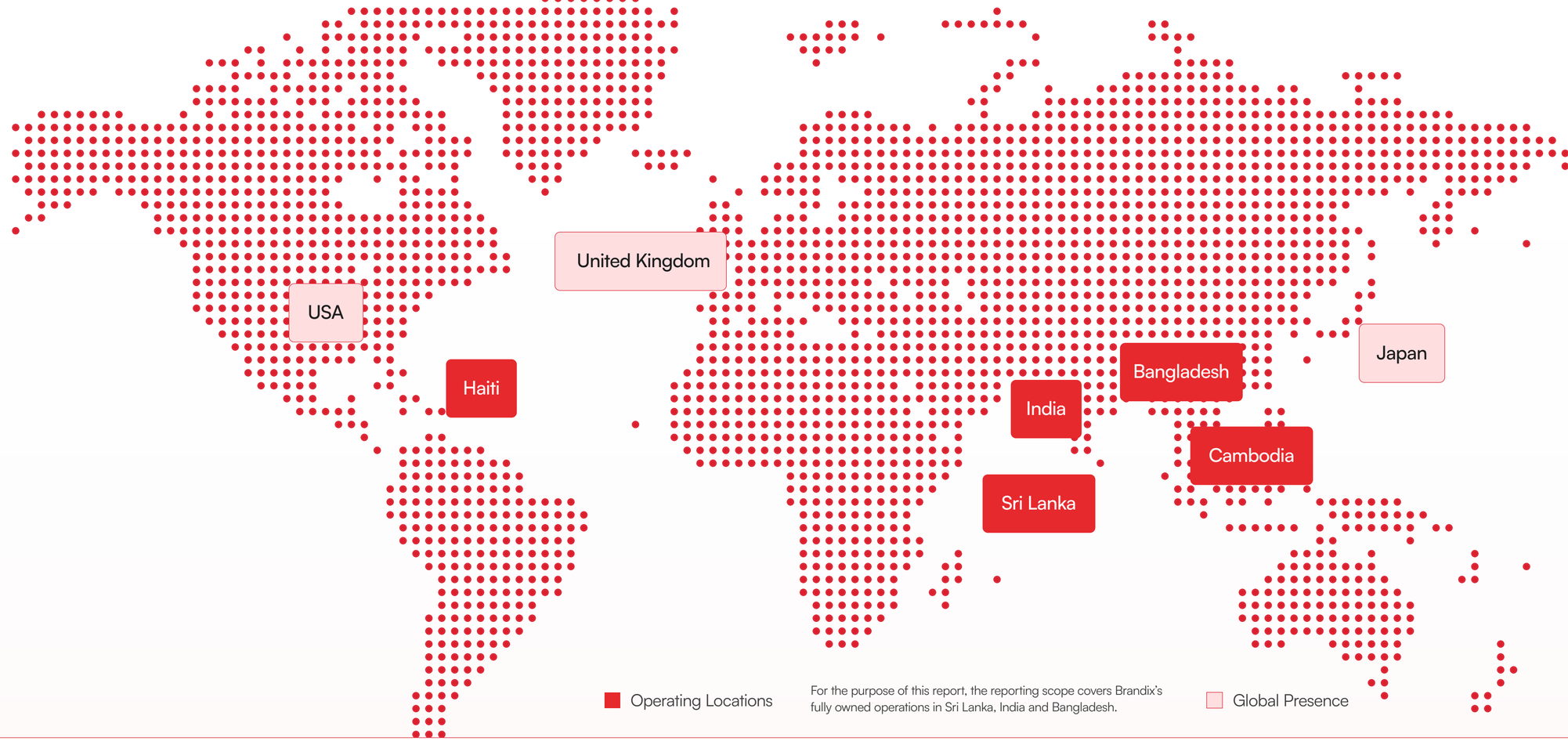
Our story is written in the meaningful connections we cultivate, the lives we empower, and the ecosystems we protect.

Led by our Northstar - to be the Inspired Solution for Branded Clothing, we build life-long relationships with partners who share our purpose; co-creating Inspired Solutions for clothing that celebrate humanity and drive prosperity for all.

Inspired



Solutions



Our Journey

Our journey began in Sri Lanka in 1969 when we first entered the apparel manufacturing sector. In 1972, we commenced operations at our first factory with just ten sewing machines. Through strategic foresight, dedication, and a commitment to quality, 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 that would fuel international expansion. We expanded our operations year after year, with targeted investments in India and Bangladesh, which established our presence as a South Asian apparel titan.

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, the first Net-Zero Carbon certified apparel manufacturing facility in 2019, and the first apparel manufacturer in the Asia-Pacific region to sign the Climate Pledge in 2023 - with a commitment to reach Net-Zero status across all facilities by 2030.

Today, we operate a core network of 22 manufacturing facilities across Sri Lanka, India, and Bangladesh, which form the primary operational boundary of this report. Strengthened by a broader network of joint ventures and strategic partners, Brandix stands as a trusted partner to some of the world's most esteemed apparel brands, consistently delivering inspired solutions on a global scale.

The Brandix Way

The DNA of our organisation, 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 our 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.

These principles give life to our Northstar:

To Be the Inspired Solution for Branded Clothing and our Purpose: Inspired Solutions Delivered by Inspired People.



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The Maxims create 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

Empowering our people to bring our values to life delivering inspired solutions.





Respect

Treating others with respect and dignity is ingrained in our policies, processes, and strategies.

Landmark initiatives for empowerment and fairness across our operations and supply chain, provide the momentum for our commitment.

Integrity

Central to our operationalisation of this tenet is a robust governance framework that embeds integrity into every business decision. Internal audit, enterprise risk management, and external assurance processes bolster our commitment to integrity.

We maintain zero-tolerance for infringements, extending to our value chain, through a strict Vendor Code of Ethics.

Teamwork

Brandix nurtures a deeply collaborative culture. Internally, this extends to strategies for employee engagement, and our processes to encourage open dialogue.

Our teams are united by a common cultural blueprint. They work toward shared goals; materialising in Group-wide cross-functional engagement — from wider ESG Governance, to functional elements such as OHS, Inclusion, and Circularity.

Excellence

Our pursuit of excellence drives us to learn, innovate, outperform, and lead. Ultimately, our excellence is powered by our people, which is why we invest in their continuous development.

We measure our performance against global benchmarks, and we are proud of the recognition we receive, which inspires us to continuously improve.

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Inspired Solutions

How We Think & Act

A cultural blueprint for core competencies and long-term resilience

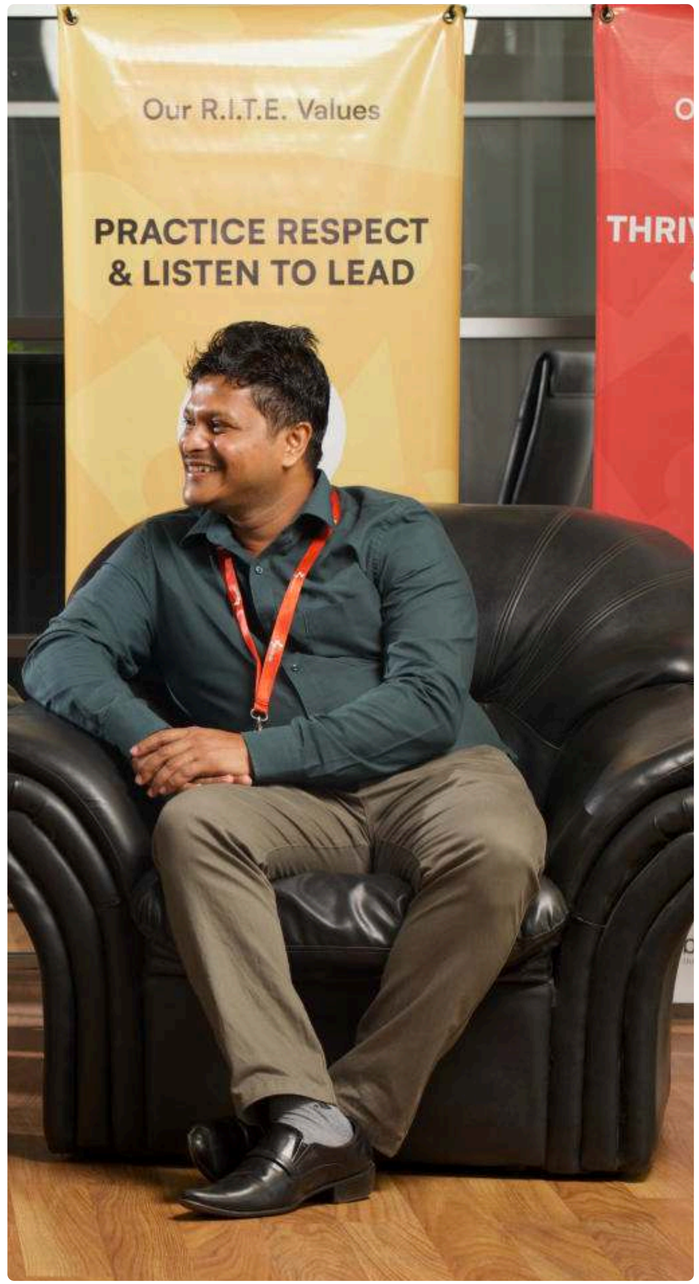
- Think ‘Digital-First’
- Be Flexible & Agile
- Stay Curious & Innovative
- Act Sustainably

Inspired Leadership

What We Stand For

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

- Simplify & Focus
- Inspiring Each Other
- Driving Vision & Growth
- Exciting & Engaging Customers



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 network provides our customers with a highly secure and agile base to serve some of the world's largest consumer markets, including North America, Europe, the United Kingdom, China, and Japan.

We maintain a 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.

Upstream

- ☐ Vertical Integration
- ☐ Sustainable and Transparent RM Sourcing

Apparel Manufacturing

- ☐ Product Development and Planning
- ☐ Fabric Production
- ☐ Embellishment
- ☐ Sewing and Finishing
- ☐ Quality Assurance / Control Packing and Labelling

Downstream

- ☐ Warehousing
- ☐ Distribution and Logistics Networks
- ☐ Front-end Customer Support / Liaison

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 to meet customer specifications and align with 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

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Shaping Tomorrow

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.



F1 at Brandix

Driven by Precision. Powered by Purpose.

The Brandix F1 initiative was conceived as a transformative business, people, and culture movement, inspired by the high-octane precision, seamless teamwork, speed, and discipline that define Formula 1 racing.



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Reimagining Performance through the Formula 1 Mindset

Just as a Formula 1 driver relies on a highly calibrated, world-class crew to cross the finish line, our sewing associates depend on our support teams to achieve peak performance. This strategic initiative is designed to elevate our operational capabilities, in line with Brandix's high-performance culture, while building out a respected and rewarding career path with greater empowerment and development opportunities for our associates.

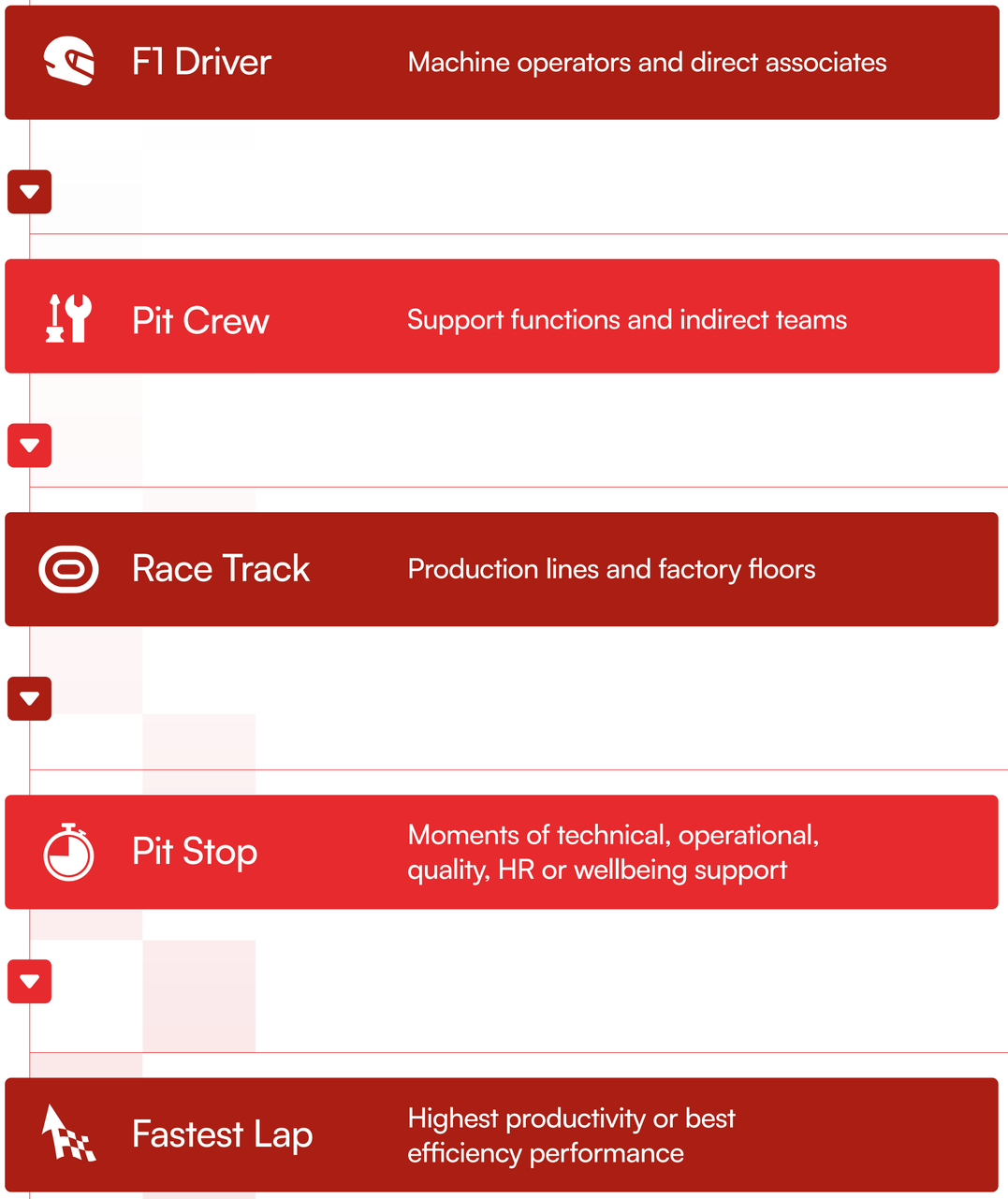
At its core lies a powerful, unifying idea: our machine operators are Brandix's F1 Drivers, while every supporting function and department serves as the Pit Crew, working in synchronised partnership to clear barriers and enable their success.

The Brandix F1 Ecosystem

The F1 initiative is directly aligned with our core organisational purpose: Empowering Collective Success.

To do this, it fosters a culture where every employee understands their direct contribution to operational excellence.

By translating Formula 1 terminology into practical and daily workplace concepts, we have established a common language that helps employees connect their roles to a broader purpose.



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Four Pillars of the F1 Strategy

To drive deep-seated behavioural change and long-term cultural transformation, the F1 strategy is structured around four interconnected strategic pillars. Together, they build a holistic ecosystem linking financial wellbeing, professional identity, workplace environment / culture, and career advancement.

Earnings & Financials

Financial Wellbeing

Why it's important

Recognising that operator performance is not solely a function of individual effort, and that it is heavily determined by effectiveness of the surrounding ecosystem.

What it's all about

Empowering machine operators to achieve higher and more sustainable take-home earnings, by linking operational excellence with improved livelihood outcomes.

How we plan to get there

We're working to ensure that resources, processes, technologies, leadership, and support functions work together seamlessly to enable machine operators to perform at their best.

This "Pit Crew" approach establishes collective accountability for productivity and earnings, reinforcing our core belief, that: when our operators succeed, the entire business succeeds.

Positioning

Professional Identity

Why it's important

Challenging long-standing traditional stigmas and manufacturing stereotypes regarding machine operators / associates in the apparel industry.

What it's all about

Redefining machine operators as highly skilled, respected professionals; recognising their critical contribution to both organisational success and the national economy through export value creation.

How we plan to get there

Highlighting the precision, dexterity, and critical value our F1 Drivers deliver - through extensive internal branding, visual identities, and corporate communications.

Actively elevating dignity of the professions and professionals, and placing them at the centre of Brandix's success story.

Culture

Work Environment

Why it's important

Ensuring that the "Race Track", or work environment, remains inclusive, safe, and conducive for excellence.

What it's all about

Building an elite, collaborative workplace where speed, preparation, ownership, and pride mirror a championship-winning racing team.

How we plan to get there

Encouraging support teams to actively remove hurdles on the line, ensuring that "Pit Stops" are rapid and effective.

Creating a supportive environment through our Abuse and Harassment-Free Workplace Policy, Safe to Speak Up Policy, and workplace counselling and mental wellbeing services.

Performance & Career

Career Advancement

Why it's important

Unlocking latent potential and empowering employees can enable them to continuously enhance their capabilities, pursue meaningful career growth, and effectively contribute to organisational success.

What it's all about

Developing future-ready talent by creating structured pathways for performance excellence, skill development, and career progression.

How we plan to get there

Scaling up targeted talent identification, accelerated learning, instructor capability development, and exposure programmes.

Empowering our F1 Drivers to advance from the factory floor into supervisory and management-level roles, securing their long-term professional growth.

Earnings & Financials

Financial Wellbeing

8 initiatives

4 completed

3 ongoing

1 yet to commence

Achieved

Daily production incentive visibility established for key stakeholders.

Review and customisation of production incentive schemes by location.

Pre-applied leave performance reaching 75% under the F1 Scorecard.

Planned

Development of an Earnings Predictor using loss-hour analysis to forecast earnings impact.

Introduction of monthly Executive Committee insight reviews with plants to identify and resolve systemic barriers affecting F1 Drivers.

Positioning

Professional Identity

5 initiatives

2 completed

3 ongoing

Achieved

Completed factory-level F1 launches.

Completed teaser campaigns, posters and visual branding activations.

Established the F1 Scorecard framework.

Planned

Front-End F1 Launches and leadership panel discussions.

Phase 2 communication campaign including radio segments, WhatsApp communications and Non-Retaliation Policy awareness.

Monthly publication of F1 Scorecard results and recognition of top-performing locations.

Culture

Work Environment

8 initiatives

3 completed

3 ongoing

2 yet to commence

Achieved

Standardised F1 Driver and Pit Crew terminology.

Completion of Pit Crew Specialist Train-the-Trainer programme.

Pit Crew training rollout achieving over 90% completion.

Launch and successful deployment of the F1 Experience Survey.

Planned

F1 Driver Train-the-Trainer programme.

Self-Discipline Communication Campaign reinforcing everyday F1 Driver behaviour.

Performance & Career

Career Advancement

5 initiatives

2 completed

1 ongoing

2 yet to commence

Achieved

Establishment of the F1 Success Story recognition process.

Completion of the 5G Training programme.

Initial instructor upliftment interventions completed.

Completion of the 5G Training SOP manual.

Planned

Group-wide 5G implementation rollout.

Associate Exposure Visit Programme to support career development and talent acceleration.

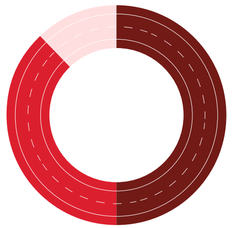
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Tracking our Progress

To ensure accountability and sustainable progress, we have developed an F1 Governance Framework and a structured F1 Scorecard. As of July 2026, we are actively tracking 26 strategic initiatives across our locations. The scorecard monitors performance metrics, behavioural shifts, and operational outcomes across all four strategic pillars.

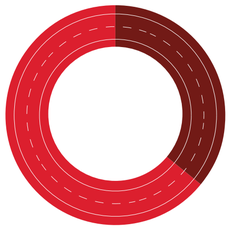
Earnings & Financials

Financial Wellbeing



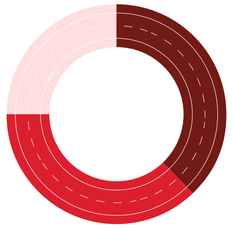
Positioning

Professional Identity



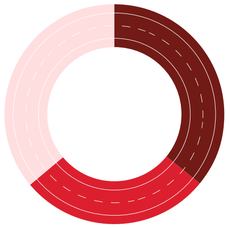
Culture

Work Environment



Performance & Career

Career Advancement



Completed Ongoing Yet to Commence



Looking Ahead:
A Sustained Cultural Transformation

The F1 initiative was never intended to be a standalone campaign. Instead, it represents a long-term cultural transformation designed to embed high-performance behaviour into the everyday Brandix experience.

Future efforts will focus on strengthening capability development, sustaining engagement, expanding recognition programmes, enhancing leadership involvement and leveraging F1 Scorecard insights to drive continuous improvement.



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Our Business Model

Apparel Value Chain

The Apparel Value Chain of Brandix is delineated into three pivotal stages: upstream, manufacturing, and downstream. During the upstream phase, we capitalise on our strategic investments with leading fabric manufacturers to procure raw materials, adhering to our vertical integration strategy. The manufacturing stage is dedicated to product development, where we create samples that adhere to customer technical specifications or align with market trends.

We primarily operate under a made-to-order business model, meticulously planning production, sourcing raw materials, and executing processes such as cutting, sewing, embellishment, finishing, and packing. This comprehensive approach ensures the delivery of finished garments precisely on the agreed-upon delivery date following customer order placement.

Our Governance Structure

The RITE value serves as the cornerstone of our integrated governance framework, which constitutes the Governance pillar of the ESG framework. This governance structure is overseen by the Audit and Risk Committee, each chaired by two independent Non-Executive Directors. For further details. please refer to **page 33** of the Integrated Governance Model.

Our Purpose, Strategy and Enablers

With the purpose of delivering "Inspired solutions through inspired people." our strategic pillars are firmly rooted in customer excellence, category leadership. and operational excellence, ensuring profitable growth while addressing the needs of our diverse stakeholders. The synergy of People, Process (Digitalisation), and Planet serves as the foundation of our strategy, empowering us to create sustainable value over the short, medium, and long term. Our purpose and strategy position us as the Inspired Solution for Branded Clothing, shaping the future of apparel through empathy, innovation, and excellence.

Manufacturing Capital

Under our Manufacturing Capital, Brandix seamlessly operates 22 cutting-edge facilities across three prime locations. Among these, six are LEED-certified, proudly including the globe's first LEED Platinum apparel facility

Intellectual Capital

Our intellectual capital is a blend of innovation and foresight, harnessing the power of IoT and an advanced AI-driven attrition prediction system.

Human Capital

With a diverse workforce of 40,000+, 79% of whom are inspired women, we are focused on enhancing our human capital through change-capable leaders driving high-performing teams. Our coaching and mentoring culture ensures the growth and development of our employees. Additionally, our dedicated OHS team and Counselling team work together to ensure the well-being of our employees. We have invested 150,293 training hours for executive employees and developed programs such as RISE to further advance personal and professional capabilities of our associates. Our commitment to nurturing our human capital is a top priority and we are proud of the progress we have made.

Social and Relationship Capital

In the realm of social contributions, we've spearheaded 5,976 transformative projects, benefiting over 1.35 million individuals and indirectly touching the lives of 4.1 million people. Our commitment to social responsibility has also made us recognised as the largest corporate blood donor and we are committed to creating an inclusive and respectful culture within our organisation.

Environmental Capital

With an installation of 18.8 MW of solar capacity across 22 facilities, we've made significant strides in reducing Scope 1 and 2 emissions. Today, an impressive 32% of our energy is sourced from renewables, underscoring our dedication to sustainability. (Refer environmental stewardship and social sustainability report for more details, **page 50**)

Performance

We have implemented a holistic approach to performance management which explicitly incorporates ESG related metrics with the overall performance management system, which cascades down from Board-level to the rest of the Organisation.

Risks and Opportunities

We have integrated the assessment of sustainability -related risks and opportunities (SRRO) (ESG risk) as a part of our Enterprise Risk Management (ERM) process where ESG risk owners periodically identify, assess ESG related risks for the deliberation in periodic management discussions Refer **page 45**).

Outlook

We operate in an intensively competitive and volatile environment characterised by many challenges and uncertainties, including global economic downturn, shift in customer preferences, and geopolitical tensions: all of which have the potential to disrupt the Business model. Refer the Risk Report on **page 56** for further details about challenges and uncertainties.

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Our Business Model

P
E
S
T
E
L

Financial
Manufactured
Intellectual
Human
Social & Relationship
Natural

INPUTS

Dual Board - Integrated Governance

Enterprise Risk Oversight Risk Committee | Independent Assurance Audit Committee

Our Purpose

Inspired Solutions Through Inspired People

Our Strategy

Customer Excellence	Category Leadership	Operational Excellence
People	**Process**	**Planet**

Customer Value Proposition
Agility/Innovation/Sustainability

Apparel Value Chain

Upstream	Manufacturing	Downstream
Fabric Knitting Washing Dyeing	Product Development Bulk Manufacturing	Logistics Management

KPI (Key Performance Indicators)

KSPI (Key Sustainability Performance Indicators)

Respect | Integrity | Teamwork | Excellence

Output

- Casual Wear
- Intimate Wear
- Lounge & Sleepwear
- Activewear
- Accessories

OUTCOME

Financial
Manufactured
Intellectual
Human
Social & Relationship
Natural

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 - 2026

Launching our Decarbonisation journey with new climate goals



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2006-2010

Initiating our sustainability journey

- Establishing our environmental sustainability strategy, encompassing Air, Water, and Earth.
- Launching the Brandix CSR Footprint to redefine social sustainability, and pioneering volunteerism.
- WASH projects launched to fulfill the basic needs of Brandix employees' families and their communities
- Randaru education scholarships launched
- Launch of annual corporate blood drive at Brandix

Raising the bar for sustainable manufacturing

- World's first LEED Platinum rating for an apparel manufacturing facility - Brandix Seeduwa
- Sri Lanka's first LEED Gold for a commercial building - Brandix Essentials Centre, Ratmalana
- Sri Lanka National Energy Efficiency Award
- World's first ISO 50001:2011 certification among apparel manufacturers, third in global manufacturing - Brandix Eco Centre, Seeduwa
- Brandix Lanka rated Gold at Corporate Accountability Rating Survey

2011-2015

Setting new standards for green buildings and sustainable development

- GreenMark Platinum Rating and Gold Flame at the SL Energy Efficiency Awards - Brandix HQ, Colombo
- Silver award at SL Energy Efficiency Awards - Brandix Casualwear, Ratmalana.
- 'Plan A' Eco Attribute from M&S - Brandix Casualwear, Bangladesh.
- LEED Gold rating by the USGBC - Brandix, Koggala.
- EDB recognition for Excellence in Sustainable Development.
- GBCSL's "Organisation Committed to Green".
- First private company in Sri Lanka to publish a Sustainability Report.
- First Time Report Winner at the ACCA Sustainability Reporting Awards.

Expanding our social programmes

- Chairman's Fund established for critical medical needs
- P.A.C.E program debuted
- Model Village Initiative launched to fulfill basic needs of communities

2016-2020

Extending our social impact

- Community eye-camps commenced
- Annual school essentials scholarships initiated
- Shilpa vocational training launched, in partnership with the VTA
- RightToRead English language learning tool launched
- Financial scholarships commenced for university students
- Livelihood projects commenced for entrepreneurship development and natural disaster relief

Continuing to set benchmarks for green facilities

- World's first apparel facility to achieve Net Zero Carbon (Scope 1 and 2) - Brandix Essentials, Batticaloa
- Sri Lanka's highest LEED Platinum rated facility, second highest in the world - Brandix Essentials, Batticaloa

2021-2026

Launching our decarbonisation journey with new climate goals

- Commitment to SBTi emission-reduction targets and validating
- Sri Lanka's first organisation, and first apparel manufacturer to join the WGBC's Net Zero Carbon buildings commitment.
- Sri Lanka's first organisation, and first apparel manufacturer in APAC to sign the Climate Pledge.
- Brandix Apparel Bangladesh Limited achieved Gold Certification for LEED
- 6 Brandix facilities certified as Net-Zero Carbon

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Message from our Leadership

FY2025/26 reinforced a conviction at the heart of Brandix: purposeful evolution and responsible leadership are essential to creating long-term value. We made meaningful progress across our environmental, social and governance commitments, while recognising the vital work that still lies ahead.

We thank our employees, customers, partners and communities for their trust, and invite you to explore how we are translating our commitments into action as we progress towards our Northstar: to be the Inspired Solution for Branded Clothing.

Building Resilience in the Face of Operating Realities

This was a challenging year for the apparel industry. Macroeconomic pressure, geopolitical volatility, tariff uncertainty, supply-chain disruption, changing customer and regulatory expectations, climate-related events and talent-retention pressures tested the adaptability of our industry.

These conditions are no longer occasional disruptions; they are an enduring feature of global commerce. Our response has been to focus on what we can influence: reducing waste, improving systems and processes, strengthening governance, using resources responsibly, supporting our people and delivering greater value to customers.

Our ESG Management Framework is central to this work. It translates environmental and social targets into facility-level action, supports our commitment to human rights and equity through our IDEA - Inclusion, Diversity and Equity to Accelerate - strategy, and guides our support for communities.

An ESG Steering Committee, chaired by the Group Managing Director, governs and monitors organisation-wide ESG performance. The Committee reports directly to the Board and brings together executives from our core business units to review Key Sustainability Performance Indicators, which are integrated into our Enterprise Risk Management framework. Executive and C-suite compensation is linked to an ESG composite scorecard, and our ESG disclosures are subject to independent third-party limited assurance.

Inspired Solutions, Delivered by Inspired People

At the heart of our progress in 2025/26 is a strong belief in our Purpose: Inspired Solutions are delivered by Inspired People. Infrastructure, technology and algorithms enhance our capabilities, but it is the people at Brandix who enable us to adapt, innovate, improve quality, strengthen safety and deliver responsible value.

Our Formula 1 approach brings this belief to life on the factory floor. We see our Sewing Associates as the drivers in a high-performance team, with leaders, engineers and enabling functions serving as their pit crew. Our responsibility is to provide the skills, tools, support and working environment that enable them to perform safely, confidently and with pride.

We are working towards higher and more sustainable take-home earnings for our Associates through transparent, performance-linked reward systems. During the year, we improved visibility of daily production incentives and reviewed and tailored these schemes to reflect the needs of different locations. In doing so, we are working to elevate the sewing profession, strengthen career pathways and recognise the expertise at the heart of our manufacturing excellence.

In 2025/26, our Executives completed 2,549 learning interventions designed to strengthen functional, technical and behavioural skills, helping them lead effectively in a fast-changing industry. We also continued to invest in Associate and Staff skill development and career progression through the Re-imagine Industry to Support Equality (RISE) life-skills curriculum, and the Associate to Staff (ATS) and Staff to Executive Promotions (STEP) programmes.

Our commitment to a safe, inclusive and empowered workforce yielded measurable outcomes. Across nearly 97 million employee hours worked during the year, the Group Accident-Frequency Rate declined from 3.23 to 2.96 accidents per 200,000 hours worked. This improvement was supported by stronger engagement at every level of our facilities and expanded hazard and incident reporting.

We also progressed towards our target of 27% women in management by 2030, reaching 18% during the year. We expanded female representation in leadership cohorts and continued to support women leaders through Rise for HER, our all-female mentoring programme.

Together with initiatives designed to strengthen Brandix culture through our 12 Maxims, these efforts are intended to help our people build meaningful careers, contribute their ideas, cultivate connection and share in the progress they help create.

Technology and AI as Enablers for Human Potential

In recent years, even as we embraced opportunities for digitalisation, we continued to design transformation around human enablement. From cloud-first infrastructure and AI tools to smart-factory IoT integration, technology serves as an enabler at Brandix, reducing repetitive work, improving visibility and giving our people more time to think, solve problems and innovate.

During the year, we automated low-value administrative work, reduced manual and physically strenuous tasks, and strengthened end-to-end data availability and integrity across our operations. We also deployed agentic AI workflows across cybersecurity, order processing and predictive maintenance, enabling our people to take on more technology-assisted roles and focus on strategic thinking, continuous improvement and delivering Inspired Solutions.

Responsible implementation is essential. The Board has endorsed an AI Policy and Governance Framework that requires strict information classification, data-privacy controls, periodic validation and human oversight. Alongside this, we are investing in Group-wide reskilling aligned with the EU DigComp 2.2 framework.

Moving Towards a Regenerative Business Model

The long-term resilience and value-creation potential of our business depend on moving beyond a linear, extractive model of production and consumption. Our ambition is to develop more circular and, over time, regenerative ways of doing business: keeping materials in use for longer, reducing reliance on virgin resources and contributing to healthier natural systems.

This transition will not happen overnight. It requires collaboration across the value chain, with customers, suppliers, communities and other partners, and relationships grounded in transparency, accountability and mutual trust. We are building the foundations for this shift through disciplined progress across our environmental pillars: Air, Water, and Earth.

Under the Earth pillar, more than 43% of the primary raw materials used in our operations, including fabric and trims, were sustainably sourced during the year. Of these sustainably sourced materials, almost one-quarter were regenerative-certified materials. We also recycled or reused 87% of all solid waste generated during the year, including by diverting complex textile waste from incineration through approved recovery pathways.

Under the Water pillar, our goal of achieving net-positive water operations remains one of our most ambitious commitments. In 2025/26, 29% of our total water demand was met through rainwater harvesting and recycled water. We continued to invest in water-recycling infrastructure and rainwater-harvesting capacity, while working to minimise our reliance on direct groundwater extraction.

Under the Air pillar, our pathway to net-zero operations by 2030 is supported by SBTi-validated near-term emissions-reduction targets. We are expanding solar infrastructure in India and Bangladesh and exploring industrial-scale battery energy-storage systems in Sri Lanka. In 2025/26, nearly 19 MW of on-site solar capacity and the strong utilisation of sustainable biomass enabled 32% of our energy use to come from renewable sources, contributing to a 3% year-on-year reduction in Scope 1 and 2 emissions.

The progress made across Air, Water and Earth is building the momentum and operational capability needed for deeper, long-term transformation.



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The Path Ahead

We have set our sights on 2030, the near horizon for many of our environmental and social goals. From our decarbonisation pathway to our ambition to empower women in the workforce and leadership, we remain resolute in our sustainability commitments.

Organisational sustainability is an ongoing journey that demands continuous learning, bold investment and honest self-assessment. Guided by our RITE values—Respect, Integrity, Teamwork and Excellence—a subset of the 12 Brandix Maxims, we will continue to build a more resilient, responsible and future-ready business that delivers lasting value for our customers, colleagues, communities and planet.



Ashroff Omar
Group Chief Executive Officer





Hasitha Premaratne
Group Managing Director

ESG Group Head Review

Q&A with Nirmal Perera, Senior General Manager — Group ESG and Compliance

The year under review has been a pivotal one for our ESG journey - a year in which the pace of regulatory change, the depth of customer expectations, and the urgency of climate change adaptation and transition moved decisively into a new gear.

Looking back at FY 2025/26, what was the operational context on the ground?

The most significant challenges we navigated during 2025/26 were shaped by an increasingly turbulent operating context: tariff reconfigurations, shorter customer lead-times, tightening price competition and the phased rollout of new regulatory frameworks across our key markets.

In parallel, rising grid electricity tariffs and fluctuations in biomass supply pressured our energy footprint, while climate-related physical risks — from heat waves to erratic rainfall — tested the resilience of our operations and the people who make Brandix what it is.

But we responded: by strengthening business continuity planning, deepening our investments in on-site renewables and rainwater harvesting, and scaling up Brandix's signature internal environmental and social programmes that are recognised by our people, our customers, and our communities.

The Brandix Energy RACE programme continues to embed a Group-wide culture of conservation; while our circularity and waste valorisation pilots are solving complex pre-consumer waste challenges.

We launched the F1 Campaign in 2026, complementing our RISE Life-Skills Programme and other legacy Associate development initiatives that are continuing to empower Sewing Associates at Brandix. Working toward inclusive and empowered workplaces, our landmark programmes - Rise for HER, Project Shakti, SwitchUp, and GenStitched are addressing gender equity and generational diversity.

Our employees came forward to support the Brandix Manusath Champion effort, volunteering their time and energy for community outreach. We continued to engage our communities through Social Sustainability Forums (SSFs), and undertook new initiatives that are working to empower female-led, small-scale enterprises in the areas neighbouring our primary manufacturing facilities.

Beyond these programmes, how is Brandix ensuring ESG accountability is operationalised across the Group — and reaches the factory floor?

ESG is embedded into our daily operating system through integration in our Governance, Risk, and Audit process, and the function of our key business units. Our ESG Management Framework flows from the Board through the ESG Steering Committee down to plant-level risk owners and ESG Champions.

ESG factors are formally integrated into our performance evaluation framework at every tier of the organisation, and our Internal Audit function partners with the ESG team to provide continuous assurance. Our smart-factory, IoT, cloud-first and Zero-Paper digital transformation is elevating the accuracy of our environmental and social data, sharpening decision making, and preparing us for Digital Product Passport requirements.

ESG accountability is equally uncompromising across our supply chain. In 2025/26, 100% of our 50 significant suppliers (accounting for 66% of total spend) underwent formal environmental and social impact assessments. In addition, we continuously screen all active and prospective suppliers against global trade databases, including the US UFLPA Entity List, OFAC Sanctions, and the Consolidated Screening List.

From a risk management perspective, we continued to sharpen our double-materiality-led risk register so that ESG risks are actively managed alongside financial risks. The Group ERM function continued to engage with operational teams to better understand new and emerging risks within their day-to-day activities; assessing their potential impact and implementing appropriate controls and mitigation measures.



How are you approaching regulatory changes on the horizon, including directives like the EU ESPR, CSDDD, and DPP?

Our ESG priorities are evolving in direct response to how the world is changing. The industry is moving toward circularity, longevity, and value chain accountability — led by the EU Ecodesign for Sustainable Products Regulation (ESPR), forthcoming Digital Product Passport (DPP), and Corporate Sustainability Due Diligence Directive (CSDDD) expectations.

At the same time, there is increased focus on transparent corporate disclosure — in line with SLFRS S1/S2 (based on IFRS S1 and S2 guidelines). These are reshaping what stakeholders need to see from a responsible manufacturer. Our customers expect progress against verifiable science-based emission reduction targets, traceable materials, and end-to-end supply chain assurance.

In this environment, our ESG agenda has evolved from a compliance mindset to a strategic operating system; one that anticipates change and turns it into competitive advantage. We have been proactively raising the accuracy and coverage of our environmental and social data - preparing us to meet these regulatory standards in full, while continually sharpening our decision-making capacity. From our digital smart-factory transformation initiative - integrating IoT sensors and real-time data collection and verification; to our supply chain management protocols - with supplier certification, accreditation, and monitoring: we have processes in place to ensure the business is ready to meet upcoming mandates.

Our Digital team, Research Automation and Innovation (RA&I) team, and Product Development, Design, and Reverse-Logistics teams broke new ground this year with regard to processes and products — working to address sustainability challenges. These innovations ensure we are well positioned to continue meeting global standards for quality, safety, and functionality, while actively contributing to sustainability and circularity of the industry.



What are the environmental and social priorities guiding Brandix as you look toward 2030?

Looking to the coming years, our environmental priorities will centre on deep decarbonisation, accelerating renewable energy adoption beyond our installed solar base, transitioning boilers to sustainably sourced biomass, scaling material circularity and sustainable raw material sourcing beyond our current 43% achievement, maintaining around 87% operational waste diversion, and eliminating groundwater dependency across our footprint.

Focusing on 2030 and beyond, our vision is unambiguous. We will strive for Net-Zero Carbon emissions across most of our global manufacturing operations by 2030 - a target we have held for some time, well ahead of the Paris Agreement mandate. Against a FY2021 baseline, we are committed to reducing absolute Scope 1 and 2 emissions by 50% by FY2030, and achieving a 100% reduction by FY2040. Across our value chain, we will work to reduce absolute Scope 3 emissions by 25% by FY2030 and 90% by FY2050 with 20% of our suppliers (by emissions) adopting their own science-based targets by FY2030 - as we progress toward net-zero value chain emissions by FY2050.

Our social priorities will focus on inspired people. Within Brandix, we will continue to elevate the careers of our Sewing Associates, prioritise growth and internal mobility across all tiers, and bridge generational dynamics across our operations. We will also continue building a 360-degree mental, physical, and maternal health ecosystem — bolstered by the outstanding interdependent safety culture we are cultivating.

In communities, where we are embedding gender across every intervention, we will deepen the PROVIDE-EDUCATE-ENGAGE model that reached over 400,000 direct beneficiaries this year.

Considering the wider supplier ecosystem, we will continue to hold an uncompromising line on health, safety and human rights due diligence across the supply chain.

> “To our customers, our colleagues, our communities and our partners; thank you for walking this journey with us. The threads we weave today will define the fabric of tomorrow's apparel industry. Guided by our RITE values and inspired by the possibilities ahead, Brandix will continue to lead responsibly, transparently, and with unwavering purpose.”

Nirmal Perera
Senior General Manager — Group ESG and Compliance



Highlights

Renewables in our energy mix
(2024/25 — 37%)

32%

Green water and recycled grey water in our water mix
(2024/25 — 29%)

29%

Waste reused or recycled
(2024/25 - 90%)

87%

Group-level average Higg FEM Score
(2024/25 — 95%)

94%

Raw materials sourced sustainably
(2024/25 — 45%)

43%

Non-compliance with social or environmental regulations

Zero

High-consequence injuries

One

Customer complaints

Zero

2025-26



Brandix Rambukkana won the Bronze award for the second consecutive year at the Presidential Green Award 2025



Won the Silver Award (Highest in the category) for Green Brand of the Year at the Sri Lanka Institute of Marketing (SLIM) Brand Excellence Awards 2025.



Brandix India Apparel City (BIAC) won the Green Park of the Year Award in the Textile and Apparel Sector at the India Green Awards 2026.



Recognised as the “Highest Blood Donor in the Private Sector — 2025” at the World Blood Donor Day National Celebration.

Received a Certificate of Recognition at the 60th Anniversary TAGS Awards 2025.



Brandix Apparel India Private Limited won the CITI Best HR Practices Award at the CITI Textile Sustainability Awards 2026.

Awards



Brandix India Apparel City (BIAC) won the Excellence in CSR and ESG Award at the Bharat CSR and ESG Summit 2025.



Brandix Rambukkana and Brandix Batticaloa received Certificates of Recognition at the Sri Lanka National Energy Efficiency Award 2025.



Recognised among Sri Lanka’s Top 10 Best Employers at the EFC National Best Employer Awards 2025.



Won a Gold Stevie Award in the "Human Resource Management System — New or New Version" category at the Stevie Awards for Great Employers.



Brandix India Apparel City (BIAC) won the Sustainable Development Leadership Award under Award Category II (Jury Awards) at the FICCI Swachh Industrial Park Awards 2025.



Recognised as Vendor of the Year and Sustainability Champion at the Amazon Global Vendor Summit 2025.



Named one of the 25 honourees on the Steward Leadership 25 (SL25) list at the Steward Leadership Asia Summit 2025.



Recognised as one of the AICPA & CIMA Top 20 Employers in Sri Lanka for 2026.



Recognised as one of Sri Lanka's Most Outstanding Women-Friendly Workplaces at the Satyn Magazine Women-Friendly Workplace Awards 2025.



Named First Runner-Up in the National Category for Best Innovative Solution in Manufacturing at the SLASSCOM National Ingenuity Awards 2025.



Named Overall Winner at the CIPM Great HR Awards 2025.



Won the Best Women Empowerment Initiative Award at the inaugural DEI Champions Awards 2025, organised by the Ceylon Chamber of Commerce.

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Our Impact

Environmental Footprint

31,143 tCO2e
Scope 1 and Scope 2 emissions
(2024/25 — 32,010 tCO_2e)

11,340 tCO2e
Scope 3 emissions
(2024/25 — 11,622 tCO2e)

440,070 GJ
Energy use
(2024/25 — 460,866 GJ)

1,155,420m³
Water Withdrawn
(2024/25 — 1,011,098m³)

119 Million
Yards of fabric used
(2024/25 — 122 million)

485 Million
Yards of elastic and lace trims utilised (2024/25 — 450 million)

9.6 Million Kg
Waste generated
(2024/25 — 9.6 million Kg)

Social Impact

40,602
Total workforce
(2024/25 — 46,185)

1,006
Subcontractor staff
(2024/25 — 1,371)

100%
of direct employees received payments towards a retirement fund

26%
Turnover rate
(2024/25 — 27%)

100%
of employees received performance appraisals

19%
Hiring rate
(2024/25 — 38.4%)

18.5 Hours
Average hours of training per employee (2024/25 — 7.53 hours)

2.96
Group H&S Accident-frequency Rate

0.23
Incident Rate

USD 260,185
Invested in community programmes
(2024/25 - USD 349,359)

7,918
Volunteering hours
(2023/24 — 7,875 hours)

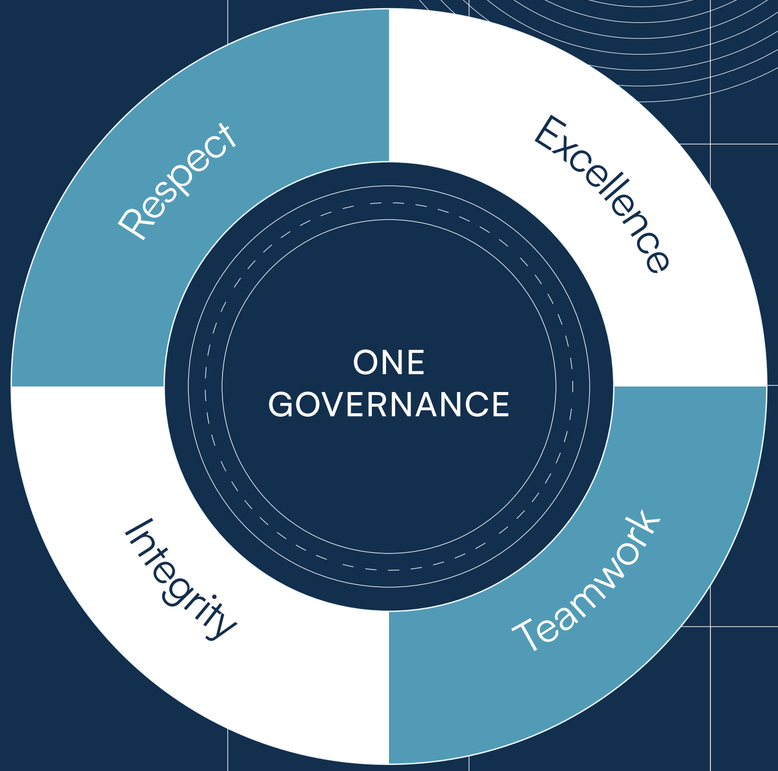
Governance Performance

Zero
Governance-related incidents for which fines were incurred

Zero
Incidents of disciplinary action/dismissal due to nonconformance with employee code of conduct

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



Risk Management

Facilitating **enterprise wide risk management** addressing effect or uncertainty on business objectives and strategies.

Process Governance

Facilitating **self governance** to ensure robustness of processes that drive key business outcomes.

Assurance

Independent **assurance** on Governance, Risk & Controls.



Corporate Governance

Our corporate governance approach enshrines the precautionary principle to guide operational and investment decisions whilst ensuring that 100% of our operations at the very minimum comply with all regulatory standards in our locations of operations. It also values the needs, opinions, and input of our stakeholders including the protection of the human rights of our workers and workers in the value chain, 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. Our internal functions comprising of legal, compliance, supply chain management strive to ensure that sufficient and necessary due diligence processes are carried out within the organisation's operations to ensure the above principles are adhered to.

Our operating ethos is governed and embedded within the Group through various organisation-wide policies pertaining to the above principles. These organisational policies are reviewed by the senior management team on an annual basis. These policies also apply to value chain partners where applicable.

The integration of environmental, social and governance topics within day-to-day business operations are undertaken through the Group's ESG Management Framework which is detailed below.

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 matter 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.

During FY 2025/26, 42 cases were raised through the Safe to Speak Up portal, all of which were closed during the year, representing a 100% closure rate. A further 133 cases were raised through the Abuse and Harassment portal, of which 130 cases were closed during the year, representing a 98% closure rate.

The recently enacted Personal Data Protection Act (PDPA) in Sri Lanka, and India's Digital Personal Data Protection Act (DPDPA) have become regulatory requirements for our operations in the two countries.

The Act implemented in Sri Lanka has been adopted by Brandix. We have proactively taken several measures to ensure compliance, including establishing a governance structure with a Steering Committee and a Data Protection Officer.

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 Structure

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.

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.



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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.

With effect from 01 August 2025, the Group executed a number appointments and transitions within the governance structure and executive leadership within the Brandix Executive Board (BEB).

Reflecting the strategic weight of our sustainability roadmap, oversight of the ESG function has been transferred to Hasitha Premarathne, Managing Director.

Within our strategic leadership team, Dinusha Jayamanne has been appointed to the Brandix Executive Board (BEB) as Director People. Sahad Mukthar has transitioned from his role as Director ESG to assume the position of Director for Strategy and Transformation. And, Suwan Perera has assumed formal executive oversight of the Risk Function within the Executive Board.

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. BLL Board provides 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.

