

HIRDARAMANI

PUTTING THE FUTURE FIRST.

2021 SUSTAINABILITY REPORT



ABOUT HIRDARAMANI

A pioneer of the Sri Lankan apparel industry, today The Hirdaramani Group is a global manufacturer providing integrated apparel design, sourcing, production, and distribution solutions to premium international brands. With over 55,000 employees across 6 countries, at Hirdaramani, we don't just manufacture clothing. We partner with clients to deliver the finest garments to discerning customers worldwide. For us, it's about combining the magic of design with the sensibility of business. A future-focused organisation, we're committed to doing the right thing today, for a better tomorrow.

ABOUT THIS REPORT

This report provides an overview of the performance of the Hirdaramani Sustainability Programs as of 31st December 2021. The data provided here represents the results for our manufacturing operations across Sri Lanka, Vietnam, Bangladesh and Ethiopia for the year of reporting. To the best of our knowledge, all data is complete and accurate at the time of publication.

The report also sets out our sustainability goals and targets as part of our roadmap for 2025.

MESSAGE FROM THE BOARD

Our focus on sustainability is rooted in a deeply held belief in doing the right thing. This belief drives us to do more than talk about good intentions. It drives us to take action and make a real impact, because truly driving a sustainability agenda is not easy. And having a measurable impact on the planet, people and communities is a difficult challenge. But it is one we have never shied away from.

At Hirdaramani, we have never settled for taking the easy path.

Today, the apparel and fashion industry is the second largest consumer of water and produces up to 10% of global greenhouse gas emissions – this is more than all international flights and maritime shipping combined. Our Group has operated in areas facing multiple challenges including natural disasters, civil war and economic crises for over a hundred years. Throughout our history, we have constantly challenged ourselves to tackle obstacles head-on and make the maximum difference in everything we do.

Rooted in our heritage, intrinsic to our culture

A longstanding, ongoing commitment to sustainability is part of our heritage and culture as a family business. You see this in the values we live every day: innovating to create the future; doing the right thing and making things better; collaborating to be stronger together; acting fast and keeping things moving; and believing in our ability to make the impossible possible.

These values have driven years of impressive sustainability achievements of which we are

very proud. Back in 2008, we opened the world’s first custom-built green apparel factory. In 2010, we launched our first renewable energy project, scaling up to the 573GWh of annual capacity we have in place today. We had the first CarbonNeutral® certified apparel manufacturing facility in Asia, and in 2021 we renewed this certification for the ninth consecutive year. Our list of accomplishments goes on, as you will see in this report.

Our ambition is to be a global sustainability trailblazer and standard setter and therefore our efforts are underpinned by an alignment with the global ESG agenda. We were early adopters of global standards and best practices, from UN Sustainable Development Goals and the US Green Building Council LEED certification to the Higg Index and the Social & Labour Convergence Program (SLCP).

This year, by launching our Future First sustainability roadmap, aligned with science based targets, we have given new (or “a renewed”) impetus to our efforts – and have signaled our intention to be a leader in ESG transparency and accountability.

Responding to a changing world

Our sustainability leadership within the apparel sector was reinforced during the Covid-19 pandemic, which has prompted the wider industry to prioritise environmental and social considerations.

The past two years have been the most challenging that Hirdaramani has ever faced. As with so many

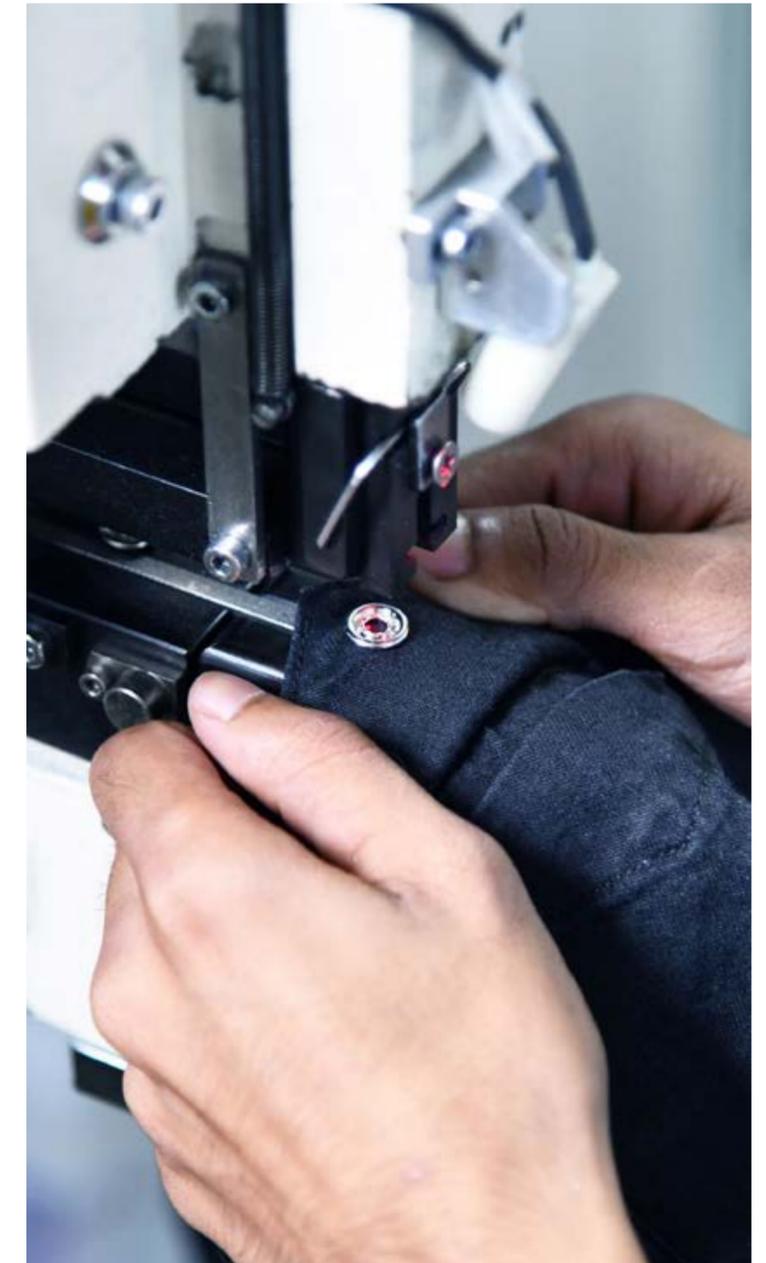
other organisations, the pandemic forced a complete re-evaluation of our approach to people, health and safety, operations, and supply chain. It also reinvigorated our mission and showed Hirdaramani values in action in the best way – through helping others and working creatively during times of hardship.

For example, we fast-tracked Group-wide digitalisation investments that are benefiting our people, our customers, our suppliers and the planet. Our internationally recognised Wonders of Wellbeing program provided invaluable support to our associates and their families. You will also read about our many community initiatives across Sri Lanka, Vietnam and Bangladesh – from distributing personal protective equipment and donating food parcels to supporting children’s education.

Forging ahead / Putting the Future First

We have always known we are part of a greater whole, and we will continue to do our part to make the world a better place and create a more sustainable future for everyone. By holding ourselves accountable through our Future First roadmap, we will not only have a direct impact, but we will also support the sustainability agendas of many leading global apparel and fashion brands.

So we will continue our century-long journey. We will continue to take the initiative, to battle our way through the toughest obstacles and to apply our innovative thinking to solving the global challenges we all face.



“Our ambition is to be a global sustainability trailblazer and standard setter and therefore our efforts are underpinned by an alignment with the global ESG agenda.”

OUR APPROACH TO SUSTAINABILITY

Hirdaramani has always operated responsibly and strived to do the right thing. But in 2006, we experienced a watershed moment that led to a fundamental shift for the company.

Anil Hirdaramani, currently Director Emeritus in the Group, having just watched the documentary An Inconvenient Truth. Former US Vice President Al Gore’s effort to raise awareness of the dangers of climate change, was able to convince the family and the leadership of the business that we needed to act immediately and do what is right based on our own core values.

A fundamental shift

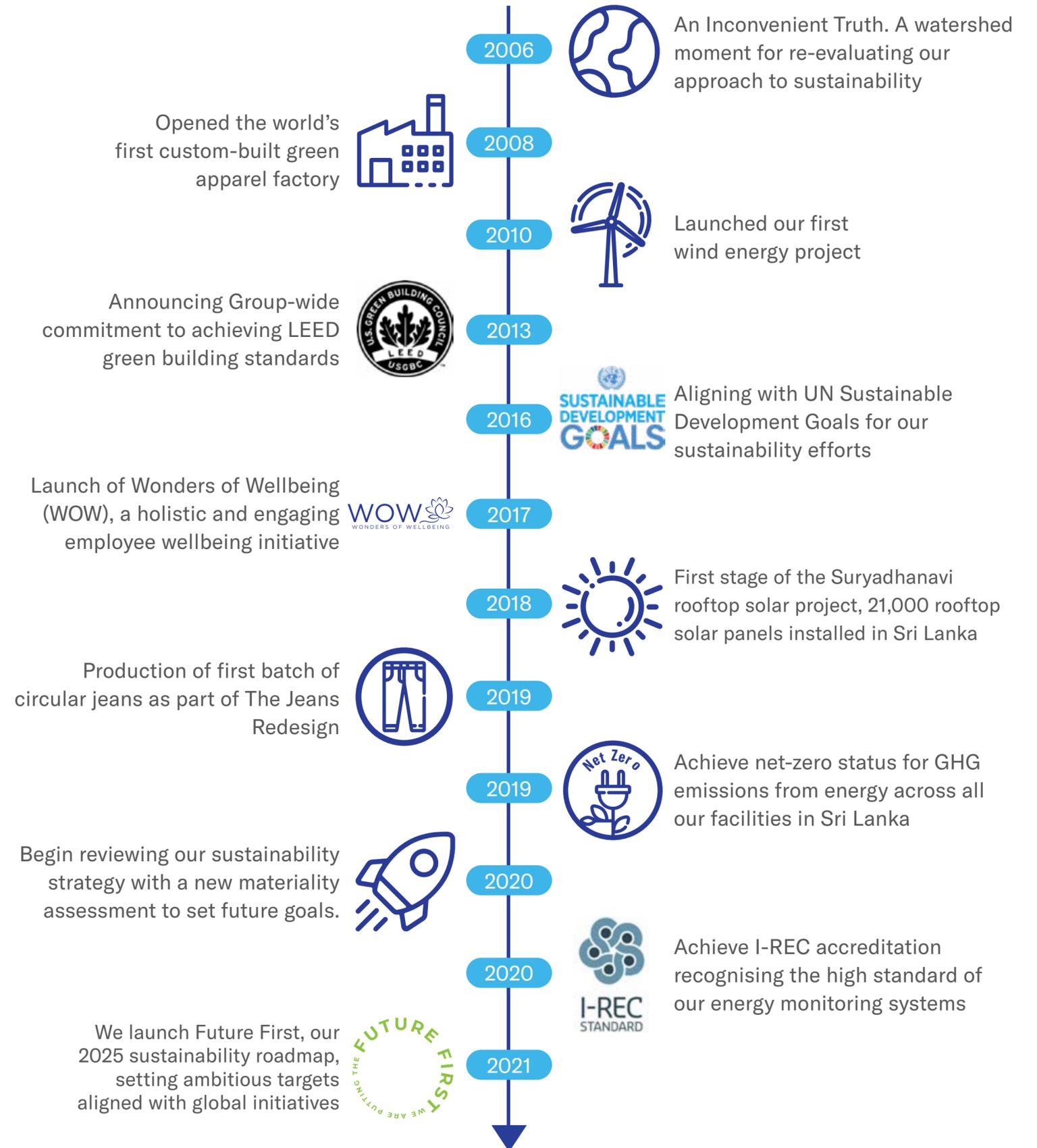
The movie kick-started a broad-ranging discussion about the long-term sustainability of our business – what we could do differently to reduce our contribution to the world’s shared challenges, and how we could make a positive impact through our activities. Nothing was off the table.

