

MBM GROUP

40 Years of Excellence

ESG Report

2025



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Reporting period Non-financial 1 January to 31 December 2025 · Financial fiscal year 2024-25, 1 July 2024 to 30 June 2025

Basis of preparation in accordance with the GRI Standards; with reference to ESRS

Reporting boundary · Cutting Edge Industries Ltd. · Cutting Edge Industries Ltd. Washing Plant · MBM Garments Ltd. · Absolute Quality Wear Ltd.

SECTION 1.1

Message from the Deputy Managing Director

GRI 2-22 · ESRS 2 SBM-1

Mr. Mohammad Mehroz Jalil



Growth means little to me unless it is felt by the people who make it possible. Business partners judge us by the garments we deliver, but our own people judge us by something quieter: whether the place they come to every day treats them with value. Every decision we take then, is focused on the creation of that value not just for our customers but also for our people and our planet.

Our economic and business strategy is also defined by such core values. In the last decade, we have pursued expansionary growth, moving deliberately toward higher-value, premium product categories and building the capability to offer our global clientele true end-to-end, full-package solutions rather than simple order fulfilment. In doing so, we also set in motion our sourcing strategy: lean deliberately into sourcing more of our raw material inputs from local suppliers. A strategy optimizing speed and responsiveness while also supporting the local business ecosystem.

Bringing new people into the Group during a year of expansion must also be handled with attention. Many of the people who join us are stepping into their first formal job, and what we teach them in their first weeks, about safety, about their rights, about how such an organization functions, meaningfully shapes the rest of their working life. We take that responsibility seriously, and it is why our safety culture, our medical support and our training programs are built to reach people on their very first day.

MESSAGE FROM THE DEPUTY MANAGING DIRECTOR

Excellence delivered to every stakeholder has to include the value of transparency.

Health and safety at MBM Group has never been about meeting the minimum the law requires. Our medical centres, our health camps, our eye care programme and our mental wellbeing sessions are administered because we believe a workforce that is cared for beyond the factory floor is a workforce that stays, grows and trusts the institution it works for. The same thinking sits behind how we approach grievances. We have built ours so that a concern about a supervisor never has to travel through that same supervisor's chain, and we keep adding easier, more frictionless ways for people to speak up, because excellence delivered to every stakeholder has to include the value of transparency.

Building the capability to deliver premium, full-package solutions to a global clientele takes the same discipline as building a workforce that people want to stay in. It happens because we have put the governance behind it to make it repeatable: clearer risk ownership, a Board that puts its practices in writing, and a leadership team that treats our people's wellbeing as core to the business strategy. Delivering value to our stakeholders and our business partners will always be of utmost importance to us.

It may help to say plainly how we hold this work in time, because a commitment without a horizon is only a sentiment. In the short term, to the end of 2026, our primary goal is measurement: tightening our reporting infrastructure. The impact is on the quality of our own decisions, and the strategy is simply to build the measurement right after setting our goal. In the medium term, to 2028, our concern is retention and capability. In the long term, to 2030, we have committed to eighteen per cent of our leadership being women. Those are the numbers we expect to carry forward.

SECTION 1.2

Message from the Director

GRI 2-22 · ESRS 2 SBM-1

Mr. Kamran Sadique



Bangladesh contributes a fraction of the emissions reshaping the world's climate, and yet stands among the nations most exposed to its consequences. We did not create this imbalance, but we live inside it, and that shapes how MBM Group thinks about its environmental responsibility. Our national grid remains heavily dependent on fossil generation, which means we cannot look outward and wait for cleaner electricity to arrive on our behalf. The work has to happen inside our own four walls, and that is the philosophy this section reflects.

As MBM Group has grown, our approach has been to make growth and environmental performance move together rather than trade off against each other. Every piece we produce today asks less of our energy systems and our water supply than the piece before it, and that is not incidental. It is the result of a deliberate decision to invest in efficiency ahead of scale, so that expansion strengthens our environmental position instead of straining it.

That philosophy runs through what we have built. Our WEManage system tracks, analyzes, optimizes and automates the resource consumption of our business units. It integrates the initiatives we have put in place around it: condensate recovery, flash steam recovery, rainwater harvesting, and electromagnetic flow meters monitoring our borewells and our ETP inlet and outlet in real time. It is the intelligence layer that ties these individual efforts together into one coherent picture of how we use energy and water across our operations. Our washing operations recycle and reuse water at a scale that reflects the reality of operating in a water-stressed region instead of treating that reality as someone else's problem.

We would rather arrive early than react late.

Our Emissions Reduction Roadmap does not chase a single flagship project; it is a sequence of strategic investments across our units, addressing both our Scope 1 and Scope 2 emissions at the points where the impact actually sits. Sustainable materials are becoming a larger part of what we put into every garment, and our participation in platforms like Reverse Resource reflects a preference for traceability over convenient assumptions about where our waste ends up.

None of this is done for its own sake. It is done because we believe excellence delivered to every stakeholder has to include the environment we operate in and the communities who share it with us, not just the buyers we serve. It is also done with an eye on where global regulation is heading. CSRD and the CSDDD already shape what our buyers expect of us, and the prospect of CBAM eventually reaching the RMG sector means that the manufacturers who have already done this work will be the ones least disrupted when it does. We would rather arrive early than react late.

Our environmental commitments sit on the same three horizons. In the short term, to the end of 2026, the work is to finish measuring what we are yet to measure and the scoping of our value chain emissions, and the extension of WEManage. In the medium term, to 2028, the capital lands: boiler and steam recovery, high-efficiency BLDC fans, direct driven exhausts, servo and VFD motors, and the first tranche of on-site generation, a programme sequenced deliberately to reduce demand before we invest in supply, so that the generation investment goes further. In the long term, to 2030, our targets are a thirty-eight per cent reduction in energy and emissions intensity, forty per cent in water consumption intensity, thirty per cent in total waste, and the substitution of every hazardous chemical substance. The strategy behind all three horizons is the same one that has served this Group for forty years: arrive early, because the manufacturers who have already done this work will be the least disrupted when it stops being optional.

SECTION 1.3

Message from the Chief Executive Officer

GRI 2-22 · ESRS 2 SBM-1

Mr. Mohammad Saifur Rahman



A garment is a promise kept on a date. Everything I have learned in my professional journey across factory floors, marketing and supply chains comes back to that one sentence. A buyer places an order months ahead of a season, and the whole of MBM Group organises itself around delivering it: the right quality, the right quantity, on the day it was promised. Growth, for us, has never meant chasing volume for its own sake. It has meant becoming the manufacturer that buyers can build their own plans on, the employer that our associates can depend on, and a company whose growth asks less of the land, the water and the air around it with every garment we make.