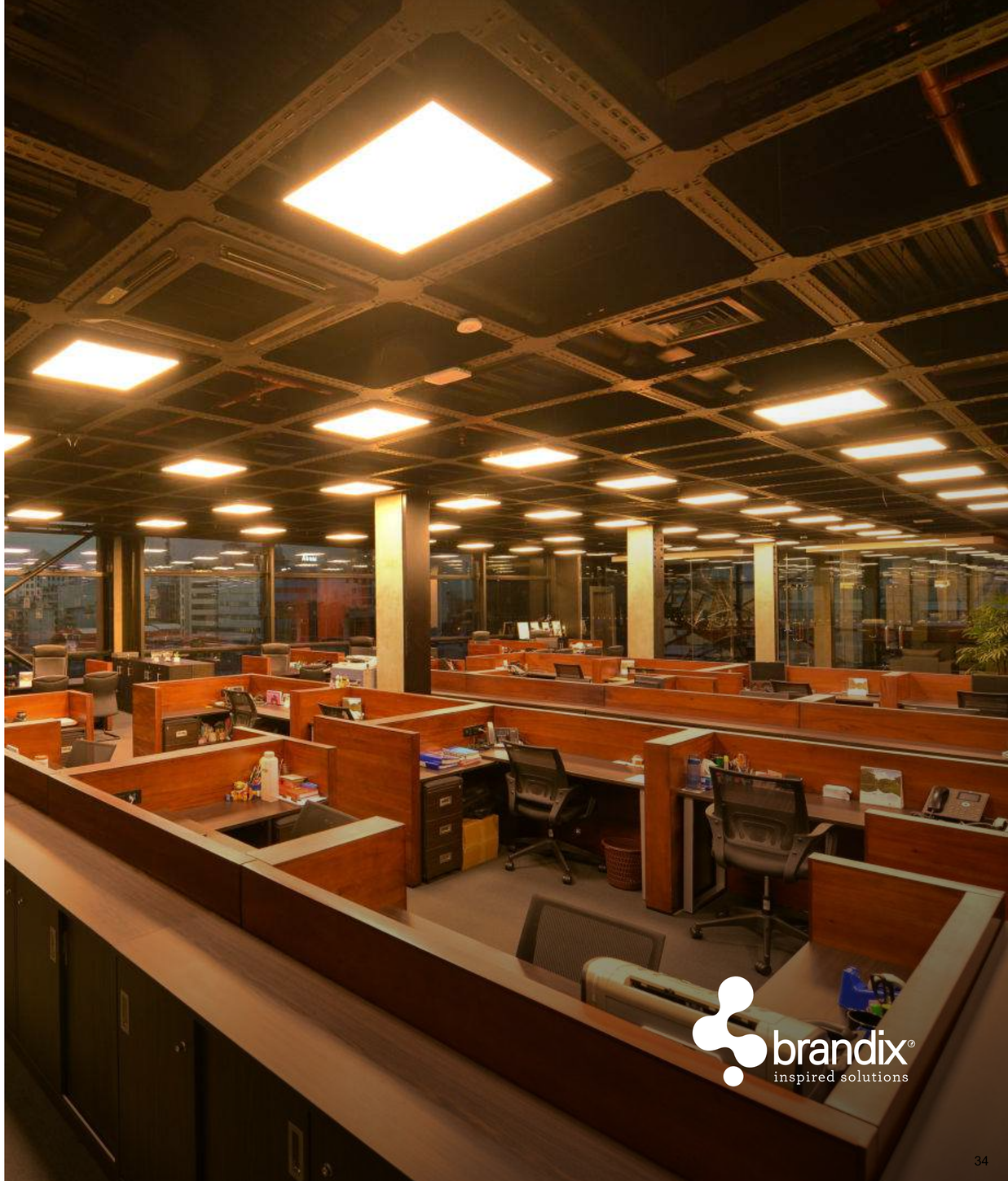
At BLL Board-level, clear division of responsibilities between the Chairman and Group CEO - each with unique roles and responsibilities, ensures balance of power and authority; with the independent non-executive Chairman being responsible for providing independent oversight and leadership for effective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





An ESG Steering Committee, consisting of functional heads of relevant ESG pillars, reports to the Board. The Committee is chaired by the Group MD - Hasitha Premaratne, who is also an Executive Director in the BLL. The Committee pools expertise, allows for collaborative analysis, and streamlines decision-making across the Group.

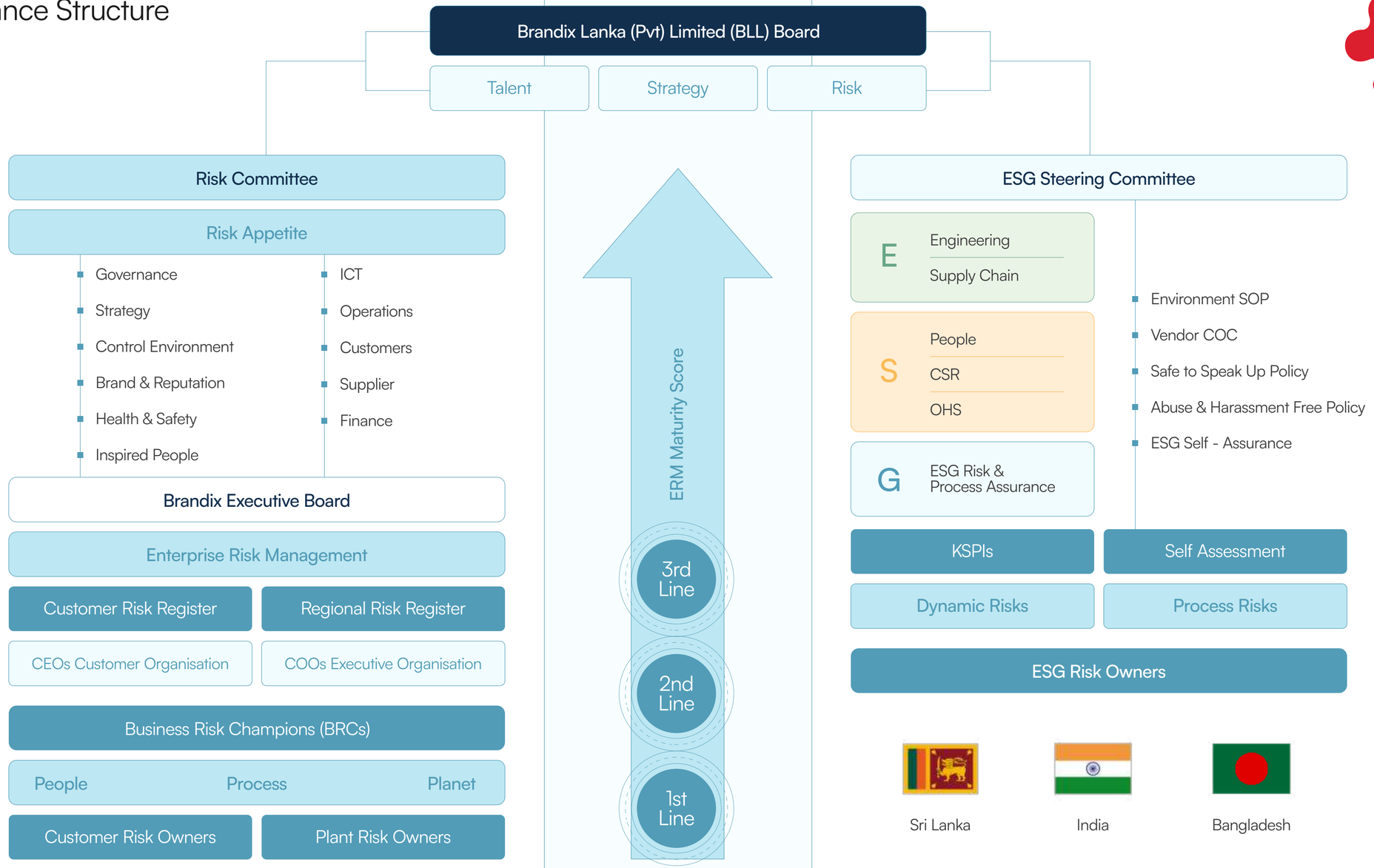
The ESG SteerCo meets at minimum on a quarterly basis. The committee monitors progress against Key Sustainability Performance Indicators (KSPIs) and the Group's ESG goals and targets. It deliberates on, and considers, new projects and ESG-related investments, and keeps abreast of any challenges and concerns.

The role of the ESG SteerCo includes evaluation, assessment and oversight in mitigating Sustainability Related Risks and Opportunities and Climate Related Risks and Opportunities along with the management of impacts the Group has on environmental, social, and governance topics.

Throughout the year, ESG SteerCo discussions focused on climate and decarbonisation initiatives, progress against sustainability targets and SBTi commitments, emerging regulatory requirements, ESG risk management, responsible sourcing, human rights and employee wellbeing, resource efficiency, and the integration of ESG considerations into business strategy and operational decision-making.

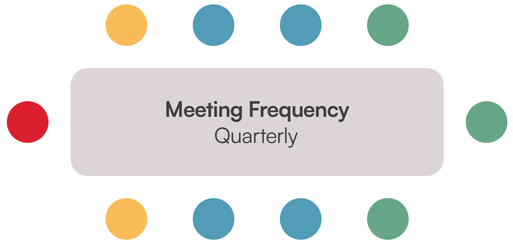
The Committee also reviewed performance against key ESG indicators, ensuring accountability, transparency and continuous improvement across the organisation.

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.



- **Chairperson** Independent Non-Executive Director
- **Independent Non-Executive Directors**
- **Non-Executive Directors**
- **Executive Directors**



Priyan Fernando

Chairman | Independent Non-Executive Director



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

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BLL Board Sub-Committees

Risk Committee

Jeevan William	Independent Non-Executive Director [Chair]
Hasib Omar	Non-Executive Director
Suwan Perera	Director Finance
Indunil Suranga	Group Head of Risk & Control | Secretary to the Committee

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
Sahad Mukthar	Director for Strategy and Transformation

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
Indunil Suranga	Group Head of Risk & Control | Secretary to the Committee

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, Managing Director 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.

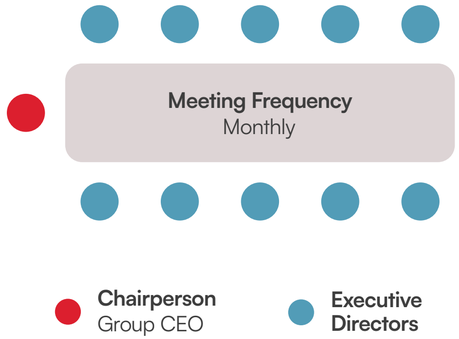
Meeting Frequency

- Quarterly

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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.





Ashroff Omar
Group Chief Executive Officer



Hasitha Premaratne
Managing Director



Nadun Fernando
Director Operations & Engineering



Asanka Wimalaratna
Director/Customer CEO



Rajiv Malalasekera
Director/Customer CEO



Alok Malhotra
Director/Customer CEO



Lalith Bandara
Director/Customer CEO



Sahad Mukthar
Director for Strategy & Transformation



Suwan Perera
Director Finance



Oshada Senanayake
Director Digital



Dinusha Jayamanne
Director People


Rajiv Malalasekera
Director/Customer CEO
Asanka Wimalaratna
Director/Customer CEO
Suwan Perera
Director Finance
Lalith Bandara
Director/Customer CEO
Oshada Senanayake
Director Digital
Sahad Mukthar
Director for Strategy & Transformation
Nadun Fernando
Director Operations & Engineering
Hasitha Premaratne
Managing Director
Dinusha Jayamanne
Director People
Ashroff Omar
Group Chief Executive Officer
Alok Malhotra
Director/Customer CEO
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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 checks 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.

To strengthen Board capability in sustainability governance, the Group Risk & Control Function together with the ESG Function conducted a Board education session covering recent developments in mandatory sustainability reporting frameworks and regulatory requirements.

The session highlighted the increasing expectations placed on Boards to provide effective oversight of sustainability strategy, climate-related and other ESG risks, target setting and performance monitoring, and sustainability-related reporting and disclosures.



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 Management Framework

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.

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.

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.

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

Quarterly updates on all 19 material topics were provided to the ESG SteerCo for course-corrective action should any areas of concern show significant deterioration.

During the year 2025/26, 10 areas of critical concern (3 Environmental, 3 Social, and 4 Governance-related) were raised to the Board.

Environmental critical concerns included the following: Acute physical climate risks such as floods, heatwaves, and landslides; chronic physical climate risks such as drought and water scarcity; and Transition risks such as customer emission-reduction and decarbonisation.

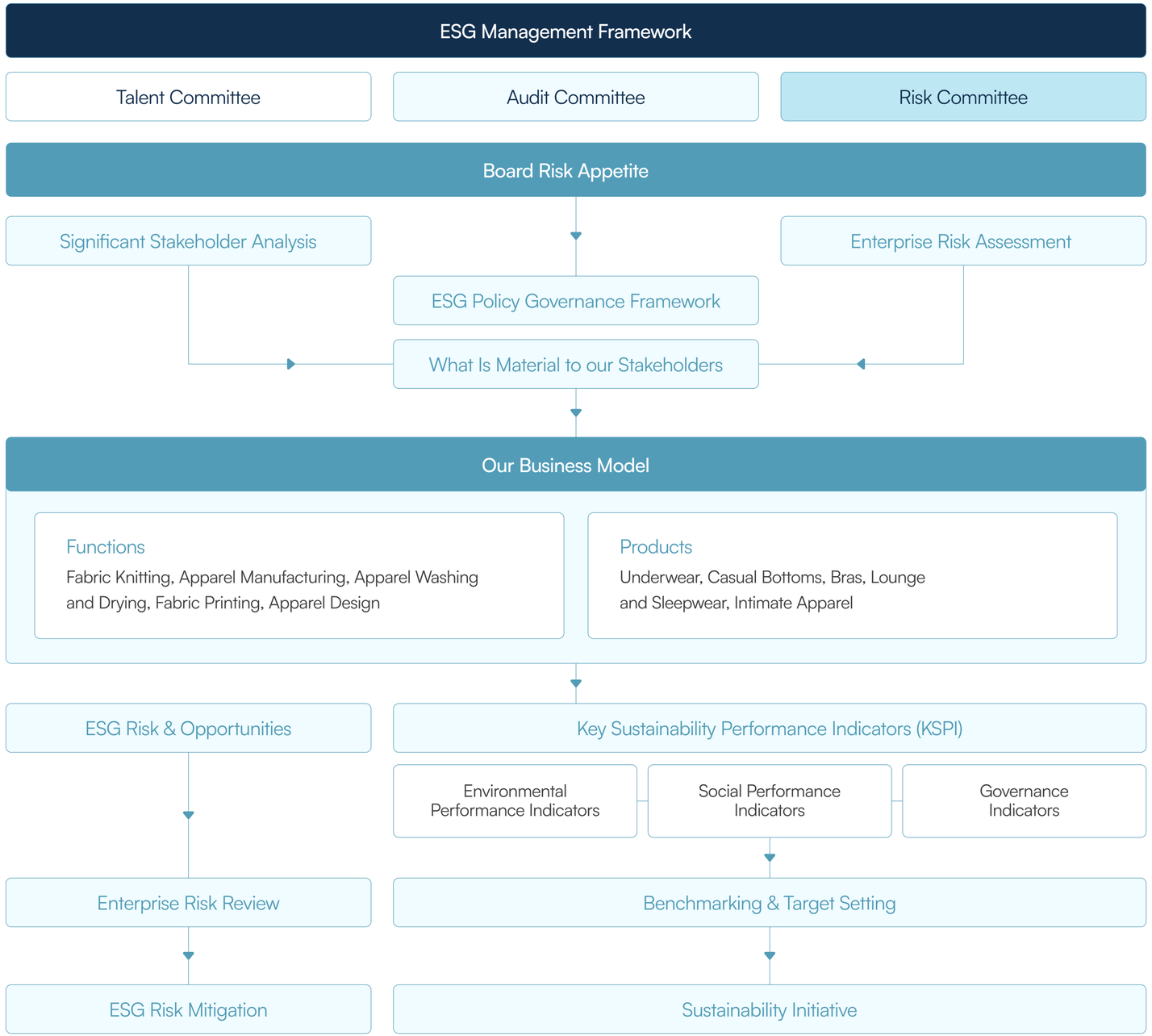
Social critical concerns included the following: Compliance with responsible sourcing regulations and avoidance of forced-labour related risks (such as sanctioned organisations); Talent attrition and loss of critical talent; and Exposure related to OHS injuries and accidents.

Governance critical concerns included the following: Readiness related to the Anti-Corruption Act; Compliance with Data Protection regulations; Cybersecurity and Data Privacy; and AI Governance.

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 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.

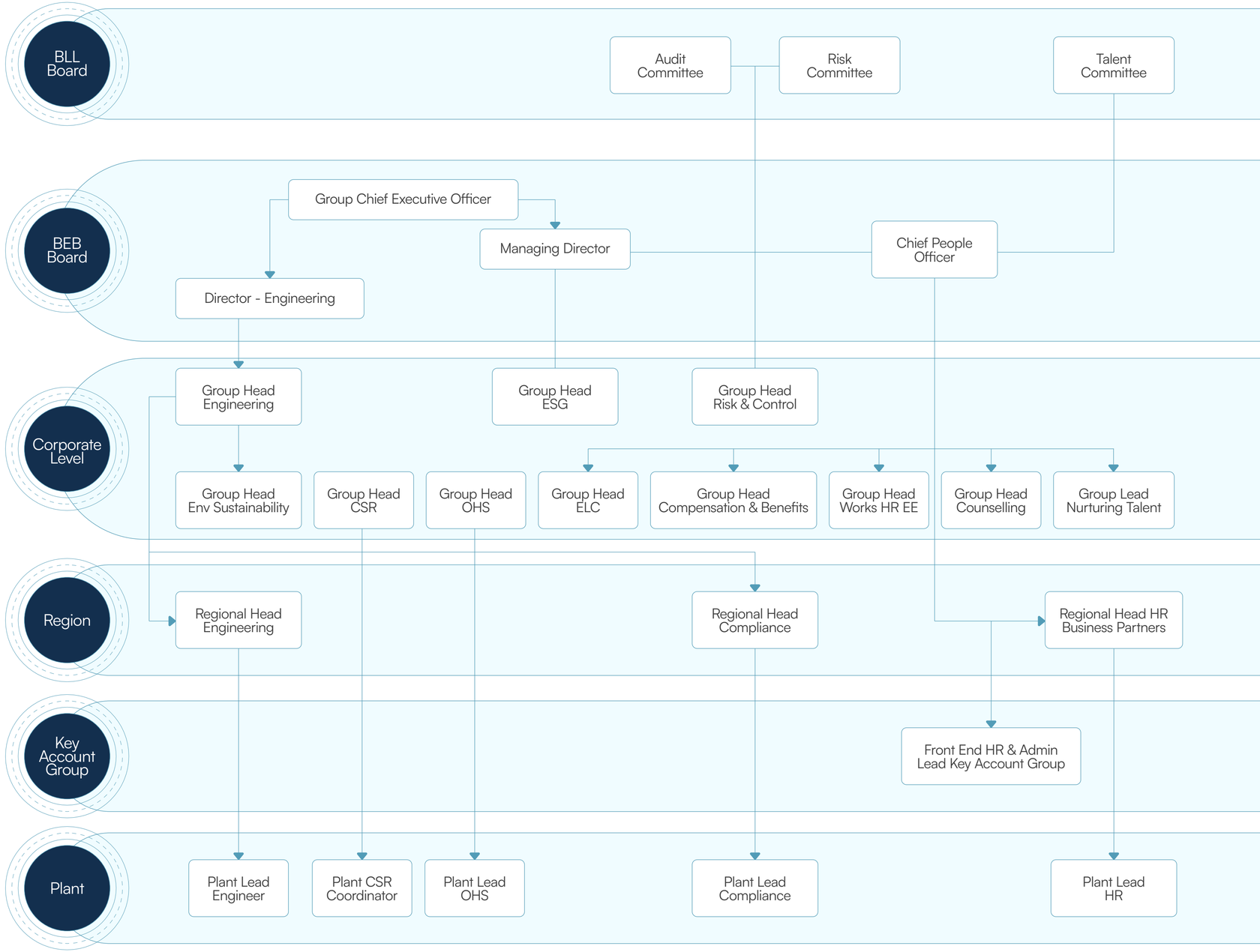


ESG Governance Structure

Our ESG governance framework is headed by the Managing Director, 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.

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.

The ESG Steering Committee continued to play a pivotal role in guiding Brandix's sustainability agenda, providing strategic oversight on key environmental, social and governance priorities.



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.

We have tuned our internal and external reporting to measure progress against the following GRI Standard Topics that 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.

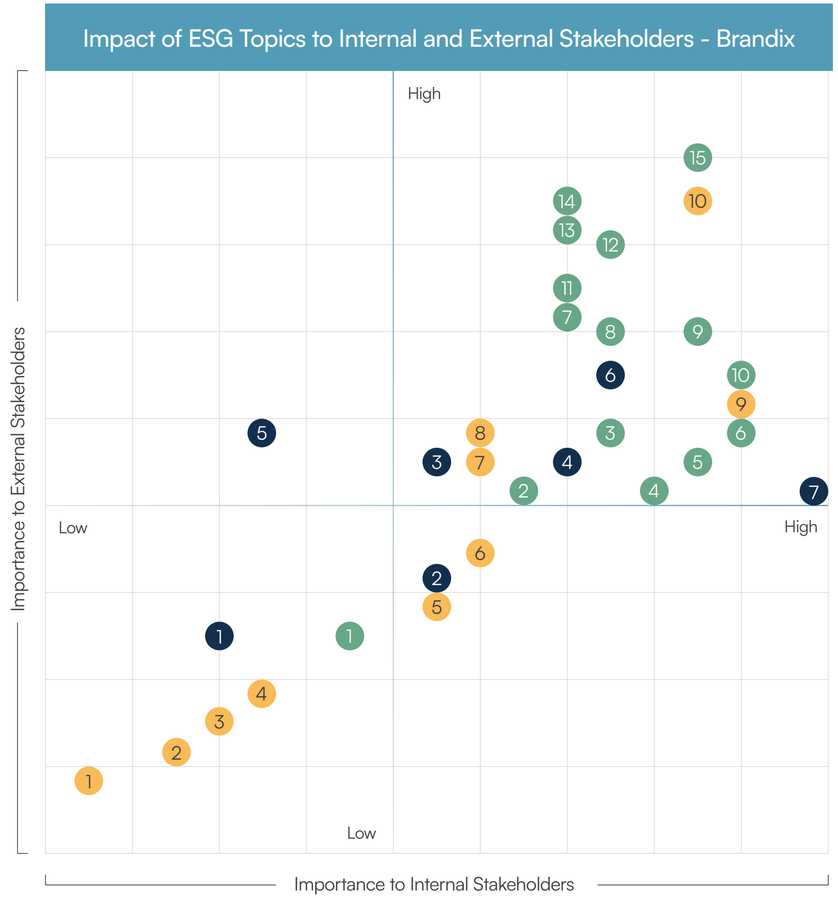
We identify our Material Topics through internal analysis of significant stakeholders and enterprise-wide risk assessment, which are prioritised and classified in accordance with their significance and degree of impact. The approach is aligned with GRI 3 Standard and the Accountability AA1000AS Standard, 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 above-mentioned Material Topics form the basis of the Group's KSPIs that are tracked via the Sustainability Performance Analyser (SPA) and internal dashboards. These KSPIs are based on the GRI Standards and are intended to communicate critical concerns, pertaining to the performance of the Group on a variety of material impact topics, risks, and opportunities, to senior management for immediate course corrective action if necessary.

Key Sustainability Performance Indicators

GRI Standards Topics

- GRI 201: Economic Performance
- GRI 205: Anti-Corruption
- GRI 301: Materials
- GRI 302: Energy
- GRI 303: Water & Effluents
- GRI 305: Emissions
- GRI 306: Waste
- GRI 308: Supplier Assessment - Env
- GRI 401: Employment
- GRI 403: Occupational Health & Safety
- GRI 404: Training
- GRI 405: Diversity & Equal Opportunity
- GRI 406: Non-Discrimination
- GRI 408: Child Labour
- GRI 409: Forced, Compulsory Labour
- GRI 413: Local Communities
- GRI 414: Supplier Social Assessment
- GRI 416: Customer Health & Safety
- GRI 418: Customer Privacy



Economic

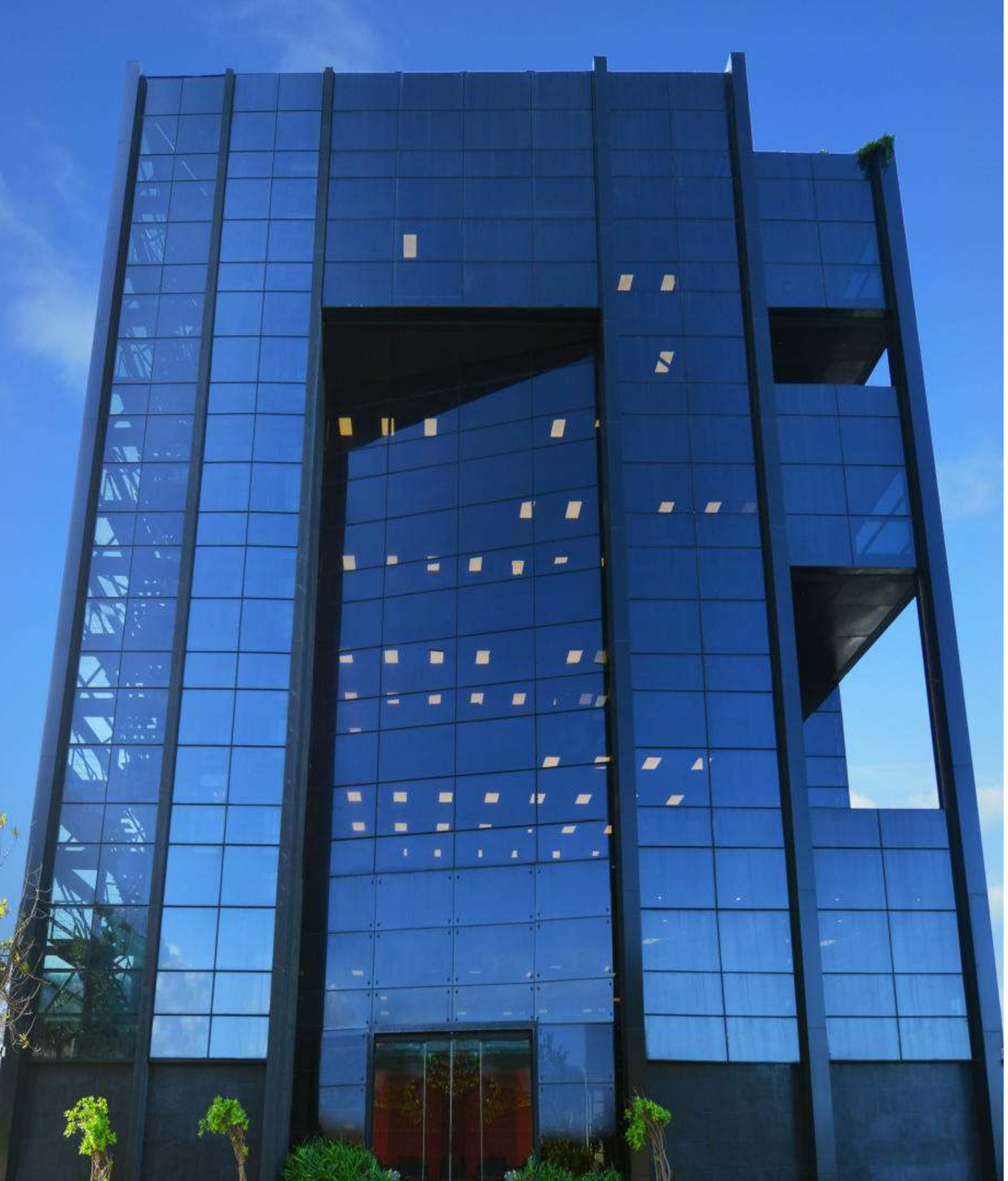
1 Anti Competitive Behaviour
2 Indirect Economic Impacts
3 Tax
4 Market Presence
5 Procurement Practices
6 Anti-Corruption
7 Econ. Performance

Social

1 Rights of indigenous peoples
2 Security Practices
3 Public Policy
4 Marketing & Labelling
5 Labour Relations
6 Freedom of Association
7 Forced, Compulsory Labour
8 Child Labour
9 Training
10 Socioeconomic Compliance

Environment

1 Biodiversity
2 Human Rights Assessment
3 Local Communities
4 Materials
5 Employment
6 Energy
7 Non-Discrimination
8 Water
9 Emissions
10 Occ Health & Safety
11 Diversity & Equal Opportunity
12 Waste
13 Customer Health & Safety
14 Customer Privacy
15 Environmental Compliance



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.

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	Meetings, email, phone/conference calls Product & Design Development Reviews/Customer Touch-bases		Calls / meetings with Leadership & Management Teams Review of Customer Scorecard KPI achievements	Customer Visits Seasonal Design 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		Monthly forum with CSR teams in SBUs	Board Update & Review (Workstream level) 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 enable 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 across Sri Lanka, 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.

The Group's Community Forum (Social Sustainability Forum — SSF) initiative engages local stakeholders, including the police, hospitals, religious leaders and Grama Niladhari (GN) officers; to understand and address any potential impacts of our operations on the environment and the day-to-day lives of surrounding communities. Feedback received through these forums is used to identify areas for improvement and implement appropriate actions.

During the year 2025/26, feedback received regarding traffic congestion and noise - associated with employee transportation, led to the introduction of driver awareness training, adjusted transportation timings across different areas to minimise disruption, and implementation of measures to reduce noise pollution.

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 ESG StatHarvest 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 are embedded in Brandix's DNA.

- Employee awareness initiatives on Anti-Corruption Act, No. 9 of 2023 of Sri Lanka.
- Enterprise Risk Assessment covering fraud risk and corruption.
- Gift Policy developed in alignment with Sri Lanka's Anti-Corruption Act, No. 9 of 2023, and the relevant provisions were incorporated into the Brandix Code of Conduct.
- Vendor code of ethics periodic self-audits and third-party 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 property 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.



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Internal Audit & 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.

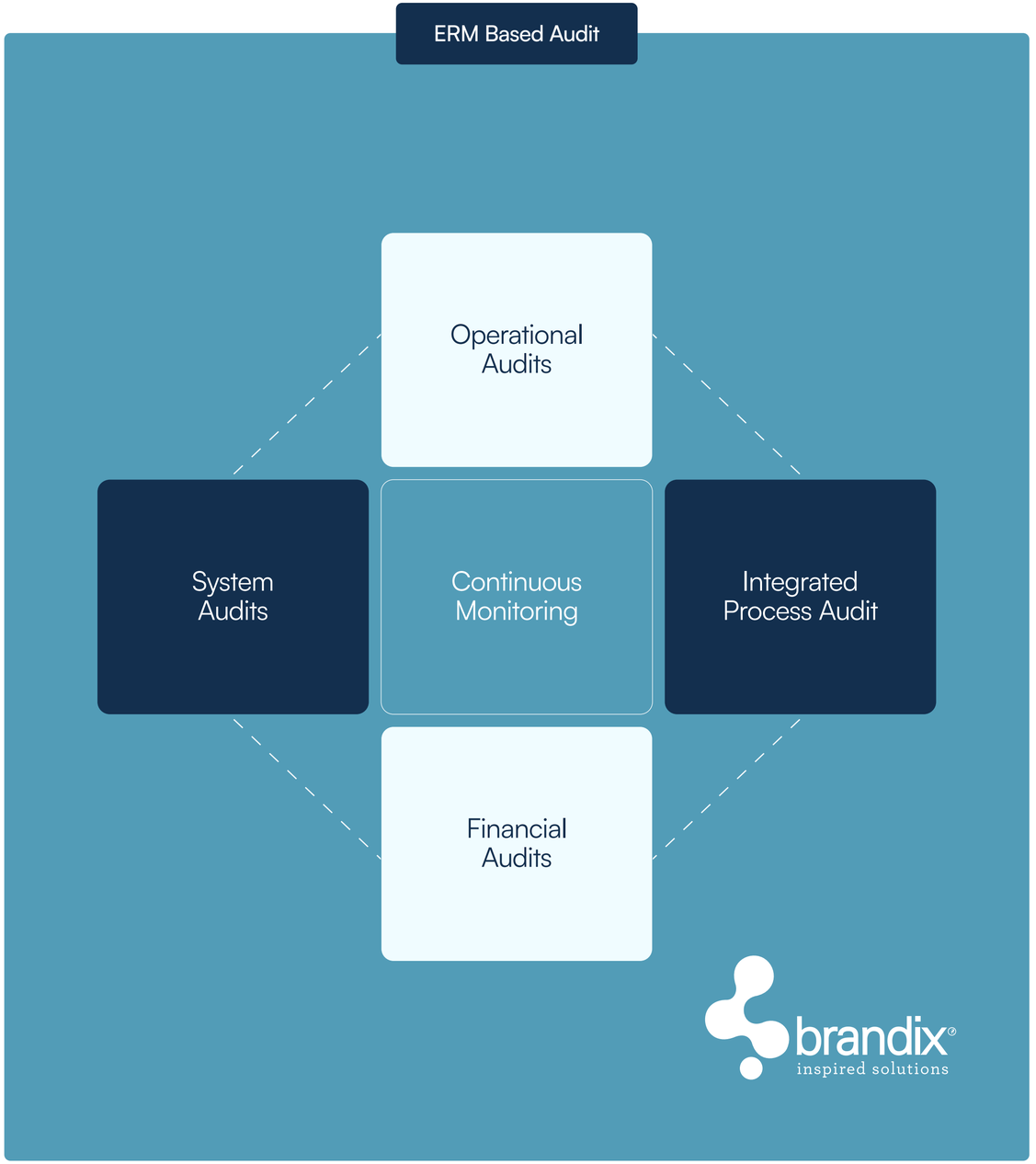
With regard to ESG integration, the Internal Audit function works closely with the ESG team to provide advisory and assurance support to better manage ESG-related risks and opportunities.

There were no significant instances of non-compliance with laws and regulations, no instances of corruption, and zero fines or monetary sanctions reported during the financial year.

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.

During 2025/26, the Internal Audit function embarked on a digital audit journey built around the RIGOR methodology - leveraging advanced analytics, automation, and Artificial Intelligence (AI) to enhance audit effectiveness and risk insight.

Through the application of data-driven risk assessment techniques, the function identifies emerging risks, anomalies, and control weaknesses with greater precision and coverage. In addition, digital solutions and continuous monitoring capabilities are being developed to provide ongoing oversight of key risk areas and transactions, enabling proactive risk management, timely intervention, and strengthened assurance across the Group.



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 enhances 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.

In 2025/26, as part of efforts to continue enhancing risk oversight, Suwan Perera - Director Finance, assumed formal executive oversight of the Risk Function within the Executive Board. This appointment consolidates our risk mitigation strategies, compliance protocols, and climate-related risk disclosures under unified, high-level board direction.

Having recently revised our ICT risk appetite to address risks from advancements in AI and digital technology, coupled with the rising frequency and sophistication of cyberattacks; we continued to prioritise strengthening the organisation's resilience through processes and protocols to prevent losses related to critical or sensitive data, maintain data integrity, and ensure uptime and availability of critical applications and infrastructure.

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 ISO 31000 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 facilitates 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 the 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.

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01 Setting a Risk Appetite

02 Identifying Risk

03 Quantifying Risk

04 Risk Treatment

05 Monitoring & Review

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.

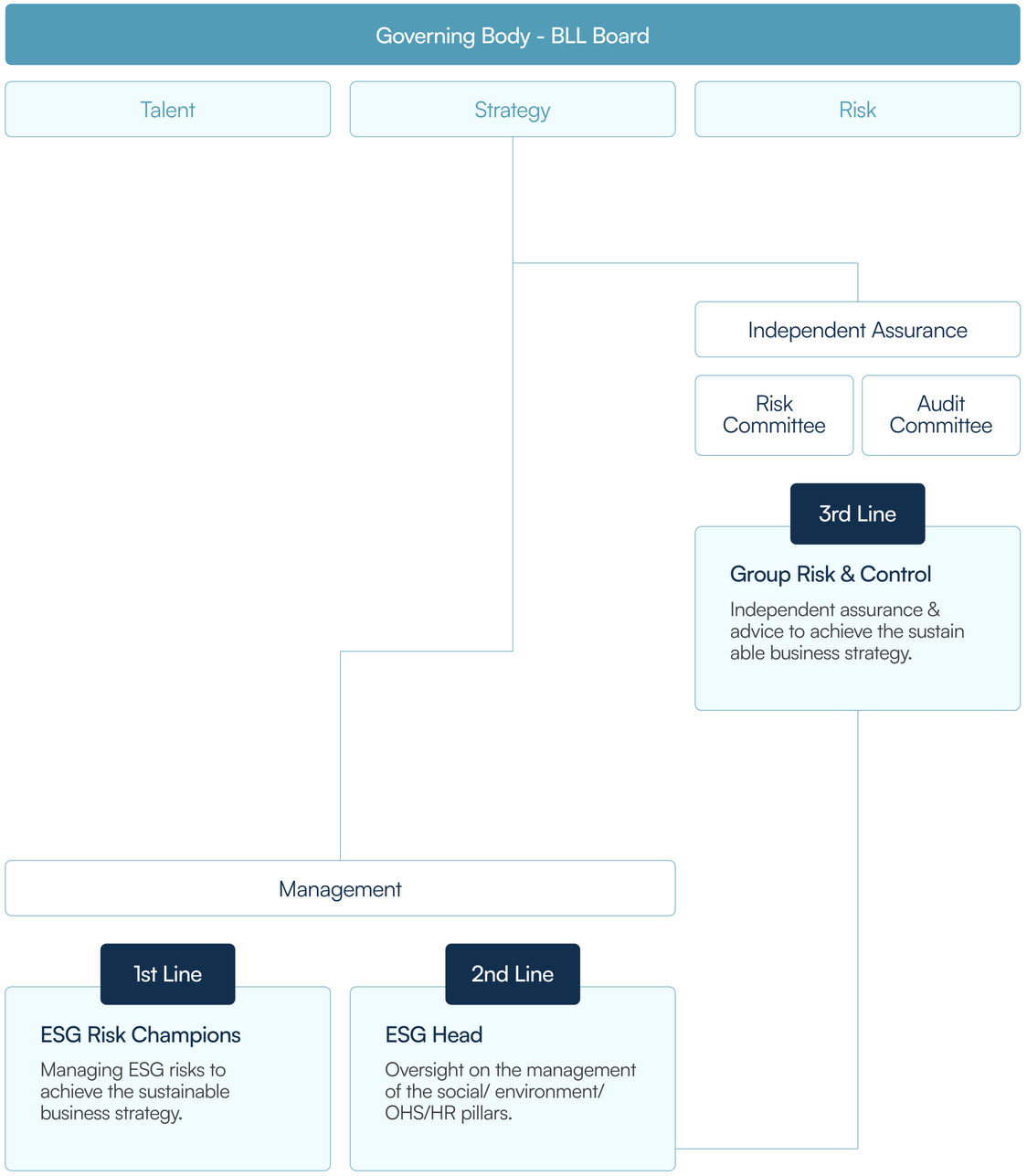
First line of responsibility	Customer risk owners and plant (operational) risk owners at each facility, differentiated by channel. The first line includes ESG champions, specialising in environmental, social, and occupational health and safety (OHS) matters, designated at each location. ☐ Monitoring 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 KPIs relevant to all the environment related areas under ESG and conducts environmental audits ☐ Corporate OHS team governs the self-assurance process for OHS related controls at each location and conducts 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 the 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.

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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.

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.





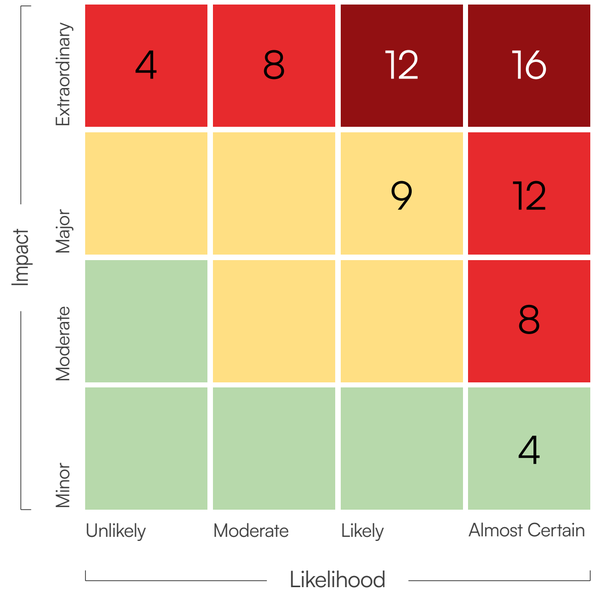
Risk Report 2025/26

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.

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



Risk Rating and Response



- Single Location
- Economic Condition
- Completion (Local & Overseas)
- FTAs, Legislation, Registration
- Man-made/Natural Disasters
- Reputation

- Outdated Systems & Technology
- System Failures
- Network Security
- Data Privacy

- Brand Protection
- Internal Controls
- Health & Safety
- Laws & Regulations

- Retention TACT
- Succession Planning
- Cadre Fulfillment
- SME
- Attraction

- Sub Contract
- Execution
- Margin Erosion
- Quality
- Continuity

- Exposure
- Stability
- Capability
- Reliability

- Budget Validation
- Adequate Governance Framework / SOPs
- Strategic Risk
- Disruption

- Cost structure
- Working Capital Management
- Currency Risk
- Interest Rate Risk

- Exposure
- Performance
- Strategy
- Volatility / Change

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Risk Category	Risk / Opportunity	Risk Rating	Mitigation Plans
Economic and market related risk	Geopolitical tensions, trade policy changes and tariffs, together with slower global economic growth, may disrupt customer demand, buying patterns and order volumes, impacting revenue and profit margins.		The Group continues to monitor evolving trade and tariff developments and responds through proactive customer engagement, supply chain optimisation, and strategic operational planning to maintain competitiveness and resilience across its manufacturing network. Enhance operational agility and business continuity capabilities to support effective response to disruptions across the value chain.
	Global supply chain disruptions, including volatility in raw material availability, costs, logistics and lead times, may impact the Group's ability to meet customer requirements and achieve operational and financial objectives.		Strengthen business continuity and operational agility to respond effectively to disruptions and changes in the business environment. Strengthen resilience through proactive risk assessment, scenario analysis, and forward-looking planning to anticipate and respond to macroeconomic, geopolitical, and market developments.
Information security and data privacy risk	Cybersecurity threats, data privacy breaches, or disruptions to digital systems may result in operational, financial, regulatory, and reputational impacts.		A Board-overseen information security program aligned to an internationally recognised cybersecurity framework, independently assessed, and periodically reviewed. Layered preventive, detective, and response capabilities maintained and tested throughout the year. Group-wide security and data privacy awareness programs across all employee categories. A structured governance and monitoring mechanism over personal data, supporting readiness for applicable data protection regulations across operating geographies.
Technology availability risk	Disruption to critical digital platforms could affect business continuity and operational performance. Continuity arrangements and monitoring reduce the residual exposure to a level assessed as acceptable.		Documented business continuity and recovery arrangements for critical systems, validated through periodic testing. Continuous monitoring of the technology estate with defined escalation and service restoration protocols.

Risk Category	Risk / Opportunity	Risk Rating	Mitigation Plans
People related risk	Regional competition for talent leading to loss of critical talent which could affect strategic growth plan of the group.		Strengthening succession planning to ensure successor-readiness for all critical positions. Implementing talent development initiatives for successor readiness Implement employee engagement initiatives to foster an inclusive work environment and strengthen the Employee Value Proposition to attract and retain talent. Redefining a total rewards strategy to stay competitive with market
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.		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.
Occupational Health & Safety (OHS) related risk	Risk of injury and fatalities to staff, contractor 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.

Risk Category	Risk / Opportunity	Risk Rating	Mitigation Plans
Emerging Risk — Responsible Adoption of Artificial Intelligence	Inappropriate use or governance of Artificial Intelligence (AI) may result in data privacy, security, regulatory, ethical, and reputational risks.		A Board-endorsed AI policy and governance framework establishing accountability, approval protocols and permitted use cases for AI adoption. Information classification and handling governance to protect confidential and personal information. Human oversight and periodic validation of AI-enabled outputs for accuracy, fairness, and policy alignment. Awareness and capability building on responsible and ethical AI use, with defined escalation routes.
Climate Change Risks and Opportunities	The risk rating provided for climate-related risks and opportunities has been established primarily focusing on the impact to business and likelihood of occurring during the reporting period. Risks have been identified across three time horizons as directed by the TCFD and defined in line with the Group's LRP cycle: Short Term (12 months), Medium Term (2-3 years), and Long Term (5 years).		
Transition Risk	Growing customer expectations for emission cuts throughout the value chain underscore the need to advance technology.		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. Increase the use of sustainable raw materials in production, with the proportion increasing year-on-year, reflecting continued progress in sustainable material adoption. Resource optimisation measures in relation to Heating, Ventilation, and Air Conditioning (HVAC). Adopting reliable renewable energy sources for the operations
Transition Opportunities	Led by eco-conscious consumer behavior 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.

Risk Category	Risk / Opportunity	Risk Rating	Mitigation Plans
Transition Opportunities (Continued)	Led by eco-conscious consumer behavior 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.		Increase the use of sustainable raw materials in production, with the proportion increasing year-on-year, reflecting continued progress in sustainable material adoption. Exploring opportunities to provide long-term sustainable solutions for materials and chemicals used in the manufacturing process. Increase reliance on renewable material and increase the use of recycled material for the process with the required customer compliance. 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 Key Sustainability Performance Indicators including periodic internal and external audits. Utilise 3D sampling to avoid physical samples which consume 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 our employees 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.		Explore alternative groundwater sources and increase 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.

Innovation & Sustainability

Innovation is part of our DNA, inscribed within our Maxim - Stay Curious. We believe innovation brings differentiation, as it sits at the heart of where people, process, and technology converge.
Our capacity to engineer unique product offerings is defined by the intersection of product innovation, technological advancement, digital transformation, and ESG principles.

Our overarching product strategy ensures these offerings not only meet rigorous standards for quality, safety, and functionality, but also actively drive long-term sustainable value. Simultaneously, empowering our workforce with digital tools and technology inspires collective innovation and builds enduring value for our business and our stakeholders.

During the 2025/26 financial year, we worked to accelerate digital and technological transformation within our production and manufacturing processes. Enhancements during the year focused on physical automation, workflow digitalisation, advances to manufacturing equipment, and exploration of innovative new product processes and methodologies.

Product Development and Innovation

For Brandix, sustainability and innovation are intrinsically linked within our product strategy. Delivering Inspired Solutions requires a holistic approach and an integrated mindset that ensures the products we manufacture not only meet global standards for quality, safety, and functionality, but also, actively contribute to improved sustainability and circularity for our customers and end-consumers.

Our strategies to ensure the safety and quality of products are detailed under the discussion of how we create value for our Customers (see Customers chapter of the report on **page 190**).

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Highlights Across 2025/26

Advancing Apparel Longevity

We are piloting innovations to enhance apparel longevity - working on new RM solutions that would maintain colour and other physical parameters up to 50 washes, greatly exceeding the baseline expectation of 20 washes.

Longevity improvements in apparel can directly influence a product's active lifecycle: potentially extending a garment's use-phase and slowing down consumer replacement cycles.

Advancements in wash durability could also extend the technical loop in circularity by enabling products to remain structurally viable for longer. This could allow garments to re-enter the circular economy through additional opportunities for secondary and tertiary product lifecycles (such as resale, rental, and upcycling, before reaching end-of-life).

Performance-Enhanced Natural Fibre Development

Our natural fibre enhancement initiative reimagines how performance and sustainability can coexist within natural materials, with potential for reduction in manufacturing energy-intensity.

Unlike synthetic fibres such as nylon and polyester, which typically require dyeing temperatures of around 95°C and 130°C respectively, cotton can be dyed at a considerably lower range of 60—80°C, particularly for lighter shades.

By engineering cotton to deliver synthetic-like performance attributes including wicking, quick-dry capability, absorbency, and breathability, we are working to lower energy intensity in the dyeing process while retaining the natural comfort and biodegradability associated with cotton.

Advanced Cooling through Fabric Technology

Our cooling fabric technology project is designed to enhance wearer comfort while indirectly supporting resource efficiency.

Cooling fabrics can limit heat-gain from the external environment and more effectively transfer body heat outward, helping wearers stay cool with less reliance on external cooling resources such as air conditioning.

With near-infrared (NIR) reflection performance of approximately 65% (compared to around 40% for standard fabrics), advanced fabrics developed through material innovation can contribute to measurable improvements in thermal management.

Utilising Recycled Content

We are exploring the potential of using post-consumer recycled cotton, obtained from used clothing, as an input material in commercial-scale manufacturing. At the same time, we continue to use selected pre-consumer recycled materials, including quality-enhanced recycled yarns developed to address common performance limitations in areas such as consistency, strength, durability and overall performance.

Utilising post-consumer recycled materials extracted directly from used clothing presents challenges related to infrastructure, technology and cost. However, these materials remain a promising frontier for circularity, which could realise significant environmental benefits and business value.



Low-Impact Dyeing and Finishing

Recently piloted dyeing innovations have the potential to reduce water-use by almost 20%, steam consumption by 50%, and emissions by 5%.

We piloted an optimised dyeing process with trial results indicating reductions in greenhouse gas emissions, water consumption, and steam consumption (through gains to thermal efficiency), when compared to conventional dyeing. Importantly, these efficiency improvements were achieved while preserving the fabric's natural cotton character, including its inherent wax content.

We are now offering these advancements to our customers — as a means to reduce their product and supply chain environmental footprint while maintaining product quality.



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Automation in Product Development

During the year 2025/26, we continued roll-out of automation for sewing lines in our Product Development Centre (PDC) while enhancing product quality in the development cycle. These improvements are allowing for faster prototyping and changeovers between different styles, sizes, and designs — improving overall flexibility.

QC operator reports prepared digitally and transmitted directly to end customers, further reducing lead times and eliminating physical paperwork.

Previously manual material tape cutting moved to a semi-automated process during the year. This transformation has numerous potential gains - from improved delivery times and consistency, to reduction in fabric waste, and improved worker safety with lower risk of human error.

We are in the process of introducing automated cutting in our sample rooms to speed up processes and enhance accuracy. Automation can improve precision, reduce fabric waste, and net a number of long-term business gains such as improved production speed, ability to handle more complex textiles, and reduction in labour costs.

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Digital-First Technical Design Capacity (TDC)

During 2025/26, we continued to expand adoption of 3D Digital Product Creation, AI-assisted sketch and digital sample development, digital fabric and lace selection, and digital colour approval processes.

Technical teams are actively training to evaluate and validate digital samples before initiating physical sample development, ensuring that digital becomes the primary decision-making tool in the product development lifecycle. Designers also leverage digital samples during co-creation projects with selected customers, enabling real-time collaboration and multiple design iterations while significantly reducing dependence on physical prototypes.

In parallel, we are building a digital twin for every physical sample, making it an integral part of our product development process. As digital assets become embedded within everyday workflows, adoption continues to grow organically across teams, strengthening digital capability and supporting long-term sustainable product development.

By engaging customers early with digital samples, we are able to capture design feedback, review fit, colours, fabrics, and trims, and secure approvals before producing physical samples. Physical samples are produced only after key design and technical decisions have been validated digitally, resulting in more efficient resource utilisation and reduced product development waste.

While digital samples are becoming standard practice, 3D sampling can only be applied at specific stages of the product development process, and thus physical sampling cannot be fully replaced at present.

Transitioning selected sampling stages from physical to digital has shown the potential to deliver around 75% cost savings while enhancing speed-to-market and reducing environmental impact.

This digital-first approach has improved speed to decision, shortened development lead times, and enhanced customer collaboration. At scale, these advances also contribute to substantial savings in water, energy, and emissions, while reducing waste generation.

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Automation in Bulk Manufacturing

Automated Material Handling with Autonomous Mobile Robots (AMRs)

A major milestone in 2025/26 was successful completion of the Automated Material Handling Project - utilising AMRs in apparel manufacturing. This marks the first-time implementation of robotic material handling within our garment manufacturing operations, where we have successfully integrated cutting-edge robotics and smart automation technologies to streamline material movement across production lines.

Improved efficiency and flexibility in material transportation

Reduced manual handling and improved operational capability and safety

Enabled real-time tracking and intelligent dispatching of materials

Completion of the project marks a significant milestone in our journey towards advanced manufacturing and digital transformation, while establishing a scalable, intelligent foundation for future Smart Factory initiatives.

Introduction of AMRs for material handling has cut labour requirement related to material movement, in half - allowing deployment of associates away from manual and physically strenuous tasks into tech-assisted loading roles.

Based on initial observations, AMRs could save associates from the manual labour equivalent of walking more than 10,000 km each year.



Automated sticker-pasting

Automation of box sticker-pasting introduced by the Regional Automation and Innovation (BRAIN) team. Engineered in-house, this custom solution is overcoming the rigid operational limitations of off-the-shelf commercial machinery. Additional modifications are underway to increase processing speed by 50%.

