



FUTURE FIRST.

2022 SUSTAINABILITY REPORT



HIRDARAMANI

ABOUT HIRDARAMANI

A pioneer of the Sri Lankan apparel industry, the Hirdaramani Group operates across multiple regions bringing innovation to the fashion world and paving the way for success. Our mission extends beyond the production of garments; we collaborate with our clients to deliver exceptional apparel to customers across the globe. We strive to integrate design creativity with business acumen, while always maintaining a forward-looking approach. Our company is dedicated to making responsible choices today that will create a better tomorrow for all.

ABOUT THIS REPORT

This report presents a summary of the Hirdaramani Future First Sustainability Roadmap achievements as of December 31st, 2022. The information included covers our operations in Sri Lanka, Vietnam, Bangladesh and Ethiopia for the reporting year, to the best of our current knowledge.

Baseline: In setting our 2025 environmental targets we have used the data from 2019 as the baseline.

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ARE PUTTING THE FUTURE

MESSAGE FROM THE BOARD



We are very pleased to present our second Group wide annual Sustainability Report, which reflects our ongoing commitment to creating a sustainable future for all.

The Hirdaramani Apparel promise to sustainability is not just empty talk, but a firm part of our core values, driving our decision making and shaping our actions. We understand that we have a responsibility to use our resources wisely, protect the environment, and create a positive social and economic impact in the communities in which we operate.

Over the past year, we have made significant progress in advancing our Future First Sustainability Goals and remain on track to achieve the ambitious targets we have set in our 2025 Roadmap. In 2022, we committed to the Science Based Targets Initiative (SBTi) and we continue to see impressive results in reducing carbon emissions, water management and control of waste across all facilities and locations.

We have expanded our investments in renewable energy with more solar rooftop installations across our facilities and further investment in stand-alone wind and solar projects.

Our product development teams have been successful in creating multiple circular apparel programs for some of our strategic customers and have also started detailed tracking on the volume of “Certified Sustainable” materials that we source and use for production. We have set up meticulous systems to improve transparency across our supply chain and ensure that all raw materials are sourced from reliable partners that maintain responsible and sustainable practices.

We are more focussed than ever on promoting Wonders of Wellbeing (WOW), our in-house wellbeing program that drives diversity, equity, and inclusion within our organization, and supports all our associates in living “healthy, wealthy, happy and meaningful lives”. We recognise that supporting our workforce to live well is not only the right thing to do, but it is critical to our long-term success.

The path to achieving a sustainable future is fraught with challenges, but we do not shy away from them. Rather, we embrace the difficulty, knowing that having a positive impact on the planet, people, and communities is worth the effort.

We want to thank all our associates, partners, and other stakeholders for their contributions to our sustainability journey. Together, we can build a better world for ourselves and future generations.

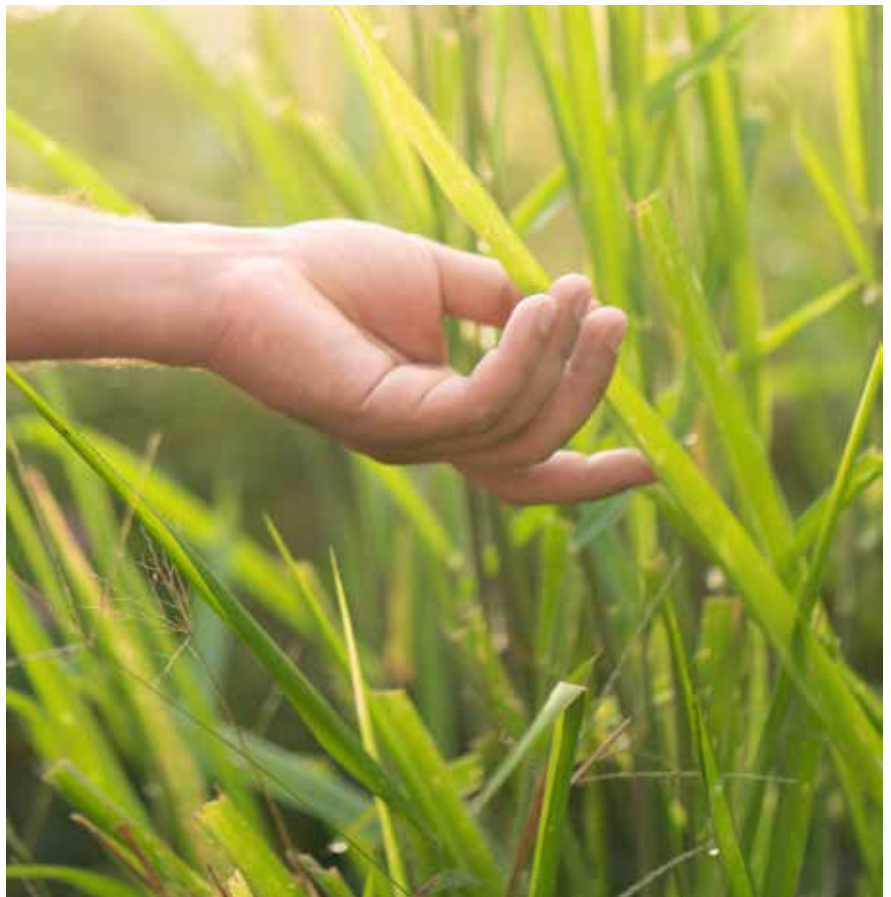
2025 ROADMAP



PUTTING THE FUTURE FIRST

At Hirdaramani, sustainability is and always has been a way of life, built on the understanding that it is not simply a goal but a continuous journey of improvement and doing the right thing. This commitment is defined in Future First, our 2025 sustainability roadmap that is based on four pillars – Conserve, Empower, Support and Trust. Future First outlines a list of environmental, social and governance targets that set our ambition to be a global leader and standard setter in sustainability.

As we implement Future First, by understanding the values of our customers, associates, and society, we are enhancing the durability of our business and meeting the demands of those who seek to associate with and purchase from trustworthy brands. In everything we do, we will continue to heed the call to action that began our sustainability journey – fulfilling the Hirdaramani tradition as proud custodians of our communities and the planet for future generations.



PILLARS OF SUSTAINABILITY



CONSERVE THE ENVIRONMENT

We are making a steadfast commitment to reducing the impact we have on the planet. From the way we manufacture to what we create – aligning with Science Based Targets – we are holding ourselves accountable to putting the future first.



EMPOWER OUR ASSOCIATES

Every day we make a heartfelt promise to our people – to inspire, to uplift and to protect. By committing to ensuring happy, healthy, wealthy and fulfilling lives, we are putting their future first.



SUPPORT OUR COMMUNITIES

True humanity lies in our willingness to help each other. Health, education, and equality are key drivers in our commitment as we put the future of our people and communities first.



TRUST IN GOOD CHOICES

We are committed to earning and maintaining the trust people place in us. From ensuring the highest quality sustainable products to upholding the highest governance and standards – we work together with our stakeholders to put the future first.

2022 PERFORMANCE SUMMARY

Refer Appendix 1 for detailed descriptions of the targets.

Environmental goals are benchmarked against the 2019 baseline.

POSITIVE PERFORMANCE

NEGATIVE PERFORMANCE

DESCRIPTION	2021	2022	CHANGE	TARGET
CONSERVE				
E1 20% savings in normalised energy consumption - Cut & Sew	0.21 MJ/StdMin	0.20 MJ/StdMin	3.29%	0.13 MJ/Std-Min
20% savings in normalised energy consumption - Laundry	17.21 MJ/Garment	19.06 MJ/Garment	10.77%	14.31 MJ/Garment
E2 SBTi - near term emission reduction and Net-Zero targets	-	-	-	-
E3 50% of energy requirements covered by renewable sources	22.05%	13.14%	40.39%	50.00%
E4 50% reduction in normalised industrial freshwater consumption	0.047 m ³ /Garment	0.062 m³/Garment	32.93%	0.024 m ³ /Garment
E5 10% reduction in absolute industrial freshwater consumption	3,720 k.m ³	3,009 k.m³	19.12%	2,655 k.m ³
E6 10% reduction in normalised domestic freshwater consumption	110 L/emp/day	62 L/emp/day	43.60%	74 L/emp/day
E7 Recycle over 50% of industrial wastewater for industrial processes	41.2%	60.6%	46.99%	50.00%
E8 Harvest minimum 10% of domestic water from rainwater	0.68%	1.69%	147.59%	10.00%
E9 Reduce 5% normalised processed fabric waste per garment	31.69 g/Garment	40.88 g/Garment	28.98%	33.60 g/Garment
E10 Zero waste to landfill	41.23%	6.99%	83.05%	0.00%
E11 80% of fabric waste to be recycled	62.06%	78.92%	27.16%	80%
E12 Implement a program to phase out all hazardous chemicals	-	79.55%	-	0
E13 Elimination of pumice stones from laundry process	8,191 t	5,683 t	30.62%	0
E15 ZDHC - 100% of industrial processes to achieve Aspirational Level	-	Foundational Level	on track	Aspirational Level
E17 Minimum Higg vFEM Score of 80 points for all manufacturing facilities	70.48	74.66	5.93%	80 points

2022 PERFORMANCE SUMMARY

Refer Appendix 1 for detailed descriptions of the targets.

Environmental goals are benchmarked against the 2019 baseline.

POSITIVE PERFORMANCE

NEGATIVE PERFORMANCE

DESCRIPTION	FY '21	FY '22	CHANGE	FY
CONSERVE				
E18 100% of manufacturing facilities to be Green Building certified	48.39%	51.61%	6.67%	100.00%
E19 100% of manufacturing facilities to be ISO 14001 or 26000 certified	35.48%	35.48%	00.00%	100.00%
EMPOWER				
S1 100% of the Group involved in our WOW program	-	82%	-	100.00%
S2 30% of our leadership positions to be held by women	-	16%	-	30.00%
S3 70% of facility supervisory positions to be held by women	-	34%	-	70.00%
S4 80% of supervisors reached through our Career Enhancement Program	-	89%	on track	80.00%
S5 60% of executives reached through our Career Enhancement Program	-	75%	on track	60.00%
S6 100% of facilities rated on FSLM, SLCP or customer driven equivalent for audit	-	100%	on track	100.00%
SUPPORT				
S7 Minimum 200 students impacted annually through education projects from each facility	-	200 students	on track	200+ students
S8 Minimum 200 people impacted annually through healthcare projects from each facility	-	200 people	on track	200+ people
S9 Equal reforestation and biodiversity projects, reflecting the total physical footprint of our facilities	1.48%	3.23%	118%	100%
TRUST				
E16 80% of raw materials used to be 'Certified Sustainable'	-	31.94%	-	80%

CONSERVE



The apparel industry stands out as one of the most environmentally damaging industries on a global scale. However, amidst this reality, we take pride in witnessing both manufacturers and brands taking a stand to embrace sustainability and committing to eco-friendly practices. What's more, we continue to hold one another accountable in a concerted effort towards sustainability.

Hirdaramani Apparel's journey towards genuine environmental sustainability commenced back in 2006, when we formulated our first sustainability roadmap. Since then, we have made substantial progress, having learned many valuable lessons during the initial exploratory phase. Today, our approach is far more streamlined, with greater clarity in reporting and performance measuring.

We acknowledge that sustainability is a continually evolving space and we are poised to become more agile in adapting to new technologies, research, and approaches. In 2022, we launched our GRI referenced reporting processes and committed to SBTi Net-Zero standards, while remaining open to opportunities for continuous improvement as we move closer to achieving our 2025 goals.



ENERGY & GHG

Hirdaramani is dedicated to decreasing our carbon footprint through a focus on energy efficiency and renewable energy in our operations. We aim to utilize the most energy-efficient equipment available by 2025, resulting in reduced energy consumption and greenhouse gas emissions. Additionally, we have set a target to operate our facilities on 50% or more renewable energy by 2030, in line with the carbon emissions reduction goals defined by our commitment to SBTi.

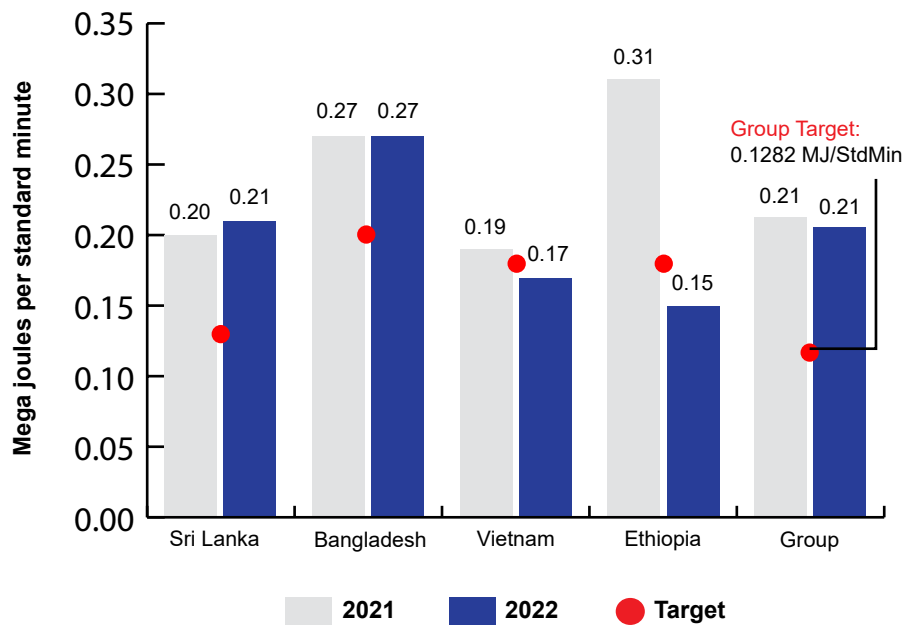
TARGET E1: 20% SAVINGS IN NORMALISED ENERGY CONSUMPTION COMPARED TO 2019 BASELINE



CUT AND SEW FACILITIES

2019 Baseline:
0.2002 MJ/StdMin

Target:
0.1282 MJ/StdMin

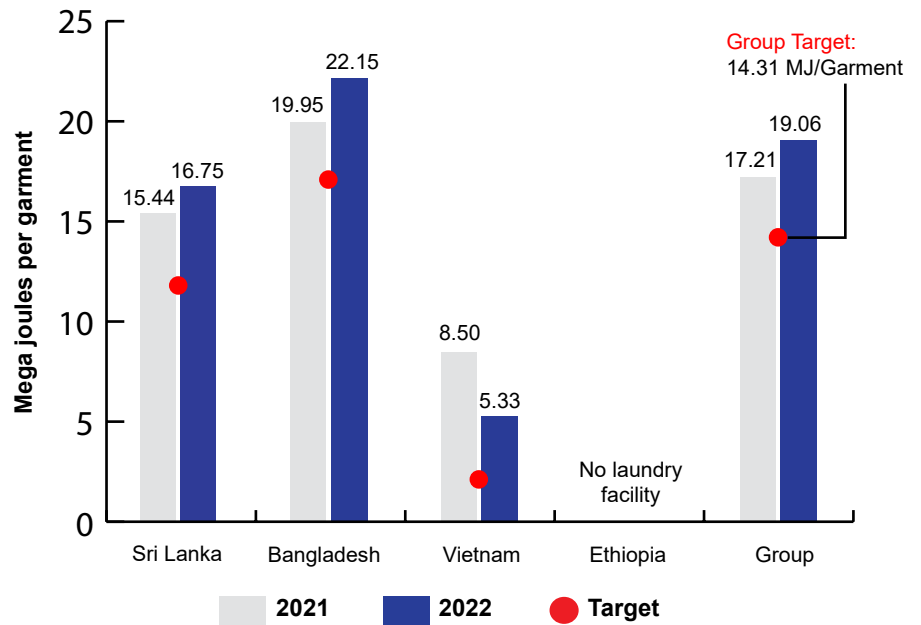


We have seen marginal reduction in energy usage for the Group as a whole. Our Ethiopia operation has made significant progress in 2022 to be well below the country target figure, and Vietnam has also surpassed their target. There is of course more work to be done in Bangladesh and Sri Lanka. In 2021/22 our sustainability teams conducted comprehensive ASHRAE Level 2 energy audits which have given us a clear roadmap to reduce energy consumption, with many of the easiest changes already implemented. With this roadmap in place we are optimistic about reaching our energy reduction goals by 2025.

LAUNDRY FACILITIES

2019 Baseline:
17.89 MJ/Garment

Target:
14.31 MJ/Garment



Vietnam has maintained its progress in reducing energy consumption and is on track to meet the country goal. Sri Lanka and Bangladesh unfortunately have shown an increase in energy consumption in 2022 compared to 2021, however we have recently conducted an IFC PaCT program in Sri Lanka along with comprehensive energy and water audits in Bangladesh to bring our laundry facilities in line with stronger processes to help improve overall energy consumption. With this and other smaller initiatives, we are confident of significant improvements to bring us back on track in achieving our 2025 energy goals.

TARGET E2: ACHIEVE NEAR TERM EMISSIONS REDUCTION AND NET-ZERO TARGETS ALIGNING WITH SCIENCE BASED TARGETS INITIATIVE (SBTi)



In 2022 Hirdaramani Group committed to the Science Based Targets Initiative (SBTi), joining a select group of companies taking action to limit global warming to 1.5°C and prevent the worst impacts of climate change.

