

DRIVEN BY
PURPOSE



Sustainability Report 2020 - 2021



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Our website is available on multiple platforms from mobile devices to laptops. For a more interactive report, go online at www.brandix.com

DRIVEN BY PURPOSE



The past, present and future of Brandix lies in a diverse, strategic and comprehensive range of products; each with the power to purposefully drive social and environmental responsibility.

This year, our commitment was reflected in more ways than one, and this report demonstrates how your Company viewed challenges as opportunities to leverage and redefine our corporate strengths, values and purpose of existence to serve and sustain our people and planet.

OUR REPORT



Scope and Boundary

Sustainability is embedded at every level across Brandix, and our Sustainability Report represents a concise and balanced overview of Brandix's sustainability performance. This report comprises information regarding our strategy, materiality, management approaches, process and policies implemented to manage the environmental impacts of the business and efforts to address social concerns that are of interest to our main stakeholder groups.



This is the 6th Sustainability Report published by Brandix and covers its apparel manufacturing operations in Sri Lanka, India and Bangladesh over the period 01st April 2020 to 31st March 2021. Please refer the "About Brandix" section on page 10 of this report for the organizational entities and activities covered.

Several organisational changes occurred during the reporting period and will impact the scope of this Report:

- Two manufacturing facilities located in Polonnaruwa and Giritale, Sri Lanka are part of a joint venture partnership. With functional control maintained by the partner entity, both facilities will be excluded from the scope of the 2020/21 Report

- Operations were closed at two manufacturing facilities under the Casualwear cluster in Sri Lanka in line with Brandix's business strategy, owing to the gradual decline in global demand for the segment of garments produced at both factories:
 - o Brandix Casualwear Ratmalana closed on the 14th of March 2021
 - o Brandix Casualwear Seeduwa closed on 31st December 2021

The closures took place in line with the necessary regulatory frameworks and to safeguard the employments and incomes of the employees. Brandix extended these employees the option of transferring to other Brandix facilities of their choice without any impact on their income. The company has also offered

a compensation scheme which is over and above the Government approved 'Termination of Employment of Workmen (Special Provisions) Act' or THEWA for employees that choose to exit at this juncture. Furthermore, the six-month internal restriction imposed on employees who opted for financial compensation to join other Brandix facilities instantly was removed.

The Board of Investment, the Area Labour Commissioner of the Ministry of Labour and the Director - General of the Employers Federation of Ceylon have been informed of Brandix's business decision. Brandix duly addressed and informed all employees accordingly in preparation for the closure

Reporting Frameworks

This report is an overview of our performance on Environmental, Social and Governance (ESG) indicators in accordance with the Global Reporting Initiative (GRI) and to provide our stakeholders with a transparent view of Brandix's impacts and alignment with the UN SDGs.

This report has been prepared in accordance with the GRI Standards: Core option, with the selection of reported content based on the requirements of the GRI Standards, and our materiality analysis detailed on page 20. In the interest of completeness, macroeconomic factors were considered, with an emphasis on national and international factors that have had an impact on the business during the period in review.

With Brandix having been a signatory of the United Nations Global Compact since 2006, the 2020/21 Sustainability Report also demonstrates our commitment to The 10 Principles of UNGC.

Assurance

Brandix has adopted a combined assurance approach to confirm the relevance, accuracy and completeness of this report. All information and statistics are subject to multiple verification protocols and further vetted by Brandix's internal audit function. Furthermore, our ongoing partnership with Accenture provides a verifiable source for data and information for this Report.

Data measurements, calculation methodologies, assumptions and estimations applied in the compilation of indicators in this Report, are in accordance with standard global and industry practices, and the GRI Standards and have been detailed in the relevant sections.

In addition, DNV Business Assurance Lanka (Private) Limited provides an independent assurance regarding conformance to AA 1000v3, GRI standards and best practices for sustainability reporting. Please refer page 72 of this report to view the external assurance certificate issued by DNV Business Assurance Lanka (Private) Limited.

Forward-looking statements

This Report comprises past and present information about Brandix, as well as forward-looking statements based on strategies and management policies as of the publication date. These statements are assumptions based on information available at the time of reporting. Due to a range of variables across economic, legal and other factors, the results or circumstances of future business activities may vary from the forecasts contained herein.

Board Responsibility

The Board acknowledges its ultimate responsibility for the collection, preparation and presentation of the information, as well for ensuring completeness and correctness of all data and information presented in this Sustainability Report. The Board wishes to confirm that the contents of the report has been collectively reviewed in conjunction with the assurance reports obtained from our various internal and external assurance providers.

Feedback or Queries

Any feedback or queries regarding this report can be directed to:

Brandix Sustainability (Brandix HQ)

No: 25, Rheinland Place,
Colombo 03, Sri Lanka

Phone: 0114727000

Email: sustainability@brandix.com



OUR VALUES



At Brandix, we have one common purpose - 'To Deliver Inspired Solutions through Inspired People.' Our RITE Values empower us to become Inspired People that deliver Inspired Solutions to world-renowned apparel brands every day. These Inspired Solutions help us become a Winning organisation that inspires a positive difference across our Communities and our Planet.



R

Respect

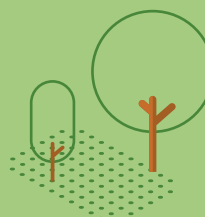
We will treat each other with respect
and dignity no matter what our
differences are



I

Integrity

We will demonstrate honesty, fairness,
openness, and ethics in our interactions,
behaviors, and practices





Teamwork

We will work and grow together while supporting each other through collaboration and openness

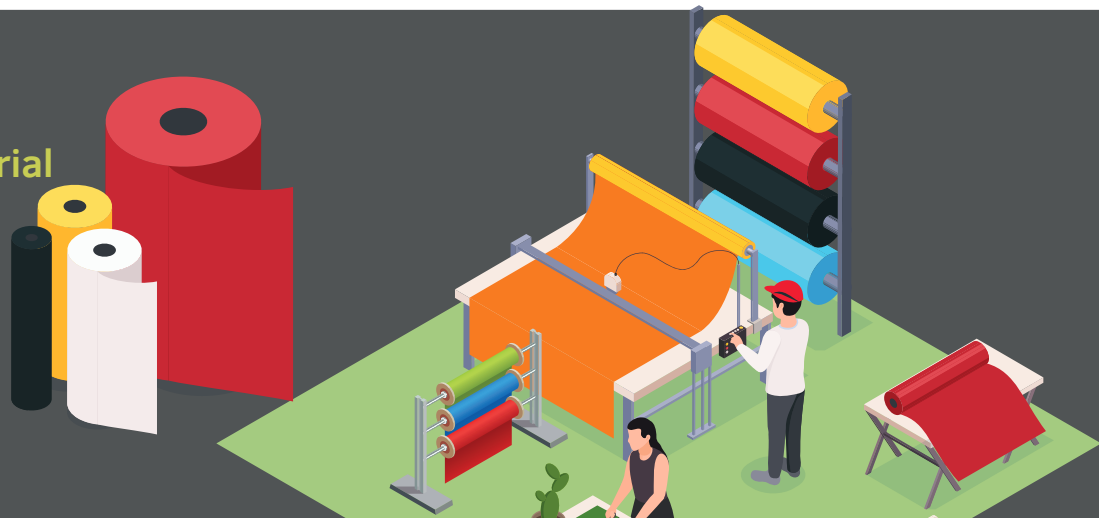


Excellence

We will persevere for excellence through accountability for performance, innovation, learning, and continuous improvement

1

Raw Material Sourcing



2

Cutting and Embellishments



3

Design and Development



OUR
OPERATIONS

4

Sewing Operation

Packing and Distribution

7

Finished Goods

6

5

Quality Control





SUSTAINABILITY JOURNEY



2007

Established Sustainability strategy under Air/ Water/ Earth pillars



2012

1st Sustainability Report published

BAI 1 – LEED certified



“Excellence in Sustainable Development” – Presidential Export Awards

2008

Seeduwa – World’s 1st LEED Platinum rated apparel manufacturing facility

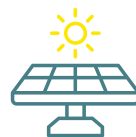


Brandix HQ – GreenMark Platinum certified – Sri Lanka’s 1st Platinum certified Commercial Building



2009

BER – LEED Gold certified – First commercial building in Sri Lanka to receive this certification.



2011

Seeduwa - World’s 1st Apparel Manufacturer and only the 3rd manufacturing entity worldwide across all sectors of industry to be ISO 50001:2011 certified

Koggala – LEED Gold certified



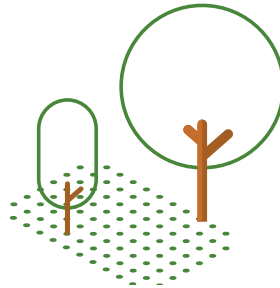
2015





2018

Batticaloa – LEED Platinum certified (Highest in SL/ 2nd Highest in the world)



2019

Launch of Brandix's new Sustainability strategy for 2023

Batticaloa – World's 1st Net Zero Carbon certified apparel manufacturing facility

2021

Inaugural Brandix Sustainability Summit





ABOUT BRANDIX

Founded in 1969 in Sri Lanka as a limited liability company, Brandix has grown to become one of the leading Apparel manufacturers in the South Asian region. Over the past 50 years, Brandix has been providing Inspired Solutions to renowned brands across the world, bolstered by a vertically integrated supply chain and global network of manufacturing and operating locations. Today, our global footprint consists of a total of 24 manufacturing facilities and employs over 44,000 across nine countries.

In 2019, a study by the United Nations Environment Programme (UNEP) indicated that nearly 10% of global greenhouse gas emissions and a significant proportion of the world's water supply can be attributed to the fashion industry. As an Apparel manufacturer, we strongly believe in leading the way in sustainable manufacturing through long-term impactful change for our business, stakeholders, communities and the environment.

At Brandix, our teams focus on driving sustainable business growth by continuously benchmarking our operations against global best practices through multi-stakeholder partnerships and in alignment with the UN's Sustainable Development Goals (SDGs) and United Nations Global Compact (UNGC) Principles.

Our Business

Apparel	Non- Apparel (Backward Integration)	Services
• Brandix Lanka Limited (BLL)	• Best Pacific Textiles Limited	• Fortude (Pvt.) Limited
• Brandix Apparel Limited (BAL)	• Teejay Lanka PLC	• Brandix Corporate Campus
• Brandix Apparel India (Private) Limited	• Teejay India (Private) Limited	• Brandix India Apparel City (Private) Limited
• Brandix Casualwear Bangladesh Limited	• Teejay Lanka Prints (Private) Limited	





486Mn pieces
Garments Manufactured



44,930
Employees



USD
820Mn
Revenue



Sri Lanka,
India,
Bangladesh
& Haiti

Countries Of Significant
Operation

Functions



Fabric
Knitting



Apparel
Manufacturing



Apparel
Washing and
Dyeing



Fabric
Printing



Apparel
Design

Products



Underwear



Casual
Bottoms



Bras



Lounge &
Sleepwear



Intimate
Apparel



Global Presence

1. Sri Lanka - (Headquarters)
2. India
3. Bangladesh
4. Haiti
5. Cambodia

Major Markets

- USA
- Europe
- UK
- China
- Japan





A MESSAGE FROM OUR CEO



“To further minimise unfavourable impact, we are pursuing more prolific digital sampling, developing solutions to ensure circularity of waste in production and spearheading our move towards reducing our dependence on fossil fuels and driving a Net Zero Carbon Apparel sector in Sri Lanka.”

Ashroff Omar - Group Chief Executive Officer

In an unprecedented global business landscape, the COVID-19 pandemic has had a profound impact on the Apparel industry. Despite border closures and economic shutdowns, it is rewarding to see how well the Apparel industry has demonstrated its resilience against all odds. At Brandix, this has also been a time to reflect and recommit to retaining our CSR and sustainability efforts, as the community and how we impact it is very important to all of us.

INSPIRED PEOPLE

As a labour-intensive industry, the pandemic posed many challenges for us - through all this, our guiding light has been our people. They have continued to demonstrate our values of Respect, Integrity, Teamwork and Excellence (RITE) during this difficult time. I wish to recognise the tireless efforts of our team of Inspired People who played a pivotal role in sustaining the economy and ensuring Brandix remained resilient through an extremely challenging year.

In spite of our best efforts to provide the safest possible environment for our employees, we faced many setbacks with our employees contracting COVID-19. During these times, I have been most proud to see our team rallying together to step in when others have been impacted, proving that we are indeed One Brandix.

Bolstered by the efforts of our teams and the immense support from our customers, we were able to extend salary increases and ensured that our employees were fully reimbursed for the salary revisions made during the initial

stages of the pandemic. We also worked tirelessly to adapt our processes to meet the evolving needs of our team and their families, as the pandemic took a toll on physical and mental health.

INSPIRED SOLUTIONS

At Brandix, we made a commitment to support the economy at this critical juncture. We pursued opportunities that went beyond our immediate manufacturing portfolio quickly adapting and transitioning our product offering to include Personal Protective Equipment (PPE). We faced the pandemic with multiple synergistic approaches; from finding solutions to ensure the continuity of our business amidst supply chain breakdowns, accommodating our customers deadlines despite the rise in COVID-19 leave and freight costs, and above all, ensuring the safety and wellbeing of our 44,000 plus strong global workforce.

Together with our employees and supply chain partners, Brandix was able to secure and supply orders throughout 2020/21, bringing in much-needed foreign exchange to help sustain Sri Lanka's economy, while also ensuring the livelihoods of our team, during these difficult times.

I believe we were able to navigate many of the challenges we faced thanks to the prudent planning and pre-emptive strategies adopted over the years, such as the concerted efforts to systematically regionalise our supply chain networks which held us in good stead as related constraints mounted amidst the pandemic. As we continue to review and benchmark ourselves in line with global best practices, we updated our Vendor Code of Ethics to reflect the explicit prohibition of the use of forced labour and the conduct and support of human rights abuse as stipulated in the Uyghur Human Rights Policy Act 2020 ratified by the US Congress in late 2020.

We also focused aggressively on digitisation in the year under review as the pandemic forced organisations around the world to relook at their business models. We launched our digital transformation journey in mid-2020 as part of an ambitious Long-Range-Plan to merge technology into the way we think, act and work. We believe that integrating data and systems in this way will

empower our employees and give them the freedom to innovate, in turn leading to improved, more sustainable, solutions at every touchpoint.

OUR PLANET & COMMUNITIES

As we continued our sustainability journey, care for our planet and the communities in which we operate in, remained at the heart of all we do. Despite setbacks in large new investments due to the pandemic, we concentrated our efforts on improving the efficiency of our energy and water consumption through innovative and cost-effective solutions. We also researched extensively on global best practices and enhanced control measures for our ventilation systems to minimise COVID-19 viral spread at our facilities.

Our communities have always been a key stakeholder and we continued to stay engaged through initiatives such as supporting our frontline healthcare workers with PPE, and donating 1.5 million face masks to safeguard the health and wellbeing of the next generation in partnership with the Ministry of Education. Our plants in Rambukkana and Batticaloa were also repurposed to support the national pandemic response.

THE ROAD AHEAD

In these unpredictable times, it is premature to assume what lies ahead. I can state with absolute certainty that Brandix will remain committed to our people, our planet and our communities through innovative solutions and sustainable pathways. To further minimise unfavourable impact, we are pursuing more prolific digital sampling, developing solutions to ensure circularity of waste in production and spearheading our move towards reducing our dependence on fossil fuels and driving a Net Zero Carbon Apparel sector in Sri Lanka. Along with this, our goal is to ensure a healthy and productive atmosphere for all our employees so they can enjoy the benefits of a more sustainable and safe world.

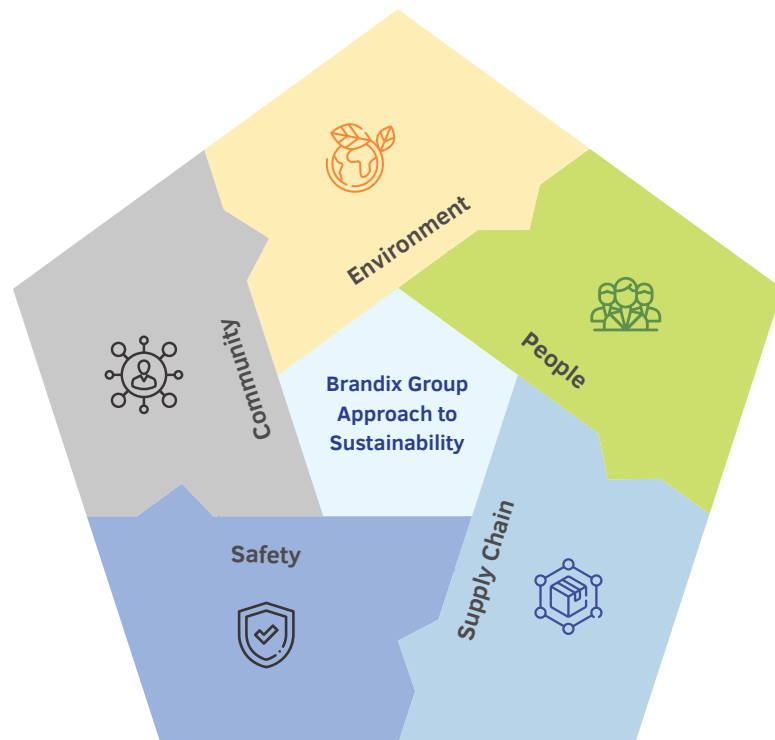
This is in our DNA. It drives us to Deliver Inspired Solutions through Inspired People; and it is our DNA that will help us remain at the forefront of the Apparel industry as a sustainable manufacturer that crafts solutions that are far-reaching and truly impactful.



SUSTAINABILITY PRINCIPLES

At Brandix, we consider sustainability as a prerequisite for the long-term growth and value creation of our business and our stakeholders. We execute our commitment to sustainable operations by understanding the evolving challenges linked to our business as an Apparel manufacturer and advancing our purpose beyond the business by seeking meaningful solutions to manage their related impacts.







Compliance best practices collaboration innovation



The social and environmental compliance requirements applicable to our business forms the fundamental principle defining our approach to sustainability. Beyond this, Brandix continuously strives to benchmark and align key aspects of its operations against global standards, such as Ethical Trading Initiative (ETI), the WRAP (Worldwide Responsible Accredited Production) Principles and Leadership in Energy and Environmental Design (LEED).

Our Charters and Certifications

WRAP	<ul style="list-style-type: none"> BEL Koggala, Rambukkana, Kahawatte BFF Minuwangoda, Welisara, Mirigama I & II, Avissawella BLI Wathupitiwela Quantum Clothing India 	
ETI	<ul style="list-style-type: none"> BEL Koggala, Nivithigala, India 1, India 2 BCW Bangladesh BLI Wathupitiwela 	
SA 8000	<ul style="list-style-type: none"> BEL India 3 Quantum Clothing India 	
BSCI	<ul style="list-style-type: none"> BEL Batticaloa, Rambukkana BFF Welisara, Mirigama 1 BDD Katunayake BLI Wathupitiwela 	

GOTS	<ul style="list-style-type: none"> BEL Batticaloa, Rambukkana BFF Welisara, Mirigama I and II BCW Ridigama, Finishing BLI Wathupitiwela Quantum Clothing India 	
GSV	<ul style="list-style-type: none"> BEL Kahawatte BFF Welisara, Avissawella BLI Wathupitiwela Quantum Clothing India 	
GRS	<ul style="list-style-type: none"> BCW Ridigama, Finishing 	
RCS	<ul style="list-style-type: none"> BCW Ridigama, Finishing 	
OCS	<ul style="list-style-type: none"> BCW Ridigama, Finishing 	
OEKO TEX	<ul style="list-style-type: none"> BCW Bangladesh BLI Wathupitiwela 	

ISO 14001	<ul style="list-style-type: none"> BCW Finishing BLI Wathupitiwela BIAC Brandix India Apparel City 	
ISO 9001	<ul style="list-style-type: none"> BLI Wathupitiwela 	
LEED	<ul style="list-style-type: none"> BEL Batticaloa BEL Koggala BEL Ratmalana BEL India 1 	
GreenMark	<ul style="list-style-type: none"> Brandix HQ 	

The effectiveness of our compliance is reinforced through three primary mechanisms:

1. Customer Audits are held annually. It should be noted that in recognition of our level of compliance, several of our customers have appointed Brandix on their self-audit programmes



SUSTAINABILITY PRINCIPLES

2. This is closely monitored by SBU Compliance teams who provide quarterly submissions in the form of a Positive Assurance to the Group Risk & Control (R&C) team. The SBU Compliance teams have dual reporting to the respective SBU CEOs and the Group Head of R&C to ensure independence of the monitoring process.
3. The Group R&C teams conduct an independent bi-annual audit of all locations based on a structured scoring matrix, thereby providing each facility with a rating. Areas of non-compliance are followed through to closure through a detailed action plan and timeline and reviewed during the next cycle of the audit.

Driving Digital Transformation

At Brandix, we understand that innovative technology and advanced analytics are key enablers of opportunity and business growth through improvements in efficiency and driving strategic decisions across the value chain. In the context of an ever-connected world and fast-evolving technology, Brandix has embarked on a digital transformation journey as we look towards transitioning into a future-ready corporate entity.

As part of this journey, technology will be integrated into every aspect of the product value chain, as well as backward and forward integration points of the value chain. By providing solutions in automation and process simplification and driving a digital culture through analytics-based decision making, our digital transformation is focused on **driving savings, improving customer and employee satisfaction, and eliminating paper and duplication.**

As we continue to navigate this new world, embarking on a focused digital transformation journey will support Brandix across evolving fashion lifecycles, resulting in faster time to market, ensure business continuity in a volatile environment, and drive operational efficiency and innovation.

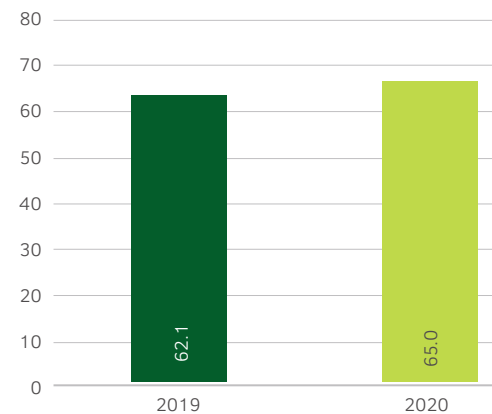
HIGG Index

During the reporting period, we have continued to implement the Higg Index monitoring tool developed by the Sustainable Apparel Coalition to assess the environmental performance of our facilities across the Group. Compared to the previous year of 2019, a 4.7 % improvement was seen in the overall performance of the Group.