The fiscal year 2024-25 was our strongest to date. Revenue reached USD 137.86 million, our four units produced 40.58 million pieces, and we shipped to 46 countries. Those numbers are the visible result of choices made much earlier: fourteen modular lines built for low minimum order quantities, a LEED Gold washing plant that finishes for all three garment units, and an Authorized Economic Operator status that moves imported fabric from port to floor faster than the industry norm. Capability first, then scale. That order matters.

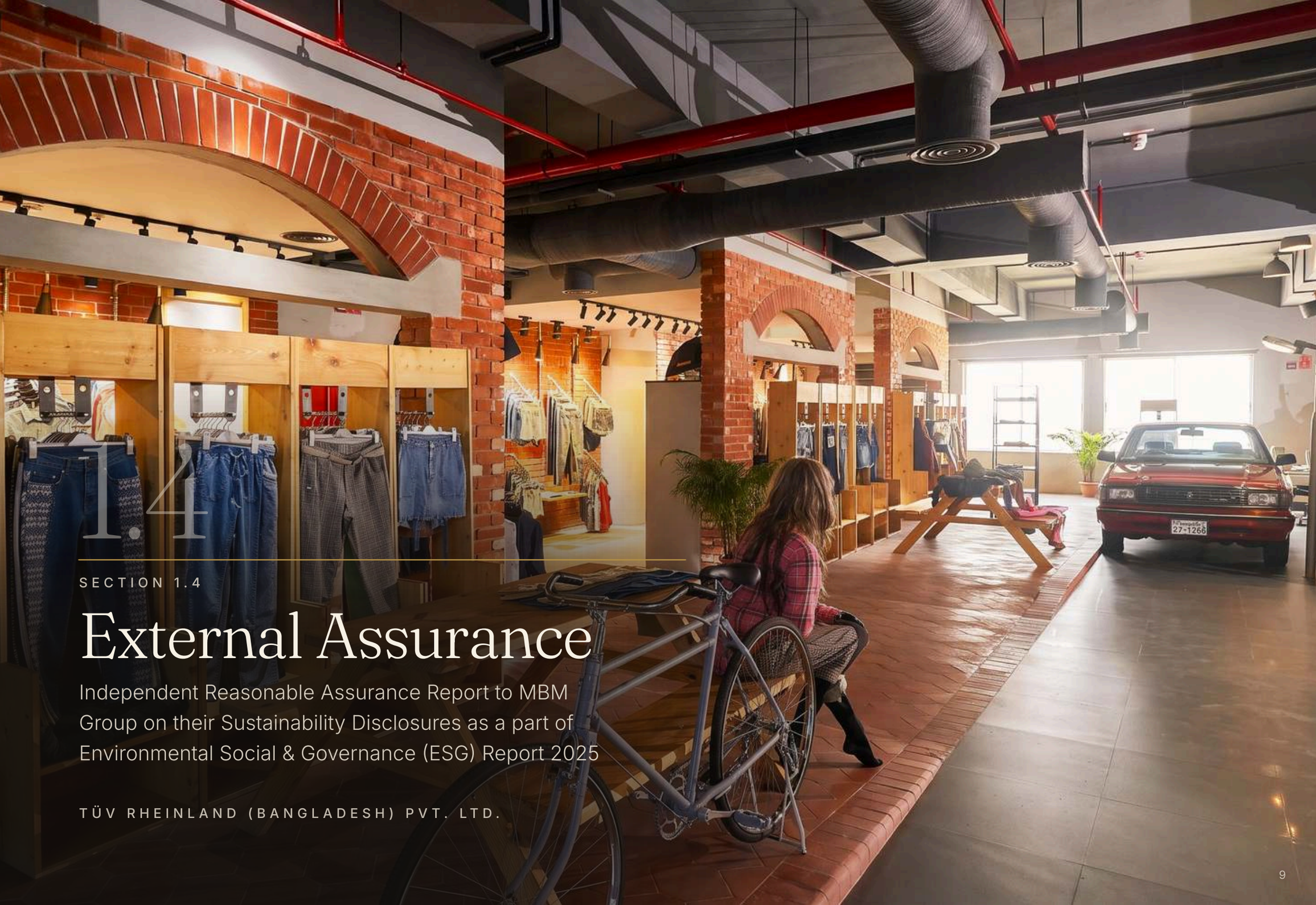
Where we buy from is as much a strategic decision as where we sell. Of the USD 101.04 million we spent on raw materials this year, 49.24 per cent went to local suppliers, and our supplier base has grown every year since 2022. Sourcing close to the factory shortens lead times, lowers our exposure to freight and currency swings, and keeps more of the value we create inside the Bangladeshi economy. We intend to keep leaning into that.

A footprint of 46 countries is not an accident of demand.

The two years covered by this report tested that resilience directly. The political transition of July 2024 and the United States reciprocal tariff measures of 2025 each arrived without warning. In both cases we protected the things that cannot be rebuilt quickly: there were no salary reductions, no air shipments, and no interruption to welfare programmes, and we spread output across European, Asian and Middle Eastern markets rather than leaning harder on any single corridor. A footprint of 46 countries is not an accident of demand. It is the reason a shock in one market does not become a crisis for the whole Group.

This year we have also changed how we measure ourselves. Every monetary figure in this report is now stated on the fiscal year on which our statutory accounts are prepared, so that what we disclose can be checked against an audited period. Fiscal year 2024-25 therefore becomes the baseline for our economic commitments, and we have stated those commitments plainly: to grow export sales revenue by 50 per cent, to USD 206.79 million, by 2030; to reduce operating cost per dollar exported by 10 per cent; and to reduce inventory holding cost per dollar exported by 15 per cent, which we will report for the first time in 2026 once the measurement basis is settled.

Automation, digitalisation and the integration of our systems across the value chain are how we intend to reach those figures without asking more of our people or our environment per garment. Excellence delivered to every stakeholder includes the buyer who needs certainty, the supplier who needs a fair and reliable partner, and the worker whose wages are the largest single share of the value we distribute. Holding all three together is the job, and it is the standard against which I expect this Group to be judged.



1.4

SECTION 1.4

External Assurance

Independent Reasonable Assurance Report to MBM Group on their Sustainability Disclosures as a part of Environmental Social & Governance (ESG) Report 2025

TÜV RHEINLAND (BANGLADESH) PVT. LTD.