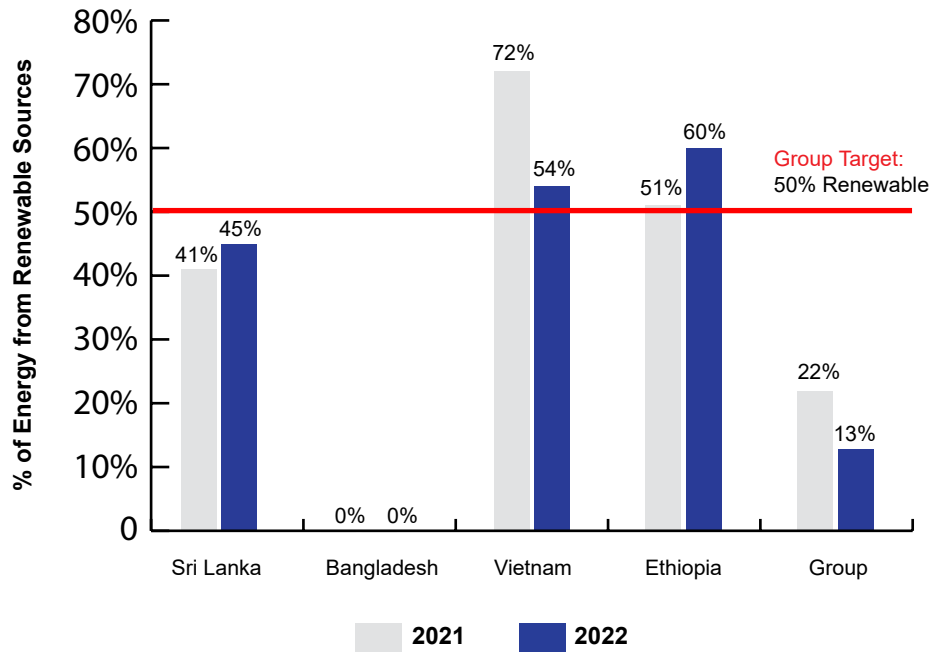
We have pledged to establish ‘near-term goals’ and ‘net-zero emissions’ within the SBTi framework, with these targets set to be developed and verified in 2023. These goals will then be fully integrated into our 2025 Sustainability Roadmap.

The SBTi is a global collaboration between CDP, United Nations Global Compact, World Resources Institute, and World-Wide Fund for Nature, which supports companies in creating tangible goals to reduce their emissions. By committing to the SBTi Net-Zero Framework and joining the Business Ambition for 1.5°C, companies ensure their net-zero commitments follow the scientific rigour necessary to achieve the goals of the Paris Agreement.

TARGET E3: 50% OF GROUP ENERGY REQUIREMENTS COVERED BY RENEWABLE SOURCES BY 2030



In Vietnam and Ethiopia, we have already surpassed the minimum 50% renewable energy goal and Sri Lanka is making steady progress towards the target. We are currently in discussion with authorities in the Bangladesh Export Processing Zones to obtain approvals for renewable energy projects within our facilities located here. The slight drop in Vietnam is due to reduced operations at our laundry facility, which contributes to the renewable figure through its biomass boiler.



REDUCING NON-PRODUCTIVE TIME ELECTRICITY USE

Seethawaka,
Sri Lanka



The team from Hirdaramani Knit, Seethawaka, Sri Lanka, implemented a detailed project to reduce electricity used during non-productive times with a special focus on lighting and ventilation.

Four sub projects were implemented under the main project

- Non-Productive time Electricity saving - Production Floor light & production office
- Non-Productive time Electricity saving - AC panel
- Introduce an SOP to control the kVA value
- Control electricity usage by using timer - canteen area

Since its commencement in June 2022, we have recorded an energy saving of 23,067 kWh which equals to 12,507 kgCO₂e GHG emission reduction, as well as a cost savings of over Rs. 600,000.

Energy Savings

23,067 kWh

Equalling

12,507 kgCO₂e

in GHG Reduction

WASTEWATER RECYCLING

Kenpark,
Bangladesh

A project to recycle 100% of process wastewater was implemented by the engineering teams at Kenpark in Bangladesh. 75%-80% of the wastewater being recycled is fed back into manufacturing processes. This has resulted in a significant reduction in freshwater consumption.

In 2022 the project has resulted in a cost savings of over USD 600,000 and as well as a freshwater saving of over 1.4 billion litres.

Cost Savings

USD 600,000+

Over **1.4 BILLION
LITRES**

in freshwater savings



WATER

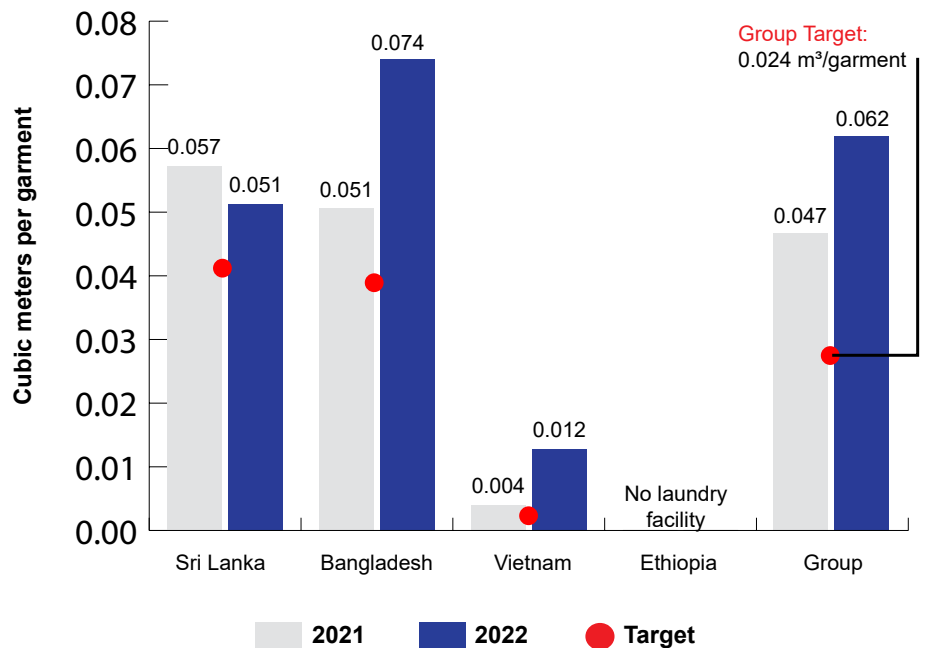
We place great importance on water conservation and strive to reduce our water usage while maintaining environmentally responsible practices to prevent any adverse effects on communities and ecosystems arising from water scarcity and pollution. We are fully committed to optimizing our water usage and minimizing soil and water pollution by implementing measures such as rainwater harvesting, wastewater recycling, and using water saving fixtures. Our objective is to decrease our reliance on groundwater and municipal water for non-potable purposes and to minimize our water footprint while encouraging sustainable water management practices.

TARGET E4: 50% REDUCTION IN NORMALISED INDUSTRIAL FRESHWATER CONSUMPTION COMPARED TO 2019 BASELINE



2019 Baseline:
0.0488
m³/garment

Target:
0.0244
m³/garment



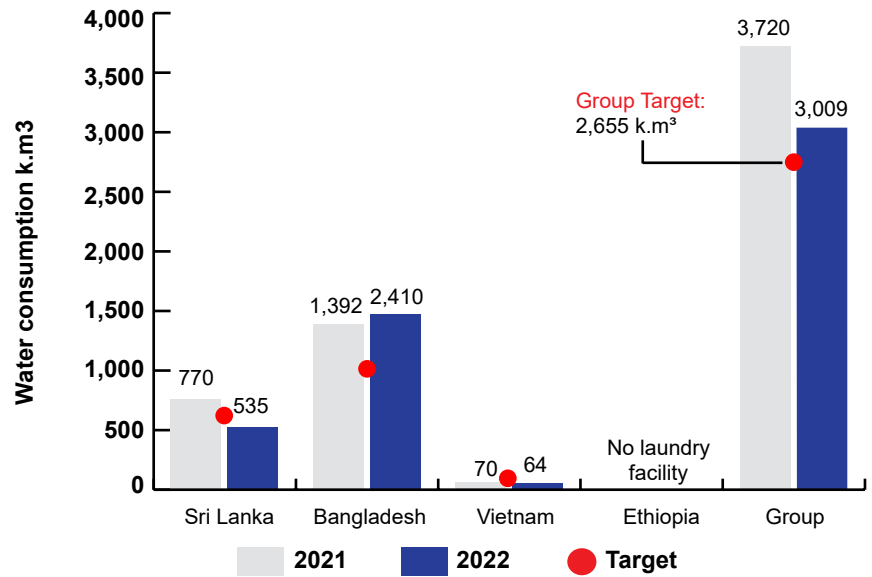
The results in 2022 have not been positive with some increases in freshwater consumption in Vietnam and Bangladesh. Sri Lanka however has seen progress in reducing freshwater consumption. Audits and improvements are underway to ensure all facilities get back on track towards achieving our target.

TARGET E5: 10% REDUCTION IN ABSOLUTE INDUSTRIAL FRESHWATER CONSUMPTION COMPARED TO 2019 BASELINE



2019 Baseline:
2,949.63 k.m³

Target:
2,654.67 k.m³



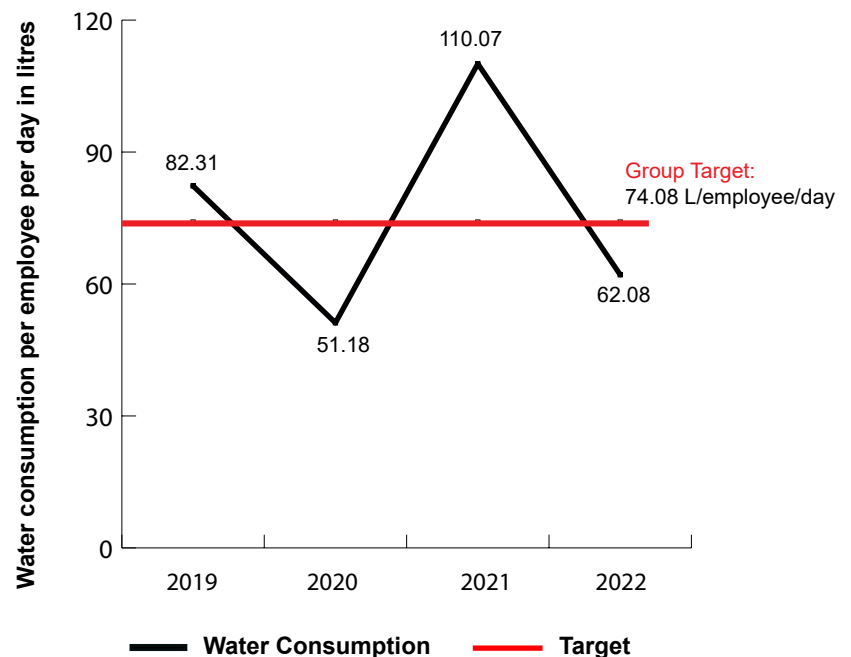
In 2022 we have moved closer to the Group wide goal for reducing industrial freshwater consumption, with Sri Lanka surpassing the country goal and Vietnam maintaining its target. In Bangladesh there is still more work to be done but we remain positive on reaching our country goal.

TARGET E6: 10% REDUCTION IN NORMALISED DOMESTIC WATER CONSUMPTION COMPARED TO 2019 BASELINE



2019 Baseline:
82.31
L/employee/day

Target:
74.08
L/employee/day

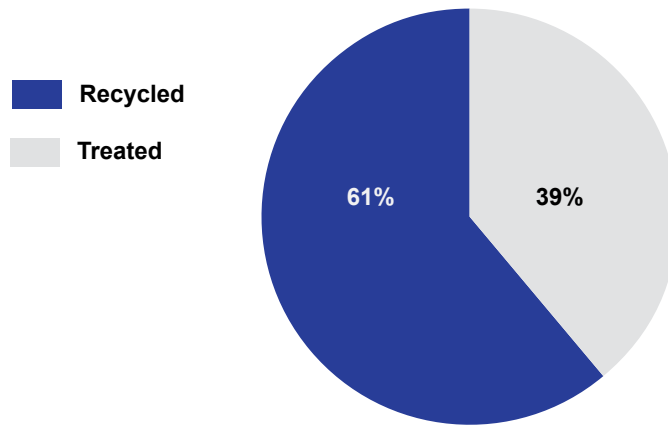


Despite challenges in reducing our domestic freshwater consumption in 2021, for the current year (2022) we surpassed our target in reducing domestic freshwater consumption.

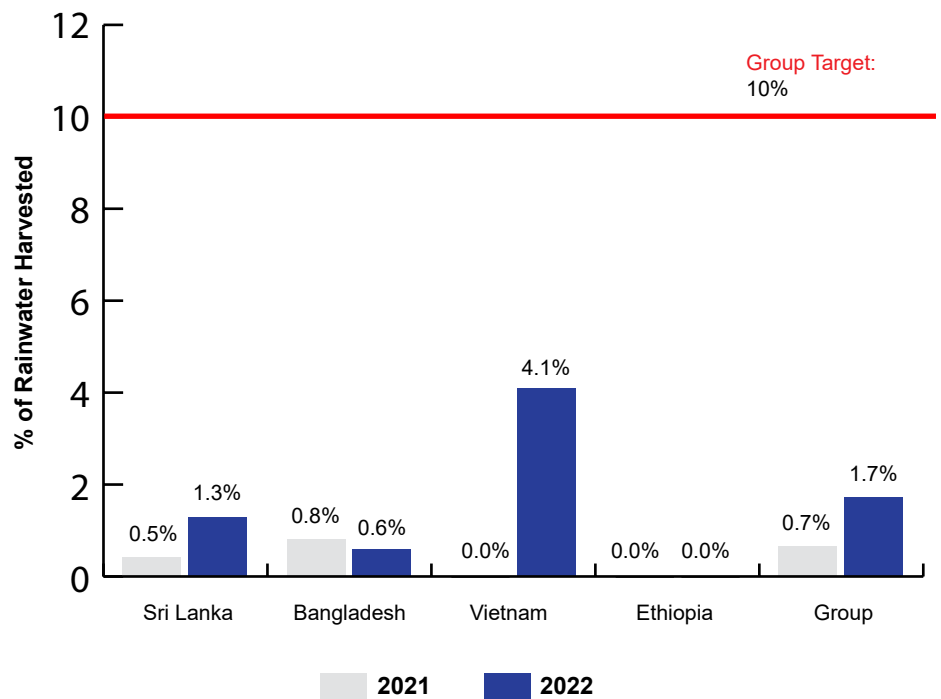
TARGET E7: RECYCLE MORE THAN 50% OF INDUSTRIAL WASTEWATER FOR INDUSTRIAL PROCESS USE



As a Group, we have surpassed our target of recycling a minimum of 50% of industrial wastewater for industrial process use. As of 31st December 2022, 60.61% of all processed water was recycled back into the process.



TARGET E8: HARVEST MINIMUM 10% OF DOMESTIC WATER FROM RAINWATER FOR COOLING OR CLEANING



Despite challenges such as unpredictable weather patterns, we have made some steady progress in 2022.

WASTE

Waste, be it fabrics, plastics, micro plastics or chemicals, is one of the biggest issues facing many industries today. At Hirdaramani, we understand that as much as we should not pollute our atmosphere, we also have a responsibility to not contaminate our waterways, soil and ecosystems.

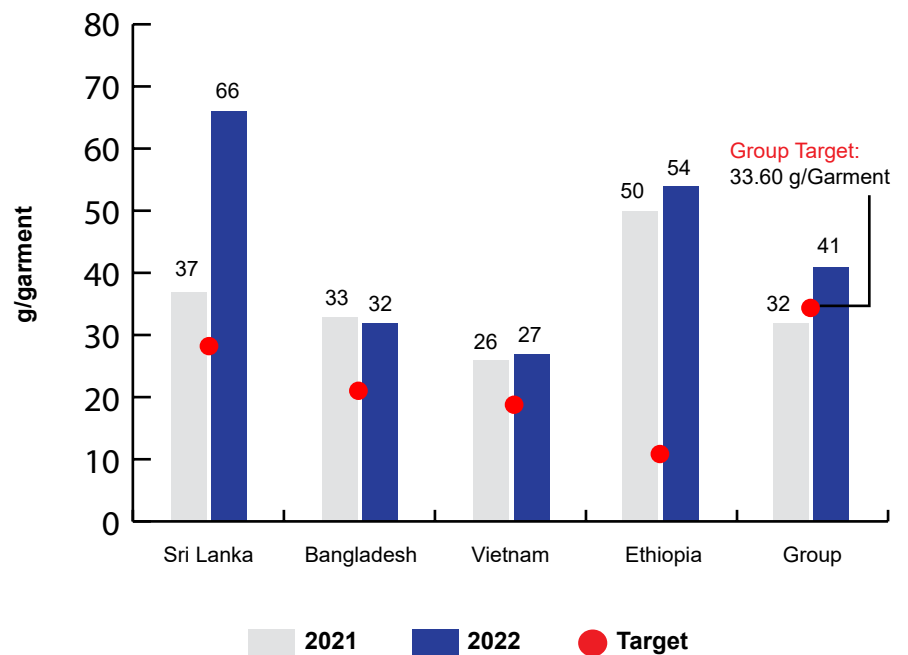
We have committed to achieving zero waste to landfill, improved efficiency on raw materials and the elimination of harmful chemicals from our processes in our 2025 roadmap. We are also continuing in our goals for fabric and product circularity with on-going R&D as well as collaborations with our suppliers and customers.