Automated/ Intelligent Hanger System with RFID tracking

Launch of automated / intelligent hanger system introduced an overhead network with RFID tracking and smart scheduling to move clothes on the shop-floor. The system replaces manual bundling and table stacks, preventing creasing and potential surface damage. Pilot results in Sri Lanka showed a 10% boost to overall production output and workflow speed. Following the pilot, we have now expanded the system to our Bangladesh operations.

Further automation trials were conducted with partner customers to improve efficiency and First Time Through (FTT) rate.

In the long-run, automation at this level in the product lifecycle reduces manual bottlenecks and errors, improves standardisation, and provides for stricter quality control while opening new avenues for more complex apparel assembly.



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Systemic Digital Transformation

During the year, the Group digitalisation strategy was advanced, successfully shifting focus from foundational capability build-out to scaled, outcome-focused implementation.

This progression has fortified our governance, operational resilience, and sustainability frameworks, firmly positioning digitalisation as a primary driver of long-term ESG progress and resilient growth.

AI Assisted Empowerment

Brandix has made significant strides over the year on the AI frontier from the initial first mover advantage in terms of enabling Microsoft CoPilot as part of the Microsoft global Early Access Programme in 2023.

As of today, Brandix is placed as one of the largest tenants for Microsoft CoPilot within the country.

Across the year we took a zero-based view on process optimisation and executed discoveries that enabled the diffusion of robotic process automation and AI automated across key operational areas of the business unlocking significant cycle time improvements such as on the front-end product development front.

This has enabled a significant unlock of mundane non-value-added tasks across key teams, enabling them with better bandwidth to focus on strategic and tactical initiatives.

Agentic automation kicked off with an initial priority on tech use cases such as the total elimination of the traditional NOC (Network Operations Centre) with an agentic AI developed in-house. This was further expanded across the year to take on more complex use cases on the cyber security front with automated interventions through Agentic AI with significant value unlock in bolstering the Brandix security posture.

Today, we are expanding the diffusion of agentic AI automation across key business processes that include the automated creation of customer orders, amendments & autonomous purchase order enablement across select suppliers.

Cloud-First Infrastructure

As part of our commitment to building a future-ready, responsible, and agile organisation, we continue to advance our cloud-first strategy by re-architecting and migrating our core applications to cloud-native platforms. During the year, Brandix completed a total migration to Microsoft Fabric architecture which provides significantly optimised cost management with the unification of multiple technology stacks.

More importantly, the move enabled the Brandix data analytics journey with embedded AI capabilities that are poised to make data-driven decision making faster accelerating adoption of data analytics across the organisation further reducing waste and cycle time.

Cloud transformation enables demand-based scalability and flexible computing, reducing idle capacity and avoiding over-provisioning. By actively aligning resource usage with actual operational requirements, we have significantly lowered our digital energy intensity and minimised the carbon footprint associated with our IT operations.

Crucially, our cloud-based platforms further provide higher availability, redundancy, and robust disaster-recovery capabilities, substantially improving overall operational reliability compared to legacy on-premises systems.

Furthermore, aligning our infrastructure with global cloud service providers that prioritise green and renewable energy directly advances our environmental objectives, strengthening our capacity to decouple commercial growth from energy intensity and indirect emissions.

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Zero-Paper Initiative

This initiative focuses on eliminating non-value-adding, manual paper-based activities and replacing them with digitised, workflow-driven solutions fully embedded within our Smart Factory and enterprise platforms.

We have systematically scaled our Zero-Paper initiative across administrative, operational, and manufacturing processes: **reducing organisation-wide printer usage by almost 40%.**

The uniqueness is that most of the solutions were developed with a citizen development approach with low-code/no-code solutions being introduced and trained to be used across business users enabling them to carry out their own digitalisation activities under the guidance of the Brandix Digital team.

Core Touchpoint Digitalisation

We have successfully digitised approvals, operational logs, shop-floor reporting, warehouse documentation, visitor management, HR records, and operational controls.

Departmental Accountability

Print usage is actively tracked at a departmental level, providing clear visibility into absolute resource reductions and subsequent cost savings arising from reduced printing, storage, and manual handling.

Lifecycle Environmental Benefits

The transition has delivered critical secondary environmental benefits, including reduced lifecycle energy and water consumption associated with paper production, and lower physical waste generation and disposal requirements.

Streamlined Information Velocity

This shift drives day-to-day operational efficiency by enabling faster, frictionless, paperless information flows across the organisation.

Smart Manufacturing

Smart Factory implementation represents a core pillar of our Industry 4.0 and Industry 5.0 roadmap, moving from targeted pilot projects to scaled, enterprise deployment. By leveraging advanced technologies such as the Internet of Things (IoT), edge computing, real-time analytics, artificial intelligence, and digital twins, we are transforming our manufacturing facilities into an intelligent, human-centric, and sustainable ecosystem.

Over the year we have shifted focus to enable point solutions based on customer needs and the roll out of an end-to-end RFID-based traceability solution across one of the factories in India is a key highlight, enabling the reduction of rejects, waste and real-time tracking of production enabling better customer delivery from an on-time delivery perspective.

Across the year we introduced custom ERP enablement across our first DTA plant in India with a localised ERP implementation carried out in a record time of 36 days enabling the rapid mobilisation of the plant.

These systemic advancements enhance overall customer value and trust by also improving delivery reliability, quality consistency, and end-to-end responsiveness. Our predictive, real-time insights ensure we meet evolving customer expectations for speed and sustainability without impacting manufacturing quality.

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Data Integrity

Focus on enabling data integrity across the organisation has been a focal point within the year with the expected operationalisation of the Sri Lanka Data Protection Act No 09 of 2022 as well as the digital personal data protection act of India with rules published in the 3rd quarter of 2025.

Brandix has within the year completed the acquisition of consent for processing personally identifiable data in Sri Lanka and has onboarded a consulting practice to enable due diligence and to launch a consent management platform in India which is currently in progress.

While data classification practices already existed, we have now proceeded to bring in governance across the data analytics layer to ensure that required data classification is in place across a broader spectrum alongside the introduction of an AI usage policy

From a social sustainability perspective, centralised digital HR and workforce systems have significantly improved the reliability, consistency, and traceability of our social data.

Metrics related to employee records, training hours, internal engagement, and well-being are captured digitally, reducing reliance on manual data logs. This data veracity is strictly guarded by data governance mechanisms, including role-based access controls, system logs, and secure audit trails.



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Digital Literacy & Workforce Enablement

We continue to focus on enabling our workforce with foundational digital literacy that focuses not only on operational systems but also from a broader perspective. We have continued to tailor our digital literacy programme on the DigComp 2.2 framework which is an update of the European Digital Competence Framework for citizens released in 2022 by the European Commission's Joint Research Centre.

The programme was tiered to provide basic computer skills, essential software skills, and technology usage skills for everyday life - across associates; as well as intermediate and advanced skills around data literacy, which is conducted in tandem with the Manager and Executive development programmes initiated by the Brandix Corporate Campus.

A key element of the programme has been the cyber security training and assessments which has been operationalised to ensure overall data and information governance across the organisation where, as of today, the majority of the workforce is certified.

We intend to continue the programme across the organisation and further impetus has been initiated on rightful usage of AI platforms during the year.



Environmental Governance

Our integrated environmental governance framework provides the structure and accountability required to minimise our environmental footprint and manage environmental risks, including climate-related risks.

Operationalisation on the ground is driven by an Environmental Management System (EMS) team alongside dedicated environmental management representatives across our facilities.

To proactively manage and disclose potential exposure, climate risks are fully embedded into our Enterprise Risk Management (ERM) process. The effectiveness of our framework is evident in zero environmental fines or non-compliance issues recorded during the reporting period.

Further details on our environmental stewardship approach and policy framework are available in the ESG Integration section **page 45**, the Disclosure on Management Approach (DMA) summary, and our complete online disclosures on **page 49**.







Tracking our Performance and Progress

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 cascade from the Board to our operational teams.

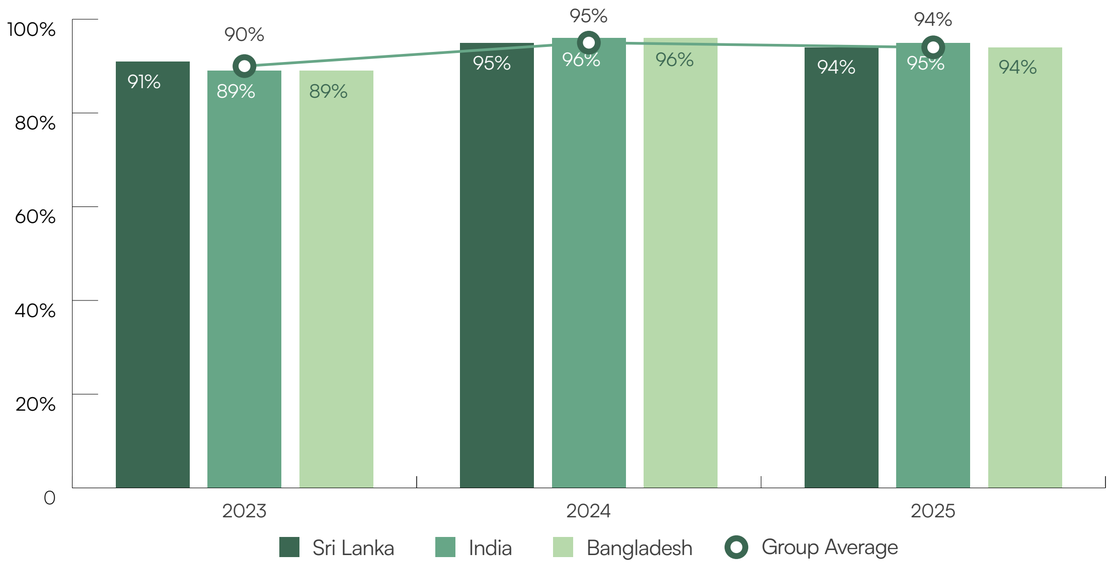
We utilise a number of digital tools to gather, refine, and analyse environmental data. Dashboards measure solar generation, while on-site BMSs and IoT devices track facility energy consumption in real time. Ecocaliper, integrated with factory BMSs, functions as our in-house data gathering platform for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

Our sustainability disclosures report progress against 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.

Environmental governance is regularised through Standard Operating Procedures (SOPs), which mandate 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. In 2025/26, the Group-level average Higg FEM score stood at 94% (95% in 2024/25).

Group Higg FEM Performance





Air

Water

Earth



Under the Air pillar of our Environmental Sustainability strategy, we are committed to proactive climate action: through resource optimisation and deep decarbonisation, and ensuring cleaner air for our communities and planet.

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Our Approach to Decarbonisation

2021/22 Baseline year of reference

2025/26
- 1% increase in Scope 1 and 2 emissions
- 45% reduction in Scope 3 emissions



Where we are today

Renewable Energy

- 18.8 MW onsite installed solar capacity
- Traditional boilers transitioned to utilise biomass
- 32% renewables in our energy-mix

Resource Optimisation

- Adoption of IoT and digitalisation for smart factory systems
- Energy benchmarking and energy optimisation

2030 Near Term Target
- 50% reduction in Scope 1 and 2 emissions
- 25% reduction in Scope 3 emissions

2040 Long Term Target
- 100% reduction in Scope 1 and 2 emissions
- 90% reduction in Scope 3 emissions

2050 Net-zero emissions across the value chain

The stark reality of climate change demands decisive, systemic action. As a manufacturing partner of choice for leading brands in the global fashion industry, our interventions are guided by an ambitious, SBTi-validated decarbonisation roadmap with clear near-term and long-term targets.

We have committed to achieving Net Zero Carbon across our global operations by 2030, and reaching net-zero emissions across the value chain by 2050.

To realise these targets, our decarbonisation strategy considers two primary levers: accelerating a transition to renewable energy sources - such as solar and sustainably sourced biomass; and driving energy efficiency and resource optimisation across all our processes. In addition, we endeavour to innovate and collaborate with our customers and supply chain partners, to catalyse emission-reduction across the value chain.

This unified approach - ambitious structural shifts and continuous, incremental, improvements, drives our decarbonisation roadmap forward. Together, we believe this strategy will deliver absolute reductions in emissions, and effectively decouple the Group's long-term business growth from its carbon footprint. 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.

Working toward our Climate Pledge with the World Green Building Council (WGBC): to reach Net Zero Carbon across all operating locations by 2030, a number of our Sri Lankan facilities have achieved a similar level to Net Zero (Net Zero Carbon), where renewable energy generated and exported to the grid (via installed solar PV infrastructure at our facilities), matches or exceeds energy consumed by the facility.

Navigating Climate Risks and Planning our Transition

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 climate change-related risks and opportunities, informed by TCFD guidelines, primarily involve the following:

- Transition Risks related to stakeholder expectations to reduce value-chain emissions and technology lag that hampers these cuts.
- Transition Opportunities arising from eco-conscious consumer behaviour that can increase demand for more sustainable fashion and apparel.
- Physical Acute Risks from unforeseen heat waves and heavy rainfall - causing natural disasters that impact operations and hinder the lives of Brandix employees.
- Physical Chronic Risks relating to climatic changes leading to prolonged dry seasons / drought — which would have an adverse impact on operations and livelihoods of employees.

The Group's Risk Report **page 56** presents a detailed discussion of our climate-related risks, their potential business implications, and our mitigation strategies.

Brandix is currently in the process of developing a Climate Change Adaptation and Transition Plan, after considering the materiality of financial implications of climate change on the business.



Progress in 2025/26: Where we are today

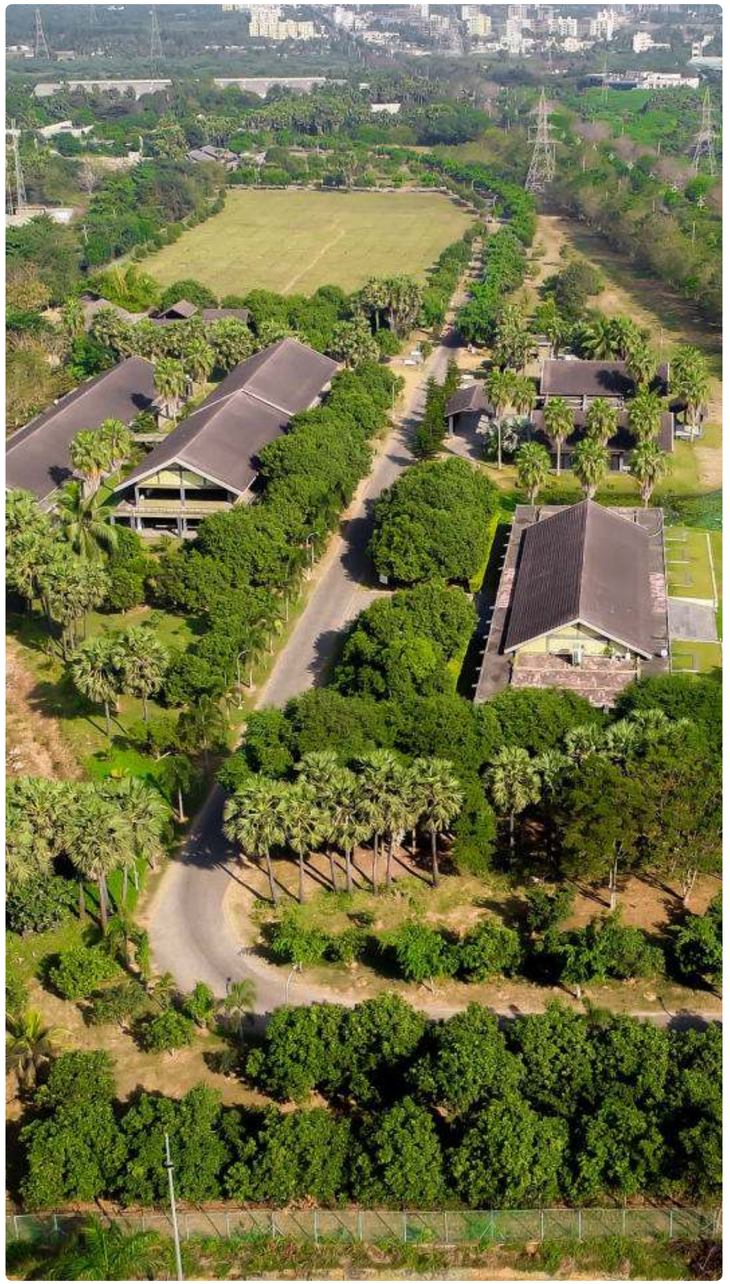
Group GHG emissions (Scope 1 and 2) amounted to 31,143 tCO2e in 2025/26, a 3% reduction from the previous year, and a 1% increase against our 2021/22 baseline. Group emission intensity, calculated based on Scope 1 and Scope 2 GHG emissions per USD Mn in revenue, reduced by 8% YoY, to 43.5 tCO2e/USDMn.

During the year 2025/26, Brandix navigated a highly competitive operating environment characterised by global economic pressures; where customers increasingly demanded shorter lead times and reduced upfront liability exposure.

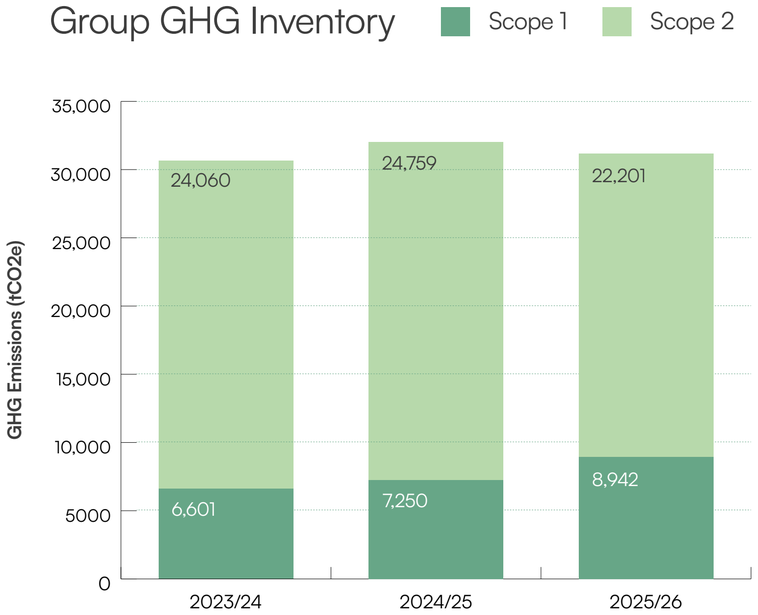
Despite intense price competitiveness and logistical challenges in this fast-evolving landscape, Brandix remained resolute in its commitment to Decarbonisation. Progressing according to the Group decarbonisation strategy and roadmap, we accelerated digital transformation and Smart Factory initiatives, leveraging technology to build operational resilience and drive sustainable, responsible manufacturing.

Due to rising tariffs and associated operational cost challenges experienced during the reporting period, Brandix adopted a cautious approach to capital deployment. Priority was given to operational continuity and efficiency optimisation while assessing future renewable energy and sustainability investments and laying the groundwork to achieve our long-term climate ambitions.

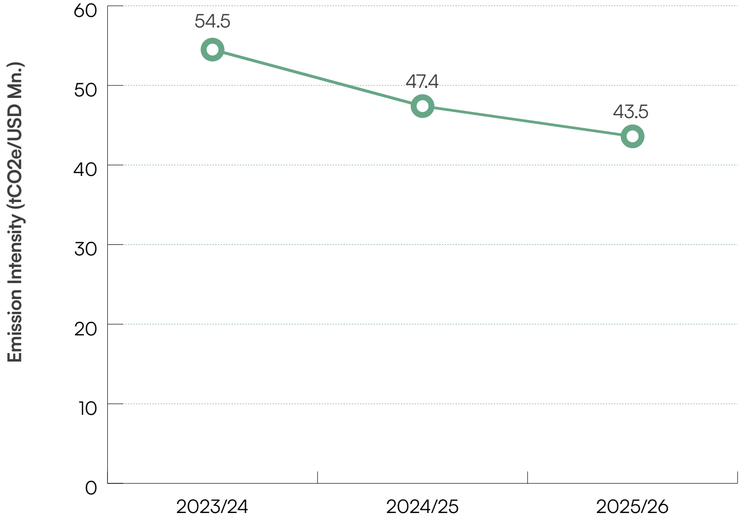
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Group GHG Inventory



Group Carbon Emission Intensity



Scope 1

Total Scope 1 emissions for the group for 2025/26 is 8,942 tCO2e. Scope 1 emissions grew by 23.5% YoY, and 75% against the 2021/22 baseline. The increase was primarily driven by utilisation of natural gas, at our Bangladesh facilities, which now accounts for approximately 72% of our Scope 1 footprint.

Our Bangladesh operations rely on natural gas to fulfil both thermal and electricity requirements, as local grid inefficiencies necessitate facility-level electricity generation. Looking to address this challenge, we have initiated technical feasibility assessments to install solar power generation infrastructure. This has the potential to directly cut natural gas combustion on-site - and can lead to direct Scope 1 reductions in the future.

Fugitive emissions from refrigerants in facility cooling and process chillers now accounts for 22% of our Scope 1 footprint. This concentration is largely driven by the high Global Warming Potential (GWP) of legacy R22 (HCFC-22) refrigerants.

While absolute gas leakage volume remains low, its high TCO2e intensity makes refrigerant management a decarbonisation priority. We are addressing this emission hotspot in two ways: a phased retrofit and replacement programme 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 work to control refrigerant-related emissions from equipment. Continuous monitoring at source, installation of abatement systems, and regular tune-ups also help reduce fugitive emissions and Particulate Matter (PM).

Biogenic Emissions

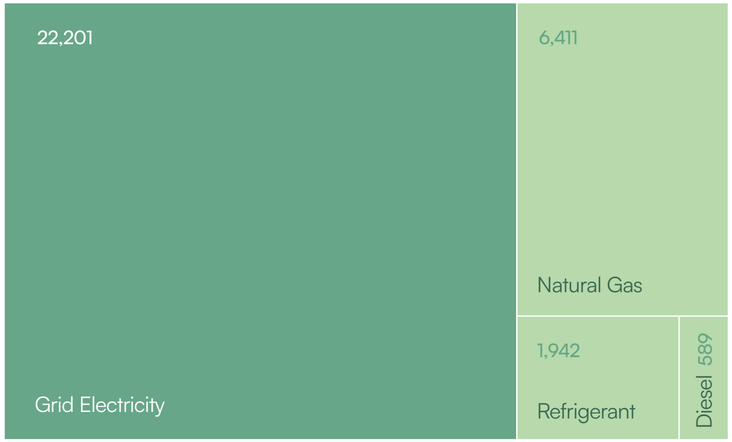
As of 2025/26, we began disaggregating the reporting of biogenic emissions originating from biomass combustion. This fuel source powers energy-intensive thermal processes, such as washing, dyeing, and finishing, which account for a major portion of facility energy demand. The total Biogenic emissions for 2025/26 is 11,519tCO2e

In alignment with the GHG Protocol Corporate Standard and GRI 305-1 guidelines, biogenic emissions resulting from biomass combustion are tracked and reported separately from our gross Scope 1, Scope 2, and Scope 3 totals. The total Biogenic emissions for 2025/26 are 11,519tCO2e.

Biomass satisfies a major portion of our thermal energy requirements (and approximately 23% of our total energy demand), effectively displacing significant volumes of fossil-fuel combustion.

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

Group Emissions by Source





Scope 2

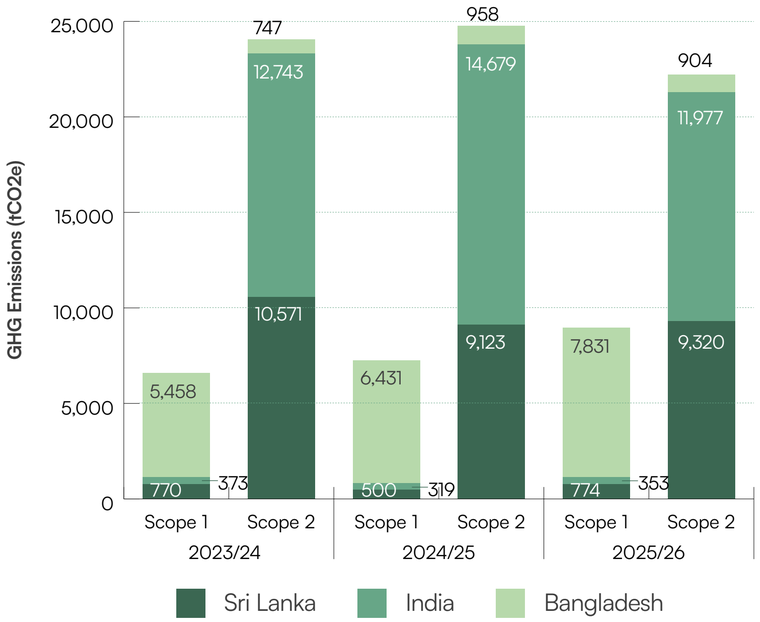
Total Scope 2 emissions for the year, amounted to 22,201 tCO2e. Total Scope 2 emissions declined by 10% YoY, and 14% against the 2021/22 baseline. This achievement is primarily driven by decarbonisation of the national grids in Sri Lanka and India, as state and private-sector adoption of wind and solar at scale led to improvements in national Grid Emission Factors (GEF).

While there was no increase in facility-level renewable energy generation capacity during 2025/26, we have plans to expand solar infrastructure in India and Bangladesh, and are initiating a pilot for industrial-scale Battery Energy Storage Systems (BESS) in Sri Lanka.

State-level Net-Zero commitments, in Sri Lanka and India, are driving systemic greening of national grids. These ongoing transformations will unlock additional Scope 2 emission reductions in the years ahead as state utility providers accelerate the installation of renewable electricity capacity.



Countrywise GHG Inventory



Country	Scope 1 (tCO2e)					Scope 2 (tCO2e)	
	Diesel	Furnace Oil	Natural Gas	Refrigerant	Fire Extinguisher	Grid Electricity	Solar
Sri Lanka	447.84	-	-	326.20	-	9,319.68	-
India	130.27	-	-	222.28	-	11,977.45	-
Bangladesh	11.30	-	6,411.03	1,393.09	-	904.37	-
Total	**589.40**	**-**	**6,411.03**	**1,941.57**	**-**	**22,201.50**	**-**
Group					**8,942 (Scope 1)**		**22,201 (Scope 2)**



Scope 3

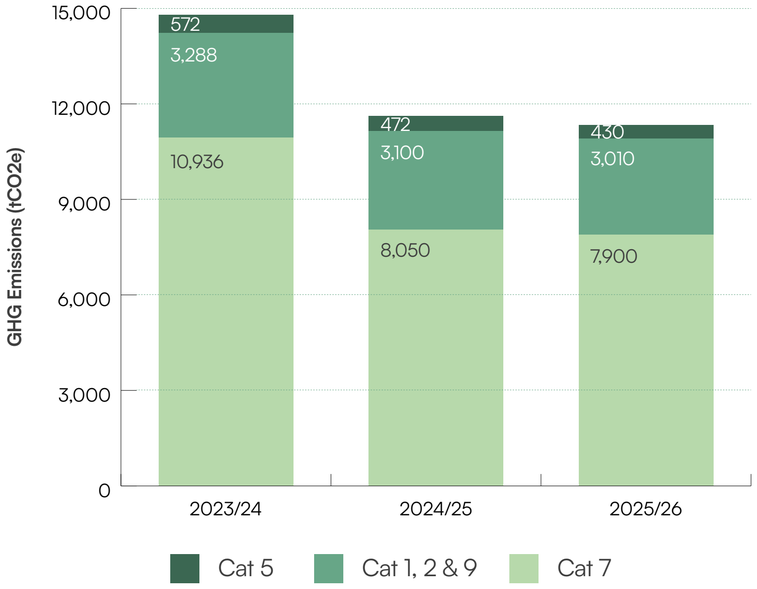
Total Scope 3 emissions for the year 2025/26, stood at 11,340 tCO2e. Scope 3 emissions reduced by 2% YoY, and 46% against the 2021/22 baseline. Due to challenges with capturing information and accurately estimating emissions, we currently only consider Categories 1 (Purchased Goods and Services), 2 (Capital Goods), 5 (Waste Generated in Operations), 7 (Employee Commuting), and 9 (Downstream Transportation and Distribution) for assessment of emissions across the value chain.

Our efforts to reduce indirect (Scope 3) emissions focus on two directly-addressable sources. Employee Commuting (Category 7), which constitutes about 70% of the Scope 3 footprint, and Downstream Distribution (Category 9).

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.

The Group's Scope 3 categories were specified as a result of materiality assessments, where categories most material to the business were identified. As of 2025/26, we report on Categories 1, 2, 5, 7, and 9; where data collection, analysis, and estimation can be carried out accurately. Wherever possible, standardised assumptions and average values were considered for calculations. While data collection and data security challenges currently limit analysis and reporting of other Scope 3 categories, we are looking at incorporated additional categories in upcoming reports.

Group Scope 3 Emissions



Category 1	Purchased Goods and Services
Category 2	Capital Goods
Category 5	Waste Generated in Operations
Category 7	Employee Commuting
Category 9	Downstream Transportation and Distribution

Resource Optimisation

Continuous upgrades to our facilities — for energy-efficient lighting, incorporation of air-saving devices, improvements to HVAC, and installation of point-emission control, go hand-in-hand with process improvements. Our focus on optimisation and operational excellence, at a granular level, improves overall resource efficiency and reduces energy-demand across our footprint.

During the year 2025/26, we continued to utilise facility-level systems to track resource consumption, empowering site teams to lead optimisation.

At Group-level we worked to customise and prioritise resource optimisation initiatives to fit the unique operational and process demands at each facility.

Technological and Infrastructure Upgrades

Lighting Systems

Brandix has already achieved significant progress by replacing over 95% of conventional CFL and fluorescent lighting with energy-efficient LED lighting across facilities. Building on this foundation, sensor installations (such as motion and daylight sensors) are currently underway in many factories to further automate and reduce unnecessary energy use.

HVAC and Motor Efficiency

Continuous upgrades to Heating, Ventilation, and Air Conditioning (HVAC) systems are slated for implementation, including integration of high-efficiency chillers and variable speed drives (VSDs) to reduce the cooling energy load. Additionally, the Group is currently considering the feasibility of installing VSDs on other motors, pumps, and fans to maximise electrical savings.

Compressed Air Optimisation

As part of ongoing processes, the Company continuously tunes compressor pressure settings and works to eliminate leaks and minimise inordinate compressed air use. During the year 2025/26, we launched a pilot for mandatory compressed air leak detection and repair programmes, where our facilities would consistently continue these programs and regularly report their progress.

Digitalisation and Monitoring

Continuous digitalisation of our systems and scaled adoption of Smart Factory initiatives are reducing the energy footprint of our services and improving the energy efficiency of our entire operation. From adoption of a cloud-first strategy, to deployment of centralised energy-monitoring and IoT-enabled monitoring at our physical plants, we are enabling a smart and proactive shift to greater energy efficiency.

In the short-term, these efforts serve to minimise waste and optimise production throughput. In the long-term, embedding digital intelligence directly at the shop floor will enable more accurate and proactive decision-making, and ensure reductions in energy intensity over time.

We are rigorous about measurement; using monitored data or robust engineering estimates to quantify energy savings and associated emissions reductions. As data collection and verification processes continue to mature, we have enhanced our energy monitoring dashboards by consolidating facility-level data and increasing the level of detail captured across key operational areas.

Centralised Energy Monitoring

The Group successfully developed and standardised a centralised energy monitoring platform, linked to real-time data feeds and in-house data gathering platforms. Leveraging IoT-enabled sensors and devices, we work to capture consumption data directly at the source, replacing manual readings with system-generated data streams for more accurate tracking.

Digitalisation Gains

Digitalisation progress, in line with our Cloud-First Strategy, is also contributing to efficiency: reducing idle compute capacity and avoiding energy-intensive overprovisioning. Refer the in-depth review of digitalisation initiatives on **pages 70 to 71**.

Operational Excellence

Equipment Maintenance and Scheduling

We are placing strong operational focus on improving preventive maintenance to ensure optimal efficiency and longevity of equipment. The Group is also actively implementing optimised production scheduling to reduce idle running of equipment, supported by near real-time visibility and predictive insights from the Smart Factory ecosystem. A major milestone for 2025/26 was the transition of Smart Factory initiatives from targeted pilots to full-scale deployment.

Energy-Saving Culture

At the root of our resource optimisation initiatives is a continuous focus on an energy-saving culture. Building this culture is difficult and requires inspiring teams working across our entire operation. It begins with making sure employees are informed and committed to the responsibility of resource stewardship. This long-term transformation is a significant undertaking, and while volatility in production demand causes unavoidable fluctuations in the near-term, the underlying attitude change among our teams is clearly visible.

Continuing our human-centric approach to resource-efficiency, the Energy Race initiative continued through 2025/26, benchmarking facilities, motivating teams, and building an energy-saving culture within the Group.

HVAC

- Improvements to chiller management system and cooling tower performance
- Continued optimising of HVAC system through maintenance and water-quality improvement
- Indoor room temperature monitoring and control

Compressed Air

- Air Saving Device (ASD) mechanisms installed as in-house solutions

Lighting

- More than 95% of CFL and Fluorescent lighting replaced with energy-efficient LED lighting

Emission Control Devices

- Installation of diesel power rings for emission control

Smart Factories

- IoT devices across equipment and machinery for real-time consumption and utilisation data

Building Management Systems

- Integrated BMSs allow for better monitoring, maintenance, and control.

Energy-Saving Culture

- Benchmarking facilities, standardising best practices, investing in employee awareness, and driving saving through programmes like Energy Race.



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Renewable Energy

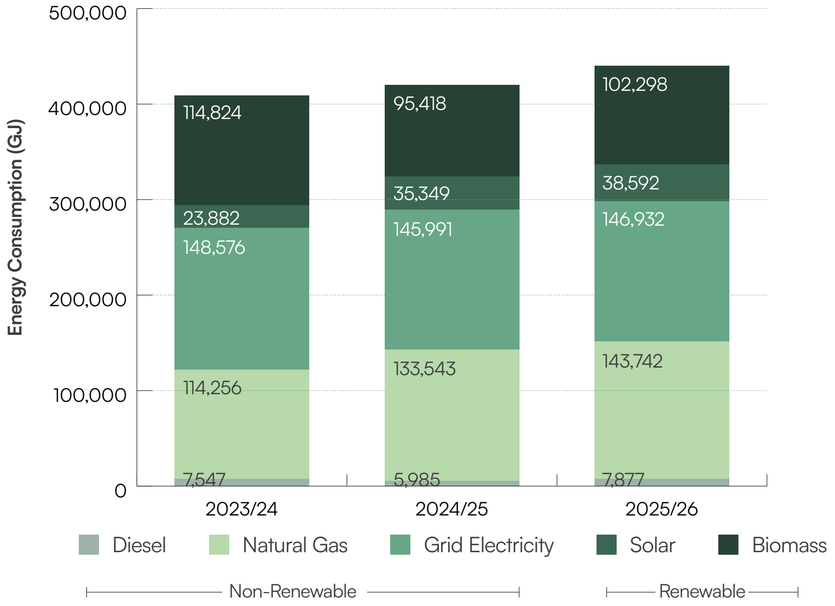
The Company's energy transition initiative - specifically the shift to renewable energy, serves as the primary pillar of our decarbonisation strategy.

During the year 2025/26, we continued to focus on Group-wide energy transition: prioritising sustainable biomass for our thermal energy needs, and utilising on-site renewable energy generation to reduce dependence on the national grid. The total renewable and non renewable energy accounted for 2025/26 are 141,520GJ and 298,550GJ.

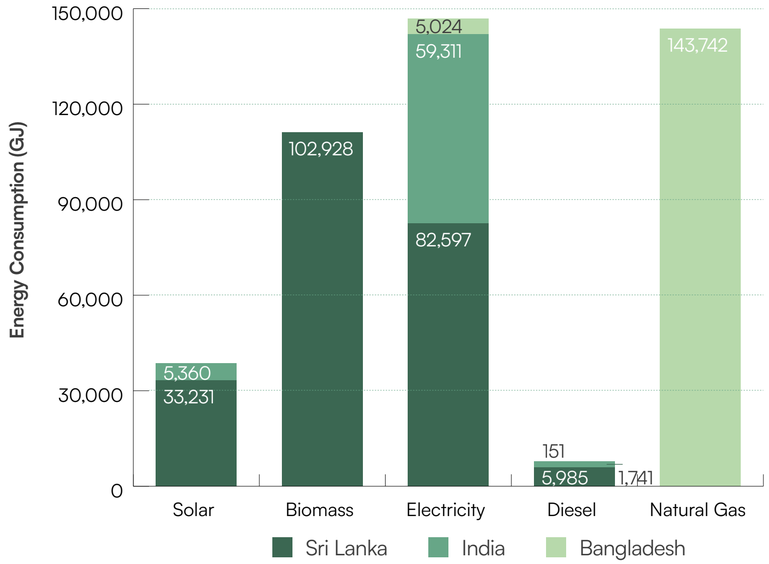
With that the Group energy consumption totalled 440,070GJ (419,880 GJ the previous year), a 4.8% increase YoY, and a 3% decrease against the 2021/22 baseline. We maintained a 32% share of energy from renewable sources during the year, as biomass usage increased and solar utilisation reduced proportionally.

The Group recorded an energy intensity of 615 GJ/USDMn, and continuing the steady decline reported over the last two years. The compounding effects of ongoing energy saving programmes continue to result in incremental energy efficiency gains. Energy Intensity is calculated based on total energy consumption per USD Mn in revenue.

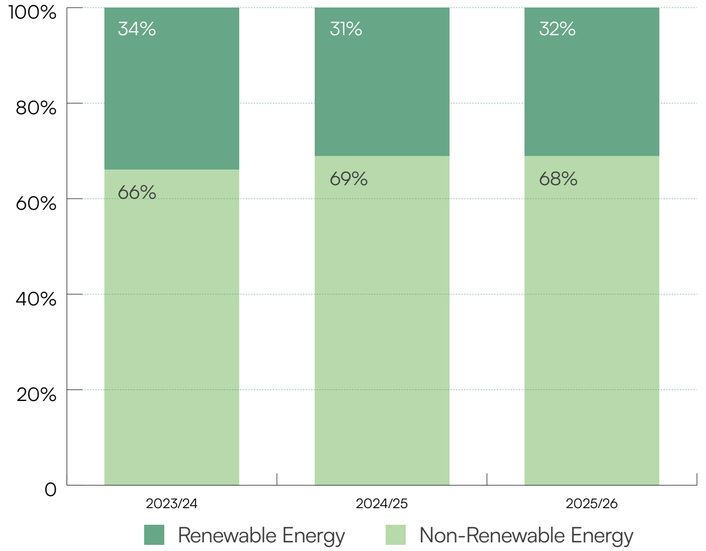
Group Energy Consumption



Group Energy Mix 2025/26

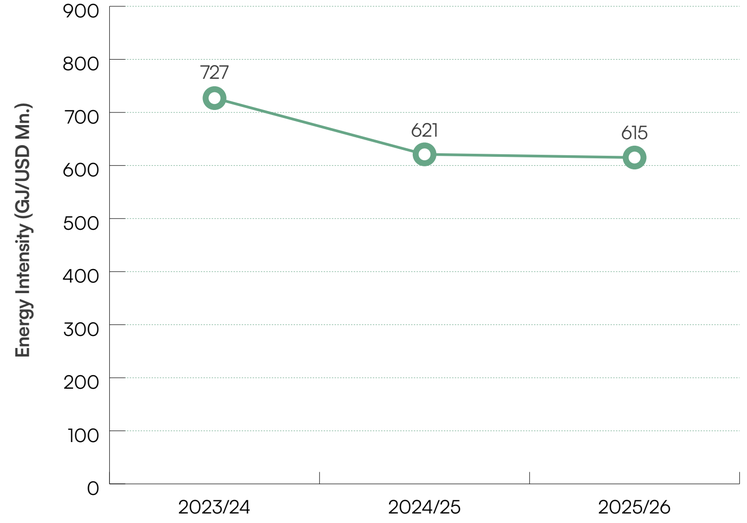


Group Energy Mix*



*Figures for the Group energy mix for previous reporting years (2023/24 and 2024/25) have been restated based on updated data and the resolution of previously identified discrepancies.

Group Energy Intensity



Expanding Solar Capacity

With an installed rooftop solar capacity of 18.8 MW, and using mechanisms like Net Accounting and Net Plus, Brandix ensures solar energy powers operation during peak daytime hours. This directly displaces grid consumption, controls Scope 2 emissions, and protects against fossil-fuel price volatility.

While there were no additions to our solar power generation capacity during the year 2025/26, our strategic investments and capital deployments continue to be informed by a Group-wide renewable energy roadmap; which sets a course for continuous investment in large-scale adoption of renewable energy generation across multiple facilities.

While exploring invitations for off-site renewable energy procurement, through direct Power Purchase Agreements (PPAs), we are currently prioritising renewable energy programmes at factory-level. We have conducted feasibility studies and pilots for expansion of our renewable energy generation capacity, including rooftop capacity for solar PV and land availability for ground-mounted solar installations.

Plans are in place to begin solarisation of our Bangladesh facilities, and expand capacity at our Indian operations. At the same time, we are exploring the viability of Battery Energy Storage Systems (BESS) at our Sri Lankan facilities, with potential for expansion.



In the short and long-term, generating solar electricity on-site drastically reduces the amount of electricity that needs to be purchased from utility providers in the areas we operate. In addition, it reduces reliance on diesel-powered backup generators - directly cutting fuel usage and driving down emissions.

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Scaling up Bio-Energy

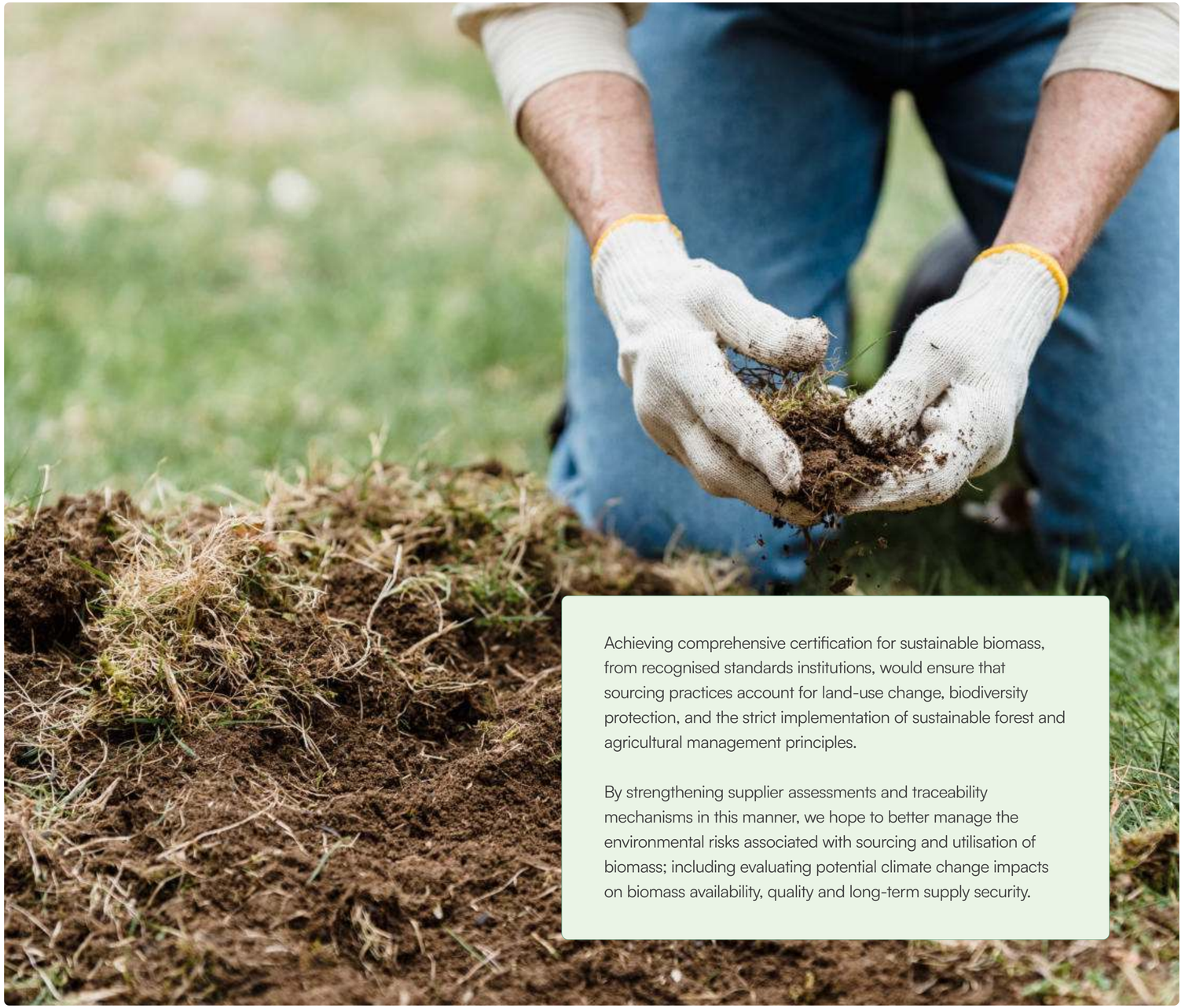
In apparel manufacturing, thermal energy demand for fabric processing, dyeing, and steam generation represents a significant operational energy footprint.

To reduce reliance on carbon-intensive fossil fuels, such as Heavy Fuel Oil (HFO) or coal, our South Asian manufacturing facilities have transitioned to biomass boilers — completely eliminating the use of Furnace Oil / Heavy Fuel Oil (HFO), and Coal, from our facilities.

Apart from being a valuable source of renewable energy that powers our operations, biomass represents an environmentally preferred low-carbon fuel stock, where related emissions are considered to be part of the short-term biological carbon cycle.

In addition, prioritising fast-growing, short-rotation, feedstock - grown and harvested sustainably; can result in sequestering atmospheric carbon at a high rate that contributes to biogenic carbon equilibrium.

To ensure that the use of biomass truly benefits the environment without inadvertently causing secondary ecological damage, we are continually enhancing governance and procurement strategies surrounding this priority fuel source. 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.



Achieving comprehensive certification for sustainable biomass, from recognised standards institutions, would ensure that sourcing practices account for land-use change, biodiversity protection, and the strict implementation of sustainable forest and agricultural management principles.

By strengthening supplier assessments and traceability mechanisms in this manner, we hope to better manage the environmental risks associated with sourcing and utilisation of biomass; including evaluating potential climate change impacts on biomass availability, quality and long-term supply security.

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Commitment to Cleaner Air

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

Emission sources, at boilers and generators, are monitored regularly. Periodic stack testing and environmental monitoring are conducted through approved third-party laboratories, and corrective action is taken if/when concerns are identified.

Preventive maintenance and fuel quality controls are used as primary mitigation measures for maintaining compliance and reducing emissions. Any deviations from allowable limits are addressed through corrective action plans, equipment tuning and process optimisation. Continuous improvement is driven through benchmarking, audits and regular updates.

In addition, we have initiated processes to measure indoor air-quality and ambient air-quality through a regularised monitoring mechanism.

Emission of Ozone Depleting Substances (from R-22) (tCO2e)	2022/23	2023/24	2024/25	2025/26
	81.8	512.5	313.8	805.8

R-22 used in facility HVAC systems represents the largest share of our ODSs (approximately 445kg CFC-11eq in 2025/26 — up from 173 kg CFC-11eq during the previous year). Rise in R-22-related emissions during 2025/26 was mainly due to increased refrigerant replenishment, associated with the maintenance and servicing of facility-level HVAC systems.

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, by 2030. We have established a structured refrigerant management system covering inventory, leakage tracking, recovery and safe disposal of refrigerants. Data recording of refrigerant usage supports improved carbon accounting, tracking, and reporting on a monthly-basis. This is complemented by a strategy for regular leak detection and maintenance, rigorous monitoring, preventive maintenance, and advanced leak detection and repair protocols — which are implemented to minimise fugitive emissions from our HVAC and cooling systems. Beyond this, we have a transition plan in place to move toward low-GWP refrigerants and phased reduction of high-impact refrigerants, which would further strengthen climate performance.

We are also 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 NOx, SOx and PM levels; as outlined in country-specific environment regulations, such as Sri Lanka's Environmental Protection Licence (EPL).

We primarily carry out biodiversity conservation programmes at company-occupied / owned properties in SL and India. At a smaller scale, we also work with government organisations and local schools for reforestation or biodiversity conservation. As at 2025/26, we do not carry out large-scale reforestation projects in non-owned areas.

Our facilities in India, based at Adhistan Integrated Industrial Park, previously known as Brandix India Apparel City (BIAC), includes a thriving area of tree cover spanning 116 acres, which supports biodiversity enhancement and long-term carbon sequestration.

During the year 2025/26, facility teams planted between 100 and 150 new saplings and continued to maintain and nurture previously established green areas and tree plantations, ensuring the long-term environmental value of our initiatives.

While newly planted trees absorb relatively small amounts of carbon initially, their sequestration potential increases as they mature. Planted saplings are estimated to remove approximately max 3 tCO_2e annually during the early years of growth, with significantly higher carbon storage benefits expected over their lifetime.

Environmental Data Disclosure Notes

- 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.
- Scope 3 emission calculations utilise acceptable supplier methods, informed by SBTi guidelines for different categories.
- All emissions figures relate to entities included in the organisational boundary, as defined in the report.
- The denominator chosen for intensity calculations is the organisation's revenue in USD Mn., which is the common performance monitoring parameter for manufacturing service sectors.

Air

Water

Earth



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Our responsibility stems from a simple truth - water is the lifeblood of our planet that sustains ecosystems, nourishes communities, and is foundational to industries like ours.

From the production and extraction of raw materials to the dyeing and finishing of fabrics, the global fashion industry is highly dependent on water resources.

As an apparel manufacturer for some of the largest brands in the world, we pursue sustainable water inputs, maximise water-use efficiency within our processes and facilities, ensure all wastewater is treated and discharged responsibly, and strive to protect aquatic ecosystems.

Our Approach to Water Stewardship

Guided by our ambitious goal to achieve net-positive water operations by 2030, our holistic approach to water stewardship is anchored by five strategic pillars.

Our goal is driven by a multi-pronged strategy beginning with pursuing 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.

Zero-impact water sourcing

Actively reducing our dependence on freshwater (blue water), by investing in infrastructure to scale up rainwater harvesting (green water) and wastewater recycling (grey water).

- Minimising groundwater withdrawal
- Pursuing alternative water sources, such as rainwater (green water)
- Large-scale rainwater harvesting and storage capacity across multiple facilities (over 500 million litres)
- Investing in infrastructure for recycling of grey water
- Water recycling capacity of 650m³/day across 8 Sewage Treatment Plants.

Zero water wastage

Optimising our processes and promoting a water-saving culture to reduce the water-intensity of our operations.

- Optimising our processes
- Implementing water-saving initiatives
- Investing in efficient fittings and equipment
- Raising awareness and promoting a culture of water conservation

Clean drinking water

Guaranteeing access to safe, purified drinking water across all our facilities.