That discussion sparked a mindset shift for Hirdaramani and a renewed focus on our responsibility to future generations. We immediately began researching, developing, and implementing an environmental sustainability strategy. We knew we didn’t have all the answers when we set out, but we were committed to learning through the process and applying those learnings throughout our operations.

For us, sustainability has never been about ticking a box on a report or keeping up appearances. It’s about truly transforming our business and committing to making things better.

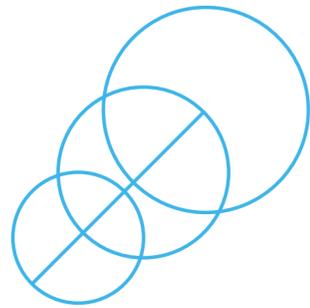
An enduring commitment

Within two years, we had opened the world’s first custom-build green apparel factory. 15 years later, we are still walking the talk – environmental, social and governance (ESG) principles are embedded in every facet of our operations and inform our values and all our ways of working. We collaborate with customers to pioneer more sustainable products and consistently use more environmentally friendly raw materials. We partner with industry colleagues to set and implement new standards. And we take pride in thinking big – whether it’s achieving net-zero across all our facilities in Sri Lanka, or helping develop a new, circular economy-based approach to manufacturing denim jeans, one of the most resource-intensive garments.



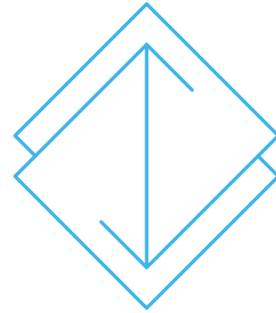
LED BY OUR VALUES

Our drive to making things better is enshrined in our company values, along with our conviction that by working together we can achieve great things. These values are infused throughout our organisation and guide everything we do. Every day we strive to:



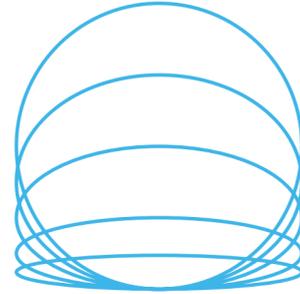
CREATE THE FUTURE

We have a long history of using our entrepreneurial spirit to create the future. We value people, processes and products that enable this pursuit. It's about recognising an opportunity, having an innovative vision, creating a solution, and making it a reality.



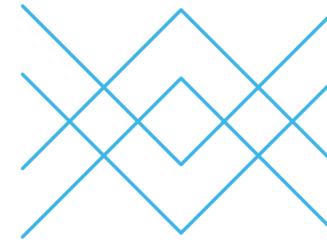
MAKE THINGS BETTER

We have always had the integrity to do the right thing. That's how our business began and why it continues to thrive. As the business world becomes more transparent and sustainability, compliance and equality become increasingly important, it's crucial we continue to make the world a better place.



STRONGER TOGETHER

Hirdaramani is a family business with a vast footprint. The business is built on our tradition of respecting relationships, collaborating like kin, and ensuring the outcomes benefit all. We may not all be blood relatives, but we treat our suppliers, employees, and customers like they're one of us, partnering with them on the journey to success.



KEEP IT MOVING

In our business, we never stand still. We live in a world of constant change. We value the ability to think quickly and act fast. When issues arise, we resolve them with pace and move on. It's about continuous progress, staying on our toes and always moving forward.



BELIEVE WE CAN

Hirdaramani has an insatiable hunger for achievement. A resilient force, we face obstacles every day, but with hope and determination, we always prevail. We find opportunities when it seems there are none and turn the impossible into the possible. We value those who never give up.

MATERIALITY ASSESSMENT

Where can we make the biggest difference to our customers, communities, colleagues, industry and planet? That's where our material topics come in.

We identified our material topics through an in-depth assessment of areas that matter most to our stakeholders and have the greatest impact on society and the planet. The assessment was carried out by Karin Ekberg, CEO of Leadership & Sustainability, who engaged with our global teams as well as conducting site visits to many facilities

across Vietnam, Bangladesh and Sri Lanka. It also encompassed a detailed benchmarking exercise, including qualitative and quantitative analysis of risks, opportunities and impacts across our value chain.

The materiality assessment helps guide our Future First sustainability roadmap as we implement the recommendations and achieve measurable progress towards our 2025 targets.

“The Hirdaramani sustainability team – in Sri Lanka, Bangladesh and Vietnam – has a longstanding work to implement good sustainability practices, like for example the implementation of Higg FEM and FSLM, the green building certifications and the WoW project. During my work with Hirdaramani I was impressed by the competent teams and the continuity in their efforts.

Furthermore, Hirdaramani is a best practice example in the important matter of having top management involved. Cudos, Hirdaramani team!”

– KARIN EKBERG, CEO, LEADERSHIP & SUSTAINABILITY.



CONTRIBUTING TO THE UN SUSTAINABLE DEVELOPMENT AGENDA

Our Future First sustainability roadmap is also aligned with the United Nations Sustainable Development Goals Framework (UN SDGs), which provide a shared blueprint for peace and prosperity for people and the planet. UN SDGs recognise that ending poverty and deprivation must go hand-in-hand with strategies that improve health and

education, reduce inequality and drive economic growth – all while tackling climate change and working to preserve oceans and forests. They therefore provide a meaningful framework for a holistic sustainability strategy that ensures Hirdaramani’s efforts have maximum positive impact.





ALIGNMENT WITH THE GLOBAL ESG AGENDA

We're committed to putting the future first and being effective custodians for future generations. But we know we can't do this alone. Effective ESG is about working together to tackle big problems with creative solutions, which is why we align with our customers' priorities and global best practices. We've therefore referred to the following international frameworks and standards in developing and implementing our sustainability strategy.





PUTTING THE FUTURE FIRST

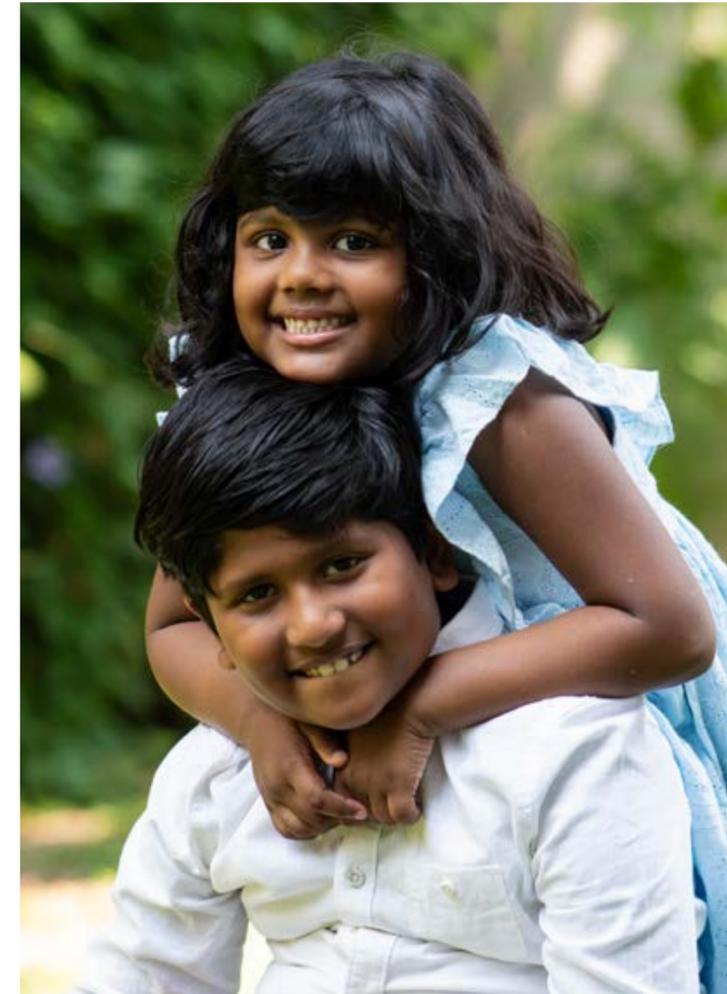
Importantly, we know that our work towards sustainability will be continuous. We will always push ourselves to do more. This commitment is defined in Future First, our 2025 sustainability roadmap. Future First is based on four pillars – Conserve, Empower, Support and Trust – and sets out our ambition to be a global sustainability leader and standard setter.

This strategy was developed in consultation with a range of stakeholders, informed by industry best practices, and guided by expert consultants. Through a comprehensive materiality assessment,

we have established a framework for monitoring our impact, and we are setting targets to focus our efforts and measure our performance.

As we execute Future First, we're making the business more resilient while aligning with the values of our customers, employees, and society – who all want to work with and buy from brands they can trust. 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, fulfilling lives, we are putting their future first.

SUPPORT

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.

OUR 2025 AMBITIONS

We have set high ambitions for 2025 with our targets across all elements of our sustainability strategy. Here are some highlights.

100%

of facilities LEED or green building certified

50%

absolute greenhouse gas savings, also to align with the science based target initiative by 2030

50%

reduction in normalised industrial freshwater consumption

ZERO

waste to landfill

80%

of all raw material used to be “certified sustainable”

100%

of the Group involved in our Wonders of Wellbeing (WOW) Program

30%

of our leadership positions held by women

70%

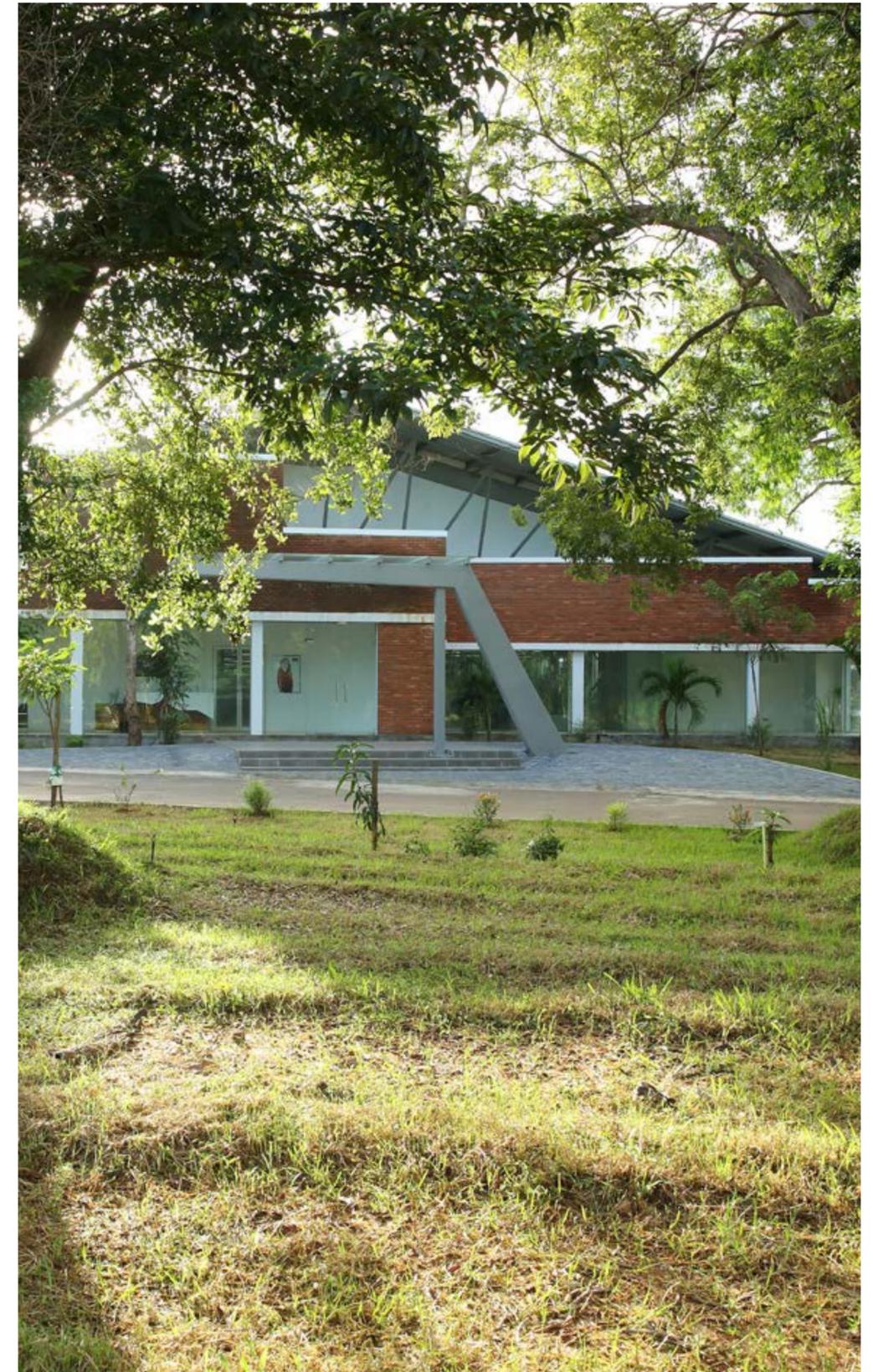
of supervisors reached through our Supervisory Development Program