TARGET E9: REDUCE 5% NORMALISED PROCESSED FABRIC WASTE PER GARMENT COMPARED TO 2019 BASELINE



2019 Baseline:
35.37 g/Garment

Target:
33.60 g/Garment

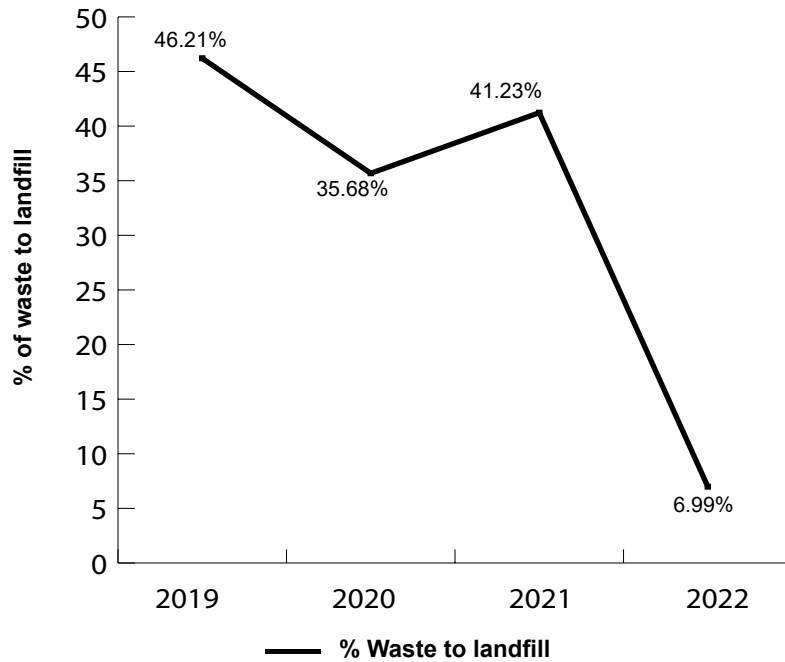


In 2022 we have recorded increases in fabric waste, pushing us above our target and the 2021 results. Our teams are conducting regular audits to identify areas for improvement to rectify these increases.

TARGET E10: ZERO WASTE TO LANDFILL



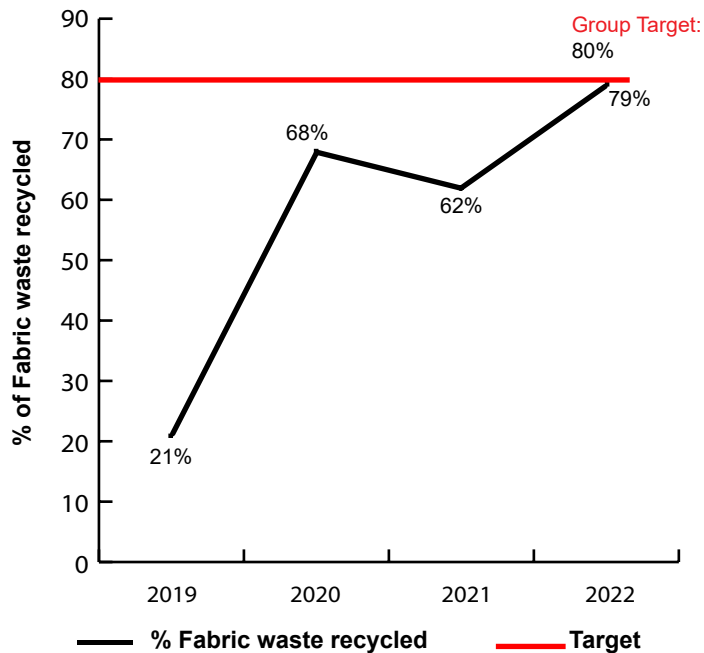
Group wide we have achieved a significant reduction in waste to landfill, with the percentage of waste to landfill at 6.99% as of 31st December 2022.



TARGET E11: RECYCLE 80% OF FABRIC WASTE GENERATED



Our fabric waste recycling saw a rapid increase between 2019 and 2020, though the 2021 results showed a dip, in 2022 we have moved back to an upward trajectory. With 79% of fabric waste being recycled in 2022, we are almost at our target.



CHEMICAL MANAGEMENT

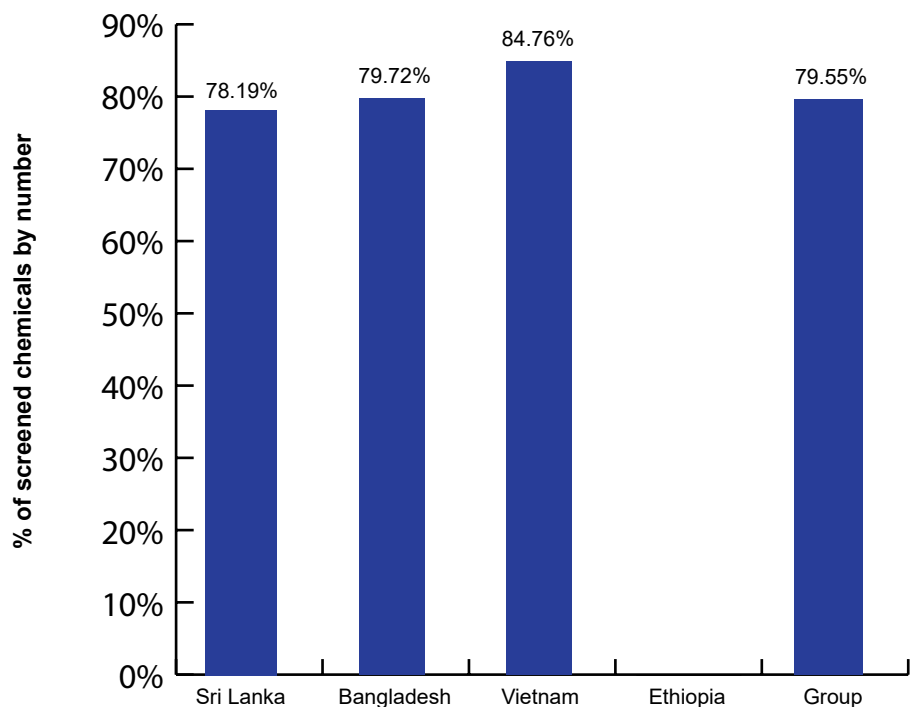
Hirdaramani Apparel is dedicated to reducing the negative impact of manufacturing processes on the environment and human health by reducing the use of harmful chemicals. We adopt sustainable processes and implement effective chemical management practices to minimize our environmental footprint. We have made a steadfast commitment to use screened chemicals and follow stringent safety standards to ensure our processes are safe for both the environment and human health.

We are also continuously conducting R&D into sustainable processes such as natural dyeing and finishing techniques to achieve the desired effects on garments without compromising quality, while ensuring a cleaner and safer future for all.

TARGET E12: IMPLEMENT A PROGRAM TO PHASE OUT USE OF ALL HAZARDOUS CHEMICALS IN PRODUCTION PROCESSES



In 2022, Hirdaramani significantly reduced its environmental impact by adopting a more sustainable chemical management approach. Nearly 80% of all chemicals used in our group wide manufacturing processes were screened.

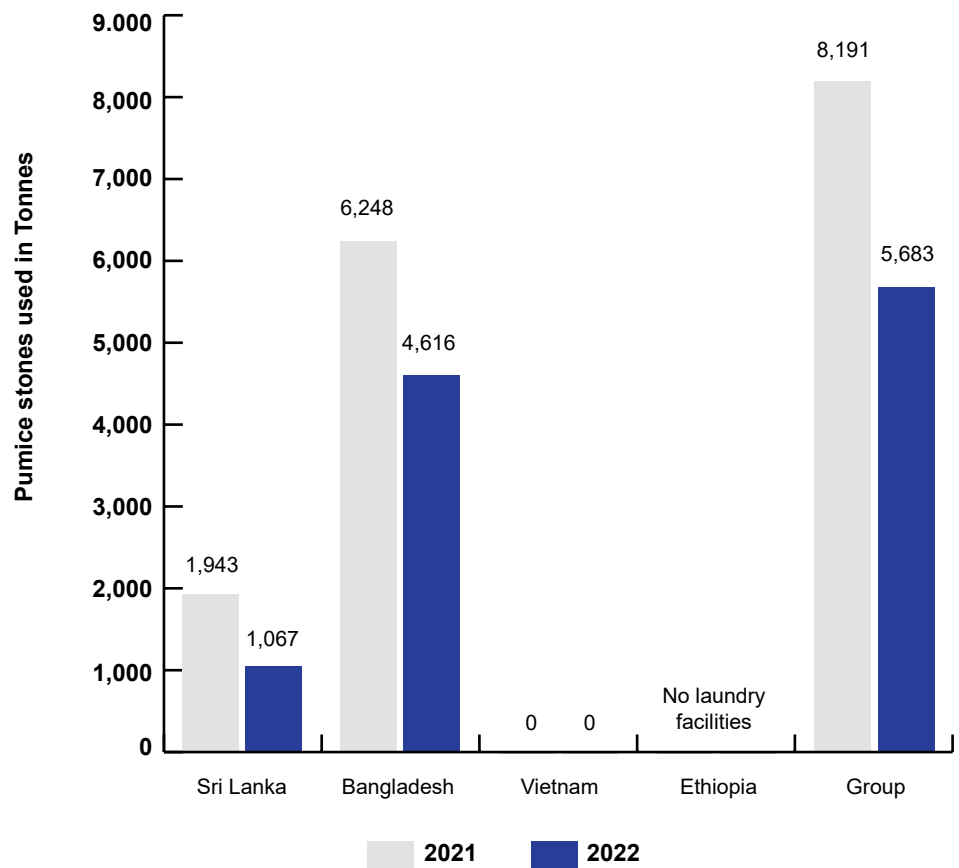


Note: No chemical intensive processes in Ethiopia

TARGET E13: ELIMINATION OF PUMICE STONES FROM LAUNDRY PROCESS



We have made steady progress towards our goal of eliminating pumice stones, and our Vietnam operation has completely eliminated its use by switching over to synthetic stones. Our success has been due to a combination of collaborating with brands, implementing new technologies and switching over to using synthetic stones as a replacement for pumice stones. One of the benefits of synthetic stones is that they can be used for a greater number of wash cycles, resulting in more efficient water utilization.



Note: Vietnam has completely eliminated use of pumice stones

TARGET E14: ZERO RELEASE OF SYNTHETIC MICROFIBRES FROM PRODUCTION PROCESSES



Hirdaramani’s dedicated teams are researching and developing sustainable materials, processes, and technologies to reduce the release of microfibrils into the environment. Microfibre release is a major concern during the washing of garments in our laundry facilities. While our facilities meet legal water discharge requirements, the choice of fabrics used in manufacturing processes heavily influences microfibre release. Thus, we are collaborating with customers to select fabrics that release fewer microfibrils.

Additionally, we are conducting research into means of identifying and separating microfibrils from the discharge. We hope developments in this area bring us closer to achieving our goals. Despite the challenges, we remain committed to our target and are proud of the progress we have made so far.

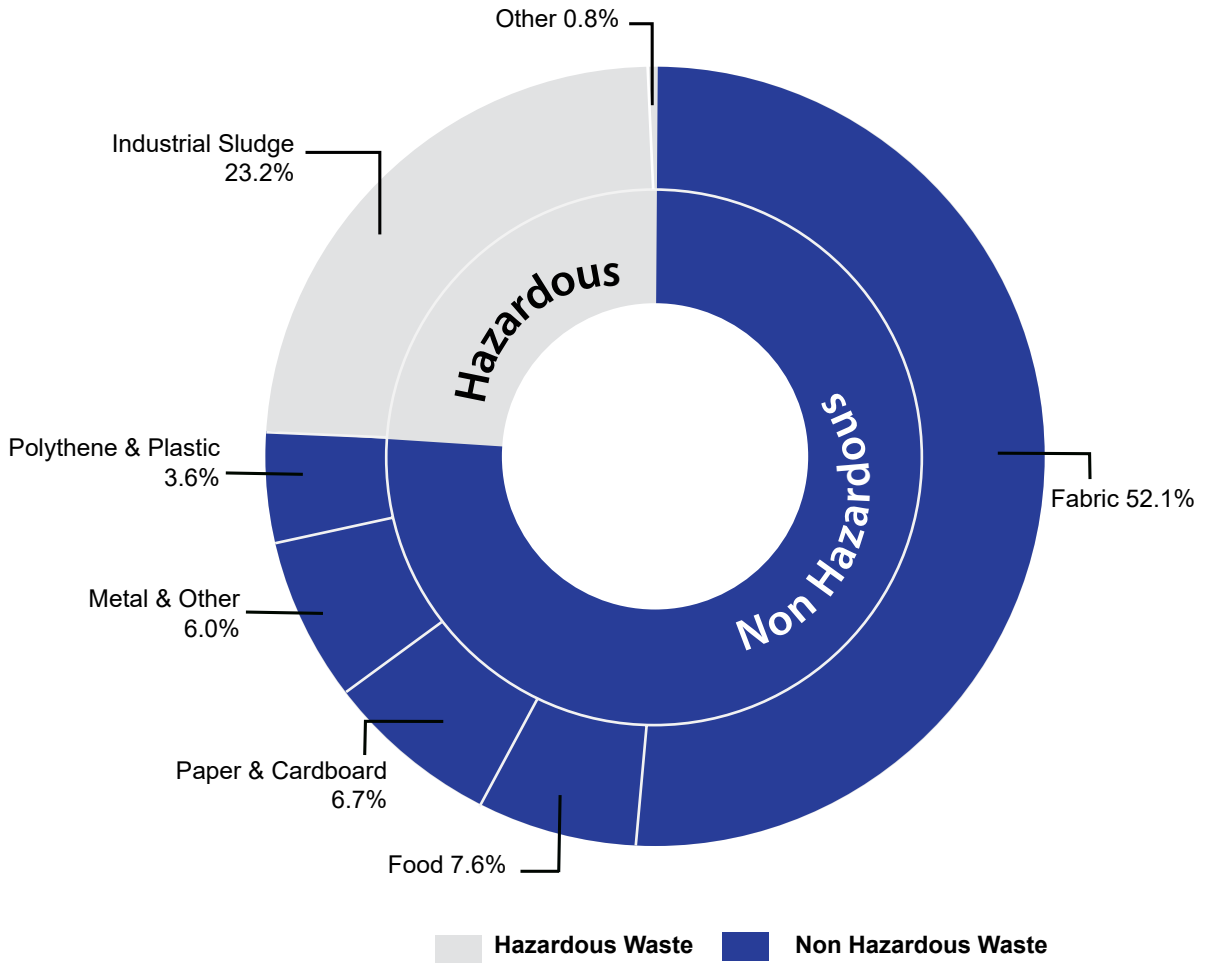
TARGET E15: ZDHC - 100% OF INDUSTRIAL PROCESSES TO ACHIEVE ‘ASPIRATIONAL LEVEL’



At Hirdaramani Apparel we have made a commitment to following the ZDHC Roadmap to leadership in sustainable chemical management. The platform enables companies such as ours to take ownership of their chemical management performance.

As of 31st December 2022, Hirdaramani was at the ZDHC Foundational Level which is the first stage of understanding and implementing the roadmap. In 2023 we hope to reach the Progressive Level, which involves a performance review and from this point we hope to transition to the Aspirational Level in line with our 2025 ambitions.

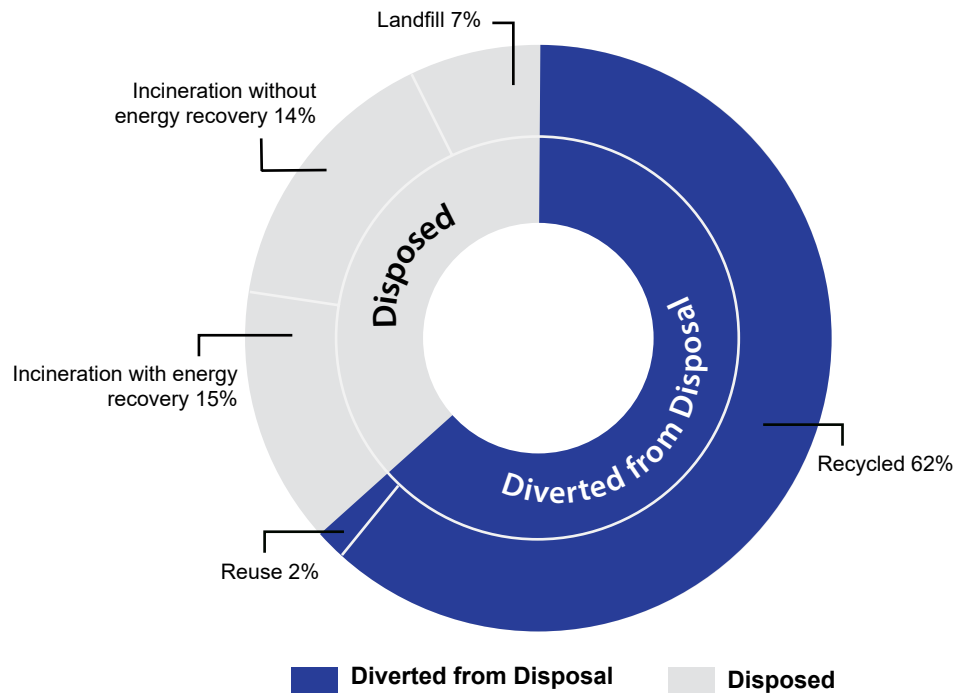
WASTE GENERATED



Waste management is a critical responsibility of all industries, however as much as we need to reduce waste generated, reducing hazardous waste particularly is of significant importance. At Hirdaramani, we have focused on reducing the percentage of hazardous waste we generate as much as we focus on reducing overall waste generated by our operations. In 2022 over 75% of the waste generated group wide, is classified as Non-Hazardous waste. In addition, by measuring waste created at a granular level we can more effectively develop specific processes to reduce each form of waste for more effective results overall.