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MBM Group ESG Report 2025 Reasonable Assurance Report

Independent Reasonable Assurance Report to MBM Group on their Sustainability Disclosures as a part of Environmental Social & Governance (ESG) Report 2025

To the Management of MBM Group, Bangladesh

Introduction

TÜV Rheinland (Bangladesh) Pvt. Ltd. ("TÜVR ") was engaged by MBM Group ("MBM") to provide an independent reasonable assurance on its ESG Report 2025 ("the Report"). The scope of the Report comprises the reporting period of 1st January 2025 to 31st December 2026. The Report is prepared by MBM Group based on Global Reporting Initiative (GRI) Standards and European Sustainability and Reporting Standards (ESRS). The assurance was performed in accordance with the requirements of International Federation of Accountants (IFAC), International Standard on Assurance Engagement (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

Objectives

The objective of this reasonable assurance engagement was to review objective evidence to assess the accuracy, completeness, consistency, transparency, and reliability of the sustainability-related disclosures presented in the Report, in accordance with the GRI standards and with reference to the ESRS requirements and the criteria outlined below.

Intended Users

This ESG Assurance Report is intended to be a part of the ESG Report 2025 of MBM Group.

Responsibilities

The management of MBM is solely responsible for the preparation and presentation of the Report. Management is also responsible for the design, implementation, and maintenance of internal controls relevant to the preparation of the Report to ensure that it is free from material misstatement, whether due to fraud or error.

Whereas TÜVR is responsible for providing independent reasonable assurance and expressing a conclusion on the data and assertions presented in the Report, based on the assurance procedures performed in accordance with the agreed scope and criteria described below. TÜVR does not accept or assume responsibility to any party other than MBM or for any purpose other than this engagement. This assurance statement represents TÜVR 's independent and impartial opinion on the information and data covered within the scope of the engagement.

Assurance Scope

The assurance has been provided for the ESG Report 2025 selected disclosures in accordance with GRI standards and with reference to ESRS as presented by MBM in its Report along with other applicable disclosures. The assurance boundary covered 4 units i.e. MBM Garments Ltd., Cutting Edge Industries Ltd., Cutting Edge Industries Ltd. Washing Plant and Absolute Quality Wear Ltd. located in Bangladesh, including Corporate Office at Dhaka, in accordance with GRI standards and with reference to ESRS. The scope of the assurance engagement included verification of the data and information relating to the sustainability disclosures as mentioned in Annexure.

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MBM Group ESG Report 2025 Reasonable Assurance Report

Assurance Criteria

TÜVR conducted the assurance work in accordance with the requirements of 'Reasonable Assurance' procedures as per the following standard:

- International Standard on Assurance Engagements (ISAE) 3000 (revised) for 'Assurance Engagements other than Audits or Reviews of Historical Financial Information'.
- International Standard on Assurance Engagements (ISAE) 3410 for 'Assurance Engagements on Greenhouse Gas Statement'.

A reasonable assurance engagement involves a higher level of evidence gathering than a limited assurance engagement and primarily comprises inquiries, control testing, substantive testing and selective sampling based on the professional judgement of the assurance provider. A materiality threshold level of 5% was applied for the engagement. The assessment of compliance and materiality was performed against the applicable calculation methodologies and reporting criteria mentioned below:

Methodology

TÜVR performed the assurance engagement using a risk-based approach to obtain information, explanations, and evidence considered necessary to provide a reasonable level of assurance. The engagement comprised document reviews, analytical procedures, and interviews with relevant personnel regarding the reported information and supporting records for CY 2025. The assurance activities were carried out during Aug-Sep 2026 and included both onsite verification at Client's manufacturing and Corporate Office in Dhaka and review of records made available digitally and in-person.

The assessment included the following:

- Assessment of the Report prepared in accordance with GRI standards and with reference to ESRS.
- Review of the processes and systems used for the collection, consolidation, and reporting of data.
- Examination and review of documents, data, and other relevant information made available by MBM during site visits and through digital means.
- Interviews with key personnel responsible for data collection, management, and reporting.
- Assessment of the appropriateness of assumptions, estimation techniques, and thresholds adopted by MBM for data compilation and analysis.
- Sample-based verification of the sustainability disclosures for the reporting period from 1 January 2025 to 31 December 2025.
- Obtaining sufficient and appropriate documentary evidence to support the assurance conclusion. Detailed observations and recommendations, where applicable, were communicated separately to the management through a management report.

Exclusions

The scope of our assurance engagement excludes the following matters and, accordingly, no conclusion has been expressed thereon:

- Any data or information relating to period outside the defined reporting period of 1 January 2025 to 31 December 2025.

MBM Group ESG Report 2025 Reasonable Assurance Report

- Operations and activities of the Company outside the reporting boundary defined in the About the Section of the report.
- Statements made by the Company relating to its strategy, progress against goals (other than those included within the assurance scope), opinions, beliefs, aspirations, expectations, future intentions, and assertions concerning intellectual property rights or other competitively sensitive matters.
- Commercial details, compliance with applicable laws and regulations and plans policies, activities and related risks outside the defined scope of work.

Conclusion

TÜVR reviewed the Sustainability disclosures provided by MBM Group in its ESG Report 2025. Based on the procedures performed as above, evidence obtained, data and information provided by MBM Group, TÜVR concludes that the data and information on sustainability disclosures for the period of 01 January 2025 to 31 December 2025 included in the Report, is fairly stated and in all material respects, in accordance with the GRI Standards and with reference to requirements of ESRS.

Competence and Independence

TÜV Rheinland (Bangladesh) Pvt. Ltd. is an independent assurance, certification and testing organization and member of the international TÜV Rheinland Group, with accreditations also in the areas of social responsibility and environmental protection. The assurance team was assembled based on the knowledge, experience, and qualification of the assurance professional. TÜVR hereby declares that there is no conflict of interest with the MBM Group.

For TÜV Rheinland (Bangladesh) Pvt. Ltd.

