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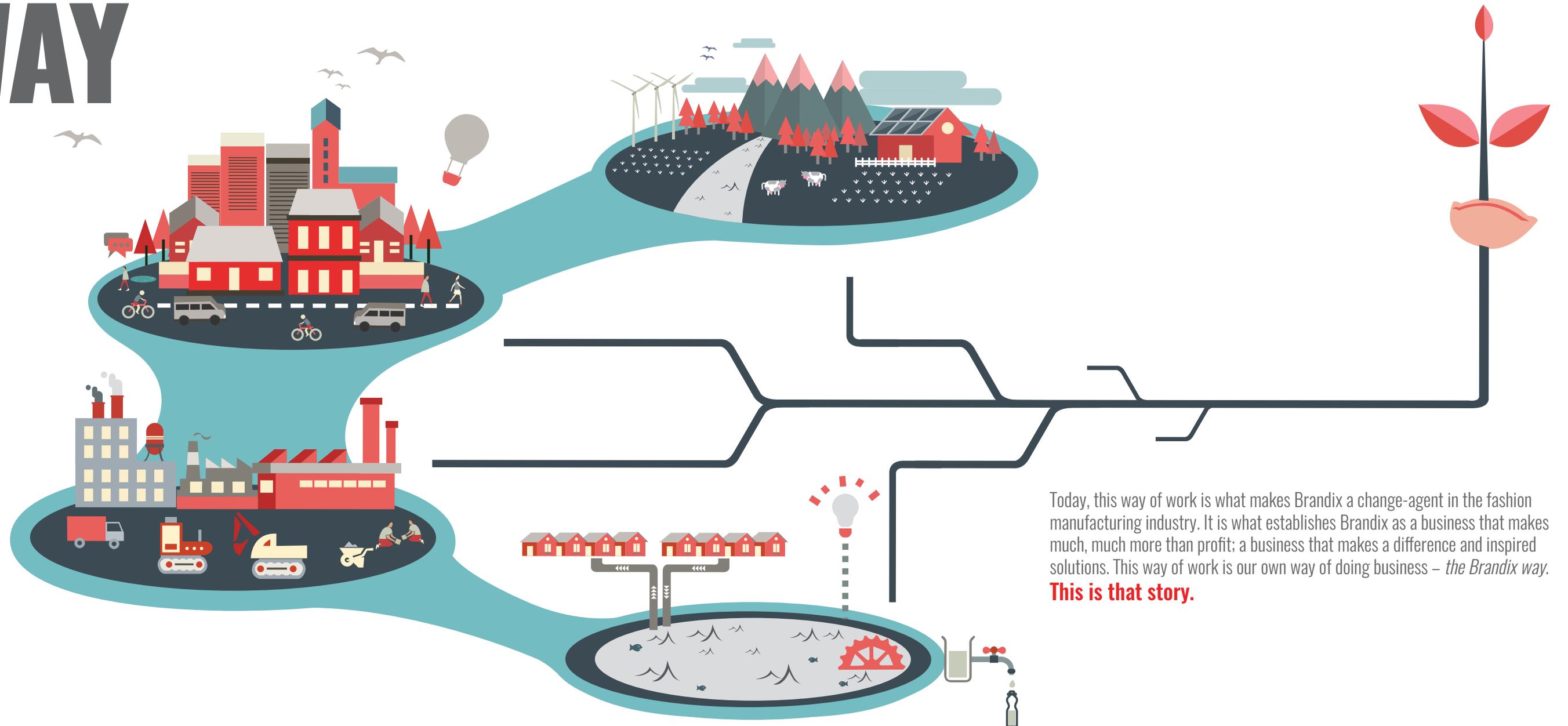
We are more than a corporation;
We are a team bound by values
that resonate from our core,
to impact this planet that we call home...

BRANDIX

WAY

Brandix team is built around a special way of work; a way marked by honesty, friendship and truly loving what we do for our customers.

It reaches even further and encourages us to look at the bigger picture and at the consequences of our work upon the rest of the world. This way of work has taught the Brandix team to take ownership for what they do – from the seed of origin to the very end of the string where its effects are last felt. This way of work has taught us the value of education to develop our people and to keep getting better at what we do. This way of work has instilled in our professionals, a deep sense of respect and duty for the resources and the energy that we borrow from the Earth. This way of work has transformed the individuals of the Brandix team to become leaders who trigger a ripple of change across their own societies.



Today, this way of work is what makes Brandix a change-agent in the fashion manufacturing industry. It is what establishes Brandix as a business that makes much, much more than profit; a business that makes a difference and inspired solutions. This way of work is our own way of doing business – *the Brandix way*.
This is that story.

CEO STATEMENT

If ignorance was ever a reason for humanity's once cavalier attitude towards the environment, it can be no longer. Global awareness of the need to protect our planet and its atmosphere from further pollution is at its peak.

In a market environment such as this, the increasing awareness of the public on climate change, the ever-increasing world fossil fuel prices which make renewable energy alternatives such as biomass more attractive, and national policies on sustainability are some of the trends affecting our organisation and the industry we serve in.

Nevertheless, environmental degradation continues, despite laws and conventions to prevent it, and the efforts of organisations and businesses around the world to adopt sustainability as one of the basic pillars of their operational models.