HIGG Index Scores 2020 - Brandix Group



Cumulative HIGG Index Score





STAKEHOLDER ENGAGEMENT

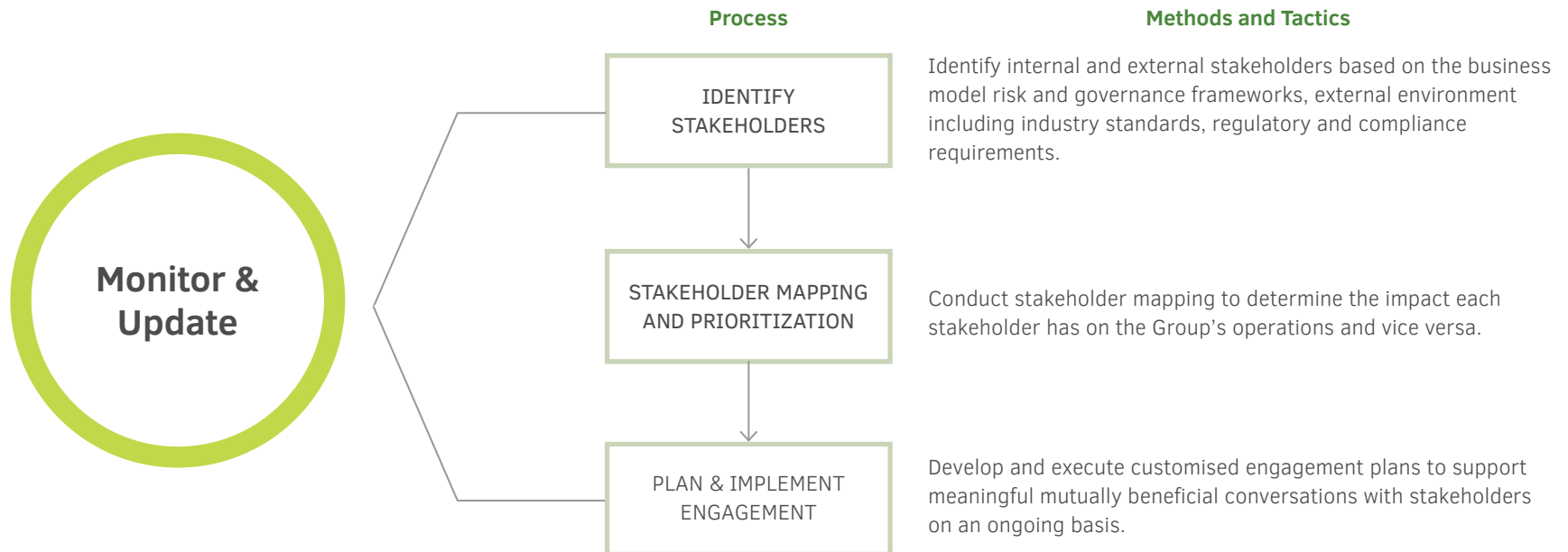
- how we listen and engage

Our stakeholders are those individuals and organizations that affect or are affected by our business and operations. With significant operations across three geographical locations, we focus on building strong trust-based relationships with our stakeholders through honest and transparent dialogue. Our goal is to ensure stakeholder engagement contributes to the evolution of our business strategy and look to our stakeholders to support our understanding and broaden our awareness regarding the risks and opportunities for our business. Stakeholder interactions take place at multiple levels across Brandix through a combination of both formal and informal structures.

STAKEHOLDER ENGAGEMENT

—

PROCESS & METHODS





STAKEHOLDER ENGAGEMENT

- how we listen and engage

Customers

Routine Engagement Mechanism

- Vendor Summits
- Customer Feedback Surveys, Vendor Summits
- In-person meetings - Brandix/ Customer Leadership teams
- Meetings, emails, phone/ conference calls
- Calls/ meetings with Leadership/ Management Teams
- Product & Design Development Reviews/ Customer Touch-bases

Matters Discussed

- Strategic business partnering
- Raw Material and Product innovation
- Collaborations on product and manufacture
- Risk Mitigation - Product Deliveries Product Pricing / Manufacturing Capacities
- Social & Environmental initiatives and partnerships

Employees

Routine Engagement Mechanism

- Great Place to Work survey
- Employee satisfaction surveys/ Rasadiya Mangalya
- Performance reviews, skip level meetings skip level meetings happen throughout the year
- T&D activities, open door policy at all management levels
- Employee Council meetings
- Intranet communications through Brandnet/ Success Factors and email communications/ Viyaman Social Media

Matters Discussed

- Remuneration & benefits
- Career development
- Training & Development / Engagement opportunities/
- Safety & Wellbeing/ Diversity & Inclusion/
- Recognition & Rewards/ Long-term job stability

Banks and Financial Institutions

Routine Engagement Mechanism

- Review meeting for past results and one year forward view, Annual Audited accounts
- Quarterly meeting, Quarterly consolidated accounts
- Meetings, emails, phone/ conference calls

Matters Discussed

- Future growth and utilization of funds value generation
- Impact of future COVID waves and resilience
- Consistent economic performance
- Adherence to financial and taxation regulations

Suppliers

Routine Engagement Mechanism

- Supplier Social Compliance Audits(Third Party)
- RM Supplier Self-Assessment
- Supplier Collaboration Reviews
- Supplier Capability + Capacity Assessments (Supplier Evaluations)
- Management level meetings/ Supplier Situation Touch-base (spec for COVID) - weekly
- Supplier onboarding/ Supplier Production + Quality Meetings

Matters Discussed

- Adherence to contractual obligations
- Development of long-term partnerships for sustainable supply chains

Regulatory Authorities

Routine Engagement Mechanism

- Certifications and Accreditations
Licenses & approvals & site inspections /Meetings and disclosures.

Matters Discussed

- Business operations in compliance with laws, regulations, social & environmental standards

Union Activists / NGO'S

Routine Engagement Mechanism

- Meetings and disclosures

Matters Discussed

- Ethical labour practices in line with global and national regulations and standards
- Compensation and rewards
- Collective bargaining

Media - Local & International

Routine Engagement Mechanism

- Website, social media platforms, press releases, media correspondence and engagement activities/ public relations and advertising/ thought leadership panels and forums

Matters Discussed

- Brand reputation and public perceptions
- Awareness and engagement
- Commitment to CSR and Environmental Sustainability
- Public perceptions

Communities

Routine Engagement Mechanism

- Employee satisfaction surveys
- Meetings (onsite, remotely), CSR initiatives under pillars of Provide, Educate, Research & Engage
- Stakeholder engagement index with internal and external stakeholders

Matters Discussed

- Positive social community impact
- Supporting sustainable community development
- Employee attraction and retention

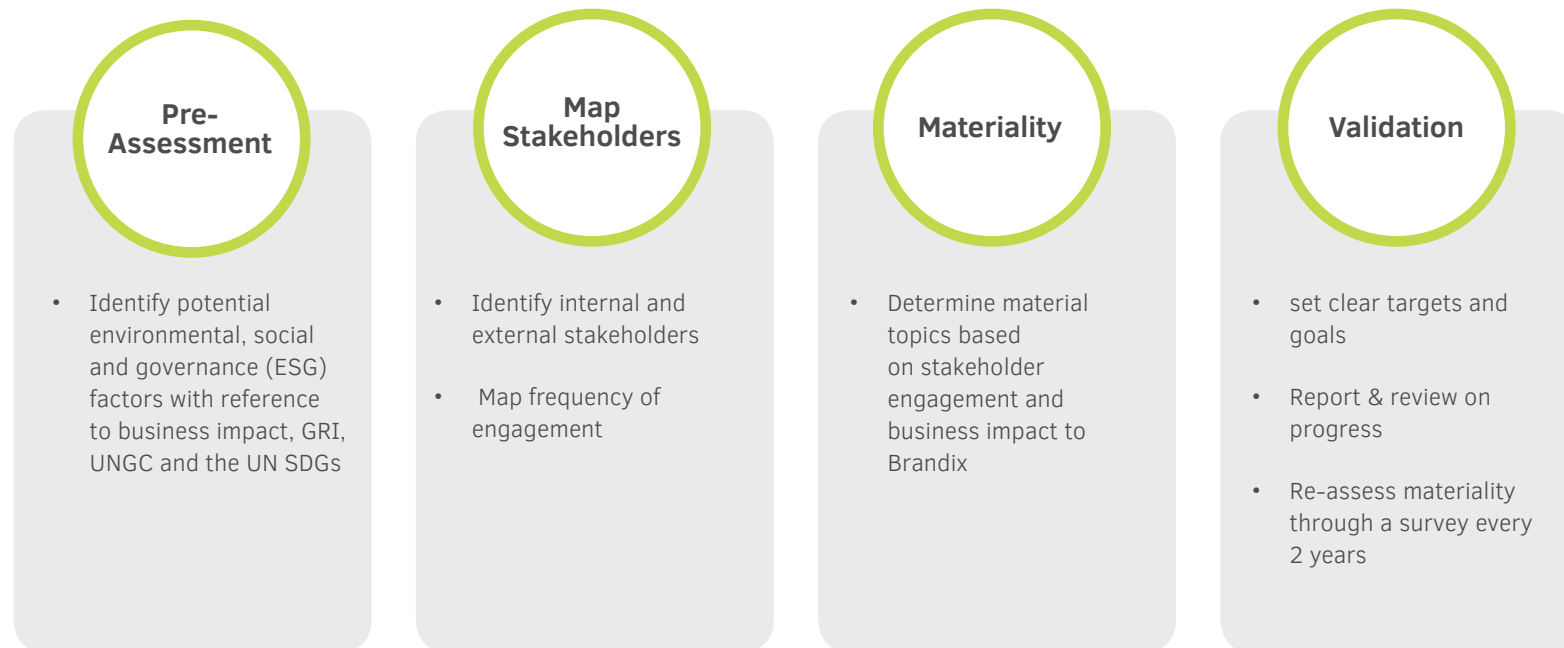
FREQUENCY

● Biennially ● Annually ● Bi-annually ● Quarterly ● Ongoing ● Monthly ● Regularly



MATERIALITY

Materiality determination is seen as the fundamental step toward identifying and addressing the most critical environmental, social and governance (ESG) topics relevant to Brandix.



On this basis a total of 11 Material ESG Topics were determined as the most relevant for our business and stakeholders in 2019/20. Our material topics for 2020/21 remain consistent with those of the previous reporting period with no significant changes identified to the list or its prioritization.

We look forward to engaging with our stakeholders in 2021/22 to conduct the next full-fledged materiality assessment.

Material ESG Topic	Reason for Materiality	Topic Boundary	Management Approach	Evaluation
Occupational Health & Safety	Increases employee confidence	Internal / External	<p>Maintain a safe and healthy working environment across our facilities for employees, in line with local and global best practices</p> <p>Produce and deliver products through operations that cause zero injuries or occupational illnesses to employees, contractors and visitors</p> <p>The importance of health and safety was highlighted in 2020 and 2021 owing to COVID19 environment which required the apparel industry to function through stringent controls and safety protocols</p>	GRI 403, 103
Fair & Ethical Labour Practices	Builds trust among employees	Internal / External	Maintain operations in compliance with local regulations and international best practices on human rights across prevention of child labour, forced and compulsory labour, non-discrimination, fair wages and compensation and zero tolerance against any form of harassment	GRI 406, 408, 409, 103
Environmental & Social Compliance	Strengthens brand credibility	Internal / External	Integrate environmental and socio-economic concerns into our operations in compliance with applicable national laws and regulations in the countries we operate in, as well as international certifications and standards (e.g. WRAP)	GRI 307, 103
Anti-Corruption	Strengthens brand credibility	Internal / External	Maintain a strict anti-corruption policy, as well as a zero-tolerance policy for non-compliance	GRI 205, 103
Energy & GHG Emissions	Supports the national environmental goals	Internal / External	Support transition towards the use of renewable energy sources, and reduce manufacturing impact on GHG emissions through resource optimisation	GRI 302, 305, 103
Water Stewardship	Supports the national environmental goals	Internal / External	Reduce the reliance on on blue water sources for manufacturing operations through usage of green and grey water, water efficiency measures and treatment of wastewater in line with local regulatory standards	GRI 303, 103
Waste	Supports the national environmental goals	Internal / External	Minimise the overall Group-wide environmental footprint through concerted efforts to recycle and reuse waste and implementing process improvements to reduce waste generation	GRI 306, 103



MATERIALITY

Material ESG Topic	Reason for Materiality	Topic Boundary	Management Approach	Evaluation
Sustainable Community Development	Helps reduce socioeconomic disparity	External	Proactive community engagement initiatives aligned with the Sustainable Development Goals (SDGs) and Principles of UN Global Compact to ensure positive social impact for the families of our employees and the communities we operate in, by addressing their needs	GRI 413, 103
Talent Development & Engagement	Contributes towards the achievement of corporate objectives	Internal	Ensure employees are inspired and motivated through direct and transparent relationships, celebrating achievements and providing access to learning and development to enhance their personal and professional careers	GRI 402, 404, 103
Supply Chain Management	Improves consistency and reliability of products resulting in enhanced customer confidence	Internal / External	Developing long-term partnerships with suppliers, guided by the “Five Basic Vendor Rights”; namely Right Quality, Right Source, Right Time, Right Quantity and Right Price	
Supplier Capability Development	Contributes towards the achievement of corporate objectives	Internal / External	Build sustainable relationships with suppliers to assess and improve economic, social and environmental performance	















ESG Classification

- SOCIAL
- ENVIRONMENTAL
- GOVERNANCE



CONTRIBUTION TO THE SDG'S















Having commenced our sustainability and ESG reporting in 2012, the Brandix reporting strategy has evolved into a model based on GRI Standards in alignment with the UNGC Principles and the UN's Sustainable Development Goals (SDGs). At Brandix, we believe that the SDGs represent an important step towards a shared understanding of global challenges to enable sustainable development, as well as creating sustained value for our business and stakeholders. While our business activities support the SDGs through different means, we have opted for a focused approach through which we make a more meaningful contribution to the SDGs.

Our Material Impact Areas	Our Strategic Priorities	UN SDG
Occupational Health & Safety	<ul style="list-style-type: none"> - Employee health & safety 	  
Fair & Ethical Labour Practices	<ul style="list-style-type: none"> - Occupational Health & Safety - Inspired Employees - Governance & Risk 	    
Environmental & Social Compliance	<ul style="list-style-type: none"> - Net Zero Carbon Operations - Resource Efficiency/Optimization - Sustainable Manufacturing Facilities - Cleaner Production - Zero Water Wastage - Recycling & re-using Waste - Zero Discharge of Hazardous Chemicals 	    
Anti-Corruption	<ul style="list-style-type: none"> - Governance & Risk 	
Energy & GHG Emissions	<ul style="list-style-type: none"> - Net Zero Carbon Operations - Resource Efficiency/Optimization - Cleaner Production - Renewable Energy - Phase out Ozone-depleting substances by 2025 	   



CONTRIBUTION TO THE SDG'S

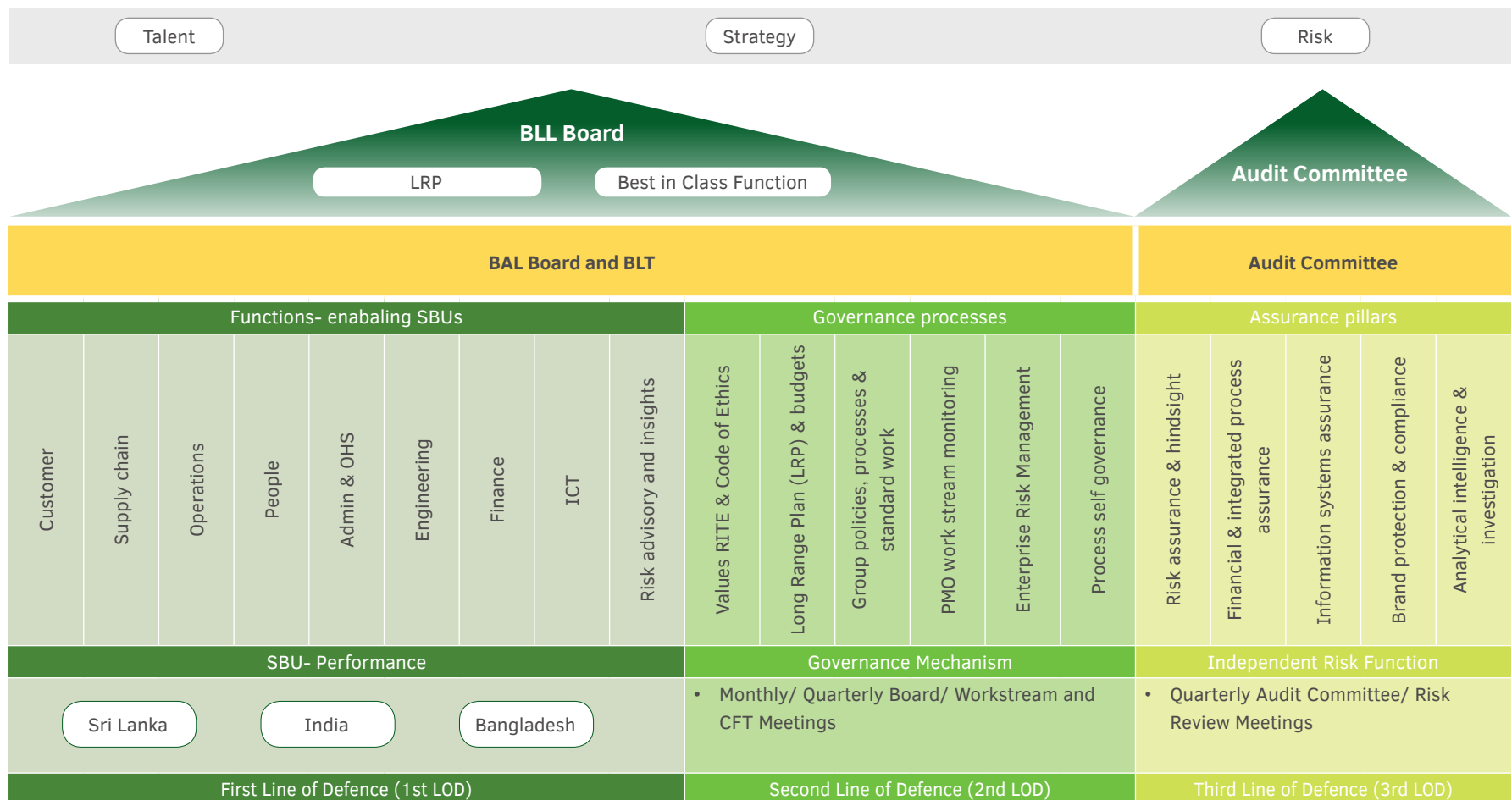


Our Material Impact Areas	Our Strategic Priorities	UN SDG
Water Stewardship	<ul style="list-style-type: none"> - Resource Efficiency/Optimization - Zero Water Wastage - Zero Discharge of Hazardous Chemicals - Sustainable Communities 	    
Waste	<ul style="list-style-type: none"> - Recycling & re-using Waste - Zero Discharge of Hazardous Chemicals - Material Circularity 	  
Sustainable Community Development	<ul style="list-style-type: none"> - Sustainable Communities 	    
Talent Development & Engagement	<ul style="list-style-type: none"> - Inspired Employees 	   
Supply Chain Management	<ul style="list-style-type: none"> - Our Supply Chain 	  



GOVERNANCE AND RISK

Brandix's overall approach to business is founded on the principle of doing business the right way. This ethos is enshrined in Brandix's core values and is cascaded down via an integrated corporate Governance & Risk framework. This framework takes a holistic approach that is not simply limited to business results, but also addresses the underlying ESG (environmental, social and governance) matters material to us as an apparel manufacturer, thus creating a solid foundation for producing comprehensive, credible and consistent results across the business.





GOVERNANCE AND RISK

GOVERNANCE STRUCTURE

Central to this approach is Brandix's governance structure led by the highly competent and experienced Brandix Apparel Limited (BAL) Board. The BAL Board provides directional leadership on all aspects of the business, including formulation of long-term strategies and specific ESG targets that articulate Brandix's commitment to sustainable business and value creation for its stakeholders.

Under the guidance of the BAL Board, the BLT (Brandix Leadership Team) executes Brandix's vision and strategy through internal policies and processes, whilst ensuring compliance with the applicable regulatory frameworks in the countries we operate, global best practices and evolving stakeholder concerns. In this regard, the BLT is also expected to work closely with SBUs to monitor progress and ensure transparent reporting and disclosure of ESG information to support sustainable business growth and good governance.

ETHICS AND INTEGRITY

Ethics and integrity play an important role in supporting the implementation of the integrated governance framework. Our RITE values are integrated into our Corporate Governance & Enterprise Risk Management (ERM) Frameworks, with several formal mechanisms serving as the foundation to strengthen ethical behaviour across the business.

Employee Code of Conduct

The Code of Conduct reinforces the expectations of Brandix employees with respect to ethics and professional conduct with stakeholders across the business in line with our RITE values. During 2020/21, the Code of Conduct was updated

to reflect Brandix's increased focus on data governance, social media content, confidentiality of information and non-disclosure obligations, a pre-emptive measure to curb high-risk incidents from occurring in the future.

All new recruits are required to sign an acknowledgement that they have read and understood the Code of Conduct upon joining Brandix, while existing employees are expected to formally affirm their commitment annually. Moreover, all employees receive regular training and awareness to ensure they remain up to date on appropriate workplace conduct in line with RITE values.

Anti-Corruption Policy

Brandix has a zero-tolerance policy for bribery and corruption and has implemented a comprehensive anti-corruption policy to mitigate the risk of improper conduct by employees. While we expect all employees to strictly comply with this policy, failure to do so may result in disciplinary action up to and including termination.

Vendor Code of Ethics

Our Vendor Code of Ethics specifies the basic minimum standards that Brandix demands of its suppliers and business partners, such as labour practices, human rights and ethical considerations among others. For more details, refer to our Supply Chain section on page 61.

RISK MANAGEMENT

Our Enterprise Risk Management (ERM) framework serves as the foundation to proactively identify, mitigate and respond to risks arising from internal and external operating environments that can have a bearing on Brandix's operations. Given the dynamic and highly competitive nature of the apparel manufacturing industry, Brandix applies the "Three-Lines-of-Defence" mechanism as the basis of its ERM framework.



Improvements to the Governance and Risk frameworks in 2020/21

During 2020/21, it was decided to further consolidate the risk management processes to enable more stringent monitoring of significant risks, coupled with more frequent reporting to the Board. Existing process governance models were also revisited with the efficacy of all control points being revalidated to improve their robustness and ability to safeguard against pandemic related risks. As part of this same effort, the scope of the Factory Control Assessment was expanded and rolled out across all functions to create a single platform for an integrated corporate governance approach to be operationalized at each of our manufacturing locations. Meanwhile, the risk self-assessment programme for Managers was further strengthened with the introduction of an independent audit protocol to verify the declarations made through the control self-assessment. A new Associate Climate Assessment mechanism was also introduced to detect the potential risks at various key points of the employment lifecycle, primarily recruitment, skill development and employee engagement.