Verifier:
Mr. Purnendra Gopal
Sustainability Lead
People & Business Assurance

Date: 16 Sep 2026

Reviewer:
Mr. Sumit Chowdhury
Regional Sustainability Manager-IMEA
People & Business Assurance

Date: 16 Sep 2026

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MBM Group ESG Report 2025 Reasonable Assurance Report

Annexures: Details of Disclosures of ESG Report 2025-MBM Group

GRI Disclosures	
• GRI 2-General Disclosures 2021:	2-1, 2-2, 2-3, 2-4, 2-5, 2-6, 2-7, 2-9, 2-10, 2-12, 2-13, 2-14, 2-17, 2-18, 2-22, 2-23, 2-24, 2-25, 2-26, 2-27, 2-28, 2-29, 2-30
• GRI 3-Material Topics 2021:	3-1, 3-2, 3-3
• GRI 201-Economic Performance 2016:	201-3, 201-4
• GRI 203-Indirect Economic Impacts 2016:	203-1, 203-2
• GRI 204-Procurement Practices 2016:	204-1
• GRI 205-Anti-corruption 2016:	205-1, 205-3
• GRI 206-Anti-competitive Behavior 2016:	206-1
• GRI 207-Tax 2016:	207-1, 207-2, 207-3
• GRI 302-Energy 2016:	302-1, 302-3
• GRI 303-Water and Effluents 2018:	303-2, 303-3, 203-4, 303-5
• GRI 305-Emissions 2016:	305-1, 305-4, 305-6, 305-7
• GRI 306-Waste 2020:	306-1, 306-2, 306-3, 306-5
• GRI 401-Employment 2016:	401-1, 401-2
• GRI 403-Occupational Health and Safety 2018:	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-8, 403-10
• GRI 404-Training and Education 2016:	404-2, 404-3
• GRI 405-Diversity and Equal Opportunity 2016:	405-1
• GRI 406-Non-discrimination 2016:	406-1
• GRI 407-Freedom of Association and Collective Bargaining 2016:	407-1
• GRI 408-Child Labor 2016:	408-1
• GRI 409-Forced or Compulsory Labor 2016:	409-1
• GRI 413-Local Communities 2016:	413-1, 413-2
• GRI 414-Supplier Social Assessment 2016:	414-1, 414-2
•	
ESRS Disclosures	
• ESRS 2-General Disclosures	BP-1, BP-2, GOV-1, GOV-2, GOV-4, GOV5, SBM-1, SBM-2, SBM-3, IRO-1, IRO-2, MDR-P, MDR-A, MDR-T,
• ESRS E1-Climate Change:	E1-1, E3, E1-4, E1-5
• ESRS E2-Pollution:	E2-1, E2-3, E2-4
• ESRS E3-Water and Marine Resources:	E3-1, E3-2, E3-3, E3-4
• ESRS E5-Resource Use and Circular Economy:	E5-1, E5-3, E5-5
• ESRS S1-Own Workforce:	S1-1, S1-2, S1-3, S1-4, S1-6, S1-8, S1-9, S1-10, S1-11, S1-13, S1-15, S1-17
• ESRS S2-Workers in the Value Chain:	S2-4
• ESRS S3-Affected Communities:	S3-3, S3-4
• ESRS G1-Business Conduct:	G1-1, G1-2, G1-3, G1-4, G1-5



1.5

SECTION 1.5

About This Report

SECTION 1.5

Basis of Preparation

GRI 2-1 · GRI 2-2 · GRI 2-3 · ESRS 2 BP-1

MBM Group presents its second ESG Report, documenting environmental, social, economic and governance performance for the calendar year 2025. It follows our inaugural report, published for the 2024 reporting year. The report has been prepared in accordance with the Global Reporting Initiative Standards and with reference to the European Sustainability Reporting Standards.

Non-financial performance is reported for the period 1 January to 31 December 2025, and MBM Group reports on an annual cycle. Financial and monetary figures are reported on the fiscal year 2024-25, 1 July 2024 to 30 June 2025, which is the period on which the Group's statutory accounts and management accounts are prepared. The two bases are labelled wherever a figure is presented. This report consolidates sustainability data from four principal operating units, unchanged from our 2024 reporting boundary. Consolidated group production for 2025 was 40,578,403 pieces and total workforce at 31 December 2025 stood at 9,297. These serve as the denominators for the intensity and per-employee metrics presented throughout.

Our second reporting cycle has been prepared with a materially deeper discipline than our first. Before drafting began, every figure presented here was traced to its originating record, reconciled across our four operating units on a month-by-month basis, and tested against the figures published in 2024. That exercise strengthened many of our disclosures and required the updating of others. Where that required a previously published figure to be updated, the update is set out in the Restatements of Information register at the back of this report.

BASELINE YEARS

DISCLOSURE AREA	BASELINE YEAR	REASON
Environmental and social	2022	Preserves the multi-year performance trend first published in 2024
Economic	Fiscal year 2024-25	First year in which economic performance was consolidated across all reporting entities on a common fiscal-year basis, matching the statutory accounts





BASIS OF PREPARATION

Reporting Period and Currency Basis

BASIS	APPLIED IN THIS REPORT
Non-financial figures	Calendar year 2025, 1 January to 31 December 2025, compiled monthly
Financial figures	Fiscal year 2024-25, 1 July 2024 to 30 June 2025, compiled monthly
Currency	United States dollars. Records are kept in Bangladeshi Taka
Conversion rate	USD 1 = BDT 122.80, the Bangladesh Bank closing rate at 30 June 2025

Comparatives will be built from this point forward, and the 2026 report will carry a two-year fiscal-year series.

Prior-year monetary comparatives are not presented on a fiscal-year basis. The figures published for 2022, 2023 and 2024 were prepared on a calendar year, and reproducing them on the fiscal year would require a reconstruction of three years of management accounts that we are not able to evidence to the standard applied to the current year. Rather than present a series that changes basis part-way through, we disclose the fiscal year 2024-25 alone and treat it as the baseline for the economic disclosures and for our economic Vision 2030 targets. Comparatives will be built from this point forward, and the 2026 report will carry a two-year fiscal-year series.

ABOUT THIS REPORT

Reporting Period, Frequency and Contact Point

GRI 2-3 · ESRS 2 BP-1

MBM Group reports on an annual cycle. This is our second report and covers the period set out above; our inaugural report covered the 2024 reporting year. Questions about this report, about the data within it, or about MBM Group's sustainability practice generally may be directed to Mahmudul Hasan Rafey, Assistant Manager, ESG, at info@mbm.group. He is the contact point for this report under GRI 2-3. Concerns about conduct, compliance or tax, and requests for advice on the implementation of our policies, are handled separately by Junnatul Ferdous Eva, Deputy General Manager, Compliance, at the same address, as described in Sections 4.9 and 7.9. The address receives enquiries from employees, suppliers, buyers and members of the communities in which we operate.

External Assurance

GRI 2-5 · ESRS 2 BP-1

For this reporting cycle the Board has approved an assurance engagement over the disclosures in this report, and the assurance statement is presented with it.

It is MBM Group's policy to subject its sustainability reporting to independent external assurance. The decision to seek assurance, the scope of the engagement and the selection of the assurance provider are approved by our highest governance body. The Deputy Managing Director sponsors the engagement on behalf of the Board, the Director carries the same responsibility for the environmental disclosures within scope, and the Compliance function co-ordinates the provision of evidence. Members of the Board meet the assurance provider directly during the engagement, and the findings, including any matters raised for management attention, are reported to the Board in full.