12,800

people impacted annually through education and community health projects spearheaded by each factory

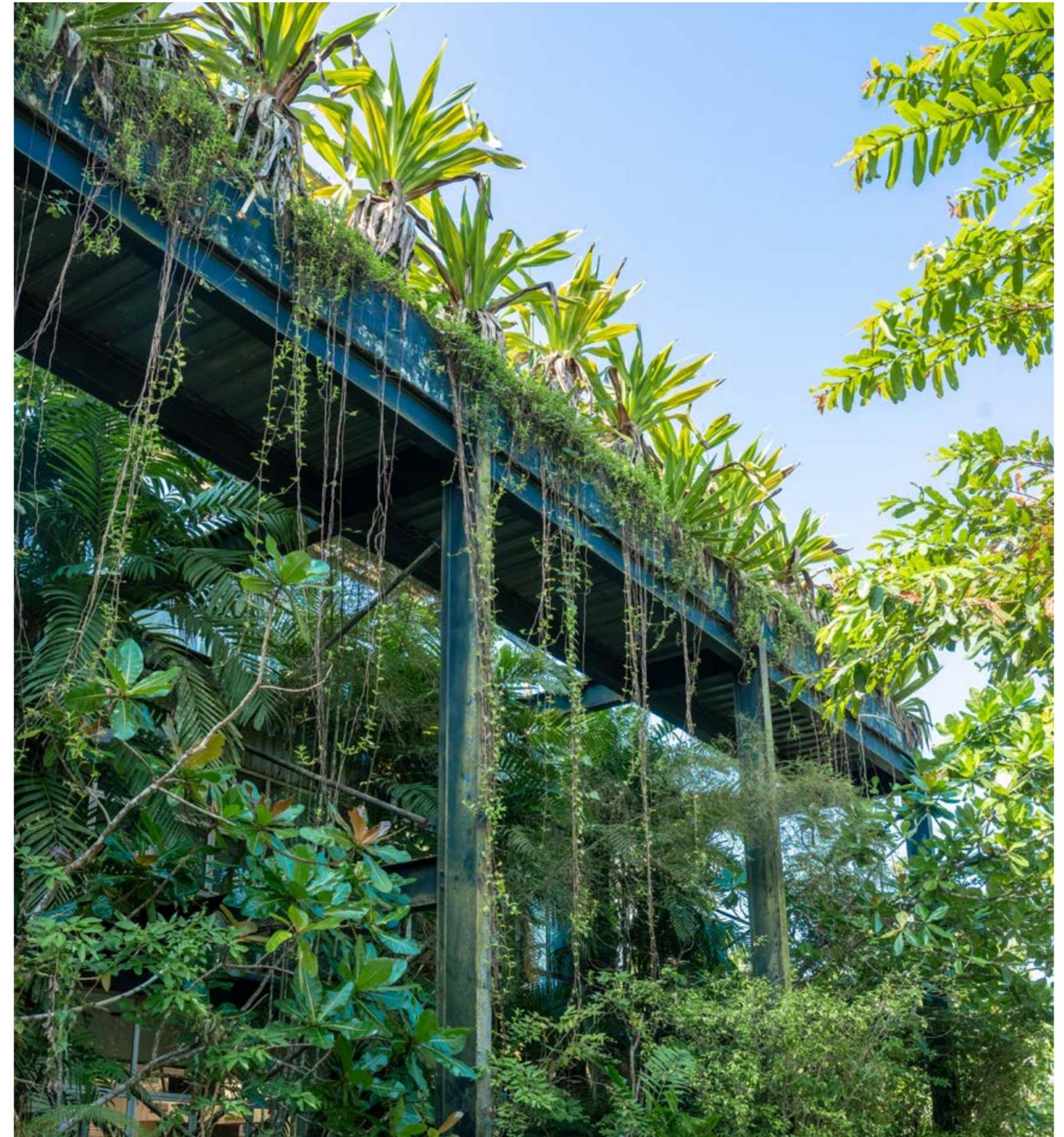
100%

reforestation and biodiversity projects, reflecting the total physical footprint of our facilities



CONSERVE THE ENVIRONMENT

3	Conserve	11
	Our 2025 Environment Ambitions	12
	Energy	13
	The Road to Net Zero	14
	Water	15
	Waste	16
	The HIGG Index	17
	Chemical Management	18
	Sustainable Manufacturing Technologies	19





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.

The energy used to power manufacturing facilities. The water used to produce textiles and wash garments. The fuel used to transport everything from raw materials to finished products – the list goes on. There’s no question that the apparel and fashion industry has an impact on the planet. Not only does the industry account for 10% of global greenhouse gas emissions, but it’s responsible for up to 35% of marine microplastics and 1.2 billion tonnes of carbon dioxide emissions annually.¹ Despite this, our industry truly can work to reach a

point where the positives outweigh the negatives.

From fibres to dyes, we have long relied on the incredible textures and colours nature gives us to create beautiful products. As a result, the Hirdaramani way has always focused on conserving and enriching our natural environment – and we’ve long been a pioneer when it comes to driving initiatives and adopting technology to achieve this.

Our Future First sustainability roadmap is the latest milestone in our ongoing ESG efforts, building on our achievements to date. It represents a comprehensive approach to addressing our environmental footprint, using industry best practices and science based targets to analyse and minimise our impact throughout everything we

do, everywhere we have a presence. As a result, our environmental commitments aren’t just about headline projects – they’re about a long-term, holistic approach to conserving the planet for future generations.



OUR 2025 ENVIRONMENT AMBITIONS

100%

of facilities LEED or green building certified

50%

absolute greenhouse gas savings, also to align with the science based target initiative by 2030

50%

reduction in normalised industrial freshwater consumption

ZERO

waste to landfill

ZERO

Use of hazardous chemicals

80%

of all raw material used to be “certified sustainable”

100%

of facilities ISO 14001 certified or aligned to ISO 26000

100%

of facilities with a Higg Facility Environmental Module (FEM) score of at least 80

¹ Sources: UN Environmental Program (UNEP) and a report from the International Union for Conservation of Nature (IUCN) in 2017

ENERGY

Over the years, we have developed robust processes for tracking, monitoring, and optimising our energy consumption. We continue to build on these by embracing new technology and standards that help us boost transparency and accountability as we work towards our 2025 ambitions – reducing emissions by 50% in line with the Science Based Targets Initiative, achieving 20% normalised energy reductions and certifying all facilities Carbon Neutral.

Starting in 2021, we conducted comprehensive energy audits at more than 70% of our facilities, informing the development of KPIs for each cluster and factory. These KPIs are helping us define roadmaps for running all facilities on the most energy-efficient equipment available by 2025 and with at least 50% renewable energy by 2030. This year, we began addressing initial opportunities highlighted in the audits, including installing submeters and more accurate measurement mechanisms across all energy sources in energy-intensive areas.

Hirdaramani is a regional pioneer when it comes to LEED and green building certifications, and we continuously learn from our experiences as we drive energy efficiency across our facilities. We are making steadfast progress on our path to achieve 100% LEED or green building-certified facilities by 2025, including a deep commitment to investing in renewable energy as the power source of the future.



OUR 2021 PROGRESS

70%

of facilities conducted comprehensive energy audits

50%

of clusters and facilities now have specific KPIs for energy efficiency

OUR 2025 ENERGY AMBITIONS

100%

of facilities certified Carbon Neutral

20%

normalised energy savings (from our 2019 baseline)

50%+

of energy requirements covered by renewable sources at all facilities by 2030

100%

of facilities using the most energy-efficient equipment available

THE ROAD TO NET ZERO

Our ultimate, long-term aim is to achieve net-zero status across our entire manufacturing footprint, and we've aligned with the Science Based Targets Initiative (SBTi) to give us a viable roadmap for achieving that.

In May 2019, we achieved net-zero status for greenhouse gas emissions from energy across all our Sri Lankan facilities based on ISO 14064 standards. It was a major milestone, which we accomplished by moving beyond offsetting and embracing bold energy efficiency and renewable energy generation initiatives.

As part of our energy efficiency drive, we aim to have all our facilities LEED or green building certified in line with international standards recognising sustainability achievement and leadership. As of the end of 2021, 16 facilities across Sri Lanka, Vietnam and Bangladesh were certified, and we're continuing to convert existing facilities and building all new ones to meet these standards.

Our on-site renewable power generation capacity now totals a massive 16.2 GWh annually. This is in addition to 100 MW capacity of wind power across four farms and 25 MW capacity of mini hydro power across three plants. The majority of our renewable power comes from solar PV as part of our ongoing project to install photovoltaic panels on all our facility rooftops. Through our Suryadhanavi Rooftop Solar Project, we generate 16.2 GWh annually, saving 13,400 tonnes of carbon

dioxide equivalent (CO2e) each year. We now have rooftop solar generation capabilities across eight facilities in Sri Lanka and five in Vietnam, with plans to expand in those countries and launch the project in Bangladesh in 2022.

And we're not just investing in renewable energy – we're also holding ourselves accountable for our progress. We were the first company in Sri Lanka to receive International Renewable Energy Certificates (I-RECs), which provide a clear and accurate view of each facility's renewable electricity energy usage. This ensures we're transparent about our efforts to reduce greenhouse gas emissions from electricity and overall energy and adhere to international standards.

100%

net zero from energy across Hirdaramani Sri Lanka, based on ISO 14064 standards (2019)

16.18 GWh

of renewable electricity generated annually

16

facilities globally are LEED or green building certified, 11 of which are Gold or Platinum Rated (2009-2021)

1ST

in Sri Lanka to receive International Renewable Energy Certificates (I-RECs)



WATER

The apparel industry has traditionally relied on water-intensive processes – it takes an incredible 7,000 litres of water to manufacture a single pair of denim jeans. As a result, Hirdaramani has long focused on water efficiency, whether in creating innovative new processes that reduce consumption, taking a creative approach to rainwater harvesting, ensuring all facilities have water treatment plants or boosting water recycling rates. And it’s not just about reducing consumption; we also focus on how we impact the water cycle, pioneering new ways of managing chemical usage and discharge. After all, water is a valuable resource not just for us as manufacturers but for human existence – and we take our responsibility to preserve it seriously.

As part of our 2025 goals, we’re on track to optimise water use, minimise soil and water pollution, and reduce our dependence on ground water and municipal water for non-potable requirements. In 2021, we conducted detailed audits and production assessments at facilities like laundries that have water-intensive processes. We then installed new sub meters that give us more detailed insight into usage from all water sources. In addition, we implemented more water-efficient equipment such as taps and dishwashers in non-industrial processes.



OUR 2021 PROGRESS

71%

of laundries, our most water-intensive facilities, conducted comprehensive water audits and cleaner production assessments

100%

of our laundries were upgraded with more water-efficient equipment

OUR 2025 WATER AMBITIONS

50%

reduction in normalised industrial freshwater consumption (from our 2019 baseline)

50%+

of industrial wastewater recycled for industrial process use (from our 2019 baseline)

10%

reduction in normalised domestic water consumption (from our 2019 baseline)

10%

of our domestic water requirement (for cooling or cleaning) met from rainwater harvesting

WASTE

With 104 billion items of clothing purchased globally each year – and 20% of clothing produced going unsold – it’s imperative that we break the culture of wastefulness that prevails around the fashion industry. And we’re doing our part.