In that context, the title of this, the Brandix Group's second Sustainability Report, is most appropriate. There is no arrogance or conceit in the legend 'The Brandix Way.' We believe that in the pages that follow, we show just how, convincing and engaging our people – employees, suppliers and customers enterprise wide in considering the Planet in everything they do, can, and has, made it possible to achieve and even surpass targets.

Perhaps, we may show the way to others in industry and inspire them to take the same route to progressively and effectively achieve significant reductions in their environmental footprint.

This by no means implies that we at Brandix have arrived at our destination. Our operations continue to grow, as do our aspirations, and technologies continue to evolve. And while this report show that we have as a Group made remarkable progress in becoming Greener, the journey never ends.

As company, we strive to align our sustainability agenda to the guidelines set out by international organisations such as the UNGC, and the LEED principles set out by the US Green Building Council. This report covers the progress made in the last financial year and the targets we have set ourselves for 2020.

One of our biggest environmental achievements in the year under review in terms of our manufacturing operations, was when Brandix Lingerie received the Gold award in the 'Large Scale Manufacturing' category and Brandix Essentials received a Merit award in the 'Commercial Building' category at the Sri Lanka National Energy Efficiency awards ceremony.

In the year under review, our Sustainability performances are as follows: In the 'Air' category, we have reached 146 g of CO₂(e) / USD emission intensity. We are currently maintaining 10 litres / clocked hour for occupant 'Water' usage, and 75.3% of our 'waste' is being reused or recycled. Judging by these figures, it is clear that we have made significant progress, but can improve further.

We have set ourselves ambitious environmental goals for 2020. We hope to achieve net zero air emissions and to target zero discharge of hazardous chemicals in water, provide clean drinking water to all our associates and achieve zero water wastage. Our Earth target for 2020 is to reuse or recycle 100% of waste.

When these milestones are reached, we will, no doubt, set our sights on reducing our consumption of resources further.

The commitment of the management of Brandix to this process is absolute and irrevocable. We have asked for and received the support of our 46,000 plus employees to our Green journey, and it is not an overstatement to say that the environment gene is now a robust strand in our DNA.

Let's make 'The Brandix Way' a rededication to our Sustainability Agenda.

Ashroff Omar
Chief Executive Officer



OUR NETWORK

We believe in building friendships with likeminded individuals, groups and organisations that value quality, standards and sustainability as highly as we do, and believe in *the Brandix way* of doing business. Our trusted network of stakeholders, partners and memberships starts in Sri Lanka and stretches across the world.

Stakeholders

- Customers
- Suppliers
- Employees
- Shareholders
- Local Communities
- Government
- Banks

Memberships

- Sri Lanka Apparel Exporters Association
- The Ceylon Chamber of Commerce
- European Chamber of Commerce of Sri Lanka
- The Employers' Federation of Ceylon
- Joint Apparel Association Forum
- American Chamber of Commerce
- CSR Lanka
- United Nations Global Compact
- Global Water Partnership

THE BRANDIX WAY WITH

We understand that
the survival of our work
depends on nature and not
the other way around.

NATURE

The Brandix way with nature is a mutually wholesome one. We understand that the survival of our work depends on nature and not the other way around.

We know that natural resources are limited and therefore, precious. Consequently we, the Brandix team, have a deep-seated reverence for the environment and take special care to reuse, recycle and promote sustainable practices in and out of work. The environment is the most significant concern for a sustainable business like ours. Therefore, it is an honour to comply with laws and regulations, as well as expectations of stakeholders.



Nonetheless, *the Brandix way* is not about doing only what is necessary but to go that extra mile to make a true difference. So, we don't stop where we restore what we take from nature, we also take effort to make-up for the damage that mankind has caused on earth.

EFFICIENT & SUSTAINABLE TRANSPORT

As a company that reaches across borders, managing sustainability in transportation is one of our biggest challenges. Another reason for us to keep a close eye on this aspect is that transport plays a significant role in the job satisfaction of employees from all levels of employment. Carbon dioxide emissions and other environmental effects of transport have become a considerable concern to us with the increasing awareness about factors contributing to climate crisis.



At the start of 2015, Brandix took the initiative to centralize its employee transport management to give more efficient and effective transport for its employees. We provide transport for most employees as mass transport, a vehicle allowance or a company maintained vehicle: meeting state regulations for smoke emissions has been made a mandatory requirement for all our transport service providers.

Our fleet is constantly upgraded and encouraged service providers offering higher rates for newer vehicles which is more environmental friendly. A pilot project that has yielded significant success, has been conducted in Brandix Intimate Apparel Welisara factory where all vehicles were fitted with a GPS device to track the current routes and optimise them for future journeys. This optimization of routes has considerably reduced the per day run Km which helps to reduce the carbon emission to environment. This too has resulted in a cost reduction of 15% and is expected to exceed 20% by the end of the year resulting in all vehicles in the fleet to be equipped with GPS devices by the end of the 2015 calendar year.

We take good care of our fleet inspecting each and every vehicle to verify that they meet our comfort, efficiency and emission standards. Although currently, the data is insufficient. We are happy to state that we're in the process of implementing a system to record and report the impact of our transportation on the planet, for the next reporting period.