The assurance provider is engaged independently of the teams that prepare this report, holds no other commercial relationship with MBM Group, and is remunerated on a fixed-fee basis that is not contingent on the outcome of its work. For this reporting cycle the Board has approved an assurance engagement over the disclosures in this report, and the assurance statement is presented with it. Our inaugural report for 2024 was not externally assured; the data governance work undertaken during 2025, described above, was carried out with this engagement in view.

Assurance does not displace management's responsibility for the content of this report. The figures, the judgements behind them and the omissions recorded in the GRI and ESRS Content Index remain the responsibility of MBM Group's management and its highest governance body.

Reporting Approach

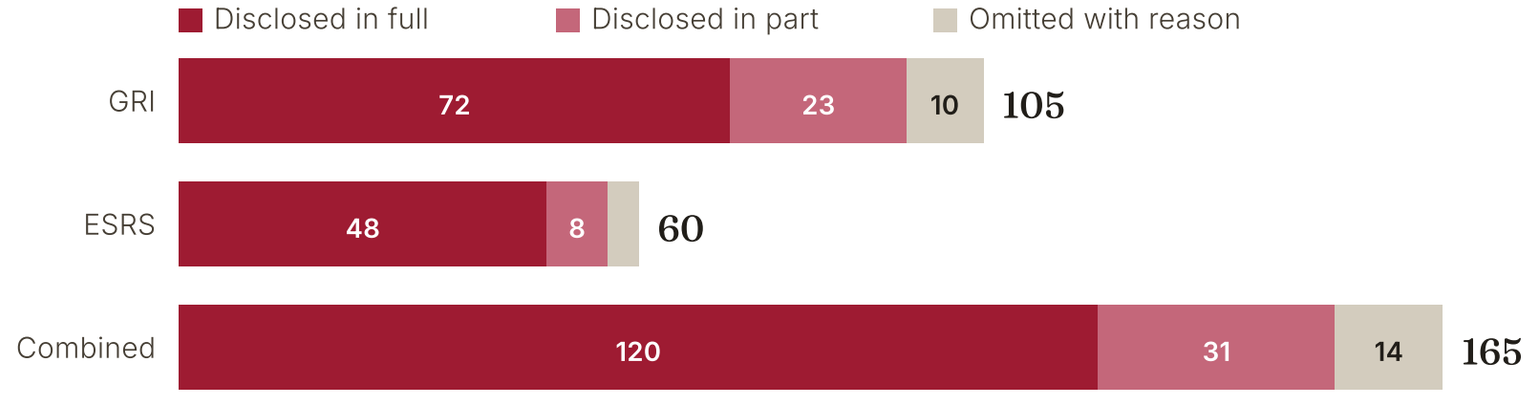
ESRS 2 IRO-2

MBM Group is progressively aligning its disclosures with ESRS and GRI requirements. Our 2025 cycle has considerably broadened the range of disclosures reported: our GRI and ESRS Content Index now addresses 165 disclosures against 68 in our inaugural report, of which 151 are disclosed in whole or in part.

The 2025 cycle rests on a documented materiality assessment prepared under GRI 3: Material Topics 2021, set out in Section 3.

First-time disclosures in 2025 include board composition and evaluation, the chair of the highest governance body, communication of critical concerns, the annual total compensation ratio, anti-corruption assessment and confirmed incidents, defined benefit obligations, government financial assistance, local procurement, the full tax suite, parental leave, performance reviews, non-discrimination, child and forced labour, air emissions, water discharge, minimum notice periods regarding operational changes, total chemical consumption, work-related injury rates computed on consolidated hours worked, the workforce and turnover by region, a source-by-source bridge for Scope 1, and waste directed to disposal by hazard class.

DISCLOSURE COVERAGE AGAINST OUR INAUGURAL REPORT



Disclosure Coverage · of 165 disclosures addressed



ABOUT THIS REPORT

Vision 2030 Targets

ESRS MDR-T

Our economic targets are rebased onto the fiscal year in this cycle. The reasons are set out below.

Our Vision 2030 commitments and their position at the close of 2025 are set out below, grouped by domain. Targets are measured annually and reported in each cycle.

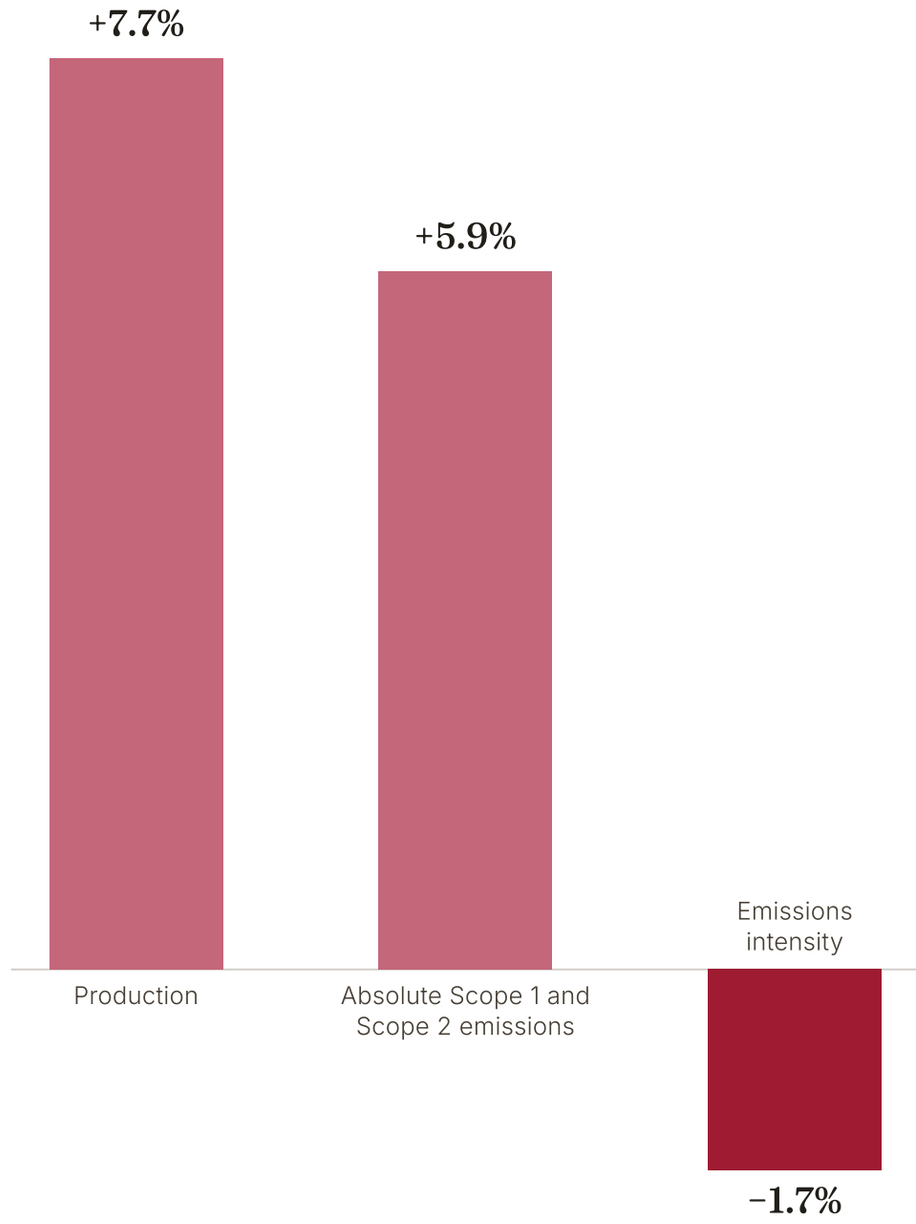
Targets are measured annually and reported in each cycle.