Zero waste to landfill is our ambitious goal as we champion circular economy principles in fashion. And we’re putting every aspect of operations under the microscope to achieve this. Many of our facilities have already succeeded thanks to our long-established Reduce, Reuse, Recycle policies, but we’re constantly striving to improve.

We have implemented mechanisms for accurately measuring waste generated from both production and non-production processes. As part of this, we mapped out fabric waste, looking at both composition and quantity so as to increase recycling rates.



OUR 2021 PROGRESS

100%

of waste types across production and non-production processes now covered by new measurement mechanisms

100%

of fabric waste mapped by composition and quantity to help optimize recycling

OUR 2025 WASTE AMBITIONS

ZERO

waste to landfill

5%

reduction in normalised solid waste (from our 2019 baseline)

80%

of fabric waste recycled back into production processes

FACILITY ENVIRONMENTAL MANAGEMENT: THE HIGG INDEX

As an Initial Manufacturing Member of the Sustainable Apparel Coalition (SAC), Hirdaramani is proud to have played a key role in developing and testing their Higg Index, which has landmark standards for assessing environmental and social sustainability across the apparel supply chain. Over the years, we have worked closely with SAC using our experiences to collectively improve the standards so they're not just practical and actionable but are also truly valuable in driving ESG outcomes.

As of the end of 2021, we have achieved Higg Facility Environmental Module (FEM) Level 2 with an overall score of at least 65 at 75% of facilities we own. We've achieved FEM Level 1 with scores of at least 50 at 100% of all Hirdaramani-managed facilities.

Read more about our partnership with SAC and the Higg Index on page 46.



OUR 2021 PROGRESS

75%

of Hirdaramani-owned facilities achieved Higg FEM Level 2 in most sections with an overall score of at least 65

100%

of Hirdaramani-managed facilities achieved Higg FEM Level 1 with scores of at least 50

OUR 2025 HIGG AMBITIONS

100%

of facilities achieve Higg FEM Level 2

80

minimum Higg FEM score for all our manufacturing units

CHEMICAL MANAGEMENT

Hirdaramani has long spearheaded an ambitious approach to chemical management. We've worked extensively to refine manufacturing processes to reduce the use of hazardous substances and are working towards achieving Zero Discharge for Hazardous Chemicals (ZDHC).

The ZDHC in check report is obtained through the clean chain platform to check the chemical inventory against the ZDHC MRSL Accepted Certifications in the ZDHC Gateway. Hirdaramani is committed to ZDHC protocols when selecting any chemicals for the wash/dye process. In our facilities all chemical (production and non-production) are binding with ZDHC MRSL Version 2.0. We can proudly say that we have been working vigorously to eliminate hazardous chemical usage in our production process.

To ensure in-house use of safer chemicals the ZDHC conformance guidance is used. Where the chemicals are categorized under three levels. The 1st level and above indicates better conformance of the chemical with ZDHC MRSL.

Our washing plants also adhere to ZDHC Wastewater 1.1 version parameters. We carry out bi-annual ZDHC wastewater testing for Treated water, Raw Waste water and Sludge and update these reports to ZDHC portal under water data. We make these reports visible to our buyers through our ZDHC portfolio.

Our washing facilities, Hirdaramani Industries Seethawaka and Sithro as well as Kenpark Bangladesh Pvt Ltd have successfully completed 'Zero supplier Foundation Level' and earned the Certification as well (Certificate number 174-2512-7E7 and 131-2451-7E7 respectively).

Our efforts this year also focused on enhancing our approach in line with best-practice standards, achieving ZDHC Foundational Level for all industrial processes. We also implemented Manufacturing Restricted Substances Lists (MRSL), Restricted Substances Lists (RSL) and chemical management processes in accordance with Higg FEM at all our chemical-intensive facilities and 100% of our conventional facilities.



OUR 2021 PROGRESS

100%

of our chemical-intensive facilities achieved Higg FEM Level 1 and 2 requirements on chemical management

69%

usage of chemicals from positive lists for our chemical intensive processes

OUR 2025 CHEMICAL MANAGEMENT GOALS

ZERO

use of hazardous chemicals

100%

of facilities achieve Higg FEM standards for MRSL, RSL and chemical management processes

100%

of industrial processes achieve ZDHC Aspirational Level

ZERO

release of synthetic microfibres from production processes.

ZERO

use of pumice stones in laundry processes

SUSTAINABLE MANUFACTURING TECHNOLOGIES

From waterless washing and ozone washing to laser finishing and waste-eliminating digitalisation, Hirdaramani has continuously invested in a broad range of sustainable technologies. We will continue being an early adopter of new solutions, setting an industry standard for innovation in action.

Hirdaramani product development centres drive our leadership in this area. They have an embedded ESG ethos and empower our teams with the technology and resources needed to engineer more sustainable processes and products.

Importantly, this is a collaborative effort, not just within Hirdaramani but with our customers and across the apparel industry. By working with cutting-edge partners, we are at the forefront of new opportunities to develop and test solutions that help us put the future first.



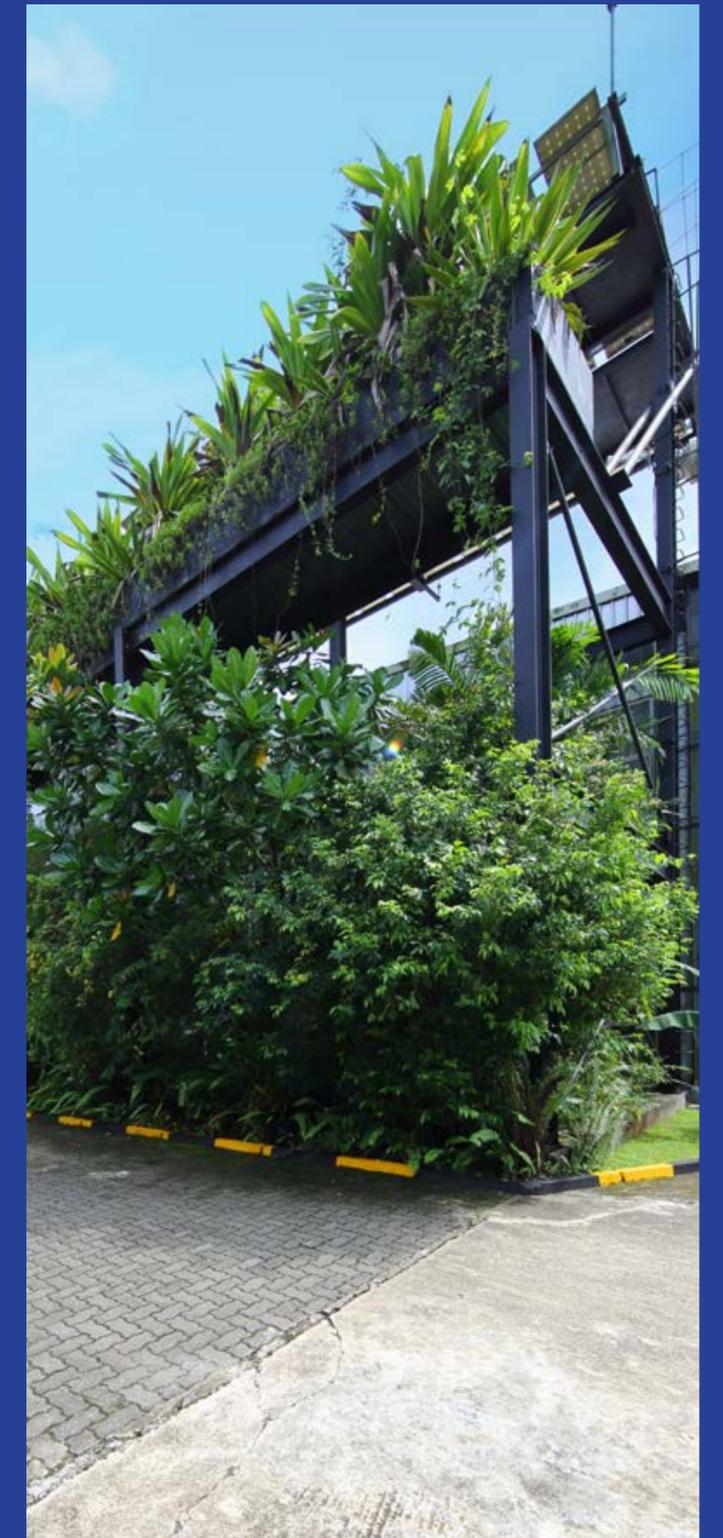
NINE YEARS AT THE FOREFRONT OF CARBON NEUTRALITY

We certainly don't rest on our laurels when it comes to environmental achievements. Mihila, our flagship green factory in Sri Lanka, was the first CarbonNeutral® certified apparel manufacturing facility in Asia, and in 2021 we renewed this certification for the ninth year. This renewal was a particularly impressive achievement given the challenges of the Covid-19 pandemic and the need to work extra hard to maintain our momentum.

Mihila began operating in 2008 as the world's first custom-built eco-friendly apparel factory. Over the past 13 years, we've adopted new technologies and ways of working that continue to drive down energy use, water consumption and waste generation. For example, renewable energy generation has skyrocketed from 22,000 kWh per year in 2018 to 1,181,482 kWh in 2021 as part of our rooftop solar power projects. We also have invested in I-RECs for Mihila to increase transparency and accountability around renewable energy generated on site.

Mihila is now one of Sri Lanka's most accredited factories, with certifications ranging from LEED Gold, ISO 14001 and ISO 45001 to Worldwide Responsible Accredited Production (WRAP), Fair Trade, Ethical Trading Initiative (ETI), Business Social Compliance Initiative (BSCI), Global Security Validation (GSV) and Hazard Analysis and Critical Control Point (HACCP), as well as CarbonNeutral®.

Our successes at Mihila are a blueprint we're taking forward at all our facilities, with all new facilities being built eco-friendly and existing facilities being converted to follow the same principles.



EMPOWER OUR ASSOCIATES

4 Empower

Our 2025 People Ambitions

A Culture for Creating the Future

Wonders of Wellbeing

Equal Opportunities, Diversity and Inclusion

Covid-19 Response

20

21

22

23

26

29



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

Each garment we produce has a team of people behind it – people who support each other as an

extended family. And as a family business, we cultivate that tight-knit, supportive culture. We're committed to helping everyone at Hirdaramani grow professionally and as people, whether it's through our internationally-recognised wellbeing program, our efforts to promote diversity and inclusion, or our commitment to fostering a nurturing and welcoming working environment.

As a result, we're proud to be an employer of choice in the places we operate. We're proud to have an ongoing, measurable impact on people's wellbeing. And we're proud to help people develop rewarding careers that contribute to a sense of fulfilment and happiness.

“When we look at a finished garment, we don't just see a t-shirt or a pair of trousers. We see the great minds that generated amazing designs, we see the skilled hands that created it and we see the eagle eyes that ensured the highest quality,”

THEODORE GUNASEKARA, CEO – HIRDARAMANI INDUSTRIES CLUSTER

OUR 2025 PEOPLE AMBITIONS

100%

of the Group involved in our Wonders of Wellbeing (WOW) program

30%

of our leadership positions held by women

70%

of facility supervisory positions held by women

80%

of supervisors reached through our Career Enhancement Program

60%

of executives reached through our Career Enhancement program

100%

of facilities with a Social & Labour Convergence program (SLCP) reaching minimum score target

100%

of facilities with a Higg Facility Social and Labour Module (FSLM) reaching minimum score target



A CULTURE FOR CREATING THE FUTURE

A 100-year heritage, more than 55,000 associates and a presence in six countries. What binds all this together? Our strong culture.

In 2019, we carried out an in-depth exercise engaging internal and external stakeholders to help us understand the essence of what Hirdaramani has always stood for. This led us to define five values that encapsulate the Hirdaramani culture:

To foster these values, we spearhead programs and implement systems that promote professional

and personal growth, wellbeing, entrepreneurship, and inclusion. These include competitive salary and benefit packages, comprehensive behaviour policies, performance management processes and training opportunities. We're constantly improving what we offer our associates, whether it's on-site facilities or post-Covid flexible working.