MAKING A STATEMENT

When it comes to our values and commitment to sustainability, we walk the talk. Our headquarters was built as an embodiment of our beliefs and makes a statement about *the Brandix way*. Standing tall and proud within the heart of the rising Colombo cityscape, the Brandix Lanka HQ is a state-of-the-art, unique piece of architecture resembling a black glass box facing the beautiful Indian Ocean. But why we are so proud of our central hub of operation is more than its outstanding appearance and scenic location.

Commissioned on the March 1st, 2015, our HQ spans over eight storeys and 37,000 square-feet accommodating about two-hundred employees. This remarkable building consumes less than five kilowatts per square-foot each month. Our architects designed the building envelop is to maximise the use of natural light by maintaining a high window-to-wall ratio of approximately 0.6. None of the windows have shades, except for the west wall which gets a strong glare of tropical sun during the afternoons. Our lighting system is comprised of low power consuming LEDs, resulting in an annual saving of 21,696 Kilowatts per hour when compared to using CFLs; the lighting is efficiently controlled by an automatic control system with the help of lux and occupancy sensors.



Being one of the tallest buildings in the area, without any surrounding walls and with a high window-to-wall ratio, keeping the heat levels low was a daunting task; we had a significant success by using double glazed windows, with a thin layer of argon in between; however, the stifling Sri Lankan sun still forces the air conditioning to account for more than 70% of the building's energy requirement.

From previous records and experience, we knew that part load efficiency would be a decisive factor in the building's efficient operation. Therefore, we went on to invest on magnetic bearing technology – the first of its kind in Sri Lanka; this means that we can maintain a remarkably high operating efficiency with part loads as low as 5% and more than 35% energy savings compared with conventional chillers. This technology is also oil-free, demands a low maintenance cost and has long term reliability.



The Brandix HQ has a tailor-made and comprehensive BMS that offers a wide range of services in addition to resource optimisation; it maintains an efficient control of air conditioning with the help of temperature and occupancy sensors along with real time monitoring of electricity, water, fire system, lighting, generators and scheduling of equipment. We also sustain appropriate carbon-dioxide levels through the air handling unit (AHU) located on the top most floor, which distributes fresh, chilled air to all floors via a duct system. The supply rate is determined by the BMS with a help of carbon-dioxide sensors.

To monitor the energy usage between lighting, air conditioning, and power stations, our HQ has three sub-meters per floor totalling to twenty-eight sub-meters in the building. The remaining meters monitor the central air conditioning system, fire panel, outdoor lighting and elevators.

Appreciated by visitors and our team alike and exemplifying our vision to make a greener world, our HQ remains a lasting monument of the Brandix way of doing things.

THE BRANDIX WAY WITH BUSINESS

Proactive, thorough and constantly improving; this is the Brandix way with business.

As a large-scale employer we are responsible for thousands of livelihoods - so is our performance. Our vision is to provide world-class apparel solutions to inspire our customers. Our commercial performance bears a direct effect on these livelihoods of the Brandix team through wage increments and additional benefits. It also has tremendous effect upon our growth and prompt delivery of high quality products. Furthermore, our performance has an indirect yet sure effect on the local communities around the locations of significant operation.

To ensure the success of this crucial aspect of our work, we make careful plans for our targets. Long-term targets are defined in our strategic business plan and these are converted into long-term targets through the budgetary process. Responsibilities and targets of the teams including CEOs are clearly articulated during the annual goal setting process at the beginning of the financial year. These financial and non-financial targets are reviewed monthly, quarterly and annually. Individual performance of the teams and CEOs are reviewed every six months and rewarded at the end of the financial year based on their performance. Strong governance is maintained in the process of economic value additions such as abiding to financial and non-financial policies that the company maintains. In addition, the Risk and Control Division presents an audit report to an external audit committee. Economic KPIs are constantly benchmarked according to the industrial best practices to see if our targets align with the world's best.

The material that we procure from our suppliers directly impacts the quality of end product and contribute approximately 60% of the value. Our processes and policies are designed to safeguard our customer brands by providing them with the best quality products made ethically and in a sustainable manner. This is enabled through our business policies, processes and procedures which are amongst one of our most important business practices.

Our supply chain vision is set out to build a robust supply chain with best in class processes to provide an intimate service and a phenomenal product to our customers ethically. We place great importance on speed, quality of service and price. In keeping with this vision, significant changes in the structure of the supply chain function within the reporting period were in-line with us moving from a sector structure to a functional structure.

All our suppliers are required to sign 'Brandix code of Ethics' to conduct business transaction with Brandix. By signing 'Brandix Vendor Code of Ethics' the vendor commits to conducting business in an ethical manner. All new suppliers are screened using labour practices, human rights and environmental criterion.

The Brandix Vendor Code of Ethics covers the following;

- **Prohibition of providing unethical advantages (soliciting bribes, bribing government officials, etc.)**
- **Prohibition of unethical business and social standards (child labour, forced labour, discrimination, etc.)**
- **Supply chain responsibility and disclosure & compliance.**

As part of our supply chain risk management process the team conducted a pilot to assess some of our key suppliers on their manufacturing capabilities, working conditions, environmental compliance and legal compliance. 60% of our supply value will be covered by the end of the 2015 – 2016 financial year, and 100% will be covered within the next two years. By constantly encouraging and rewarding good practices of our suppliers, we have sparked a wave of better business practices throughout the supply chain.