VISION 2030 TARGETS

Our environmental intensity targets were set by reference to sector decarbonisation expectations and to the requirements of our buyers, several of whom carry science-based commitments of their own, and we align ourselves with the Science Based Targets initiative. We engaged third-party consultants to assess and verify our targets, with specific initiatives recommended to achieve them. Given our national and energy context, where a significant portion of our Scope 2 footprint is driven by the emissions factor of Bangladesh's grid source fuels, we have worked with these consultants to set normalized reduction targets that remain meaningful for an expanding business, rather than framing our ambition around absolute reduction alone.

Our economic and social targets were set internally by the Board with input from senior management, guided by consultation with external third parties who also help shape our strategic direction and align our policies toward that direction and our targets.

Our economic targets were previously expressed against a calendar-year 2024 baseline drawn from management accounts. From this cycle they are expressed on the fiscal year, so that every monetary target is measured on the same twelve months as the statutory accounts against which performance is ultimately verified. Fiscal year 2024-25 therefore becomes the baseline year for our economic commitments, and the targets have been reset from it. This resets measured progress to zero in the first year. We regard a target measured on an auditable period as worth more than a longer run of progress measured on a basis we cannot tie to an audited account.



Production, Absolute Scope 1 and 2 Emissions and Emissions Intensity, 2025

VISION 2030 TARGETS

Targets by Time Horizon

Our targets are held on three horizons, and each horizon carries a different kind of commitment. Short-term targets, to the end of 2026, are operational: they concern data we do not yet hold, processes we have not yet codified. Their impact is on the quality of our own management information and on the near-term cost and resource intensity of production, and the strategy behind them is sequencing, building the measurement before the commitment that rests on it. Medium-term targets, to 2028, are where the capital programme lands: boiler and steam recovery, motors and drives, and the first tranche of on-site generation. Their impact is a step change in energy and emissions intensity, and the strategy is to reduce demand before investing in supply, so that the generation investment goes further. Long-term targets, to 2030, are the Vision 2030 commitments themselves. Their impact is the position we intend to hold in a market where buyer decarbonisation requirements and European regulation will by then be binding rather than anticipated, and the strategy is to arrive at that point having already done the work rather than reacting to it.

HORIZON	PERIOD	WHAT IT COVERS	INTENDED IMPACT
Short term	To end 2026	Chemical inventory screened against the SVHC list; hazard classification of the chemical inventory; formal logging of critical concerns; gender-disaggregated remuneration data; Scope 3 scoping; value-chain worker data fields; extension of WEManage to all four units	Closes the measurement gaps recorded in the Content Index, so that the commitments resting on them can be set and tracked rather than described
Medium term	2026 to 2028	USD 1.26 million of the Emissions Reduction Roadmap: boiler and steam efficiency, high-efficiency fans, motors, drives and compressed air, servomotors, real-time energy monitoring, first solar tranche	A step change in energy and GHG intensity per garment, achieved by reducing demand ahead of investing in generation
Long term	To 2030	The Vision 2030 commitments: 38% reduction in energy and GHG intensity, 40% reduction in water consumption intensity, 30% reduction in total waste, 100% substitution of hazardous chemical substances, 18% women in leadership, 100% grievance resolution, 50% revenue growth and 10% reduction in operating cost per dollar exported on the fiscal-year basis	Positions the Group to meet buyer decarbonisation requirements and European regulation as binding conditions of trade rather than as future expectations

Vision 2030 Targets — Economic

TARGET	SCOPE	BASELINE AND BASE YEAR	METHODOLOGY AND ASSUMPTIONS	POSITION AT END FY2024-25	STATUS
Grow export sales revenue by 50%	All four reporting entities	USD 137.86 million in fiscal year 2024-25	Revenue from management accounts, consolidated across the reporting entities on the fiscal year 1 July to 30 June. Assumes continuity of the buyer portfolio. Target value USD 206.79 million	**USD 137.86 million**	Baseline year
Reduce operating cost per dollar exported by 10%	All four reporting entities	0.095676 in fiscal year 2024-25	Total operating costs divided by revenue, both from management accounts on the fiscal year. Not adjusted for currency movement. Target value 0.086108	**0.095676**	Baseline year
Reduce inventory holding cost per dollar exported by 15%	All four reporting entities	Fiscal year 2024-25	Measurement basis under development	**Not yet measured**	First reported 2026

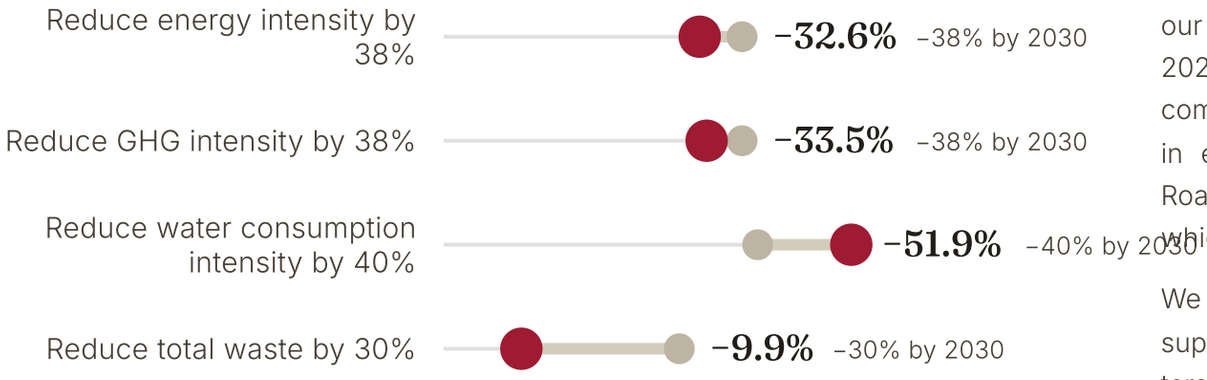
VISION 2030 TARGETS — SOCIAL AND GOVERNANCE