WASTE DIVERTED FROM DISPOSAL AND WASTE DISPOSED

In 2022 we diverted 64% of our waste from disposal primarily through recycling and reuse.



STREAMLINING WASTE DISPOSAL

Kuruwita, Sri Lanka

The facility engineering team completely restructured the waste segregation process, going from 3 categories to 8 categories including paper, cardboard, quilting off-cuts, cotton off-cuts, fabric off-cuts, polythene, etc. which enabled the facility not only to optimise waste disposal but also to convert it from a cost centre to a source of income. In 2020 waste disposal cost Rs. 306,334/- and in 2022 it generated an income of over 3 million rupees.

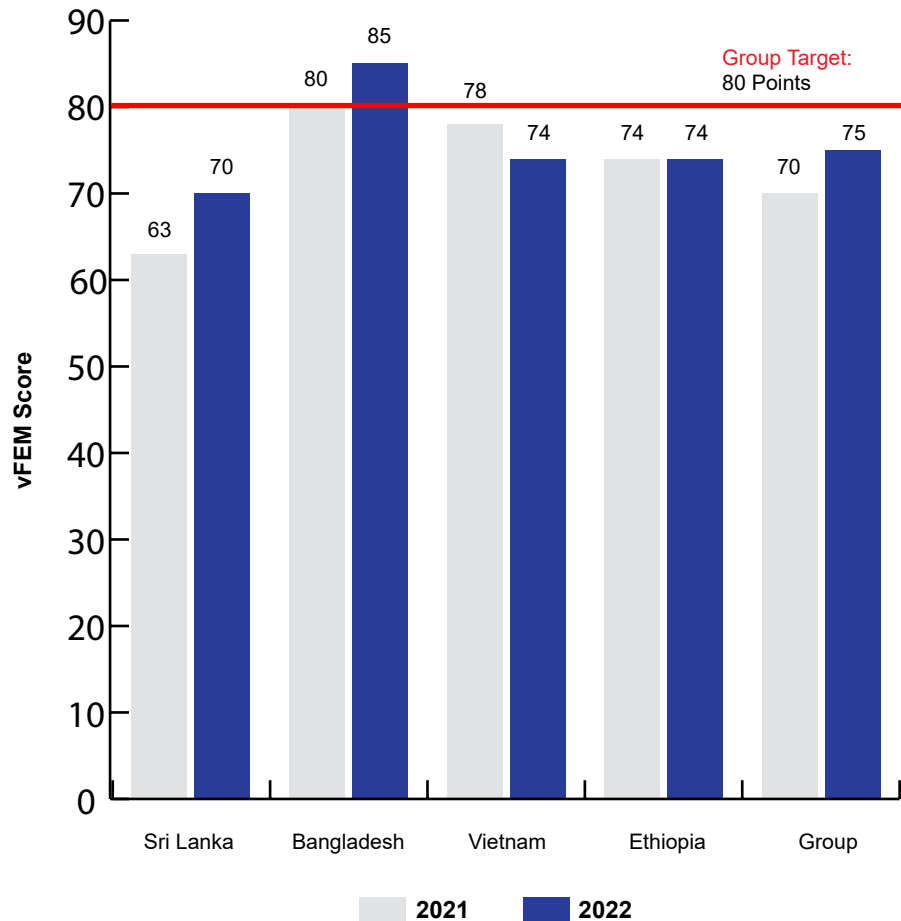
In addition by reusing reject polythene, RMO and waste polythene we were able to reduce purchased reinforcements. This project also converted a cost to a profit.

Overall both projects helped improve facility cleanliness, save time and labour, transport costs and contribute towards minimising our environmental impact.

OTHER ENVIRONMENTAL GOALS

We have set some overarching goals as part of our 2025 roadmap, this includes ensuring that all our facilities will be certified Green Buildings, as well as establishing a minimum Higg vFEM (verified Facility Environmental Module) score of 80 points to be achieved across all facilities. These facility level goals impact multiple aspects of meeting our sustainability ambitions and by adhering to global standards we ensure that the changes we make have real and measurable impacts.

TARGET E17: MINIMUM HIGG vFEM SCORE OF 80 POINTS FOR ALL HIRDARAMANI MANUFACTURING FACILITIES

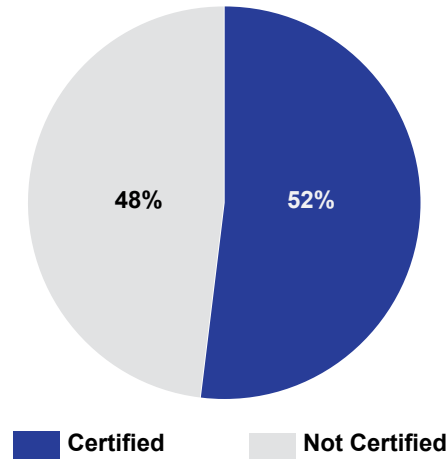


We are proud to showcase the progress made in our Higg vFEM goals with Bangladesh passing the 80 points mark and all other countries at 70 points or above with the overall average for the Group at 75 points.

TARGET E18: 100% OF HIRDARAMANI MANUFACTURING FACILITIES TO BE GREEN BUILDING CERTIFIED (LEED OR GREENSL)

With over 50% of our facilities Group wide already Green Building Certified, we are aggressively moving forward on the conversion and certification of all facilities to meet our 2025 goals.

- Total Facilities : 31
- Green Building Certified Facilities : 16
(15 LEED Certified)

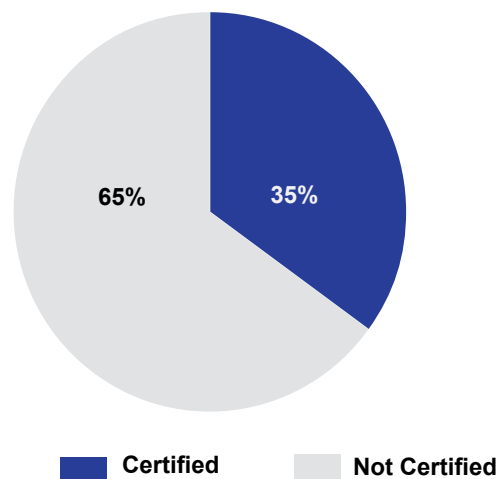


TARGET E19: 100% OF HIRDARAMANI MANUFACTURING FACILITIES TO BE ISO 14001 OR ISO 26000 CERTIFIED

ISO 14001 and ISO 26000 are important certifications for sustainability and social responsibility. The former minimizes environmental impact and improves performance, while the latter guides human rights, labour practices, fair operating practices, community involvement, and environmental responsibility. Hirdaramani values these certifications as they showcase our dedication to responsible business practices and positive impact on the environment and society.

At present, 35% of our facilities are ISO 14001/ ISO 26000 certified and we are moving forward at a positive rate to achieve 100% certification by 2025.

- Total Facilities : 31
- ISO Certified Facilities : 11



EMPOWER



At Hirdaramani Apparel, we aim to create the future of our industry, and that future is stitched together by thousands of individuals across the world. Which is why to us, this future begins with the livelihood of every human being whose hands, ideas and hearts go towards making the garments we all wear.

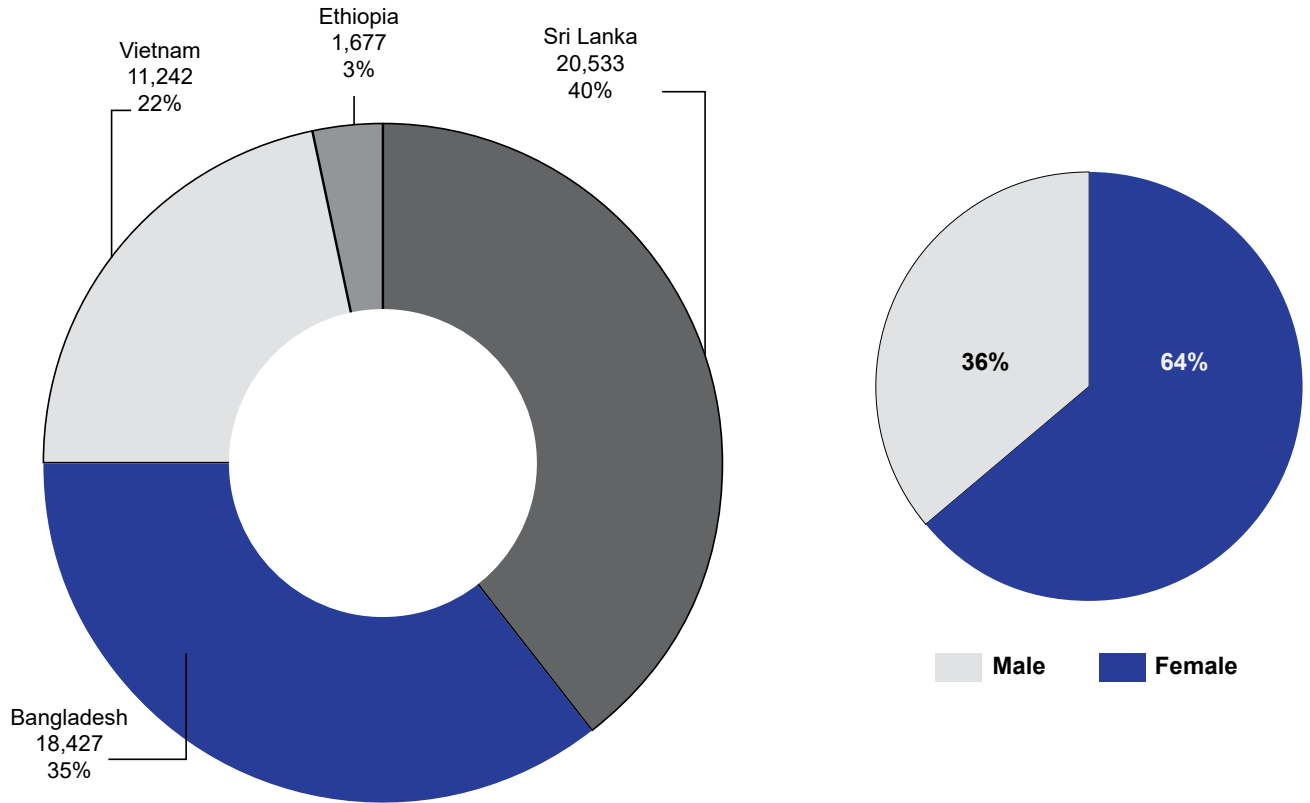
Hirdaramani takes pride in its legacy participating in path-breaking initiatives, such as Garments without Guilt, Fair Trade USA, Better Work and multiple other programs that reaffirm our commitment to promoting positive and fair working conditions, a principle that we have carried to all the countries we operate in.

Over time, we have gone beyond this goal to establish an empowering and equitable workplace that prioritizes career development and equal opportunities. We aim not only for professional success but also personal wellbeing, exemplified by our internationally recognized Wonders of Wellbeing program



OVERVIEW OF EMPLOYEE COMPOSITION

The below diagrams shows key highlights of the composition of employees across Hirdaramani Apparel by country, gender and age.



Sri Lanka		Under 30	30-50	Over 50
Male	37%	4,040	3,334	235
Female	63%	6,263	6,074	587

Bangladesh		Under 30	30-50	Over 50
Male	47%	4,723	3,907	42
Female	53%	4,880	4,873	2

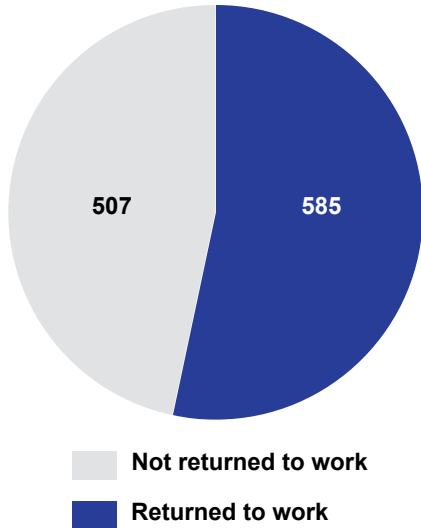
Vietnam		Under 30	30-50	Over 50
Male	20%	1,340	895	30
Female	80%	4,093	4,783	101

Ethiopia		Under 30	30-50	Over 50
Male	12%	163	34	2
Female	88%	1,293	185	0

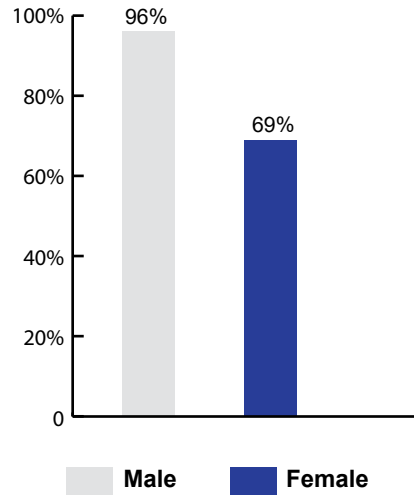
PARENTAL LEAVE

Over 50% of our employees returned to work following their parental leave across Hirdaramani Apparel. Among them, 96% of men and 69% of women who take parental leave returned to work.

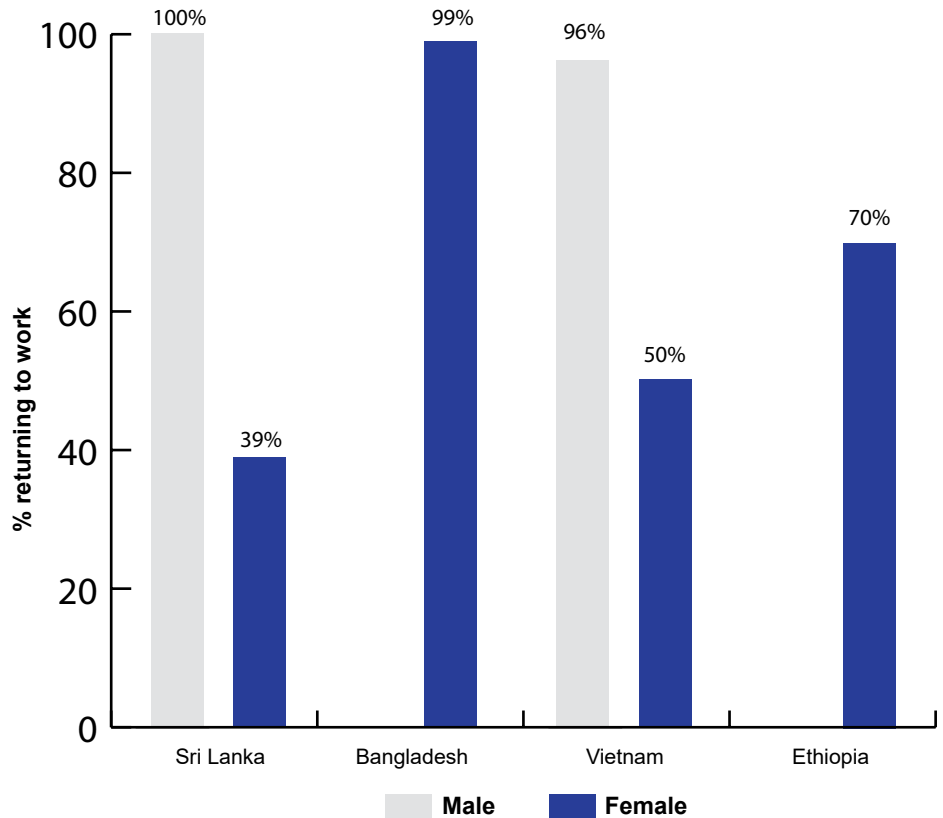
NUMBER RETURNED TO WORK AFTER PARENTAL LEAVE



% RETURNED TO WORK AFTER PARENTAL LEAVE - BY GENDER



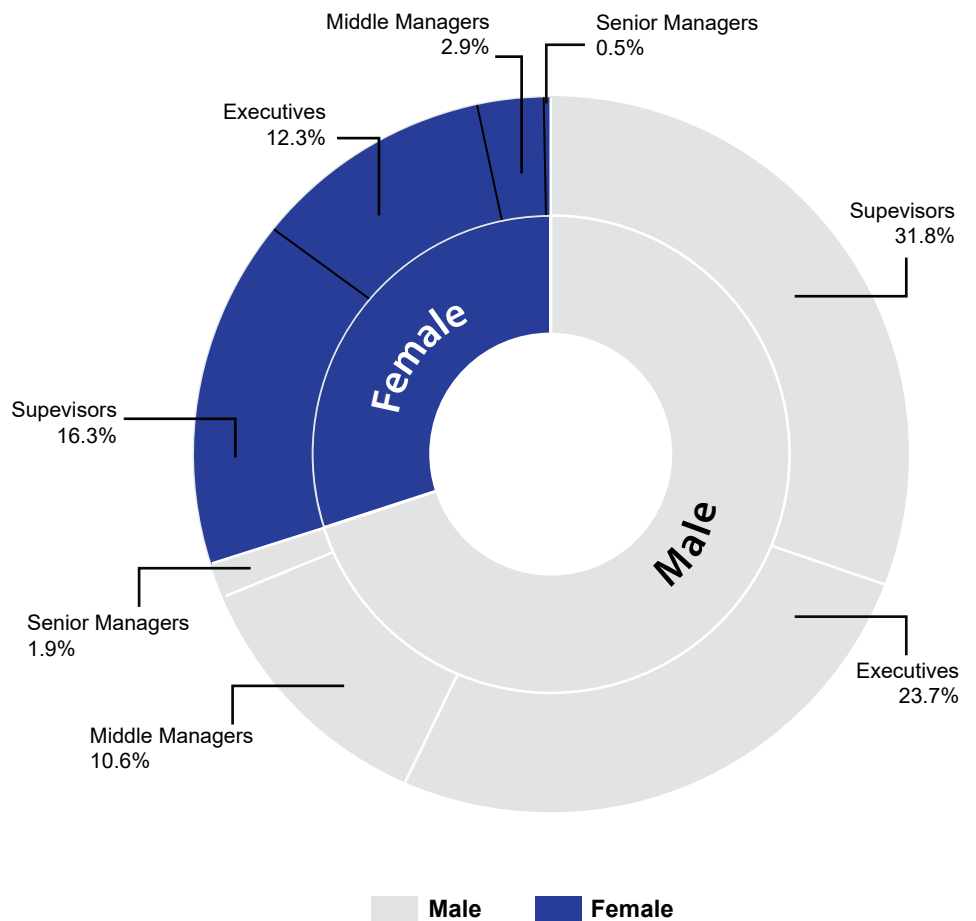
RETURN TO WORK RATE: BY COUNTRY & GENDER



GENDER EQUALITY & WOMEN IN LEADERSHIP

At Hirdaramani Apparel we are committed to supporting equality and creating leadership opportunities for women. Our goals include ensuring that 30% of leadership positions and 70% of facility supervisory positions are held by women by 2025.