We select suppliers that are local to our operations which gives the benefit of lower logistics cost and less emissions and better speed while supporting local businesses to develop the regional economy and elevate the living standards of the communities. In the 2014-2015 financial year we have procured 44% of our direct material from local sources.

We're constantly in the lookout to improve our supply chain; in the 2014-2015 year alone, we set up fourteen strategic initiatives to help us in becoming best in class supply chain. For each of these initiatives, we set short term and long term targets, which are monitored and reviewed on a fortnightly basis. Going forward we would be auditing the implementation of these strategic initiatives to ensure their sustainability and also identify new initiatives to enable us in achieving the vision of a best in class supply chain.

THE BRANDIX WAY WITH CARE

Our philosophies on community and how we treat others is based on respect and care

Our philosophies on team and how we treat others is based on respect and care. We make sure that our team is treated fairly and respectfully while providing opportunities to share their thoughts to develop the organisation; this instils work dignity and elevates them to become future leaders. The larger regional populace where the overwhelming majority of our employees come from, too are included in our umbrella of care. We are proud to declare that Brandix is considered as a highly ethical corporate citizen due to its care in managing employee relations.

Keeping our team at the centre, we work hard to keep a high employee delight score. By reducing our employee turnover, maintaining our absenteeism at minimum, having zero industrial disputes and conducting frequent team gatherings across the group, our team has been able to engage and interconnect even further. When considering our approach, we take into consideration internal survey results and a number of industrial disputes across the group and our Risk and Control team keeps a close eye on any violation of labour laws while also reporting the same directly and independently to the audit committee.

We are also humbled by the fact that Brandix, not as a holding company but singled out as an entire group, won gold for HR standards consistently at the National HR (NHR) Awards judged by Hewicks and Society for Human Resources Management (SHRM – the world's largest HR body). Further, SHRM magazine, read by over 198,000 professionals in 247 countries, covered Brandix HR and community aspects, including front page coverage. This is the first for an Asian company. Additionally, Google's Senior Vice President of People Operations, Laszlo Block, covered HR practices in his new book, *Work Rules!*

Care For Our Own

In 2006, we developed the 'Care for our Own' initiative to respond to the desperate need for clean water supply systems among employees and their communities and to contribute to the national goal of 'water for all' by 2025. This flagship initiative concentrates mainly on the immediate and dire water needs of Brandix associates. Water supply systems have been delivered to over four-hundred individuals in 2013 and another five-hundred have been implemented by 2014 end. Beneficiaries are selected by using our extensive network of over thirty-thousand Brandix associates across the country. These associates provide the *Bindu Foundation* with a grass roots view of needs of their hometowns. This grass roots view enables us to select those individuals, townships, schools and hospitals that have the greatest need. The eligibility criteria are based on need and/or years of service and, since its launch in 2008, we have implemented over 2400 micro water supply projects under this initiative.

Care For Communities

'Care for Communities' initiative concentrated on the key institution in a five kilometre radius around our factories and implementing micro water supply projects in those institutions that have a need. This initiative was launched in 2013 and the pilot project was implemented in Polonnaruwa.

A need assessment was carried out around our factory and key institutions were identified as potential beneficiaries. After this, water solutions were provided to identified schools benefiting 5500 students; this included schools attended by our associates' children. Taking a step further, macro water supply projects were implemented in independent communities; the benefits of this initiative reached 3500 people and three hospitals. We hope to keep growing our reach and helping a wider group each year.

Care for the North

Brandix and Hong Kong and Shanghai Bank (HSBC) joined forces together to for a jointly funded water project in the Kilinochchi District. We assisted two villages in Kilinochchi (Neplow and Pallikudah) by providing its residents with access to water, livelihood development, infrastructure and education to eight-hundred families in the two communities. The project commenced in April 2013 and is implemented in two stages. The first phase was the generation of a series of wells to provide access to year-round water for the villagers. These wells now help to provide sufficient water for agricultural, household and environment needs of the two communities. The second phase saw the development of livelihood programmes, empowerment, education and providing infrastructure facilities, which commenced in April 2014. Our implementing partners for this were World Vision Sri Lanka.

World Water Day 2014

Marking World Water Day 2014, 'Nihanda Mehewara' was initiated by recognising our community members for their unheralded social service in their individual capacities. Eleven recipients, who were chosen out of nominations by peers, received a pledge of 250,000 Rupees from Brandix for a public service project of his or her choice, anywhere in Sri Lanka.

Knowledge Sharing

We find that education on good water practices is the best investment for future preservation. Our approach to education in water and sanitation is categorised into three distinct streams:

- Education in water usage and maintenance
- Education in water conservation
- Education in water management for livelihood development

In 2012 we launched our main water education programme entitled 'Jalavahini' for women leaders of community-based organisations (CBOs) in Sri Lanka's water sector. The aim of the programme is to educate female leaders in 3500 CBOs on all aspects of water management, financial issues and other income generating activities. These 3500 groups account for over two million female members who are actively involved in the water supply for the villages. This program was run in conjunction with NetWwater. In its first year, we conducted eight Jalavahini programmes, reaching representatives of more than three-hundred community based organisations.