- Providing clean drinking water at our facilities

100% of Brandix and shared facilities providing clean drinking water



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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 toward groundwater elimination 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 discharge of hazardous chemicals

Enforcing stringent chemical management protocols, and ensuring all industrial effluent undergoes effective and compliant treatment before safe discharge.

- Complying with local and international water quality and discharge limits
- Eliminating hazardous chemicals from our processes
- Monitoring and independently verifying effectiveness of effluent treatment

100% compliance with ZDHC WWG standards at wet-processing facilities

100% conformance with ZDHC MRSL parameters and limits at wet-processing facilities

Safeguarding shared water resources

Implementing community and conservation initiatives that contribute to the sustainability of aquatic ecosystems and water-security of communities.

- Identifying and managing water-related risks
- Engaging with communities and other stakeholders
- Working with suppliers in the apparel value chain



Safeguarding Shared Water Resources

Recognising water as a shared regional resource, our water management policy governs how we protect and utilise this vital asset both within and beyond our facility boundaries.

Internally, we prioritise responsible water withdrawal, ensure effective and compliant treatment of wastewater, and practice 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 pioneering or supporting efforts to conserve catchment areas and ecosystems.

Our policies and practices are driven by a standardised, risk-assessment framework that evaluates location-specific water stress, community requirements, and ecological impacts, ensuring water-related risks and impacts, are analysed and considered in our overarching sustainability strategy.

We use the World Resources Institute (WRI) Aqueduct Tool to identify water-stressed areas, and adopt 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. At facility level, we closely monitor water-use through integration of machine-level IoT systems with our Enterprise Resource Planning (ERP) infrastructure.



Considering increasingly volatile meteorological patterns across the globe, and the effect of macro-climatic drivers on overall precipitation and events such as monsoons and droughts; we work to de-risk our water sourcing practices by maximising rainwater-use through storage and cycling of stormwater, while reducing consumption of groundwater - which minimises our active impact on local water tables.

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.

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Zero Impact Water Sourcing

Wet processing and dyeing operations related to apparel manufacture, are traditionally the most water-intensive industrial processes. Going beyond assessing or controlling the volume of water withdrawn, we have set ourselves the ambitious target of achieving net-positive water operations: reducing our dependence on freshwater, while expanding our access to sustainable water sources and improving our capacity to recycle and utilise wastewater.

Share of sustainable water sources (green and grey water) in our water-mix was maintained at 29% in 2025/26.

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 or eliminating water wastage wherever possible.

Group water withdrawal increased by 14% YoY, reaching 1,155,420 m3 (1,155ML) in 2025/26. Gross water usage grew similarly, by 10% YoY, to 1,294,970m³ (1,295ML).

Municipal water / third-party water accounted for 63% of total withdrawal, while strengthened rainwater harvesting enabled us to increase rainwater utilisation to 21%. This resulted in controlling direct groundwater extraction at 16% of our water footprint. Internal wastewater recycling was sustained across multiple facilities, meeting about 11% of our gross operational usage in 2025/26.

In order to minimise impact and manage water intensity across our operations, we implement a water stewardship strategy focused on driving process-level efficiency while mitigating local catchment risks.

We continued to prioritise water-efficiency improvements in processes such as dyeing and washing, and in utility operations, to reduce overall water demand. Ongoing advancements in low-liquor processing, equipment upgrades in washing and dyeing, and improvements to water recycling have the potential to reduce water withdrawal and intensity in the long-term.

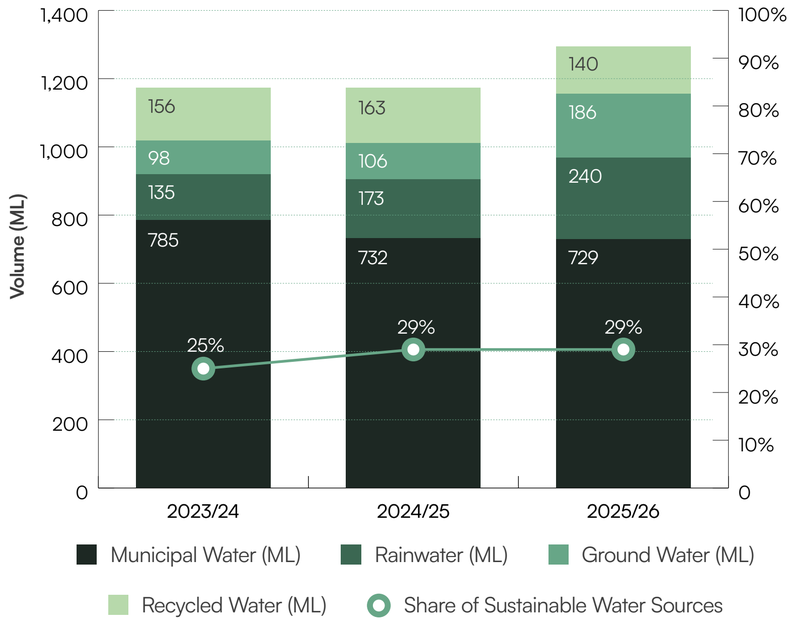
Water withdrawal from water-stressed locations (193,977m3 / 194 ML) declined for the second consecutive year. As a result, approximately 73% of our operational water demand is now sourced from water non-stressed areas, as we work to mitigate local catchment risks across our manufacturing footprint.

In accordance with GRI 303-5 methodology, total water consumption across our manufacturing facilities is calculated as total water withdrawal minus total water discharge. For the 2025/26 reporting period, total water consumption was recorded at 564,619m³ (564ML).

A portion of this reported figure consists of water evaporation - during steam generation, fabric drying, thermal finishing, aeration in wastewater treatment, and moisture-retention with treated sludge. However, this is predominantly a non-depletive physical processes wherein evaporated water temporarily removed from surface/groundwater catchment, re-enters the hydrological cycle via atmospheric precipitation.

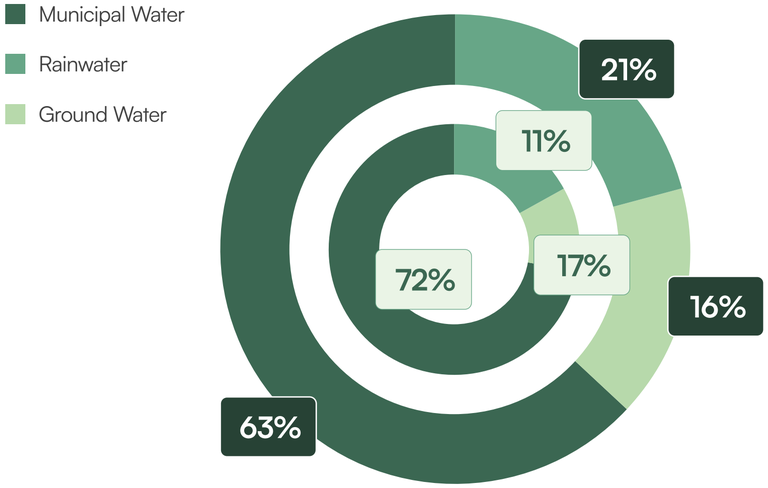
The majority of water used by the Group, for domestic or industrial processes, continues to be released to local waterbodies, through designated channels, after full regulatory treatment. It is returned immediately to the environment and remains available to ecosystems, communities, and industries in the region.

Group Water Usage

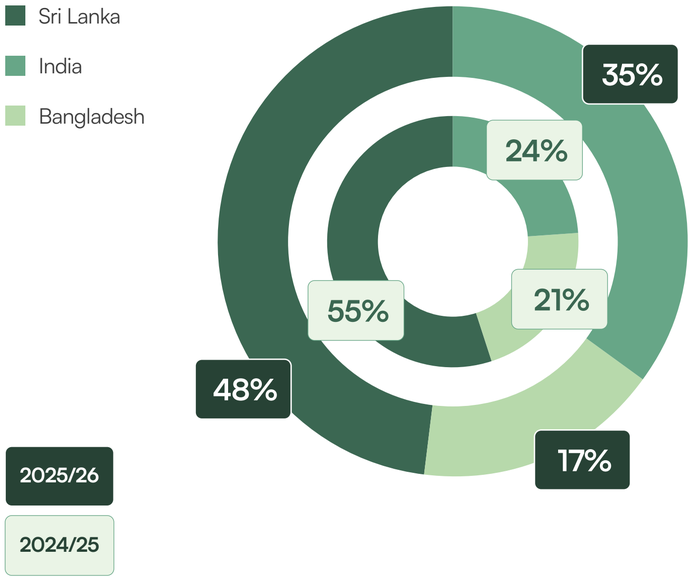




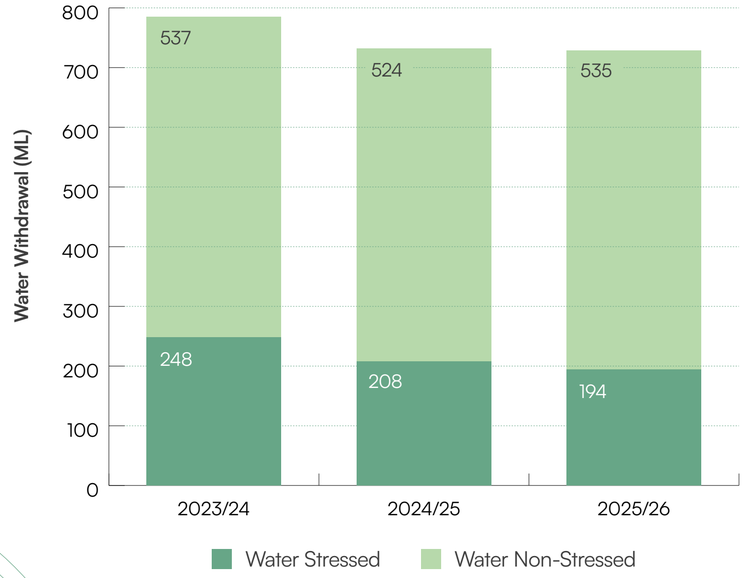
Water Withdrawal by Source



Water Withdrawal by Country



Water Withdrawal by Originating Area Type











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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.

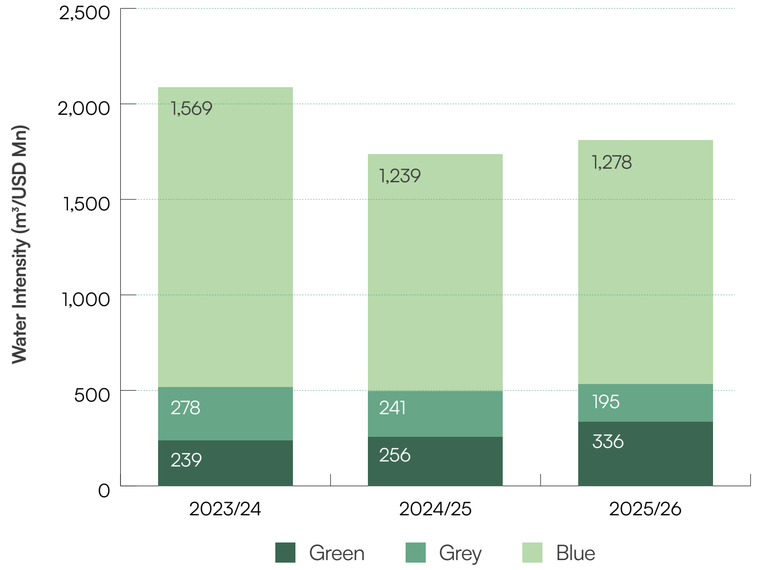
Industrial processes at our wet-processing facilities, such as dyeing and washing, are some of the most water-intensive. These processes are inherently complex, with stringent technical requirements, cost pressures, and significant investment involved for new equipment. Despite these hurdles, we are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

Liquor ratio (ratio of fabric-weight to volume of water used) is the ultimate metric of water-use efficiency for textile processing. While modern machinery has improved liquor ratios when compared to traditional dye-baths, replacement of physical machines may not always be possible. Despite this challenge, we pursue optimisations in wash-cycle recipes and are open to the usage of new and emerging enzymes and chemicals; which can contribute to reduced water consumption.

As an ongoing process, we continue to carry out near-real-time water-use monitoring; with installation and optimisation of sub-metering systems. These mechanisms help our facility teams to identify high-consumption areas and drive reduction actions, while also empowering engineering teams to carry out leak-control measures. Regular preventive maintenance programmes, carried out through the iAudit application, enable accurate inspection and timely corrective action where necessary.

In addition, regular and ongoing water-saving employee awareness and housekeeping programmes continue to inculcate a culture of water-saving in both production and support areas, across our operations. In 2025/26, Group water intensity increased marginally from the previous year. Reduction in recycled water usage was offset by expanded uptake of rainwater, which helped maintain a steady blue water intensity rate across our operations.

Group Water Intensity





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.



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Zero Discharge of Hazardous Chemicals

We ensure responsible sourcing of chemical inputs in our processes; practice safe chemical management — across handling, storage, and use; and verify compliance of effluent discharge through a robust, multi-layered process based on internationally recognised standards.

Our OHS teams work with facility-level and other support teams to continually strengthen chemical management practices; which reduce hazardous inputs at source.

Wet processing operations, which rely on water and carefully sourced chemicals, are governed by a strict commitment of responsible chemical-use; ensuring smooth and compliant operations.

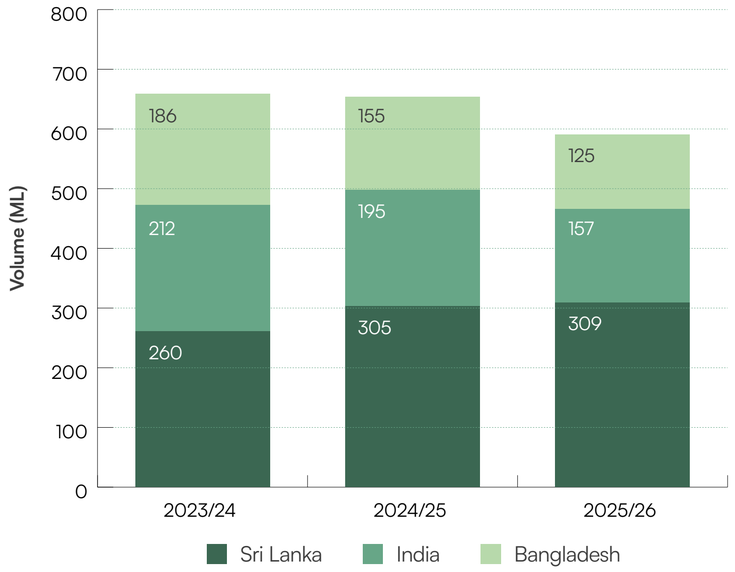
We maintain alignment with ZDHC wastewater guidelines at washing plants and practice responsible chemical and effluent management. Process controls to enhance treatment efficiency are continually assessed and improved-upon wherever possible. Regular third-party effluent testing is carried out in line with ZDHC requirements and local regulations with approved laboratory protocols maintained accordingly. We continue to strengthen monitoring and testing protocols to ensure continued compliance with local and international environmental discharge standards.

Additionally, we pursue progressive improvement in conformance levels of our suppliers, through consistent supplier engagement and strict internal audit processes.

For the 2025/26 reporting period, total Group water discharge measured 590,801 m3 / 591 ML, down approximately 10% from the previous year.

Almost 80% of water discharge occurs in water non-stressed areas, aligned with our operational footprint. Majority of treated water is discharged to Central Effluent Treatment Plants (CETPs) at the industrial parks our facilities occupy, before eventual outfall at approved surface water bodies. A portion of effluent, from our facilities in India, is directed to discharge via marine outfall after comprehensive treatment at a CETP managed by Adhistan Integrated Industrial Park (previously Brandix India Apparel City - BIAC).

Water Discharge by Country



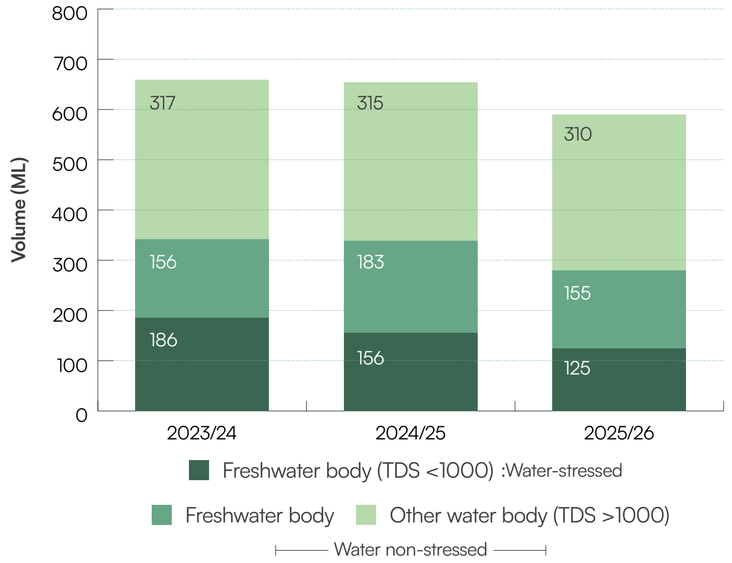
CETPs are third-party managed, with dedicated effluent treatment capabilities processing industrial wastewater before safe environmental release. They operate with licence from national regulators such as the Central Environmental Authority (CEA), and National Water Supply and Drainage Board (NWSDB).

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.

Water Discharge by Area Type



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.

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.

Brandix Rathmalana 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).

Facility and support teams maintain chemical inputs in alignment with established Manufacturing Restricted Substance Lists (MRSL/RSL). While there were no significant changes in the list of priority substances or chemicals of concern generated from production processes during the year 2025/26, we maintained ongoing tracking of evolving environmental regulations to ensure proactive compliance.

Details of RSL / MRSL compliance in relation to product safety are detailed in the Product Health, Safety, and Quality section **page 192**.

Location	Planned /Unplanned	2023/24	2024/25	2025/26	Discharge Point	Treatment Method	Discharge Water Quality Standard
Visakhapatnam, India	Planned	212	195	157	To CETP & Marine Outfall	Primary, Chemical & Biological	Compliance with APPCB and CPCB standards
Avissawella, Sri Lanka	Planned	83	97	72	To CETP	Primary & Chemical	In compliance with Gazette Notification No.2264/17 dated 27.01.2022 under The National Environmental Act, No.47 of 1980
Rathmalana, Sri Lanka	Planned	96	112	144	To CETP	Primary & Chemical	
Koggala, Sri Lanka	Planned	14	17	18	To CETP	Primary & Chemical	
Wathupitiwala, Sri Lanka	Planned	22	29	25	To CETP	Primary & Chemical	
Katunayake, Sri Lanka	Planned	28	32	20	To CETP	Primary & Chemical	
Biyagama, Sri Lanka	Planned	8	9	8	To CETP	Primary & Chemical	
Cumilla, Bangladesh	Planned	186	156	125	To CETP	Primary & Chemical	Compliance with APPCB and CPCB standards

Values are listed in ML

Air

Water

Earth



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The Earth pillar of the Brandix sustainability strategy guides our commitment to safeguarding terrestrial ecosystems by addressing some of the industry's greatest challenges: textile waste, sustainable sourcing, Circularity, and responsible consumption.

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.

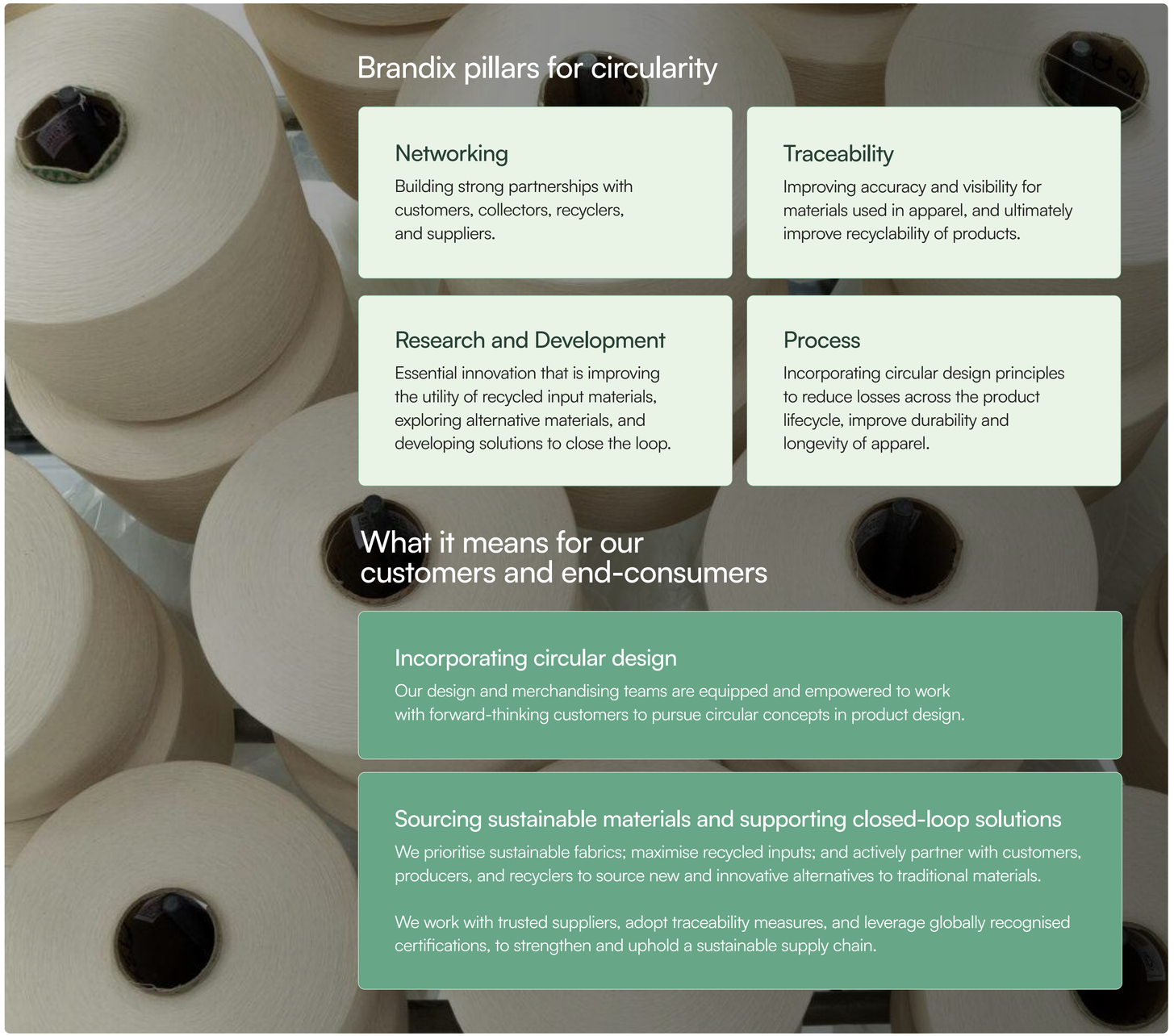
Material Circularity

The global fashion industry is at a critical juncture, facing an urgent need to transition away from the traditional, resource-intensive linear take-make-dispose model towards a sustainable, circular economy. Despite challenges involved in achieving systemic change of this scale, we have incorporated material circularity as a critical tenet of the Earth pillar, in our environmental sustainability strategy.

Our approach to circularity is anchored by four strategic drivers: Networking, Traceability, Research and Development, and Process innovation.

As part of our approach to circularity, we partner with customers, suppliers, and recyclers to align with brand policies and achieve material circularity targets. Design and Reverse Logistics 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.

Guided by our ambitious goals to source 50% of our raw materials sustainably and achieve 100% recycling or re-use of recyclable solid waste by 2027, we are supporting and accelerating the transition to a more circular, closed-loop, system.



Brandix pillars for circularity

Networking

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

Traceability

Improving accuracy and visibility for materials used in apparel, 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 apparel.

What it means for our customers and end-consumers

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.

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.

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During the year 2025/26, we expanded circularity initiatives and pioneered or piloted product developments aimed at minimising environmental impacts across the product lifecycle.

Bio-based materials and finishes

Continued to successfully integrate the use of bio-based textile materials and finishes into product development. These shifts to renewable and sustainable inputs are reducing dependence on fossil-fuel derivatives and improving downstream sustainability in terms of biodegradability and recyclability of apparel.

Closing the loop via incorporation of recycled yarn

Expanded the use of recycled yarns, made from both post-consumer and pre-consumer textile waste.

Reduced synthetic chemicals

Working to develop and incorporate fabrics with zero synthetic chemicals at pre-treatment and finishing, while maintaining natural wax during pre-treatment.

CO_2 Absorbing Fabric

Exploring climate-positive apparel that can actively absorb Carbon Dioxide from the air and safely release the same during washing cycles.



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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.

Brandix is currently monitoring the transition to the Textile Exchange Materials Matter Standard, which has unified GRS / RCS and other standards, and will engage relevant suppliers to raise awareness and assess readiness for the Materials Matter Standard ahead of the mandatory implementation timeline.

Target 50% Raw Materials Sourced Sustainably, by 2027

In 2025/26, we achieved 43.3% raw materials sourced sustainably - a minor reduction YoY, but maintaining momentum toward our target for 2027.

We continued to see increased utilisation of recycled cotton and polyester (16.3%), and increased adoption of regenerative certified materials (8.7%).

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.

The Group's Supply Chain function plays a key role in engaging with partners and suppliers to improve awareness and adoption, and drive sustainability across our material value chain. Related supplier management and product development processes are detailed in the Supply Chain section **page 184**.

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.

Year	BCI	CMIA	Organic	Recycle	Regenerative	Other
2023-2024	12.14%	8.62%	1.96%	16.17%	0.83%	60.29%
2024-2025	14.66%	7.65%	2.89%	16.38%	3.82%	54.60%
2025-2026	11.91%	6.48%	2.12%	14.11%	8.71%	56.67%

In 2025/26, our utilisation of regenerative certified materials included increased adoption of Man-Made Cellulosic Fibres (MMCFs), such as Viscose, Modal, Micro Modal, and Lyocell.

These first, second, and third-generation MMCFs are created by extracting cellulose from renewable wood-based cellulose sources. They offer a host of sustainability advantages such as biodegradability, reduced reliance on fossil fuel-derived synthetics, support for renewable raw material utilisation, and even closed-loop manufacturing — in some of the latest MMCFs.

Unlike annual monoculture crops (such as conventional cotton), wood pulp for MMCFs is primarily harvested from perennial tree species; unlocking new avenues for responsible forestry and circular material strategies.

Among our portfolio, Lyocell and Modal-based fibres provide enhanced sustainability benefits due to responsible forestry sourcing and lower environmental impact manufacturing processes.

Priority Raw Materials

In alignment with the Material Terminology Guide, we have identified and analysed our Priority Raw Materials (PRMs) as part of the Group's broader framework for managing sustainability risks and opportunities.

By proactively monitoring and managing risks and opportunities associated with our PRMs, we are working to design more adaptive and resilient sourcing strategies.

This ensures our extended value chain - from raw material production / extraction and processing to sourcing and manufacturing; remains sensitive and responsive to the evolving impacts of climate change.

Priority Raw Material (Name)	Environmental or Social Factors most likely to threaten sourcing	Associated sustainability-related risks or opportunities	Management Strategy to address business risks and opportunities
Cotton	As a primary natural fibre, cotton exposes our value chain to significant climate-related physical risks.	Climate-change induced shifts in rainfall and extreme weather-events pose a direct threat to cotton yields, leading to supply instability and price volatility. This directly impacts production costs and our ability to secure consistent, high-quality raw materials. At the same time, rise of circular thinking, greater acceptance of recycled raw materials, and improvement in recycling technologies, are presenting new opportunities for utilisation of recycled cotton obtained from textile waste.	Brandix is working to mitigate these risks by advancing circular thinking across our operations. Increasing the use of recycled cotton from textile waste reduces our dependence on virgin, climate-vulnerable raw materials. At the same time, adoption of environmentally-preferred certifications, such as regenerative cotton, positions are business to meet growing customer demand for responsible products with a lower environmental footprint.
Polyester	Virgin polyester is obtained from the fossil fuel industry, and use of this raw material results in exposure to climate-related transition risks associated with carbon pricing and regulations, and the volatility of petroleum prices.	Global policy shifts are prioritising renewables, putting a price on fossil-fuels, and promoting decarbonisation across industries. Continued reliance on virgin synthetics, such as polyester, can incur financial and reputational costs as the global economic system continues to transition toward a low-carbon future.	We are taking every effort to tap into the growing demand and maturity in market-options for recycled polyester - obtained from waste plastic or polyester textile waste. As a first step, we have initiated pilot projects and partnerships to scale-up recycling of our polyester textile waste. Additionally, adopting recycled synthetics can be attractive in its decoupling of costs from fossil fuel markets. It also represents tangible action to address the global plastic waste crisis; thereby enhancing our brand reputation and aligning with circular economic principles.
Man-made Cellulose	Man-Made Cellulosic Fibers (MMCFs) are regenerated fibres derived from a variety of feedstocks. Conventional MMCFs, reliant on virgin feedstocks, can be associated with environmental and biodiversity risks related to depletion of resources and pollution.	MMCFs can present valuable opportunities, as they serve as viable substitutes for primary natural fibres, such as cotton. However, some MMCFs are dependent on scarce resources themselves, resulting in increased demand for already strained natural resources. As a fairly new RM stream, the impacts and entanglements of MMCFs are still emerging. Issues such as chemical utilisation, environmental degradation, and sustainable forestry have been identified as concerns to be studied.	Despite the current low demand for man-made fibres, Brandix is working to develop separate supply chain channels to meet demand for MMCF products as it arises.

Priority Raw Material (Name)	Amount Purchased (Metric Tons) 2024/25	2025/26	Amount Certified, By Standard Certification/Standard & Associated Discussion (Technical Protocol #3 - 3.3) & Amount Certified
Cotton	70.16%	57.64%	
Polyester	15.54%	25.78%	
Other Synthetic	8.69%	8.04%	
Man-made Cellulose	5.61%	8.53%	

43%

Measured against internal targets — 43.3% of raw materials were obtained from sustainable sources during the year 2025/26.

The Company works with suppliers and customers to attain the following certifications pertaining to raw materials:

- Better Cotton Initiative (BCI)
- Cotton Made in Africa (CMIA)
- Organic Cotton
- Regenerative Cotton
- Recycled Materials



Reducing Our Footprint

Our material consumption, primarily fabric and trims, is directly tied to customer orders and correlated production volumes.

While downstream retail trends and consumer demand heavily influence our overall material-use, material-mix, and related environmental footprint, we remain fully committed to maximising efficiency and minimising waste within our operational control. We actively achieve this through strategic material selection, plant optimisation, and ongoing adoption of digitalisation.

Minor fluctuations in material consumption this year reflect the changing nature and requirements of customer orders, which influenced ongoing shifts in our product-mix and production volumes during 2025/26.

Fabric utilisation is directly related to our product mix, production volumes, and fabric utilisation, while order requirements (related to product styles and mix) influence usage of Elastic sewing trims.

Material-use for labels, cartons, polybags and stickers correlate with order volumes, labelling requirements, and shipment/packaging requirements as per customer specifications.

Material use	2023/24	2024/25	2025/26
Fabric (yards)	84,372,505	122,199,057	119,139,131
Sewing Trims - Elastic (yards)	274,168,343	365,040,842	381,565,743
Sewing Trims - Lace (yards)	71,638,564	85,051,275	104,040,766
Sewing Trims - Labelling (pieces)	365,475,171	434,509,294	338,078,910
Sewing Trims - Cartons (pieces)	4,925,548	5,992,375	5,739,570
Sewing Trims - Polybags (pieces)*	73,899,341	74,097,584	93,316,400
Sewing Trims - Stickers (pieces)	217,090,888	287,580,249	283,423,441

*Figures for the number of polybags used during previous years (2023/24 through 2024/25) have been restated based on updated, and resolved, billing details.



Waste Management

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

Under the Earth pillar of our environmental sustainability strategy, we have set ourselves an ambitious target of achieving 100% recycling or re-use of recyclable solid waste, by 2027.

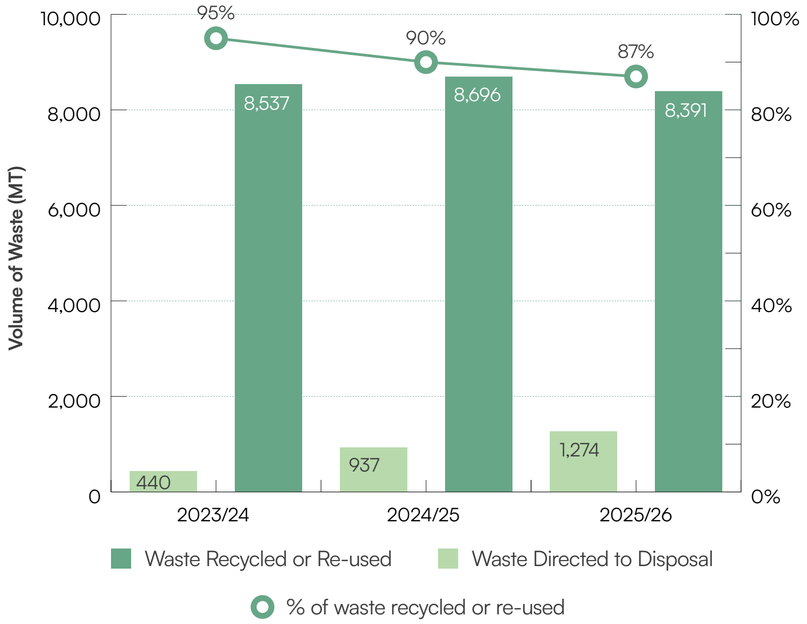
Target — 100% Recycling or Re-use of Recyclable Solid Waste, by 2027

Total waste generated in 2025/26 stood at 9,665,442 kg (9,665 MT), with no significant deviation from the previous year.

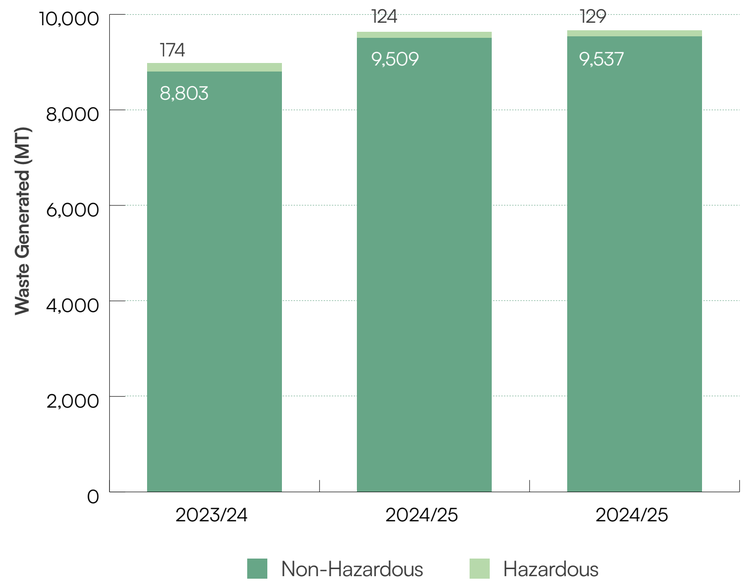
Approximately 87% of all solid waste generated during the year was recycled or re-used.

Waste diverted from disposal (through recycling or re-use) reached 8,391,465 kg (8,391 MT), while waste directed to disposal amounted to 1,273,977 kg (1,274 MT).

Waste Valorisation



Waste Footprint





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

The vast majority (99%) of our waste footprint continued to be non-hazardous; with fabric waste (48%) and sewing residue (20%) constituting almost three-quarters of all non-hazardous waste generated by our operations. Paper and cardboard (21%) and plastic and polythene (5%), which make up approximately a quarter of our non-hazardous waste footprint are primarily derived from packaging and storage of fabric and other raw materials.

Effluent sludge, residue from our wastewater treatment processes, makes up the largest portion (72%) of hazardous waste generated by our operations.

The Group has consistently maintained a solid waste recycling and reuse rate of around 90% over the last five years, setting a high baseline for excellence at our facilities.

While maintaining this high level of performance, the journey to 100% has becomes a game of inches.

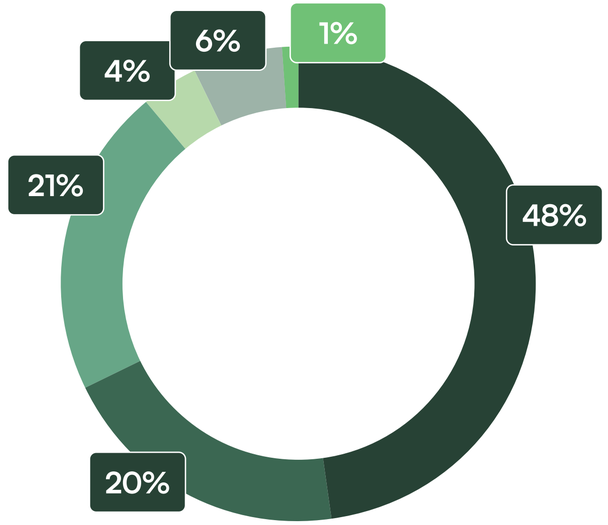
Recognising this new phase in our waste management efforts, we are focused on meticulous, incremental initiatives and deep-seated process changes for waste management. During the 2025/26 financial year, we maintained our policy of zero-landfilling while enhancing waste traceability, strengthening compliance, and deepening employee engagement across our operations.

- Continued to strengthen waste segregation practices at source, to improve options for recovery and recycling.
- Increased focus on waste management, including recycling, reuse, and conversion of waste into value-added products where feasible.
- Implemented employee awareness programmes and waste management campaigns, annually and biannually, to improve segregation of waste and promote responsible disposal practices.
- Continued collaboration with recycling partners to divert additional waste from landfill and increase circularity.
- Enhanced monitoring and reporting of waste streams to identify further reduction opportunities.
- Strengthened storage, labelling, and handling procedures to help minimise environmental and health risks.
- Maintained regular audits and compliance checks to ensure adherence to regulatory requirements.

Waste Diverted from Disposal (MT)	2023/24	2024/25	2025/26
Non - Hazardous	8,528	8,683	8,369
Hazardous	9	12	22

Waste Directed to Disposal (MT)	2023/24	2024/25	2025/26
Non - Hazardous	275.70	825.29	1,167.48
Hazardous	164.41	111.79	106.50

Waste Composition



Non Hazardous Waste	Hazardous Waste
Fabric	STP Sludge
Sewing Residue	Sanitary Waste (<1%)
Paper and Cardboard	Chemical Containers (<1%)
Plastic and Polythene	E-waste (<1%)
Others* *(Food, Metal)	Others** (<1%) **(Oil, Contaminated Waste)

Historically, protecting customer Intellectual Property (IP) meant that non-de-brandable garments, leftover branded trims, and incomplete items undergo strict destruction protocols; often resulting in incineration.

As part of continuous efforts, in partnership with customers, to develop solutions for these complex and highly regulated waste streams; the Group's Reverse Logistics Team found success in a new, secure, waste valorisation process.

During the year 2025/26, we implemented a system to convert non-de-brandable garments and incomplete items into off-cuts, which are then securely channelled to recognised and certified recycling partners for recycling.

To date, Brandix has safely diverted nearly 10 metric tons of textile waste, comprising more than 125,000 non-de-brandable garments and incomplete pieces.

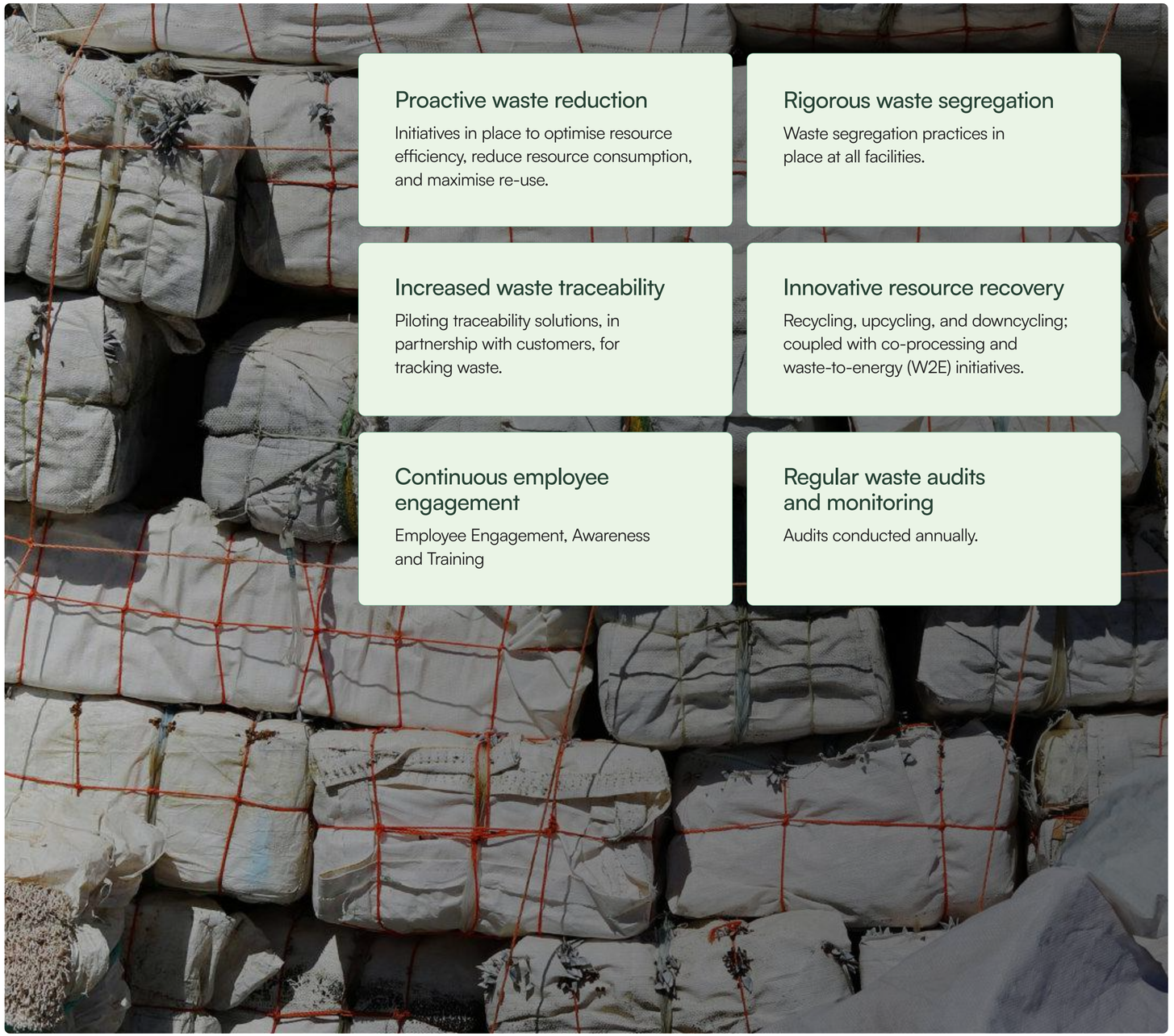


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How We Practice Responsible Waste Management

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

Initiatives in place to optimise resource efficiency, reduce resource consumption, and maximise re-use.

Rigorous waste segregation

Waste segregation practices in place at all facilities.

Increased waste traceability

Piloting traceability solutions, in partnership with customers, for tracking waste.

Innovative resource recovery

Recycling, upcycling, and downcycling; coupled with co-processing and waste-to-energy (W2E) initiatives.

Continuous employee engagement

Employee Engagement, Awareness and Training

Regular waste audits and monitoring

Audits conducted annually.

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Our waste management process ensures waste is sorted and disposed of through approved channels, enabling effective recycling and resource-recovery, while preventing landfilling.

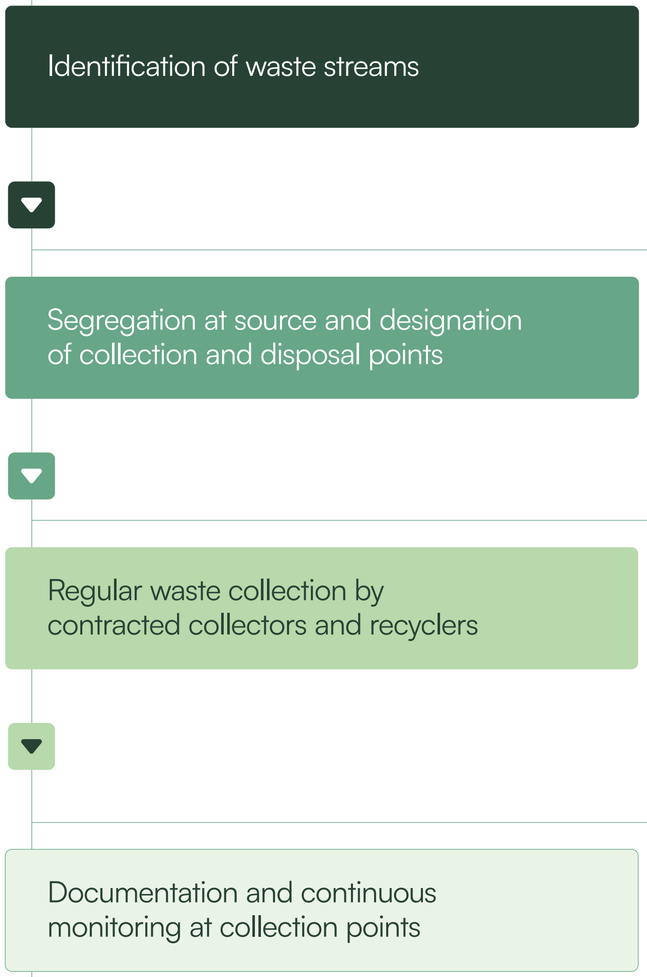
Where disposal is handled through a third-party, the Company ensures that the service providers are in possession of necessary environmental licenses and compliant with all relevant laws and regulations pertaining to waste management. These suppliers are audited as part of our Supplier Engagement process.

Hazardous waste continues to be managed through licensed and approved treatment processes, with proper disposal after treatment, via incineration. Tracking and documentation of our waste streams, through a centralised monitoring system, supports traceability and responsible management of hazardous waste.

We maintain ongoing efforts to reduce hazardous waste generation, through improved chemical management and process optimisation.

Operational excellence and procedural improvements, such as closer monitoring and optimised ordering of chemicals and dyes, have reduced the volume of expired chemicals disposed via incineration.

However, unavoidable and challenging waste streams — such as medical and sanitary waste, contaminated fabric, and chemical cans used for operations such as pad printing remain part of our hazardous waste marked for treatment and proper disposal.



Our People

Our people are the heart of everything we do. At Brandix, it is the talent, care, and dedication of our employees that allow us to pioneer innovative, value-driven manufacturing solutions across our global footprint.

Uniting our teams worldwide is the Brandix Northstar: “To be the Inspired Solution for Branded Clothing,” driven by our core purpose, “Inspired Solutions, Delivered by Inspired People.”

This strategic compass underpins the Brandix Maxims—twelve principles structured across three core pillars: Inspired People, Inspired Solutions, and Inspired Leadership—which define how we execute our purpose every day. These core principles define our organisational culture, govern leadership development, and guide how our people engage with customers, colleagues, partners, and wider society.

Inspired Solutions







Delivered by Inspired People

Grounded in our foundational values of **Respect, Integrity, Teamwork, and Excellence (RITE)**, we proactively cultivate an inclusive, safe, and empowering professional ecosystem. Within this environment, personal growth is actively nurtured, equity is institutionalised, and every employee has a voice to contribute meaningfully to the advancement of our business, the apparel industry, and the wider community.



Our Team in Focus

The Group workforce of 40,602 remained steady in 2025/26, reflecting a 0.6% YoY increase. Composition of our teams was largely unchanged during the year. Approximately 99% (40,133) continue to be employed on a permanent basis, with the remainder on fixed-term (temporary) contracts.

Both permanent and fixed-term (temporary) staff are employed on a full-time basis. The Group does not maintain any part-time / non-guaranteed hours employees.

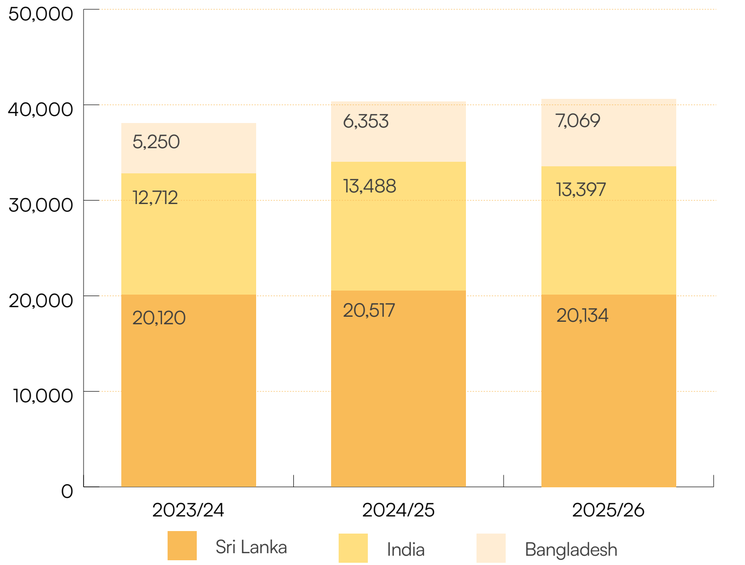
All employee figures are calculated on the basis of head-count, based on full-time equivalent (FTE), and reported as at the end of the reporting period. As of 2025/26, our employee reporting does not include employees of InQube, a global apparel innovation company closely partnered with Brandix. In order to allow for clear comparison of employee data against previous years, we have restated previous years' employee related data to exclude InQube employees.

In addition to the employees shown above, Brandix has a small number of sub-contractor staff working on-site in and around some of our facilities. These workers undertake non-core operations such as housekeeping (390), security (296), and canteen services (320). During the year 2025/26, a total of 1006 sub-contractor staff continued to be involved in non-core operations across our operational footprint.

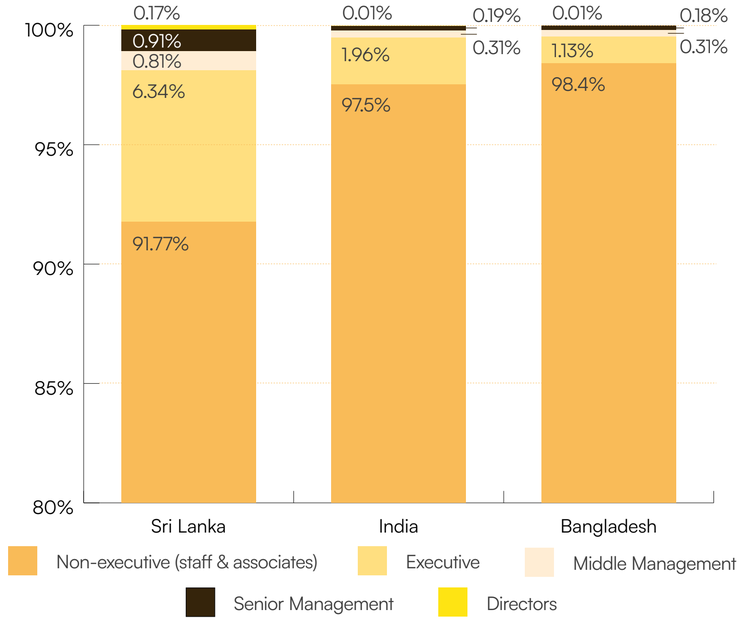
Considering the stable organic growth of the business during 2025/26, there were no significant year-on-year fluctuations in the number of sub-contractor staff involved in our operations. All sub-contractor staff figures are calculated on the basis of head-count, based on full-time equivalent (FTE), and reported as at the end of the reporting period.