Although at present male employees hold the majority of positions at executive level and above, there has been progress as female employees now account for just over 25% of these positions, as reflected in the diagram below.

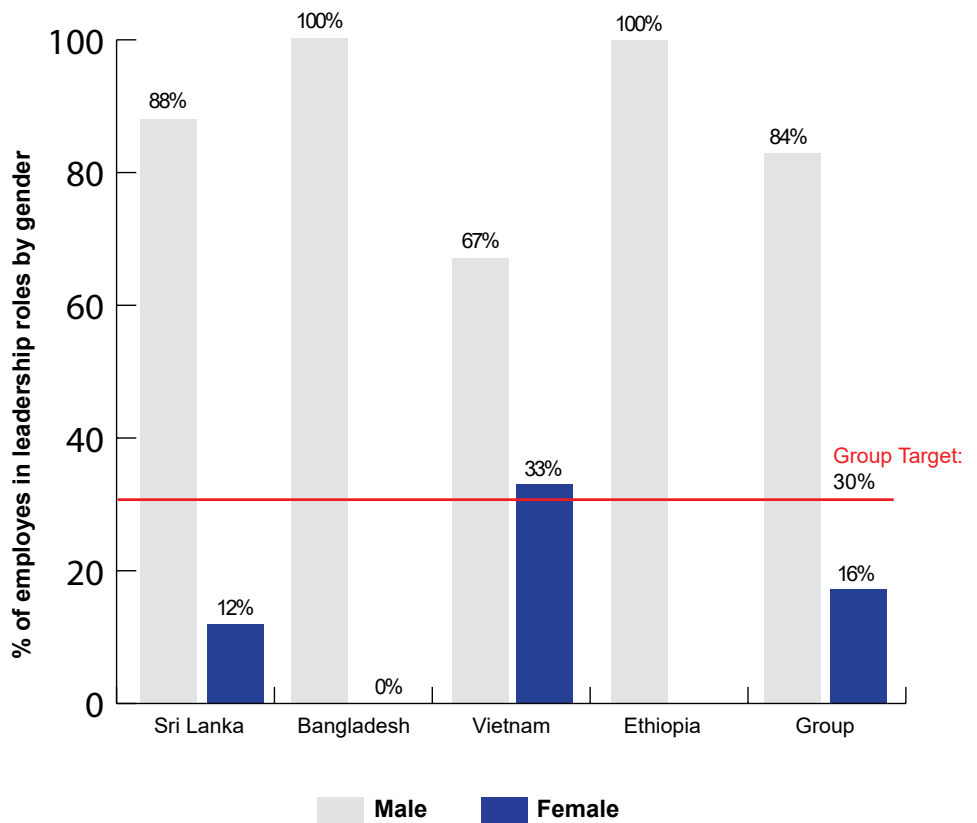


TARGET S2: 30% OF OUR LEADERSHIP POSITIONS TO BE HELD BY WOMEN



In 2022, Vietnam has exceeded its target for female leadership, with 33% of women holding leadership positions. In Ethiopia, due to the limited scale of operations, there is only one leadership position, hence the target for female leadership does not apply to the country.

LEADERSHIP POSITIONS HELD - BY GENDER

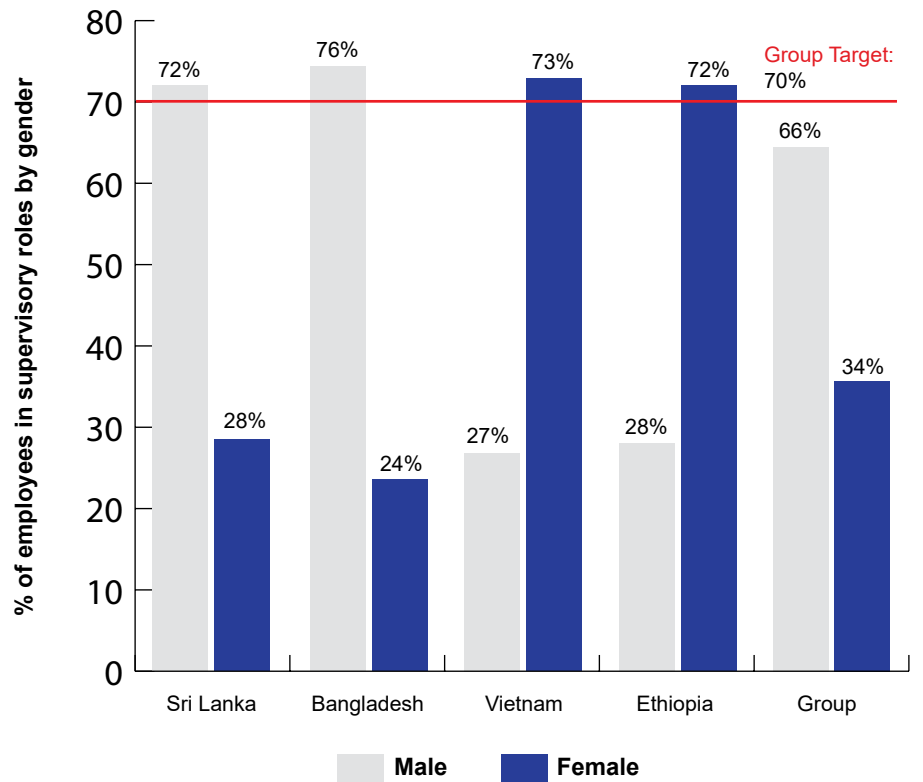


TARGET S3: 70% OF FACILITY SUPERVISORY POSITIONS TO BE HELD BY WOMEN



The target of having 70% of supervisory positions held by women has been surpassed in both Vietnam and Ethiopia. Sri Lanka and Bangladesh, on the other hand, are yet to reach this target.

SUPERVISORY POSITIONS HELD - BY GENDER



CAREER DEVELOPMENT

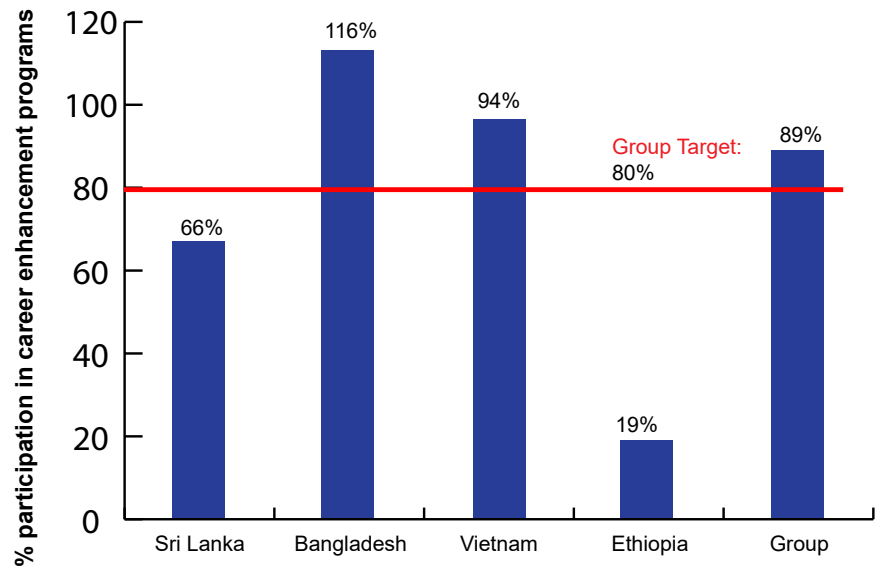
Hirdaramani has set ambitious goals to develop and advance our employees through career advancement programs. By setting a target of reaching 80% of supervisors and 60% of executives, Hirdaramani is demonstrating our commitment to investing in employees and supporting their growth within the organisation. These goals align with Hirdaramani’s vision of creating a positive impact by empowering employees to advance in their careers, and contributing to the betterment of society as a whole.

TARGET S4: 80% OF SUPERVISORS REACHED THROUGH OUR CAREER ENHANCEMENT PROGRAM



Vietnam and Bangladesh have met and exceeded the targets of providing career advancement training to at least 80% of their supervisors once every two months. We have also exceeded the overall Group level target of 80%.

PARTICIPATION IN CAREER ENHANCEMENT PROGRAMS BY SUPERVISORS

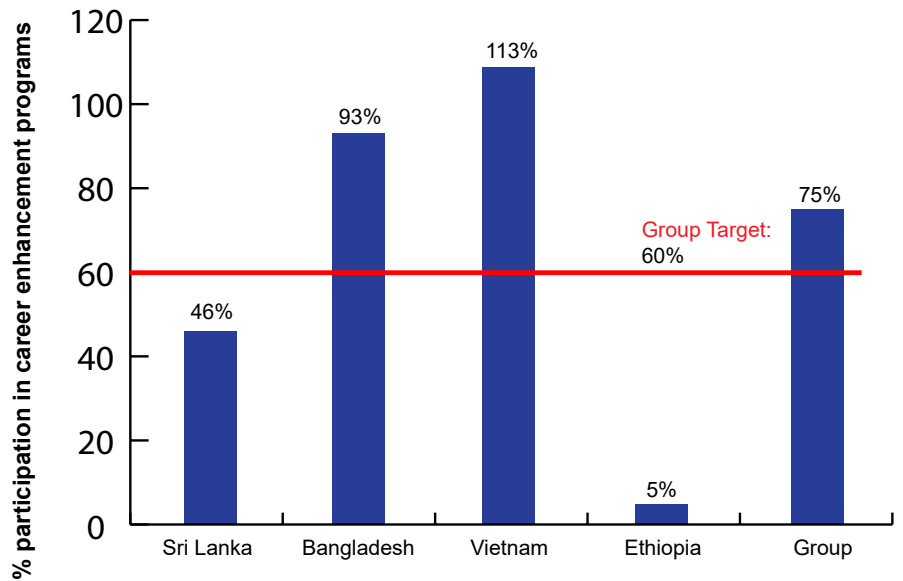


TARGET S5: 60% OF EXECUTIVES REACHED THROUGH OUR CAREER ENHANCEMENT PROGRAM



Vietnam and Bangladesh have accomplished the goal of providing career advancement training to at least 60% of their executives once every two months, additionally in both countries executives have demonstrated high levels of participation in these programs, exceeding the targeted minimum engagement. The overall Group level target has also been achieved.

PARTICIPATION IN CAREER ENHANCEMENT PROGRAMS BY EXECUTIVES



PATHWAYS FOR PROMISE

This annual program run by Hirdaramani Bangladesh, provides an opportunity for five female employees to further their education at the Asian University for Women.

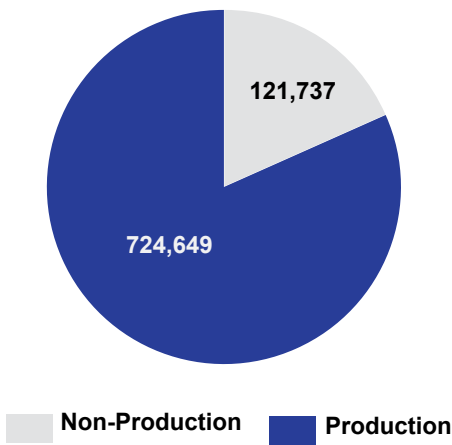
In addition to providing the scholarship for the program, we also provide each employee their gross wage during this period to ensure that their standard of living and ability to support their families is not compromised.



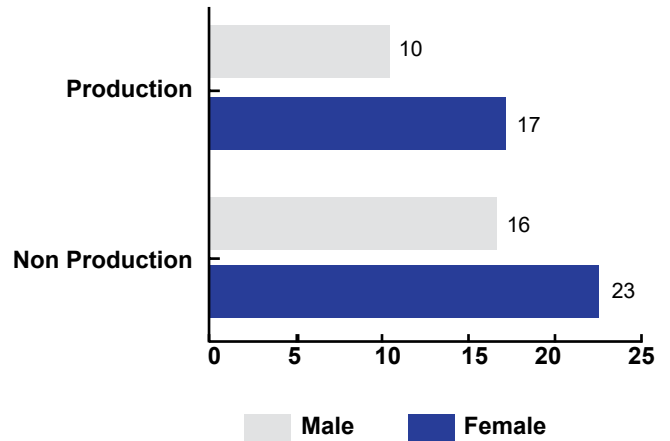
GENERAL TRAINING & EDUCATION

The data below shows that more hours of training and education have been provided to female employees and those in production functions. This is in line with our overall goals to upskill employees and create a roadmap for female employees to advance to supervisory and leadership positions.

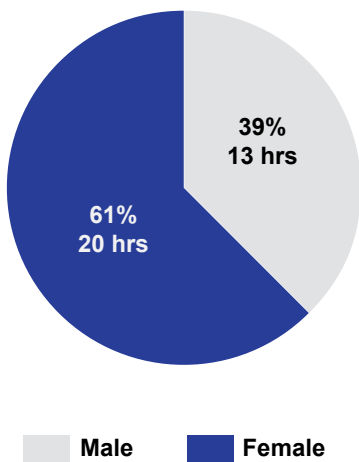
HOURS OF TRAINING BY JOB FUNCTION



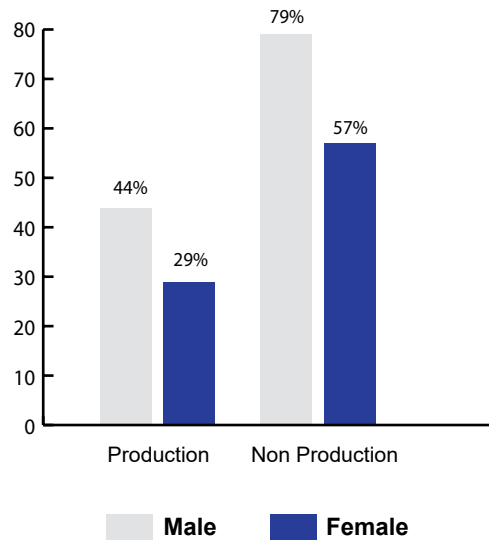
AVERAGE HOURS OF TRAINING PROVIDED BY JOB FUNCTION & GENDER



AVERAGE HOURS OF TRAINING PROVIDED PER PERSON PER YEAR & % BY GENDER



PERFORMANCE REVIEWS BY JOB FUNCTION & GENDER



OCCUPATIONAL HEALTH & SAFETY



Total Number
PARTICIPATING
in OHS Training
Programs in 2022:

71,626

With 51,879 employees in total, this indicates that a % of employees have received more than one training.



Total
HOURS OF TRAINING
in OSH Provided
in 2022:

3,205

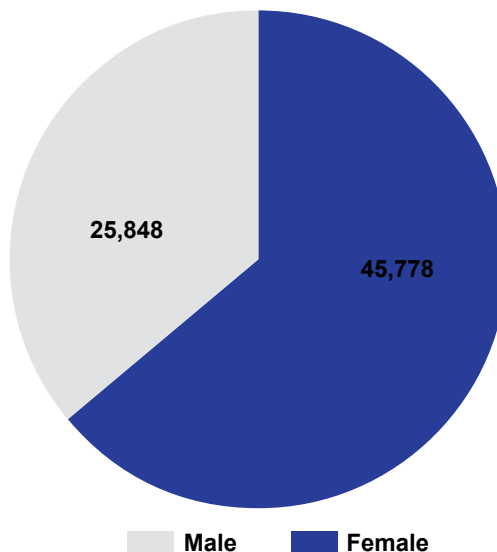
Occupational Health & Safety (OHS) is a critical element of our manufacturing business. To ensure safety compliance and proper processes, we have specialized teams at both factory and Group level. We also conduct regular training programs that cover general health and safety, job/task-specific safety, and induction training. Overall, the data shows that more training has been provided for female employees.

Demonstrating the Group’s commitment to OHS, and to adopt best practices, we have a comprehensive OHS risk management system aligned to ISO 45001. This is supported through a detailed reporting system enabling the sharing of group wide data. We are also building a behaviour-based safety culture where we’ve paved the way to build a multifaceted team of experts and committees for OSH advocacy.