Learning Water

By funding and facilitating research, the future for better water handling becomes surer. It can also contribute to the knowledge and innovation capital in Sri Lanka. Building upon the substantial work already carried out at the Water Resources Training Centre in Anuradhapura, we're driving the research agenda along the following themes:

- Water and sanitation related health problems such as diarrhoea, fluorosis, and Chronic Kidney Disease.
- The foundation will also fund research into new water saving technologies such as more effective use of rain water for irrigation and
- Economical water filtration
- Water availability and access across the island.
- Water quality across the island

Brandix has also established the Water Resources and Training Centre in Anuradhapura, where we play a supervisory role. It was constructed and equipped at a cost of twenty-five million Rupees by Brandix in consultation with the Water Resources Board (WRB). The 'Water Resources Research and Training Centre' in Korakahawewa (six kilometres from the historic sacred city of Anuradhapura), conducts training programmes to educate and train rural youth on the ill-effects of consumption of contaminated drinking water and on the use of cheap but effective purification and filtration techniques.

The seven-thousand square foot laboratory and training centre is dedicated to reducing the occurrence of such health problems through a combination of awareness and training programmes on water purification; conservation, management and the manufacture and distribution of low cost household water filters across the province. The Centre will be managed by the Water Resources Board and trains eighty to hundred people a month. Trainees are selected from each village in the province and will on completion of their training - train and educate the inhabitants of their respective villages.

The rationale for the centre and its location in Anuradhapura was the high incidence of Dental Fluorosis, Chronic Renal Failure and other health hazards associated with contaminated drinking water in the North Central Province (NCP). Research carried out by several agencies including the Water Resources Board has revealed that one in every ten people living in the NCP suffers from kidney disease as a result of drinking water contaminated with heavy metals and agrochemicals and the use of low quality aluminium containers to store water.



A Helping Hand

Our disaster management efforts cover two main areas which include longer term disaster relief for problems resulting from the end of civil war as many people in the north and north east of the island are living in temporary and precarious situations. We're also ready to step in as an immediate response to unknown natural and humanitarian shocks.

RASADIYA MANGALYA The Brandix Festival

Rasadiya Mangalya is our day. Fuelled by our team's aspirations, dreams, passions and talent, it is a night of joy, inspiration and team spirit. *Rasadiya Mangalya* includes awards for employees of the year (EOY), supervisors of the year (SOY), other category awards, music, talent in song and dance as well as recognition for sports and outstanding work ethic.

In 2014 *Rasadiya Mangalya* became the mega platform for our team to share their talents in music, dance and much more. The suspense of a sporting finale and a glamorous awards show came together when we honoured fifty of our best performing team members and supervisors. The *Rasadiya Mangalya* or Mercury Festival became a memorable and inspiring day that knit our bond closer in the Brandix team. Again in 2015, our team united across Sri Lanka, India and Bangladesh to make another memorable day that unites us.