DIGITAL TRANSFORMATION

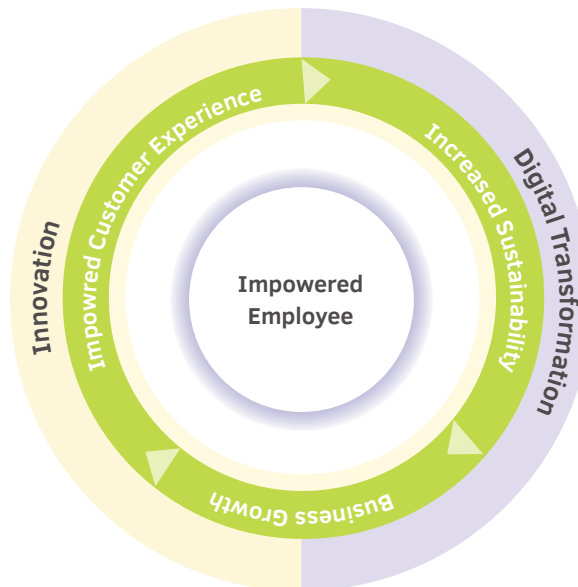
In the global context of an ever-connected world and fast-evolving technology, and with the onset of the ongoing COVID19 pandemic forcing corporate entities to relook at their business models, Brandix has embarked on a digital transformation journey as the company looks towards becoming a future-ready corporate entity.

At Brandix, we understand that innovative technology and advanced analytics will be a critical driver of opportunity and business growth, through improving efficiency and driving strategic decisions across the value chain. Digital Transformation is therefore a mandate and prerequisite to survive in the “New Norm” of operating, as well as a key pivot towards greater success.

Through the digital transformation journey, technology will be integrated into every aspect of the product value chain, as well as both backward and forward integration points of the value chain. In an ever-connected world, digital transformation and integrating data as a single source of truth will empower our employees; one of the key outcomes expected from this Digital Transformation Journey. Our Digital Vision is also focused on **Process Improvement, Driving Savings, Improved Customer and Employee Satisfaction, and Eliminate Paper and Duplication.**

It is evident that to thrive in the ‘new normal’, technology no longer remains a choice, but an essential business strategy across every aspect of an organisation, to support improved collaborative efforts, customer engagement, provide a competitive advantage, and push the boundaries of sustainability.

As we continue to navigate this new world, embarking on a focused Digital Transformation Journey will assist Brandix across the fast-evolving fashion lifecycles, resulting in faster time to market, ensure business continuity in a volatile environment, and drive operational efficiency and innovation.



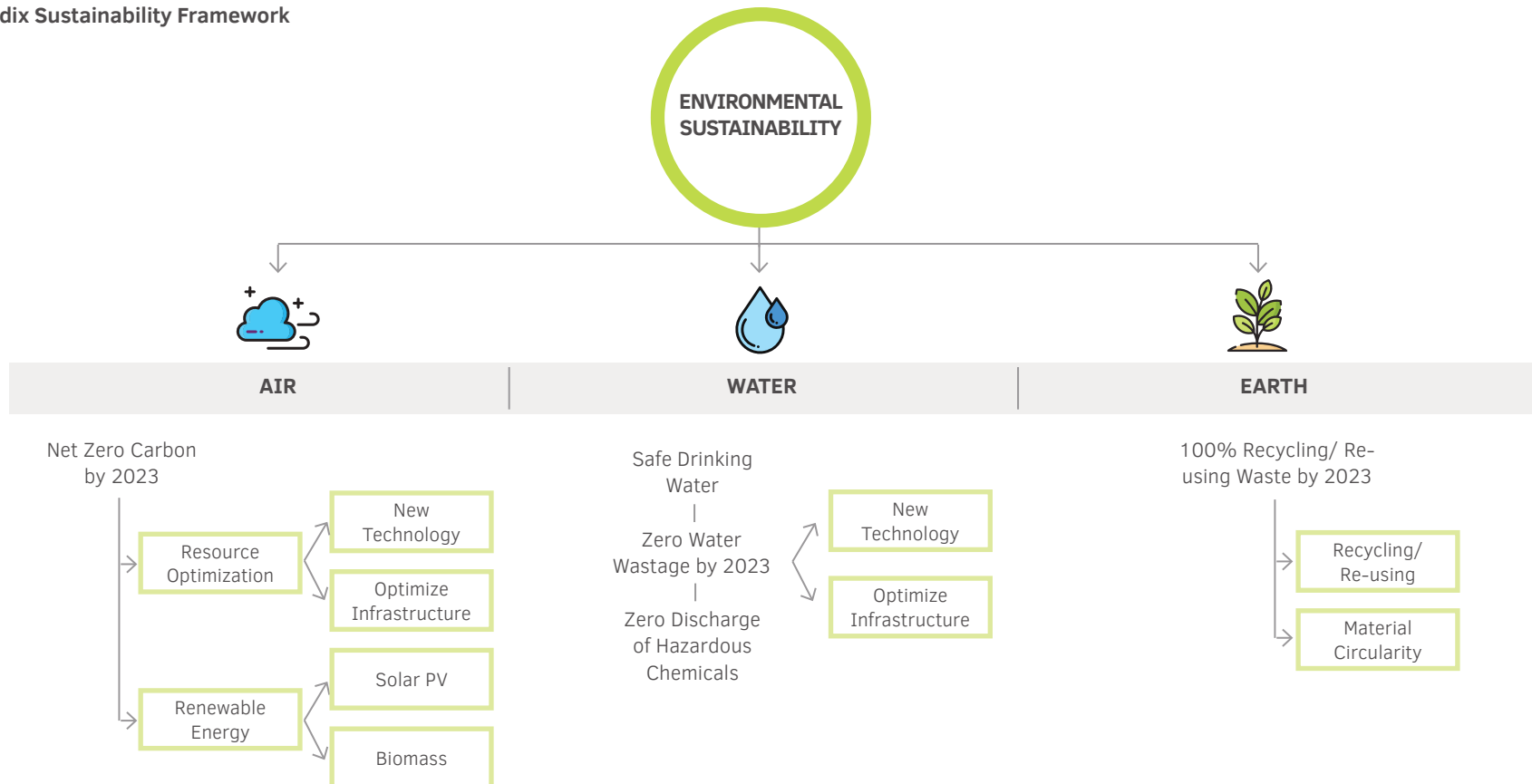


SAFEGUARDING OUR ENVIRONMENT

Brandix's commitment to the environment stems from the desire to become a truly sustainable manufacturer by leading the efforts to address the complex challenges facing the Planet. Brandix continues to reiterate its commitment by being at the forefront of adopting best practices for sustainable manufacturing, focusing on the transition to renewable energy, resource optimisation, creating value from waste generated and complying with environmental regulations applicable to its manufacturing sites in Sri Lanka, India and Bangladesh.

Our intention has always been to go beyond and lead by example in seeking sustainable solutions to mitigate our environment impact across Energy, Emission, Water, Waste Water, Chemical Waste. For this purpose, Brandix has established a sustainability framework that sets out the goals and strategies to drive continuous improvement in our environmental performance, anchored to the pillars of Air, Water and Earth.

Brandix Sustainability Framework





SAFEGUARDING OUR ENVIRONMENT

AIR

Since the onset of our sustainability journey in 2007, we have continued to place importance in reducing our carbon footprint, ensuring our operations are energy efficient and shifting from non-renewable to renewable sources of energy. As we journey towards achieving our goal of net zero carbon operations for our Apparel manufacturing footprint in Sri Lanka by 2023, our key strategy remains a two-pronged approach focusing on the transition towards Renewable Energy and driving Resource Optimisation.

Renewable Energy

Brandix's transition to renewable energy represents two distinct phases. Phase I, which was completed in 2019/20 involved switching our boiler fuel from furnace oil to biomass. At present, boilers at our manufacturing facilities in Sri Lanka and India are powered through biomass, whilst that for our Bangladesh facility is through compressed natural gas (CNG).

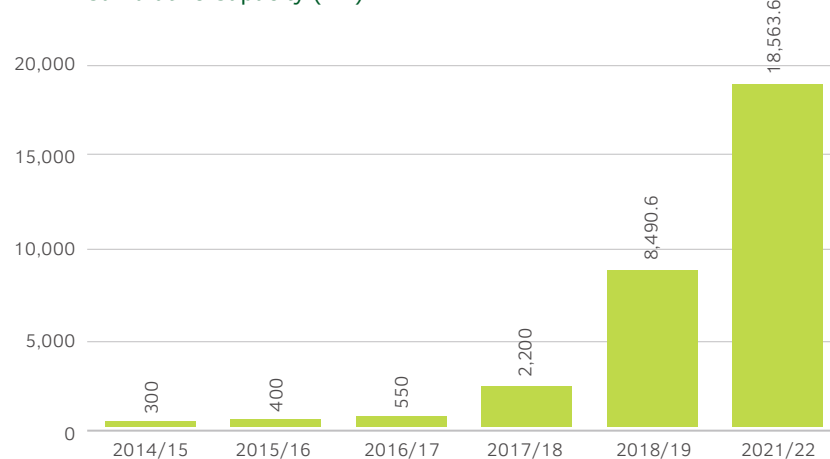


1.65 MW Rooftop Solar PV at Brandix Batticaloa

As part of a broader effort to enhance the sustainability of its biomass supply chain in Sri Lanka, Brandix signed an MoU with UNDP Sri Lanka in early 2020, to advocate for SLS 1551 certification for our biomass suppliers. Working with certified biomass suppliers will give Brandix guaranteed access to a consistently high-quality product with end-to-end traceability across our biomass supply. We have already commenced working with our suppliers to ensure compliance with the certified standards.

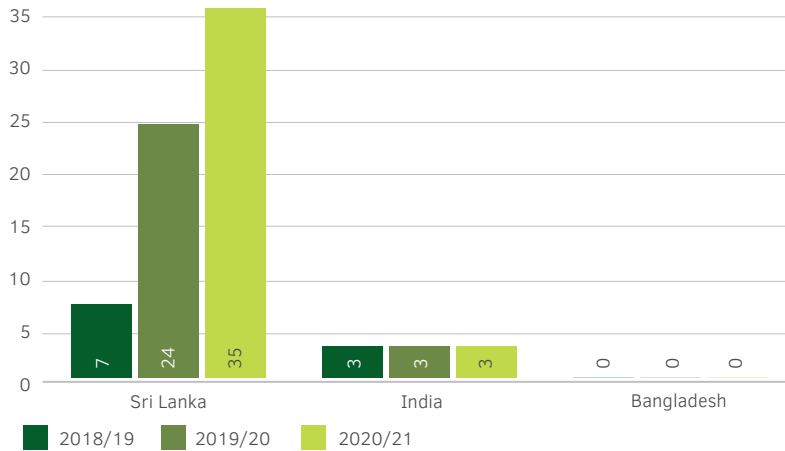
The second phase of our renewable energy transition began when Brandix invested in its first large-scale 1.65MW rooftop solar PV plant at our Batticaloa factory in 2017. Thereafter, in 2019/20 a further 7MW of rooftop solar PV was commissioned at 10 other facilities, bringing our total installed solar capacity to 9MW. Despite being unable to commence the planned expansion of our solar capacity during 2020/21, Brandix is expected to add a further 10MW of rooftop solar PV across 12 facilities in 2021/22.

Cumulative Capacity (kW)

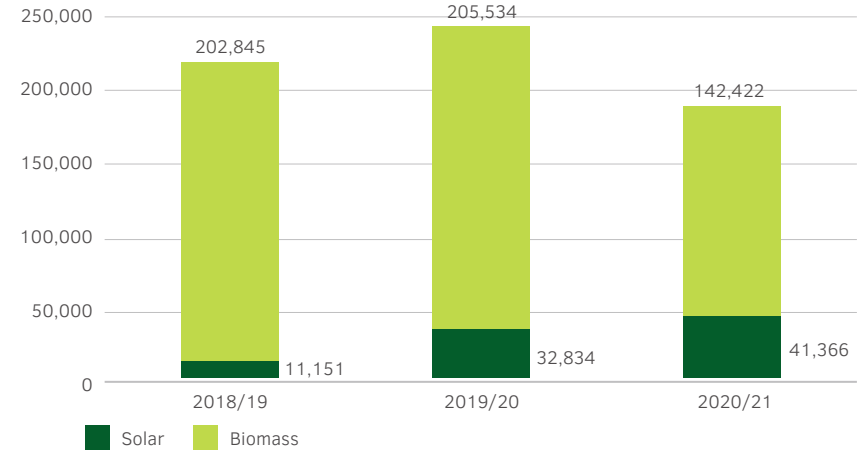


Currently, our solar PV capacity contributes to 35% of Brandix's electrical energy requirements in Sri Lanka, and 26% overall for the Group.

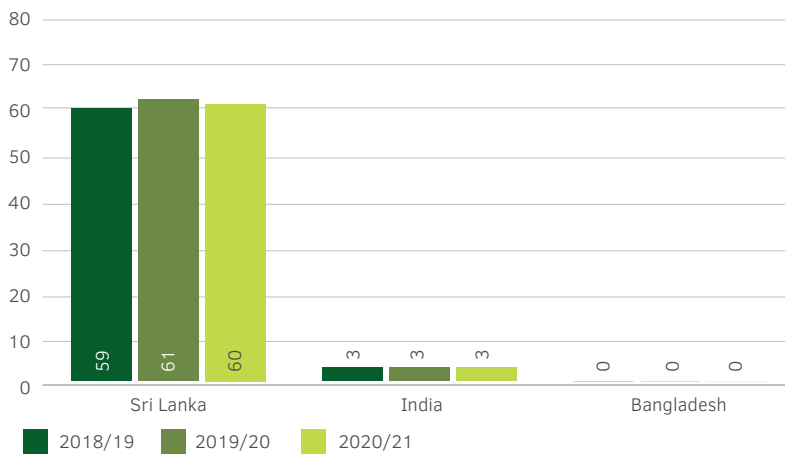
% of Electricity Generated from Solar PV (%)



Renewable Energy Consumption (GJ)



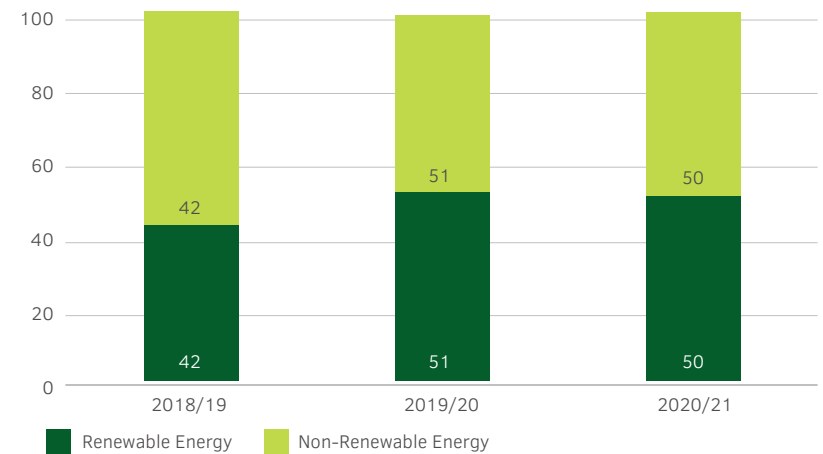
Group Renewable Energy Mix (%)



Our Energy Scorecard

Disclosure 302-1 - Energy consumption within the organization

Group Energy Mix (%)

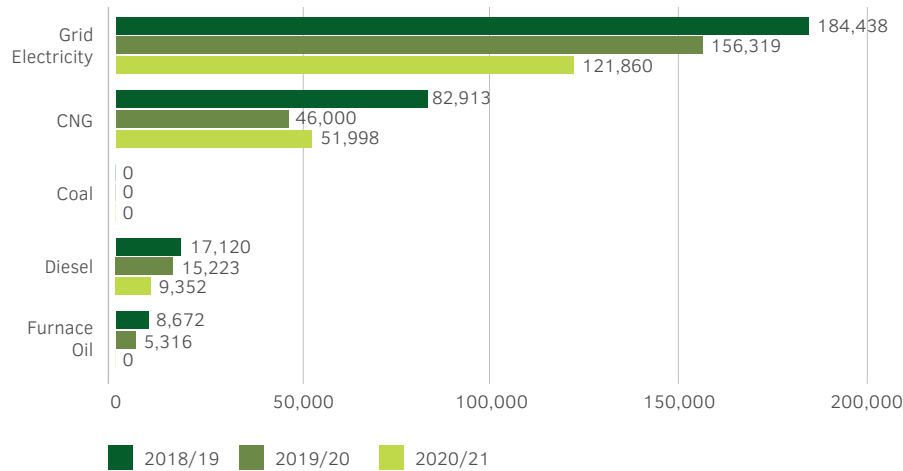




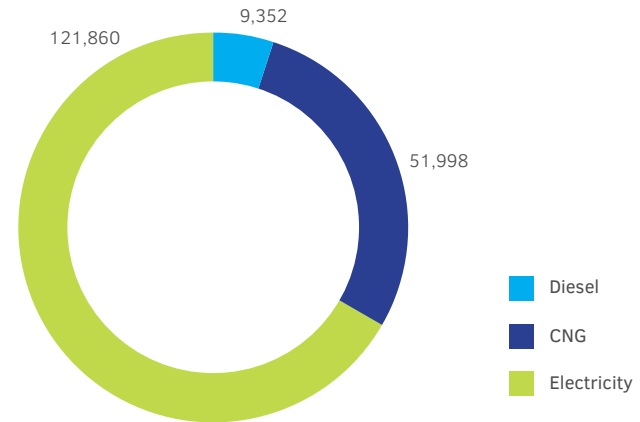
SAFEGUARDING OUR ENVIRONMENT

Non-Renewable Energy

Non-Renewable Energy Consumption (GJ)

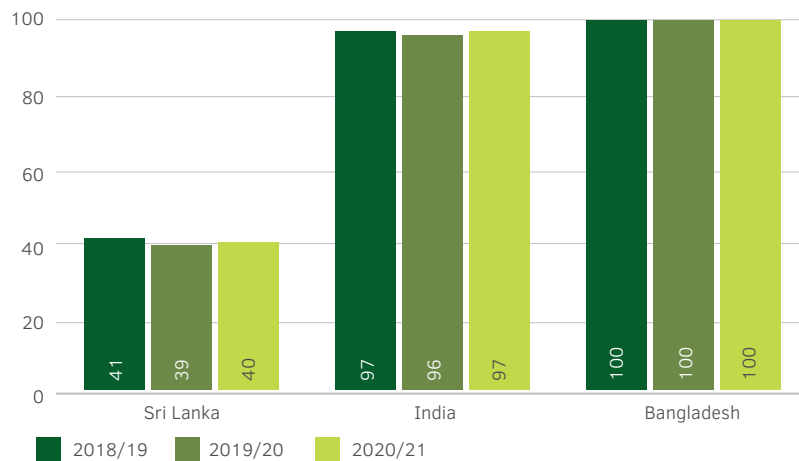


Non-Renewable Energy (GJ)



Our Energy Mix

Non-Renewable Energy Mix (%)



Resource Optimisation

We have always maintained that energy efficient infrastructure plays a vital role in contributing towards reducing Brandix's energy-related emissions. It is this principle that has prompted us to continually optimise the core infrastructure across our manufacturing facilities in line through investments in state-of-the-art energy saving technology, whilst also seeking proactive solutions to continuously enhance the performance of our existing systems.

With no major investments in 2020/21 owing to the uncertainty caused by the COVID19 pandemic, our efforts were instead directed towards streamlining existing systems and processes. Strong emphasis was placed on enhancing the ambient air quality on the factory floor in line with recommended health and safety guidelines for the prevention of COVID19. In parallel, we also continued with ongoing measures to improve the functional efficiency of existing infrastructure and systems, by prioritising innovative and cost-effective solutions to support energy reduction.

Focus on Indoor Air Quality & Ventilation

With emerging evidence proving that coronavirus is highly contagious and can be transmitted via air, Brandix took steps to evaluate indoor air quality at our manufacturing facilities. Existing ventilation systems were scrutinized to identify the improvements required to increase the flow of fresh air and reduce air recirculation on the factory floor and in office areas to minimise viral spread within our facilities. This was supported by extensive research on global best practices and available technical knowledge on air purification methods, such as evaluating the use of ozone, UV, plasma and MERV 13/ HEPA filters for HVAC systems.

With ASHRAE and REHVA recommending HVAC system modifications to improve ventilation and manage airflow as the most effective measures for reducing viral spread, Brandix implemented several measures in this regard:

- Modification of air handling units (AHUs) to increase the flow of air fresh into the building
- Maintenance of indoor room temperature of centralised HVAC systems between 27-30°C, with evidence indicating that lower temperature zones create a more favourable environment for viral activation

- Maintenance of indoor carbon dioxide (CO2) levels below 900ppm by re-setting the building management systems (BMS) and /or manual adjustment of fresh air dampers and monitored monthly through the use of portable CO2 analysers
- Minimising the use of split-air conditioning systems in certain office areas through increased use of natural ventilation

These and other recommendations for engineering control measures, in addition to H&S protocols (outlined in the H&S Impact section) were outlined within the Engineering & Sustainability SOP for Infective Disease Prevention & Control. Implementation and monitoring are governed through the use of the iAuditor platform, with a weekly status review undertaken by the Engineering team.

Cleaner Production Programme

In 2020/21, Brandix launched the Cleaner Production Programme following a comprehensive 6-month audit across our manufacturing facilities in Sri Lanka, India and Bangladesh in January 2021 to ascertain areas for energy efficiency improvements. A total of 48 projects were identified, with 16 projects shortlisted and commencing during the period in review, and will be completed at the end of FY 21/22. A summary of the key outcomes during the reporting period is below:

Phase out of Ozone-depleting substances

Reiterating our commitment to support global efforts in complying with the Montreal Protocol through the phase out of ozone-depleting substances by 2030, Brandix aims towards a phase out by 2025. We have already made considerable progress in phasing out the use of refrigerants in our cooling systems over the past year, by replacing them with non-CFC and/or non-HCFC alternatives across our facilities.

We also continued with our annual monitoring of indoor air quality and stack emission parameters, with all our facilities complying with the relevant regulatory frameworks in Sri Lanka, India and Bangladesh during the reporting period.

Lighting

Continuing our project to replace T5 and CFL lighting with LED lighting, over 74% of this project was completed as at end 2020/21, resulting in annual energy saving of 1,527 MWh across Brandix.



SAFEGUARDING OUR ENVIRONMENT

Compressed Air

Representing one the major consumers of energy within the apparel sector, Brandix has systematically addressed optimising compressed air usage through several measures over the past several years. During 2020/21, over 2,700 compressed air saving devices were installed across our factories, enabling the regulation of compressed air based on the varying demands of the apparel manufacturing process.

Frequently used to clean sewing machines before / after production, air guns require high volumes of compressed air, thus making them highly energy intensive equipment. Through standardization, we have reduced the number of air guns allocated per line, leading to a considerable reduction in the overall energy consumed by the process. A total of 282 air guns were eliminated over the past year.