Our range of programs include but are not limited to:

- First Aid Training
- Fire Safety Training
- Hazardous and Non-Hazardous Waste Handling
- Health & Safety Procedures for Operating Machines
- Health & Safety Procedures for Handling Chemicals
- Personal Protective Equipment (PPE) Handling
- Electrical Safety / Lock Out Tag Out Procedures Training
- Ergonomics Training
- Awareness on Emergency Response
- Awareness on ISO 45001:2018 Standard
- Food Safety Training

NUMBER OF PEOPLE TRAINED

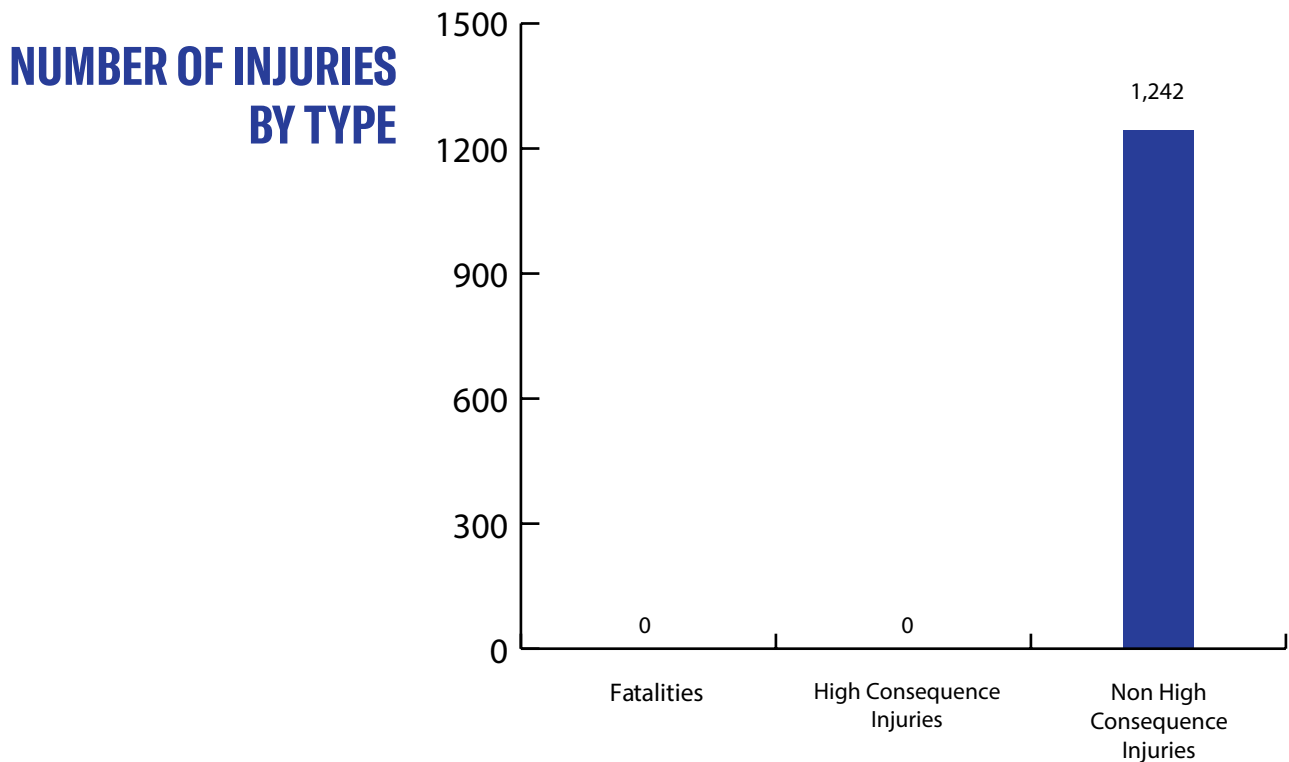


Note: With 51,879 employees in total, this indicates that a % of employees have received more than one training.

WORK RELATED INJURIES

There have been no fatalities or high consequence injuries across the Group in 2022. At 1,242 the non-high consequence injuries across the Group can be considered low in comparison to our total footprint.

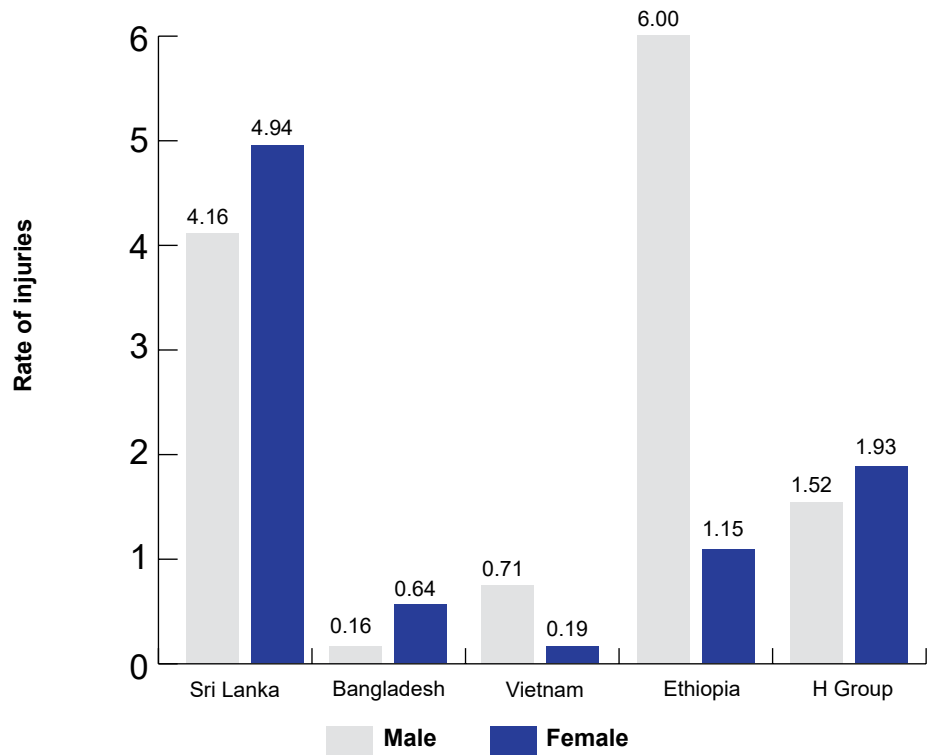
A strong focus on compliance and training as well as machine maintenance and safety enables us to ensure even non-high consequence injuries are kept low.



	NUMBER			RATE	
	Total	Male	Female	Male	Female
Number of fatalities	0	0	0	0	0
Number of high consequence injuries	0	0	0	0	0
Number of non high consequence injuries	1,242	401	841	1.52	1.93

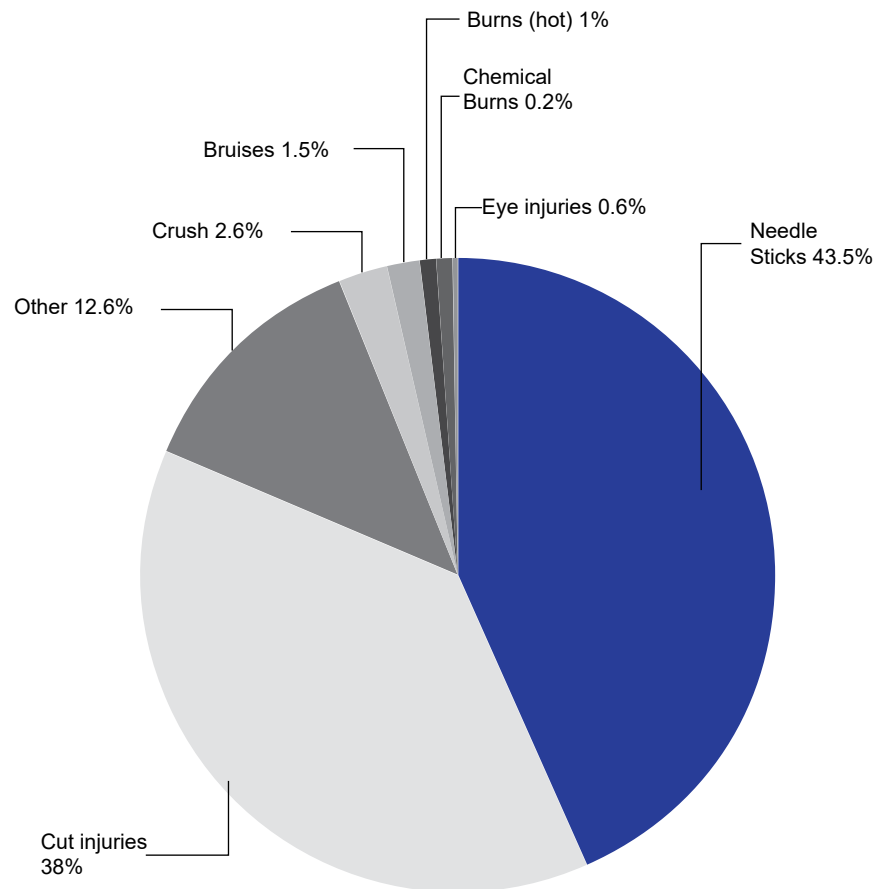
Rate Calculation - (non high consequence but recordable injuries × 200,000) / number of hours worked)

RATE OF NON HIGH CONSEQUENCE INJURIES BY COUNTRY & GENDER



Rate Calculation - (non high consequence but recordable injuries x 200,000) / number of hours worked

MOST COMMON WORK RELATED INJURIES - GROUP WIDE



Other Injuries: Include ergonomic injuries, scratches, skin peels, minor wounds, knocks, and falls.

WONDERS OF WELLBEING

The Wonders of Wellbeing (WOW) initiative was started in 2014 to empower employees to live “healthy, wealthy, happy and meaningful lives”. The program encompasses a holistic strategy that integrates wellbeing into the business’ agenda and culture. It’s based around five key pillars – psychological, relational, physiological, economic, and environmental – and includes a wide range of tools and initiatives to achieve measurable impact. The initiative is not just about supporting our direct employees; it also extends to their families and wider communities because we recognise the broader influence and responsibility that we have in the places where we operate and the role this plays in the wellbeing of our employees. WOW has now reached a point of maturity where it’s embedded in the business across Sri Lanka and Vietnam with roll out programs commencing in Bangladesh and Ethiopia in 2023.

WOW is internationally recognised by Harvard University’s T.H. Chan School of Public Health; Shine, the Sustainability and Health Initiative for NetPositive Enterprise; and public health advocates Swasti Health Catalyst. Wellbeing champions are drawn from across our operations to spearhead projects that adapt to local requirements and changing needs.

We assess WOW’s performance in several ways, including employee surveys. Each business unit has an overall WOW score, which we monitor monthly to identify opportunities for improvement. We also conduct an annual Group-wide questionnaire that measures 120 wellbeing indicators. In 2022, we began cross tabulating this data with business data to track the connection between wellbeing and business performance.

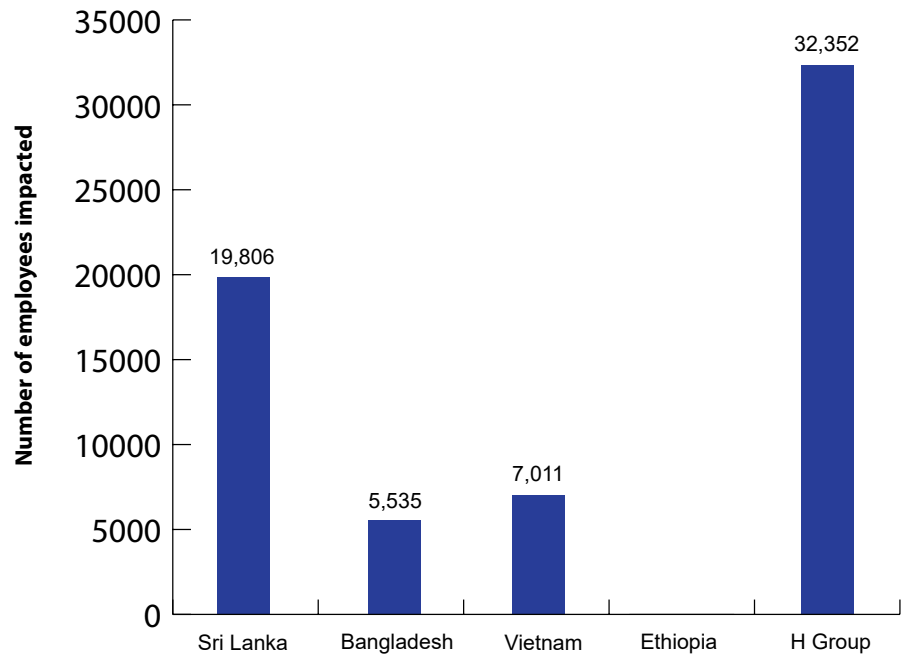


WOW graduation event at Hirdaramani Vietnam

Transparency is key to WOW’s success, and we communicate results, discuss challenges and are clear about ways we’re improving. That way, employees know they can provide honest feedback – and everyone is truly engaged in this mission to help colleagues live better lives.

We have an ongoing employee well-being program called ‘HER’ in Bangladesh, and we are in the process of integrating it into the WOW program and brand. As a result, the outcomes of HER are included in our wellness reporting.

NUMBER OF EMPLOYEES DIRECTLY IMPACTED BY WOW



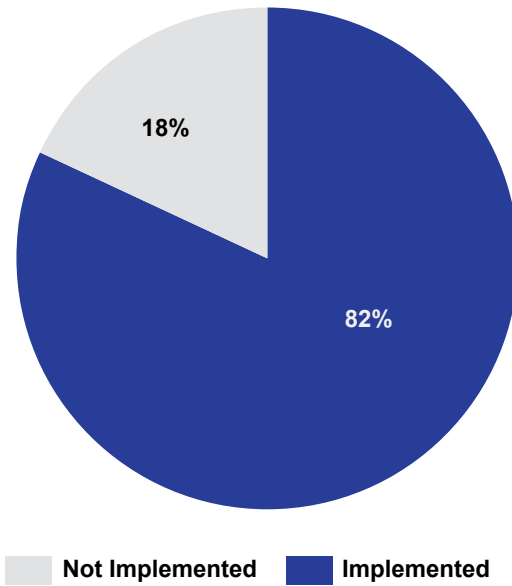
TARGET S1: 100% OF THE GROUP INVOLVED IN OUR WONDERS OF WELLBEING (WOW) PROGRAM



We are proud to say that the WOW Initiative is on the way to reaching the full target with Sri Lanka already at 100% involvement. Vietnam have over 50% coverage and Bangladesh is covered under the ‘HER’ program which is being merged under the WOW brand. Ethiopia will be rolling out the program in early 2023.

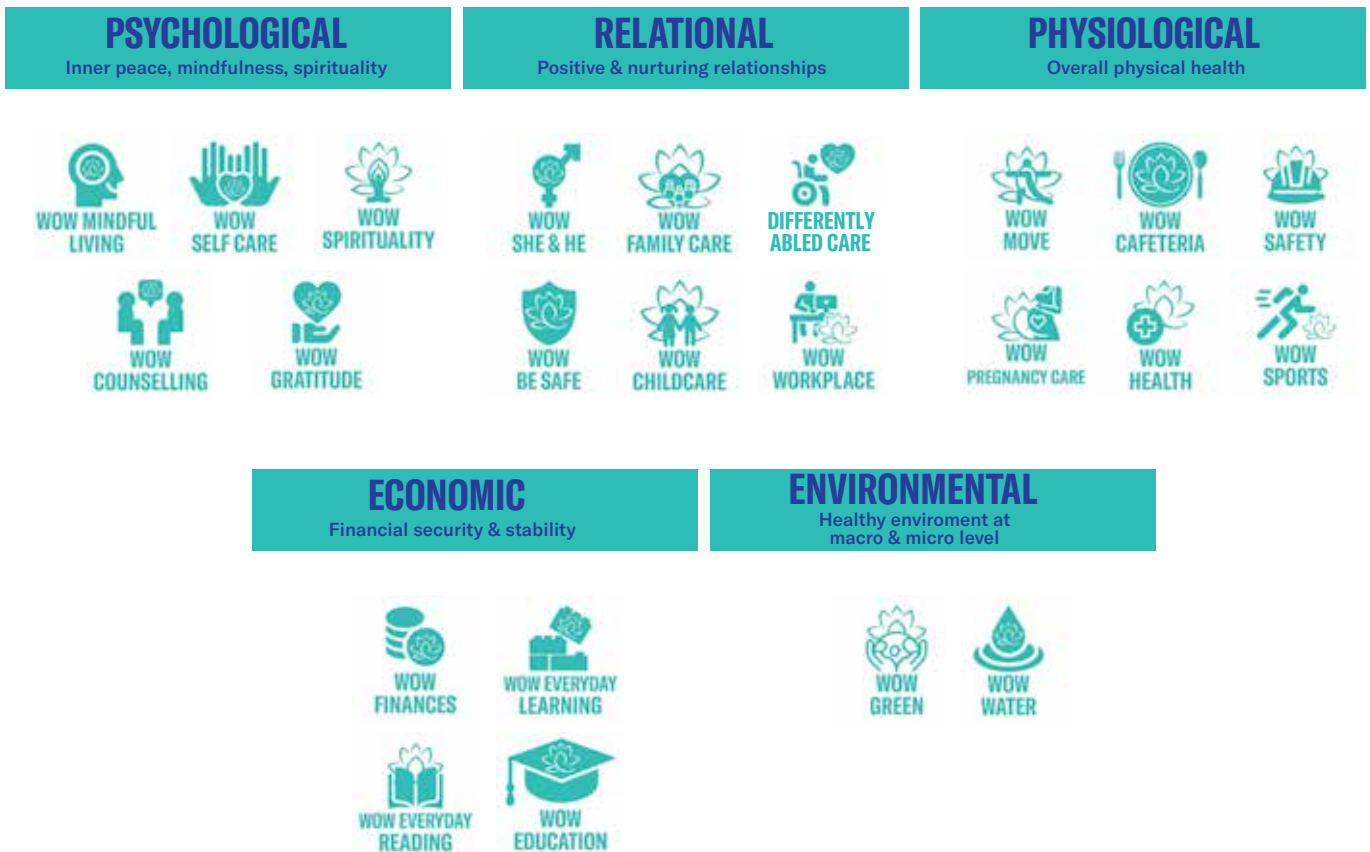


% OF FACILITIES WITH WOW IMPLEMENTED - GROUP WIDE



WOW INITIATIVE PROGRAMS

With the extensive range of factors that feed into the concept of overall wellbeing, to be truly effective, we have created a series of sub programs to support the overall goal. The diagram below showcases these focus areas and is followed by a few key examples of the work we have been doing in 2022.