Total Workforce

*NOTE: In addition to our workforce in Sri Lanka, India, and Bangladesh, we employ two senior management cadre based out of the United States



Workforce Structure



Employees by category	SL	IND	BAN
Permanent staff (Male)	4,949	1,544	1,441
Permanent staff (Female)	14,791	11,803	5,603
Fixed-term contract staff (Temporary) - Male	224	36	25
Fixed-term contract staff (Temporary) - Female	170	14	0



Position	SL	IND	BAN
Non-executive (staff and associates)	18,476	13,064	6,956
Executive	1,276	263	80
Middle Management	164	42	19
Senior Management	184	26	13
Directors	34	2	1

Management Strength

Being headquartered in Sri Lanka, the majority of our Executive, Middle Management, and Strategic Leadership positions are based within our Sri Lankan operations. Our regional facilities in India and Bangladesh maintain a strong and capable cadre of key Executive and Leadership positions to meet operational requirements. In addition, we have two senior management cadre based out of the United States.

Generational and Gender Diversity

Gender diversity of our workforce remained stable at Group-level, as we maintained 80% (32,831) female representation.

Much of the Group's operational strength is rooted in a predominantly female workforce. Female team members comprise about 82% of non-executive roles, and representation at the Executive level (37%) is closely aligned with female labour-force participation rates at our countries of operation. Women also represent around 18% of our Middle Management, approximately 20% across Senior Leadership, and 5% at Board level.

This structural funnel is an existent systemic challenge in global textile and apparel manufacturing. Recognising this, we are actively working to empower our female employees and strengthen representation in decision-making, executive and senior leadership positions.

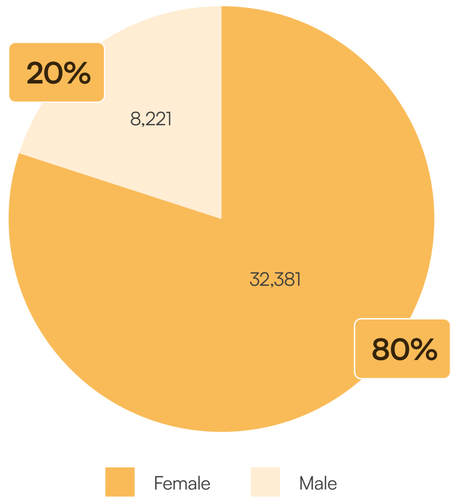
The Group's IDEA (Inclusion, Diversity, and Equity to Accelerate) strategy, described on **page 124**, details targeted career development, technical upskilling, and mentorship pathways in place, and the internal targets we are working toward.

The generational diversity of our vibrant team also remained fairly stable during the reporting year: Gen Z (below 30) represent approximately 42% of our workforce, while Gen X and Millennials (between 30 and 50) make up about 54%.

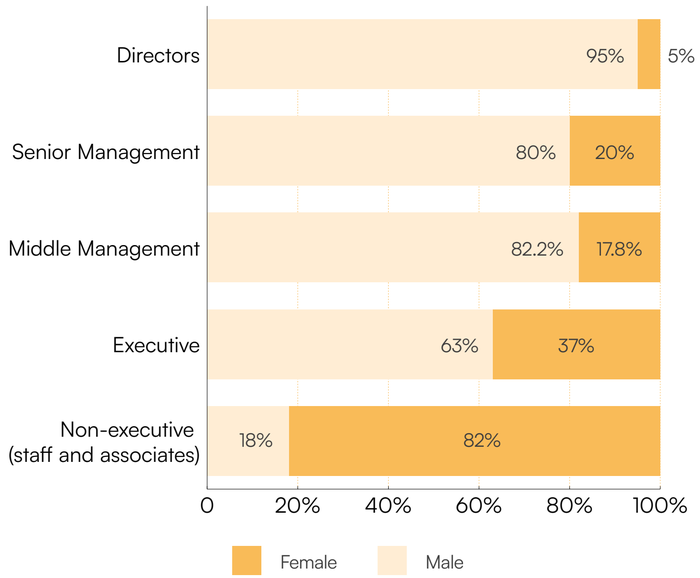
We observe a growing number of Gen Z employees within the organisation, particularly at executive-level roles; while Middle management continues to be predominantly represented by Millennials and Gen X.

General diversity within Executive Leadership comprised 63% aged 30-50, and 37% above 50; while Board composition stood at 44% aged 30-50, and 56% above 50.

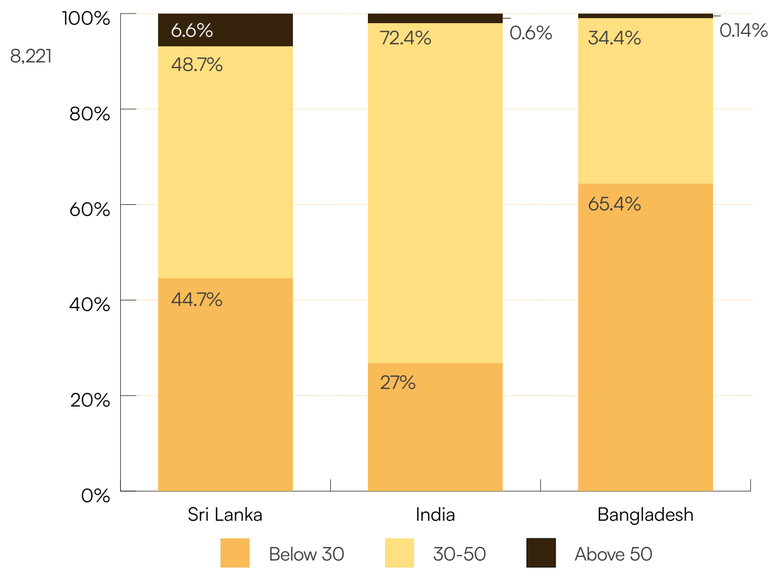
Gender Diversity



Gender Representation by Category



Multi-Generational Diversity



Talent Inflows and Turnover

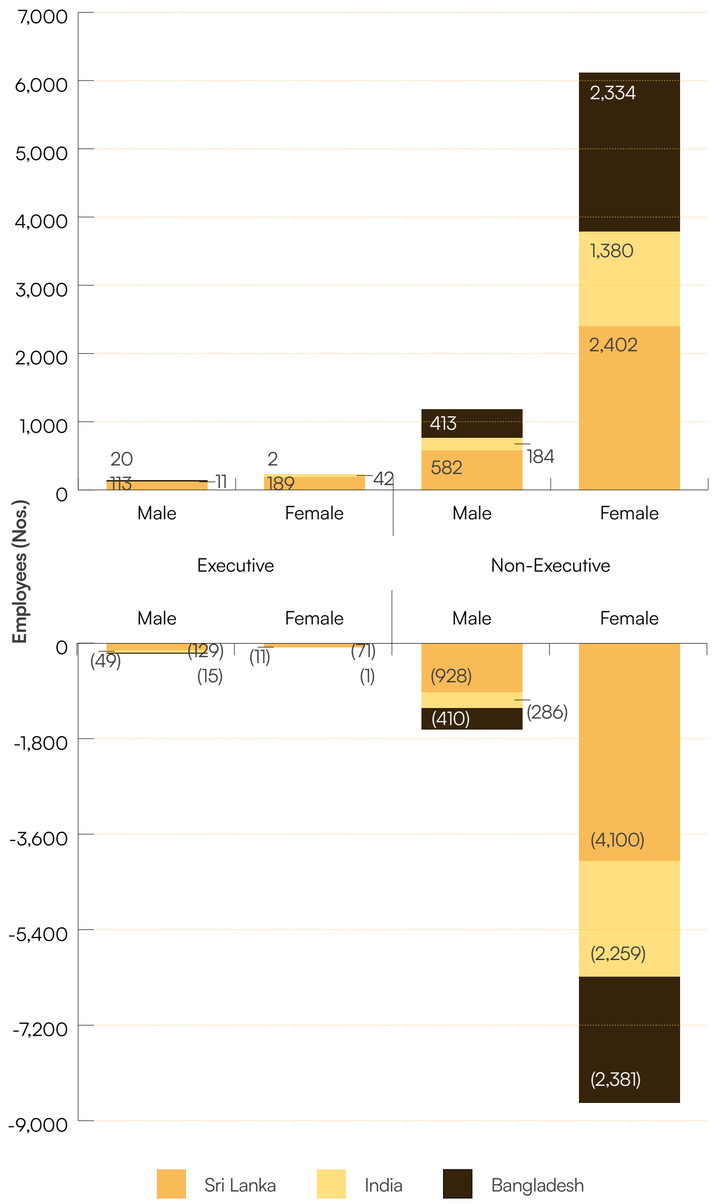
During the 2025/26 financial year, we onboarded 377 executive and 7,295 non-executive employees; alongside 276 executive and 10,364 non-executive exits.

Group hiring rate (19%) halved YoY, while turnover rate (26%) remained stable. As in previous years, hiring patterns closely aligned with attrition numbers — focused on maintaining a stable workforce to match operational demand.

Recruitment and turnover during the year reflected localised labour market dynamics across our operating footprints. Bangladesh recorded a 39% hire rate and 40% turnover rate, followed by Sri Lanka (16% hire rate; 26% turnover) and India (12% hire rate; 19% turnover). Female recruitment rate stood at 20% against a 27% turnover rate, while male hiring and turnover rates were 16% and 22%, respectively.



Employee Hiring & Turnover



What Guides Our People Approach

Our People Approach is anchored in the foundational ethos that Inspired Solutions are delivered by Inspired People.

To this end, we employ a Human Capital framework that integrates three core dimensions - Culture, Strategy, and Talent.

Culture

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

Strategy

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

Talent

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.



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The Brandix Employee Value Proposition (EVP)

The Brandix EVP serves as the core promise to both our current employees, and our prospective team members.

It articulates what we deliver to our employees, and what they could expect from us throughout their career journey with Brandix.

At its heart, the Brandix EVP promises a holistic employee experience across three pillars: Growth & Development, Connection & Care, Meaning & Purpose.

We work toward delivering on the Brandix EVP promise, and consider it a critical success-factor that enables us to attract, develop, and retain the Inspired People who help us deliver Inspired Solutions.



Growth & Development

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

Connection & Care

Engagement	Engage in open and honest communication, and show empathy and understanding.
Appreciation	Encourage work-life balance: Support employees in finding a healthy balance between their work and personal lives.
Culture & Leadership	Organise team activities to strengthen relationships and improve collaboration.
Wellbeing	Implement an integrated well-being model within the organisation.

Meaning & Purpose

Vision for growth	Communicate a clear vision and mission. Demonstrate the impact of employees' work: Show how their efforts create a positive impact on the organisation, customers, and community.
CSR	Encourage teams to take ownership of their work and give them the autonomy to make decisions and drive meaningful change. Foster 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 organisation's mission.

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Delivering on our EVP: 2025/26 Impact & Results

Prioritising internal progression and mobility (SHINE)

The SHINE policy ensures an internal-first hiring system that grants existing employees priority access to open vacancies and career rotations across the Group. In 2025/26, we exceeded internal targets - achieving 99% in internal talent development, and 97% in internal promotions and mobility.

Elevating associate careers

We continued to work toward elevating careers and empowering the lives of Sewing Associates; through the SMART Operator umbrella and our vision of the F1 concept, which views our operations through the lens of an elite racing team, positioning Sewing Machine Operators as F1 Drivers (primary value creators) supported by dedicated Pit Crews (support functions). During 2025/26, we had 4,561 Associates enrolled in the Re-imagine Industry to Support Equality (RISE) programme - taught by 130 expert trainers; with 2,651 completing the curriculum during the year.

Accelerating female leadership

Continuous engagement and empowerment programmes have seen increased female representation across our career development and leadership development tracks. 40% female representation in the Management Development Programme (MDP), 50% in the Executive Development Programme (EDP), and 47% in Staff-to-Executive Promotions (STEP).

Our flagship all-female mentoring program, Rise for HER, brings the experience of 30 senior mentors to offer impactful mentoring experiences. Our cohort of female mentees have historically experienced strong promotion rates between 68% and 72%.



Elevating the voice of youth

We are amplifying the voices of our youth, and helping bridge gaps for multi-generational synergy. The SwitchUp reverse mentoring programme connected 27 mentor-mentee pairs, while the GenStitched U30 Forums enabled over 50 young leaders to present innovative ideas directly to Senior Leadership.

Empowering local careers and opportunities in non-traditional roles

In India, Brandix India Learning and Development (BILD) now carries out leadership, technical, and soft-skill development programmes that create opportunities for local graduates and others in the industry.

Increasing opportunities for women in traditionally male-dominated roles, our talent development pipelines for operational, technical, and engineering roles includes targeted initiatives in India (Project Shakti), and other facilities across Sri Lanka, including a new programme at Brandix Batticaloa. we currently have a pool of 40 female mechanics in Sri Lanka, with 15 directly involved in operations and 25 in mechanic services.

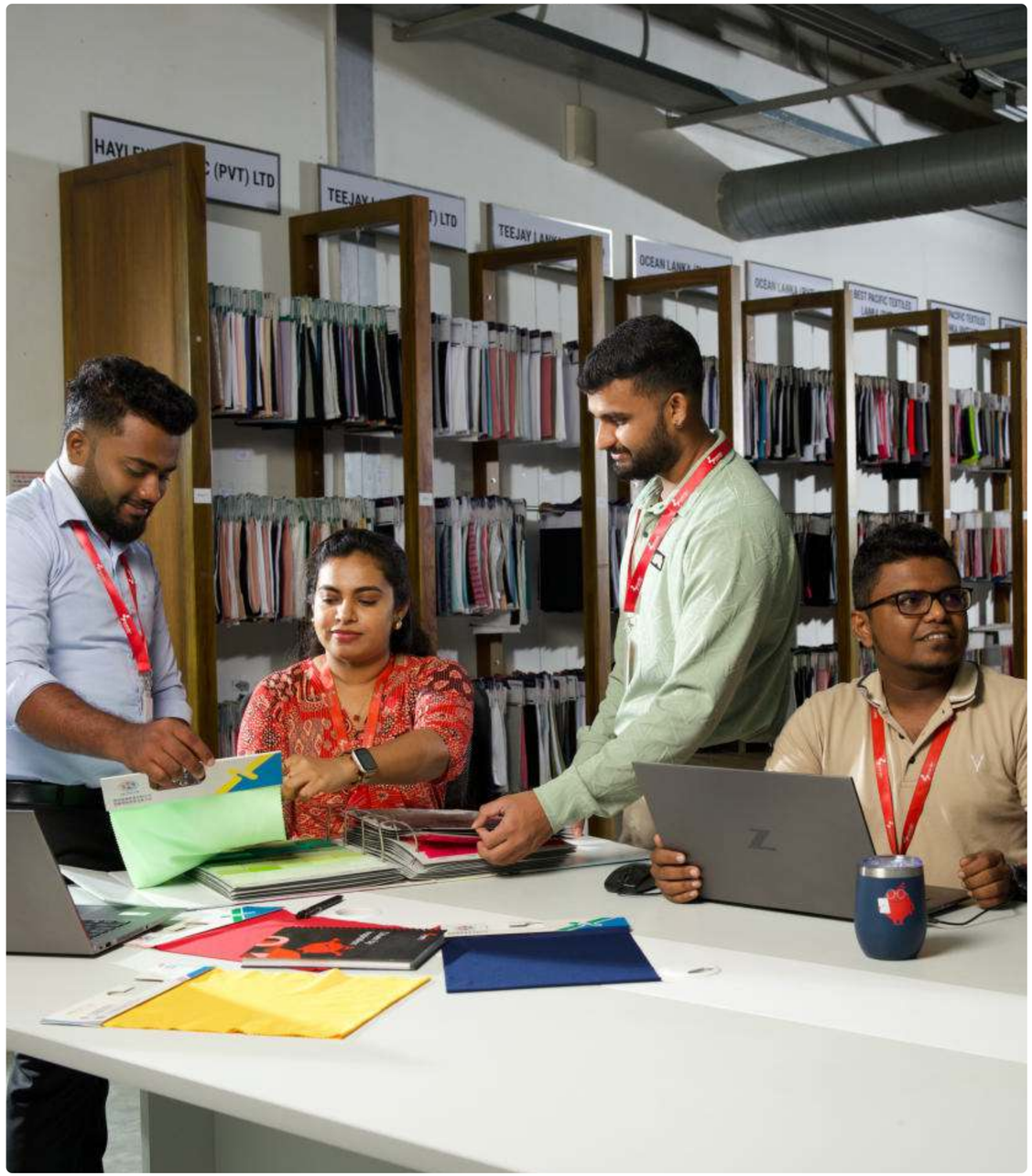
Our Culture and the Brandix Maxims

The DNA of our organisation, the Brandix Maxims **(see page 7)** are the guiding principles that define our culture, who we are, and how we act.

- Practice Respect & Listen
- Integrity & Fairness
- Team-First Mindset
- Strive for Excellence
- Think “Digital First”
- Be Flexible & Agile
- Stay Curious & Innovative
- Act Sustainability
- Simplify & Focus
- Inspire Each Other
- Drive Vision & Growth
- Excite & Engage Customers

By practising these Maxims, we actively bring our Employee Value Proposition to life: Inspired People nurture Connection & Care, Inspired Solutions fuel Growth & Development, and Inspired Leadership gives us Meaning & Purpose.

The Company, in turn, reinforces this cycle through dedicated talent programmes and sustained investment in our people.



How We Have Reinforced the Maxims

During the year, we strengthened education and engagement around our Maxims and their associated behaviours through targeted initiatives structured across four core pillars.

Focus group discussions were conducted to deepen employee understanding of how these Maxims translate into observable, measurable workplace behaviours. To cultivate a culture of peer-to-peer appreciation, we launched 12 dedicated Maxims recognition badges - to recognise and celebrate colleagues who visibly embody the Maxims in their daily work. Badges were displayed digitally, via the iConnect platform, and through physical, in-person workplace recognition mechanisms across our facilities.

A Group-wide Teams channel hosting interactive monthly quizzes was introduced to build familiarity with the Maxims in an engaging format.

These efforts were further reinforced through dedicated visual branding and promotional videos, embedding the Maxims prominently across our physical workspaces and corporate communications.

Inspired People	 Respectful Listener	 Honest & Fair	 Team Player	 Excellent Work
Inspired Solutions	 Tech Smart	 Quick Adapter	 Innovator	 Planet Protector
Inspired Leadership	 Clear Thinker	 Inspiring	 Visionary	 Customer Favourite

Introduction

- MDP, EDP, HR Leadership Focus Groups
- 2024 Townhall with Video
- Maxims Sharepoint, Booklet & Behavior Checklist

Visual Branding

- 2025 Maxims Screen Savers
- Maxims Posters — at every factory & center in English, Sinhala, Telegu, Tamil & Bangla
- RITE Penants, EVP Words & Stickers in each center in Sri Lanka
- Maxims Rubiq in each center in Sri Lanka
- Stickers

Continuous Learning

- Maxims FGD to all center & plant Executives in Sri Lanka, India and Bangladesh
- Maxims Videos
- Brandix Foundational Skills
- FY 2025 / 2026 MYR & FYR and Promotion Guideline
- Leadership 360's

Re-establishment

- Newsletter Testimonials
- Talent Spotlight linked to Maxims
- Brandix Way of Life Teams Channel: Games etc
- SAP Badges
- Annual Pulse Checks

An Operational People Strategy

The Brandix People Strategy operationalises our employee promise and culture, while working toward outcomes that are beneficial to both our business, and our people. The strategy is activated through four strategic pillars.

Next-generation Organisational Structure

Focusing on maintaining a right-sized organisation.

Transformative Change

Emphasising change leadership and change management.

Redesigned Performance Management System

Fostering a transparent, digital, and continuous feedback culture.

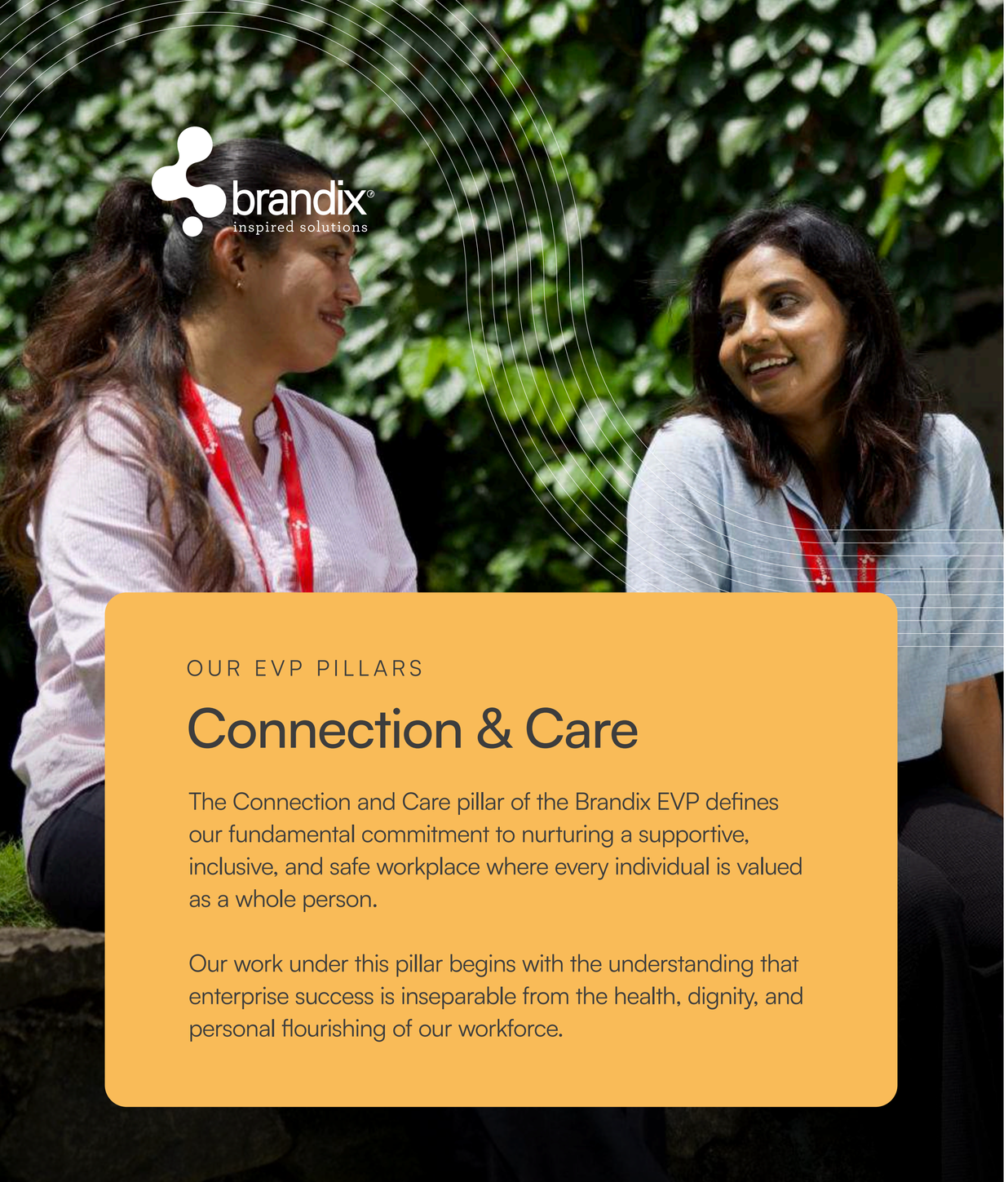
Inspired People and Capabilities

Focusing on top and critical talent retention and succession readiness.

The section on Governance, Partnerships, and Compliance (**page 31**); details the governance framework, policies and processes, strategic plans, and monitoring framework that underpin our people strategy.



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OUR EVP PILLARS

Connection & Care

The Connection and Care pillar of the Brandix EVP defines our fundamental commitment to nurturing a supportive, inclusive, and safe workplace where every individual is valued as a whole person.

Our work under this pillar begins with the understanding that enterprise success is inseparable from the health, dignity, and personal flourishing of our workforce.

IDEA: Inclusion, Diversity, and Equity to Accelerate

Launched in 2023, our IDEA (Inclusion, Diversity, and Equity to Accelerate) strategy represents a pivotal corporate commitment to cultivating a dynamic, high-performance workplace where every individual feels deeply valued, respected, and empowered to achieve their full potential. In this way, IDEA is a living expression of multiple pillars — enabling connections, expressing care, and creating meaning and purpose; ensuring every individual finds genuine significance in their contribution to Brandix. To embed these values into our corporate DNA, the framework is operationalised across three core pillars:

Gender Equity

We actively drive diverse gender representation across all operational and management tiers through inclusive, unbiased HR practices.

Inclusive Workplace

We are dedicated to establishing a work environment where every individual feels safe, protected, and empowered to perform at their authentic best.

Generational Diversity

We cultivate a collaborative ecosystem that leverages multi-generational synergies, enabling diverse age groups to share unique perspectives and collaboratively drive operational excellence.

Gender Equity

We approach advancement of gender equity both as a fundamental rights-based commitment, and a core value-creation and operational resilience driver for our enterprise with a predominantly female workforce. Guided by our IDEA (Inclusion, Diversity, Equity to Accelerate) strategy and international frameworks such as the UN Women's Empowerment Principles, we work to actively dismantle barriers across the employee lifecycle.

From accelerating female representation in middle and senior leadership through targeted mentorship to providing robust holistic family support—including extended parental leave, comprehensive maternity care, and dedicated on-site lactation facilities—we work to foster an inclusive environment where women can thrive at every stage of their career.

Women in Leadership

Our IDEA Target	27% Women in Management by 2030	Where we are today: 18%

Brandix is committed to dismantling barriers to female professional progression, working in alignment with United Nations frameworks on Gender-Based Violence (GBV) and Female Leadership Development.

To support our long-term aspirational baseline of 27% women in management, we deploy targeted networking, mentoring, and skill-building initiatives:

Rise for HER Initiative

Our flagship all-female mentoring programme, established in 2022 to strengthen the pipeline of women in corporate management. Reflecting its historical success, the inaugural cohort achieved a 72% promotion rate, followed by a 68% promotion rate for the 77 participants in the 2024 batch. In 2026, the framework was strategically refined to adopt a high-impact, focused engagement model.

The current batch consists of 28 selected participants to facilitate deeper executive interactions, maintaining a completion rate above 75%. To date, the programme has supported a cumulative pool of 155 female leaders, guided by 30 senior mentors.

Rise Up Networking Events

Conducted semiannually for female employees at Assistant Manager level and above across Sri Lanka. Designed to connect women in leadership, these open forums feature insightful speakers and trainers from diverse backgrounds to inspire and cultivate leadership aspirations. To date, eight comprehensive sessions focusing on leadership grooming and personal empowerment have been finalised, reaching 154 unique participants with a 27% repeat attendance rate.

Dismantling Non-Traditional Role Barriers

We actively encourage female technical specialisation in traditionally male-dominated engineering and operational divisions. Brandix maintains a pool of 40 certified female mechanics in Sri Lanka (15 embedded directly in operations, 25 driving mechanical service teams). Building on this pipeline, a specialised development programme commenced in Batticaloa in 2026, onboarding six females in operations and one in engineering. In India, Project Shakti has successfully deployed 31 multi-skilled female mechanics.

Supporting Mothers and Families

Brandix remains deeply committed to fostering a family-centric workplace culture that champions work-life integration and supports our employees throughout their parental journeys. Our parental leave framework adheres strictly to local labour regulations while introducing progressive support mechanisms to ensure seamless transitions for new parents.

Brandix is currently developing an enhanced parental framework that couples 84 days of maternity leave and 10 days of paternity leave with targeted efforts to prepare employees for parenthood and facilitate a seamless return to work.

To facilitate a smooth, supported re-entry into the workforce, Brandix provides a comprehensive ecosystem for expecting and returning mothers. This transition strategy has been enhanced through several key initiatives:

Workplace Flexibility

We have introduced flexible maternity work-from-home (WFH) arrangements, complemented by targeted supervisor education to ensure these options are seamlessly and empathetically managed.

Infrastructure Expansion

As part of our localised IDEA plans, we are systematically expanding dedicated lactation rooms across all Group facilities.

Health and Wellbeing

Expecting and returning mothers are supported with nutritious meals, regular Health and Safety check-ins, and continuous access to our dedicated in-house counselling services.

Childcare Infrastructure

Brandix currently operates seven on-site daycare facilities and one off-site facility across our footprint in Sri Lanka, India, and Bangladesh. This network benefited more than 140 employees and their families during the year under review.

For the reporting year, 32,381 female employees and 4,949 male employees were entitled to parental leave. Of these, 978 mothers availed maternity leave and 32 fathers took paternity leave as per Group policies and 523 mothers returned to work during the reporting period.

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.

Inclusive Workplace

Abuse and Harassment-Free Workplace

At Brandix, we uphold a zero-tolerance policy regarding abuse and harassment, directly reflecting our core RITE value of Respect.

Our Abuse and Harassment-Free Workplace Policy (A&H Policy) ensures that every employee—and every third-party partner—is protected through clear, actionable guidelines that actively prevent gender-based violence, discrimination, and sexual harassment. This commitment is upheld across all our Group facilities, including our 2024 expansion of initiatives to meet national Prevention of Sexual Harassment (POSH) Act requirements in India, ensuring our global standards remain consistent and compliant.

Grievance Handling



Our A&H reporting and governance framework ensures that all grievances are managed with the highest standards of diligence, transparency, and impartiality. Since its inception in 2021, the system has successfully navigated and resolved cases across our operations in India, Sri Lanka, and Bangladesh.

Zero incidents of discrimination were recorded during the reporting period.

To ensure accountability and fair redressal, complaints are governed by a three-tiered escalation process:

Factory Internal Committees (FICs)

Our primary point of contact, FICs comprise cross-functional teams with mandatory equal gender representation. A dedicated three-member panel conducts formal, confidential investigations into all reported incidents.

Regional Internal Committees (RICs)

For matters requiring higher-level oversight, concerns are escalated from the factory level to our Regional Internal Committees for impartial review.

Policy Governance Board

Serious or complex grievances can be escalated directly to the Policy Governance Board, which provides final oversight and ensures appropriate disciplinary action is taken where violations are confirmed.



Safe to Speak Up Policy

Brandix maintains a commitment to an ethical, safe, and transparent workplace. Our Safe to Speak Up (STSU) Policy empowers employees across the Group to confidentially report any matters or conduct that contravenes 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 reviews and addresses all received concerns.

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. The reach of the Ombud's Office actively covers our operations across Sri Lanka, Bangladesh, and India.

Internal Committees

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. The inquiry processes continue to be handled and closely monitored by these designated IC members across all factories and centres.

To further ensure impartiality, all serving on these committees receive specialised technical assistance training to equip 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 to ensure IC members are fully equipped for their roles. An annual IC Recognition Event, celebrates the invaluable dedication of IC members who contribute their time to handling inquiries across the Company.

To enhance governance over our grievance mechanisms, the IDEA Council has increased its engagement with the Board specifically to drive key strategic initiatives and strengthen organisational commitment towards A&H related cases. This ensures greater leadership awareness, timely follow-ups, stronger accountability in addressing cases, and the effective closure of actions. Furthermore, as part of our Group digitalisation strategy, we successfully launched our new dynamic A&H workplace policy dashboard and power app. This tool replaces manual calculations, streamlining the tracking and recording of relevant data, and offering real-time insights that enable faster issue resolution and more credible social performance monitoring.

Throughout the year, we ensured ongoing awareness and adherence to our A&H Policy by achieving a 100% completion rate for mandatory annual refresher training across both executive and non-executive employees in India, Sri Lanka, and Bangladesh. In addition, targeted unconscious-bias training sessions continue across Brandix, fostering a more equitable and understanding work environment for all.

Supporting Persons with Disabilities (PwDs)

Our EDI policies enforce a culture of non-discrimination by providing equitable employment opportunities and adapted tooling for persons with disabilities (PWDs).
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.

We have institutionalised dedicated manufacturing lines for hearing and speech-impaired individuals at our Rambukkana facility, alongside automated production configurations tailored for employees with physical disabilities across our wider factory network. Key metrics, such as disability status, alongside gender, position, age, training hours, recruitment, and turnover, are captured by our comprehensive ESG dashboard.

As of 1 June 2026, Brandix employs 112 specially-abled team members (94 characterised by hearing and speech impairments, 17 with mobility challenges, and 1 with visual disabilities). Positioned across key functions, this pool includes 95 Manufacturing Operators, 1 Ironer, 15 Workers, and 1 Staff member.

Their professional integration is supported by two annual sign language masterclasses, bi-monthly dedicated coaching sessions to provide safe feedback spaces, specialised communication notices, and full inclusion in all corporate and factory events.

Generational Diversity

Brandix is home to a multi-generational workforce, with diverse perspectives, experiences, and innovative energy across every level of the organisation.

As at the end of 2025/26, more than 40% of our workforce are below 30 years of age, with an additional 54% between 30 and 50 years. Gen Z employees now constitute 37% of our executive tiers, while Middle management is represented by Millennials (69%) and Gen X (30%). As part of our strategy to provide connection, Brandix implements targeted mechanisms to encourage collaborative synergy across these age demographics.

Through structured intergenerational dialogues, youth forums, and cross-tier mentorship, we actively working to build a collaborative workplace where emerging talent and experienced leaders can co-create solutions -enabling meaningful career opportunities, while contributing to organisational agility and sustained business resilience.

Switch Up Reverse Mentoring

Pairings that enable younger employees to mentor senior executives on emerging technological trends, modern workplace expectations, and evolving associate mindsets. To date, 27 active mentor-mentee pairs have completed the track across Sri Lanka and India, with new cohorts currently expanding under centralised global targets.

GenStitched U30 Forum

An established platform created to amplify youth perspectives. Selected young leaders interact directly with senior management and the Executive Board, sharing fresh operational insights and innovation concepts. Since its inception in FY 24/25, two major forums have been conducted, engaging over 50 young professionals.

Digital Outreach and Engagement

Active engagement via channels like Instagram, TikTok, and the internal Viyaman portal ensures corporate updates remain accessible and relevant across all tiers.

Employee Health and Wellbeing

Prioritising Mental Wellbeing

Brandix adopts a holistic approach to workforce health, placing equal emphasis on mental and emotional resilience alongside physical wellbeing. Our dedicated counselling and wellbeing team is instrumental in this effort, designing and delivering impactful training and awareness programmes that support our employees' overall welfare.

This is one of the areas in which our Connection & Care pillar comes to life; ensuring our people feel genuinely supported, seen, and cared for at every stage of their journey with us. Our tailored mental health strategy is fully integrated into the Group's broader corporate objectives, ensuring that accurate, holistic wellness resources are accessible to our global workforce.

We provide a comprehensive support ecosystem that adapts to individual needs through ready access to professional counselling and, where necessary, expert psychometric assessments and clinical consultations.

Our efficacy is further bolstered by a robust network of community and institutional partners, including healthcare facilities, law enforcement, Divisional Secretariats, legal aid services, and specialised organisations like Women in Need.

Our counselling team also acts as a critical partner to Plant HR and Operations, providing essential support for key Group-wide initiatives such as the A&H Free Workplace Policy awareness programmes, internal inquiries, the R.I.S.E. programme, and the rollout of our IDEA initiative.

Counselling Excellence and Wellbeing Achievements in 2025/26

Brandix is proud to stand out as one of the pioneering organisations to provide trained, professional, and dedicated counsellors across our plants, ensuring accessible mental health and support for our associates.

This commitment actively contributes to creating an inclusive workplace across all locations.

Global Counselling Network

We have expanded our reach by establishing a dedicated network of 25 counsellors globally, led by the Group Head of Counselling, to provide quality mental health services across the organisation.

Digital Integration for Data Integrity

To ensure efficiency in tracking our efforts, the implementation of our centralised digital HR and workforce systems has vastly improved the accuracy, consistency, and traceability of data related to employee wellbeing. This digitalisation reduces reliance on manual processes and supports more credible social performance monitoring.

Extensive Wellbeing Campaigns

Resilience-building and awareness programmes continue to be a priority across the organisation. During the 2025/26 financial year, we conducted 1,551 wellbeing campaigns and programmes, successfully reaching 23,000 beneficiaries. Furthermore, our dedicated team facilitated over 10,000 one-on-one counselling sessions across the globe.

Targeted Regional Initiatives

Our units in India actively instilled specific wellbeing practices, conducting Counselling and Mental Wellbeing Awareness Campaigns focused on suicide prevention, networking, and exposure to role models. These units also provided access to programmes offered by the state chapter as well as the Southern Region chapter under the pillars of Leadership, Policy Advocacy, and Health & Wellbeing, in addition to two exclusive programmes specifically designed for Brandix Executives.

Work-Life Integration

We further supported employee wellbeing and work-life integration by successfully implementing a robust daycare system. Currently, seven on-site facilities and one off-site facility are in operation, benefiting over 140 employees and their families across Sri Lanka, India, and Bangladesh.



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Employee Engagement

Cultivating an inclusive, high-engagement workplace is central to the Brandix Way. Through our IDEA (Inclusion, Diversity, and Equity to Accelerate) initiative, we actively foster a culture that celebrates diversity and empowers our people. By ensuring every voice is heard, we are building a more connected, collaborative, and inspired global team.

During the year, the IDEA Council shifted its focus towards delivering flagship initiatives that create meaningful and measurable impact, strengthening governance mechanisms, and increasing Board engagement to reinforce a respectful and safe workplace culture. To further enhance engagement and retain our key talent, we implemented strategic changes to our compensation and benefits framework.

Moreover, the continued integration of our centralised digital HR and workforce systems (OneClick) has significantly streamlined processes, improving the reliability of data related to employee records, training, and wellbeing, thereby enhancing the accuracy, consistency, and traceability of social data, supporting more credible performance monitoring and faster issue resolution.

In the absence of a formal trade union, our Employee Council system fosters 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 during the year, based on supplier self-declarations and limited audits.

Brandix has a zero-tolerance approach to child labour, forced labour and violations of freedom of association. Compliance with these standards is tracked via recruitment by HR at the relevant centre, and access controls to plants at security points.

All our councils are transparently registered with the Board of Investment, ensuring clarity in member elections and operations. Employees are able 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.

Employee Councils

Employee councils, albeit in slightly different forms, are active across all our operational geographies. They are a mandatory feature across our manufacturing facilities, serving as a critical conduit for direct engagement between our workforce and senior leadership. By fostering a culture of shared ownership, these councils empower our team members to participate actively in shaping our operational environment.

Council representatives are democratically elected by their peers, ensuring the integrity and transparency of the process. These councils convene regular meetings where team members, management, and leadership engage in open dialogue to resolve workplace challenges. To ensure accountability, all proceedings are meticulously documented, and a dedicated digital dashboard monitors the lifecycle of all raised issues, ensuring prompt resolution and a continuous loop of feedback.

We are committed to the professional growth of our council members, providing them with comprehensive training tailored to their roles—including presidents and secretaries. This programme is designed to equip them with the essential knowledge, interpersonal skills, and leadership mindset required to represent their colleagues effectively.

By sharpening their communication and problem-solving capabilities, this initiative not only strengthens the relationship between the workforce and plant leadership but also serves as a vital pillar in our broader strategy to enhance job satisfaction and organisational cohesion.



Engagement Surveys and Feedback

Brandix conducts systematic engagement and satisfaction surveys across our non-executive workforce at all manufacturing facilities. This data-driven approach allows us to pinpoint areas for improvement, triggering rigorous, structured corrective measures implemented by both location leadership and central teams.

These insights are periodically reported to the Board, ensuring senior leadership remains proactively informed to address concerns, uphold morale, and drive continuous improvement.

Bi-annual Engagement Surveys

These comprehensive assessments provide deep insights into employee sentiment. The in-depth questionnaire explores multiple dimensions of the employee experience, including supervisor interactions, leave policies, and grievance management procedures, ensuring a representative voice for our non-executive staff.

Quarterly Pulse Checks

Complementing our bi-annual surveys, these concise, digital pulse checks monitor core areas that directly impact day-to-day employee experience, such as supervisory support and access to essential services. This high-frequency feedback loop allows us to remain agile and attuned to workforce concerns.

Suggestion Boxes

Physical and digital suggestion channels are available at all facilities, offering employees an accessible, confidential medium to share insights or raise concerns. Factory management reviews all submissions, with responses regularly published on facility notice boards to ensure transparency and closure.

Equitable Compensation and Benefits (C&B)

Equitably rewarding and recognising the diverse contributions of our global workforce is a core principle at Brandix. Our compensation framework is built on the strict doctrine of performance-based, fair pay for all, completely irrespective of gender, and we maintain an absolute stand against discrimination in any form.

Compensation structures and benefit packages are updated annually to guarantee strict alignment with global industry standards and changing macroeconomic pressures. Remuneration tiers reflect job scope, individual competencies, and specialised skill sets, and are applied consistently across all employment classifications. Specific details of executive and staff remuneration remain strictly confidential.

The Economic Relief Allowance, originally introduced for non-executive staff, was transitioned into a production incentive during the year under review. For executive cadres, this relief mechanism has been integrated into standard monthly compensation structures. In India, our localisation strategy at the Vizag facility remains highly successful, providing sustainable livelihoods for regional talent and deepening our integration within local communities.

In addition, 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.

Brandix makes it a priority to provide employees with benefits that comply with local labour laws and regulations.



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Benefit Category & Description	Permanent Cadre	Temporary / Fixed-Term Personnel
The Chairman's Fund: Financial assistance of up to LKR 1 million for critical medical needs, available to non-executive workers and their immediate families (spouses, children, dependent siblings, and parents of unmarried staff).	Eligible	Ineligible
Randaru Scholarships: Financial support for non-executive employees' children for academic excellence at Grade 5, O/Levels, and throughout university. (with higher-value grants for Engineering and Medical fields).	Eligible	Ineligible
Staff Insurance Scheme: Company-funded insurance for all staff-grade employees covering accidents, life, and comprehensive coverage for surgical and hospitalisation expenses.	Eligible	Ineligible
Statutory Retirement Provident Funds: Long-term financial security contributions across South Asia, including EPF/ETF (Sri Lanka), Provident Fund and ESI (India), and the Provident Fund (Bangladesh).	Eligible	Ineligible
Day-to-Day Operational Welfare: Access to free transport and on-site medical/first-aid facilities.	Eligible	Eligible





OUR EVP PILLARS

Growth & Development

Providing for Growth and Development of our employees, be it personal or professional, is an unwavering commitment in our EVP — brought to life through continuous learning, internal talent mobility, and skill development across every level of our workforce.

We view capability building as a continuous journey, combining detailed and systematic needs-assessments, new and emerging learning methodologies, and multi-channel L&D platforms to help employees realise their full potential and career aspirations.

Build | Move | Buy

The BUILD | MOVE | BUY approach is a structured component of our overall talent development strategy, which aims to meet the evolving needs of the organisation by building internal capabilities, mobilising people, and acquiring necessary external talent. The approach is interconnected with all aspects of our HR strategy and explicitly supports the recruitment, retention, and promotion of women.

Build

Developing internal talent, with a specific emphasis on Top and Critical Talent (TACT) and preparing successors for key roles. Development is driven through structured learning interventions—encompassing self-directed learning, peer learning, formal training programmes, and the execution of Individual Development Plans (IDPs).

Progress in 2025/26

Focused on nurturing internal talent through customised developmental frameworks, BUILD initiatives achieved an exceptional 99% success rate (against a 95% benchmark), fulfilling 558 training needs.

Move

Prioritising internal mobility, focusing on mobilising existing employees and providing cross-functional and career development opportunities across the Group.

The Brandix SHINE internal talent portal is now in place, ensuring internal candidates receive priority visibility for all vacancy mappings and rotational tracking before external hiring is initiated.

Progress in 2025/26

MOVE initiatives encouraged internal cross-functional mobility and career progression pathways, achieving a 97% (against a 95% target), and successfully facilitating 141 internal moves.

Buy

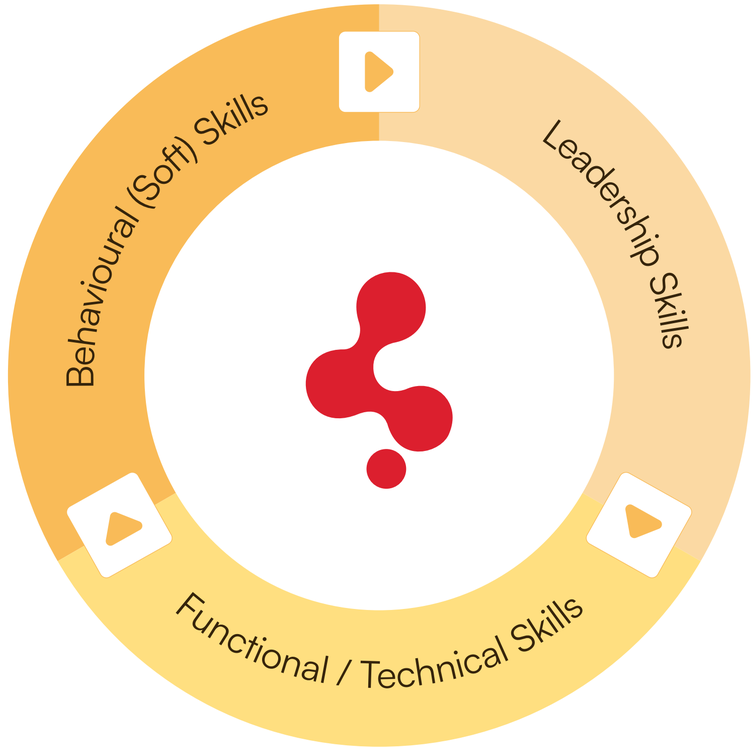
Focus on seeking and acquiring critical external talent. It ensures that the organisation can continuously strengthen critical capabilities and fill gaps where internal succession is not immediately available.

Progress in 2025/26

Directed at acquiring specialised external talent to address critical capacity gaps, we reached 96% fulfilment against an 88% target.

Talent Development Strategy

The Brandix Talent Management and Development Framework encompasses individual growth across three interlinked facets. Technical and functional skill development focuses on building the competencies required for an employee's current role and identified future career pathways. Behavioural skill development fosters the interpersonal and professional capabilities essential for effective collaboration, communication, and workplace performance. Leadership skill development builds the capabilities required to lead self, teams, and business outcomes across increasing levels of responsibility. Learning and development programmes are designed, and employee nominations conducted, in direct alignment with this framework to ensure targeted capability building and organisational readiness.



During the financial year, the Group demonstrated a strong commitment to workforce upskilling, particularly at Executive level:

18.5 Group Average: Training hours per employee

22 Average Female Workforce Training Hours

16.7 Average Male Workforce Training hours

Integration of the Brandix Corporate Campus and Ascent support the broader Group L&D framework allowing leadership to collect, interpret, and leverage learning analytics with accuracy, driving highly informed decisions.

The Brandix Corporate Campus (BCC)

Launched in 1996, the Brandix Corporate Campus (BCC) is our primary engine for rapid workforce upskilling and continuous capability building. Backed by an elite network of global and internal experts, the BCC delivers cutting-edge apparel training to keep our workforce at the forefront of the industry.

Key aspects of the BCC include:

Tiered Leadership Development

In close alignment with Group L&D and business units, the BCC co-creates and executes targeted capability frameworks. These span foundational pathways, including the Associate to Staff (ATS) and Staff to Executive Promotions (STEP) programmes, up to high-level managerial tracks like the Executive Development Programme (EDP) and Management Development Programme (MDP)

Professional Education

BCC enriches our internal learning culture by providing accredited, part-time Diploma programmes for employees.

Customised Training and Assessments

BCC maintains strong partnerships with regional HR departments to deliver tailored solutions that meet unique technical, behavioural, and leadership development needs. To ensure these interventions are effective, BCC employs a robust system of pre- and post-assessments, which provide valuable insights into employee competencies.

Talent Acquisition Support

To enhance group-wide talent acquisition, the BCC assists in the recruitment process by collaborating with HR to develop advanced online diagnostic tools and in-house assessment centres to identify ideal candidates.



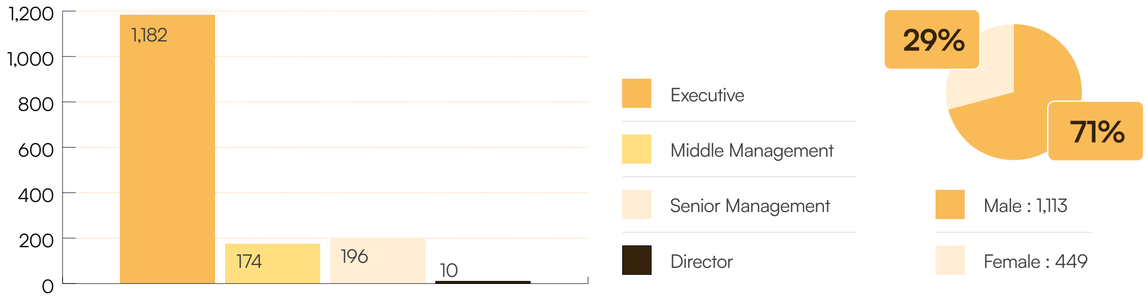
A Dynamic Performance Management System (PMS)

The Brandix Performance Management System (PMS) serves as a core component of our strategy to empower, develop, and retain dynamic talent. During the 2025/26 financial year, we prioritised continuous evaluation, the systematic execution of development goals, and the integration of advanced digital HR infrastructure. By deploying a user-friendly, centralised digital platform, we have significantly enhanced data transparency, traceability, and accountability. This transformation fosters an open, collaborative feedback culture, allowing employees at all levels to engage in constructive dialogue that directly drives performance excellence and effective task execution. Central to the PMS is our nine-box talent mapping matrix, which enables the Group to identify, groom, and reward high-potential personnel with precision.

This mapping is now systematically synchronised with annual Training Needs Analyses (TNAs) to proactively isolate critical capability gaps and inform targeted learning interventions across the organisation. Rigorous follow-up is ensured through formal Talent Conversations, with 100% completion achieved for our top and critical talent (TACT) population during the year. Furthermore, succession readiness has been bolstered by the comprehensive roll-out of Individual Development Plans (IDPs) across the workforce, culminating in the successful completion of bespoke Individual Growth and Development Plans (IDGPs) for the Brandix Executive Board. By expanding the PMS to encompass staff-level employees during the year, we have secured organisational alignment and accelerated talent development across all tiers, ensuring our digitalised workforce systems credibly support both individual growth and our broader social sustainability objectives.

A total 1562 employees, from executive and above categories, had completed their PM assessments by the year end. This accounts for 74% of our total executive and above cadre. Performance of Associates is evaluated through other non-executive grading mechanisms and requisite increments are calculated and provided as per pre-approved rates. Coverage across organisational tiers reached 87% for Senior Management, 77% for Middle Management, 73% for Executives, and 27% for Directors. PM assessment completion rates stood at 78% for eligible male team members (1,113 employees) and 65% for female team members (449 employees).