Supporting these measures is our ongoing leak monitoring and rectification programme to ensure continuous improvement in compressed air usage, through optimisation in design and layout.

HVAC System

A comprehensive review of our HVAC systems prompted the decision to establish a standardised process for optimising the use of condensed water and optimising chiller performance through descaling, controlling the TDS (Total Dissolved Solids) of chilled water and enabling auto blowdown.

Fuel Consumption

With the standby generators at our facilities run daily to ensure they remain in efficient running condition, we standardised this to a weekly requirement following a feasibility study through the CP audit, resulting in a sizable impact on total diesel consumption. Ensuring our generators are in running condition is governed through the iAuditor platform.

Impact:

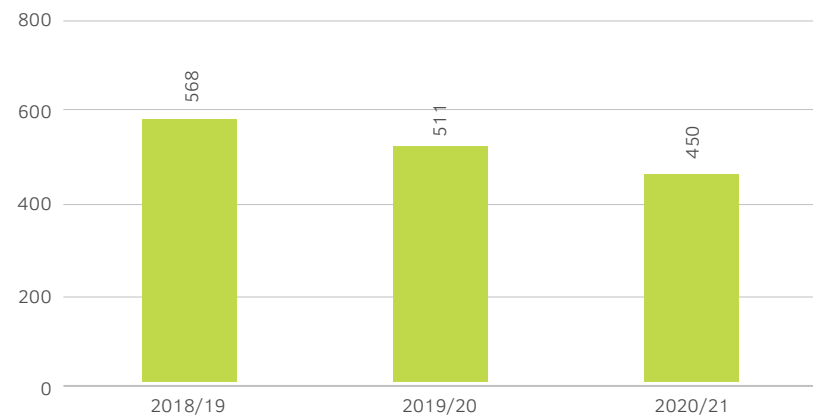
1. No. of litres of diesel saved through generator run standardization – 10,340 L
2. MWh of energy saved through CP Programme – 1926

Our Energy Scorecard

Disclosure 302-3 – Energy intensity

Disclosure 302-4 – Reduction of energy consumption

Group Energy Intensity (GJ/ Million USD)



Impact:

Reduction in Energy intensity – 12%

Reduction in Energy consumption – 20%

Data Disclosure:

- Where required, the chosen ratio denominator is the organization's revenue in USD
- All the types of energy used by the organization have been used for the above calculations
- The ratio uses energy consumed within the organization
- 2018/19 has been used as the base year

- The conversion rates used are as per the guidelines published by the Sustainable Energy Authority (Sri Lanka), Central Electricity Authority - Ministry of Power (India) and Department of Environment (Bangladesh)
- All reductions are calculated by comparing values with that of the previous financial year

Our Emissions Scorecard

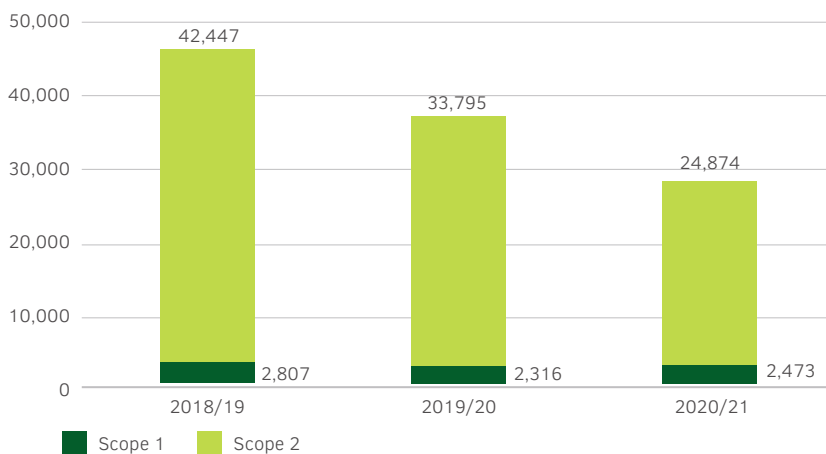
Disclosure 305-1 - Direct Energy (Scope 1) GHG emissions

Disclosure 305-2 - Indirect Energy (Scope 2) GHG emissions

Data Disclosure:

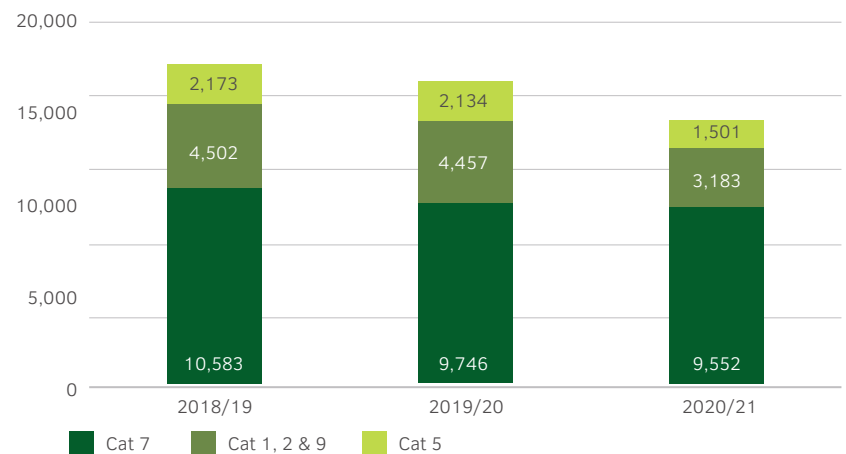
- The chosen ratio denominator is the organization's revenue in USD, which is the common performance monitoring parameter for manufacturing service sectors
- The ratio uses energy consumed within the organization
- All GHG gases have been included in the above calculations

Group GHG Emissions [Tonnes of CO₂(e)]



- All reductions are calculated by comparing values with that of the previous financial year
- Scope 1 and Scope 2 has been included for the above calculations
- Data for Scope 1 and Scope 2 are as per entities defined on the report
- The Greenhouse Gas (GHG) Protocol was followed for GHG emission calculations
- The grid emission factors were taken from the Sustainable Energy Authority (Sri Lanka), Central Electricity Authority- Ministry of Power (India) and Department of Environment (Bangladesh)
- Scope 3 emissions do not include air travel/ Transport of goods from port to retail distribution/ Public Transport – for Associates in Bangladesh, as well as emissions constituting to landfilling of waste
- Fuel emission conversion factors have been extracted from DEFRA for 2019, updated as at 28 Jul 2020

Scope 3 GHG Emissions [Tonnes of CO₂(e)]





SAFEGUARDING OUR ENVIRONMENT

According to GHG Protocol, Five Categories of Scope 3 Carbon emissions related with our business operation have been identified and reported as follows:

Upstream categories

1. Purchased goods and services
2. Capital goods
5. Waste generated in operations
7. Employee commuting

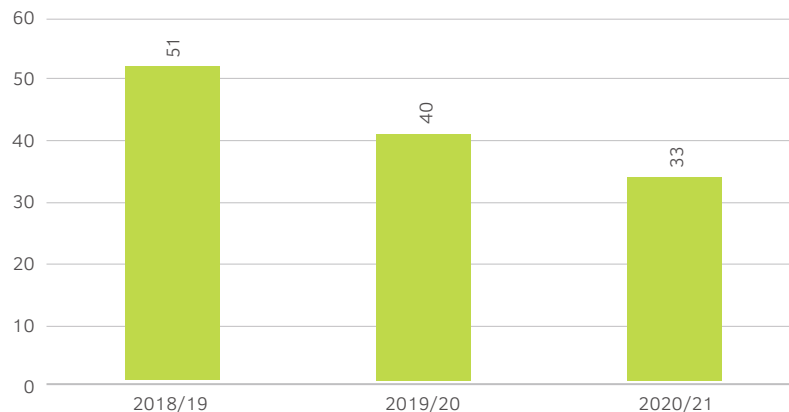
Downstream categories

9. Downstream transportation and distribution

Disclosure 305-4 - GHG emissions intensity

Disclosure 305-5 - Reduction of GHG emissions

Group Carbon Emissions Intensity (t CO2e/ Million USD)



WATER

Our Water strategy is framed by three clear targets, the first of which - to “Provide clean drinking water for all employees” was achieved in the previous financial year. UV purification filters installed at all Brandix facilities have ensured our employees have access to clean purified drinking water in line with WHO Drinking Water Quality Standards. As a result of these measures, we were also able to completely eliminate the use of single use PET bottles on-site at all our plants and offices.

Our Water Footprint

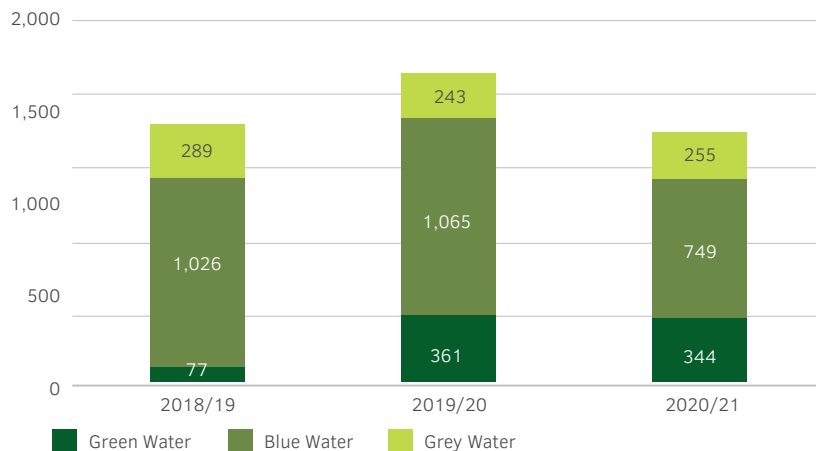
Our interactions with water have been classified broadly into three categories: Blue Water (surface and ground water consumed during our production processes), Green Water (rainwater consumed in the production process) and Grey Water (fresh water required to absorb the pollutants based on natural background concentrations and existing ambient water quality standards). All water withdrawn by Brandix is from non-water stressed areas.



Treated Water Pond at Brandix Batticaloa

Group Water Consumption (ML)	2018/19	2019/20	2020/21
Surface Water (Blue)	0	0	0
Ground Water (Blue)	259,024	327,048	155,504
Municipal Water (Blue)	657,384	637,586	458,017
Rainwater (Green)	69,223	326,742	281,636
Direct - Net Water	985,631	1,291,375	895,158
Recycled Water (Grey)	258,586	220,606	209,074
Gross Water usage	1,244,216	1,511,981	1,104,231

Group Water Intensity (m3 / Million USD)



Committed towards increasing the share of our green and grey water footprints and bolstered by the rainwater harvesting infrastructure at BIAC and our Rambukkana facility, we also increased the volume of Green Water used across our facilities. In fact, our Rambukkana facility has the capability to manage over 96% of run-off through innovative rainwater harvesting infrastructure and treatment technology. Today, our green water share stands at 26%, whilst our grey water share has increased to 19% through the recycling of occupant water usage for flushing and irrigation at 12 facilities across Brandix.

Resource Optimisation

Focusing on water efficiency we continuously monitor water usage at every plant through our integrated building management system, regularly review and upgrade our infrastructure and invest in new water-saving technology as needed. We also undertake special projects to deepen our understanding on migrating our dependency from Blue to Green and Grey Water sources across Brandix. Concurrently, we continue to engage with our employees in an effort to support our aim of reducing occupant water usage across Brandix.

However, in the year under review, occupant water usage increased by 5% due to the frequent hand washing and floor cleaning requirements owing to the pandemic. As part of the Engineering and Sustainability SOP for Infective Disease Prevention & Control (COVID-19), Brandix enabled the use of push or foot operated taps where not available, together with additional hand-washing stations across our manufacturing facilities. Seeing as a higher volume of water was being consumed due to increased hand washing, we also took steps to modify our existing water system layout to divert this water to the STPs at our factories.

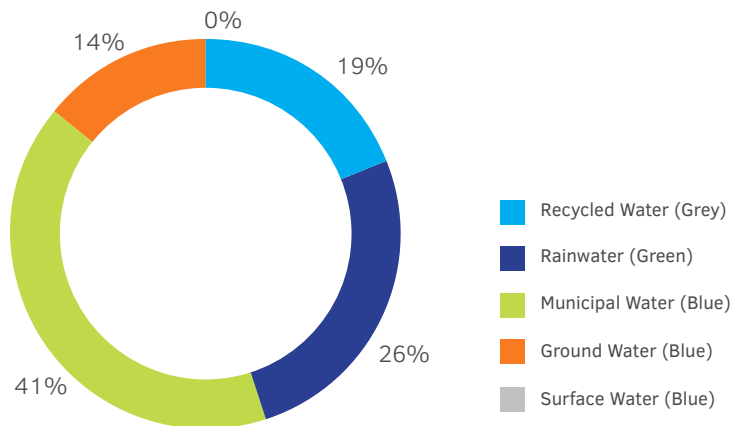
Zero Water Wastage

The focus now is primarily to achieve our goal of Zero Water Wastage by 2023 through resource optimisation. One of our key water saving initiatives during 2020/21 was channeling condensed water recovery towards more effective use for the cooling towers of our HVAC systems. Identified as part of the Cleaner Production Programme, we initiated this mechanism at our Batticaloa, Rambukkana and Koggala facilities, whereby condensed water generated

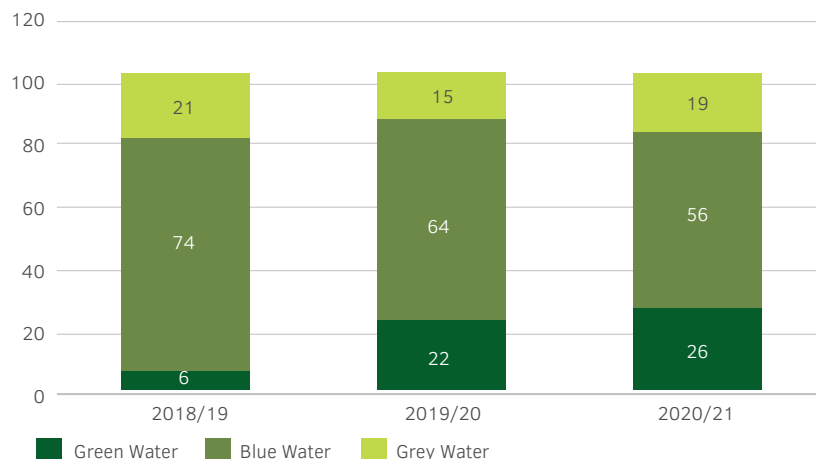


SAFEGUARDING OUR ENVIRONMENT

Group Water Consumption (ML)



Group Water Footprint (%)



from AHUs, dehumidifiers and split AC systems are captured and pumped to the cooling towers at these factories. We expect to complete this across our remaining facilities over the next two years.

Impact:

Reduction in Water Footprint – 27%

Reduction in Water Intensity – 19%

Water Management at BIAC

Our 1000-acre Brandix India Apparel City (BIAC) located in Visakhapatnam, India is an exclusive apparel processing zone with a vertically integrated supply chain. Structured as a Special Economic Zone, BIAC's support infrastructure includes an effluent treatment plant capable of treating 56 MLD, a state-of-the-art water treatment plant designed to process 60 MLD and a 400 million litre capacity rainwater harvesting pond.

Over the year in review, Brandix has undertaken specific innovative initiatives to improve the overall impact and efficiency of these systems at BIAC, such as sludge generation reduction through biocatalyst treatment and enhancing the capacity of our existing rainwater harvesting pond. The results of these initiatives are expected from 2021/22 onwards and will be covered in more detail in our next reporting cycle.

Wastewater & Effluent

Wastewater generated at our facilities is treated and discharged in compliance with the relevant regulatory frameworks in the countries we operate in. Brandix facilities located outside of economic zones are equipped with Sewage Treatment Plants (STP) for the on-site treatment of wastewater, while those of our facilities located within zones are discharged to Central Treatment Plants as applicable.

Water discharge by quality and destination

Destination	Planned/ Unplanned	Discharge Quantity (m3)			Discharge Point	Units covered	Quality of the water	Treatment Method
		2018/19	2019/20	2020/21				
Visakhapatnam, India	Planned	178,456	242,259	157,255	To CETP & Marine Outfall	BIAC, BAI1, BAI2, BAI3, QCI	Compliance with APPCB and CPCB standards	Primary, Chemicals & Biological treatments
Avissawella, Sri Lanka	Planned	42,214	40,134	42,861	To CETP	BFFAV1, BFFAV2	In compliance with Gazette Notification No. 1534/18 dated 01.02.2008	Primary & Chemicals treatments
Rathmalana, Sri Lanka	Planned	160,455	207,034	91,482	To CETP	BFL, BER, BCRDF		Primary, Chemicals & Biological treatments
Koggala, Sri Lanka	Planned	19,370	18,512	16,571	To CETP	BEK		Sewage discharge treated by CETP
Wathupitiwala, Sri Lanka	Planned	18,084	16,291	16,281	To CETP	BLI1&2, BLI3, CPU		Sewage discharge treated by CETP
Katunayake, Sri Lanka	Planned	19,370	20,536	27,660	To CETP	BDDK		Sewage discharge treated by CETP
Biyagama, Sri Lanka	Planned	6,858	6,338	4,346	To CETP	BLSC		Sewage discharge treated by CETP
Comilla, Bangladesh	Planned	114,561	69,691	67,260	To CETP	BCB	Compliance with CETP discharge standard	Primary & Chemicals treatments
Total Discharge		552,509	614,457	423,717				

Disclosure 303-4 - Water Discharge

Water & Effluents Metrics – Data Disclosure

- Brandix captures, calculates, and reports water and effluent data sourced from direct measurements and/ or third-party invoices, and is collected across the business, via a variety of internal processes and systems (incl. Building Management Systems)

- FY2018/19 has been used as the baseline for comparison
- The chosen consolidation approach is equity share and/or clocked hours, unless otherwise mentioned
- Our operating locations in Sri Lanka, India and Bangladesh have not been identified as “water-stressed” as per the Water Risk Atlas from the World Resources Institute

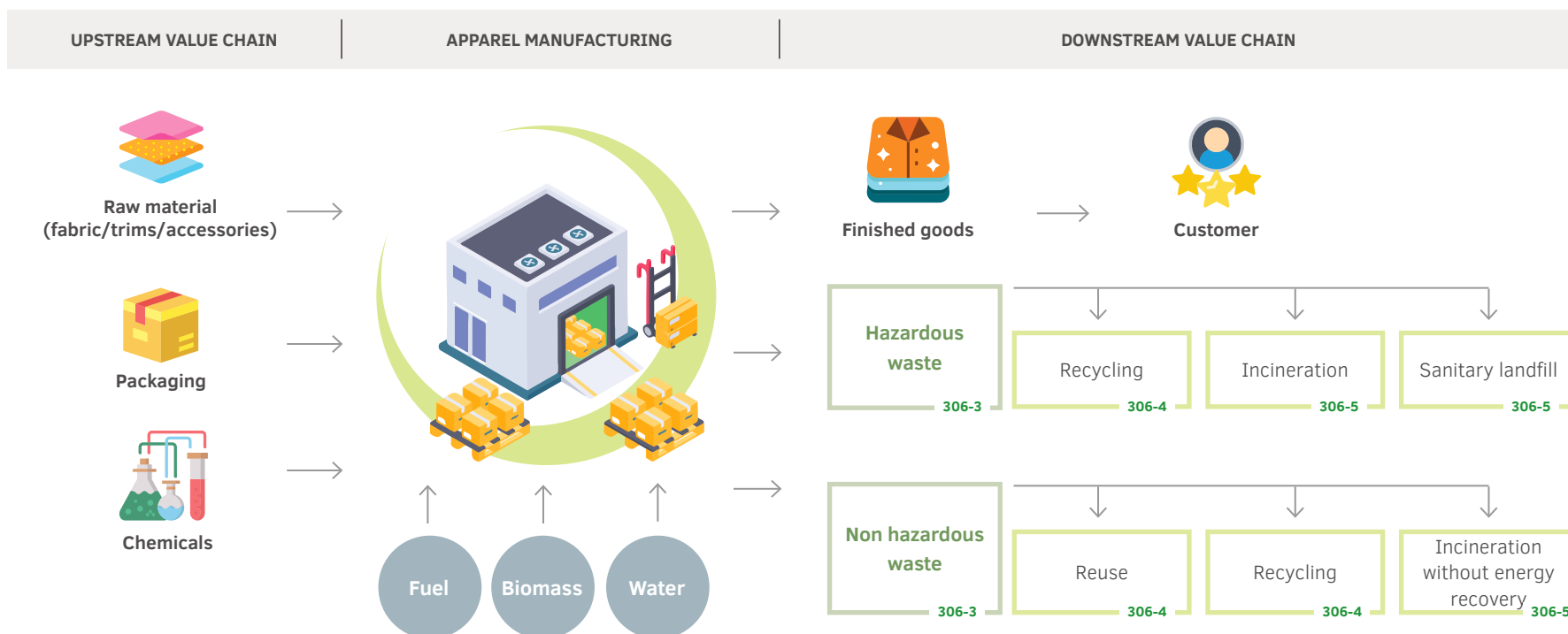


SAFEGUARDING OUR ENVIRONMENT

EARTH

The effective management of the waste generated across our facilities is a key aspect of our efforts to position Brandix as a truly sustainable manufacturer. Since embarking our sustainability journey in 2007, we have continued to comprehensively assess our material flow across our operations to better understand how our waste is created and managed through waste mitigation and reduction strategies.

Having worked towards diverting our waste from landfills, Brandix has committed to either recycle or reuse 100% of all waste by 2023. As at 2020/21, 90% of all waste generated is recycled and re-used with none of it landfilled. Governed by our Solid Waste Management Handbook, we ensure our waste is recycled through reputed third-party vendors, with waste segregation bins distributed across our factories and offices and is supported by continuous engagement with our employees for implemented of better waste management practices.



Food Waste

With the UN estimating that nearly 17 percent of total global food production is wasted, Brandix has remained committed towards reducing food waste generated across our facilities through improvements in the quality of food provided and continuous awareness and engagement with our employees. Food waste generated reduced by 14% as a result of these measures, as well as the reduction in occupant capacity owing to the pandemic.

As we look ahead, through the implementation of the innovative food waste composting technology at our Batticaloa and Rambukkana facilities, we aim to distribute the organic compost generated to our employees for their home-gardening, thereby facilitating the valorisation of our food waste. Additionally, with a significant quantity of food waste generated at our facilities in BIAC, Brandix will be looking at a similar food waste composting model for India over the next year.

Fabric Waste

Representing the largest component of our waste profile, fabric waste constitutes 50% of our total waste footprint, with approximately 79% recycled during 2020/21. The remaining 21% is typically incinerated due to brand compliance requirements through co-processing at a cement production facility. In the year under review, Brandix commenced a pilot run of diverting a proportion of this fabric waste to the newly commissioned waste-to-energy (W2E) plant in Kerawalapitiya, Sri Lanka. With a successful feasibility study, all waste typically requiring incineration will be diverted to the W2E Plant over the next year. Whilst the end waste management strategy remains as incineration, with the W2E Plant supplying power to the Sri Lanka grid, the diversion represents a shift in supporting national efforts in transitioning towards cleaner energy sources.