WOW MOVE & WOW SPORT

This initiative focuses on physical activity and wellbeing and includes a range of programs from employee movement and BMI challenges to setting up gyms and hosting yoga classes within the facilities, running sports programs supported by inter factory tournaments as well as participating in national and mercantile tournaments.

HIRDARAMANI WOMEN'S VOLLEYBALL



Sri Lanka volleyball has seen some impressive performances in recent years and we are proud to say the Hirdaramani Women's Volleyball Team has been dominating the Junior Category at the Dialog President's Gold Cup Championship, winning for three consecutive years. They also emerged as Champions in the Mercantile Volleyball Tournament in 2021 and 2019 including winning individual awards at the same event. At the Sunquick Beach Volleyball Championship in 2019, they were named champions in the under 20 category.

The team's success is also reflected in the Sri Lanka National Women's Volleyball Team, with two members from Hirdaramani being a part of the national team that won the Bronze Medal at the 13th South Asian Games. The players have also received recognition for their individual performances, with several players winning awards at various tournaments.



WOW HEALTH

WOW Health focuses on ensuring our teams have access to non-occupational medical services while also focusing on awareness and education on common health issues and symptoms, healthier practices and the need for regular check-ups.

HEALTH CHECK UP

This program run by Hirdaramani Sri Lanka, provides a free healthcheck-ups which include;

- Full blood count
- FBS
- Lipid profile
- Urine full report
- ECG
- FMR physical examination (BMI, vision check, BP, height / weight, future medical advice on dietary habits according to the reports)

The program also included access to eye and dental clinics as well as a series of other clinics in collaboration with the Ministry of Health (MOH). Over 4,800 associates have benefitted from this project at the time of reporting.



4,800+
ASSOCIATES
BENEFITTED
FROM THIS PROGRAM

WOW FINANCES

Financial Wellbeing has been one of the foundational focuses of the WOW Program. From educating female associates on financial independence and management which directly contributes towards a safer more equal home environment to empowering all employees with knowledge and opportunities to plan their finances in a manner that enables them to achieve their personal goals, this program has had a significant impact on the lives of all our associates.

INVESTMENT PLAN

10,000+
ASSOCIATES
BENEFITTED
FROM THIS
PROGRAM



The investment plan program, launched in 2019, is currently running in 28 factories across the Group. The program provides education on financial management and wealth creation and also provides the option of the Investment Plan which supports employees to save and/or invest an exact amount of money from their salary each month.

Over 10,000 associates have participated in the program, at the time of reporting.

WOW DIFFERENTLY ABLED CARE

We strongly believe in providing equal employment opportunities for all, including differently abled individuals. We work to offer suitable roles for these marginalised persons and at present we employ 238 differently abled people enabling them to achieve economic independence.

Our approach involves identifying specific job roles that are well-suited for differently abled individuals, ensuring that their abilities are not a hindrance to their work. We strive to raise the aspirations and employment prospects of this community, enabling them to move towards sustained employment with mainstream employers. To facilitate this, we organize recruitment programs at Zonal CRP Centres, maintain differently abled workers’ bio-data and overall monitor the CER of differently abled workers during factory visits. Our commitment to promoting diversity and inclusion in the workplace is reflected in our efforts to create meaningful employment opportunities while investing in training and technology to support differently abled employees.

MARKS & START PROGRAM

Hirdaramani Bangladesh is a proud participant of the “Marks & Start” program in partnership with Marks & Spencer. The program aims to provide suitable employment opportunities for differently-abled persons, thereby enabling these marginalized individuals to achieve economic independence. The program is designed to identify specific job roles that can be performed by differently-abled persons without any hindrance. By offering such employment opportunities, we aim to raise the aspirations and employment prospects of differently abled people, enabling them to move towards sustained employment.

In 2022, 12 employees participated in the “Marks & Start” program, and we are proud to report that all of them were able to perform their duties with the same level of dedication and efficiency as any other employee. We believe that by providing opportunities for differently-abled persons, we are not only contributing to their personal growth and development but also to the larger goal of building an inclusive and diverse society.



TRAINING FOR DIFFERENTLY ABLED EMPLOYEES



Hirdaramani Vietnam in partnership with the Disability Research and Capacity Development Center conducted a 3-day training program for 110 differently abled associates. The focus was on developing skills to help both personal and professional advancement for these individuals, as well as discussing workplace inclusivity and communication with their peers.



WOW PREGNANCY CARE



Hirdaramani prioritises providing a secure and healthy working environment for all employees, and this includes paying attention to the needs of pregnant employees. Our commitment to this goal is reflected in the following initiatives that are run in all our facilities:

- Awareness programs: We offer awareness programs specifically for pregnant employees to help them understand how to take care of themselves and their babies during pregnancy.
- On-site clinics: We have on-site clinics that offer medical check-ups and care services for pregnant employees, making it easy and convenient for them to access the healthcare services they need.
- Special meals: We provide special meals for our pregnant employees to ensure they receive proper nutrition for their own health and that of their babies.
- Fresh fruits and vegetables: To ensure access to fresh and nutritious produce, we provide fresh fruits and vegetables from our gardens to our pregnant employees.

WOW MENTAL HEALTH & WELLBEING



Avissawella Base Hospital

Mental Health is a subject which even today remains taboo within many communities and societies and awareness of these issues is still very low. At Hirdaramani we do a lot of work to reduce the stigma and misconceptions about mental health issues. We work to normalise discussions around mental health while also providing access to counsellors and mental health clinics to employees that need it.

A special project run by the team at Hirdaramani Seethawaka is a partnership with Dr. Shalika Herath, a mental health specialist at the Avissawella Base Hospital, to establish an “Onsite Mental Health & Wellbeing Clinic” for employees who have been diagnosed with mental health issues and require medication and/or clinical treatment. This marks the first instance of regular clinical support being implemented on site for business units. Presently, almost 20 employees are receiving treatment and support from the health clinic.



WORLD MENTAL HEALTH DAY

In 2022 factories across Hirdaramani celebrated World Mental Health Day. The celebrations included hosting guest speakers to conduct mental health awareness talks and workshops, wearing yellow on the day as a sign of support as well as bringing a little brightness into the day and sharing awareness content with teams.



WOW events at Hirdaramani Vietnam



TARGET S6: 100% OF FACILITIES RATED ON FSLM, SLCP OR CUSTOMER DRIVEN EQUIVALENT FOR AUDIT

**FACILITY RATING
ACHIEVED:
100%**

**NUMBER OF FACILITIES
RATED:**

FSLM - 9

SLCP - 15

BETTERWORK - 5

Note: Some facilities are rated on more than one standard.

We have always been committed to ensuring high-quality workplace conditions for all of our employees, and this commitment extends beyond simply meeting legal standards. We model our workplace around global standards and compliance. While we are unable to use one set of standards for all of our factories due to the varied requirements of each client, we currently focus on several initiatives to achieve this goal:

- **Social and Labour Convergence Program:** As a signatory to the SAC, all of our facilities are registered on the Social Labour Convergence Project network. We are able to leverage the SLCP tools to share data with stakeholders and focus on continued improvement in the scores of each location.
- **Higg FSLM:** Where customers accept the Higg score, our plants work to reach at least a Step 2 score. In Bangladesh, all of our facilities use the Higg platform for scoring at Step 3, and all have verified scores over 80%.
- **BetterWork:** In Vietnam, we also engage with the Better Work program for our manufacturing facilities.



As part of our commitment to achieving progressive levels on the Higg platform, we publicly communicate our scores on our website. While we recognise the unique requirements of each client, we strive to maintain our commitment to high workplace standards and continuous improvement.

SUPPORT



At Hirdaramani Apparel we do not simply exist in the communities within which we operate but instead maintain a deep sense of belonging to these communities. We remain fully committed to supporting the continued improvement of every person whose lives we are privileged to touch.

Many of our factories have existed in these communities for decades, both witnessing the growth and evolution of these areas as well as playing an integral role in that process of development. We are often one of the major sources of employment within these communities creating both direct and indirect opportunities.

Hirdaramani has also always been engaged within our localities by supporting schools and hospitals as well as engaging in projects for overall community upliftment. We consider it a privilege to support our neighbours and are grateful that we continue to be considered a supportive and accessible partner



CHILDREN & EDUCATION



When we commit to the idea of ‘putting the Future First’, we strongly believe that this begins with putting children first – their health, their wellbeing, and their education, are the foundation for a better future and this is something we have always invested in. Not only is this a core priority in our 2025 Roadmap, it will remain a core priority in all future commitments that we make.

SUPPORTING THE AJUJA CHILDREN’S ORPHANAGE



Hirdaramani Ethiopia supports the Ajuja Children’s Orphanage that provides a home for 60 children under the age of five. We donate milk powder monthly to ensure the children have proper nutrition, conduct special programs on important days in the Ethiopian calendar for their well-being, and provide dry rations as well as gifts to the caretakers twice a year. Additionally, our maintenance team renovated the play area to ensure the children have a safe and enjoyable environment. We are committed to continuing this support and ensuring the well-being of these children.

SUPPORTING THE PAMUNUGAMA GIRLS HOME



Hirdaramani has been supporting the SURASA Child Development Center, situated in Pamunugama, Sri Lanka since 2018. This centre is currently home to 35 girls between the ages of 5 and 18 years. While we do work in terms of renovations, provision of school supplies, food etc. a significant aspect of the support we provide is in the form of actually engaging with the children on a personal level. Each year we host several events ranging from Christmas parties (with personalised gifts for each girl), Avurudu celebrations, Children’s Day celebrations and other events.

These events help the children build essential social skills while also adding some fun and excitement to their daily routine.

THE T.E.A. PROJECT

In 2022 Hirdaramani continued to support the work of The T.E.A. Project, a children’s rights NGO in Sri Lanka and a registered UK charity that works to empower Sri Lankan children from poverty.

Our partnership with The T.E.A. Project began with support to build a Centre for Children’s Empowerment-The Cloud in Kithulmulla, Hanthana. The project provides free pre-schooling empowerment training, after-school support programmes, a daily food programme and a Saturday Service programme for adult community members and unemployed youth from this visionary Children’s Empowerment Centre.

We continued supporting The T.E.A. Project in 2022 to continue their service to help the less-fortunate children and the community they serve.

119 children participated in various cultural and other events and benefited by showcasing their talents.

A few key highlights from 2022 are given below:



- Supporting educational facilities for 1 preschool and 9 partner schools of The T.E.A. Project.
- Y.E.S. (Youth Empowerment Service) aims to develop practical and language skills and improve children’s academic achievement through tuition classes, vocational and empowerment programmes and after-school classes- 144 children benefited from this service.
- Tiny T.E.A. Preschool is an English medium preschool that provides free early childhood education and a healthy snack for children whose parents are working on tea estates as tea pickers and daily paid labourers- 24 kids benefitted from this service.
- We reached 332 children from the Outreach programme to provide empowerment and educational services to the children who do not have access to The Cloud.
- The F.O.O.D. (Fuelling Opportunities, Outcomes and Diets) Programme is organised to provide a free, nutritious daily vegetarian diet for children who attend the after-school programme - 362 people supported through F.O.O.D. Programme and additional dry ration distribution during the crisis.



SUPPORT FOR COMMUNITY SCHOOLS AND PROGRAMS



Hirdaramani factories across all countries provide support to schools in our communities in a myriad of ways – from infrastructure development projects to donations of uniforms and school supplies, supporting sports and IT programs, supporting school meals programs and even running sustainable projects within schools.

In 2022, Hirdaramani Sri Lanka made contributions to the value of over LKR 2 million in providing supplies and supporting infrastructure to projects in local schools, positively impacting education opportunities for over 4,700 children.

EDUCATIONAL SUPPORT FOR EMPLOYEES’ CHILDREN



We have always believed in the importance to recognising and rewarding talent, and for us this extends beyond our employees to recognising the talent and abilities of their children. By providing educational scholarships, we are able to reduce financial burdens that may affect the ability of these children to truly realise their potential. These programs are run across all countries we operate in.



Hirdaramani Vietnam launched a special Education Support Scholarship program in 2022 which will cover primary, secondary and tertiary education for selected children. In 2022, 80 children were selected based on their skills, results and teachers’ recommendations. The program covers school fees for each child at a value of VND 5 million per child. This will be run as an annual program with children being selected each year to receive the full scholarship.

At Hirdaramani Bangladesh, we continue to run the “Nishantha Kariyawasam Memorial Scholarship” with 5 students selected each year and provided with BDT 15,000 per month to support their education.

HEALTHCARE



In many of the communities in which we operate, access to healthcare and the availability of facilities can be a significant challenge. Many local hospitals remain underfunded, have dated infrastructures and lack some services. At Hirdaramani every factory we operate engages with the local hospitals to provide support in many ways on an on-going basis.

This can range from donating medication to funding infrastructure projects and providing gear and equipment. We also often run community clinics for specialised needs such as eye care and dental, as well as hosting blood drives within our factories to support hospitals.

SUPPLY OF MEDICINES TO HOSPITALS IN SRI LANKA

Hirdaramani has demonstrated its commitment to supporting the healthcare sector in Sri Lanka by making significant donations to hospitals in the country.

Donations of medicines and other essential items totalling over Rs. 21 million were made by Hirdaramani Sri Lanka to 11 hospitals spread across the country, including the National Hospital in Colombo. These donations were made in several phases working with suppliers such as Hemas Pharmaceutical (Pvt) Ltd, Baur Life Sciences (Pvt) Ltd, TMI Solutions (Pvt) Ltd, and George Steuart Health (Pvt) Ltd.

This emphasises the our dedication to providing timely support to the healthcare system and showcases Hirdaramani’s unwavering dedication to aiding the community during difficult times.



EYE-CARE & DENTAL CLINIC AT KEPZ



Hirdaramani Bangladesh continues to support the dental and eye-care clinic at the Karnaphuli Export Processing Zone. The clinic provides free dental and eye care to the 70,000+ people working within the zone.

SUPPORTING THE LADY RIDGEWAY HOSPITAL

Since 2010, Hirdaramani has supported the Lady Ridgeway Hospital for Children, helping them to deliver the best care possible to the children. Over the years we have made several donations towards improvements in wards 5 and 6. In addition we have run several special projects as well, including

- Hosting Christmas carols and giving gifts to the children and staff of the ward.
- Providing pillows and upgrading the wallpaper in the nursery.
- Donating 150 surgery suits for in-ward patients.
- Donating a fully automatic washing machine that can wash surgical kits, bedsheets, and more.
- Provision of customised files to maintain daily records of drugs and surgeries for in-ward patients.
- Provision of a trolley for delivery of medications as well as an examination bed.
- Landscaping project at the entrance of the ward.

We continue to support the children’s wards on an on-going basis, by providing maintenance, furniture and other supplies as needed. In addition to our teams regularly visiting the wards, hosting events and providing gifts to uplift the children.



COMMUNITY PROJECTS



We engage with our communities in a variety of ways, providing support where it is needed most. This ranges from water and sanitation projects to infrastructure development and providing support to local institutions.

BUILDING BRIDGES: CAU KENH 800

The Tan Cong Sinh Commune is in the Tam Nong District, an area with one of the highest poverty and near-poverty rates in the province. The area is surrounded by a series of canals resulting in bottlenecks that cause severe traffic congestion. The Cau Kenh 800 bridge project is part of the wider “Build the bridge – Fill the dream – Hill up the future” program that aims to ease congestion thus creating a better environment for the community and helping improve the flow of trade and commercial activities.

Hirdaramani Vietnam engaged in the bridge building project by providing financial support and also being part of the steering committee overseeing the project.



SANITATION PROJECT: BINH THANH KINDERGARTEN

Hirdaramani Vietnam took the lead in delivering the main goals of the project to upgrade and provide better sanitation for the Binh Thanh Kindergarten.

The project included the enhancement of the foundation of the building as well as construction of latrines, manholes, and suction tunnels. In addition, we also replaced sanitary ware that had deteriorated or been severely damaged. Through this project we were able to provide safer sanitation for over 400 children and teachers.



HIRDARAMANI WAGA SANGRAMAYA: COMMUNITY GARDENS

Hirdaramani launched the “Hirdaramani Waga Sangramaya (Grow Your Own Food)” initiative in 2022 with an initial focus to promote food security in Sri Lanka. Starting in Phase 1, model gardens were set up in factories across the island as a means of educating employees on home gardening techniques. The produce was also provided to employees.

In Phase 2 we focused on promoting home gardens by providing seeds and support to employees as well as incentivising home gardening projects.

By the end of 2022 we had moved into phase 3 which was to set up community gardens. The project has set up 11 large-scale community gardens at present. With the proven success of this program we have now begun the work to roll this project out in our other countries of operation.