As part of our strong commitment to supporting our people and promoting this value-driven culture, we're underpinning our approach with international standards. We're implementing the Higg Facility Social and Labour Module (FSLM) and Social & Labour Convergence program (SLCP), with the aim of all facilities achieving the minimum score requirement or better by 2025. That way, our culture becomes more than a way of life, it becomes something that we hold ourselves accountable to as a leading employer and extended Hirdaramani family.



CREATE THE FUTURE

We have a long history of using our entrepreneurial spirit to create the future. It's about recognising an opportunity, having an innovative vision, creating a solution and making it a reality.

MAKE THINGS BETTER

We always have the integrity to do the right thing. As the business world becomes more transparent and sustainable, it's crucial we continue to make the world a better place.

STRONGER TOGETHER

Hirdaramani is a family business with a vast footprint. The business is built on our tradition of respecting relationships, collaborating like kin, and ensuring the outcomes benefit all. We may not all be blood relatives, but we treat our suppliers, employees, and customers like they're one of us, partnering with them on the journey to success.

KEEP IT MOVING

We never stand still. We value the ability to think quickly and act fast. It's about continuous progress, staying on our toes and always moving forward.

BELIEVE WE CAN

We have an insatiable hunger for achievement. We face obstacles with hope and determination. We turn the impossible into the possible. We value those who never give up.



WONDERS OF WELLBEING



You often hear companies talk about ‘fostering wellbeing’ among their people. At Hirdaramani, we definitely want to do that. But how do you make that more than a vanilla statement – and truly, as an employer, make a positive difference to people’s lives?

That was the question that started an important journey for us.

We started by defining what wellbeing means for all of us at Hirdaramani and came up with the idea of it being a life well-lived – a life that’s healthy, wealthy and meaningful.

This then led to two more questions: How do we actually help people live healthier, wealthier, and more meaningful lives? And how do we do it in a systematic, scalable, and data-driven way?

Our answer was Wonders of Wellbeing (WOW), which is 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. And it’s 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 we operate.

WOW has now reached a point of maturity where it’s embedded in the business across Sri Lanka, Vietnam and Bangladesh. It’s 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. As of 2021 approximately 21,708 people across Hirdaramani have participated. Wellbeing champions are drawn from across our operations in Sri Lanka, Vietnam and Bangladesh, and they’re spearheading projects that adapt to local

requirements and changing needs. We’re now rolling out WOW in our operations in Ethiopia, starting with a research phase to create an implementation roadmap.

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 do an annual Group-wide questionnaire that measures 120 wellbeing indicators. This year, we began cross-tabulating this data with business data to track the connection between wellbeing and business performance. 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.

INSPIRED EMPLOYEE

HAPPY EMPLOYEE

PSYCHOLOGICAL Inner peace, mindfulness, spirituality	RELATIONAL Positive & nurturing relationships	PHYSIOLOGICAL Overall physical health	ECONOMIC Financial security & stability	ENVIRONMENTAL Healthy environment at macro & micro level
<p>WOW SPIRITUALITY</p> <p>WOW GRATITUDE</p> <p>WOW COUNSELLING</p> <p>WOW SELF CARE</p> <p>WOW MINDFUL LIVING</p>	<p>WOW SHE & HE</p> <p>WOW WORKPLACE</p> <p>WOW DISABLE CARE</p> <p>WOW BE SAFE</p> <p>WOW CHILDCARE</p> <p>WOW FAMILY CARE</p>	<p>WOW SPORTS</p> <p>WOW PREGNANCY CARE</p> <p>WOW HEALTH</p> <p>WOW MOVE</p> <p>WOW CAFETERIA</p> <p>WOW SAFETY</p>	<p>WOW FINANCES</p> <p>WOW EVERYDAY LEARNING</p> <p>WOW EVERYDAY READING</p> <p>WOW EDUCATION</p>	<p>WOW WATER</p> <p>WOW GREEN</p>

27,708

Hirdaramani people have participated in WOW as of 2021

120+

wellbeing indicators assessed annually to measure our impact

5

pillars ensure we promote a holistic approach to wellbeing among staff, their families and our wider communities

Recognised By



“WOW is built around the theme of a life well-lived. And as life evolves, we continue to bring in new aspects to reflect what that means. As demographics change, lifestyles change and people’s interpretation of a life well-lived changes. We’re confident we have a baseline of tools and resources to adapt to those changes, so our strategy meets both current and future wellbeing needs.”

CHAMINDRA DASSANAYAKE, CHIEF HUMAN RESOURCES OFFICER – KNIT CLUSTER



250+ PREGNANT MOTHERS AND 4000+ EMPLOYEES

Pregnancy care and parenting workshops are regularly carried out to support expecting parents. All factory canteens provide specialised meals for pregnant mothers to support their health and wellness.

200+ WELLBEING CHAMPIONS TRAINED EACH YEAR

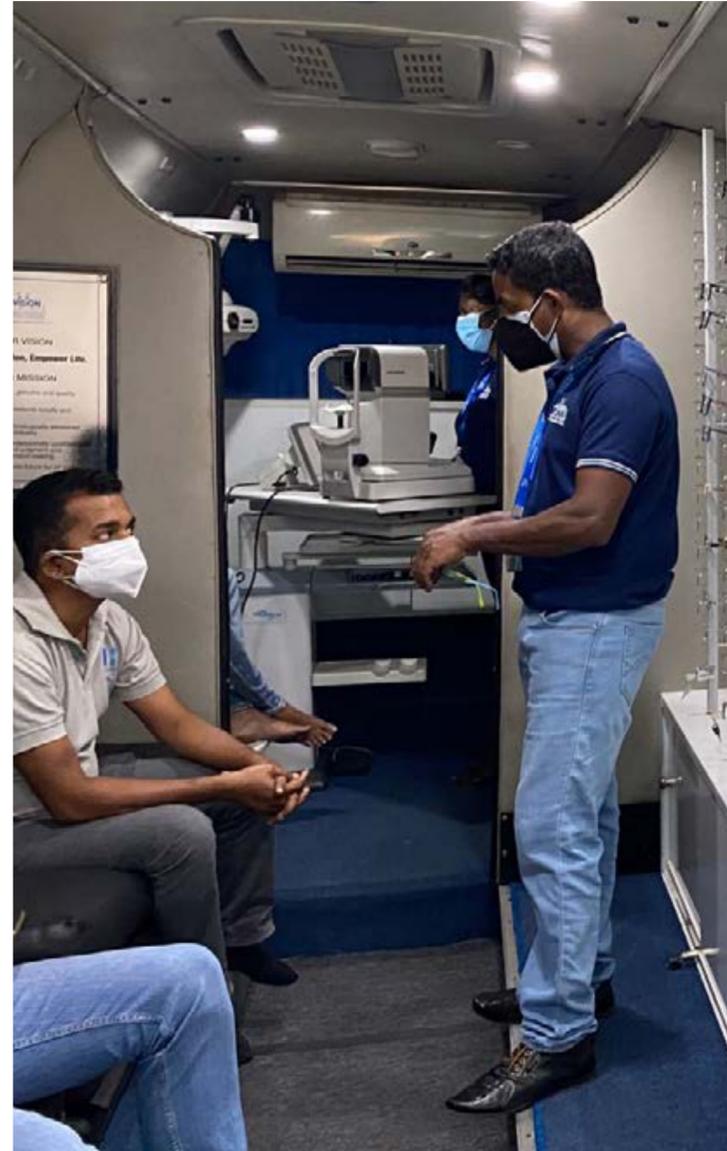
Wellbeing champions play a crucial role in helping to embed wellness into the organizational culture by championing it every day at a factory level.

They take leadership and ownership in driving the initiatives and programs that meet not just broad wellness goals but also goals that may be localised priorities and needs.

40% IMPROVEMENT IN SAVINGS BEHAVIOURS

Financial literacy and positive financial habits are a core element of the WOW program, with regular workshops and education we guide our teams on several aspects of their financial wellbeing.

Through these programs we have seen a 40% improvement in savings behaviours amongst employees.



EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

Hirdaramani has always been a highly inclusive organisation, a place where people of all genders, races and religions are stronger together. We have always prided ourselves on the way we celebrate merit, foster a supportive culture, and give people the freedom to achieve their goals.

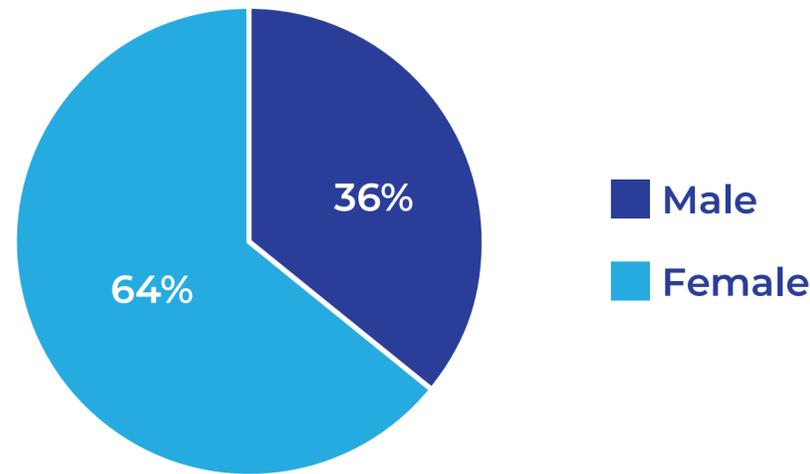
Throughout our history, we are proud to have championed women in the workforce. We have always had a high proportion of female employees, and we operate in smaller and more rural communities where this empowerment has a tangible impact. As a result, we recognise our important role in breaking traditional gender stereotypes, promoting female financial independence and helping to break cycles of violence and poverty.

Despite being an industry with a large female workforce the upward movement to middle management and more importantly upper management among women remains low. A combination of social and cultural factors contribute towards the low uptake of management opportunities. While there are some small shifts in recent years this is an industry wide problem that apparel manufacturers as a whole are working to address.