Aside from this, we have continued to identify strategies to move beyond the mitigation of the impacts of our waste and look towards incorporating waste as a value stream. One of these strategies is incorporating material circularity. Over the next year Brandix will undertake a comprehensive study of our fabric waste, research & development of textile recycling technology and of our facilities and

supply chain partners to support our long-range plan of integrating material circularity strategies for fabric waste.

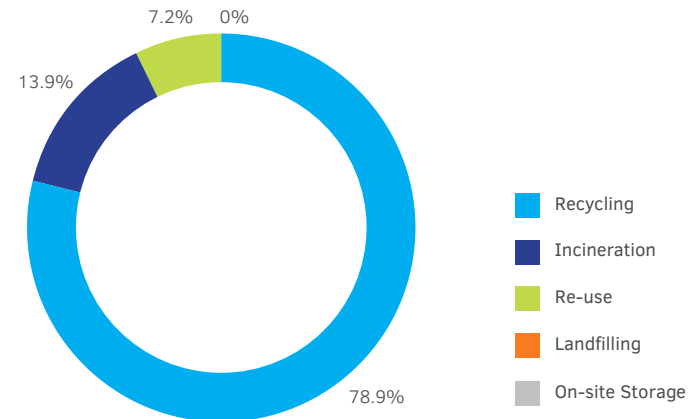
Waste & COVID-19

Another key priority that arose during 2020/21 and continues today is the disposal of the high volume of face masks and PPE gear frequently used due to the pandemic. As part of the Engineering and Sustainability SOP for Infective Disease Prevention & Control (COVID-19) implemented, a standardised guideline was introduced for the handling of PPE. This was supported by partnering with an approved medical waste disposal third-party to ensure appropriate disposal as per recommended health guidelines. With medical waste typically incinerated, the incineration share of our waste footprint increased during 2020/21.

With the acceleration of digitisation efforts amidst a COVID19 environment both internally and externally, several paper intensive processes were digitised and thereby supporting the Paperless Brandix initiative during 2020/21.

Our Waste Scorecard

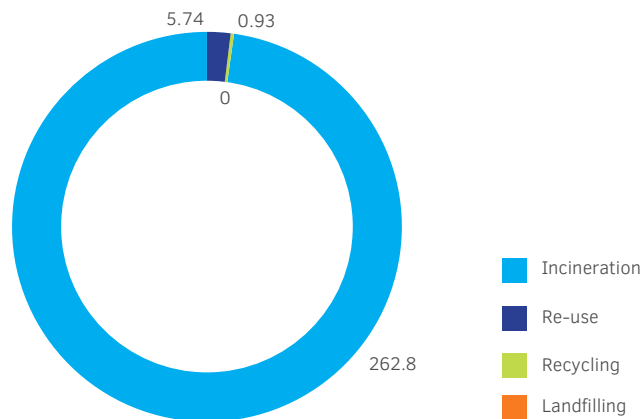
Group Waste Disposal by Method (%)



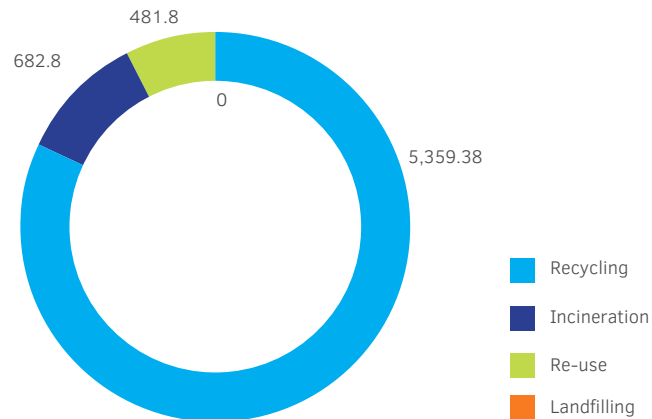


SAFEGUARDING OUR ENVIRONMENT

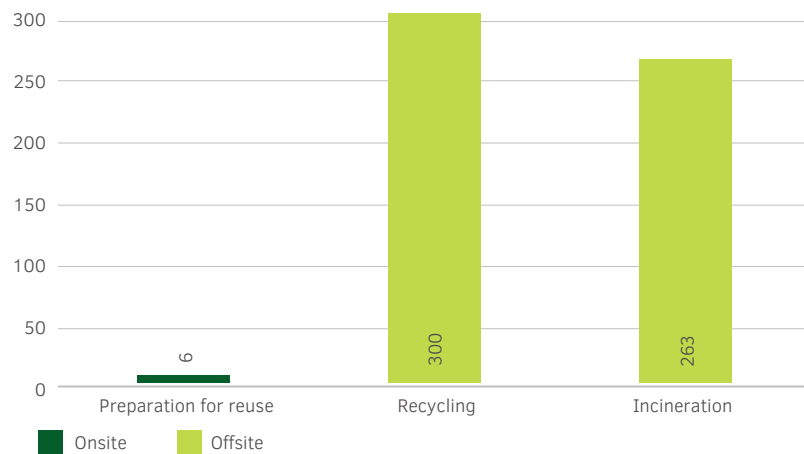
Hazardous Waste by Disposal Method (MT)



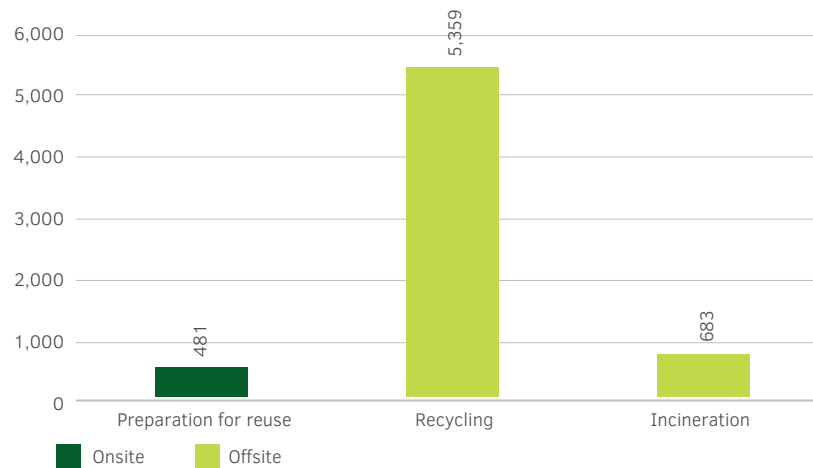
Non-Hazardous Waste by Disposal Method (MT)



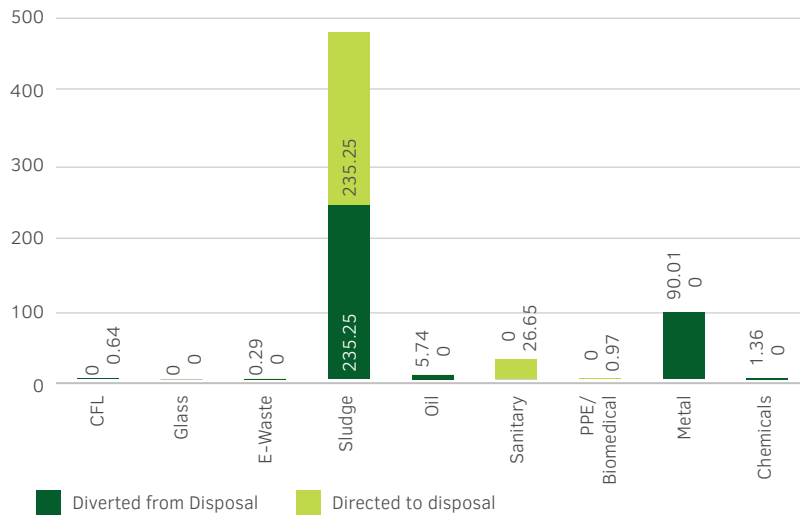
Hazardous Waste by Disposal Type (MT)



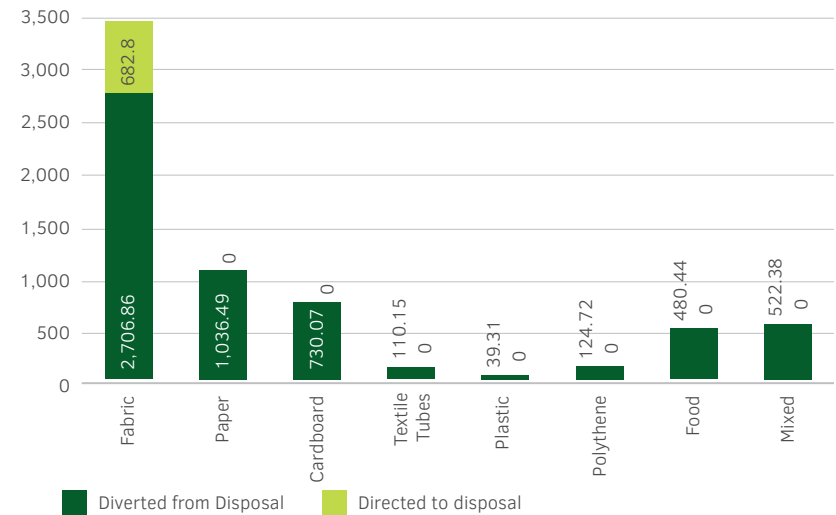
Non-Hazardous Waste by Disposal Type (MT)



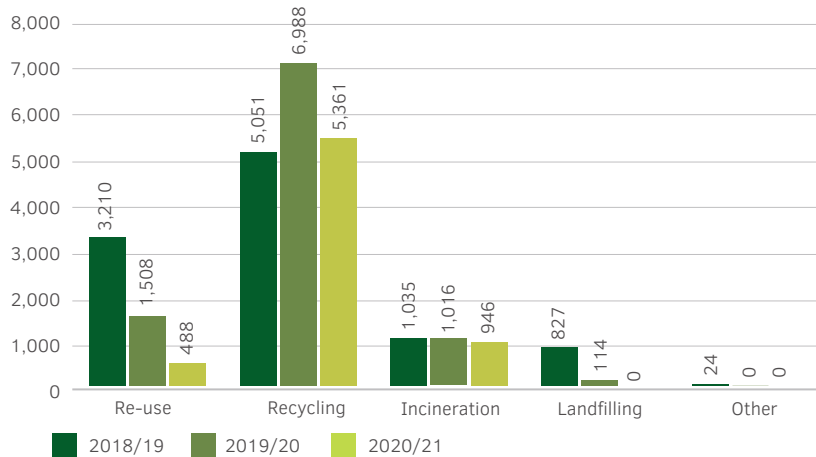
Hazardous Waste (MT)



Non-Hazardous Waste (MT)



Waste Generated (MT)



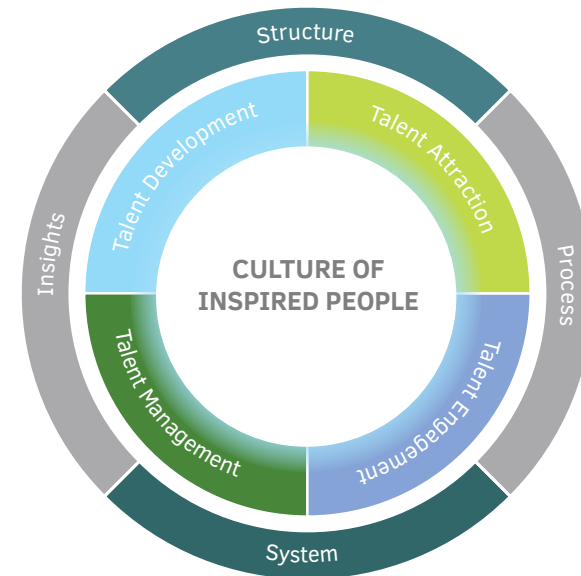


INSPIRED EMPLOYEES

Our people management ethos stems from the desire to create “Inspired People” empowered by our RITE values and deliver Inspired Solutions. Premised on this, Brandix has adopted a strategic approach to continuously realign its talent attraction, talent management, talent engagement and talent development frameworks with the needs of the business.

In the process of aligning our people to support our business needs, we also want Brandix to be seen as the trusted partner that backs its employees throughout their growth journey both professionally and personally. Through a four pillar framework, we strive to create an ecosystem that will give each and every employee the opportunity to benefit from a vibrant and rewarding career at Brandix.

Our unique culture revolves around Brandix’s core values of R.I.T.E (Respect-Integrity-Teamwork-Excellence), with the human capital governance and policy framework integral components that contribute towards our efforts to create “Inspired People”.



The Brandix approach to people management is further strengthened by the commitment to benchmark global best practices for human rights. Since becoming a member of the United Nations Global Compact (UNGC) in 2006, Brandix has continued to reiterate its commitment to align with UNGC principles on business and human rights and its principles of due diligence. Beyond this Brandix’s voluntary adoption of industry-specific global certifications such as WRAP, BSCI and ETI further underpins our commitment towards fair and equitable treatment of our employees.

	Male				Female			
	Permanent		Contract	Third Party	Permanent		Contract	Third Party
	Executive	Non-Executive			Executive	Non-Executive		
Sri Lanka	1,245	6,036	351	611	497	20,220	310	638
India	193	1,576	387	302	29	11,154	166	233
Bangladesh	45	429	148	20	3	1,726	368	27
TOTAL	1,483	8,041	886	20	529	33,100	844	27

Starting the current financial year on the back of the first COVID-19 related lockdown, it became necessary to look for new and innovative approaches toward people management, in order to ensure continuity of operations amidst the unprecedented challenges.

TALENT ATTRACTION -

Recruitment

Given the heightened uncertainty and the strict lockdowns at the onset of the pandemic, labour turnover became a major issue for many industries; the apparel industry was no exception. Additional cadre was required to bridge the gap for Associates who had to undergo quarantine, and this recruitment had to be done with a lot of focus. To do so Brandix initiated an aggressive recruitment drive from mid-2020. Despite the challenges with recruitment channels, social media platforms were leveraged extensively to meet our recruitment needs, supported by the strong relationships we have developed with the communities around our facilities. This enabled the maintenance of an average 98% cadre fulfillment ratio despite any COVID-19 related quarantine that any employees had to undergo during FY 2020/21.

Keeping in mind COVID safety protocols, we introduced virtual phone interviews for new recruits. Where a limited number of physical interviews were conducted, a temporary cubicle was set up within the office/factory premises specifically for the purpose. Furthermore, all successful candidates were subject to a series of strict health and safety screening protocols prior to reporting to work, and those employees considered at risk as per the OHS protocols were required to self-quarantine.

All hiring managers were provided with extensive training to help them adapt to the online interview process. On this basis, Brandix was able to achieve 99% of its Executive cadre recruitment objectives for the current financial year, a clear testament to the success of the virtual interview process.

With this, we also launched a digital on-boarding process during the latter part of 2020, inclusive of a pre-onboarding mechanism for the dissemination of basic information to new recruits regarding the Brandix culture, values, leadership structure, Code of Conduct etc. and to streamline the documentation process. This process was implemented based on the findings of past candidate experience surveys.

To further streamline and enhance the recruitment process at Brandix, the Harrison's Talent Assessment Tool and the Hogan Assessments were introduced to map the behavioural sequence of applicants for selected senior roles against the global benchmarks for similar positions. The Harrison's Talent Assessment was introduced for positions up to General Manager level and the Hogan Assessment for above General Manager level. A competency mapping exercise was initiated to measure behavioural and technical competencies associated with senior roles and is expected to create minimum expected standards for positions from Manager and above.

As we look forward, we are working on introducing a gamification toolkit to assess new recruits at middle management level and are also targeting a 50% reduction in our recruitment timeline which currently stands at an average of 45 days. As a first step, we are aggressively working on building a pool of external shortlisted candidates and to engage with them on an ongoing basis to ensure they remain invested in Brandix.

Compensation and Benefits

At Brandix, we ensure that employees performing similar job roles receive equal compensation and benefits, regardless of gender, whilst our remuneration structures and benefit packages are renewed annually and are competitively aligned with industrial and global benchmarks.

Safeguarding the financial wellbeing of employees has always been a key priority for Brandix. Following the declaration of the COVID-19 pandemic by the World Health Organisation in March 2020 and the onset of widespread global lockdowns, Brandix decided to implement salary cuts for all employees at Executive and Non-Executive levels for the year in review. These salary cuts were retrospectively paid by Brandix in March 2021, with bonuses declared in December 2020 and April 2021. In addition to this, Brandix granted increments for all employees during FY 2020/21,

Brandix also provided and continues to provide paid leave for employees who are unable to attend work and need to complete mandatory quarantine, while pregnant employees, employees with pre-existing chronic conditions and those who choose not to attend work due to other COVID related concerns are all advised to stay home, with full salaries and allowances paid for the duration of their home stay.



INSPIRED EMPLOYEES

TALENT DEVELOPMENT

At Brandix, we understand the critical role learning and development (L&D) plays in the lives of our 'Inspired People' and have continued to invest in career development through a range of opportunities for all employees.

Non-Executives

During FY 2020/21, we shifted from traditional learning models towards digital platforms and virtual classrooms. Learning content was digitised by the HR L&D and ICT teams, and then followed by extensive training for the L&D teams on the tools and techniques required for the delivery of training. Additionally, a cross functional team was appointed to focus on behavioural training, employee motivation and promote greater employee engagement. These programmes were done physically, on site in smaller groups and in line with all appropriate social distancing protocols.

Brandix "Shilpa"

"Shilpa" is one of two flagship skills development initiatives designed to attract and develop talent at Brandix, whilst providing Associates the opportunity to develop



Brandix Shilpa



skills and enhance employability by obtaining a VTA or NAITA accredited National Vocational Qualification (NVQ) Level Certification. One of the key strategies of this is to sustain the collaborative partnership with VTA in creating opportunities for youth qualified in NVQ through on-the-job training and employability at Brandix.

During FY 2020/21, the modalities of the "Shilpa" programme were changed through a partnership between Brandix and the Ministry of Skills Development and Vocational Training in Sri Lanka that led to the launch of the SSDP (Skills Sector Development Programme), representing the first ever public-private partnership under SSDP.

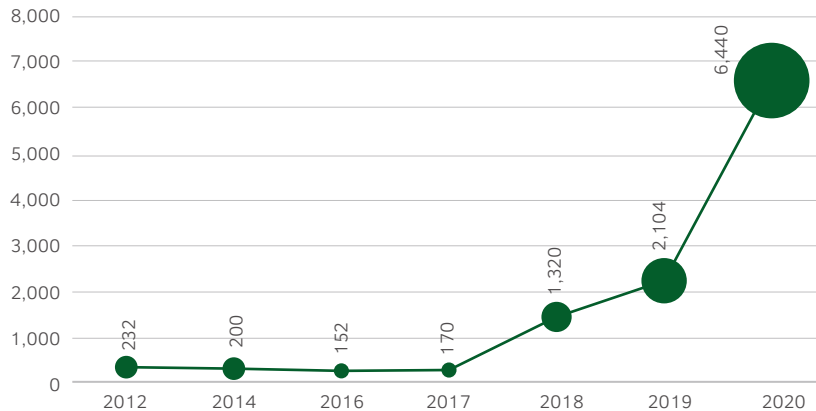
Funded through an Asian Development Bank grant, the SSDP is a targeted initiative to assist private sector organisations to upskill their labour force. The first phase of the SSDP was rolled out online in September 2020 specifically for Garment Technicians and the teams in Industrial Engineering earmarked for pipeline development over the next 2-3 years. Altogether 159 employees participated in the virtual classrooms facilitated by the Brandix Academy and Works HR L&D teams over a period of 06 months. The customized curriculum for the programme was developed in-house by Brandix Academy and Brandix Corporate Campus (BCC) and validated by the Ministry of Vocational Training as equivalent to NVQ level 04 certification.

P.A.C.E.

The Personal Advancement and Career Enhancement (PACE) programme initiated by GAP Inc. is the other flagship skills development programme. Specifically aimed at female Associates in the Apparel industry, P.A.C.E, empowers them through an opportunity to improve their personal and professional skills through 8 specifically designed modules.

Initiated at our Casualwear facility in Ratmalana in 2012, the programme has been expanded across our facilities in Sri Lanka over the past 8 years and during FY 2020/21, we extended P.A.C.E. to our facilities in India and Bangladesh. Since its

Number of Female Associates



inception at Brandix, over 6,440 female associates have directly benefitted from the programme.

Typically delivered through in-person learning, the programme was modified in 2020 through special focus on modules such as Time & Stress Management, Financial Literacy, General & Reproductive Health and W.A.S.H. (Water, Sanitation & Hygiene). Training and awareness were delivered through Brandix FM, the in-house radio channel and the public address (PA) system. Our internally developed PACE trainers underwent a stringent Trainer Recertification process under Gap Inc., during the year in review.

Further realigning the P.A.C.E. programme in response to current needs, we launched “Abhisheka”, a special initiative aimed at encouraging our Associates to enhance their entrepreneurial skills. Training was delivered through adaptation of the Financial Literacy to help our Associates utilise the time spent in lockdown more productively, manage their finances, establish a secondary source of income and help improve their living standards. During FY 2020/21, over 1,000 entrepreneurs were launched across Brandix. To complement the “Abhisheka” initiative, we also created a dedicated page under the Viyaman social media platform to give more visibility to these entrepreneurs and their products.

Brandix Academy

To ensure our L&D delivers the required impact through an effective process, our teams internally developed a screening methodology for recruitment, and standardised the compensation & benefits mechanism and L&D framework. To this end, our team at Brandix Academy analyses the competencies required for job roles, and conducts a gap analysis of the current and expected competency requirements. This is then used as a base to develop and implement an appropriate training curriculum and eventually standardise job roles by mapping the competencies required.

Building further on the success of the bootcamp programme conducted through the Academy, this was extended to our facilities in India through the initial focus on the role of ‘Garment Technicians’. During the period in review, 40 employees underwent training, with several of them now having being promoted as part of their career development plan. This will be extended to our employees in the Quality and Production teams under Industrial Engineering over the next financial year.

This training is delivered entirely through an internal pool of trainers who either volunteer and/or are nominated by their relevant functional teams. This team is developed through a robust Training of Trainer (ToT) programme facilitated by BCC, to help them develop the necessary skills to enable effective delivery of L&D.

Mechanics Training

Recognizing that our mechanic teams play a critical role within our facilities, Brandix continues to implement comprehensive L&D programmes to provide them with the requisite skills and knowledge, enable them to conduct their duties in the most effective manner and enhance their career development.