Notably, Hirdaramani Waga Sangramaya won the Best Project Award at the Best Corporate Citizen Sustainability Awards 2022 organized by the Ceylon Chamber of Commerce.



ENVIRONMENT



Our commitment to environmental sustainability has always extended beyond our factory walls as we aim to build a greater understanding of and commitment to the environment amongst all people.

As part of this commitment, we have always supported sustainable initiatives by local communities while also driving our own environmental projects in these communities.

We also focus extensively on engaging with schools and children to educate and create a sense of love for the environment starting from a young age.

GREEN HOUSE SYMPHONY PROJECT

This is a part of the wider project to Plant Coastal Mangroves in the TagNam province of Vietnam to prevent the serious issues of coastal erosion.

The Green House was built as a nursery for Nipa Palm seedlings which are then transplanted to coastal areas and grow to form mangroves. The green house is also a space where children from local primary schools come to learn about coastal erosion, mangroves and tree planting.

We have also maximised the use of the green house by diversifying the crop to include food sources as well.

Following a highly successful stage 1 of the project in 2021, unfortunately the green house was seriously damaged by typhoon Noru, which has set the project back. However, we are in the process of rebuilding, and remain committed to this project and achieving our long-term goals.

Despite the recent set back, the project has still had significant impact this year:

- Reduced soil erosion in Cửa Đại beach by planting seedlings grown at the greenhouse.
- 640m² area covered to mitigate climate change.
- Up to 22,000 people will be impacted through the project to eradicate poverty by supporting the agricultural sector.



TARGET S9: EQUAL REFORESTATION AND BIODIVERSITY PROJECTS, REFLECTING THE TOTAL PHYSICAL FOOTPRINT OF OUR FACILITIES.



At Hirdaramani, we are committed to earning and maintaining the trust that our customers, associates, industry, and communities place in us. We are dedicated to producing high-quality sustainable products while upholding the highest corporate governance and compliance standards. We understand that many people trust us to make a positive difference and we take that trust seriously.



TOTAL NUMBER OF TREES PLANTED **26,104** 

TOTAL BIODIVERSITY RESTORATION **22,562m²**

 **3.23%**
OF FACILITY FOOTPRINT RESTORED TO DATE



TRUST



At Hirdaramani Apparel, we are committed to earning and maintaining the trust that our customers, associates, industry, and communities place in us. We are dedicated to producing high-quality sustainable products while upholding the highest corporate governance and compliance standards. We understand that so many people trust us to make a positive difference.

We believe in reporting transparently against the targets listed in our 2025 sustainability roadmap and will always strive to set the standard for best practices. We are working to implement governance, procurement, and business systems that enable this, and we collaborate with organizations globally, to take collective responsibility for putting the future first.



ALIGNMENT WITH THE GLOBAL ESG AGENDA

We are proud to share that our commitment to putting the future first is reflected in our sustainability strategy, which aligns with global best practices. In developing and implementing this strategy, we have referred to various international frameworks and standards.



UN SUSTAINABLE DEVELOPMENT GOALS

We are guided by the UN Sustainable Development Goals (UN SDGs), which provide an integrated approach recognising that action in one area will affect outcomes in others, and that development must balance social, economic, and environmental sustainability.

By aligning our sustainability work with the UN SDGs, Hirdaramani can prioritize the most important issues facing society and work towards creating a better future for all.

SUSTAINABLE DEVELOPMENT GOALS



GRI REPORTING

As we strive to continually improve accountability and transparency in our sustainability practices and reporting, in 2022 Hirdaramani began aligning with the Global Reporting Initiative (GRI) to measure and communicate our sustainability performance.

GRI is a leading framework for sustainability reporting, providing a comprehensive set of standards that help organisations measure and report on their environmental, social, and governance (ESG) impacts. By aligning with GRI, we can ensure that our sustainability reporting is consistent, credible, and meets industry best practices. GRI also enables us to identify areas for improvement and set targets for future sustainability initiatives, ensuring that we are constantly striving to improve our ESG performance.

SCIENCE BASED TARGETS

In 2022 we announced our commitment to the Science Based Targets Initiative (SBTi) thus officially joining a select group of companies around the world taking action to limit global warming to 1.5°C and prevent the worst impacts of climate change. This commitment also reinforces our pledge to align with the 2015 Paris Agreement.

Within the SBTi framework we have committed to both ‘near term goals’ and ‘net zero emissions’ and we are currently setting and verifying our targets, which will become fully embedded into our Sustainability Roadmap.

The SBTi is a global collaboration between CDP, United Nations Global Compact, World Resources Institute, and World-Wide Fund for Nature, which supports companies in creating tangible goals to reduce their emissions.



SUSTAINABLE APPAREL COALITION

Hirdaramani Apparel has achieved the Foundational+ level of the SAC Membership Requirements. We are proud to be part of over 270 global members in helping the SAC deliver its vision, targets and commitments in an effort to transform the apparel industry into one that gives more than it takes – to the planet and its people.

Our team works closely with and within the SAC task teams and strategic councils to provide a manufacturer’s perspective towards the important decision-making and policy forums as well as contributing learning and data towards the development of the Higg FEM & FSLM tools. We have also been invited to participate in the Technical Advisory Committee, FSLM Strategic Council and FEM 4.0 Member expert team.

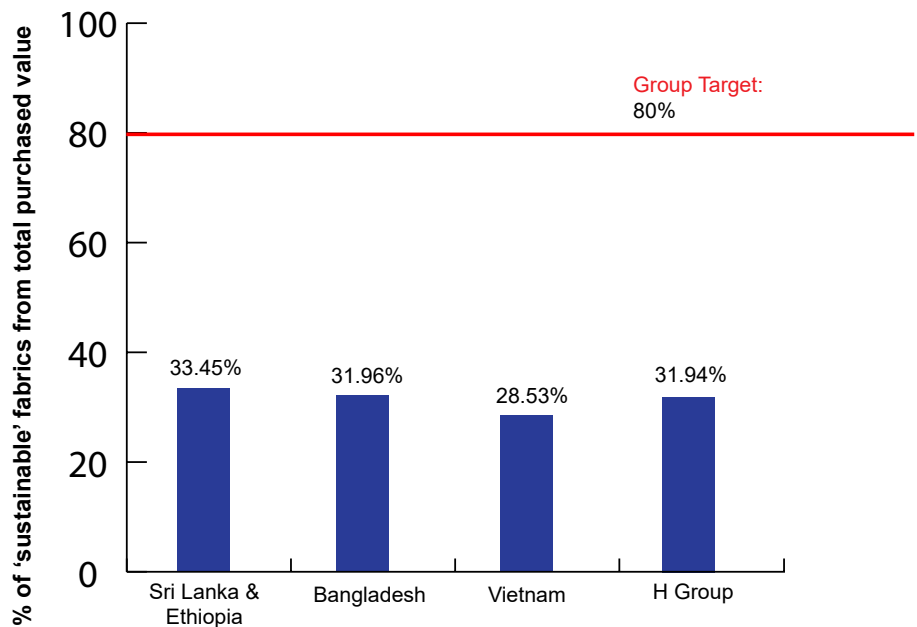
We remain fully committed to continued growth with the coalition on its journey towards a more sustainable industry.

TARGET E16: CIRCULARITY - 80% OF RAW MATERIALS USED TO BE ‘CERTIFIED SUSTAINABLE’



Most of the materials used in the fashion and textile industry today are linked to agriculture, forestry, and oil – reducing our reliance on these sources offers one of the most significant opportunities to reduce the effect of climate change. With this in mind, Hirdaramani has made the commitment to ensure that by 2025 at least 80% of the raw materials used in our manufacturing processes be ‘Certified Sustainable’, which is defined in line with globally accepted sustainability standards as set out by The Textile Exchange. Other Man Made Cellulosic Fibers (MMCFs) include viscose, lyocell-tencel, and modal.

A key challenge faced by us, and all companies aiming for this goal is that at least 64% of materials still come from synthetic sources and as such change has to be gradually managed and implemented along with a commitment to ‘closing the loop’ through increased recycling of fabric, while choosing the available and ‘preferred’ option from each fiber category.



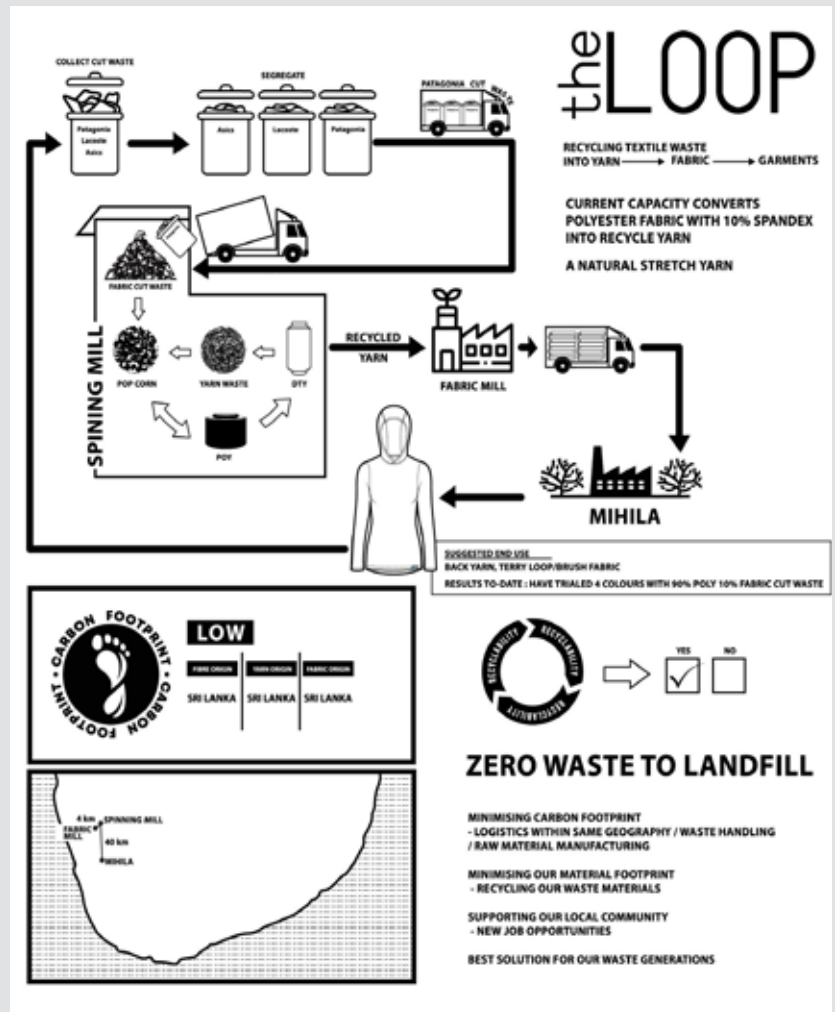
Note:

- ‘Certified Sustainable’ is defined in line with globally accepted sustainability standards as defined by The Textile Exchange. Other MMCFs include viscose, lyocell-tencel, and modal
- Figures have been calculated using USD value of fabric purchases in 2022.

TRACEABILITY

In our efforts to create a more sustainable supply chain and build in transparency for our customers and for consumers we have started developing traceability boards for products. These showcase our efforts in closing the loop and minimising emissions by limiting and managing the supply chain geography.

For example, the sample board shows that we collect fabric waste, which is then sent to be recycled into yarn, which is then woven into fabric, that comes back to Hirdaramani to make the product, which can then be recycled again. In addition to the manufacturing of the garment being at a green certified facility, the fabric recycling centre and fabric mill are in close proximity to the manufacturing facility reducing transport distances and therefore the overall GHG emissions associated with the product.



CIRCULAR STYLES WITH AMERICAN EAGLE



Image Source: www.ae.com

Hirdaramani Bangladesh in collaboration with the Ellen MacArthur Foundation (EMF), has been developing and manufacturing sustainable and circular styles for American Eagle. The first jeans were launched at the end of 2021, made with 100% sustainable cotton, based on Global Organic Textile Standards (GOTS) and Organic Content Standards (OCS).

We have continued to build on this delivering a range of products meeting the EMF guidelines, which include using a minimum percentage of recycled cotton, sustainable washes based on the Jeanalogia EMI score, not using rivets thus making products easier to recycle and more.

All products also include printed instructions inside the back pockets which provide instructions on how to recycle the garment.

APPENDIX 1

FULL LIST OF TARGETS

These targets were developed in consultation with a range of stakeholders, informed by industry best practices, and guided by expert consultants. We have invested in clear frameworks to monitor our impacts and measure our performance, as we commit to accountability and complete transparency.

Energy & Emissions Management	E1	20% savings in normalised energy consumption compared to 2019 baseline
	E2	Achieve near term emissions reduction and Net-Zero targets aligning with the Science Based Targets Initiative (SBTi)
	E3	50% of the Group energy requirements covered by renewable sources by 2030
Water	E4	50% reduction in normalised industrial freshwater consumption compared to 2019 baseline
	E5	10% reduction in absolute industrial freshwater consumption compared to 2019 baseline
	E6	10% reduction in normalised domestic freshwater consumption compared to 2019 baseline
	E7	Recycle more than 50% of industrial wastewater for industrial process use
	E8	Harvest minimum 10% of domestic water from rainwater for cooling or cleaning
Waste	E9	Reduce 5% normalised processed fabric waste per garment compared to 2019 baseline
	E10	Zero waste to landfill
	E11	Recycle 80% of fabric waste generated
Chemical Management	E12	Implement a program to phase out use of all hazardous chemicals in production processes
	E13	Elimination of pumice stones from laundry process
	E14	Zero release of synthetic microfibers from production processes
	E15	ZDHC - 100% of industrial processes to achieve 'Aspirational Level'

Other	E16	Circularity - 80% of raw materials used to be 'Certified Sustainable' *
	E17	Minimum Higg vFEM Score of 80 points for all Hirdaramani manufacturing facilities
	E18	100% of Hirdaramani manufacturing facilities to be Green Building certified (LEED or GREENSL)
	E19	100% of Hirdaramani manufacturing facilities to be ISO 14001 or ISO 26000 certified
People	S1	100% of the Group involved in our Wonders of Wellbeing (WOW) program**
	S2	30% of our leadership positions to be held by women
	S3	70% of facility supervisory positions to be held by women
	S4	80% of supervisors reached through our Career Enhancement Program
	S5	60% of executives reached through our Career Enhancement Program
	S6	100% of facilities rated on Higg Facility Social & Labour Module (FSLM), Social & Labour Convergence Program (SLCP) or customer driven equivalent for audit
Community	S7	Minimum 200 students impacted annually through education projects from each facility
	S8	Minimum 200 people impacted annually through community health projects from each facility
	S9	Equal reforestation and biodiversity projects, reflecting the total physical footprint of our facilities ***

Notes:

* 'Certified Sustainable' definition is in line with globally accepted sustainability standards as defined by The Textile Exchange. Other MMCFs include viscose, lyocell-tencel, and modal

** Hirdaramani Bangladesh has been running a wellness program under the "HER" brand which is currently being merged with WOW

*** This target is calculated assuming that planting one tree restores 9.3sqft (0.86sqm) of biodiversity.

APPENDIX 2

GRI INDEX

GRI STANDARD	DISCLOSURE	PAGE
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GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	02, 59
	103-2 The Management Approach and its components	02, 59
	103-3 Evaluation of the Management Approach	59
	301-2 Recycled input materials used	59
ENERGY		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	08, 09
	103-2 The Management Approach and its components	08, 09
	103-2 Evaluation of the Management Approach	08, 09
GRI 302: Energy 2016	302-3 Energy intensity	08, 09
	302-4 Reduction of energy consumption	08
WATER & EFFLUENT		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	12 - 14
	103-2 The Management Approach and its components	12 - 14
	103-3 Evaluation of the Management Approach	12 - 14
GRI 303: Water and Effluents 2018	303-2 Management of water discharge related impacts	14
	303-5 Water consumption	12, 13
BIO DIVERSITY		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	54
	103-2 The Management Approach and its components	54
	103-3 Evaluation of the Management Approach	54
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	53, 54
EMISSIONS		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	02, 09, 58
	103-2 The Management Approach and its components	02, 09, 58
	103-3 Evaluation of the Management Approach	09
GRI 305 Emissions: 2016	305-5 Reduction of greenhouse gas emissions	08, 09, 58

GRI STANDARD	DISCLOSURE	PAGE
WASTE		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	15, 16, 18-21
	103-2 The Management Approach and its components	15, 16, 18-21
	103-3 Evaluation of the Management Approach	15, 16, 18-21
	306-2 Management of significant waster-related impacts	20
GRI 306: Waste 2020	306-4 Waste diverted from disposal	20
	306-5 Waste directed to disposal	21
	306-3 Waste generated	21
EMPLOYMENT		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	28, 29, 37
	103-2 The Management Approach and its components	28, 29, 37
	103-3 Evaluation of the Management Approach	28, 29, 37- 43
GRI 401: Employment 2016	401-3 Parental leave <i>(Omission: d and e due to incomplete data recorded in the reporting period)</i>	26
TRAINING & EDUCATION		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	30, 31
	103-2 The Management Approach and its components	30, 31
	103-3 Evaluation of the Management Approach	30, 31
	404-1 Average hours of training per year per employee	32
GRI 404: Training and Education 2016	404-3 Percentage of employees receiving regular performance and career development reviews	32
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach	103-1 Explanation of material topics and its boundaries	30, 31
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	403-5 Worker training on occupational health and safetyimpacts	33
GRI 403 - Occupational Health and Safety 2018	403-6 Promotion of worker health	38 - 43
	403-9 Work-related injuries	34, 35