Employees that received 2025/26 performance and career reviews



Training Needs Analysis (TNA)

We adopt a strategic, data-driven approach to capability building, ensuring that technical and leadership development initiatives are seamlessly aligned with both overarching business priorities and individual growth aspirations. Through annual Training Needs Analyses (TNAs), complemented by continuous performance and development conversations, the Group proactively identifies critical competency gaps and deploys targeted learning interventions across the organisation.

This focus ensures we are cultivating future-ready institutional capabilities whilst ensuring training investments remain directly responsive to shifting business imperatives and workforce dynamics.

During the year 2025/26, we attained a TNA completion rate of 94% (against an 85% target), closely monitoring and validating that L&D resource allocation is aligned with organisational needs and functional performance criteria.



Attracting and Retaining High-Potential Talent

Employee retention at Brandix is intrinsically linked to living our core Maxims, fostering an active learning culture, and embedding the pillars of our IDEA (Inclusion, Diversity, and Equity to Accelerate) strategy.

We create an environment where employees can thrive by deploying structured interventions across gender equity, inclusive workplaces, and generational diversity. The Group's IDEA (Inclusion, Diversity, and Equity to Accelerate) strategy, on **page 124**, details these policies, processes, and programmes.

Brandix aims to attract and retain high-potential individuals who offer both technical excellence and strong alignment with our core organisational values.

Central to our talent acquisition approach is our forward-thinking technical competency framework, which undergoes continuous refinement through advanced technical assessments and close collaboration with the Brandix Corporate Campus (BCC) to deploy cutting-edge online evaluation tools and in-house assessment centres. Furthermore, we leverage the power of artificial intelligence to ensure unbiased, highly efficient, and data-driven hiring processes.

We use digital tools, such as an attrition predictor, to focus our retention strategy on proactive engagement. Insights from these tools allows leadership and management teams to conduct targeted pivot conversations, to retain top talent

Academic partnerships remain a cornerstone of our regional talent sourcing. We actively engage with tertiary and vocational institutions across our operating footprints, fostering grassroots innovation and securing early-career talent. To ensure executive and managerial benchmarking, the Group utilises globally validated diagnostic instruments, including the Harrison Talent Assessment Tool and Hogan Assessments.

These systems enable leadership to pinpoint critical behavioural traits, map leadership potential, and establish competency baselines for senior roles.

Onboarding and Exit Management

With the belief that a positive onboarding experience is paramount to long-term retention, new team members are equipped with essential resources and integrated into a welcoming environment. Additionally, we place a strong focus on personal milestones—such as celebrating first salaries and offering foundational financial literacy guidance at the associate level—fostering long-term growth and connection within the Company.

Brandix conducts rigorous, independent, exit interviews to identify addressable workplace friction points. We closely monitor new-hire attrition to proactively evaluate working conditions and safe-space protocols across the business, as part of our efforts to prevent harassment and ensure the optimal functioning of our safe-space protocols.



Brandix Employee Onboarding Journey

A structured timeline for new hire integration (Day 1 to 90 Days)

- In-Person Greeting & Official Welcome
- Team Breakfast/Lunch Arranged with immediate team
- Introductory Alignment Meeting with Supervisor, Team & Key HR
- Essential Policy Overview (Culture, Compliance)

Day 1 | Welcome

Warm Welcome & Immediate Connection

Weeks 1-2 | Induction

Core Induction & Support Systems

- "Welcome Aboard" General Induction (Vision & Values)
- Brandix Corporate Induction (Structure & Units)
- Functional Inductions (Role-specific training & workflows)
- 'Buddy' Assignment (Peer guide for cultural integration)

Months 1-3 | Integration

Milestone Progessions & Check-Ins

- **Month 1** — 1st Month One-on-One Check with Supervisor
  Feedback, goal alignment
- **Month 2** — 2nd Month Check-in with HOD (Head of Department)
  Broader alignment, strategic fit
- **Month 3** — HR Check-In
  Experience & Satisfaction
- **Month 3** — 3rd Month Evaluation with Supervisor
  Comprehensive Review

Senior Manager & Above Hires

Specialised Track For Senior Leadership

- 90-Day Induction Plan
- Executive Immersion
- Strategic Alignment
- Deliverables

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Leadership Development: Capability and Pipeline Building

Whilst maintaining core technical, functional, and leadership development frameworks, we place emphasis on structured leadership pipeline depth and succession pathways in order to build a resilient pipeline of Inspired People.

Backed by the active rollout of the LDP, MDP, and EDP tracks, the Group's overall succession readiness reached a solid 51% against the 60% target, with targeted development experiences and Individual Development and Growth Plans (IDGPs) being deployed to accelerate potential successors for critical enterprise and board-level roles.

To champion a culture of continuous development, employees are provided with access to a comprehensive suite of technical, functional, and leadership training opportunities, specifically designed to elevate performance and cultivate readiness for future roles. This commitment is further empowered by iConnect, Brandix's dedicated digital learning platform. By providing on-demand access to an extensive library of educational resources, iConnect fosters a robust institutional culture of active knowledge sharing, continuous learning, and self-directed development.

Educational content was deployed via a sophisticated blended learning model that synthesises instructor-led sessions, peer mentoring, experiential projects, and self-paced digital tracks via the iConnect platform. Furthermore, the Group scaled targeted developmental interventions for critical enterprise talent, succession candidates, and distinct corporate hierarchies through the Leadership Development Programme (LDP), Management Development Programme (MDP), Executive Development Programme (EDP), and specialised operational capability-building initiatives.

Our Learning and Development (L&D) model blends decentralised execution with overall corporate direction to ensure both local relevance and global consistency. Whilst decentralisation empowers our regional HR business partners and L&D leads to tailor training initiatives to specific geographic and operational requirements, central oversight is strictly maintained for high-impact tiered leadership frameworks and our Top and Critical Talent (TACT) development programmes.

These initiatives are precisely engineered to fast-track the advancement of change-capable leaders, systematically expanding their capabilities across eight core competencies.

To ensure the efficacy of our interventions, Brandix utilises an array of internationally validated scientific instruments, combined with self-reflection modules and progressive adult learning methodologies. This comprehensive diagnostic toolkit—encompassing Hogan Assessments, Harrison Assessments, the Influence Style Indicator, the Change Style Indicator, MBTI, and FIRO-B—generates a rich data output that drives continuous optimisation across our learning frameworks for maximum operational impact.

Crucially, this supports equity by ensuring balanced resource allocation and no significant variance in training hours by gender.

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

- SIMS Academy Phase 02
- Factory Core Team Development
- Team Leader Development Programme
- SME Development

Tiered Leadership Development Programmes

To systematically secure our organisational bench strength, Brandix deploys customised learning interventions across distinct corporate hierarchies. Our flagship Executive Development Programme (EDP) and Management Development Programme (MDP) are crafted to cultivate a robust pipeline of future leaders. All diagnostic insights harvested across the programmes are seamlessly translated into actionable Individual Development Plans (IDPs) to further career progression and accelerate pipeline readiness for advanced corporate responsibilities.

Every Executive at Brandix has an Individual Development Plan (IDP) focused on their current role and career progression. Concurrently, focused development for identified successors to critical roles is governed by their Individual Growth and Development Plans (IGDPs) — focused growth plans engineered to accelerate readiness, expand strategic capabilities, and secure long-term organisational succession.

Executive Development Programme (EDP)

Following its successful inception and proven impact within our Indian footprint, the framework has been strategically scaled and integrated into our Sri Lankan operations. Brandix's flagship Executive Development Programme is engineered to prepare high-potential executives for successful advancement into mid-management roles. Facilitated by a select cohort of internal and external specialists, the curriculum combines interactive instructional modules with a dedicated assessment centre, further supported by post-programme coaching delivered by the Group's internal pool of certified coaches.

In alignment with our group-wide agenda to drive gender equity, the EDP has significantly elevated its diversity benchmarks during the 2025/26 cycle, which included 28 participants and is now targeting nearly 50% female participation per intake.



Management Development Programme (MDP)

Introduced in 2022, the MDP functions as a strategic capability-building platform designed to cultivate leadership effectiveness, enhance self-awareness, and equip Level 2 managers—encompassing Assistant Managers, Managers, and Senior Managers—to thrive in an evolving corporate landscape. The selection architecture is highly individualised, pairing candidate career aspirations with data-driven competency metrics to precisely isolate and address specific skill gaps during annual performance cycles.

Developed in partnership with premier external experts, this rigorous 12-month curriculum delivers an exhaustive training and performance evaluation framework comprising:

- A dedicated on-site development centre
- An MBTI personality profile evaluation
- Four individualised, one-on-one coaching sessions
- A holistic 360-degree feedback assessment
- Four comprehensive core training modules
- Collaborative group CSR projects engineered to enhance team cohesion and social purpose

During the 2025/26 reporting cycle, the MDP achieved nearly 40% female representation across its cohort of 26 participants.

Leadership Development Programme (LDP)

The Leadership Development Programme (LDP) accelerates the strategic and enterprise capabilities of senior leaders, Level 3 top and critical talent (TACT), and board-level succession candidates. The framework utilises Hogan Assessments as a diagnostic tool to pinpoint leadership strengths and growth areas, followed by bespoke internal or external coaching engagements. To secure long-term organisational agility, participants are mapped against targeted Individual Development and Growth Plans (IDGPs). 40 employees completed the LDP during the year.

Notably, the 2025/26 financial year achieved 100% Individual Development and Growth Plans (IDGPs) completion for the entire Brandix Executive Board, tightly aligning top-tier leadership capabilities with shifting business imperatives.

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Coaching and Mentoring

Our internal capability development is further driven by a two-dimensional internal and external coaching ecosystem. Brandix houses an expansive network comprising 30 dedicated mentors, 26 International Coaching Federation (ICF)-certified coaches, 18 internal certified coaches, and a pool of 6 external specialists. Cumulatively, this comprehensive network has successfully guided over 430 employees through tailored leadership pathways. Currently, our pool of critical and top talent (TACT) includes 21% female executives, with 100% of these high-potential leaders completing mandatory talent and career conversations during reporting window.

We further strengthened our mentoring culture through targeted mentor development initiatives. As part of the RISE for HER programme, 12 female and 27 male coaches were trained to provide structured guidance, support, and career development opportunities for participants. In addition, senior leaders actively engage in mentoring high-potential and emerging talent, sharing their expertise and insights through structured mentoring relationships that support leadership development and long-term career progression.

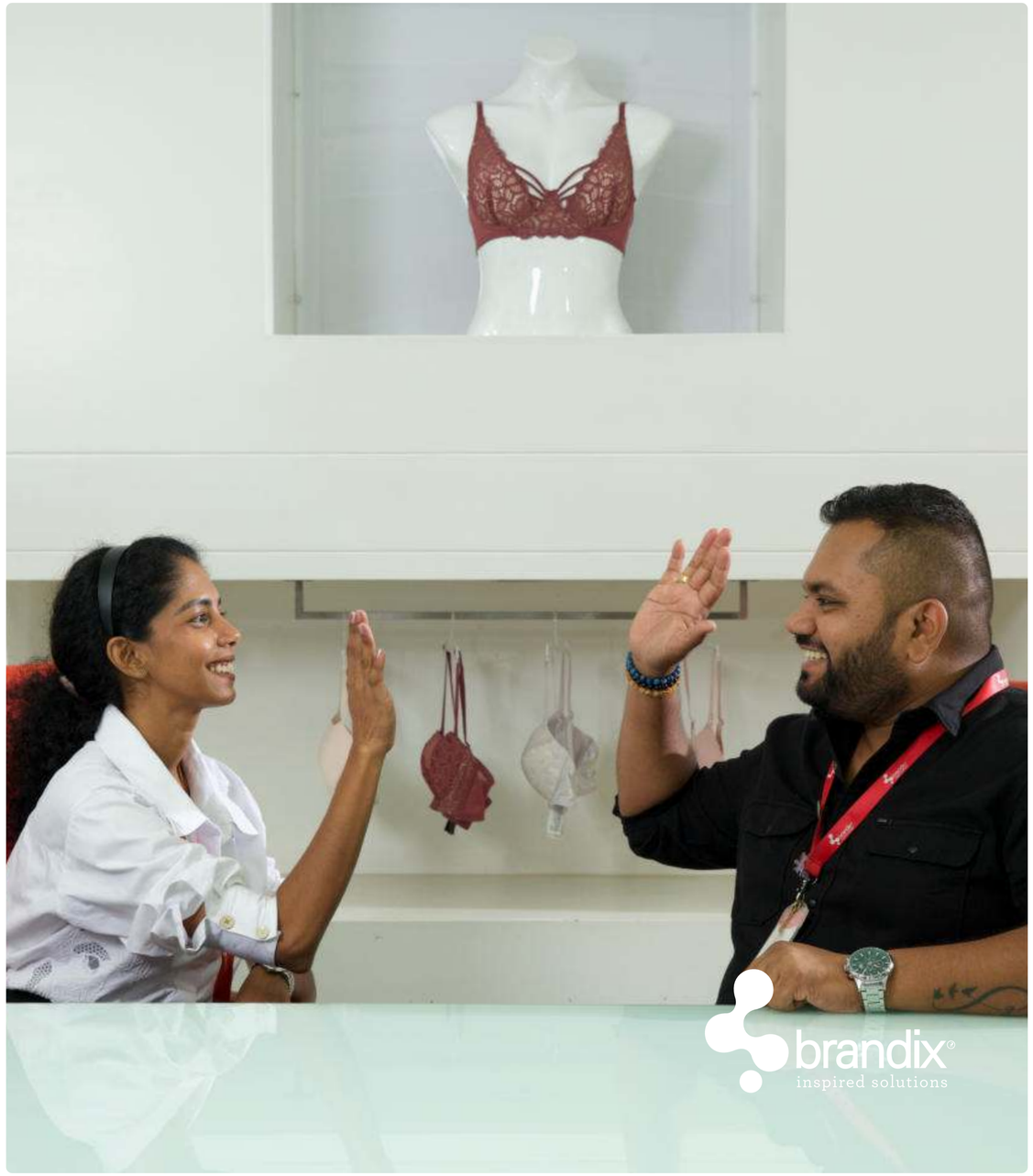
SIMS Academy (Smart and Inspiring Managers Academy) and Factory Core Team Development

Stemming from our core RITE values, the programmes utilise curated workshops to develop the competencies necessary for managers to become truly "Smart and Inspiring." SIMS is formulated to enhance the technical, commercial, and leadership capabilities of our operational manufacturing leaders. Modules emphasise production scheduling, financial acumen, apparel value-chain mechanics, automation technologies, and customer-centric delivery.

Executive Talent Management

Brandix's bi-annual performance management framework, integrated with ongoing Continuous Performance Feedback (CPF), ensures our executive cadre receives consistent, structured developmental guidance. The CPF system utilises a nine-box grid matrix to comprehensively evaluate both immediate technical competence and long-term growth potential. Governed by the Board, Leadership Team, and Functional Heads, this continuous feedback loop ensures that executive evolution remains at the forefront of our corporate agenda.

This architecture is anchored by the Group's Talent Development and Pipeline Building Framework, which serves as the foundation for all executive learning and development initiatives. In response to our dynamic operating environment, Brandix systematically prioritises three core development pillars: behavioural skills, leadership capabilities, and functional expertise.



Non-Executive Talent Acceleration and Life Skills

We approach learning and capability development for our non-executive employees — associates and staff — through structured, tiered frameworks that build functional and leadership capabilities to support career growth. A comprehensive training curriculum that addresses identified competency gaps is delivered collaboratively by the Group L&D function and the Brandix Corporate Campus (BCC).

Mechanics Training Programme

During the year under review, the Group sustained its Technical Mechanics Training Programme across both Sri Lankan and Indian manufacturing facilities. This specialised curriculum equips non-executive associates with advanced equipment troubleshooting capabilities, enabling them to graduate as certified mechanics whilst systematically addressing the escalating industry demand for qualified technical personnel.

Project Shakti

Launched within our Indian operations in October 2023, Project Shakti advances gender equity by upskilling female associates into multi-skilled technical roles. This structured nine-month programme combines 12 weeks of classroom study with 24 weeks of on-the-job training to dismantle non-traditional career barriers. To date, the initiative has successfully deployed a cumulative total of 31 certified mechanics across three successive cohorts, comprising 14 in Batch 1, 12 in Batch 2, and 5 in Batch 3. During the reporting year there were 13 associates who succesfully completted the training.

The RISE Programme (Re-imagine Industry to Support Equality)

Following the phased conclusion of the global P.A.C.E. programme, the Group successfully transitioned its foundational life-skills curriculum to the internationally accredited RISE framework. Governed by the global RISE Foundation, this initiative provides modular training engineered to enhance worker self-confidence, financial literacy, healthcare awareness, and human rights understanding. The programme is delivered via an internal 'train-the-trainer' model within each facility, supported by periodic quality assurance interventions to maintain rigorous delivery standards. During the 2025/26 financial year, the initiative engaged 3,514 active beneficiaries, resulting in the successful graduation of 2,651 associates across 11 manufacturing locations under the guidance of 83 certified trainers.

BILD (Brandix India Learning and Development)

Brandix India drives regional capability and industry thought leadership through national panels, international executive exposure, and 'Campus to Career' pathways. This strategy is formalised through Brandix India Learning and Development (BILD), which orchestrates our Abhimaan localisation campaign and delivers tiered leadership frameworks to transition grassroots talent into management. Furthermore, BILD strengthens the regional textile ecosystem by establishing Memoranda of Understanding (MoUs) with academic institutions, securing sustainable employment for local graduates.

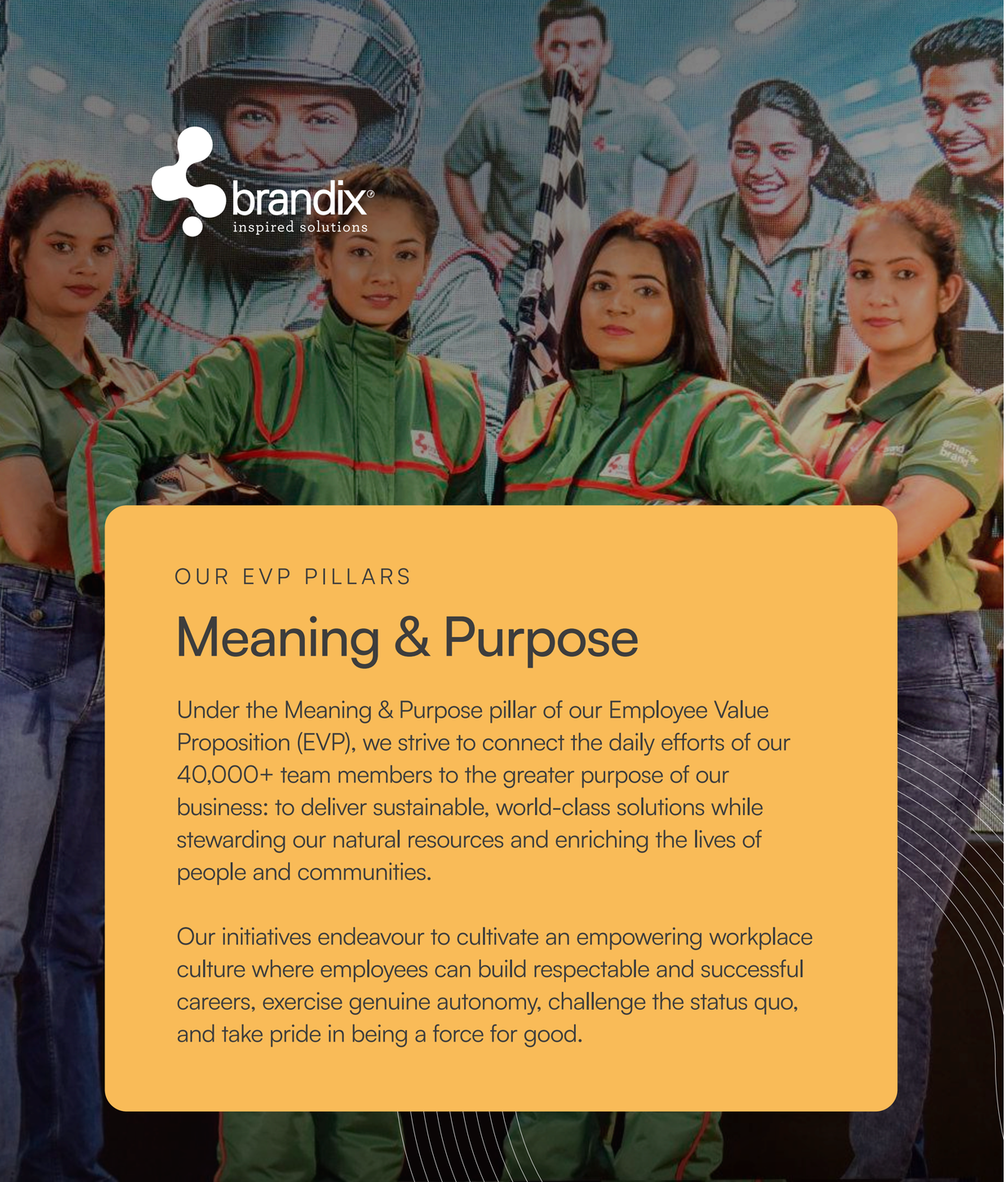
Associate to Staff (ATS) Development Programme

A flagship programme of the Brandix Talent management strategy, ATS functions as a vital catalyst for internal talent mobility, systematically transitioning high-potential, non-executive associates into supervisory and administrative roles. This structured framework equips factory-floor employees with the technical competencies, administrative acumen, and leadership mindsets required for career progression. By cultivating future operational leaders from within our existing workforce, the programme rewards high performance whilst reinforcing long-term business resilience.

Staff to Executive Promotions (STEP)

STEP serves as an accelerator for management-level talent mobility, transitioning staff-grade employees into corporate executive roles. Continually evolving to meet shifting macro-environmental demands, the framework's milestones—beginning at the nomination stage—have been restructured to precisely filter high-potential candidates and guarantee seamless organisational transitions. By focusing heavily on project execution, people management, and senior leadership networking, STEP equips personnel with the strategic acumen and commercial capabilities required for advanced oversight, robustly securing our internal succession pipeline. During the year under review, STEP celebrated the successful graduation of its 10th milestone batch with 72 individuals trained during the reporting year.

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OUR EVP PILLARS

Meaning & Purpose

Under the Meaning & Purpose pillar of our Employee Value Proposition (EVP), we strive to connect the daily efforts of our 40,000+ team members to the greater purpose of our business: to deliver sustainable, world-class solutions while stewarding our natural resources and enriching the lives of people and communities.

Our initiatives endeavour to cultivate an empowering workplace culture where employees can build respectable and successful careers, exercise genuine autonomy, challenge the status quo, and take pride in being a force for good.

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 Formula1 drivers, to understand the key role they play in the business, and that their triumph directly reflects our collective achievement.

During the years 2024 to 2026, we began rollout of a company-wide F1 Concept and strategy to redefine the perception of the apparel sector, positioning it as a highly respected, aspirational, and genuinely rewarding career path.

The detailed section, F1 at Brandix (**page 11**), describes our overarching mindset, unifying vision, and operational strategy and programmes — all designed to enable our associate Brandix machine operators to be the F1 drivers: with a respected, rewarding, and empowered career path with an abundance of development opportunities.

CSR and Vision for Growth

Within our broader Environmental, Social, and Governance (ESG) strategy, employees have the opportunity to actively participate in Brandix's sustainability journey - from piloting circularity initiatives, to pioneering the energy transition, and driving social impact through structured volunteerism.

The Community chapter (**page 169**) includes details of the Brandix Manusath Champion volunteer platform, and a number of other community engagement and development initiatives.

Guiding Leadership and Outreach (GLO) Programme

The ongoing GLO programme bridges corporate talent development with grassroots youth leadership and community upliftment, and is conducted in partnership with the Association for HR Professionals in Sri Lanka (AHRP) and AIESEC, alongside industry partners (Fortude, SyscoLabs, John Keells Holdings, and IFS). Under phase 1 of the programme, five Brandix employees participated in advanced Train-the-Trainer sessions hosted by the Global Learning Lab, equipping them to facilitate high-impact leadership modules. As part of phase 2, Brandix engaged 22 university students across Sri Lanka to design and deliver a two-day GLO Leadership Academy. These students developed community-focused sustainability projects, with the winning proposal selected for full funding and execution.

As the chosen impact project, a professional skills upliftment workshop was conducted at the American iHub in Batticaloa. Facilitated voluntarily by student graduates of the Brandix GLO programme, the workshop trained 18 regional students on CV development, interview preparation, selection processes, and essential workplace behavioural skills.

HR Governance, Partnerships and Compliance

To support operational agility and elevate internal accountability, our human resources strategy is steered by a comprehensive and centralised governance architecture. Direct oversight cascades from the Group Chief Executive Officer (GCEO) and the Managing Director (MD), highlighting the vital role our team members play in sustainable business performance.

The People Strategy is formally reviewed on a quarterly basis, allowing for agile adaptation to evolving business needs. From formal high-level engagements to regular ground-level initiatives and interventions, our HR governance framework ensures cohesive operational excellence across the function.

HR Flash Meetings

Frequent strategic alignments convened with the Group CEO and Managing Director to determine key HR priorities and cross-border decisions.

HR Leadership Connect

Led directly by the Chief People Officer (CPO) to manage policy coherence, functional training, and strategic workforce targets group-wide.

Quarterly Strategic HR Reviews

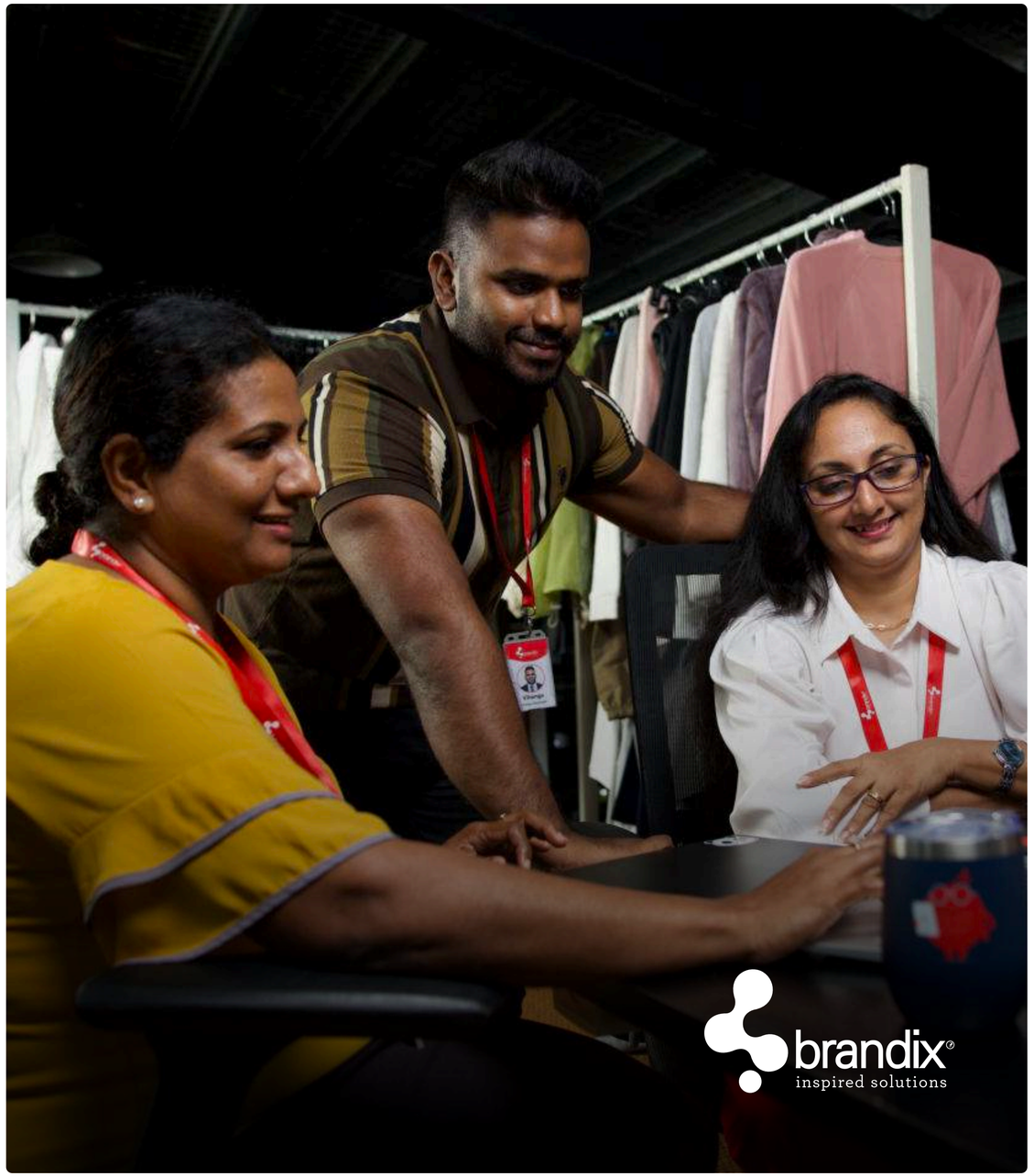
Formal, data-backed sessions that thoroughly evaluate key performance metrics, enabling swift adaptation to changing market forces and socio-economic contexts.

Operational and Factory Interventions

Maintained via quarterly Plant HR Connect and weekly Operations Connect channels to track grassroots sentiment, monitor localised issues, and reinforce employee wellbeing.

Each pillar in our People Strategy is underpinned by distinct levers and targeted initiatives designed to maximise impact, with execution progress monitored via dedicated KPIs. In addition, Strategic Workforce Plans are reviewed quarterly to maintain alignment with key business imperatives.

By leveraging our specialised iConnect digital learning platform and modern analytics dashboards, leadership conducts routine, data-driven assessments across all operational Key Performance Indicators (KPIs), ensuring our training investments and developmental pathways are transparent, impactful, and directly responsive to business requirements.



IDEA Governance

Backed by direct Board sponsorship, the IDEA framework is driven by a multi-tiered governance architecture.

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 of over 20 members from across Brandix, is 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.

During the 2025/26 financial year, the Council expanded its strategic engagement with the Board to deliver high-impact flagship initiatives, reinforcing strict leadership accountability and a safe workplace environment across all regions.



Brandix Executive Board: Driving IDEA Forward

Gender Equity Pillar	Inclusive Workplace Pillar	Generations Pillar
Asanka	Suwan	Nadun
Afham	Alok	Lalith
Rajiv	Hasitha	Oshada

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

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External Partnerships

We continue to strengthen our ethical governance through strategic global alliances:

United Nations Global Compact (UNGC)

Active engagement as patrons to advance the Business and Human Rights agenda across global apparel networks.

UNFPA Coalition

Active participation to support Reproductive Justice in Business ecosystems.

Hemas Her Foundation

Collaborative deployment of menstrual health awareness programmes and hygienic product distribution drives, successfully reaching over 7,000 employees across our facilities.



Global Compliance and Accreditations

To ensure our progress remains aligned with international best practices, we actively collaborate with global working groups, serving as patrons with the United Nations Global Compact (UNGC) to advance the Business and Human Rights agenda, and partnering with the United Nations Population Fund (UNFPA) through a coalition focused on Reproductive Justice in Business. Furthermore, we benchmark our performance against rigorous global standards such as the UN Women's Empowerment Principles Gender Gap Analysis Tool, where Brandix achieved a score of 70.7% in 2025/26.

Through rigid corporate oversight, the Group ensures a workplace free from child, forced, or compulsory labour. The following international human rights and labour compliance certifications remain active and validated for the 2025/26 financial year:

WRAP (Worldwide Responsible Accredited Production)

Complete certification maintained for all operations across our BWAT, BRAM, BKOG, and BBAT (Brandix Wathupitiwala, Brandix Rambukkana, Brandix Koggala, Brandix Batticloa) manufacturing complexes.

BSCI (Business Social Compliance Initiative)

Full corporate accreditation valid through 2025/26, backed by comprehensive audit verifications.

ETI (Ethical Trading Initiative)

Ongoing SMETA verification active for the 2025/26 cycle across Sri Lanka units (BAVI, BWAT, BBAT, BMIR1, BMIR, BRAT-FIN) and India facilities (BIND1, BIND4, VAPL).

SLCP (Social & Labour Convergence Program)

Group-wide verification executed for 25/26 across Sri Lanka, India, and Bangladesh facilities, fully incorporating the Higg FSLM (Facility Social and Labour Module) data framework.

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Occupational Health and Safety (OHS)

Safeguarding the health, safety, and well-being of our global workforce is a foundational priority, and an inseparable component of our operational DNA. It is a natural extension of our social commitment to our employees, and a vital facet of our enterprise that enables success.





2025/26 OHS Report

We continued to advance OHS practices, processes, and standards during the year; resulting in overall improvements to OHS indicators. Expansion of standardised incident reporting to our Bangladesh operations during the year, led to an overall increase in recorded incidents.

Group-level OHS performance

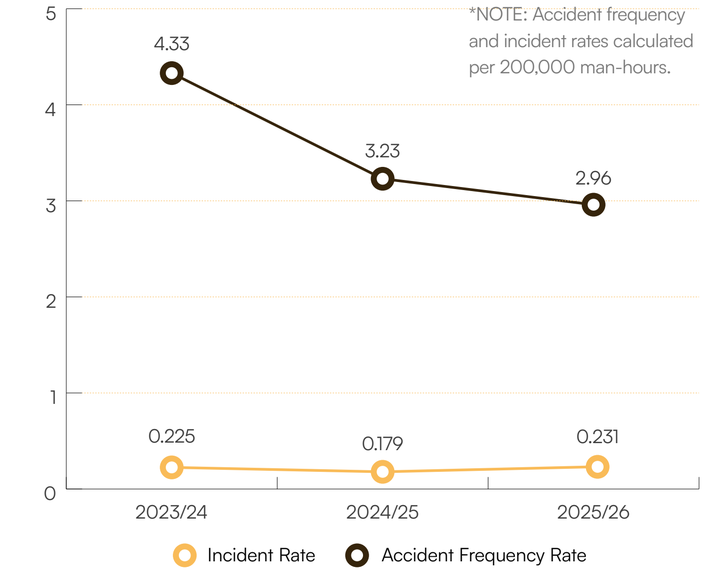
Group H&S Accident-frequency Rate (2.96) improved significantly, even with expansion of coverage in reporting; while Incident Rate (0.23) saw a marginal increase. The Group recorded one high consequence injury (recovery time of more than six months) during 2025/26*. Needle pricks, joint / muscle pain, and trimmer cuts were the primary types of work-related injuries. Zero work-related fatalities were recorded during the reporting period across approximately 97 million working hours (96,964,285 total man-hours worked).

*During the reporting period, a single high-consequence work-related injury was recorded on 7 October 2025 at the Brandix Mirigama #1 facility. An associate walking through the Raw Material unloading bay was struck by a pallet truck whose operator had obstructed vision due to a load stack higher than eye-level. The resulting impact led to a fall from the loading bay platform, causing a lower-leg fracture that required surgical repair and a recovery period exceeding six months. Immediate emergency medical response was provided, and the Group executed an enterprise-wide Engineering/OHS Alert mandating rigid, removable, fall-prevention handrails across all loading bays Group-wide. This physical control measure has now been fully implemented across all facilities.

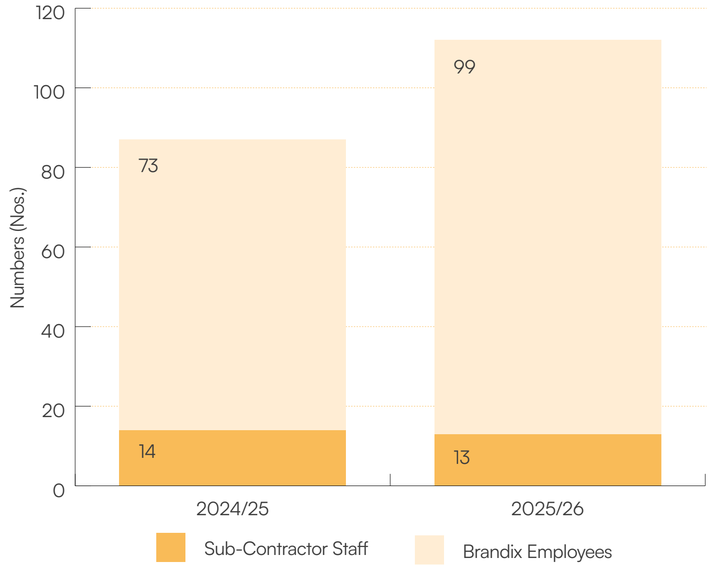
OHS Policy revised, 02 new standards issued, and 03 new standards fully implemented

Updated OHS Policy, Version 3.0, published. Issued two new OHS standards (STD311: Ergonomics, and STD419: Fall Prevention & Protection). Three new standards — for Health & Safety of Contractors and Visitors (STD402), Food Safety & Hygiene (STD411), and Ergonomics (STD311), were implemented at site level, increasing the total implemented to seventeen.

OHS Performance Indicators*



Work Related Injuries



Integration of women in OHS Planning and Monitoring

Improved tracking and disclosure of women's participation in OHS Governance. Women now make up 26% of our central OHS structure and 55% of site-level OHS Committees (which include nursing staff / Occupational Health Nurses - OHNs).

27 facility-level community projects for OHS enhancement

Brandix OHS teams executed 27 Corporate Social Responsibility (CSR) projects, across 9 plants, engaging the wider society to build a culture of community ownership over health and safety. Projects included training on General H&S, OHS, Nutrition and Food Safety / Hygiene; donation of equipment and supplies; and public-engaged efforts for community health.

Scaling Hazard reporting and employee engagement

Hazard reporting sustained momentum in 2025/26, with 27,508 reports recorded (90% of annual internal target). We expanded standardised hazard reporting to our Bangladesh operations during the year, but are yet to begin employee-level monitoring at these facilities. Employee involvement in hazard reporting continued to gain traction, with 10,828 employees (33% of the total headcount — excluding BD) actively engaging in hazard reporting (82.5% of annual internal target).

Site-leadership audits and corrective action

To support facility-level compliance and ensure follow-up on reported risks and hazards, the Group conducted 722 leadership audits during the year (92.1% of the annual target). These audits generated 2,813 corrective actions, of which 2,406 (85.5%) were successfully attended to and closed within the financial year.



Ongoing Hazard Identification and Risk-Assessment (HIRA)

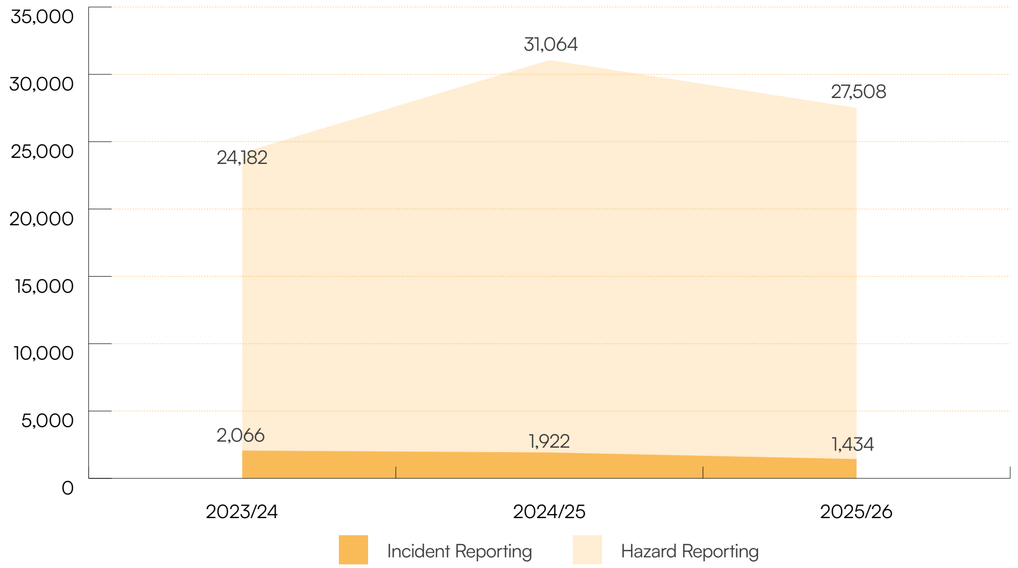
Maintained momentum of the HIRA process during the year, with risk assessments carried out at various plants. By the end of the year, OHS teams had completed risk assessments for approx. 87% of annually identified tasks, including 237 assessments carried out in 2025/26. Teams prioritised high and medium-severity risks, and completed the year with 87% of these risks successfully mitigated.

Capability development and awareness

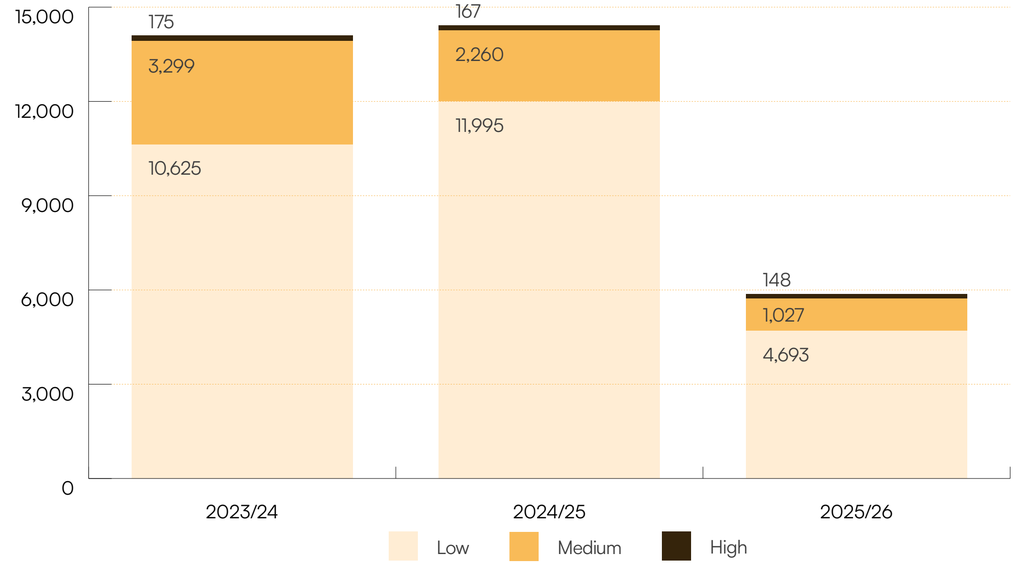
Continuous investment in OHS capability development for personnel, with 86,194 face-to-face OHS training man-hours, and 180,484 information-raising man-hours delivered via Public Address (PA) systems across operations; to ensure widespread awareness across 23 plants and centres. Additionally, teams circulated engineering and OHS alerts, and lessons-learnt messaging was shared across facilities to foster continuous learning.

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Proactive Hazard Reporting and Incident Reporting



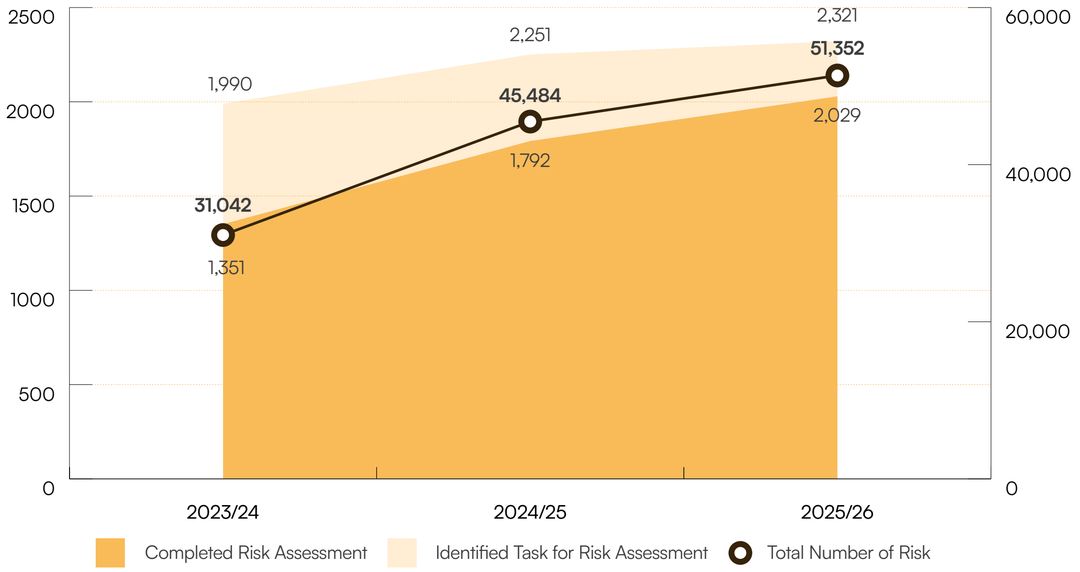
Categorisation of Identified Risk



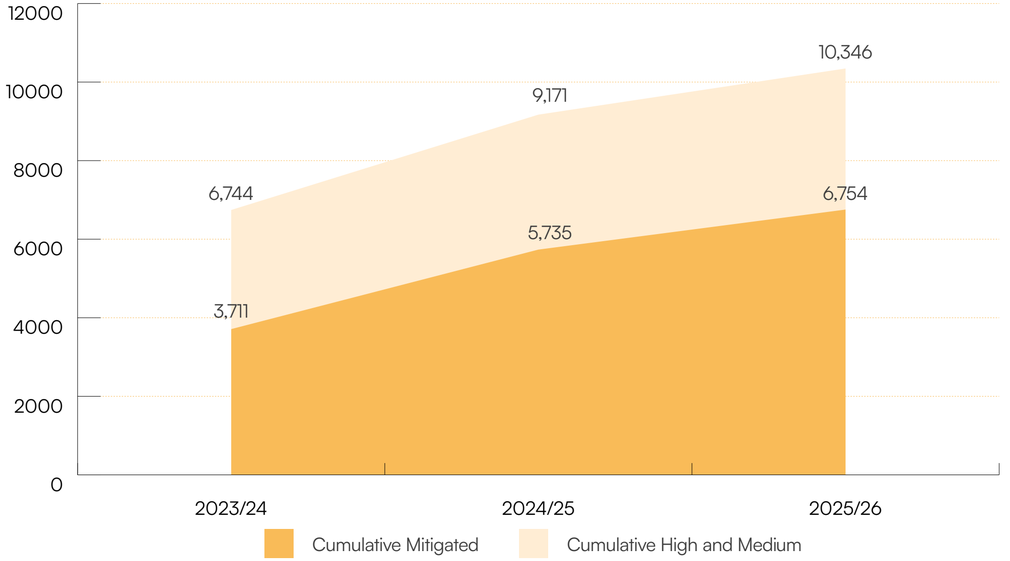




Hazard and Risk Assesment (HIRA)



Risk Mitigation Process



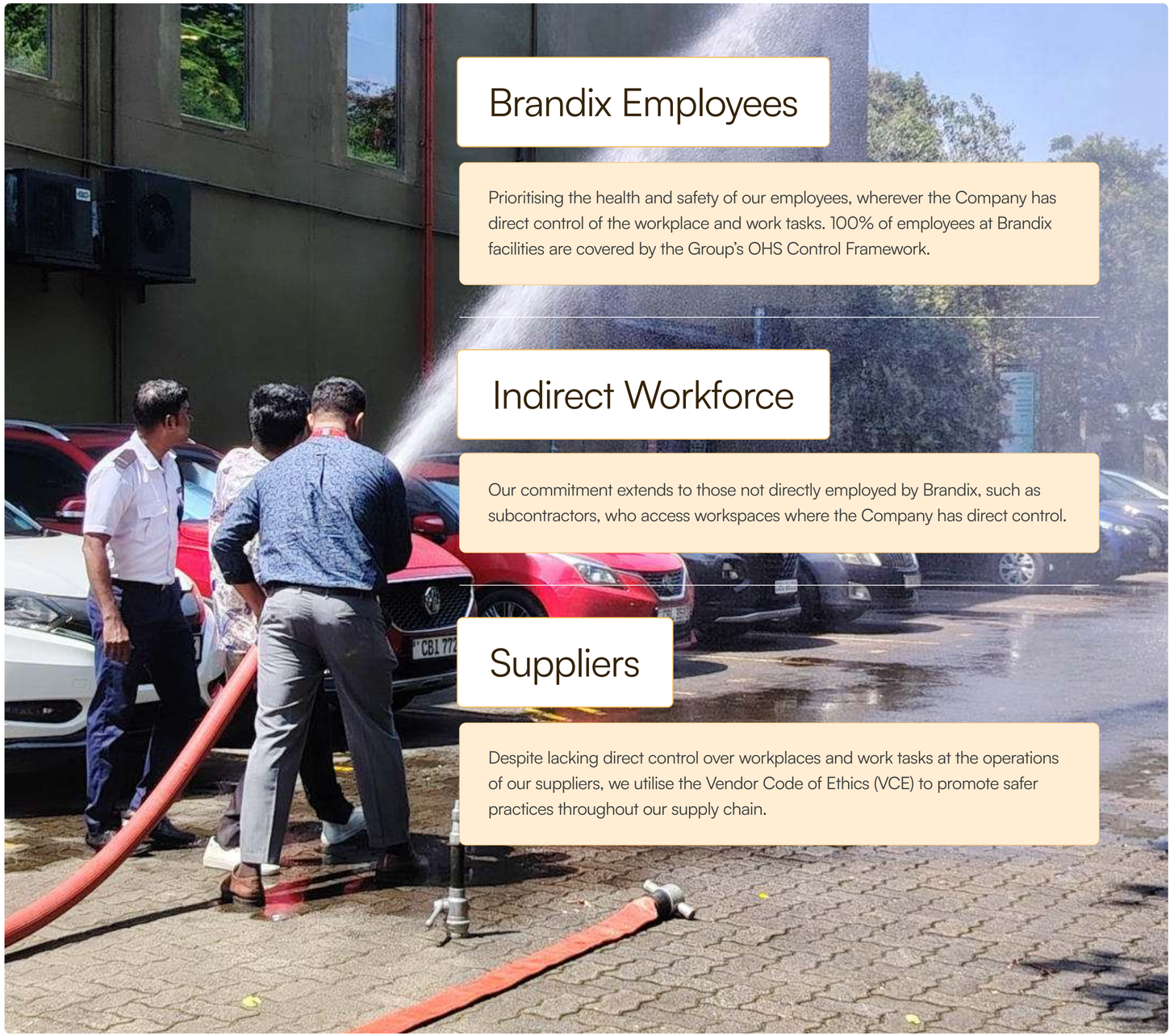
Approach to Occupational Health and Safety (OHS)

Our approach to workplace safety is guided by an ambitious Vision Zero roadmap: a long-term commitment to achieving and maintaining zero accidents, zero occupational illnesses, zero customer audit failures, zero dangerous occurrences, and zero regulatory sanctions.

To realise this vision, we employ an Occupational Health and Safety (OHS) strategy that is deeply integrated into our business model and daily practices; from Group-level, down to individual facilities.