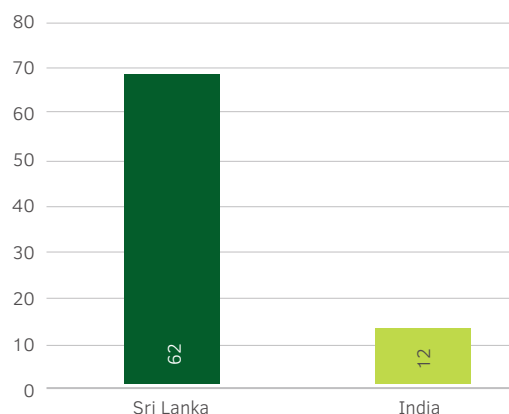


INSPIRED EMPLOYEES

Initiated for our mechanics in Sri Lanka in 2013, the programme has since expanded to cover our India operations from 2018 and to-date, Brandix has conducted 29 sessions and trained 439 mechanics to-date, inclusive of 72 female mechanics.

During 2020/21, we conducted two training sessions in Sri Lanka and India, as well as three additional sessions to support our mechanics with knowledge on specific machine types and operations.

No. of Mechanics Trained



Executives

L&D for Executives was also redesigned to be delivered virtually, enable career development to continue amidst work from home (WFH) restrictions and ensure employees remain motivated and invested in their work.

Our experience from working with the Center for Creative Leadership (CCL) over the past 10 years supported Brandix to build L&D capability to deliver skill-based programmes through an internal team of coaches, trainers and subject matter experts during this period.

Our transition to SuccessFactors over FY 19/20 also proved to be a pivotal step in helping employees navigate career development, with the iConnect platform offering over 34 online courses supporting leadership, career and technical skill development. In addition to this, over 33 different trainings were delivered through virtual classrooms and assigned to employees based on their individual development plans in line with the Brandix Leadership Development Framework and internally developed Technical Competency Framework.

Excalibur Project

Introduced during FY 2020/21, the Excalibur project provided an opportunity for team leaders and subject matter experts identified through the 9-box process to become trainers and/or contribute towards the development of learning content. Excalibur was designed to build internal knowledge and experience sharing capacities and widen employee cohorts and as Brandix continues to build on this internal capability, we are also developing a coaching framework to support the leadership development and pipeline building at all employee levels.

Empower Me

As COVID-19 continued to impact our employees on multiple levels, we realized the need to support employees around emerging themes such as parenting, stress management, financial management and mental wellbeing. As such, 'Empower Me' was a series of programmes designed around such focus areas and proved to be popular among our employees, with several sessions repeated and the recorded sessions later uploaded to the LMS to facilitate online access for our employees at any time. During FY2020/21, 30 sessions were conducted as webinars through our internal and selected external partners.

Better Conversations Every Day (BCE)

Brandix partnered with CCL to rollout Better Conversations Everyday (BCE), a programme to scale coaching skills and create a feedback culture and was offered to all employees at leadership levels to support the transition in the organisational culture.

As an organisation committed to delivering excellence in line with our RITE values, 15 selected employees were certified under CCL's BCE programme, and

this team in turn helped develop 252 coaches across Brandix to support our line leaders deliver impactful coaching-style conversations. This was done with the intention of promoting more meaningful and proactive conversions with between managers and their teams under ‘LACE’:

1. Listen to Understand
2. Ask Powerful Questions
3. Challenge & Support
4. Establish Next Steps and Accountability

The “Better Conversations Every Day” survey will be launched in September 2021 for both leaders and their direct reports, to measure employee perceptions regarding work-life balance, their managers, work and organisational culture against level of engagement between employees and their reporting managers.

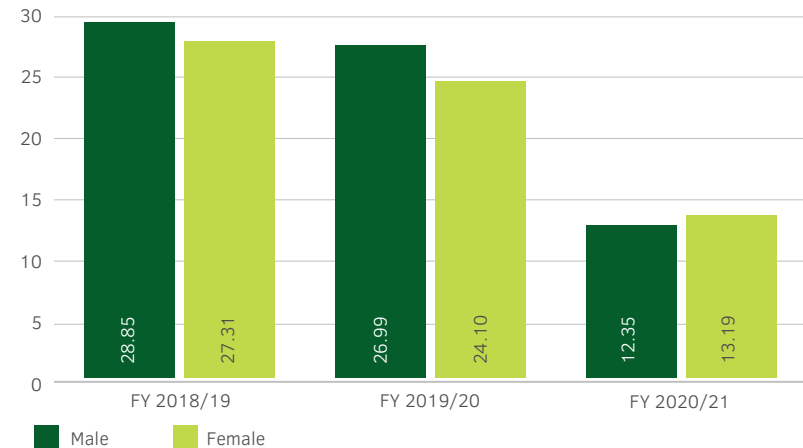
Executive Development Programme (EDP)

The EDP (Executive Development Programme) – the key pipeline development programme for Executive-level employees continued to be applied across Brandix. During the year in review, this was expanded across to our facilities in India and titled “Abhimaan”. Initiated and implemented with the intent of preparing local talent to take on the necessary job roles and create a sustainable model for succession, “Abhimaan” focuses on bridging competency gaps and development of skills, such as leadership, communication, teamwork and emotional intelligence. The tools and programme content were internally developed and executed, with 8 executives who underwent the programme in FY 2020/21.

GRI 404-1: Training Hours – Executives

	FY 2018/19	FY 2019/20	FY 2020/21
Male	28.85	26.99	12.35
Female	27.31	24.10	13.19

Training Hours - Executives



TALENT MANAGEMENT

While managing talent at any time is a dynamic process, doing so in the midst of a global pandemic has highlighted the importance of having a consistent approach to people development.

Having completed phase 1 in the previous year where we created a standardised performance management framework based on the 9-box tool for our Executive cadre, we were able to move to the next phase to establish a suitable pipeline development model for the non-executive cadre. Therefore, notwithstanding the challenges arising out of the pandemic, we directed our attention this past year to create standardised career pathways for our non-executive cadre which saw two parallel programmes being developed; ATS (Associate-to-Staff) and STEP (Staff-to-Executive-Promotion), both dynamic programmes that give non-executive employees the opportunity to target broader and more ambitious career goals over time. ATS and STEP which were at the final stages of development in March 2021, were both rolled out to coincide with the 2022/21



INSPIRED EMPLOYEES

performance evaluation cycle. The STEP programme was launched in India as well, with 19 employees identified and trained and of which 14 employees have already been promoted. STEP is scheduled to be implemented in Bangladesh in 2022.

The EDP (Executive Development Programme) – the key pipeline development programme for Executive-level employees continued to be applied. L&D activities for our executive cadre are determined by the bi-annual performance management process that maps the technical competencies and learning potential of each employee via the 9-box grid. This is further supported by regular and ongoing feedback as well as oversight for the Board, BLT and Functional Heads to identify developmental needs of employees.

Our academic engagement initiatives play a critical role in supporting our talent management and attraction processes. Through switching to virtual delivery models, we continued our engagement with over 6,000 students across 13 universities in Sri Lanka through sessions focusing on development of leadership and career skills.

Over the next financial year, we look towards strengthening our relationship with the University of Moratuwa in Sri Lanka in relation to fabric technology and product development, as well as launching the next round of the Group Management Trainee programme.

TALENT ENGAGEMENT

Compounded by the restrictions on physical gatherings, social distancing models and widespread lockdowns, it was essential to relook and redesign our employee engagement models. Together with the Corporate Communications team, we leveraged on utilising our internal tools such Brandix FM, the PA system, Brandnet, emails and Viyaman, and our external social media platforms to consistently engage with and inspire our employees as we navigated a continuously evolving pandemic.

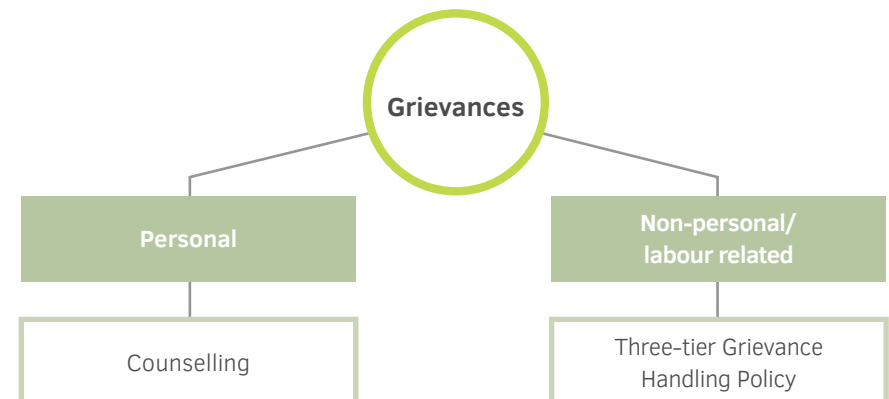
Employee Councils

Each of our facilities comprises an Employee Council (EC), whereby members are elected by the employees and include over 75% women representation. The EC is a legal body in line with the relevant national regulatory frameworks in the countries we operate in, promotes the rights of employees and their participation in decision making on matters that impact them, inclusive of labour management. With a cordial relationship between the Management teams and workforce at our facilities, it should be noted that over the last 20 years there have been no industrial disputes due to internal factors.

Since its initiation in 2005, the EC system has worked well for our employees with no need for collective bargaining agreements across any of our operations. However, Brandix maintains a well-documented Freedom of Association position which enables employees to join a union should they wish to. In addition to this, neither Brandix nor any other authority have received any complaint from any union of preventative measures against organization. Brandix keeps no records of participation of employees in trade unions if any.

Grievance Management

In addition to the EC, Brandix and third-party employees working at our facilities are provided with other avenues to facilitate handling of grievances and disputes.



Through the formal three-tier grievance handling policy, employees have access through the following escalation steps:

1. Plant Level - Reporting Manager/ Supervisor
2. Cluster Level - Talent Engagement & Development (TED) Manager / Cluster HRM/ Cluster CEO
3. Group Level – Corporate HR Team

This is supported by a detailed mechanism to address and resolve issues, inclusive of provisions to protect anonymity in raising grievances, an escalation matrix and how employees may raise grievances. Additionally, our employees are able to escalate grievances directly through the Corporate Leadership Team, the contact numbers of whom are available at each of our facilities, the Ombud's Committee, who reports to the Group CEO, as well as the Suggestion Boxes at each of our facilities whereby employees are encouraged to share their suggestions or escalate concerns, to which the factory Management would respond with their comments and display it weekly on the factory notice boards.

Grievances are treated and resolved fairly and transparently within a stipulated timeframe. In the unlikely event, a complaint remains resolved beyond the stipulated time period or has resulted in unsatisfactory outcomes, the grievance could be escalated to the Ombud's Committee. While the number of grievances reported are monitored and recorded internally, they are not publicly declared for reasons of sensitivity.

Personal grievances are addressed through the qualified Counselling team across our facilities and are kept confidential. However, professional grievances are escalated by the Counsellors to the Management as needed to ensure employee well-being.

Communication

To further complement these measures, we launched a cohesive communication campaign reflecting Brandix's unequivocal commitment to be upfront and transparent with employees at all times, including in the face of adversity. The overall theme of the campaign "We will remain steadfast in the face of challenges", while depicting the One Team - One Brandix ethos, was aimed at rallying the support of all employees to work through adversity.

The campaign was developed and managed under the stewardship of the Corporate Communications team under four key pillars:

1. Are we Safe?
2. What Really Happened?
3. Taking Care of Our Own
4. Reinforcing our DNA



INSPIRED EMPLOYEES

The plan was operationalized together with the Plant ICOM Coordinators in ensuring implementation of the communication strategies and information relay to employees. Through focus on the four pillars, the campaign covered aspects of :

- Internal and external health & safety protocols and best practices
- Nutrition
- Mental wellbeing awareness
- Important messages from Plant/ SBU and Group Leadership & Management Teams
- Employees sharing their experiences
- Initiatives to support our employees

The “Brandix Safety Pledge”

Where our leadership teams and employees were encouraged to make a personal safety pledge reinforcing willingness to take responsibility for the safety of their work environment, colleagues and community (My Actions = Our Safety)

“Inguru Tea” - a radio segment launched on Brandix FM, tackling current issues with regular contributions from members of the leadership and management teams. Given its popularity, the segment was later recorded in video format and aired on the digital display screens at Plants and the Viyaman YouTube channel.

The “Real Talk Show” was implemented for Executive-level employees as a platform for open dialogue with key external and internal stakeholders. This was held every two weeks with the scheduled time slot, topic and the panel of speakers announced well in advance to enable employees to submit their questions ahead of time.

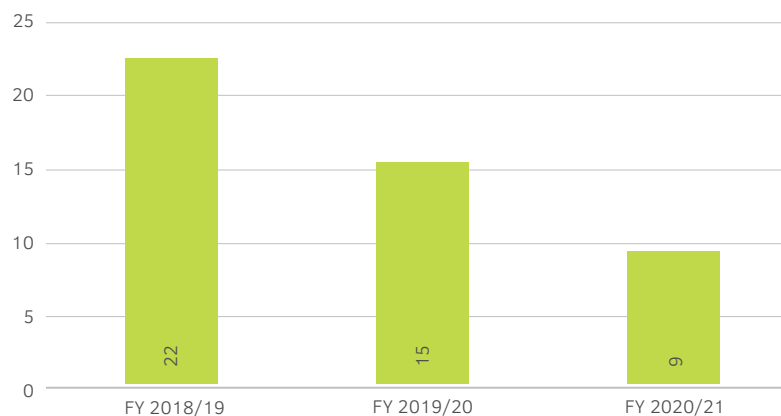
The campaign leveraged the use of internal and external communication mediums such as digital display screens, Brandix FM and the PA system at our facilities, as well as Viyaman, Brandnet, emails and social media platforms to ensure a frequent flow of information and awareness to keep our employees motivated and inspired.

Employee Welfare

CHAIRMAN’S FUND

Non-executive employees are entitled to receive up to LKR 300,000 1Mn as a non-recoverable financial support for their critical medical requirements. This scheme extends to employee’s spouses, children, siblings under the guardianship of the employee and parents of unmarried employees. over 175 employees have benefitted to-date.

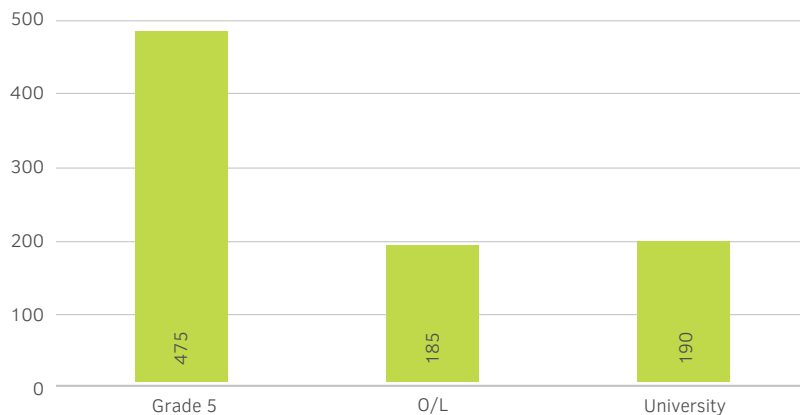
No. of Beneficiaries



RANDARU SCHOLARSHIPS

The children of our employees are also entitled to receive a scholarship from Brandix for excellence at the Grade 5 Scholarship, Ordinary Level examination and University education. Recipients benefitting under the latter will continue to receive the scholarship throughout their university education. A total of 850 scholarships have been awarded as at end FY 2020/21.

No. of Scholarships Awarded



Counselling & Mental Wellbeing

As the pandemic continued to evolve, it brought additional stressors related to mental and psychological wellbeing to the forefront and as such, supporting our employee's mental wellbeing was a key focus area during the year in review. Our Counselling team developed and mobilised a crisis contact mechanism, with Counsellors assigned to be on call 24/7. One of the most significant developments stemming from this was the inclusion of the online counseling portal. Simultaneously, the scope and scale of the awareness campaign was further expanded with several new programmes launched.

Executives

- 'We Care' – a special initiative to provide regular mental health awareness and tips, such as promoting self-care, managing fear/anxiety and dealing with stigma, through email, intranet and social media platforms
- Let's Get Talking – a short series focusing on aspects such as listening and supporting children during COVID19 and coping with anxiety during a crisis, delivered through experts
- Webinars and trainings – focusing on stress management, finance management and communication, with a total of 15 sessions conducted across our facilities in Sri Lanka, India and Bangladesh
- Observing Days for World Suicide Prevention, Mental Health & International Happiness through awareness via email and social media platforms

Non- Executives

- A basic awareness programme covering 14 key areas across Domestic Violence Awareness, Stress Management and Work Life Balance was rolled out through the PA system across our facilities
- Aspects such as coping with fear and stress, self-love and supporting children during the pandemic were also addressed through mediums such as WhatsApp, Viyaman and the "Inguru Tea" radio segments
- Assisting employees with addressing family concerns, such as fear of sending loved ones to work and providing mental health support
- Daily relaxation and breathing exercises via Brandix FM and PA system, and circulation of motivational messages and mental health management tips



INSPIRED EMPLOYEES

Assessments by the United Nations Population Fund (UNFPA) and UN Women have indicated that all types of gender-based violence, particularly domestic violence against women and girls, has intensified. With a significant proportion of the population confined to homes due to extended lockdowns associated with the pandemic, a special project on domestic violence was initiated and executed by the Counselling team.

The Domestic Violence Awareness Project is aimed at:

- Promoting awareness on domestic violence, available laws and regulations and increase self-esteem
- Providing support and offer community resources for employees to seek professional help
- Training & awareness for employees on identified core issues, coping with abuser(s), family and children

Parallely, the Finance Management Project aimed to support employees with developing and practicing healthy and sustainable financial management habits.

Brandix also built external support systems in India through:

- Legal Aid Clinics in collaboration with District Legal Services Authority (DLSA) - Tele mode/ Series of 'Laws for protection of Women and Children' sessions by DLSA
- Connecting associates with AI Anon Networks, Women Policy Stations and Mahila Mitra teams to support with cases of Domestic Violence and other harassment issues

In testimony to the effectiveness of these measures, the highest ever number of counseling sessions was reported in the twelve months ending 31st March 2021, with over 35,000 counselling sessions conducted, addressing concerns ranging from Finance Problems, Mental Health Concerns (Anxiety & Stress) and other Domestic Concerns (Basic Needs).

Country	No. of Sessions
Sri Lanka	27,193
India	8,628
Bangladesh	46

HR Services

In addition to this, through our HR Services pillar we focused on supporting our employees to achieve a healthy work-life balance through a variety of support and services such as telemedicine, health and convenience service, among others.

HR PROCESSES

As we continued to adapt to the evolving COVID19 pandemic, we also focused our efforts on reorienting our processes in line with global standards and best practices to enhance the overall employee experience at Brandix.

Digitisation

Following the launch of the SuccessFactors (iConnect) platform in Sri Lanka during FY 2019/20, Brandix expedited the expansion of the platform to our facilities in India and Bangladesh. This was supported by online knowledge sharing workshops and focus group sessions to assist the teams in India and Bangladesh realign their systems and processes. A culmination of these efforts saw approximately 98% of core HR processes being standardised across all Brandix locations in Sri Lanka, India and Bangladesh as at end-March 2021.

Other initiatives to standardise HR monitoring and reporting processes also gathered momentum with notable progress made in reducing manual intervention in routine monitoring activities by around 50%. The live activation of the comprehensive digital on-boarding module is scheduled for October 2021 and will signal the completion of the end-to-end digitisation of the recruitment process; a significant step in our efforts to strengthen our culture of Inspired People.

Going forward, we intend to accelerate our digital adoption initiatives through the digitalisation of reporting via online dashboards, as well as investing in advanced AI-based machine learning tools and predictive analytics to interpret organisational talent requirements.

Abuse and Harassment-free Workplace Policy

We also focused on strengthening our foundational processes through the introduction of a new Abuse & Harassment-free Workplace policy, which demonstrates Brandix's intention to maintain a workplace free of abuse and any form of harassment. Expected to be rolled out over the course of the next financial year, the groundwork in creating and developing the associated processes was completed during FY 2020/21. We also began evaluating how we can meaningfully improve Group-wide female representation at a senior management level over the next 3 years.

Work From Home (WFH) Policy

In 2020, as COVID19 significantly impacted the ways in which we traditionally worked and lived, businesses and industries were forced to shift from physical working models to that of virtual or remote interactions. Based in a traditionally labour-intensive industry we turned our attention to understanding the challenges of the new working environment. Leveraging on our partnership with Accenture and other HR networks, we worked to understand the nuances of how WFH/ remote working concepts may have been practiced regionally or globally and engaged with our leadership teams to determine how best to adapt.

A guideline was developed in May 2020 outlining setting up workspaces at home, do's and don'ts and how managers/ supervisors and employees could adapt and work together to achieve the expected deliverables, whilst keeping in mind new stressors developing as a result of the pandemic. Supporting this was a series of workshops, awareness sessions and a communications campaign to help employees implement the guidelines and manage employee perceptions, challenges and expectations.

As we slowly navigated towards a hybrid working model, we defined the 'Hub, Club, Roam, Home' concept to optimise utilisation of our office locations, enhance work-life balance, time spent commuting, limit exposure and adhere to H&S protocols. Financial savings achieved through cost reductions in transport, facility management services and utilities will be redirected towards employee welfare and benefits. We also conducted several surveys to proactively capture employee feedback on WFH and help us identify and optimise future working models. The initial survey conducted in December 2020 indicated that only 36% of employees preferred coming into work, with the next survey targeted for July 2021.

Looking forward, we anticipate that WFH/ hybrid working models will continue to remain relevant and will be a key value proposition in attracting and retaining talent through flexible working models, increase gender diversity and optimise work-life balance.



OCCUPATIONAL HEALTH & SAFETY

With over 44,000 employees working at Brandix factories in Sri Lanka, India and Bangladesh, the safety, health and well-being of our people is our highest priority. Our commitment to OHS excellence is reinforced by our Occupational Health & Safety (OHS) vision to “responsibly manage risks and hazards, by creating an interdependent OHS culture across the Group, in preventing injuries and health”. This vision is driven by the OHS Road Map, which is cascaded down across Brandix through our OHS Policy framework and executed via the comprehensive OHS Control Framework (OHSCF). Demonstrative of our commitment to benchmark global best practices, the OHSCF has been aligned to the ISO 45001:2018 Occupational Health and Safety Management Standard. This approach allows us to systematically embed safety into every aspect of our operations and covers all stakeholders: employees, contractors and visitors.

Safety Culture

A behaviour-based safety culture forms a fundamental part of our overall approach to OHS, which has led us to appoint a dedicated Plant OHS Lead (Manager/ Executive) at each factory who serves as the safety champion to oversee and monitor the implementation of the OHSCF. Additionally, Brandix has dedicated Occupational Health & Safety Committees in place at all its factories, which have 40:60 split between Management and factory Associates and include a medical nurse, representatives of service providers and representatives from each department. The primary focus areas of the OHS Committee include:

1. Hazard Identification, Evaluation and Control
2. Information and Education
3. Sharing of information on Accident/Incident Investigations
4. Planning of Occupational Health & Safety requirements
5. Provide opportunities to discuss Health & Safety issues

Following the onset of the COVID19 pandemic, the scope of these existing OHS committees was formally expanded to include COVID-19 related matters in consultation with all stakeholders.