TARGET	SCOPE	BASELINE AND BASE YEAR	METHODOLOGY AND ASSUMPTIONS	POSITION AT END 2025	STATUS
Achieve 100% grievance resolution	All four reporting entities	—	Grievances resolved divided by grievances received, from the unit grievance registers	37 of 37 grievances received were resolved, each within the month it was raised	Met
Achieve 18% women in leadership	All four entities, management population	—	Women in management divided by total management, on the Non-OT basis	6.78%, being 96 of 1,416	In Process

Vision 2030 Targets — Environmental

TARGET	SCOPE	BASELINE AND BASE YEAR	METHODOLOGY AND ASSUMPTIONS	POSITION AT END 2025	STATUS
Reduce energy intensity by 38%	All four reporting entities	8.80 MJ per garment in 2022	Total energy consumption divided by group production. Conversion factors 38.22 MJ per cubic metre, 38.46 MJ per litre, 3.6 MJ per kilowatt hour, 21.77 MJ per kilogram of fabric waste, applied consistently	**5.93 MJ per garment, down 32.6%**	On track
Reduce GHG intensity by 38%	Scope 1 and 2, all four entities. Scope 3 not covered	0.7255 kg CO2e per garment in 2022	Scope 1 and location-based Scope 2 divided by group production, derived from monthly activity data	**0.4826 kg CO2e per garment, down 33.5%**	On track
Reduce water consumption intensity by 40%	All four reporting entities	0.011290 m3 per garment in 2022	Withdrawal less discharge, divided by group production, per GRI 303-5. Recycled water not added to withdrawal	**0.005426 m3 per garment, down 51.9%**	Achieved
Reduce total waste by 30%	All four entities. Fabric waste used as boiler fuel is reported as fuel, not waste	1,103.3 tonnes in 2022	Total waste generated, hazardous and non-hazardous, from disposal records	**994.4 tonnes, down 9.9%**	In Process

HIGHLIGHTS



Our greenhouse gas intensity target remains on track. In line with our expansionary business policy, production rose 7.7% during 2025 while absolute Scope 1 and Scope 2 emissions rose by a comparatively smaller 5.9%, translating into a 1.7% improvement in emissions intensity for the year. The Emissions Reduction Roadmap in Section 5 sets out the costed programme through which we intend to build on this trajectory.

We have not set quantified targets for community investment, for supplier social assessment coverage, or for the value-chain matters described in Section 6. For these, effectiveness is tracked through the programmes and processes described in the relevant section rather than against a numeric commitment.



2

SECTION 2

About MBM Group

History, Operations, Markets and Leadership



HIGHLIGHTS

9,297
People Employed Across Four Operating Units

$137.86M
Revenue, Fiscal Year 2024-25

40.58M pcs
Pieces Produced Across the Group

46
Countries Exported To in 2025



SECTION 2

A Legacy Built on Trust

GRI 2-1 · ESRS 2 SBM-1

MBM Group's investments in innovation, workforce welfare, environmental responsibility, and manufacturing integrity have consistently arrived early, well before the industry recognized them as necessary, let alone expected them.

Our journey began in 1983 as a 150-machine garment unit, founded by Mr. Mahmudur Rahman. From the outset, MBM Group has been built on a simple conviction: excellence delivered to every stakeholder. That conviction has reshaped how the global apparel market sees Bangladesh, not as a source of basic garments alone, but as home to a manufacturer capable of premium, value-added products across varying order sizes, including the low-MOQ work that remains rare among Bangladeshi RMG companies, most of which are built around high-volume orders. This range has let us serve fast fashion, premium, and specialized product lines alike, moving beyond traditional garment manufacturing into strategic partnerships and full-package business solutions.

What sets this journey apart is timing. MBM Group's investments in innovation, workforce welfare, environmental responsibility, and manufacturing integrity have consistently arrived early, well before the industry recognized them as necessary, let alone expected them.

A LEGACY BUILT ON TRUST

That early investment reaffirmed a long-standing environmental commitment and enabled water recycling and rainwater harvesting at scale.

That pattern was visible from the beginning. In 1988, MBM Garments introduced a free lunch programme for its workforce, a welfare commitment that remains part of the company's identity to this day. In 1990, MBM became one of the first in Bangladesh to establish an in-house washing and processing facility, taking direct ownership of quality rather than depending on third parties.

The modern chapter opened in 2008 with the incorporation of Cutting Edge Industries Ltd., followed in 2012 by a move to a 240,000-square-foot lean manufacturing facility. By 2015, a European-engineered washing plant had added advanced denim and non-denim finishing capability: deploying laser, ozone, smartfoam, and nano-bubble technology to meaningfully improve resource efficiency, long before formal science-based roadmaps became an industry norm.

Then in 2022, we made a deliberate bet on the future: an additional biological Effluent Treatment Plant using Membrane Bioreactor technology, built with far greater capacity than our operations required at the time. That early investment reaffirmed a long-standing environmental commitment and enabled water recycling and rainwater harvesting at scale.