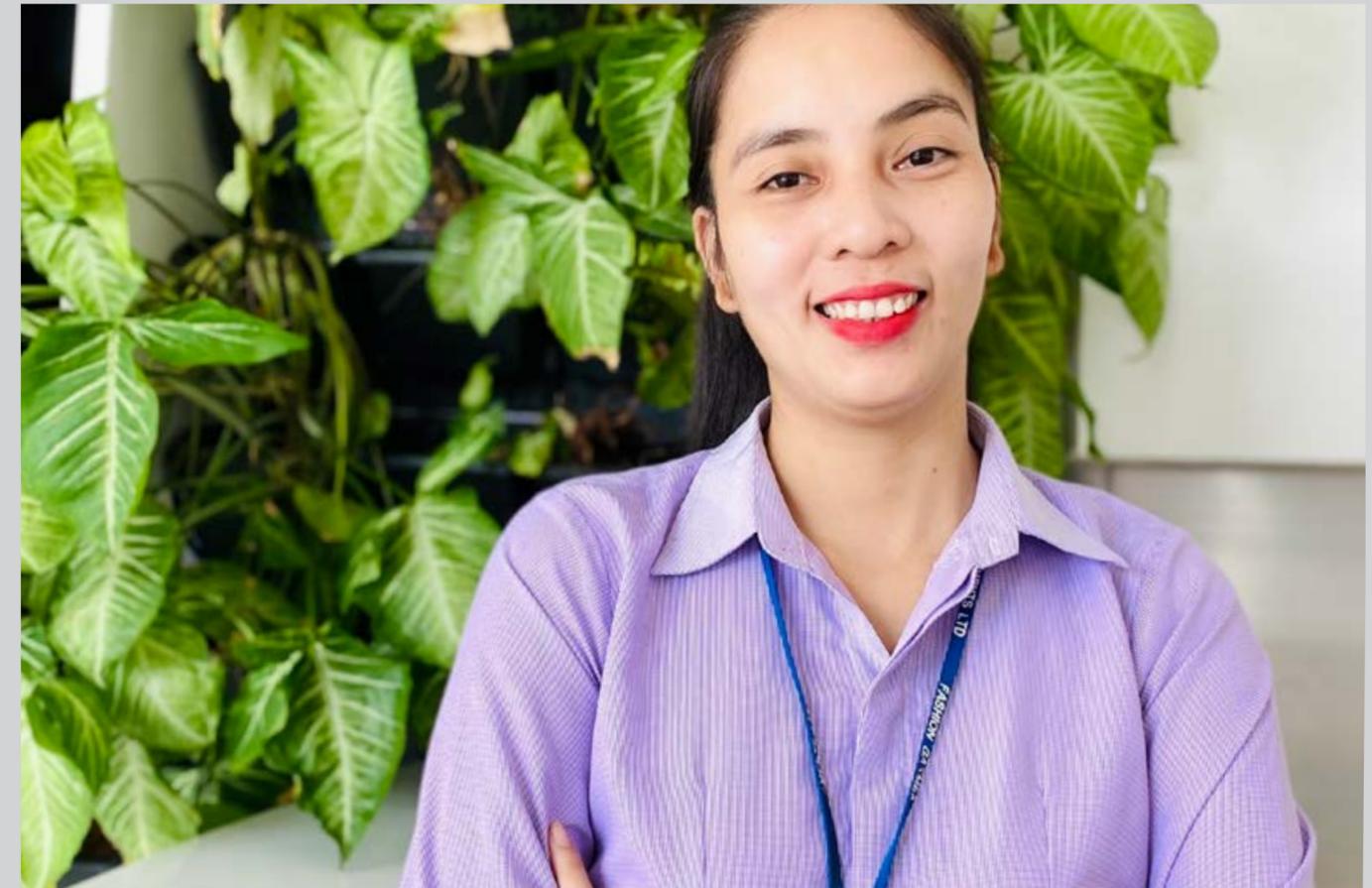
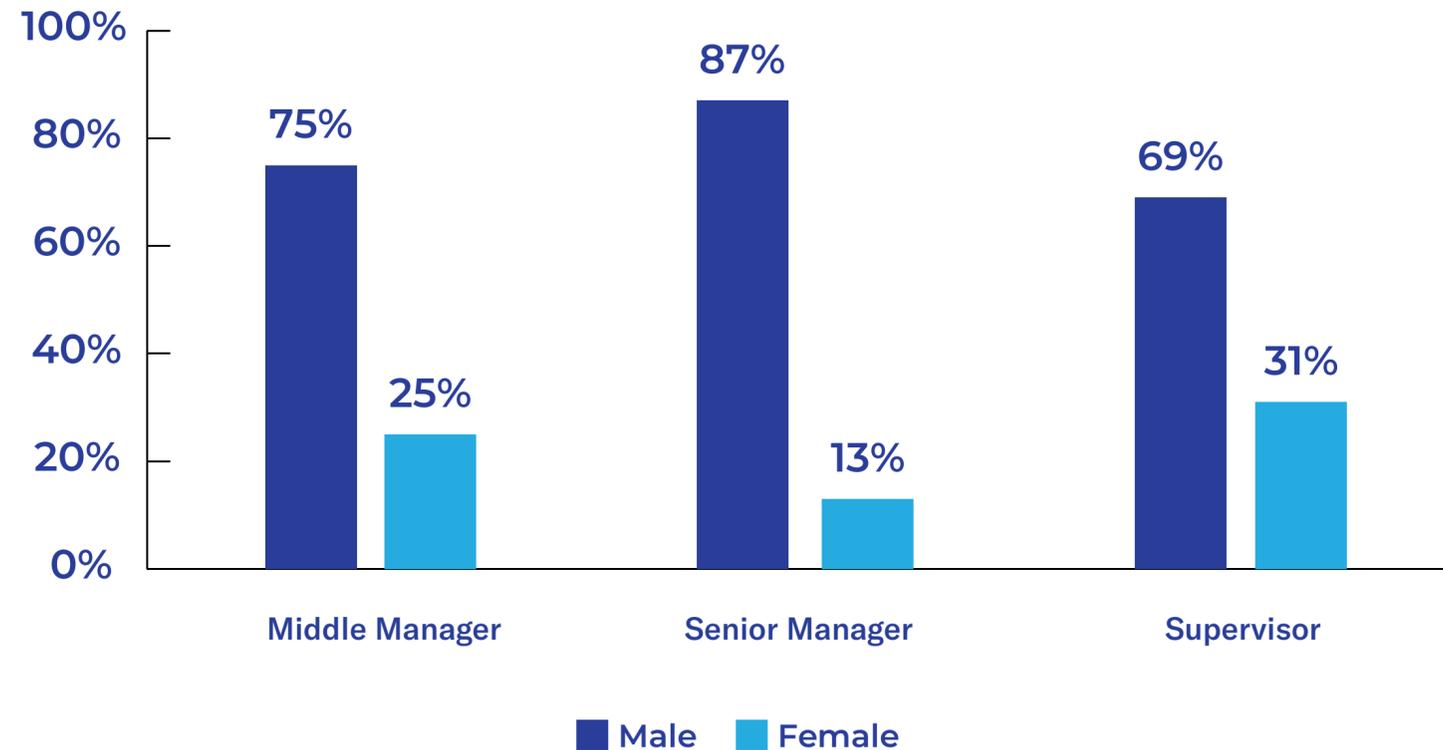
With this in mind, 2021 marked a milestone: as part of our Future First roadmap, we are taking a more systematic approach to what has always been an intrinsic way of life at Hirdaramani. This year, we conducted a benchmarking exercise, gathering and analysing baseline data to help us set targets and develop robust reporting systems.



EMPLOYEES



LEADERSHIP BREAKDOWN



“There is no limit for women at Hirdaramani, we are always motivated to reach our potential and are prioritized as pioneering leaders.”

Having worked at Hirdaramani for 6 years, Thanh Nga always finds immense motivation in the learning and development opportunities provided by the company, which drives her to push her boundaries, explore her creativity and reach her potential. She is especially proud of how she has been able to develop her communications and English speaking skills.

Since joining Hirdaramani, Thanh was able to achieve one of her main goals, which was to build a house for herself and her family. But one of the best things for her as a mother, is the work-life balance that has enabled her to be present for her child, something she did not have in previous jobs. At Hirdaramani, there are great policies to support women in the workplace that consider different stages such as pregnant women and women with younger children, she says.

Parul's story is one of true perseverance in the face of hardship. Having lost her father at the age of 11, difficult times hit her family, Parul however managed to finish secondary school but had to stop her education to find work.

She started her career at Hirdaramani as a Junior Quality Checker, using the money she earned to support her mother and younger sister. As she worked and progressed she not only supported her sisters schooling but supported herself to achieve a Bachelor's Degree and also managed the expenses for her wedding.

With her strong performance at work, by 2013 Parul was promoted to Senior Quality Checker, she married in the same year and life progressed well until her husband lost his job. But with her income and her hard work she was able to continue to support her family and her mother. Today she is a Supervisor in the Quality Section, her family is doing well and most importantly her daughter is in grade 1 and getting a good education.



Having joined Hirdaramani in 2014 as a Merchandiser, Thejani Amarasinghe, credits the company culture as a key element that enabled her to balance her career with her family life without compromising on the things that are important to her.

"I am a proud mother of two little princesses, aged eight and one and a half years. Being a working mother is a big challenge to manage time and balance both home and work, but with the support of my dearest husband and the guidance of my managers at work, I have been very successful in overcoming all those challenges." Today Thejani is an Assistant Manager – Merchandising and is sitting for her MBA.

COVID-19 RESPONSE

When the COVID-19 pandemic hit, Hirdaramani along with every other apparel manufacturer, every industry, every person was faced with a challenge none of us had ever faced before. More importantly, it was a challenge that was so unforeseen that none of us had a plan. So we had to learn and adapt quickly.

First, we focused on how we could help at a country level. Some facilities quickly adapted to producing PPE for frontline workers, often doing so with only a skeleton staff, in the hope of providing much needed assistance in tackling the pandemic. We focused on procuring masks and then manufacturing them to be donated while also

manufacturing and donating testing swabs to meet unprecedented demand.

Then we focused on how to safely get our people back to work to support the economy. Significant planning and investment went into changing the way we work.

Our primary goal was to keep our employees safe while continuing to contribute to the economies of each country we operate in, where apparel exports are crucial. We are proud to say that the hard work and commitment of our teams paid off with minimal outbreaks due to robust safety measures and early detection and quarantine procedures.



THE BELOW WAS IMPLEMENTED IN ALL FACILITIES ACROSS ALL COUNTRIES:

- Shift structures were changed to allow for safety and social distancing
- Sewing machine lines were restructured and safety panels added
- Every employee was provided with masks
- Temperature checking & extensive sanitization measures were introduced at entrances
- Transport was adapted for social distancing
- Canteen processes were changed for safety
- Regular facility disinfection processes were established
- Stringent rules on mask wearing, social distancing and regular handwashing were implemented, with hand washing stations added around all facilities
- All goods and supplies coming into the facilities went through new checking and quarantine procedures
- There were continuous communications and education on Covid-19 and how to stay safe to ensure employees kept focused on this
- Regular weekly testing of employees
- Paid leave was granted to all employees who tested positive / were required to quarantine

SUPPORTING OUR EMPLOYEES THROUGH THE PROCESS

While we were successful in minimising infections in our facilities, all employees who did test positive were supported with medical advice, food ration deliveries and other supplies during their quarantine period.

For example, in Bangladesh we arranged doctor tele-consultations along with the delivery of medication and dry rations to 45 employees who tested positive, at a cost of BDT 500,000





INNOVATION TO SUPPORT OUR TEAMS

Difficult times often give rise to innovative thinking and many innovations were introduced by our factories to support employees to stay healthy during this time. These included steam inhalation stations and hot water tumblers to make it possible for employees to carry and drink hot water as recommended by doctors.



SUPPORTING GOOD HEALTH FOR OUR PEOPLE AND OUR COMMUNITIES

Hirdaramani Bangladesh donated BDT USD 10,000 to support a dental clinic at KEPZ BEPZA Hospital. The clinic offers free dental care to approximately 70,000 people working in the Karnaphuli Export Processing Zone, broadening access to this essential treatment.



FAIRTRADE: EMPOWERING WORKERS TO LEAD INITIATIVES

Fairtrade is one of the most recognised sustainability labels in the world. But what actually happens behind the logo?

Fairtrade certification signifies that people are treated well, paid fairly, and have a healthy, safe work environment. Importantly, it also signifies that people have a voice. Because Fairtrade gives workers direct control over the funds distributed through the program, meaning they can spearhead projects that matter to them.

At our US Fairtrade-certified Mihila factory, the Fairtrade Employee Council decided to use the initial funding to build and run a

day-care centre offering free childcare. We made the centre a reality in partnership with clothing giant Patagonia, which supported us in achieving Fairtrade certification. The free childcare has made a huge difference to the extended Hirdaramani family, making it easier for parents to work and offer new opportunities to their children.

Our other Fairtrade factories are driving initiatives that make a difference, too. For instance, at our factory in Kahathuduwa, Sri Lanka, the Fairtrade Employee Council established a community development fund that buys grocery bundles.

Learn more about our Fairtrade partnership with Patagonia

[Watch video](#)

“If the Fairtrade day-care centre wasn’t there, I would be at home – and I would never be able to achieve my aspirations. Being able to go to work gives me the opportunity to educate my son. He is my greatest hope, and if he does well in life and succeeds, the biggest wish of both my husband and myself will come true.”