Brandix leadership teams conduct a Safety Leadership tour every month to review safety performance at each factory. These results of which are docketed on a scorecard and serve as the basis for ongoing improvement.

OHS Excellence Awards Programme

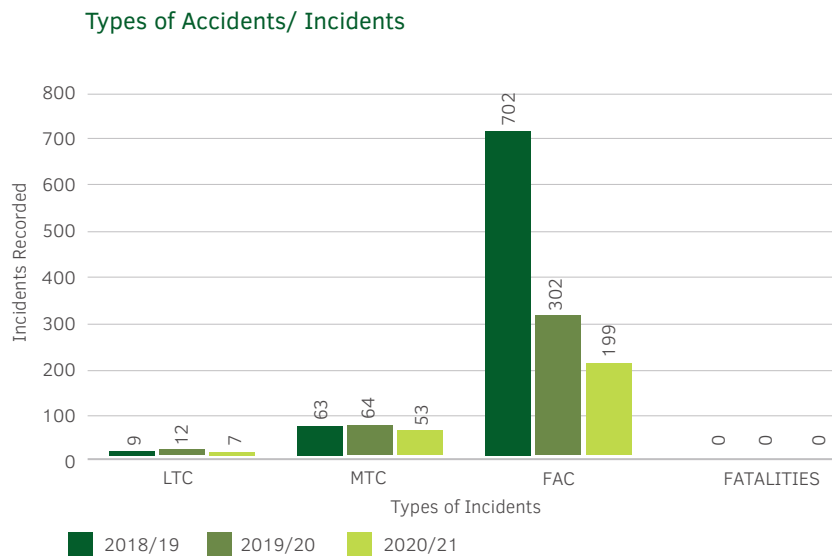
The OHS Excellence Programme represents Brandix’s commitment to imbue the safety culture at all level of the business. The initiative which was inaugurated in 2019 to recognize factories that have made significant progress in contributing to the Brandix’s OHS excellence goals completed its third cycle in 2021.



All factories are equipped with a Medical Centre managed by competent nursing staff. Additionally, a doctor visits thrice a week to enable employees to receive basic medical attention, which is provided at no additional cost. A dedicated emergency vehicle is also available at each of our facilities in the event of an occupational accident or injury. Medical insurance is provided to both Executive and Non-Executive (staff-level) employees covering a range of hospitalization requirements and basic life coverage in the event of a death.

Brandix has implemented a streamlined process to ensure accidents are reported, addressed and investigated in a timely manner, and is applicable to employees, independent contractors and other third parties such as security personnel and housekeeping staff within our premises.

Our H&S Scorecard



OHS Trainings

OHS trainings comprise a critical component of the OHSCF governance framework and are conducted regularly in the primary languages spoken across our facilities in Sri Lanka, India and Bangladesh. During 2020/21, over 27,000 employees underwent training across a wide range of OHS aspects, such as chemical management, first aid and fire and rescue protocols.

Types of OHS Training	No. of Training Hours Per Person	Employees Trained
Personal Protective Equipment Use	1.5	496
Chemical Management	4	338
First Aid	4	1,011
Fire & Rescue / Fire Warden Course	5	1,101
Ergonomics	1	3,643
Work related stress and stress management	2	3,500
Electrical Safety in the workplace	2	55
Blood borne Pathogens	1	10,564
Ladder Safety	2	74
Forklift Operator Competency Training	2	31
Safety Month (Road show/ events)	2	2,300
ISO 45000 Occupational Health & Safety Management System	3	2,301
OHS Policy	1	2302
Work at Height	1	42
Lock-Out Tag-Out (LOTO)	2	83



OCCUPATIONAL HEALTH & SAFETY

OHS Aspects

Fire Safety & Emergency Preparedness

Our Emergency Preparedness is underpinned by a two-pronged approach to focus on Fire Safety and Personal Safety. Each factory is equipped with comprehensive fire protection infrastructure inclusive of Fire Detection and Protection Systems as per NFPA 72 standards and FM listed fire alarm control panel and fire pumps. Additionally, our factory in Bangladesh is compliant under the Accord on Fire and Building Safety in Bangladesh. The Fire Safety team at each factory is responsible for planning and conducting evacuation drills and safety awareness trainings for employees. Moreover, at least five members of the Fire Safety team are required to remain on-site at any given time to oversee the handling of a fire incident should it occur. Meanwhile due diligence activities in the form of routine Safety Audits by an independent third party play a vital role in validating the efficacy of existing systems and also provide an opportunity to identify areas for continuous improvement.

In terms of Personal Safety, standardised personal protective equipment (PPE), SOPs and safety guidelines for use of equipment and routine works are made available and accessible for employees in the languages of operation across our sites in Sri Lanka, India and Bangladesh. Employees, contractors and visitors are continually made aware of the standard practices followed across our sites as part of the OHSCF governance mechanism.

Electrical Safety

As an apparel manufacturer, our production floor consists largely of sewing machinery and equipment powered by electricity. The control rooms at our plants too are equipped with highly sensitive and complex electrical equipment. Hence our OHSCF sets out specific SOPs for electrical safety, including machine specific LOTO procedures to prevent unauthorized or accidental access to power sources. Existing electrical safety measures are subject to regular testing to determine their effectiveness in achieving the desired safety outcomes and to gauge the consistency with which they are applied. Infrared (IR) thermography is utilized to monitor and inspect the status of electrical safety measures on a routine basis,



Temperature Checks on Entry

while a planned schedule of internal and external electrical safety audits provides independent assurance and facilitates continuous improvement of electrical safety measures at an operational level. Our Facility Management (FM) teams undergo regular trainings to ensure they are equipped with the requisite tools and knowledge to perform their duties in the safest and most effective manner.

Chemical Safety

Brandix's chemical management system provides the governance framework to minimize any risks of chemical-associated hazards to our employees, communities and the environment at our facilities. It comprises a comprehensive range of SOPs designed in compliance with all legal and regulatory requirements for the safe handling, storage and disposal of chemicals at an operational level, as well as emergency response in case of a chemical spill. The Plant OHS Committees assess chemical hazards on an ongoing basis to address

potential risk areas, while our teams continue to explore ways to reduce and/or eliminate the use of certain chemicals by replacing them with more sustainable alternatives.

Covid-19 Safety Protocol For Plant Operations

Brandix adopted a multi-pronged approach to safeguard employees and maintain business continuity throughout the ongoing pandemic. A comprehensive COVID-19 Safety Protocol for Plant Reoperation and 53 Annexures covering all aspects of business operations and activities was developed and implemented to ensure operations under strict health guidelines in complete accordance with the health and regulatory authorities.

As dictated by the COVID-19 Safety Protocol, all factories were required to operate at less than 70% of capacity (lower than allowed by the authorities)



Social Distancing

Incident Reporting

Minuwangoda Incident Summary

On 30th September 2020, an employee at our manufacturing facility in Minuwangoda Sri Lanka complained of fever and chest pain. She was accompanied by our factory nurse and admitted to a Government hospital, where she was subsequently discharged two days later (on 2nd October 2020). At the time of discharge, a random PCR test was carried out by the hospital and she was sent home. However, on 3rd October, she was declared COVID positive. Following this identification, on 4th October 2020, we commenced mass scale PCR testing on the entire workforce at the Minuwangoda facility. We found 1,063 team members to be COVID positive with over 90% showing no symptoms of illness. (This incident occurred at a time when Sri Lanka was in a state of near normalcy, and restrictions on public gatherings, parties, weddings, cinemas, spas, and public transport had been lifted).

The facility was managed by the COVID Task Force from 4th October and remained under the supervision of health officials until 26th October. During this time, our affected team members were transferred to hospitals and quarantine centers. We also immediately instituted extensive measures to ensure the wellbeing of our employees. This included the following: (i) setting up a 24x7 call centre and a service desk for supporting the needs of our employees and their families (this included external service providers and their families); (ii) providing housing to employees who were unable to return home for the duration of their quarantine; (iii) distributing essential goods packs to affected employees and their families; (iv) providing transportation logistics for our employees and Associates and their close contacts across hospitals; (v) setting up of quarantine centres island-wide; and (vi) addressing mental health concerns through counselling and support.



OCCUPATIONAL HEALTH & SAFETY

The Minuwangoda facility recommenced operations on 8th December 2020 through a phased approach commencing with only 20% of its employees. In line with government guidelines, Brandix has since been randomly testing 5% of its population for COVID each week and is presently testing 1% in accordance with the government guidelines to identify any asymptomatic carriers.

Pursuant to the report submitted at the conclusion of the investigation, the Hon. Attorney General confirmed that there has been no deliberate negligence or oversight on the part of Brandix which caused danger to human life. Accordingly, on 6th July 2021, the Minuwangoda Magistrates Court concluded and closed the proceedings relating to the investigations into the spread of COVID-19 at the Brandix Minuwangoda facility in October 2020. The internal investigation into the incident was halted given that the AG's department was launching its own investigation. The Brandix extended its fullest cooperation to the investigation conducted by the AG's division with the relevant authorities being provided with the necessary information and inputs. During the investigation by the AG, over 500 Brandix Group employees were questioned, and statements recorded.

It was concluded that the investigation has covered the full extent of the AG's letter, and that there has been no evidence that reveals any need for further action or inquiry on this matter. The AG's department however has not made its investigation report and the Brandix Group is therefore not in a position to publicly disclose such findings.

in the year under review, to ensure social distancing within the factory floor. In addition, a 30-minute lunch break and two tea breaks were staggered throughout the day, whilst maintaining the one-metre social distance between employees at all times in the canteen. We also encouraged frequent handwashing and hand sanitisation as well as mask mandate during work times. Expectant mothers, employees with pre-existing chronic conditions, and those who choose not to attend work due to other COVID related concerns were advised to stay home, with full salaries paid for the duration of their home stay.

A new COVID-screening process was introduced for employees reporting into work. As part of this process, any employee experiencing symptoms were either requested to referred to a government hospital. For employees reporting to work, daily screening was introduced, including individual temperature checks and symptom screening prior to boarding the staff transport vehicles. This was accompanied by health screening at the entrance to each factory and mandatory midday temperature checks, with employees screened again before they exited the factory premises.

At any point, if an employee is found to be showing symptoms of COVID-19, they were immediately isolated in a pre-identified isolation room, while the Area/District Epidemiology Unit/Area Medical Officer of Health (MOH) or Public Health Inspector (PHI) is consulted for further instructions. The employee(s) were then sent to the nearest government hospital for further testing and treatment management as per applicable health guidelines. We also ensured that our employees are well taken care of throughout their recovery process.

Our OHS Committees played an important role in encouraging greater worker participation and consultation in formulating proactive solutions in response to the pandemic, whilst a daily Governance call was established to keep relevant stakeholders, such as Functional Directors, SBU CEOs, Plant General Managers, the H&S, HR and Administrative functional teams informed of the daily COVID-19 ground situation across our facilities.



OUR SUPPLY CHAIN

Brandix's status quo as a major player in the global apparel value chain is dependent on the quality and reliability of its supply chain network. Over the past 40 years, Brandix has worked to develop an extensive supply chain of global and local suppliers and services providers who provide the necessary resources to support the operations of the business.

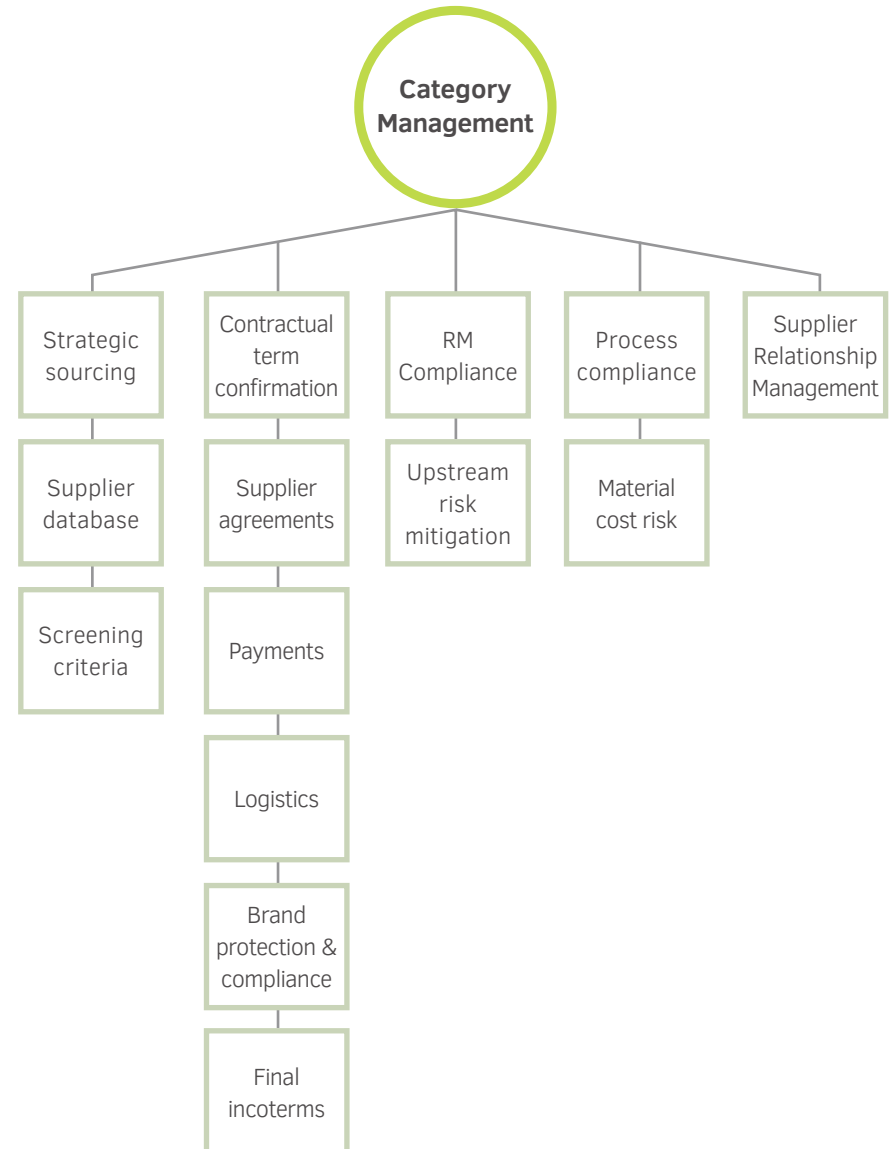
Our Sourcing

Supplier Country	Purchase Value (USD)	%
Sri Lanka	162,154,458	48.4%
India	73,995,996	22.1%
Rest of Asia	78,507,991	23.4%
ASEAN	9,273,235	2.8%
Pakistan	4,846,328	1.4%
Bangladesh	4,295,430	1.3%
Europe	1605731	0.48%
N. America	196803	0.06%

Our Supply Chain management framework across the pillars of Category Management, Supplier Performance Management, and Supplier Excellence is the foundation supporting our sourcing strategy and development of a reliable and robust supply chain.

Category Management

Responsible for the myriad of activities and processes that manage suppliers across the fabric and trims categories, this pillar is supported by a framework covering aspects of supplier selection and screening, contractual terms, risk management, and compliance





OUR SUPPLY CHAIN

Suppliers undergo a rigorous screening process and are evaluated across criteria such as capacity, capability, service level, price validation, and supplier financial health. Suppliers are also governed by the Vendor Code of Ethics (VCE), a key component of the vendor on-boarding process and which specifies Brandix's stance on labour practices, human rights, ethics, and other key environmental compliance standards, and is a key component of the vendor on-boarding process. It is mandatory that all suppliers and vendor partners read, understand and sign this Code to indicate their formal agreement with upholding all expected standards and comply, without exception, with the policies outlined therein.

Some of these policies include the prohibition of the use of North Korean labour in line with the terms of the Trade Facilitation and Enforcement Act of the USA, as well as the declaration of the sourcing of minerals such as Gold, Tin, Tantalum and Tungsten (3TG) used in production from Democratic Republic of Congo + 9 neighboring countries (Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda, and Zambia) under Section 1502 of the Dodd-Frank Act passed by the US Congress.

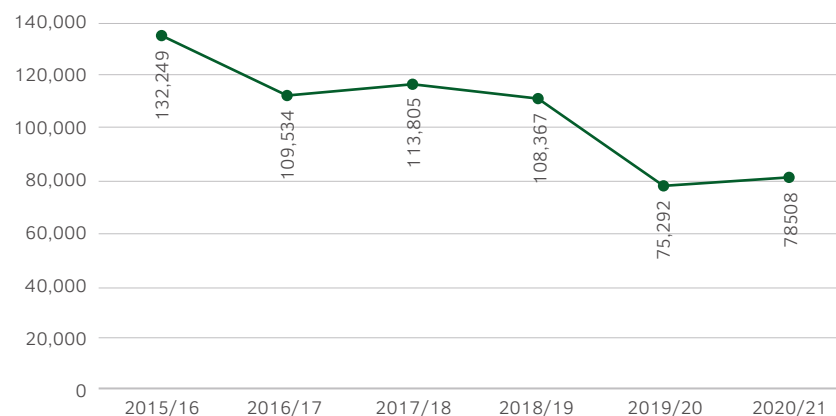
With increasing concerns over forced labour and child labour, Brandix has implemented a distinct mandate against the sourcing and use of cotton across its supply chain from Uzbekistan, Turkmenistan and the Xinjiang Uighur Autonomous Region in China. Further to this and with the Xinjiang Production and Construction Corps (XPCC) related sanctions coming into effect, Brandix conducted a comprehensive review of our existing supplier base in mid-2021 and subsequently deactivated several fabric mills.

Following the signing into law of the Uyghur Human Rights Policy Act 2020 by the US Congress, Brandix amended its VCE with two clauses; one explicitly prohibiting the use of forced labour and the conduct and support of human rights abuse under the Uyghur Human Rights Policy Act 2020, and the second

preventing suppliers, vendor partners and all other participants in the supply chain from any involvement with XPCC and/or its affiliates. In line with this, Brandix also mandates all suppliers to submit an XPCC-sanction declaration, aside from the VCE sign-off.

Brandix has made a concerted effort to regionalize its supply base by increasing sourcing capacity from Sri Lanka, India and Pakistan and shifting away from China. Over the past 4 years, this has resulted in a 41% reduction of our fabric buy from China.

RM Sourcing from China Spend Value (Million USD)



From the total RM sourced from China during FY 2020/21, synthetics accounts for the largest share at almost 60% while other materials make up the rest of the 40%. The latter is expected to decline even further over the next year as we continue our supply base regionalisation efforts.

Raw material and process compliance covers proactive upstream risk mitigation activities to minimise avoidable supply chain disruptions, as well as identifying material cost risks, such as through market conditions and price fluctuations.

Supplier Relationship Management aims to build strong ties with suppliers through proactive engagement and regular conversations. Quarterly meetings are scheduled with our suppliers and serve as the basis of reviewing business updates, discussing areas for improvement, as well as facilitating long-range planning and exploring collaborations for mutual benefit

Supplier Performance Management

Supplier Performance Management (SPM) is an ongoing exercise implemented specifically for the top fabric suppliers who collectively supply over 50% of Brandix's annual fabric requirements. Falling within this definition are 6 major suppliers of whom Teejay Lanka PLC, Hayleys Fabric, South Asia Textiles, Ocean Lanka and Best Pacific Textiles Limited are based in Sri Lanka, with Teejay India located within the Brandix India Apparel City (BIAC) Park.

The SPM framework is principally aimed at ensuring these key suppliers remain fully aligned to Brandix's requirements and focuses on three key aspects: Demand-Supply Integration (DSI), Green Channel Enablement and Expedition.

The DSI process supports our key suppliers to understand and predict risks and support them through appropriate risk mitigation strategies to reorient their production capacity in correlation with the customers' delivery flow. Designed to effectively complement the DSI model, the Expedition Process consists of a series of stringent inspection protocols to enable our suppliers to align their operational processes to meet customer-specific ex-mill sourcing standards. Evaluated across yarn, knitting, dyeing, printing, finishing and inspection processes, DSI covers the stages from customer projection to placement of proforma invoice (PI), whilst Expedition covers the stages from PI to execution until the raw material enters our facilities for apparel manufacturing.

Green Channel Enablement meanwhile has been designed to provide suppliers the opportunity to benefit from an inspection-free process depending on the strength of supplier calibration, through the elimination of non-value addition activities. Increased supplier calibration is driven by strict governance, quality adherence and stringent inspection through bi-weekly audits. Only suppliers with a consistent audit score of 80%+ assessed across several criteria are entitled to benefit from the Green Channel.

Supply Chain Excellence

Pillar 3 is Supply Chain Excellence aims at ensuring uninterrupted supply of raw material, through standardisation, reduction of non-value adding activities and proactive risk management, and comprises four distinct components:

- i. Source to contract (S2C)
- ii. Procurement to pay (P2P)
- iii. Warehouse and Operations
- iv. Supplier Compliance

S2C focuses on aspects such as sourcing, vendor onboarding, RM development, quality and compliance of supply chain master data, while P2P and Warehousing focus on aspects related to purchase management, logistics coordination and compliance of WH operations within Brandix governance frameworks. Digitalisation and data analytics support impact analysis and risk mitigation for supply chain operations.

The Supplier Compliance component plays a key role in our supplier due diligence mechanism and covers three areas: customer social compliance/ product regulatory guidelines and customer sourcing guidelines. Supplier sourcing occurs through nominations by the customers we work with, as well as those that are sourced by Brandix based on RM requirements and in line with our due diligence processes. With the former audited directly by the customers they were nominated from, the Group Supply Chain team conducts an annual audit for the latter group of suppliers in an effort to ensure alignment and transparency.



OUR SUPPLY CHAIN

Mitigating The Impact Of Covid-19

With the global logistics industry thrown into disarray due to limitations on cross-border trade and travel, and restrictions through national lockdowns, shipment delays became a major drawdown for the industrial sector. During the FY 2020/2, between 50-80% of delays for the supply of fabric and trims has been associated with COVID19.

However, Brandix remained largely immune to these challenges having developed a predominantly localised supplier base for all raw materials. Despite this key advantage, Brandix proceeded to further safeguard its supply chain by increasing the volume of localised sourcing (Sri Lanka and India) to over 70% in FY 2020/21. During this period, we saw a 120% increase in the total localised procurement of fabric and a 66% increase for that of the trims category.

Supporting this and further strengthening our existing supply chain management initiatives, a significant amount of time and effort was dedicated to managing the cascading impact of the COVID-19 pandemic in collaboration with our supply chain partners.

Following our strategic decision to begin manufacturing PPE and face masks in response to the global demand, we again capitalized on the relationships developed with our partners to secure our procurement needs. We conducted a weekly risk assessment with all fabric and trim suppliers, together with more frequent supplier interactions for better visibility and to minimise delays. This engagement also saw heightened attention to the adherence of health & safety protocols and sharing of best practices and learnings supported by our Group OHS Teams.