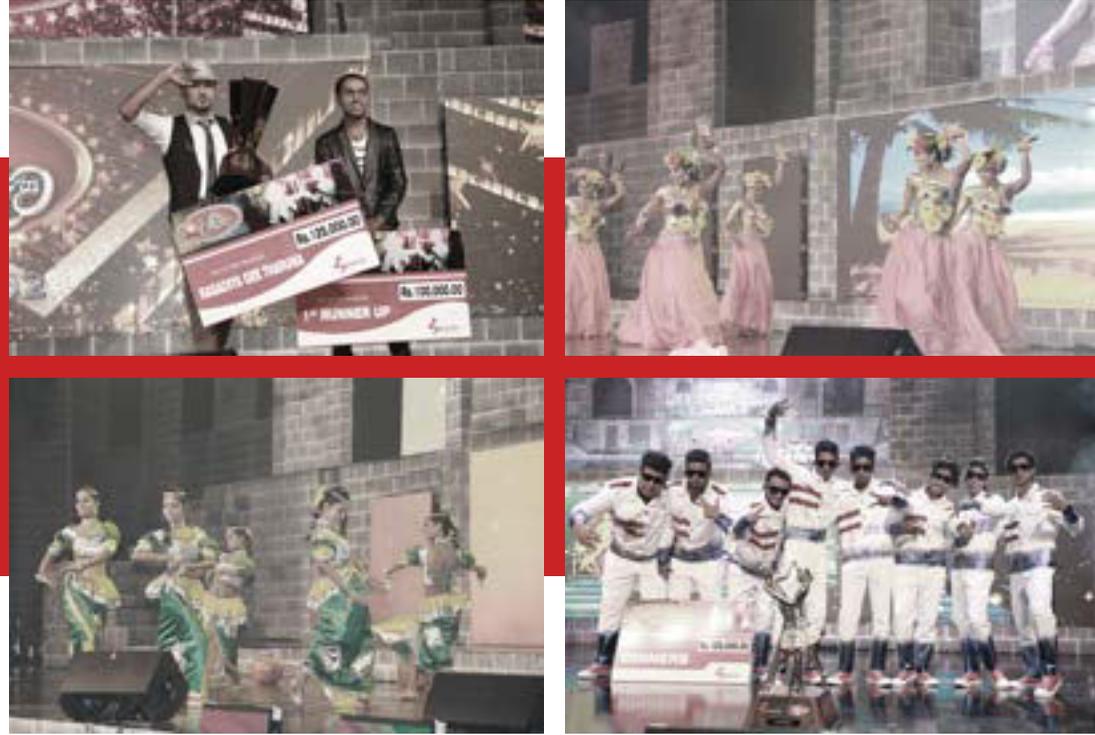
Recognition

Annually at Rasadiya Mangalya, we celebrate our team leaders who excel in spreading the energy of our vision. EOY & SOY Awards recognise the employee of the year and the supervisor of the year with forty-one nominees selected through an all-encompassing process based on criteria such as efficiency, KPI achievement, rejection rate, absenteeism, leave, additional contributions etc. The nominees are evaluated by a panel at factory level consisting of the respective HODs, Factory Manager, HR Manager & COO and also, confirmed by the SBU CEO & Board Director. This initiative, carried out for the fifth consecutive year at Brandix, recognises and enables the recipients to add further value through overseas exposure via Study Tours to China, India & Bangladesh. It is our tribute to the efforts of our team. In 2015, we joined with our team in India, Bangladesh and Sri Lanka to host the most inspiring and life-changing edition of the EOY & SOY awards at the annual Rasadiya Mangalya, attended by over five-thousand of our team members.



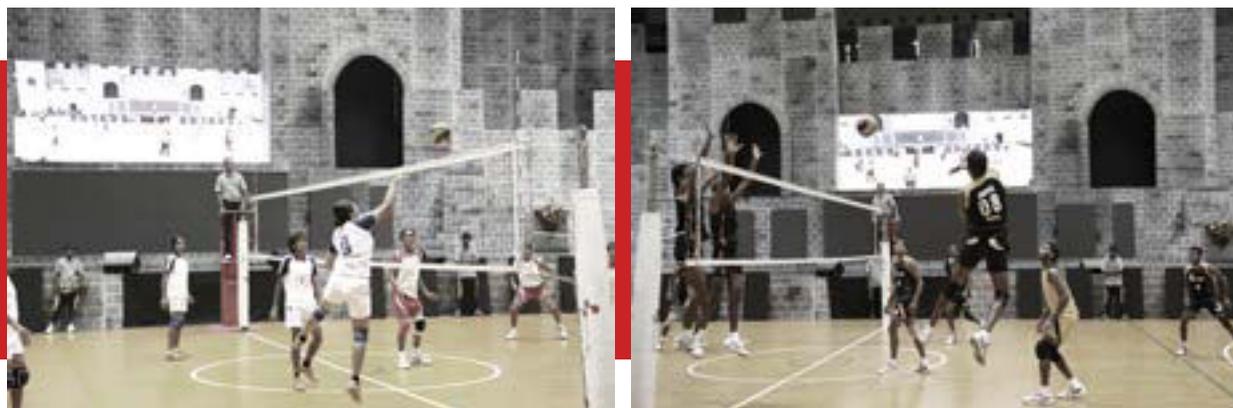
Brandix' Got Talent

Popular demand resulted in the emergence of an addition to the *Rasadiya Mangalya* in 2015 by way of Mercury Singing Star. Here, our talented team enabled personal passion and talent in singing and dancing to emerge and get recognised. Providing an entertaining, inspiring and emotional platform for us to connect together as one big team, *Rasadiya Gee Tharuwa* (Mercury Singing Star) ended on a high for Brandix.



Mercury Glory

The Mercury Trophy (Rasadiya Kusalana) extends beyond volleyball. It is a competition that fuels the team spirit, self-will and inspiration of our extended Brandix family. This year, over 360 volleyball players participated in the Rasadiya Kusalana Inter-Factory Volleyball Tournament 2015 spanning across thirty factories of Brandix. The winners and all other participants as well as the viewers were part of a glorious game that also played tribute to Sri Lanka's national sport, and further is considered the largest volleyball tournament in Sri Lanka.



Brandix Dancing Stars

It was nothing short of exhilarating for the Brandix team to join hands in celebrating their own talent in performing arts. After months of rehearsals, committed after-hours and pure determination, our team hosted a night to remember. Song, dance and laughter rang at the Sugathadasa indoor stadium that night and reminded us that one of the organisation values closest to our hearts is 'friendship.' It emerged an inspiration to all team members since individuals with talent are groomed to reach stardom as appreciated by the entire team.



BRANDIX FM Our Voice

Brandix FM is a 24 x 5 radio station that has almost a thirty-thousand listenership across the group. Its twenty-four-hour service with specific programs between key work hours and continuous trailers throughout the day, provides an entertainment factor to our team.

Powered by six presenters, Brandix FM brings entertainment promotions to the factories, and is the largest internal radio network in the apparel sector. What is more, it exerts zero cost to the Brandix factories!



VIYAMAN A Paper By Us For Our Own

As Brandix grew in size and strength, it became essential to establish and maintain a close communication that would reach out to every member of the team; this necessity is what gave rise to the Brandix internal newsletter, 'Viyaman' in 2002.

The creation of the newsletter, from the initial ideas to the final published version, is handled by the editorial team, consisting of voluntary Brandix team members. A representative from each factory or cluster is part of the editorial team ensuring fair representation of all employees.