- UPEKSHA MADUSHANI, SEWING MACHINE OPERATOR



SUPPORT COMMUNITIES

5 Support

Our 2025 Community Ambitions

Children and Education

Healthcare

Environment

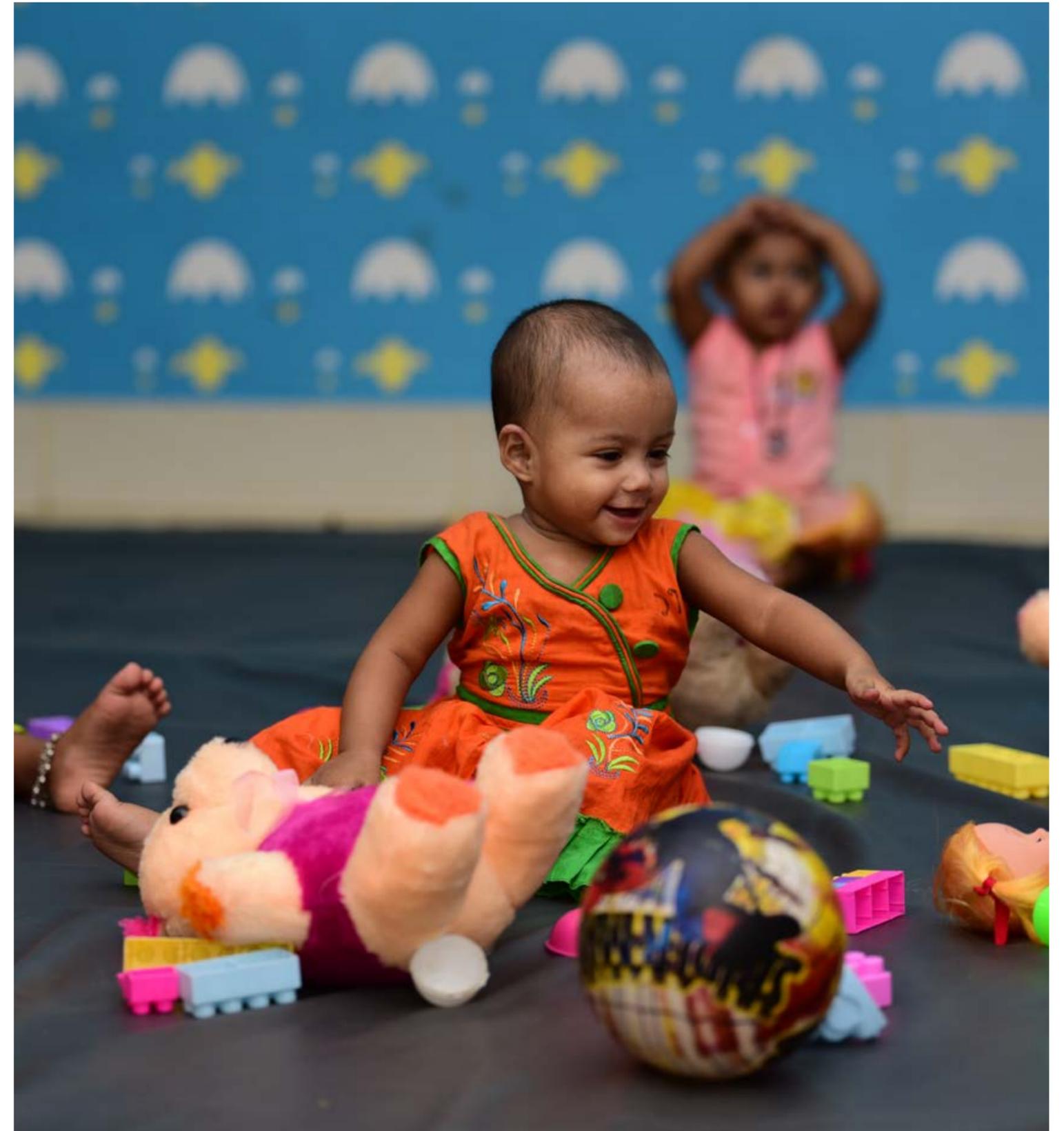
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35

36



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.

Stronger together. That’s one of Hirdaramani’s five core values – and it’s a key element of our ESG approach. After all, sustainability isn’t something any individual person or company can do on their own. It requires true collaboration to tackle complex problems and make things better in people’s day-to-day lives.

That’s why our communities are so important to us. Because we recognise the impact we have – and our ability to make a difference – on everyone around us. We believe that a willingness to help one another is essential to our collective humanity, whether it’s in a time of crisis like a pandemic or natural disaster, or it’s supporting long-term health and education.

A COMMUNITY RESPONSE TO COVID-19

When the pandemic hit at Hirdaramani, we mobilised to support our communities in any way possible. In Sri Lanka, we have donated more than 30,000 masks to government agencies and frontline workers along with PPE kits, as well as building an extended patient facility at Wethara Hospital. In Vietnam, we



have now supplied more than 9,300 pieces of personal protective equipment, 1,100 test kits and 300 hand sanitisers. And in Bangladesh, we have provided food parcels to 150 people enduring poverty during the pandemic as well as donating PPE kits to frontline workers. The effects of Covid-19 will continue to be felt, and our ongoing health and education projects will help our communities deal with those ramifications for years to come.

OUR 2025 COMMUNITY AMBITIONS

6,000

students impacted annually through education projects spearheaded by each factory

6,000

people impacted annually through community health projects spearheaded by each factory

EQUAL

reforestation and biodiversity projects, reflecting the total physical footprint of our facilities



CHILDREN AND EDUCATION

What’s the most effective way to build a better future for the planet and communities? At Hirdaramani, we believe it is about investing in children and building them a better future.

Since we were founded a century ago, we have supported schools, children’s homes and paediatric hospitals. We have provided scholarships as well as time volunteering and direct aid. Underpinning every project is our aim of helping children get the best start, the right education and opportunities to thrive.

Every single Hirdaramani facility in every country has at least one (and often several) projects to support children and their education. As we progress towards our 2025 goals, we’re implementing targets and robust measurement systems to track our impact.

2,750

children given support for education

USD 75,000+

spent on projects

SUPPORTING CHILDREN IN VIETNAM

One of our key objectives was providing help to communities during the pandemic. Our factories in Vietnam undertook some specific projects to help the children in the surrounding communities. This included:

- Building an outdoor playground at the Pham Van Dong Primary School providing a safe space for over 600 children
- Providing food supplies to the Thien Binh Orphanage which cares for 170 children
- Donating mobile phones to 30 children to enable them to study from home

200

children in homes supported



NISHANTHA KARIYAWASAM SCHOLARSHIP



Nishantha Kariyawasam, was a much loved and dynamic CEO of Hirdaramani Bangladesh. Joining Hirdaramani in 2009 as the Manager – Merchandising he soon rose up the ranks and was appointed CEO in 2020. Diagnosed with pancreatic cancer in early 2021, Nishantha passed in September of the same year.

We established the “Nishantha Kariyawasam Scholarship” in his memory, to carry on his name and potential through the children who will be empowered through this program. Through the scholarship we support the education of 10 children in the CEPZ and KEPZ BEPZA schools with 30,000 BDT provided per month for them.

HEALTHCARE

Access to healthcare can be a challenge in many of our communities. From lack of awareness to a shortage of clinics and underfunded hospitals, we work hard to help address this. Every Hirdaramani facility is involved in healthcare projects, which include supporting local hospitals with donations, equipment and building upgrades, as well as sponsoring free clinics for common issues such as eyecare.

As part of our Future First strategy, we're consolidating these efforts and setting Group-wide targets so we can have a more profound impact on healthcare outcomes in our communities.

10,000

PPE & masks donated

1,200

Covid test kits donated

70,000

people benefitted from dental clinic



ENVIRONMENT

Conserving the environment is a key pillar of our Future First roadmap – and we’re ambitious about the difference we can make every day, at every stage of operations and with every article of clothing. But protecting the planet is a shared responsibility, especially in communities experiencing first-hand the impact of climate change on their health, wellbeing, and livelihoods.

We have long been involved in projects based on needs and opportunities in different communities – from clean water systems and renewable energy to reforestation, coastal protection, and organic farming. In our Future First roadmap, we have renewed this commitment and are creating mechanisms for all of Hirdaramani to work together to have a lasting impact.

12,000+
trees planted

59
Farmers supported in organic farming

20,000+
People supported by clean water projects



HELPING FOSTER A VIBRANT AND EMPOWERED COMMUNITY

Tea is a major crop in Sri Lanka, but many tea plantation communities are impoverished, with children struggling to access quality education.

The T.E.A. (Training, Empowerment and Awareness) Project seeks to change that and is working on the ground in these rural communities. For many years, this British-Sri Lankan charity has cooperated with rural schools and orphanages to run enrichment and teacher training programs.

But the T.E.A. Project had an even grander vision – a new centre that would not only

provide services, but would also be a hub for the community. Hirdaramani and sports footwear and apparel company Asics rose to the challenge, helping build their new Centre for Children’s Empowerment. Affectionately called The Cloud, the centre in Kithulmulla, Galaha, features a preschool, library, free healthy meals, a youth empowerment service and a work experience program, as well as programs for adult community members.

As of 2021, more than 175 children have benefited from our contribution.

175

children benefited from our contribution in 2021

50

free, healthy meals served daily at The Cloud

60

adults and young people participated in programs to promote employment



“We are grateful to Hirdaramani for their support in building our dedicated Centre for Children’s Empowerment – The Cloud. It creates opportunities for realising the aspirations of disadvantaged children living in the tea-producing communities. We have already observed a positive impact on learning and the development of skills in the children who visit our Centre.”

J. ARUN JP, CEO, THE T.E.A. PROJECT

SPECTRA SCHOOL OF AUTISM

SUPPORT AND IMPACT AUTISTIC CHILDREN AND ENABLE THEM TO LEAD A NORMAL LIFE

Hirdaramani Bangladesh has been assisting the Spectra School of Autism since 2014, our goal is to support the education and teaching that would enable these kids to achieve their true potential and live positive, productive, and independent lives as adults.

We have invested in developing the infrastructure at the school establishing an IT Hub with computers, multimedia facilities, laptops, tablets, software and network capabilities. We also help to pay the monthly salaries for the teachers at the school.

In addition our teams also engage with the school on a more personal level with days where our associates go in and spend time with the children, sponsor special meals and provide gifts and donations of essentials.

At present there is still very little support and few programs for the special education needed by children on the spectrum, and we are proud to do our part to help change this and have an impact on the 60 wonderful children currently at the school and more in the future.

CLEAN WATER SYSTEM PROJECT

Access to clean water was a significant challenge for the people in the Xuan Tay Community in Dong Nai. We worked with local authorities to set up a clean water system powered by renewable energy to help provide the water needs to this community of over 20,000 people.

At present the project provides Domestic Water for over 50 households per day as well as Drinking Water for over 400 households per day.



WORKING TOGETHER TO SAVE SRI LANKA'S RAINFORESTS

2021 marked the completion of the ambitious Hiniduma Bio-Link reforestation and biodiversity project.

Hiniduma in southwest Sri Lanka is an agricultural community surrounded by one of the island's few remaining rainforest ecosystems. In partnership with local communities, renowned clothing brand Patagonia and the Carbon Consulting Company, we worked to establish a biodiversity corridor and

reforested buffer zone between two large remnant disturbed rainforest patches – the Sinharaja UNESCO World Heritage Site and the Kanneliya International Man and Biosphere Reserve.

A remarkable 10,000 trees were planted and are maintained through Hirdaramani's efforts and funding. In total, the Bio-Link project has covered 31.2 acres, with the trees having a remarkable 93% survival rate.



COASTAL MANGROVES PROJECT IN QUANG NAM

Quang Nam a coastal province in Central Vietnam has been strongly affected by severe erosion and accretion due to both climate change and human activities. The severity of the problem has led to extensive research being conducted on the causes and several projects being actioned to help stop the erosion.

Hirdaramani Vietnam is involved in supporting a project to prevent sea erosion by creating coastal mangroves in the province. The project involves 3 stages. The first stage was to build a greenhouse

facility and nursery to cultivate the seedlings over a period of 7 – 12 months. Stage one was successfully completed and now we are in the process of stage two, which includes planting and extending the coastal mangroves along the Thu Bon River. On completion of stage two, stage three will focus on engaging with the local primary school to educate children on the project and involve them in on-going tree planting in the hope of ensuring the lasting impact and commitment to the project and coastal protection in the area in general.