OHS scope covers 100% of facilities and centres within the Group, encompassing 100% of our employees and indirect workforce (such as subcontractors), and advocates for safer practices amongst our suppliers wherever possible. Our OHS Control Framework and training programmes also extend to Inqube, whose OHS functions are fully governed by the Brandix Group. In addition, all OHS Standards developed by Brandix are made available on the Group intranet — BrandNet. Companies where Brandix has a partial stake, such as TeeJay Lanka, have access to all published standards in this manner. The Group OHS function monitors views and downloads from BrandNet; and utilisation metrics (downloads and views) indicate these companies are also referencing Brandix OHS standards.

The Group's approach to OHS encompasses three key stakeholder groups. It prioritises areas that are directly within our control, both on and offsite; and incorporates practices to exert influence across the wider value chain that exist outside our control.



Brandix Employees

Prioritising the health and safety of our employees, wherever the Company has direct control of the workplace and work tasks. 100% of employees at Brandix facilities are covered by the Group's OHS Control Framework.

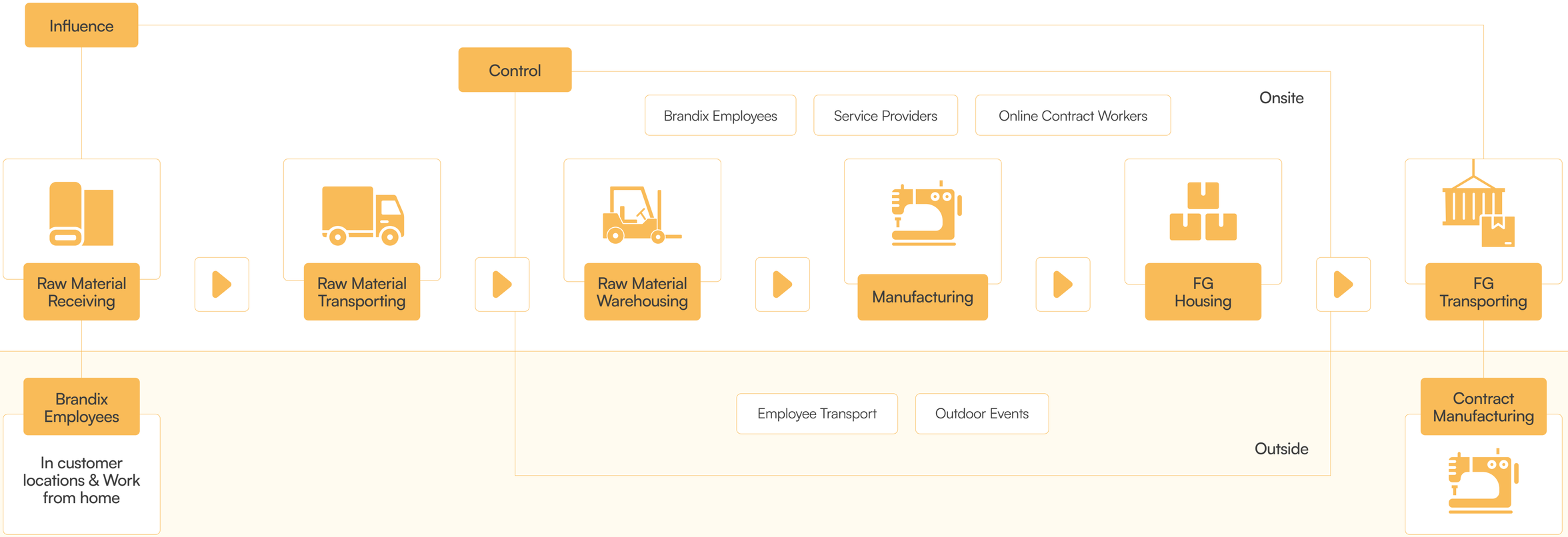
Indirect Workforce

Our commitment extends to those not directly employed by Brandix, such as subcontractors, who access workspaces where the Company has direct control.

Suppliers

Despite lacking direct control over workplaces and work tasks at the operations of our suppliers, we utilise the Vendor Code of Ethics (VCE) to promote safer practices throughout our supply chain.

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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 incident notification through our online system - Emojot. There is a notification period for each incident type where responsibilities are aligned to communicate all incidents 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.

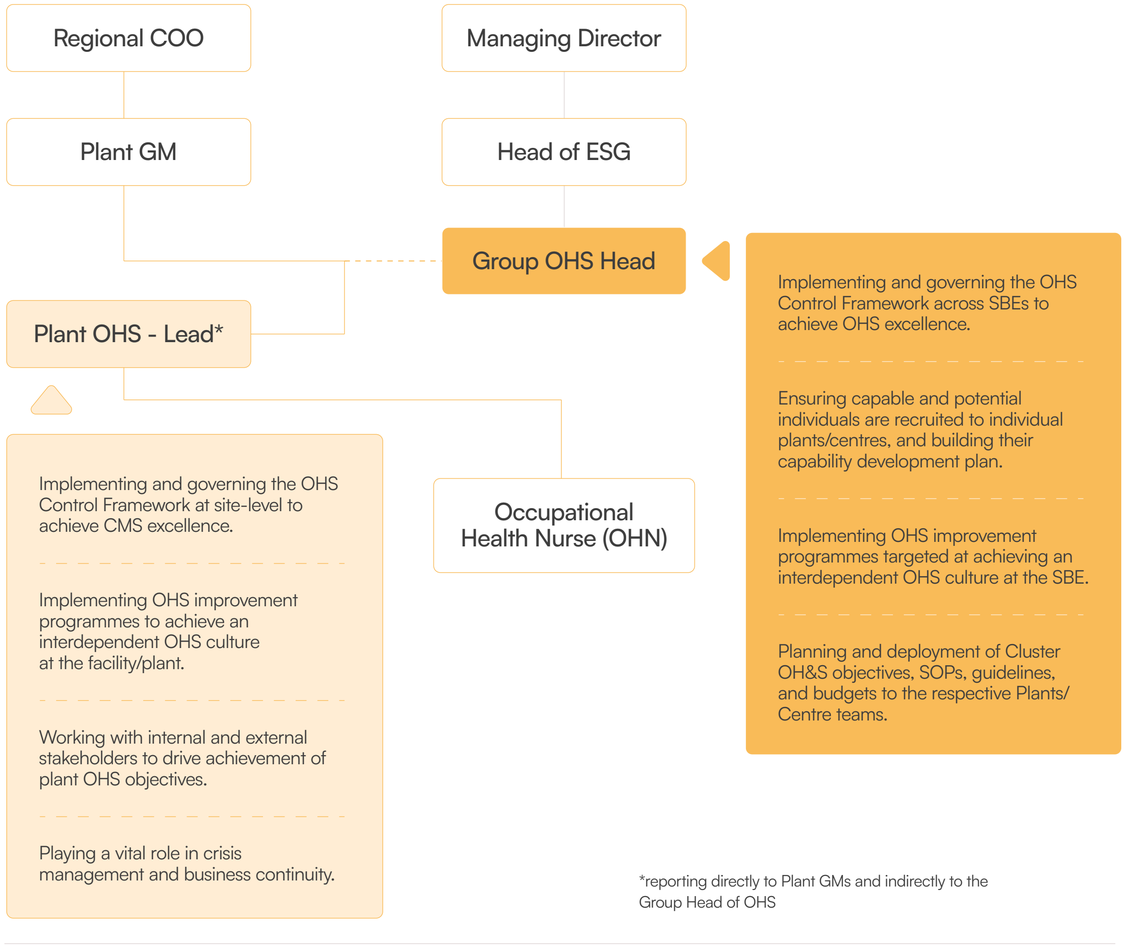
OHS Governance

Our OHS framework includes rigorous health and safety standards, necessary health and safety infrastructure, comprehensive training, and proactive actions to eliminate or prevent accidents and work-related illness.

Brandix OHS Standards align with, or go beyond, mandatory requirements set out by regulators in our countries of operation — Sri Lanka, India, and Bangladesh. In Sri Lanka, these standards include the Sri Lanka Shop and Office Act, and Factories Ordinance.

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. Standard implementation is included as a performance indicator for monthly KPI reviews, ensuring suitable implementation plant-wise, across the Group.

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-personnel in particular, comprise an intangible but integral component of OHS governance, contributing to our Vision Zero journey.



*reporting directly to Plant GMs and indirectly to the Group Head of OHS

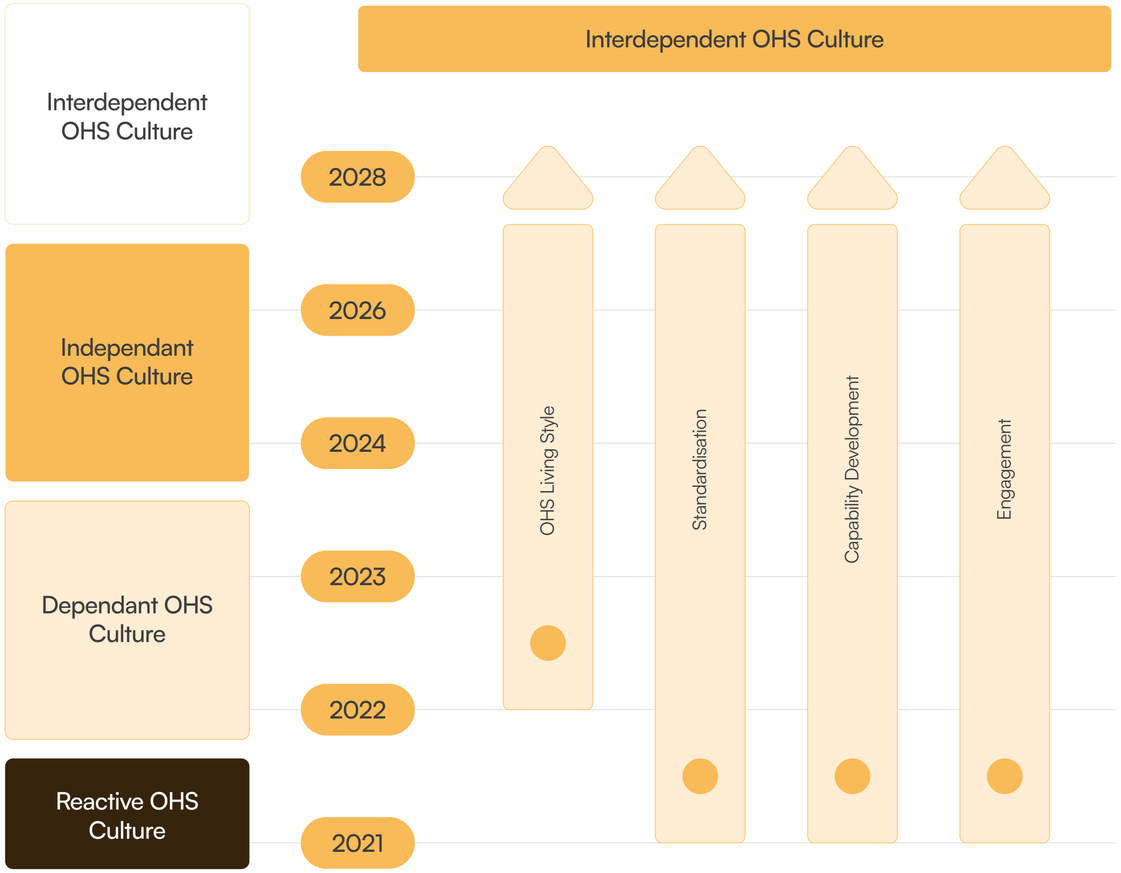


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Vision Zero

- 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 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 site-specific OHS training calendar; based on thorough Training Needs Assessments (TNAs), 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, and the status of new standards published or being implemented.

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 2025/26

Topic	Resource Person(s)	Duration	Participants	Participant Categories
Ergonomics Training	External	8 Hrs	30	OHS and OHN teams
Pressure Vessels and Steam Boiler Safety	External	8 Hrs	29	OHS and Engineering teams
ISO 45001:2018 Occupational Health & Safety Management Systems Lead Auditor Training Course (SGS)	External	40 Hrs	2	OHS team
Basic Fire Fighting and Rescue Training (CINEC Campus)	External	16 Hrs	23	Emergency Response Teams (SMEs)
Occupational Health Awareness Training for Nurses (NIOSH)	External	24 Hrs	9	OHN team
Root Cause Analysis Training (Refresher)	External	2 Hrs	22	OHN team
RSL/ MRSL Awareness Refresher Training	External	2 Hrs	27	OHN team

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 2025/26, 22 of 31 planned OHS standards have been produced and published. Seventeen 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.

Scope of OHS Standards ■ Implemented ■ Implementation in progress

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
■ OHS Leadership, Governance & Culture	■ Performance Monitoring & Audit	■ Health Promotion	■ Machinery Safety
	■ Emergency Preparedness & Response	■ Chemical Management	■ Lock Out & Tag Out (LOTO)
		■ Ergonomics	■ Permit to Work & Safe System of Works (SSoW)
			■ Pressure Systems Safety
			■ Fire & Loss Prevention
			■ Warehouse and Storage
			■ H&S for Visitors and Contractors
			■ Fall Prevention & Protection

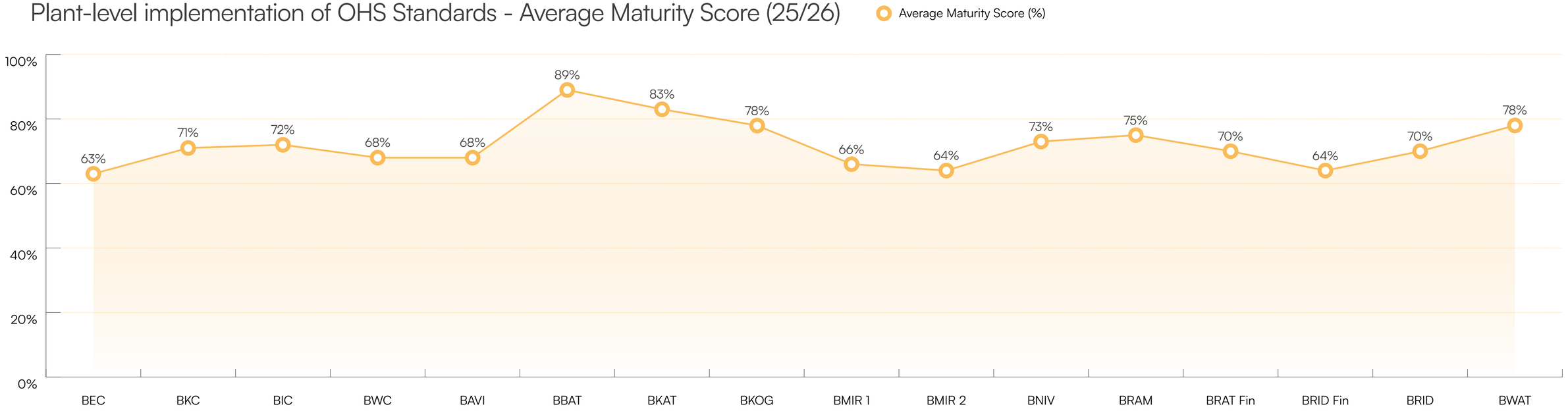
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Brandix uses a milestone approach for issuing, implementing, and monitoring of OHS Standards across our operational footprint. Teams track specific OHS milestones for each facility and site, with mandated monthly KPI follow-ups. This process has empowered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

Implemented Standards

	STD No	Standard	Implemented
1	102	OHS Control Framework	2021/22
2	201	Risk Assessment & Risk Management	2021/22
3	103	OHS Resources, Capabilities & Training	2022/23
4	416	Lock Out & Tag Out (LOTO)	2022/23
5	203	Adverse Event Investigation & Reporting	2022/23
6	424	Pressure System Safety	2022/23
7	417	Permit to Work & SSoW	2023/24
8	205	Emergency Preparedness & Response	2023/24
9	312	Chemical Management	2023/24
10	415	Machinery Safety	2023/24
11	302	Health Surveillance	2024/25
12	401	Fire & Loss Prevention	2024/25
13	414	Electrical Safety	2024/25
14	413	Warehouse & Storage	2024/25
15	411	Food Safety & Hygiene	2025/26
16	311	Ergonomics	2025/26
17	402	H&S of Contractors and Visitors	2025/26

Plant-level implementation of OHS Standards - Average Maturity Score (25/26)







Milestone Approach for OHS Standard Implementation

To ensure the effectiveness of the OHS control framework and compliance with relevant requirements, Brandix has established a structured internal audit process. Brandix Compliance Team reviews are conducted annually at each plant, based on the OHS maturity level achieved by our facilities.

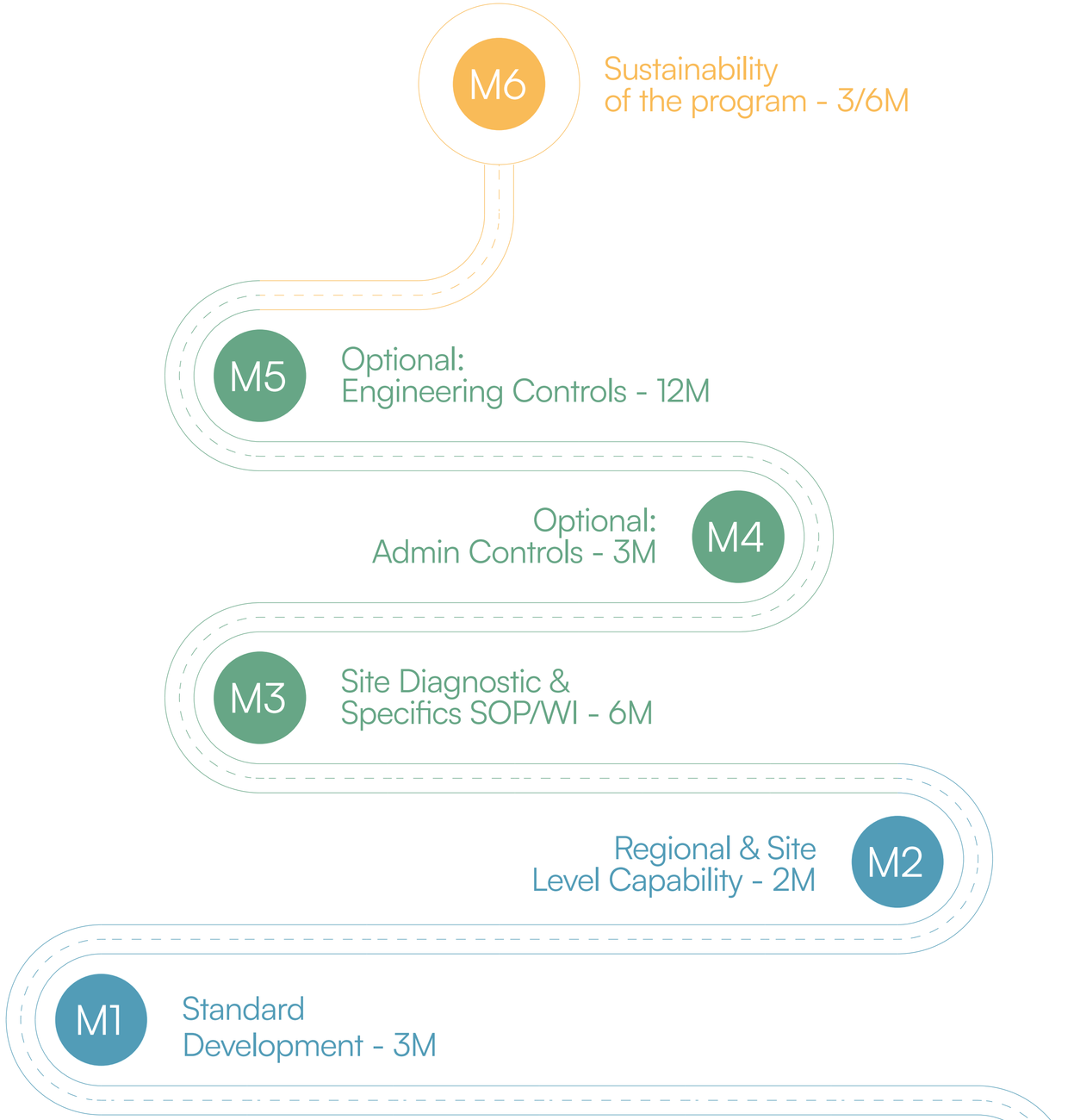
Audits carried out by the Central Compliance team assess adherence to compliance, including completion of gap assessments and subsequent corrective action plans (3Ws). Additionally, the maturity level of implemented standards is evaluated at each plant during the audit.

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

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 Compliance Team, fully independent of the audited site and SBU, ensuring objectivity and comprehensive review.



Accountability - GHOHS	Responsibility - CoE Teams
Accountability - Plant GM	Responsibility - Plant OHS
Accountability - Plant GM	Responsibility - GHOHS

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.

The hazard identification process benefits from, and incorporates, the firsthand experience of our workforce; when general risk assessments are conducted, a cross-functional team of employees is mandated to execute the task. This collaborative team includes machine operators, supervisors, team leaders, engineering representatives, quality department representatives, and OHS personnel. This ensures that risk evaluations are holistic, practical, and informed by the people who interact with the equipment and processes on a daily basis.

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.



Steps 1 and 2:

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 requirements, which are already reflected in Brandix internal standards.

Steps 3 to 8:

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 chemical storages. 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.

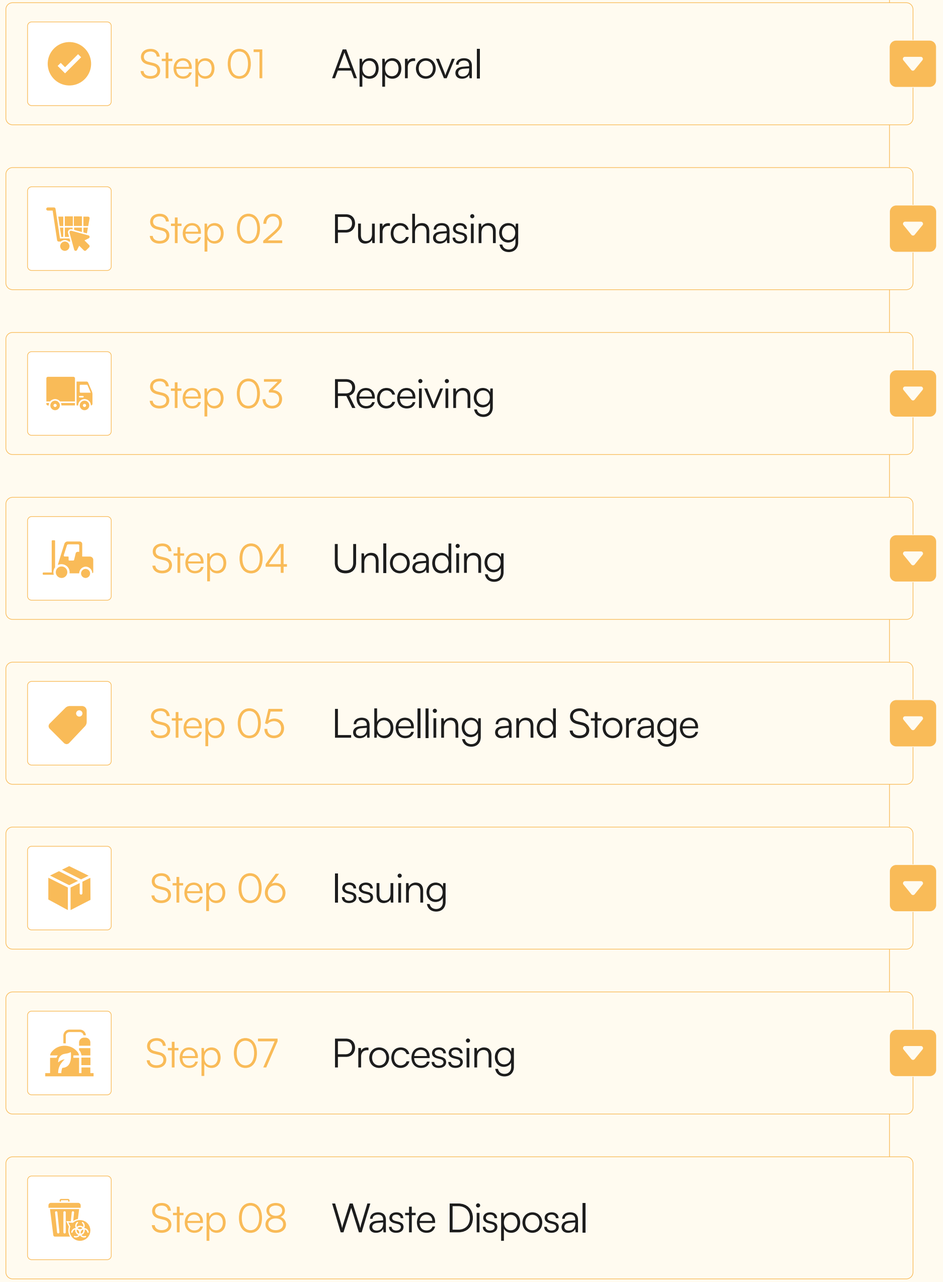
All chemicals received at our plants are labelled in the native language for ease of understanding. Labels are written or printed clearly and graphical information, including pictograms, concerning any hazardous chemical is affixed to, printed on, or included on the immediate container or outside packaging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

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

Building on the previous year rollout of stronger chemical management controls, we made updates to emergency response protocols during 2025/26.

Under STD 205, the Group has identified two specific chemical-related emergency scenarios out of 22 total scenarios: "Release of chemical gases" and "Chemical spillage/leaks". Consequently, all sites are now mandated to add relevant emergency response procedures to their site-specific emergency response plans. In addition, they will conduct annual chemical drills, governed by a customised 3-year drill calendar and matrix based on their specific chemical portfolios.

Pad printing is a major chemical usage activity in the manufacturing process. During the year 2025/26, the chemical used for pad printing was changed from EPTAInk to AFFORD Ink.

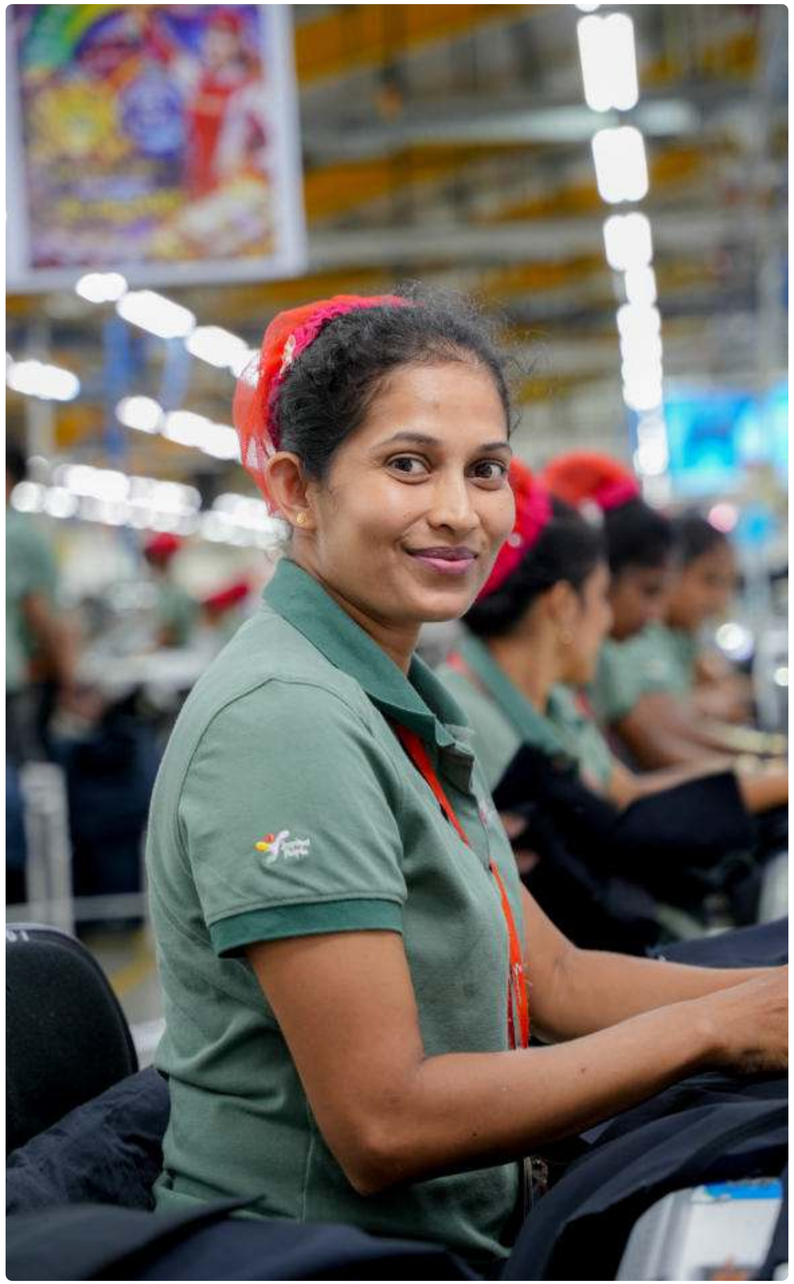


Employee Health and Wellbeing

Our approach to employee health and wellbeing considers a holistic, human-flourishing, paradigm that is fundamental to building and inspiring a resilient team.

Our strategies account for personal and socio-cultural circumstances as well as familial priorities - vital considerations for a predominantly female workforce in the South-Asian countries in which we operate. They are further informed by broader demographic dynamics, including the rising incidence of non-communicable diseases and mental health and psychosocial pressures in society and the workplace. We design interventions focused on mental wellbeing and emotional resilience, healthier lifestyle practices and outcomes, and strive to create a rounded and supportive environment for all our employees.

The strategies and actions of both our Human Resources (HR) and Occupational Health and Safety (OHS) functions contribute to creating a supportive health and wellbeing ecosystem for Brandix employees.



Health and Wellness Infrastructure

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.

Health centres, and OHNs, provide health surveillance / screening, injury and emergency care, and treatment for non-occupational illnesses.

Health surveillance, carried out by site-level nursing teams, plays a significant role in both OHS and overall employee health and wellness; through continuous testing to assess the impact and risk to health due to the workplace / work-environment. During the year 2025/26, our nursing teams carried out testing (audiometry, lung function, and vision testing) to assess three primary risk-areas — risk of exposure to noise, risk of exposure to dust / chemicals, and risk of eye strain due to illumination and focused.

Treatment for non-occupational ill-health symptoms included headaches, colds / phlegm / cough, gastric conditions, wounds, abdominal or body pains, and menstrual cramps. Health promotion initiatives, aligned with our corporate OHS standard (STD303), include quarterly reviews to identify primary health concerns and tailor wellness programmes accordingly.

During the year 2025/26, we maintained 24 health centres across our facilities, with 61 nursing staff employed. Centres catered to almost 300,000 visits during the year.

Sri Lanka	India	Bangladesh
18 Centres	4 Centres	2 Centres
41 Nurses	14 Nurses	6 Nurses
179,323 annual visits	116,875 annual visits	

Supportive Ecosystem

Expanding on preventative and remedial healthcare provided at health centres, our nursing teams maintain a follow-up registry to provide continuous medical monitoring and support for employees with symptoms of ill-health. During the reporting period, zero cases of work-related ill health were recorded.

During the year 2025/26, our nursing teams provided follow-up support for 2,104 employees and service provider staff with symptoms of chronic ill-health.

To maintain high standards of healthcare support Brandix continued to invest in the professional training and capability development of our nursing staff:

- Collaborating with the National Institute of Occupational Safety and Health (NIOSH), Brandix completed a 24-hour specialised training course for 9 additional clinical nursing professionals, culminating in a formal exam to certify their competencies. The continuous training programme is repeated annually, now reaching 34 OHNs across the Group.
- Other programmes for our OHN teams included training on ergonomics, equipping nursing staff to proactively identify and mitigate musculoskeletal hazards on the shop floor.

Site nursing teams (OHNs) also provide vital maternal care and post-delivery assistance to prioritise the health and wellbeing of expectant mothers across their pregnancy, and enable smooth transition of nursing mothers back to the workplace. As at the end of the reporting period:

- **741** pregnant mothers received prenatal clinical support by OHNs, in addition to other provisions at our facilities.
- **487** mothers availed themselves of maternal leave with guaranteed job security.
- **278** mothers who had returned to work utilised post-maternity feeding hours; supported by nursing rooms, on-site/off-site daycares, and lactation spaces across facilities.
- **188** mothers had fully completed all three phases of pregnancy / parental-support and successfully transitioned back to active work schedules.

Further details of the Group's support for mothers and parents; including our parental leave policies and supportive infrastructure for mothers in the workforce, are detailed in the Employees chapter, Supporting Parents and Families (**page 125**).

Prioritising Mental Wellbeing

Brandix is proud to stand out as one of the pioneering organisations to provide trained, professional, and dedicated counsellors across our plants, ensuring accessible mental health support for our associates.

Our Mental Health Strategy and counselling and wellbeing achievements for the reporting year are detailed in the Employees chapter (**page 129**).





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 personnel and raise awareness amongst all staff.

To promote widespread awareness and celebrate our safety culture, Safety Month programmes were successfully executed as a major employee engagement activity across 9 Brandix plants during the 2025/26 financial year.

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. Aside from OHS-specific engagements, the Brandix Grievance Handling Mechanism serves as a conduit for strong employee engagement with regard to H&S concerns.

Leadership OHS Audits (Gemba Walkdowns)

Site leadership teams are tasked with conducting at least two safety walkdowns on the shop floor per month. During these audits, leaders proactively identify unsafe conditions and address unsafe behaviors directly with employees, utilising their mentoring and counselling skills to correct behaviour and generate immediate 3W actions.

During FY 2025/26, this process generated significant momentum:

- **722** Leadership OHS Audits were conducted across the business.
- **2,813 corrective actions** were generated.
- **2,406 actions (85.5%) were attended to and successfully closed** by the end of the financial year, with the remaining 407 actions brought forward to FY 2026/27 for closure.

OHS Committees & Safety Champions

As a legal requirement and a fundamental part of our inclusive decision-making process, all Brandix sites conduct monthly OHS Committee meetings that bring together representatives from every department. Prior to meetings, department OHS committee members gather information and feedback on safety or health-related concerns.

These issues are then shared with the meeting chair and secretary to collaboratively develop practical solutions.

OHS Committee members, trained first-aid responders, and trained firefighters are designated as Safety Champions, with specific badges indicating their respective roles - making them highly visible and approachable advocates for OHS in their areas. To ensure continuous ground-level engagement, Safety Champions (including first aiders and firefighting team members) collaborate to conduct monthly safety walks.

Notably, women currently make up 55% of our Site OHS Committees across the Group.

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Hazard Reporting

Effective hazard reporting is a critical component of the Brandix OHS Control Framework, enabling identification and mitigation of potential risks before they result in incidents. Employees are encouraged and trained to report any observed hazards promptly, stop work if any unsafe behaviour is observed, and ensure all safety concerns are documented and addressed in a timely manner.

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.

With strong employee engagement and awareness initiatives carried out during the last few years, we continually adjusted our targets upward so they would remain an ambitious goal to work toward. Hazard reporting targets were initially set at 30% of total employment in 2021/22 (when hazard reporting was first introduced), and have been gradually increased to 90% in the current reporting year. In 2024/25, we added employee engagement in hazard reporting, as an additional measurement introduced to the hazard reporting programme.



Financial Year	Hazard Reporting Count*	Engagement Count*
2024/25	Actual - 31,064 Target - 30,370 (80%)	Actual - 9,879 (26%) Target — 9,603 (25%)
2025/26	Actual - 27,508 Target — 31,359 (90%)	Actual — 10,828 (33%) Target — 13,113 (40%)

*Target figures are percentage of total employment

Note: The 2024/25 hazard reporting count included InQube, while 2025/26 excludes InQube.
The apparent reduction therefore reflects a change in the reporting boundary.

During the year 2025/26, both hazard reporting numbers and employee engagement metrics demonstrated strong year-on-year growth, increasing by 6% and 28% respectively.

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.

OHS community activities centre around four pillars: knowledge transfer and training, educational infrastructure, healthcare support, and environmental and community; based on the core philosophy that prioritises real transfer of skills and expertise that outlasts events.

During the year 2025/26, OHS teams worked with school students and parents, hospital workers, food vendors, construction crews, undergraduates, and wider communities; implementing 27 projects across 9 plants, impacting more than 2500 beneficiaries.

Pillar 01
Knowledge Transfer & Training

General H&S, First-Aid, & OHS trainings (9 Projects):

Targeted training programmes conducted at 6 schools and 2 industries.

Nutrition, Food Safety and Hygiene trainings (3 Projects):

Food Safety and Hygiene training for local food venders and school canteen services, including through a factory kitchen exposure visit.

"Strong Kid through Healthy Plate" awareness session promoting healthy food habits and nutrition awareness for school students.

Future Workforce Outreach (2 Projects):

OHS experts facilitated practical, day-to-day safety awareness sessions for 70 National Youth Corps trainees and 100 university undergraduates.

Pillar 02
Educational Infrastructure

Surplus or idle industrial laboratory equipment (over 900 glass instruments) donated to science labs at 2 schools.



Pillar 03
Healthcare Support & Clinical Hygiene

Supported local 2 hospitals, through donation of PPE kits and WHO-essential drugs (Ibuprofen), and carrying out specialised clinical hygiene training for hospital staff.

Supported safe medication dispensing, by distributing 1,000 medical envelopes across 8 government health centres in the Southern Province.



Pillar 04
Environmental & Community Engagement

Dengue-Free Nation Initiative:
Partnered with the local Medical Officer of Health (MOH), in Girithale, to clear mosquito breeding sites along public roads, safely transferring all collected waste to the Municipal Council.

Supported safe renovation of a damaged roadway, with a simultaneous fruit-tree plantation drive along the road.

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Community

Our commitment is resolute: to drive sustainable, high-impact interventions that foster community empowerment, build self-sufficiency, and ensure access to essential resources like clean water and education across our operational footprint.







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Our global workforce serves as a permanent bridge to the communities we call home, ensuring that our pledge to drive social empowerment creates long-term resilience for families and neighbourhoods across our operating regions.

This is a direct expression of our belief that Inspired Solutions are delivered by Inspired People: our employees act as collaborators, coming to the table as equal partners to serve the communities we work in, empowering collective success.

Initiated in 2007 with a core mandate to deliver clean water to regions surrounding our production facilities, our community framework has progressed into a comprehensive, multi-layered social sustainability strategy.

The devastation of the global pandemic in 2020 amplified our drive to uplift vulnerable populations, leading to the establishment of three fundamental strategic pillars:

PROVIDE, EDUCATE, and ENGAGE, which also align with the UN's broader Sustainable Development Goals (SDGs).

Brandix takes pride in tailoring community initiatives to the unique needs of our employees and their families. This commitment is operationalised through structured, well-integrated stakeholder mechanisms that ensure we understand and address the critical needs within the neighbourhoods we call home.

Our Three Fundamental Strategic Pillars

01	Provide	02	Educate	03	Engage

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Our Strategic Framework for Community Impact

During the 2025/26 financial year, this framework was systematically recalibrated to address the ongoing socio-economic pressures of the post-crisis recovery era in Sri Lanka. Confronting severe cost-of-living constraints alongside restricted access to clean water and public sanitation in vulnerable territories, the Group shifted its emphasis towards self-sufficiency, long-term community empowerment, and robust public-private-community coalitions.

The Manusathkara Initiatives

Serving as our overarching corporate social responsibility (CSR) blueprint, this policy steers all community development initiatives. It is dynamically informed by executive leadership vision, subject-matter expertise, and ongoing formal and informal dialogue with both our staff and local communities.

Community Forums

Operating as a central mechanism under the Engage pillar, these forums serve as a platform for structured community engagement, grassroots needs identification, and comprehensive post-project social impact reviews.

Grievance and Request Tracking

Manufacturing facilities maintain comprehensive master registers to log basic-need gaps, community requests, and localised grievances, alongside the status of the organisational response.



Social Sustainability Projects

interventions deployed under our Provide and Educate pillars are needs-based, relying on direct community involvement for project prioritisation and selection.

Mobilising Employee Service

Rooted firmly in the Brandix RITE values, corporate engagement initiatives actively inspire and empower workforce teams to step forward as community volunteers.

Beyond direct project outcomes, our community interventions generate long-term, indirect, value that strengthens local social ecosystems:

Public System Support

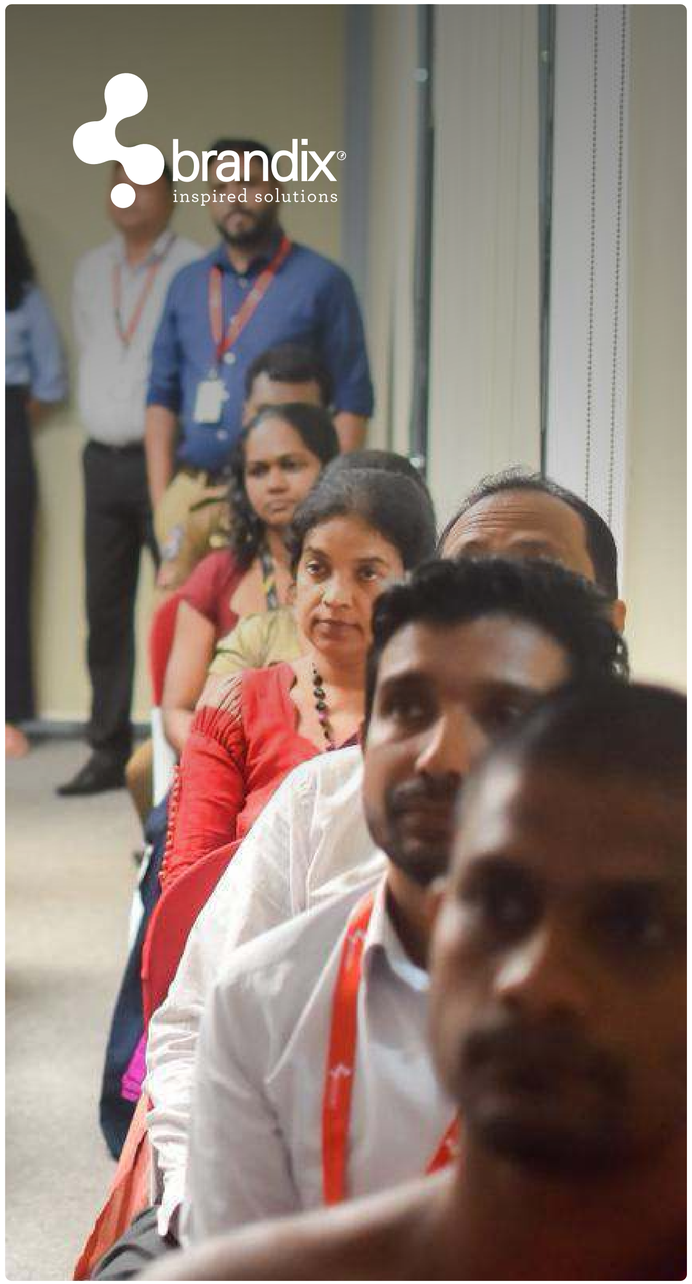
Our targeted investments to improve access to clean drinking water directly relieve pressure on state healthcare systems whilst significantly elevating local living standards.

Social Cohesion

Our localised projects foster deep community inclusion and ensure equitable access to shared natural resources, thereby reinforcing broader social harmony.

Knowledge Transfer

Corporate volunteer engagements drive advanced knowledge sharing, upskilling local communities in digital literacy, modern waste recycling, and sustainable environmental practices.



Our Progress in 2025/26

Mainstreaming our Gender Commitment

Our social sustainability framework and CSR policy were updated in 2025/26 to incorporate a formal gender focus across all local operations. Gender considerations are now a mandatory component of community project deployment, guiding initiatives that improve women's access to safe water and sanitation facilities, scale female-led livelihood and entrepreneurship ventures, and guarantee equal representation within our community engagement channels.

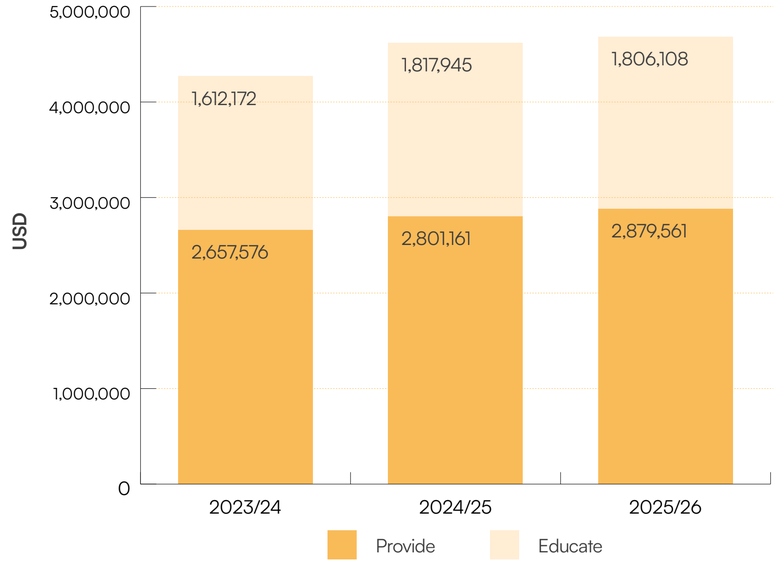
Advancing Risk Mitigation and Community-Led Project Selection

During the year, the Group strengthened its approach to identifying and managing social risks. Prior to launching water, sanitation, or community development campaigns, field teams conduct project-level needs assessments, including Employee Water Surveys and community verifications. To align investments with local priorities, we involve the public directly in project selection. This process relies on direct needs mapping and in-person verification with prospective beneficiaries, neighbouring families, and relevant regional authorities before finalising any project investments.

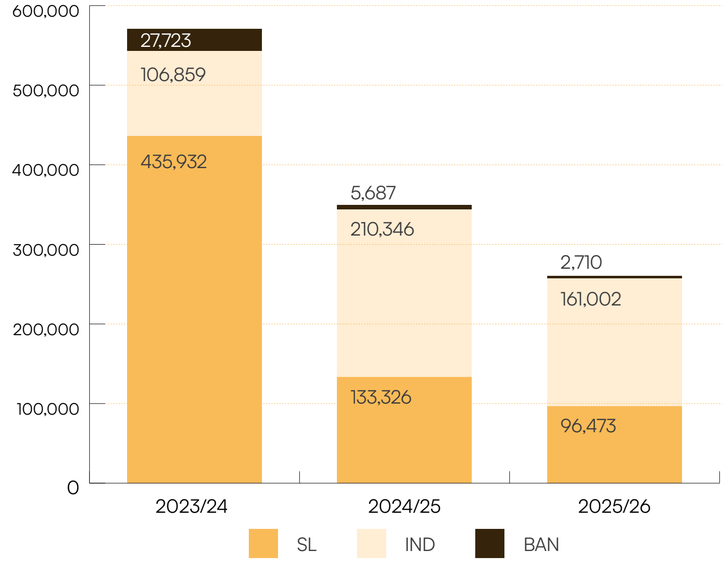
Volunteerism and Impact Tracking

The platform for tracking employee volunteer activities was streamlined by categorising initiatives into 10 key focus areas, enabling data-driven tracking, performance analysis, and metric reporting. Furthermore, the digital, point-based Manusath Champion framework continues to actively monitor, score, and celebrate employee contributions to environmental and social campaigns.

Group Community Investment (Cumulative)



Community Investment by Country (Annual)



Our Impact (2025/26)

Investment in PROVIDE:

USD 78,400

Beneficiaries of PROVIDE:

376,816

Investment in EDUCATE:

USD 181,784

Beneficiaries of EDUCATE:

138,080

Community Engagement*

03 3 Stakeholder forums, engaging 85 global participants

21 21 community concerns raised

17 17 community requests responded to

67% 67% of community concerns resolved

Volunteerism*

3,101 employee volunteers mobilised

7,918 Total volunteer hours



*Community engagement and volunteerism figures are indicative of our impact in Sri Lanka, where monitoring and tracking of community and employee engagement initiatives have reached a higher level of maturity.