Over the past thirteen years, Viyaman, which has grown to reach a print-run of over thirty-thousand copies and a hundred-thousand readership, is regarded as the largest privately circulated newsletter in Sri Lanka. Published primarily in the Sinhala language along with a few Tamil articles, the paper is also distributed freely among schools and libraries in the districts where major Brandix factories are located. Associates at Brandix receive the newsletter free of charge and an online version is also made available and distributed via email to the executive associates. In keeping with Brandix's eco-friendly initiatives, the magazine is printed with FSC certified paper and vegetable oil-based ink.



2014 APRIL



2014 OCTOBER



2014 JULY

SHARING LIFE Fuel

Brandix has been acknowledged as the largest blood donor for the fifth consecutive year in 2015, among private sector organisations that donate annually to the NTBS (The National Blood Transfusion Service). Opting to help this organisation that saves the lives of thousands every year, we began an organised blood collection drive across our factories in Sri Lanka in 2007 (voluntary and non-remunerative). It was a heart-warming success. Today we continue to work with the NTBS to conduct collection days at its factories from September to December every year. It's one of the many ways that we touch the lives of thousands.

Our efforts were celebrated at the 2014 World Blood Donor Day held in Sri Lanka - the first South Asian nation to host this global event - which was attended by the WHO, Ministry of Health, International Society of Red Cross & Red Crescent, International Society of Blood Transfusion (ISBT), Asian Association of Transfusion Medicine (AATM), the International Federation of Blood Donor Organisations and the Asia Pacific Blood Network. Honourable Maithripala Sirisena presented Brandix with a special plaque of appreciation at this event as a mark of recognition.



OUR HONOUR

We uphold the Brandix team values with honour. Our allegiance to the United Nations Global Compact entails internationally accepted human rights, labour, environment and anti-corruption practices. Our pride includes our greater community who possess the same sense of integrity, such as Sri Lankan civil society and our customers.

Through the team leaders present at each factory, Brandix maintains a policy of zero critical non-compliance. Our own *Social Compliance Manual*, launched in 2001, is reviewed periodically and is freely available to all employees. The most recent revision was in June 2014. We also proudly display the policies and values in factories as posters that also remind our team of *the Brandix way* of operating. In addition, induction and training programmes regarding local laws, Brandix's values, and moral obligations are constant modes of educating our team.

We have also worked hard to make sure that every employee has an accessible method to report any form of non-compliance. Following a report, a thorough investigation is carried out and the level of infringement is determined followed by disciplinary action wherever necessary. Brandix also asserts a strict anti-corruption policy throughout our team and there have been no confirmed incidents of corruption at Brandix. It is our honour to care for the community that makes us.

Safeguarding our team and our values is no easy task, but it is of extreme importance to Brandix. Our compliance team conducts audits periodically at all the factories to ensure the workplaces are in compliant with the set standards and guidelines. All our facilities are equipped with CCTV cameras for round the clock security; our system restrictions prevent new opportunities that may violate our values and principles- for example, our system ensures the legal age of an employee through their National ID number making sure that children are never accepted into our system.

No operations where the employee rights to exercise freedom of association or collective bargaining are violated. No Brandix operations or suppliers are at risk of child labour or forced or compulsory labour. Further, Brandix has been proudly compliant with laws and regulations concerning the environment, society and provision and use of products and services.

**BRANDIX HAS BEEN
SUBSCRIBING TO THESE
CHARTERS SINCE 2004**

**Certification
LEED GOLD**



BRANDIX ESSENTIALS RATMALANA
BRANDIX ESSENTIALS KOGGALA

**Certification
M&S ECO FACTORY STANDARD**



BRANDIX LINGERIE 1
BRANDIX LINGERIE 2
BRANDIX ESSENTIALS KOGGALA
BRANDIX APPAREL INDIA 1
BRANDIX CASUALWEAR SEEDUWA
BRANDIX CASUALWEAR GIRITHALE

**Certification
WRAP**



BRANDIX CASUALWEAR RATMALANA
BRANDIX CASUALWEAR GIRITALE
BRANDIX CASUALWEAR AVISSAWELLA
BRANDIX CASUALWEAR RIDIGAMA
BRANDIX CASUALWEAR SEEDUWA
BRANDIX ESSENTIALS KOGGALA
BRANDIX ESSENTIALS RAMBUKKANA
BRANDIX LINGERIE
BRANDIX INTIMATE MINUWANGODA
BRANDIX INTIMATE WELISARA
BRANDIX INTIMATE MIRIGAMA
BRANDIX INTIMATE POLONNARUWA

**Certification
SA8000**



BRANDIX CASUALWEAR RATMALANA
BRANDIX CASUALWEAR GIRITALE
BRANDIX CASUALWEAR AVISSAWELLA
BRANDIX CASUALWEAR SEEDUWA

**Certification
OHSAS 18001**



BRANDIX CASUALWEAR AVISSAWELLA
BRANDIX CASUALWEAR SEEDUWA

**Certification
ETI**



BRANDIX CASUALWEAR RATMALANA
BRANDIX CASUALWEAR GIRITALE
BRANDIX CASUALWEAR AVISSAWELLA
BRANDIX CASUALWEAR RIDIGAMA
BRANDIX CASUALWEAR SEEDUWA
BRANDIX ESSENTIALS KOGGALA
BRANDIX ESSENTIALS HAMBANTOTA
BRANDIX ESSENTIALS NIVITHIGALA
BRANDIX ESSENTIALS RAMBUKKANA
BRANDIX LINGERIE