DRIVING ECO-INNOVATION & OCEAN CONSERVATION

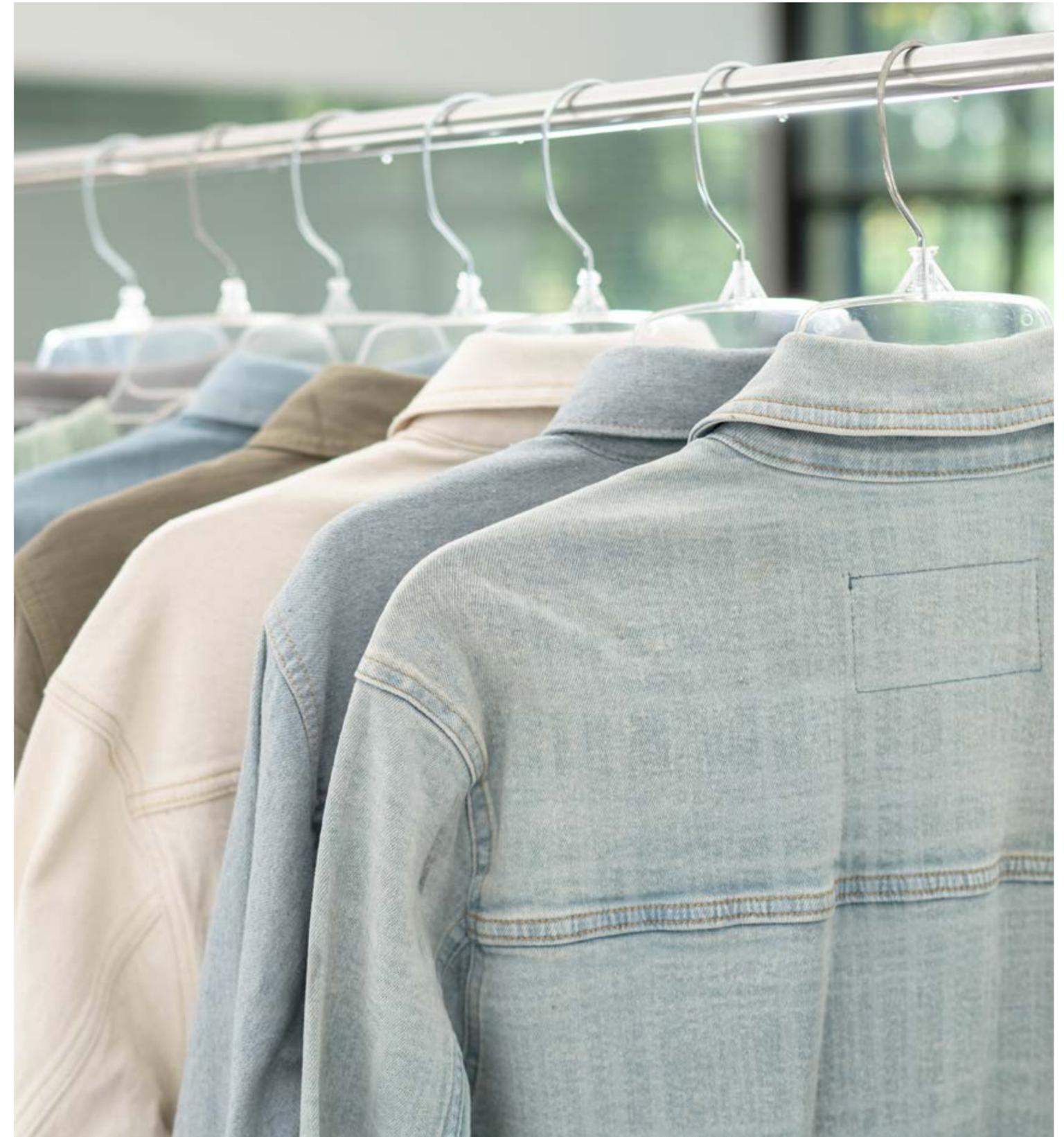
In 2021 Hirdaramani entered into a partnership with Parley for the oceans. As part of this two-pronged partnership, Hirdaramani will work to incorporate Parley Ocean Plastic® to its product range and, the companies will work together on ocean conservation, eco-innovation, and beach clean-up initiatives.

Through this collaboration, Hirdaramani hopes to create new opportunities for our existing customer base while exploring opportunities with potential new customers as well who are keen to use Parley Ocean Plastic® fabrics and accessories.

In addition, the work Parley does in terms of coastal cleanups and educating local youth and communities is aligned with our own goals. Since November 2018, Parley Sri Lanka has collected over 11,700lbs of marine waste, alongside the cleanups, each event is coupled with awareness sessions and creative engagement activities. We look forward to partnering with Parley in these initiatives as well.

TRUST IN GOOD CHOICES

6	Trust	41
	Our 2025 Ambitions	42
	Sustainable & Ethical Product	43
	Jeans ReDesign	44
	Partnering for Good	45
	Developing best practices with the SAC	46
	Commitment to Standards	47



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.

So many people put their trust in us. The customers who trust us to produce high-quality products in an ethical and sustainable way. The associates who are the beating heart of the Hirdaramani family. The industry that looks to us to set an example. The communities we’re part of, who trust us to make a positive difference.

We truly value that trust – and always strive to live up to it. This means we’re steadfast in our commitment to doing the right thing, even (and especially) when it’s not the easy, sure or safe choice. For us, doing the right thing means making choices that put the future first – and being held accountable for it.

Our Future First sustainability roadmap is aligned with science based targets. A key part of our approach is about reporting transparently against those targets – and becoming not just a follower of best practice, but a trend-setter. We’re therefore working to implement governance, procurement and business systems that enable this. And we’re collaborating with organisations globally like the Ellen Macarthur Foundation and Sustainable Apparel Coalition who are pioneering in their own right, as we take collective responsibility for putting the future first.

OUR 2025 AMBITIONS

25%+

of suppliers Higg Facility Environmental Module (FEM) verified

10%

of suppliers Higg Facility Social and Labour Module (FSLM) verified

80%

of all raw material used to be “certified sustainable”



SUSTAINABLE & ETHICAL PRODUCT

Hirdaramani has long been at the vanguard when it comes to sustainable and ethical product innovation. Back in 2008, we opened the world’s first custom-built green apparel factory to incorporate sustainability principles into the manufacturing process. We have long upheld Sri Lanka’s Garments without Guilt standards, implementing these best practices at our facilities globally. And in 2010, we manufactured the first collection of upcycled garments for Tesco’s F&F brand, working with leading upcycler and designer Orsola de Castro.

Since then, we have researched, innovated, and refined our approach across the product lifecycle. For the past five years, we have had a sustainable-first approach at our product development centres, reflecting our deep focus on sustainable

product design and product engineering. This includes analysing fabric decomposition rates and applying finishes to accelerate them. It includes making non-recyclable products biodegradable. And it includes investing in more sustainable technologies and machinery to reduce our environmental impact.

As a result, we are at the cutting edge of bringing new materials, finishes, technologies and processes to our customers and the industry. Recent successes include collaborating with the Ellen MacArthur Foundation’s Jeans Redesign Project to bring circular economy principles to jeans manufacturing, partnering with Asics to create t-shirts from plastic recovered from oceans, and working with Patagonia to use only regenerative cotton in their products.

GARMENTS WITHOUT GUILT

Spearheaded by the Joint Apparel Association Forum (JAAF) Garments without Guilt pioneered the concept of running a responsible business and prioritizing ethical labour practices, at a time, when the world had just started talking about it.

To be able to carry the ‘Garments without Guilt’ label on their garments, the apparel makers have to undergo a rigid certification process which guarantees workers rights and safety including that the garments are free of child labour, free of forced labour, free of discrimination & sweatshop practices and follows responsible environmental practices. Hirdaramani has remained committed to the GWG standards and ideals since the inception of the program.



JEANS REDESIGN

Start with a staple – and you can redesign the future

Jeans have long been a fashion staple – but they also require incredible amounts of water and energy to produce compared with other garments. And they’re notoriously difficult to recycle.

Jeans are popular, resource-intensive, and largely unrecycled. That combination made them an ideal focus for the Ellen MacArthur Foundation’s Make Fashion Circular Initiative. This led to the launch of The Jeans Redesign project, which aims to bring circular economy principles to jeans manufacturing.

As one of the largest global jean manufacturers, Hirdaramani was one of the first to sign up to this ambitious global project back in 2019, and over the past two years, we’ve worked with the Ellen MacArthur Foundation and other companies from across the fashion value chain.

The project’s first goal was to develop a set of common and realistic guidelines for durability, material health, recyclability, and traceability – ensuring jeans last longer, are more recyclable and manufactured in a more sustainable way.

In 2019, we produced our first batch of jeans in accordance with draft guidelines. We then hosted a

transformative workshop with the Ellen MacArthur Foundation for designers, academics, and analysts to discuss our experiences.

Delegates from the Foundation also had a two-day tour of our Seethawaka washing plant and Mihila and Kahathuduwa manufacturing facilities to see how we’re leading when it comes to incorporating sustainable manufacturing practices from the design stage upwards. For example, our washing plants have drastically reduced water usage by using low liquor ratio machines and ozone technology that enables waterless washing.

In addition to using Green Screen Chemicals and meeting ZHDC standards, we optimise chemical usage using state-of-the-art machinery. Drying processes have been substituted with laser finishing, and 60% of our output water is recycled.

Over the past two years, we have refined our approach to jeans manufacturing, making it progressively easier for our designers to adhere to circular economy principles. They are now embedded in how we do things – and in our culture and DNA. Our experiences and achievements have fed into The Jeans Redesign guidelines, which were officially completed in June 2021.



“The Jeans Redesign has shown what can be achieved when the industry is committed to making better choices that put the future first. Yes, there were challenges involved in incorporating circular economy principles into jeans design and manufacturing. But we have overcome them – and the common guidelines will help the entire industry live up to the trust customers place in us.”

- PIYUMI PERERA, HEAD OF DESIGN

PARTNERING FOR GOOD

At Hirdaramani, we understand that true change – and, more importantly, sustainable change – comes from collaboration. From sharing ideas, experiences, data and goals. And from holding each other accountable for progress.

This change and this collaboration need to involve the entire value chain, which is why we work closely with our customers, partners and even our competitors to put the future first. As leading apparel manufacturers, we recognise our obligation to lead the way and set an example, forging a path so smaller organisations can learn and follow. We are proud to be part of industry bodies, projects and programs that help foster a more sustainable fashion and apparel industry.



United Nations Climate Change



DEVELOPING BEST PRACTICES WITH THE SUSTAINABLE APPAREL COALITION

Hirdaramani is proud to be an initial member of the Sustainable Apparel Coalition (SAC). The SAC is a prime example of what can be achieved when an industry is united in an ambition to give more than it takes – to people and the planet.

Building the Higg Index

The Higg Index is a suite of tools for the standardised measurement of value chain sustainability. The SAC created it as a way of measuring sustainability data at every point across brands, retailers and manufacturers. From the beginning, SAC focused on developing something practical, which is where organisations like Hirdaramani came in.

We worked with the SAC to test and refine Higg Index modules so they were reliable and practical

for manufacturers. Our Mihila and Kahathaduwa facilities were involved in developing both the Facility Environment Module (FEM) and Facility Social and Labour Module (FSLM), with our experiences as a green factory pioneer playing an important role in the process. We also learned from other participants as we discovered ways to improve processes and policies. It was a true collaboration that reflects how the industry must work to make measurable progress.

Today, we are implementing the Higg Index FEM and FSLM modules across all our facilities. This gives us unified sustainability data and allows us to collaborate with many of our customers who have also adopted the Higg Index.

“By being members of multi sector initiatives such as the Sustainable Apparel Coalition and the Social and Labor Convergence program, we have been able to positively influence policy creation and implementation as well as have the opportunity to collaborate with all related stakeholders to create a more sustainable footprint.”

- NIKHIL HIRDARAMANI, DIRECTOR HIRDARAMANI GROUP



COMMITMENT TO STANDARDS

As part of our commitment to earning and maintaining the trust people place in us, we uphold the highest governance and standards. From global certifications to industry best practices and regional guidelines, we pride ourselves on setting an example for what can be achieved when putting the future first.





www.hirdaramani.com