On this basis, OTIF (on-time-full-delivery) remained consistent at 70% for fabric and 82% for trims during FY 2020/21.

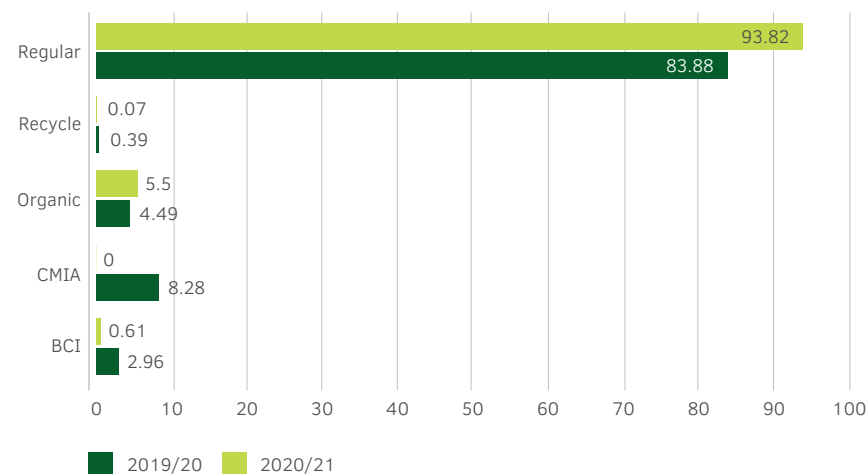
With one of the most noteworthy takeaways from the pandemic being the importance of digital platforms, Brandix looks towards the digitisation of the supplier screening process under the Category Management pillar and the implementation of “QuickBase” a digital platform to provide our suppliers with greater visibility over payment cycles.

Sustainable Products

As consumer demand for environmentally friendly products increase, we have continued to engage with our customers on sourcing sustainable raw materials across fabric and trims over the past financial year, through collaborative efforts with our supply chain partners.

During FY 2020/21, sustainable fabric procurement saw a nearly 160% increase compared to FY 19/20, while over 20% of trims procured were from sustainable sources/ materials.

Fabric Procurement Comparison - Regular vs. Sustainable Materials



During 2020/21, we undertook a new initiative sourcing CMiA (Cotton Made in Africa) to provide a competitive edge for our customers, as well as contributing to sustainable community development for African cotton farmers. A globally recognised standard for sustainable cotton from Africa, CmiA has been working with small-holder farmers across the continent to protect the environment through sustainable farming methods, whilst improving their working and living conditions.



COMMUNITY OUTREACH

At Brandix, we have always valued building long-term strategic relationships with and supporting the sustainable development of the communities we operate in. Our Corporate Social Responsibility (CSR) efforts over the years have targeted the families and communities connected to our employees in Sri Lanka, India and Bangladesh.

Our principal approach is based on four key pillars: Provide, Educate, Research and Engage, through which we aim to deliver consistent and impactful change that will benefit the communities around our operating locations over the long term.

Through research and ongoing engagements with our Associates in Sri Lanka, we identified that one of the most pressing needs in their communities was access to clean drinking water, with water and sanitation identified as the thematic focus of our CSR initiatives in Sri Lanka. In line with this, we then launched the “Care for Our Own” (CFOO) and “Model Village” initiatives. To date, CFOO has provided access to clean water to over 4,500 employees across Sri Lanka, directly benefiting more than 20,000 people, while “Model Village” a targeted initiative to strengthen water and sanitation facilities at a community level has addressed these needs for over 330 public institutions, benefitting over 250,000 people.

In India, our CSR and community outreach initiatives are largely framed by the need for access to health, and accordingly, supporting community healthcare remains the main priority. The regular eye camps and health camps for women conducted by BIAC - India over the past 05 years have become increasingly popular among the communities in the vicinity.

Meanwhile, in Bangladesh the focus is on education. For the past 05 years we have supported a school in close proximity to the BEPZA Zone in Comilla where our factory is located, through monetary contributions and development of services, such as a school library. Through this, our employees are also able to enrol their children in the school at a subsidised fee, and since 2016, over 70 children have been enrolled.

REALIGNING OUR CSR AND COMMUNITY OUTREACH AGENDA IN RESPONSE TO COVID-19

Despite the challenges of COVID19, we remained committed to our CSR agenda which was realigned to meet more urgent community needs arising from the pandemic.

Sri Lanka:

In Sri Lanka, while our focus has traditionally revolved around Water and Sanitation, in lieu of the disruptions to the country’s education system due to frequent lockdowns and travel restrictions, Brandix made a strategic decision to embrace the Educate pillar as the key pivot of its CSR agenda.



Ran Daru Thilina



COMMUNITY OUTREACH

Ran Daru

With the closure of schools resulting in children being forced to stay home for much of the year, and to enable the continuity of education, we proceeded to support our Associates' children through a number of notable activities under the Ran Daru programme - Brandix's long-standing initiative dedicated to support employees' children.

During the year in review, we distributed study packs comprising model and past papers, re-usable masks and school necessities to our employees' children. Through "Knowledge Quest",

a unique and interactive online competition, we aimed to engage children of all age groups by giving them a platform to demonstrate their creative talent under various themes. It was felt that a more holistic approach of this nature will be also beneficial for the psychological wellbeing of children who were compelled to stay home due to extended school closures. The "Knowledge Quest" competition was launched in mid-2020 and ran over a period of 03 months attracting over 700 submissions across art, creative writing and poetry.

- Study Packs – A total of 13,734 study packs comprising model papers for all children of our employees

Looking beyond

Encouraged by the resounding success of the "Knowledge Quest" programme, we began ideating how a similar annual initiative could be introduced on a more permanent basis under the Ran Daru banner. The result was the Ran Tharu Abhiman and Abhiyogaya initiatives. Ran Tharu Abhiman was developed as a quarterly competition under the focus areas of innovation, creativity and learning, coupled with a reward mechanism, while Ran Tharu Abhiyogaya served as a platform to reward children with exceptional talent through access to additional resources to enable them to further develop their skills. The "Ran Tharu" initiative is due to be rolled out with effect from the 2021/22 financial year.



Handover of Medical Equipment - Mawanella Hospital

- Thilina – Over 8,600 children of our employees have received schoolbags, books and other necessities for the entire school year
- Knowledge Quest –Over 700 submissions
- Masks – A pack of re-usable masks were provided to all the children of our Associates, with a total of over 16,300 packs (81,600 masks) distributed

Expanding our P.A.C.E. Programme further, we launched "Abhisheka", a special initiative aimed at empowering our Associates to enhance their entrepreneurial skills and overcome the challenges onset by the pandemic more productively in order to establish a secondary source of income. Through focus on the Financial Literacy module, in FY 2020/21, over 1,100 entrepreneurs were launched across Brandix.

India

In India, we continued to support communities and community institutions in Andhra Pradesh in the areas of health and water & sanitation

INITIATIVE	NO. OF BENEFICIARIES IMPACTED
RO Water Plant in partnership with the Naandi Foundation	Pudimadaka Village population between 9,615 and 12,093 (approximately)
Donation of a vehicle to the Swachh program	Atchutapuram Panchayath population 66,577 (approximately)
Swachh Pudimadaka Month of Jan-21 and Mar-21 from BAI	Pudimadaka Village population between 9,615 and 12,093 (approximately)
Drinking Water Supply for Pudimadaka ZPH School	School Students 700 (approximately)
Eye Operation charges	1

Bangladesh

We continued our engagement with the BEPZA School through monetary contributions and tree planting programmes during the year in review as an extension of the sustainable development focus of our manufacturing facilities.

EMERGENCY RELIEF : COVID-19 RESPONSE MEASURES

Whilst we continued to support our employees, families and communities around our operating locations, we also extended our CSR agenda to support the frontline services and affected communities island-wide in Sri Lanka.

Healthcare Services

Brandix distributed export quality protective equipment including 490,000 protective gowns and 250,000 face masks across 23 hospitals across Sri Lanka. All PPE was produced at Brandix plants under strict guidelines to meet the physical and micro-allergy testing standards of the Infectious Diseases Hospital (IDH).

The Infectious Diseases Hospital, Homagama Hospital and Neville Fernando Hospital in Colombo, Punani Hospital in Batticaloa and Rambukkana Hospital in Kegalle were among those that received sizable contributions of PPE. Additionally, Kahawatte and Nivithigala Hospitals in Ratnapura, Kegalle Teaching Hospital and Warakapola Hospital from the Kegalle District, and the Colombo North Teaching Hospital in Ragama were major beneficiaries of face masks.

To support healthcare services challenged by the rising COVID19 numbers, Brandix also donated 100 hospital beds and mattresses to the Regional Health Services, Galle.

Additionally, two of our former facilities in Rambukkana and Batticaloa were repurposed and converted to quarantine centres, with each capable of addressing treatment of over 250 patients at any given time.

School Children

In partnership with the Sri Lanka Ministry of Education, Brandix donated 1.5 million face masks to be distributed to 5,824 schools island wide.

Community Infrastructure

With supporting community institutions a key pillar under our “Model Village” initiative, Brandix also facilitated the roof repairs of the Minuwangoda Police Station, colour-washing of the buildings at the Minuwangoda Ministry of Health (MOH) Office and the construction of a police post at the Maduragoda Police Station in Ridigama.

LOOKING AHEAD

With the COVID19 pandemic continuing to be a major focus globally, we will continue to support the sustainable development of the communities we operate in and work towards a unified approach to our CSR agenda through identified focus areas for each location of operation.



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GRI 205: Anti-corruption 2016	“205-2 Communication and training about anti-corruption policies and procedures”	Pages 25-27
Environmental Performance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 29-43
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Pages 31-32
	302-3 Energy intensity	Page 34
	302-4 Reduction of energy consumption	Page 34
GRI 303: Water and Effluents 2018	303-1 Water withdrawal by source	Page 38
	303-2 Management of water discharge-related impacts	Pages 36-39
	303-3 Water withdrawal	Page 38
	303-4 Water discharge	Page 39
	303-5 Water consumption	Page 37
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG Emissions	Page 35
	305-2 Energy indirect (Scope 2) GHG Emissions	Page 35
	305-3 Other indirect (Scope 3) GHG Emissions	Page 35
	305-4 GHG Emissions Intensity	Page 34
	305-5 Reduction of GHG Emissions	Page 36
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 40-43
	306-2 Management of significant waste-related impacts	Pages 40-43
	306-3 Waste generated	Page 43
	306-4 Waste diverted from disposal	Page 43
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GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Pages 40-41



GRI CONTENT INDEX

GRI Standard	Disclosure	Page number(s)
Labour/ Management Relations		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 44-55
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Pages 50-51
Occupational Health & Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 44-55
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	Pages 56-60
	403-2 Hazard identification, risk assessment, and incident investigation	Pages 57-60
	403-3 Occupational health services	Pages 56-60
	403-4 Worker participation, consultation, and communication on occupation health & safety	Pages 56-57
	403-5 Worker training on occupational health and safety	Page 57
	403-6 Promotion of worker health	Page 56
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 56-60
	403-8 Workers covered by an occupational health and safety management system	Pages 56-59
	403-10 Work-related ill health	Page 57
Training & Education		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 46-49
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 49
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 46-49
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 49

GRI Standard	Disclosure	Page number(s)
Human Rights		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 44-55
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 405: Diversity & Equal Opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	Pages 44-46
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pages 50-52
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Page 44
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk of incidents of forced or compulsory labour	Page 44
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundaries	Pages 14-16, 21-22, 65-67
	103-2 The management approach and its components	
	103-3 Evaluation of the Management Approach	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Pages 65-67



INDEPENDENT ASSURANCE STATEMENT



Introduction

DNV represented by DNV Business Assurance Lanka (Private) Limited ('DNV') has been commissioned by the management of Brandix Apparel Limited ('Brandix' or 'Brandix Group', Corporate Registration Number PB 85) for the Brandix Group to carry out an independent assurance engagement for the Group's Sustainability Report 2020 - 2021 in its printed format ('the Report'). The sustainability performance in this Report covers the disclosures related to material topics for the financial year 1 April 2020 - 31 March 2021.

The sustainability disclosures in this Report have been prepared by Brandix in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Standards 2016 ('GRI Standards') and its Core option of reporting. The reporting topic boundaries of sustainability performance are based on the materiality assessment carried out by Brandix covering internal and external impacts of identified material topics for its operations and as brought out in the Report in the sections 'About the Report' and 'Materiality'.

We performed our assurance (Type 2, Moderate level) activities based on AccountAbility's AA1000 Assurance Standard v3, and DNV's assurance methodology VeriSustain^{TM1}. In doing so, we evaluated both the qualitative and quantitative disclosures presented in the Report, together with Brandix's procedures for ensuring the accuracy and reliability of disclosed information. Our assurance engagement was planned and carried out in September 2021 - February 2022.

The intended user of this assurance statement is the Management of Brandix. We disclaim any liability or responsibility to a third party for decisions, whether investment or otherwise, based on this Assurance Statement. We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our assurance opinion and this process did not involve engagement with any external stakeholders.

Responsibilities of the Management of Brandix and of the Assurance Provider

The Management of Brandix has the sole responsibility for the preparation of the Report as well as the processes for collecting, analysing and reporting the information presented in the Report and also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on sustainability performance and management approach. In performing this assurance work, DNV's responsibility is to the Management of Brandix; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Brandix.

DNV's assurance engagements are based on the assumption that the data and information provided by the client to us as part of our review have been provided in good faith and free from material misstatements or errors. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement.

We understand that any reported data on economic performance, and other financial data within the Report are based on financial disclosures and data which has been subjected to a separate independent statutory audit process and is not included in our scope of work.

Basis of our Opinion

We planned and performed our work to obtain the evidence considered necessary to provide a basis for our assurance opinion, and as part of the assurance engagement, a multi-disciplinary team of sustainability and assurance specialists conducted remote assessments and interactions with key internal stakeholders at the Company/Group's Headquarters at Colombo and at a selected sample

¹ The VeriSustain protocol is available on request from www.dnv.com and is based on our professional experience, international assurance best practices including the International Standard on Assurance Engagements 3000 (ISAE 3000) Revised (Assurance Engagements other than Audits or Reviews of Historical Financial Information) and GRI's Reporting Principles. GRI's Principles for defining Report Content and Quality.



of six (6) operational sites of Brandix, that is, Kahawatte (BEKA), Avissawella (BFFAV1), Batticaloa (BEB), Ridigama (BCRd) and Welisara (BFFW) in Sri Lanka, and Visakhapatnam (BAI1) in India. We adopted a risk-based approach, that is, we concentrated our remote verification efforts on the issues of high material relevance to the Brandix Group and its key stakeholders. Due to the COVID-19 pandemic and associated travel restrictions, we carried out remote assessments as in-person discussions and onsite assessments were not feasible. We undertook the following activities:

- Review of Brandix's approach to stakeholder engagement and materiality determination process and the outcome as presented in this Report. We did not have any direct engagement with external stakeholders.
- Interviews with managers responsible for management of sustainability issues and review of selected evidence to support issues disclosed within the Report. We were free to choose interviewees and interviewed those with overall responsibility to deliver the Brandix Group's sustainability objectives.
- Remote assessment of site-level sustainability data to review process and systems for preparing the data and implementation of sustainability strategy. We were free to choose sites for conducting our assessment, and the six (6) sample sites were selected on the basis of their materiality, considering economic, environmental and social impacts as well as ensuring sufficient representation of the Brandix Group's operations.
- Review of supporting evidence for key claims and performance data in the Report on a sample basis;
- Sample-based checks of the processes for generating, gathering and managing the quantitative data and qualitative information included in the Report. Our verification processes were prioritised according to the materiality of topics identified by the Brandix Group as part of its reporting process.
- An independent assessment of Brandix's reporting against the GRI Standards and the reporting requirements for the GRI Standards: Core option of reporting.

Opinion

On the basis of the verification undertaken, nothing has come to our attention to suggest that the Report does not properly adherence to the GRI Standards: Core option of reporting, including GRI 102: General Disclosures 2016, GRI 103: Management Approach 2016 and disclosures related to the following GRI Standards which have been chosen by Brandix to bring out its performance against the identified material topics:

- GRI 205: Anti-corruption 2016 – 205-2;
- GRI 302: Energy 2016 – 302-1, 302-3, 302-4;
- GRI 303: Water and Effluents 2018 – 303-1, 303-2, 303-3, 303-4;
- GRI 305: Emissions 2016 – 305-1, 305-2, 305-3, 305-4, 305-5;
- GRI 306: Waste 2020 – 306-1, 306-2, 306-3, 306-4, 306-5;
- GRI 307: Environmental Compliance 2016 – 307-1;
- GRI 402: Labor/Management Relations 2016 – 402-1;
- GRI 403: Occupational Health and Safety 2018 – 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-10;
- GRI 404: Training and Education 2016 – 404-1, 404-2, 404-3;
- GRI 405: Diversity and Equal Opportunity 2016 – 405-2;
- GRI 406: Non-discrimination 2016 – 406-1;
- GRI 408: Child Labor 2016 – 408-1;
- GRI 409: Forced or Compulsory Labor 2016: 409-1;
- GRI 413: Local Communities 2016 – 413-1.



INDEPENDENT ASSURANCE STATEMENT



Observations

Without affecting our assurance opinion, we also provide the following observations evaluating the Report's adherence to the Reporting Principles of the GRI Standards and principles of AA1000APS:

Inclusivity

The participation of stakeholders in developing and achieving an accountable and strategic response to Sustainability.

The Report brings out the key stakeholder groups identified by Brandix, that is, its customers, employees, banks and financial institutions, suppliers, union activists, non-governmental organizations, regulatory authorities, media and communities. The formal and informal modes of stakeholder engagement that exist at various levels across Brandix's operations are explained within the Report, including the key stakeholder concerns that were considered to develop sustainability initiatives.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Inclusivity.

Materiality

The process of determining the issues that are most relevant to an organization and its stakeholders.

The Report brings out the processes undertaken by Brandix towards identifying and addressing its key material topics based on internal and external business impacts, global frameworks and outputs from stakeholder engagement. Based on a revalidation of its eleven (11) material topics identified in 2019-20, Brandix Group has confirmed that these topics remain consistent and there were no significant changes identified.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Materiality.

Responsiveness

The extent to which an organization responds to stakeholder issues.

The Report brings out the Brandix's strategies, management approach including performance indicators, targets and goals through qualitative and quantitative disclosures based on selected GRI topic-specific standards related to its identified material topics. The Report also explains how the key responses and challenges related to identified stakeholder concerns contribute towards its identification of business risks and opportunities, and overall sustainability strategy.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Responsiveness.

Impact

The level to which an organisation monitors, measures and is accountable for how its actions affect its broader ecosystems.

The Report brings out descriptions of Brandix's processes towards identification, monitoring and evaluation of significant impacts related to its identified material topics. The Report explains how potential and actual impacts are considered towards framing and adapting the overall business strategy, stakeholder engagement processes and governance mechanisms of the business units.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Impact.



Specific Evaluation of the Information on Sustainability Performance

The Report brings out the processes that Brandix has established to collate and analyse sustainability data related to its identified material issues from its operational sites. Most of the qualitative and quantitative disclosures verified at the six (6) operational sites were derived from internal data systems and found to be accurate. The majority of data and information verified through our remote assessments and reviews with the data owners at the sampled operation sites were found to be accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been identified, communicated and corrected.

Reliability

The accuracy and comparability of information presented in the report, as well as the quality of underlying data management systems.

The Report brings out the processes that Brandix has established to collate and analyse sustainability data related to its identified material issues from its operational sites. Most of the qualitative and quantitative disclosures verified at the six (6) operational sites were derived from internal data systems and found to be accurate. The majority of data and information verified through our remote assessments and reviews with the data owners at the sampled operation sites were found to be accurate and reliable. Some of the data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been identified, communicated and corrected.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Reliability.

Additional principles as per DNV VeriSustain

Completeness

How much of all the information that has been identified as material to the organisation and its stakeholders is reported.

The Report brings out Brandix's sustainability performance considering the selected scope of reporting i.e. social, environmental and governance for the reporting period, covering its apparel manufacturing operations in Sri Lanka, India and Bangladesh. Further the key requirements of the GRI Standards: Core option of reporting such as explanations of management approach and performance indicators relevant to Brandix's material topics and covering its chosen scope and boundary, are brought out within the Report.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Completeness with respect to scope, boundary and time.

Neutrality

The extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone.

The Report brings out the Brandix's sustainability performance during the reporting period in a neutral tone in terms of content and presentation taking into account macroeconomic factors that impacted its business, as well as major challenges and overall sustainability context, so as to not unduly influence stakeholder opinions made on reported data and information.

Nothing has come to our attention to suggest that the Report does not meet the requirements related to the Principle of Neutrality.



INDEPENDENT ASSURANCE STATEMENT



Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO IEC 17021:2015 – Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct² during the assurance engagement and maintain independence where required by relevant ethical

requirements including the AA1000AS v3 Code of Practice. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV provides a range of other services to Brandix, none of which in our opinion constitute a conflict of interest with this assurance work. We were not involved in the preparation of any statements or data included in the Report except for this Assurance Statement and Management Report. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to Brandix in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

For DNV

Kiran Radhakrishnan

Lead Verifier,
DNV Business Assurance India Private Limited, India.

Rohitha Wickramasinghe

Operations Manager – Sri Lanka
DNV Business Assurance Lanka (Private) Limited

Vadakepatth Nandkumar

Assurance Reviewer,
DNV Business Assurance India Private Limited, India

14th March 2022, Colombo, Sri Lanka.

² The DNV Code of Conduct is available on request from www.dnv.com



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UN GLOBAL COMPACT - COMMUNICATION ON PROGRESS

The Ten Principles of the UN Global Compact		Relevant Section in the Report
Human Rights		
Principle 1	Business should support and respect the protection of internationally proclaimed human rights	Governance & Risk, Inspired Employees, Safeguarding Our Environment, Occupational Health & Safety and Our Supply Chain
Principle 2	Business should make sure that they are not complicit in human rights abuses.	Governance & Risk, Inspired Employees, Safeguarding Our Environment, Occupational Health & Safety and Our Supply Chain
Labour		
Principle 3	Business should uphold the freedom of association and the effective recognition of the right to collective bargaining	Inspired Employees
Principle 4	Business should support the elimination of all forms of forced and compulsory labour	Inspired Employees
Principle 5	Business should support the effective abolition of child labour	Inspired Employees
Principle 6	Business should support the elimination of discrimination in respect of employment and occupation	Inspired Employees
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges	Safeguarding Our Environment
Principle 8	Business should undertake initiatives to promote greater environmental responsibility	Safeguarding Our Environment
Principle 9	Business should encourage the development and diffusion of environmentally friendly technologies	Safeguarding Our Environment
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery	Governance & Risk, Inspired Employees and Our Supply Chain





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