**Certification
ISO 14001**



BRANDIX FINISHED LIMITED

**Certification
OE 100**



BRANDIX LINGERIE
BRANDIX TEXTILES LIMITED

**Certification
OEKO TEX 100**



BRANDIX TEXTILES LIMITED

**Certification
OE BLENDED**



BRANDIX TEXTILES LIMITED

A CIRCLE OF TRUST

As a team built on friendship and care, we maintain our grievance mechanisms as a supportive circle of trust that interconnects our team with one another with confidence. We see our grievance mechanisms as an essential component of safeguarding our team. They provide a secure way for employees and employers to discuss issues from an early stage so that they may be addressed promptly. Not only is this an effective approach to solving issues, but it also helps raise the optimism of our team and strengthens the trust we have in one another.

Our *Human Resources Division* guides this practice through team leaders at each factory. A *Joint Consultative Committee (JCC)* is appointed by the employees themselves to discuss their issues with the factory leadership through the monthly Worker's Council meetings held at each factory. These meetings are attended by the JCC, the factory administrator, and the Group HR Manager whose role here is that of an independent representative from the Corporate Office. Here, concerns are raised, addressed and solutions are discussed making sure that there is independence in the process, freedom to voice opinions in a transparent manner and that everyone's voices are heard, noted and followed through. Major grievances, if any, are discussed at our headquarters.

There is an established grievance procedure, which is highlighted below. Concurrently, the employee may contact HR directly, or bypass any of the levels. The contact details of the Group CEO, CPO (Chief People Officer) and Group HR Manager are displayed in all factories. This enables the associates to reach these leaderships directly to bring their suggestions and concerns forward.



In addition to these formal grievance mechanisms, we encourage and engage with community events which strengthen the community ties and prompt informal grievance mechanisms. We also manage regular audits to ensure compliance with laws and regulations regarding labour practices and human rights, which can be used to determine whether any related grievances have been addressed sufficiently. Our records regarding the number and details of grievances are kept at the factory level. In the next reporting period, these reports will be collated centrally. We are proud to state that all of the reported grievances have been addressed and resolved. We are also delighted that no incidents of discrimination during the reporting period have taken place. To strengthen the performance related grievance process, an ombudsman process exists.

CEO STATEMENT

If ignorance was ever a reason for humanity's once cavalier attitude towards the environment, it can be no longer. Global awareness of the need to protect our planet and its atmosphere from further pollution is at its peak.

In a market environment such as this, the increasing awareness of the public on climate change, the ever-increasing world fossil fuel prices which make renewable energy alternatives such as biomass more attractive, and national policies on sustainability are some of the trends affecting our organisation and the industry we serve in.

Nevertheless, environmental degradation continues, despite laws and conventions to prevent it, and the efforts of organisations and businesses around the world to adopt sustainability as one of the basic pillars of their operational models.

In that context, the title of this, the Brandix Group's second Sustainability Report, is most appropriate. There is no arrogance or conceit in the legend 'The Brandix Way.' We believe that in the pages that follow, we show just how, convincing and engaging our people – employees, suppliers and customers enterprise wide in considering the Planet in everything they do, can, and has, made it possible to achieve and even surpass targets.

Perhaps, we may show the way to others in industry and inspire them to take the same route to progressively and effectively achieve significant reductions in their environmental footprint.

This by no means implies that we at Brandix have arrived at our destination. Our operations continue to grow, as do our aspirations, and technologies continue to evolve. And while this report show that we have as a Group made remarkable progress in becoming Greener, the journey never ends.

As company, we strive to align our sustainability agenda to the guidelines set out by international organisations such as the UNGC, and the LEED principles set out by the US Green Building Council. This report covers the progress made in the last financial year and the targets we have set ourselves for 2020.

One of our biggest environmental achievements in the year under review in terms of our manufacturing operations, was when Brandix Lingerie received the Gold award in the 'Large Scale Manufacturing' category and Brandix Essentials received a Merit award in the 'Commercial Building' category at the Sri Lanka National Energy Efficiency awards ceremony.

In the year under review, our Sustainability performances are as follows: In the 'Air' category, we have reached 146 g of CO₂(e) / USD emission intensity. We are currently maintaining 10 litres / clocked hour for occupant 'Water' usage, and 75.3% of our 'waste' is being reused or recycled. Judging by these figures, it is clear that we have made significant progress, but can improve further.

We have set ourselves ambitious environmental goals for 2020. We hope to achieve net zero air emissions and to target zero discharge of hazardous chemicals in water, provide clean drinking water to all our associates and achieve zero water wastage. Our Earth target for 2020 is to reuse or recycle 100% of waste.

When these milestones are reached, we will, no doubt, set our sights on reducing our consumption of resources further.

The commitment of the management of Brandix to this process is absolute and irrevocable. We have asked for and received the support of our 46,000 plus employees to our Green journey, and it is not an overstatement to say that the environment gene is now a robust strand in our DNA.

Let's make 'The Brandix Way' a rededication to our Sustainability Agenda.

Ashroff Omar
Chief Executive Officer