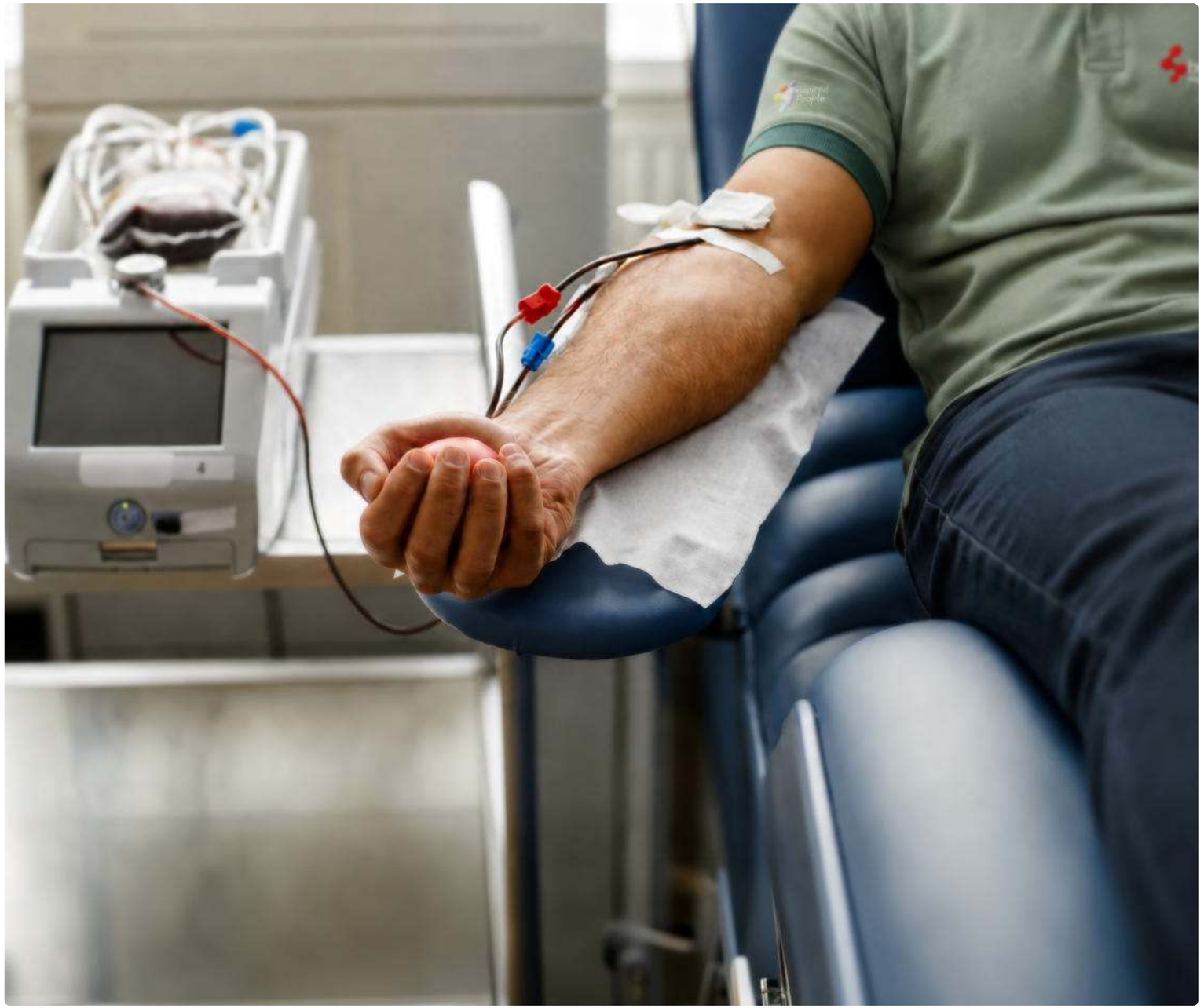
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The Brandix Spirit of Volunteerism

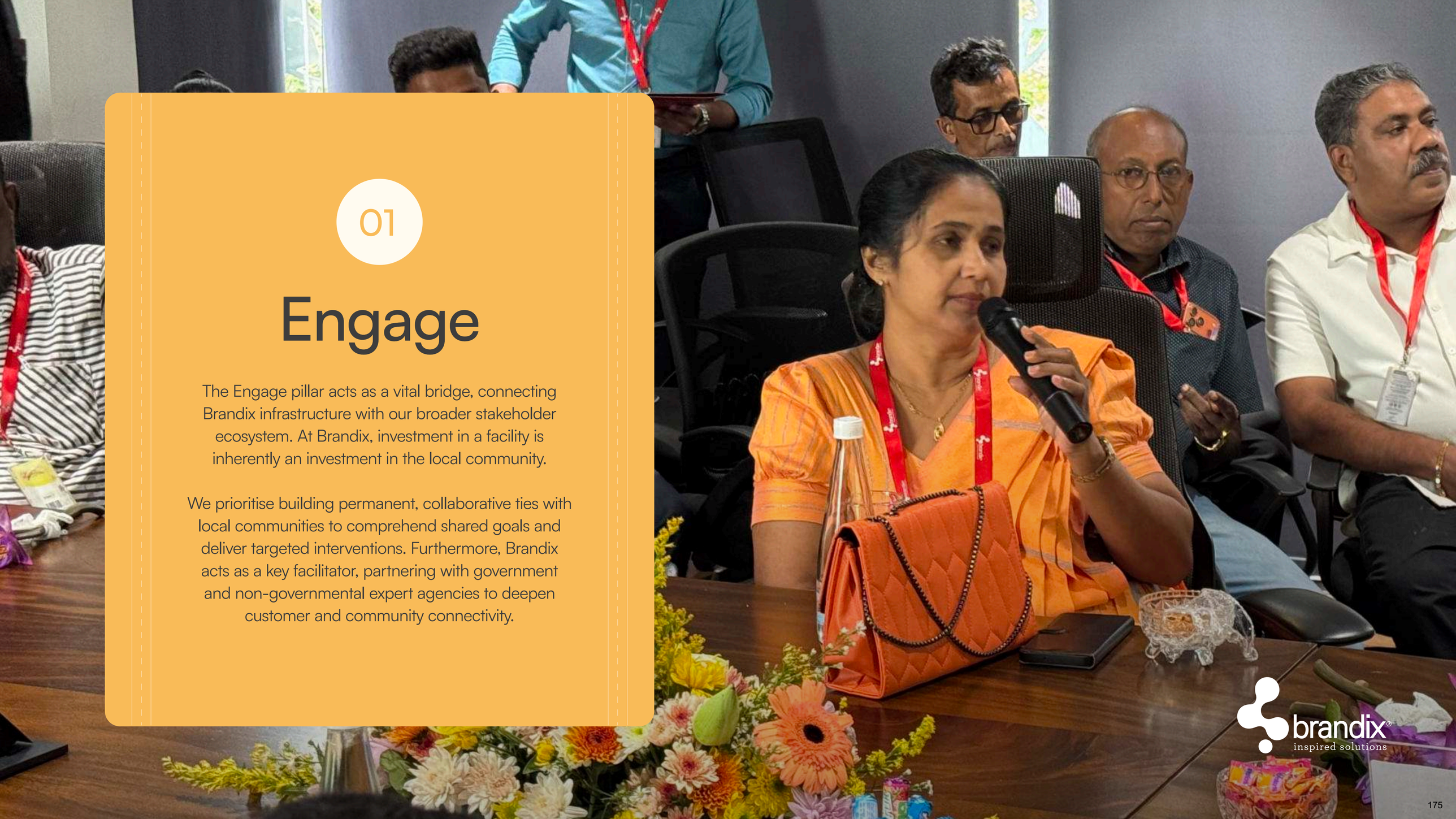
At Brandix, community service is a genuine reflection of our collective values. Because our employees are deeply rooted in the areas where we operate, they find profound personal fulfilment in giving back to the neighbourhoods that have sustained them and in turn us. This year, that spirit of shared humanity drove a significant rise in active participation, with 3,101 volunteers dedicating 7,918 total service hours to grassroots causes.

This collective effort included the Manusath Champion programme, which mobilised over 2,877 employees to contribute 4,646 volunteer hours. Driven by our updated digital platform, we are able to track the direct impact of these projects whilst regularly capturing employee feedback to continually refine and optimise future volunteer deployments. Here, our people show up as Entrepreneurs in their own right motivated to drive collective success, this time not in apparel but in the communities they call home.

A defining milestone this year was the purposeful integration of skills-based volunteerism, systematically directing the professional and personal expertise of our team members to where it is needed most. This found expression in workforce-led masterclasses, where our teams taught sustainable practices in localised waste management, modern household hygiene, public safety, and environmental stewardship—directly empowering our neighbours to build safer, more resilient futures.



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01

Engage

The Engage pillar acts as a vital bridge, connecting Brandix infrastructure with our broader stakeholder ecosystem. At Brandix, investment in a facility is inherently an investment in the local community.

We prioritise building permanent, collaborative ties with local communities to comprehend shared goals and deliver targeted interventions. Furthermore, Brandix acts as a key facilitator, partnering with government and non-governmental expert agencies to deepen customer and community connectivity.

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Ongoing Engagement

Social Sustainability Forums (SSFs)

We convene formal SSFs that unite an expansive matrix of regional stakeholders. These formal consultation sessions bring our internal management teams into direct dialogue with central and local government authorities (including District Secretariats, Provincial Councils, and Grama Niladari representatives), non-governmental organisations (NGOs), state medical officers of health (MOH), public health inspectors (PHI), heads of regional base hospitals, zonal educational directors, regional labour officers, and Board of Investment (BOI) zone executives.

Crucially, these forums also incorporate informal public groups, such as local transport unions, women's welfare cooperatives, and regional traders' associations. This multi-sectoral approach provides a legitimate space for communities to voice distinct concerns, track basic-need shortfalls, and co-create collaborative infrastructure solutions.

Our operational footprint in Sri Lanka, consisting of 16 factories, can be consolidated into 9 broad communities (locations). Forums are conducted annually at each location, on a rotation basis, providing communities with an opportunity to raise concerns, share development priorities and provide feedback on Brandix's community programmes.

In 2025/26, we successfully completed 3 targeted forums in Sri Lanka, with 85 direct cross-functional participants; including Brandix representatives, local government officials, community leaders, school representatives, religious leaders, NGOs/CBOs and other community stakeholders.

Three of nine locations (33%) conducted engagement forums during the year 2025/26. Seven SSFs (covering 77% locations) were conducted during the previous reporting period.

Discussed topics included water and sanitation needs, education and healthcare priorities, community infrastructure, environmental concerns, future CSR opportunities, and feedback on completed projects.

In addition to regular SSFs, Brandix continually engages with community stakeholders through community meetings, focus-group discussions, open dialogue sessions, stakeholder consultations, and factory exposure visits.

To ensure continuous communication outside formal physical assemblies, we also manage active digital communication channels for each geographic manufacturing facility alongside a centralised master tracker to monitor public concerns through to final resolution.

All feedback, grievances, requests and recommendations are documented, reviewed by the Group CSR team and incorporated into project planning and decision-making where appropriate. Immediate responses are provided where possible, while more complex matters are addressed through follow-up actions.



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Post-Project Engagement

Social Impact Assessments (SIAs)

To maintain the highest standards of social accountability, the Group systematically evaluates effectiveness and sustainability of its community investments, post-project implementation, through the Brandix Social Impact Assessment Framework (BSIAF).

Conducted approximately 12 months following project completion, these evaluations combine structured public surveys, detailed stakeholder dialogues, community focus groups, and collaborative field observations alongside regional government officials.

Projects are evaluated against five assessment dimensions:

Effectiveness	Sustainability	Impact
Relevance	Efficiency	

Assessment findings are used to measure long-term community outcomes, identify lessons learned and improvement opportunities, validate project effectiveness, and strengthen future project prioritisation and investment decisions.

These assessments also serve as vital gap analyses, mapping evolving community needs and enabling our leadership teams to strategically refine future project selection for optimal societal value creation.

During the year 2025/26, 12 Social Impact Assessments were completed across Brandix Batticaloa (BBAT) and Brandix Rambukkana (BRAM).

Assessments included site observations, beneficiary interviews, community consultations, discussions with school principals, community representatives and project stakeholders, and post-project performance reviews.



Our Strategic Partner Framework

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

2 National Water Supply and Drainage Board

3 Chrysalis

4 Sri Lanka Rainwater Harvest Forum

5 Negombo Recycling Club

6 Disaster Management Centre

7 National Enterprise Development Authority

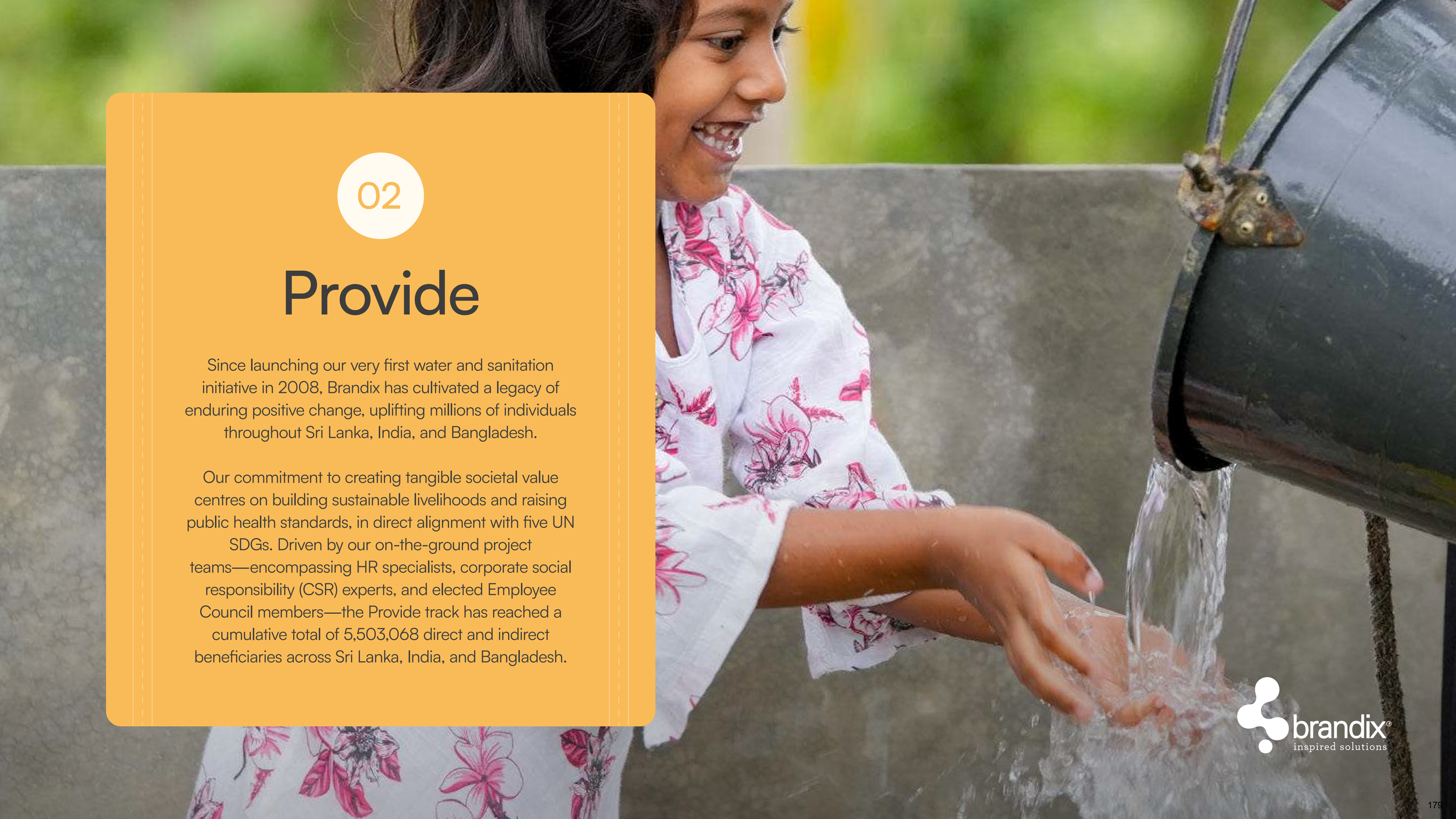
8 UNDP — Private Sector Facility

9 Kansarmen SL Foundation

10 UN Women

11 UNICEF

12 United Nations Global Compact (UNGC) Sri Lanka



02

Provide

Since launching our very first water and sanitation initiative in 2008, Brandix has cultivated a legacy of enduring positive change, uplifting millions of individuals throughout Sri Lanka, India, and Bangladesh.

Our commitment to creating tangible societal value centres on building sustainable livelihoods and raising public health standards, in direct alignment with five UN SDGs. Driven by our on-the-ground project teams—encompassing HR specialists, corporate social responsibility (CSR) experts, and elected Employee Council members—the Provide track has reached a cumulative total of 5,503,068 direct and indirect beneficiaries across Sri Lanka, India, and Bangladesh.

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Direct & Indirect Beneficiaries of PROVIDE



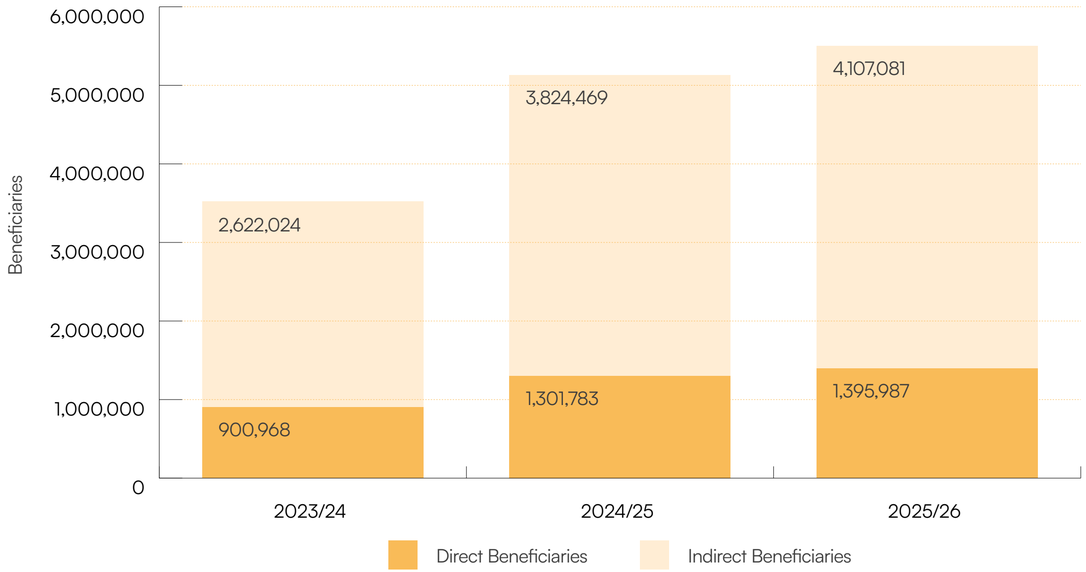
5,503,068

During the financial year, direct localised infrastructure actions across our operational boundaries included:

Water & Sanitation	55 projects	220 direct beneficiaries	660 indirect beneficiaries
Model Villages	29 projects	54,269 direct beneficiaries	162,807 indirect beneficiaries
Livelihood Development	5 projects	97 direct beneficiaries	291 indirect beneficiaries
Healthcare	46 projects	39,618 direct beneficiaries	118,854 indirect beneficiaries



Provide Pillar Impact (Cumulative)



Empowering Women, Transforming Communities

During the year, we initiated discussions with a valued customer and an NGO to launch a landmark intervention under our Provide pillar. Explicitly designed to unlock the commercial potential of female-led, small-scale enterprises in the communities neighbouring our primary manufacturing facilities in Rambukkana and Batticaloa, this upcoming initiative will deliver rigorous capacity building to accelerate female economic self-sufficiency and foster regional resilience.

The curriculum will bridge critical knowledge gaps by focusing on modern business acumen, foundational digital and financial literacy, strategic marketing, corporate branding, and sustainable supply-chain operations.

The project will be structured across distinct strategic horizons to track performance and scale impact:

Target Impact Matrix

60 female entrepreneurs are to be directly integrated into advanced capacity-building modules, whilst an additional 200 women will be reached through localised business clinics and cross-sectoral service integration linkages.

Short-Term Goals

Accelerating foundational commercial skill sets, enhancing immediate market readiness, and opening direct pathways to institutional finance, state regulatory bodies, and professional corporate development services.

Long-Term Goals

Establishing highly resilient, structurally sound, women-led enterprises with permanent commercial market linkages, ultimately driving true financial inclusion and structural economic empowerment across regional communities.





03

Educate

For nearly two decades, Brandix has championed the academic aspirations of millions of youth across our operational territories. Launched in 2007, our structured educational interventions—ranging from merit-based tertiary scholarships to the widespread distribution of school essentials—continue to significantly enhance educational access and outcomes for both our employees' dependants and local students.

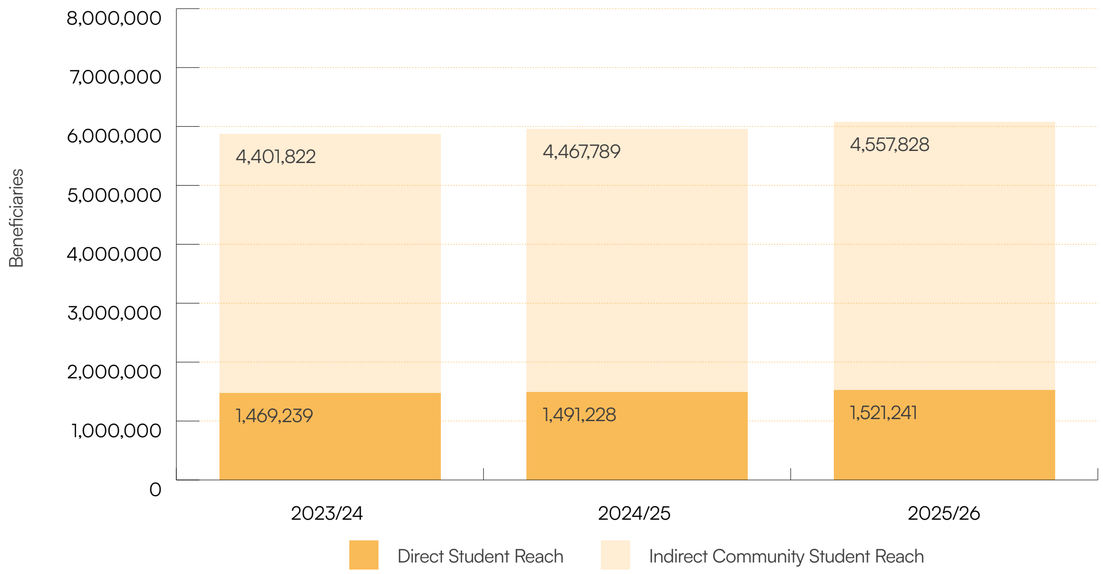
Education stands as our most definitive catalyst for unlocking human potential and driving long-term socio-economic progress. Through our Educate pillar, we direct targeted resource investments to empower future generations by dismantling systemic barriers to quality learning, in strict alignment with four UN SDGs.

During the 2025/26 reporting period, our educational interventions included the group-wide distribution of School Essentials Packs to shield families from rising cost-of-living pressures and protect academic continuity. Concurrently, long-term University Scholarships were awarded within Sri Lanka to support exceptional students pursuing advanced tertiary pathways in the medical and engineering sectors. These targeted initiatives operate alongside the digital platform expansions of the Right to Read literacy campaign. Cumulatively, our educational programmes have supported 6,079,069 student opportunities across our South Asian operational footprint.



School Essentials Packs	19,641
Right to Read Project	37
Educational Scholarships	80
University Scholarships	8

Educate Pillar Impact (Cumulative)



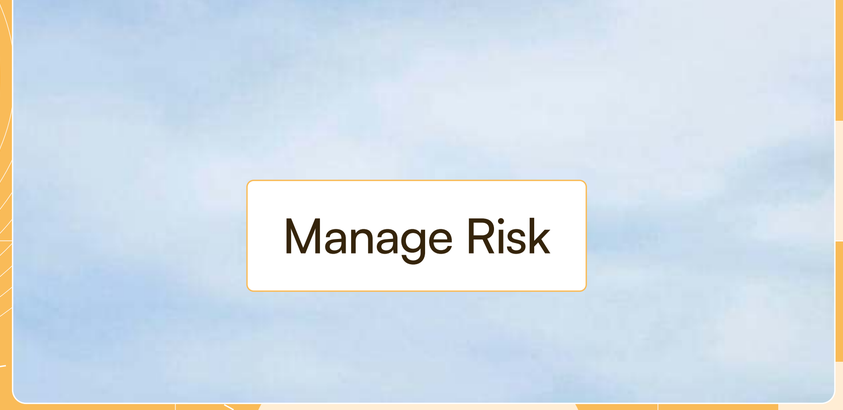


Supply Chain

The apparel industry's supply chain is a highly complex, global network that extends from raw material extraction to end-of-life product solutions. Brandix builds strong, enduring relationships with its suppliers to minimise their environmental footprint, uphold ethical practices, and ensure safe working conditions for thousands of workers.

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 toward the sustainability goals of the company, and our customers.



Ensure Compliance





Supply Chain Updates 2025/26

In 2025/26, the apparel supply chain dealt with turbulent tariff reconfigurations and the knock-on effects of new regulatory frameworks that saw phased adoption. For apparel manufacturers, customer lead-times continued to shorten, and price competitiveness remained very high, even as customers expected lesser liability exposure on their part upfront. In this environment, the Group's Supply Chain function focused on innovative solutions to navigate supply chain disruptions and complexities.

At the end of the year 2025/26, 50 significant suppliers accounted for around **66%** of the Group's total spend. Our top ten fabric suppliers accounted for **71% of fabric, 55% of trims, and 74% of embellishment purchases.**

Throughout the year we continued to prioritise local and regional sourcing, and maintained the mandatory requirement that all pertinent suppliers held OEKO-TEX® Standard 100 certification, ensuring our products are free from harmful substances as per our Brands protocol.

79% of total Raw Material (RM) buy, across our operations, was from local or regional sources.

38% Sustainable fabric procurement reached 38.32% of total fabric order quantities.

All significant suppliers, comprising 50 Tier 1 partners who account for 66% of the Company's total procurement spend, were assessed for environmental and social impacts.

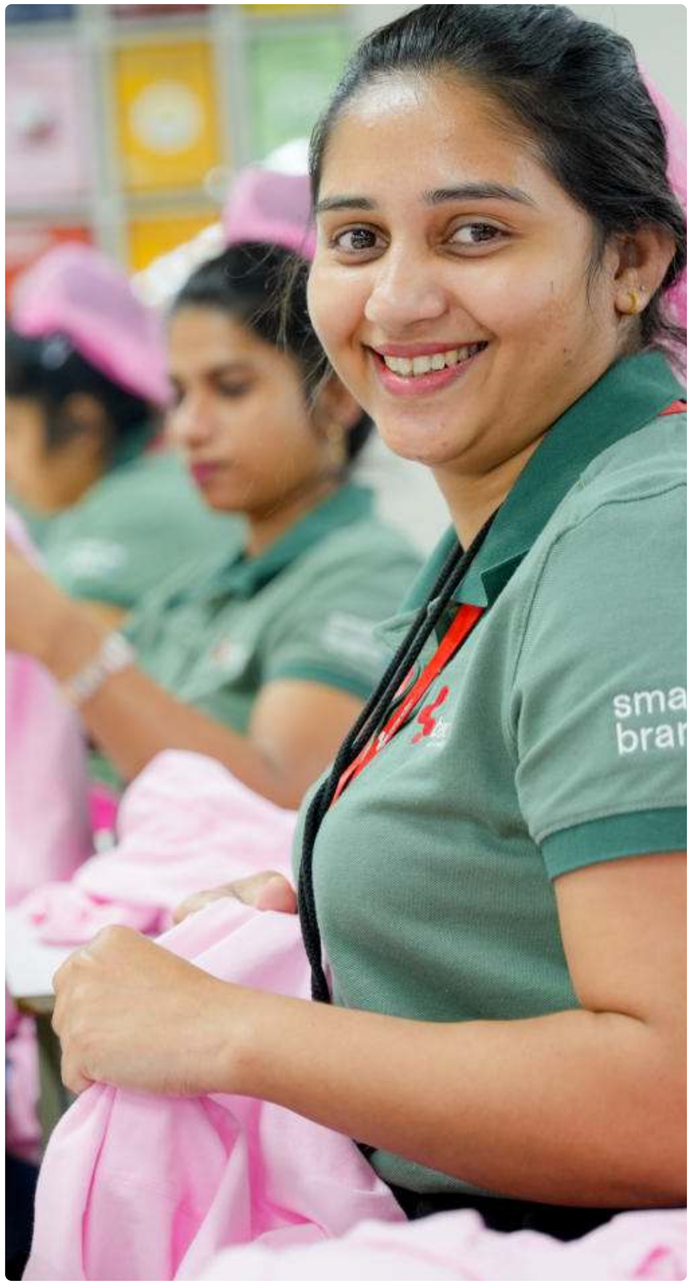
Raw Material (RM) write-off as a percentage of Cost of Sales (COS) reduced to 1.28%.

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

Topped all KPIs at PVH's annual vendor performance workshop, scoring the highest among PVH vendors in Sri Lanka for discipline in document timelines, delivery timelines, and booking timelines.

Recorded zero significant negative environmental or social impacts across the supply chain, verified through an enhanced ESG and Positive Assurance Survey.

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Responsible Sourcing and Procurement

Brandix's core values, coupled with the Group's commitment to environmental stewardship and social responsibility, influence our procurement processes. The Company's sourcing strategy continues to prioritise localised and regionalised sourcing wherever possible, as part of our approach to minimising transport-related carbon emissions, while reducing customer lead times, and simplifying regulatory compliance.

Raw materials, in the form of fabric and textiles, comprise the largest volume of raw material utilised in our operations. As such, Raw Material (RM) costs often make up the largest component of apparel production costs. Consequently, we monitor RM write-off as a percentage of Cost of Sales (COS), as an important KPI that measures financial profitability and margins, and operational efficiency.

We saw continual year-on-year reductions in Raw Material (RM) wastage / write-off in our garment manufacturing processes, due to implementation of best practices across the Group. In a sector with traditionally slim margins, driving down write-off rates reflects the discipline of our supply chain and merchandising teams — through careful planning, buying, and lead-time management.

Reduction in RM wastage and write-off also results in overall reduction of pre-consumer textile waste. The Earth section of the Environmental Stewardship chapter **(pages 108 to 112)** presents a complete picture of our waste-reduction efforts.

Additionally, procurement guidelines and supplier management processes are 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.

Our approach to managing the sourcing of raw materials, mitigating inherent sourcing-related risks, and our performance with regard to raw materials - measured via a number of Sustainability KPIs, are detailed on **(pages 102 to 107)** under the Environmental section of the report.

RM write-off value as a percentage of COS reduced to 1.28% in 2025/26, from 1.55% in 2024/25.

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Transparency and Traceability

Traceability is an essential element that underpins any claim of sustainability within the apparel industry, and has grown to become a supply chain necessity. Ensuring traceability builds trust between consumers, brands, and partners, while catalysing better socio-environmental outcomes across the entire value chain.

Our supply chain and sustainability teams actively collaborate with customers and suppliers to incorporate traceability for our primary materials.

In 2025/26, we maintained momentum from previous milestones, including maintaining 100% cotton traceability up to Tier 2 suppliers in collaboration with key brand partners like PVH and Victoria's Secret.

Pilot projects, such as those in collaboration with the Joint Apparel Association Forum (JAAF) and GS1, are also aiming to establish comprehensive, end-to-end traceability across the local apparel value chain, and set new benchmarks for the region.



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Supplier Management and Engagement

Supplier management is a key component of our strategy to build a resilient value chain. Our approach to supply chain management is focused on building strong supplier relationships, through effective engagement and proactive but strict supplier management.

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:

01

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.

02

Adherence to Destination Country Laws

03

Compliance with customer requirements that go beyond local regulatory requirements



Supply Chain Monitoring and Compliance

We evaluate our supplier base through transparent and objective measures, beginning with all suppliers mandated to sign and adhere to the Brandix Vendor Code of Ethics (VCE), which strictly prohibits child labour, forced labour, and discrimination, while enforcing high standards for occupational health, safety, and environmental responsibility.

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, 100% 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.

We also 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 FEM and/or 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 during the year, 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.

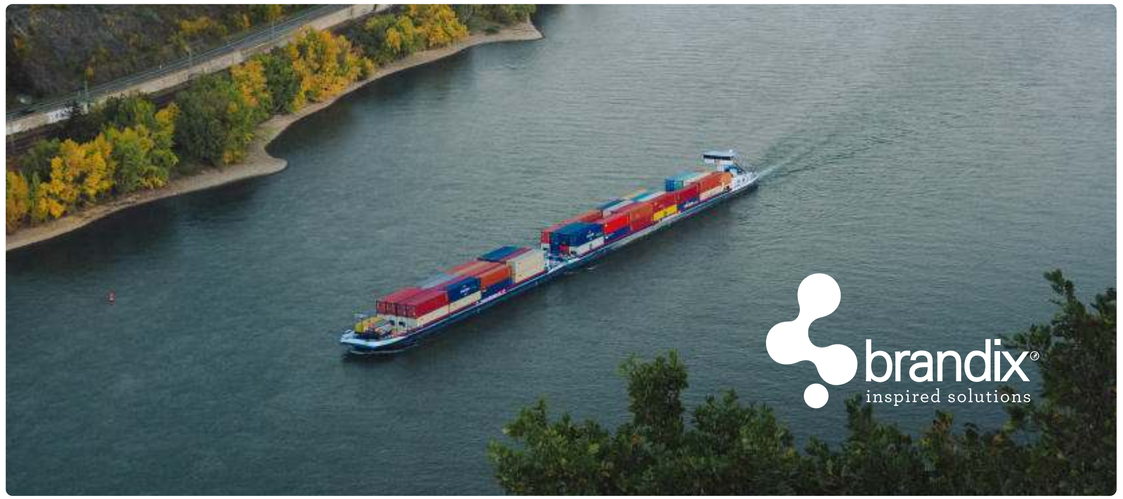
To enforce zero tolerance for forced, compulsory, or child labour, our supplier management / governance function continually screens against global trade, compliance, and sanction databases. Potential and active suppliers are checked against the US Department of Homeland Security's Uyghur Forced Labor Prevention Act (UFLPA) Entity List, the Consolidated Screening List (CSL), the Office of Foreign Assets Control (OFAC) Sanctions List, and the Specially Designated Nationals (SDN) supplier dashboard.

This system of contractual assurance / self-attestation (via the VCE), positive assurance (through supplier assessments, surveys, and self-declaration), continuous screening (against global databases), and limited audits; serve as the Group's multi-layered due-diligence and compliance process to prevent negative impacts in the supply chain (including risks such as child labour or forced / compulsory labour).

As a policy, Brandix upholds freedom of association and does not forbid collective bargaining. During the year 2025/26, there were no violations of freedom of association where collective bargaining was at risk, within the Company or the supply chain, based on supplier self-declarations and limited audits conducted.

100% of new suppliers screened on environmental and social criteria, as part of the Brandix Vendor Code of Ethics (VCE) onboarding mechanism.

All 50 significant suppliers underwent formal environmental and social impact assessments during the reporting period to eliminate human rights risks across our value chain.



Customers

At Brandix, our purpose of delivering Inspired Solutions through Inspired People is rooted in the enduring partnerships we cultivate with our customers. As a trusted manufacturing partner for some of the world's leading apparel brands, we are dedicated to empowering our customers to meet the evolving demands of their end-consumers by sourcing sustainable materials, pioneering innovative solutions, and upholding the highest standards of international compliance, safety, and quality.







Our Customer Value Proposition

brandix®
inspired solutions

Guided by our Northstar, to be the Inspired Solution for Branded Clothing, we take the time to genuinely understand what success looks like for each customer, so that our solutions speak to their real needs and aspirations, not just their specifications.

This promise is brought to life through our Customer Value Proposition built on three pillars: Agility, Innovation, and Sustainability defining the building blocks of an Inspired Solution. Agility means speed and resilience, perfecting our processes across locations to execute flawlessly with the best lead times.

Innovation means staying laser-focused on the experience of the end-consumer, driving advances in materials and processes. Sustainability means embedding environmental and social responsibility into everything we do, to protect the planet and our communities.

We align our sustainability roadmap with our customers' strategic visions, working together to shape a more responsible future for the global apparel industry.



This chapter focuses on material topics most critical to achieving and maintaining our customer value proposition. It explores our standards for Product Health, Safety and Quality that ensure compliance of raw materials and finished goods; our protocols for Customer IP and Brand Protection, relating to secure material reconciliation; and our commitment to Information Security, which proactively safeguards customer and other stakeholder data.

The regulatory environment remained fairly stable during the year 2025/26, with no material changes in regulations that impacted product safety or customer health and safety compliance across operations in Sri Lanka, India, and Bangladesh. However, the Group continues to proactively monitor evolving regulations, including the EU ESPR and Digital Product Passport (DPP) requirements, updates to REACH, ZDHC MRSL, and RSL frameworks, and national and customer-specific product safety standards across our areas of operation.

The centralised Group ESG & Compliance function ensures timely identification and implementation of new regulatory obligations, supported by cross-functional governance structures.

Product Health Safety and Quality

The Group continues to prioritise product quality and safety throughout the entire product lifecycle, from design and raw material selection through production and shipment.

The garments we produce are ultimately worn by our end-consumers. As such, we hold ourselves accountable not only to customer specifications and standards, but to people at the end of the value chain.

As a result of these rigorous controls, during the year 2025/26, Brandix recorded zero customer grievances related to product safety or quality, and zero product recalls across all Group operations in Sri Lanka, India, and Bangladesh.



Lifecycle Assessment and Mitigation

The Group assesses potential health and safety impacts of 100% of its products, across multiple stages.

Design, Fabric Sourcing, and Production Stages

Potential health and safety impacts are rigorously assessed at multiple stages, including design, fabric sourcing, production, and pre-shipment inspection.

Rigorous Testing and Certification

Both raw materials and finished goods undergo testing by independent, authorised laboratories for fabric performance and garment safety. All mills supplying fabric to Brandix are required to hold OEKO-TEX certification, confirming textiles are free from harmful substances.

Chemical Safety

The Group follows stringent chemical management processes, adhering to ZDHC MRSL and customer-specific RSL requirements to minimise chemical-related health and safety risks. Our approach to chemical management is detailed across **pages 162 to 163** with regard to OHS considerations; and on **pages 91 to 92**, with regard to our process for water stewardship and commitment to Zero Discharge of Hazardous Chemicals.

While current assessments primarily focus on fabric, production, and finishing stages, we are actively working to extend lifecycle evaluations to the product use-phase and end-of-life disposal phases, particularly concerning environmental sustainability and consumer safety. Emerging considerations related to end-of-life circularity and material circularity include the following focus areas, which affect overall sustainability of the products we manufacture, and consider embedding of lifecycle thinking in our design, merchandising, and production processes.

Sourcing sustainable and recycled materials.

Tackling pre-consumer industrial waste through recycling programmes.

Developing pilot projects for commercial-scale recycling of branded elastic waste.

Collaborating with customers and suppliers to incorporate design-for-disassembly and recyclability principles.

Increasing design team involvement in circularity; working with brands and suppliers to develop new products, incorporate recycled materials, and close the loop on textile waste.

Prioritising environmentally-preferred materials bearing certifications such as Better Cotton Initiative (BCI), Organic Cotton, Global Recycled Standard (GRS), and RegenAgri.

Adopting technology, such as 3D sampling and digital fabric colour approval to reduce physical sample production, lower resource consumption, and minimise waste generation during the development phase.

Product Testing and Certification

There were no material changes to the Group's testing strategy or protocol during FY 2025/26, and no new specific chemicals of concern requiring immediate phase-out were identified. As in previous years, the Group continues to maintain stringent, well-established testing frameworks for both raw materials and finished goods; including the following:

Fabric Testing

Independent authorised laboratories conduct comprehensive assessments including dry cleaning, perspiration, crocking, bleaching, abrasion, shrinkage, and elongation tests.

Finished Garment Testing

Products are tested for flammability, dimensional stability, tensile strength, and stretch properties to ensure safety, durability, and compliance with global standards.

Brand-Specific RSL Compliance

Testing protocols are aligned with customer-specific Restricted Substance Lists (RSL) and certification-mandated requirements (e.g., OEKO-TEX, ZDHC MRSL).



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.

Customer IP and Brand Protection

We maintain a strict system to safeguard customer confidentiality, and data protection, particularly concerning branded garments. Our strategic partnerships with customer brands are built on years of trust, and we consider brand protection as part of our own commitment to protect this shared value.

The Group's system of controls to safeguard both physical and digital customer information includes the following:

Fabric Reconciliation

Every meter or yard of fabric issued for cutting is reconciled with its usage.

Garment Reconciliation

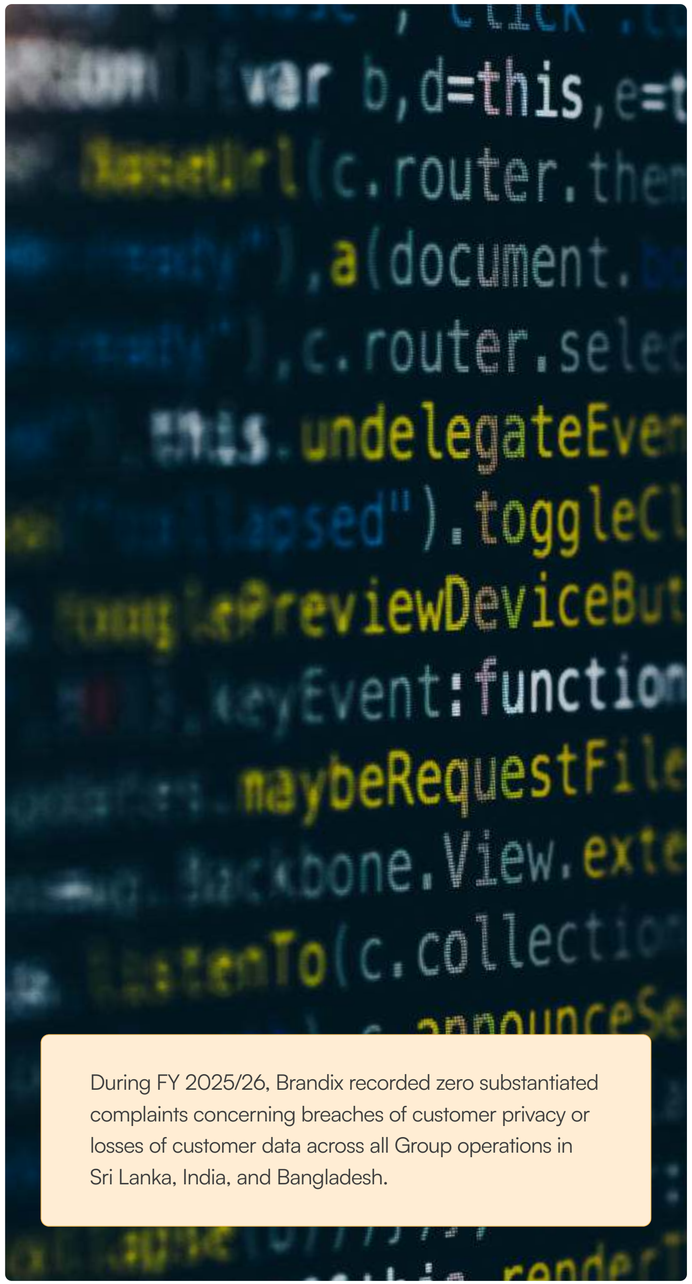
Every manufactured garment undergoes comprehensive reconciliation, and all panels dispatched for embellishment are subject to one-to-one reconciliation.

Secure Destruction Protocols

Garments not shipped, leftover trims, and branded fabric identified through reconciliations are handed over to a specialised department for destruction using shredders (where applicable) or external incineration facilities approved by the Environmental Authority, after obtaining necessary statutory approvals.



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During FY 2025/26, Brandix recorded zero substantiated complaints concerning breaches of customer privacy or losses of customer data across all Group operations in Sri Lanka, India, and Bangladesh.

Regulatory Readiness and Data Privacy

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.

Our corporate practices relating to data privacy remain compliant with global and regional mandates, including the General Data Protection Regulation (GDPR), the Sri Lanka Personal Data Protection Act (PDPA), and the India Digital Personal Data Protection Act (DPDPA), formally appointing Data Protection Officers (DPOs) in both Sri Lanka and India to oversee privacy-by-design practices.

Technical measures implemented to protect personal data across cloud and enterprise platforms include enhanced role-based access controls, meticulous data classification protocols, end-to-end data encryption, and continuous security monitoring. Our cloud-based enterprise platforms are equipped with end-to-end encryption, data classification protocols, and strict role-based access controls.

We took proactive steps in anticipation of the EU Ecodesign for Sustainable Products Regulation (ESPR) and the upcoming Digital Product Passport (DPP) requirements. While the ESPR implementation timeline is still evolving, Brandix's digital transformation roadmap including Smart Factory IoT deployment, cloud-first infrastructure, and enhanced cybersecurity positions the Group to respond effectively to DPP mandates as regulatory clarity emerges.

In addition, the Group participated in an Asian Development Bank (ADB) pilot study to establish the necessary technical and governance infrastructure. To support future DPP compliance, we initiated the process of embedding Security-by-Design principles into traceability platforms to guarantee the integrity and confidentiality of product and supply-chain data. Brandix is also actively engaging with upstream suppliers, customers, and industry partners like GS1 to align on DPP data requirements and interoperability protocols.

Information Security

Brandix considers cybersecurity a core enabler of sustainability, business resilience, and responsible governance. The Company aligns its cybersecurity programme with internationally recognised standards, including the National Institute of Standards and Technology Cybersecurity Framework (NIST CSF), sustaining Tier 3 (Repeatable) maturity as a pioneering apparel manufacturer in the region.

A dedicated cybersecurity team performs continuous risk assessments and monitors emerging threats under strict Board-level oversight, ensuring strong cyber governance and accountability while safeguarding customer, employee, and shareholder information. This investment is an expression of our Innovation pillar, applying the same end-consumer focus that drives our materials and processes to protect what matters most to our customers.

During the year, we transitioned to a state-of-the-art Secure Access Service Edge (SASE) architecture, moving to a zero-trust model where every interaction across our network is rigorously validated through multiple security layers. Concurrently, we upgraded our Security Operations Center (SOC) with a world-class vendor and expanded our capabilities by deploying AI agent-based threat detection and automated incident-response workflows. Automated containment immediately isolates compromised devices to block lateral threat movement, while integrated intelligence and log monitoring fortify proactive threat-hunting capabilities.

GRI Content Index

Statement of use
Brandix Lanka (Pvt) Ltd has reported in accordance with the GRI Standards for the period 1 April 2025 to 31 March 2026

GRI 1 used
GRI 1: Foundation 2021

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
General disclosures							
GRI 2: General Disclosures 2021	2-1 Organizational details	3					
	2-2 Entities included in the organization's sustainability reporting	3					
	2-3 Reporting period, frequency and contact point	3					
	2-4 Restatements of information	3					
	2-5 External assurance	3, 204					
	2-6 Activities, value chain and other business relationships	5, 9, 17				Principle 1, 2, 7, 8, 9, 10	
	2-7 Employees	115				Principle 3, 4, 5, 6	
	2-8 Workers who are not employees	115				Principle 3, 4, 5, 6	
	2-9 Governance structure and composition	33-38, 43-44				Principle 1, 2, 10	
	2-10 Nomination and selection of the highest governance body	41				Principle 6,10	
	2-11 Chair of the highest governance body	33, 42					
	2-12 Role of the highest governance body in overseeing the management of impacts	32-33, 42-46				Principle 1, 2, 7, 8, 9, 10	
	2-13 Delegation of responsibility for managing impacts	32-33, 42-46					
	2-14 Role of the highest governance body in sustainability reporting	44					
	2-15 Conflicts of interest	41, 52				Principle 10	

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
General disclosures							
GRI 2: General Disclosures 2021	2-16 Communication of critical concerns	46					
	2-17 Collective knowledge of the highest governance body	41					
	2-18 Evaluation of the performance of the highest governance body	41				Principle 10	
	2-19 Remuneration policies	38				Principle 6, 10	
	2-20 Process to determine remuneration	38				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	24					
	2-23 Policy commitments	49 - 51				Principles 1-10	
	2-24 Embedding policy commitments	49 - 51				Principles 1-10	
	2-25 Processes to remediate negative impacts	32, 49, 126 - 127, 177				Principles 1, 2, 10	
	2-26 Mechanisms for seeking advice and raising concerns	32, 49, 126 - 127, 177				Principles 1, 2, 10	
	2-27 Compliance with laws and regulations	52				Principle 10	
	2-28 Membership associations	9					
	2-29 Approach to stakeholder engagement	47, 48				Principles 1, 2	
	2-30 Collective bargaining agreements	130, 189				Principle 3	

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
Material Topics							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	46					
	3-2 List of material topics	46					
Economic Performance							
GRI 3: Material Topics 2021	3-3 Management of material topics	57					
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	57				Principles 7, 8, 9	
Anti-Corruption							
GRI 3: Material Topics 2021	3-3 Management of material topics	50					
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	50					
Materials							
GRI 3: Material Topics 2021	3-3 Management of material topics	101					
GRI 301: Materials 2016	301-1 Materials used by weight or volume	107				Principles 7, 8, 9	SASB CGAA 440a: Raw Materials Sourcing
	301-2 Recycled input materials used	104				Principles 7, 8, 9	

GRI Standard / Other Source	Disclosure	Location	Omission Requirement(s) Omitted	Omission Reason	Omission Explanation	UNGC Principles	SASB Indicators
Energy							
GRI 3: Material Topics 2021	3-3 Management of material topics	76					
	302-1 Energy consumption within the organization	85				Principles 7, 8 ,9	
	302-3 Energy intensity	85				Principles 7, 8 ,9	
	302-4 Reduction of energy consumption	86				Principles 7, 8 ,9	
Water and effluents							
GRI 3: Material Topics 2021	3-3 Management of material topics	89					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	91, 93				Principles 7, 8, 9	
	303-2 Management of water discharge-related impacts	98, 99				Principles 7, 8, 9	
	303-3 Water withdrawal	94-95				Principles 7, 8, 9	
	303-4 Water discharge	98				Principles 7, 8, 9	
	303-5 Water Consumption	94-95				Principles 7, 8, 9	
Emissions							
GRI 3: Material Topics 2021	3-3 Management of material topics	76					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	80				Principles 7, 8, 9	
	305-2 Energy indirect (Scope 2) GHG emissions	81				Principles 7, 8, 9	
	305-3 Other indirect (Scope 3) GHG emissions	82				Principles 7, 8, 9	
	305-4 GHG emissions intensity	79				Principles 7, 8, 9	
	305-6 Emissions of ozone-depleting substances (ODS	88				Principles 7, 8, 9	

GRI Standard / Other Source	Disclosure	Location	Omission Requirement(s) Omitted	Omission Reason	Omission Explanation	UNGC Principles	SASB Indicators
Waste							
GRI 3: Material Topics 2021	3-3 Management of material topics	100					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	108 - 112				Principles 7, 8, 9	
	306-2 Management of significant waste-related impacts	108 - 112				Principles 7, 8, 9	
	306-3 Waste generated	108 - 109				Principles 7, 8, 9	
	306-4 Waste diverted from disposal	109				Principles 7, 8, 9	
	306-5 Waste directed to disposal	109				Principles 7, 8, 9	
Supplier environmental assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	184					
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	185				Principles 7, 8, 9	
	308-2 Negative environmental impacts in the supply chain and actions taken	185				Principles 7, 8, 9	
Employment							
GRI 3: Material Topics 2021	3-3 Management of material topics	113					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	117				Principles 3	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	131-132				Principles 6	
	401-3 Parental leave	125				Principles 6	

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	148					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	153 - 155				Principles 1, 2, 3	
	403-2 Hazard identification, risk assessment, and incident investigation	149 - 152				Principles 1, 2, 3	
	403-3 Occupational health services	148 - 168				Principles 1, 2, 3	
	403-4 Worker participation, consultation, and communication on occupational health and safety	148 - 168				Principles 1, 2, 3	
	403-5 Worker training on occupational health and safety	157 - 168				Principles 1, 2, 3	
	403-6 Promotion of worker health	157 - 168				Principles 1, 2, 3	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	157 - 168				Principles 1, 2, 3	
	403-8 Workers covered by an occupational health and safety management system	148 - 168				Principles 1, 2, 3	
	403-9 Work-related injuries	149				Principles 1, 2	
Training and Education							
GRI 3: Material Topics 2021	3-3 Management of material topics	113					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	134				Principle 6	
	404-2 Programs for upgrading employee skills and transition assistance programs	134 - 142				Principle 6	
	404-3 Percentage of employees receiving regular performance and career development reviews	136				Principle 6	

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
Diversity and equal opportunity							
GRI 3: Material Topics 2021	3-3 Management of material topics	37					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	37, 116				Principles 1, 2	
Non-discrimination							
GRI 3: Material Topics 2021	3-3 Management of material topics	126					
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	126				Principles 1, 2, 6	
Child labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	130, 147, 189					
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	130, 147, 189				Principle 5	
Forced or compulsory labor							
GRI 3: Material Topics 2021	3-3 Management of material topics	147, 189					
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	147, 189				Principle 4	

GRI Standard / Other Source	Disclosure	Location	Omission: Requirement(s) Omitted	Omission: Reason	Omission: Explanation	UNGC Principles	SASB Indicators
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	169					SASB CGAA 250a: Management of Chemicals in Products
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	169 - 183				Principles 1, 2	
	413-2 Operations with significant actual and potential negative impacts on local communities	176				Principles 1, 2	
Supplier social assessment							
GRI 3: Material Topics 2021	3-3 Management of material topics	184					
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	189				Principles 1, 2	
	414-2 Negative social impacts in the supply chain and actions taken	185				Principles 1, 2	
Customer health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	190					
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	194				Principles 1, 2	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	192				Principles 1, 2	
Customer privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	190					
GRI 416: Customer Health and Safety 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	195				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 FY2025/26.

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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 2026 (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.

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.

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 12 August 2026.

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.

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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.

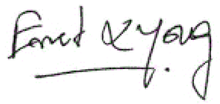
We also performed such other procedures as we considered necessary in the circumstances.

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 2026**, in order for it to be in accordance with the Criteria.



12 October 2026
Colombo

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