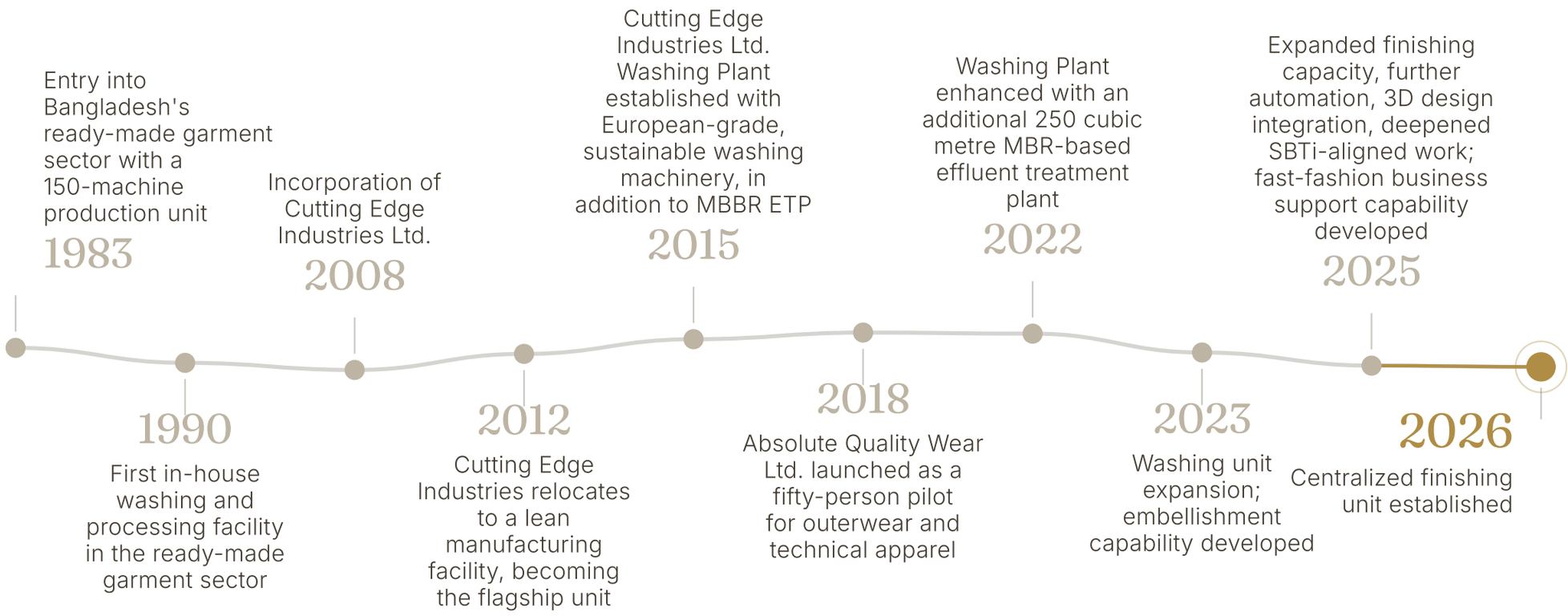
The bet paid off in 2024, as continued business growth let us expand the Washing Facility with more advanced sustainability-forward machinery: positioning us to meet the growing demand from clients actively seeking our sustainable manufacturing expertise.

Absolute Quality Wear Ltd. extends the Group's reach into specialized apparel, including outerwear, sportswear, and industrial workwear.



A LEGACY BUILT ON TRUST

Four Decades of Development





SECTION 2

Strategic Business Units

GRI 2-2 · GRI 2-6 · ESRS 2 SBM-1

That approach lives in four purpose-built units, each with a distinct role, which together form an integrated manufacturing capability from raw material sourcing through to finished, certified garment.

MBM Group's manufacturing model reflects the same forward-looking philosophy that shaped its history: build the capability in anticipation of future change. That approach lives in four purpose-built units, each with a distinct role, which together form an integrated manufacturing capability from raw material sourcing through to finished, certified garment. These four units constitute the reporting boundary of this report.

MBM Garments Ltd. is the longest-serving factory in the Group and the birthplace of its manufacturing culture, serving as the centre of excellence for denim and non-denim bottoms and holding QMP-certified manufacturing partner status for Levi's, the kind of premium, high-trust partnership that reflects what the Group has built well beyond the basic-garment reputation Bangladesh is often reduced to.



STRATEGIC BUSINESS UNITS

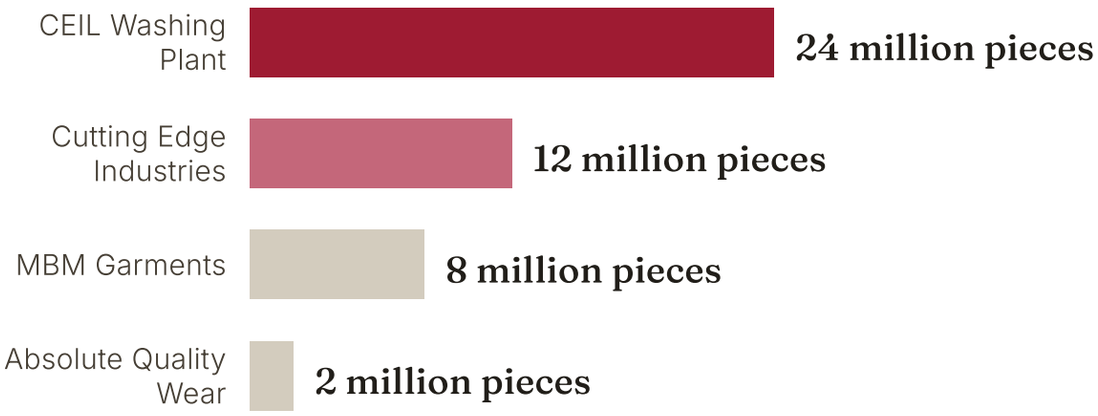
The Cutting Edge Industries Ltd. Washing Plant, certified LEED Gold by the U.S. Green Building Council, provides centralized washing and finishing for all three garment units, deploying laser, ozone, smartfoam, and nano-bubble technology to deliver the precision finishes our premium and specialized product lines demand, while meaningfully reducing water and chemical intensity in the process.

Cutting Edge Industries Ltd. is the largest and most versatile facility, purpose-built on lean manufacturing principles, with fourteen dedicated modular production lines enabling low minimum order quantities, a capability most Bangladeshi RMG manufacturers, built around high-volume orders, simply aren't set up to offer. The Cutting Edge Industries Ltd. Washing Plant, certified LEED Gold by the U.S. Green Building Council, provides centralized washing and finishing for all three garment units, deploying laser, ozone, smartfoam, and nano-bubble technology to deliver the precision finishes our premium and specialized product lines demand, while meaningfully reducing water and chemical intensity in the process. Absolute Quality Wear Ltd. is a specialist unit for technically complex outerwear, sportswear, workwear and medical wear.

Our reported group production of 40,578,403 pieces for 2025 covers both the garments made in our sewing units and the garments processed through our washing plant, which handled 24,919,060 pieces weighing 11,213,577 kilograms during the year. Because the Washing Plant provides centralized finishing for all three garment units, a garment sewn at one unit and washed here contributes to both figures. Group production is reported on this basis, consistent with our 2024 report, and the environmental intensity metrics in Section 5 use the same denominator.

STRATEGIC BUSINESS UNITS

Annual Capacity by Operating Unit

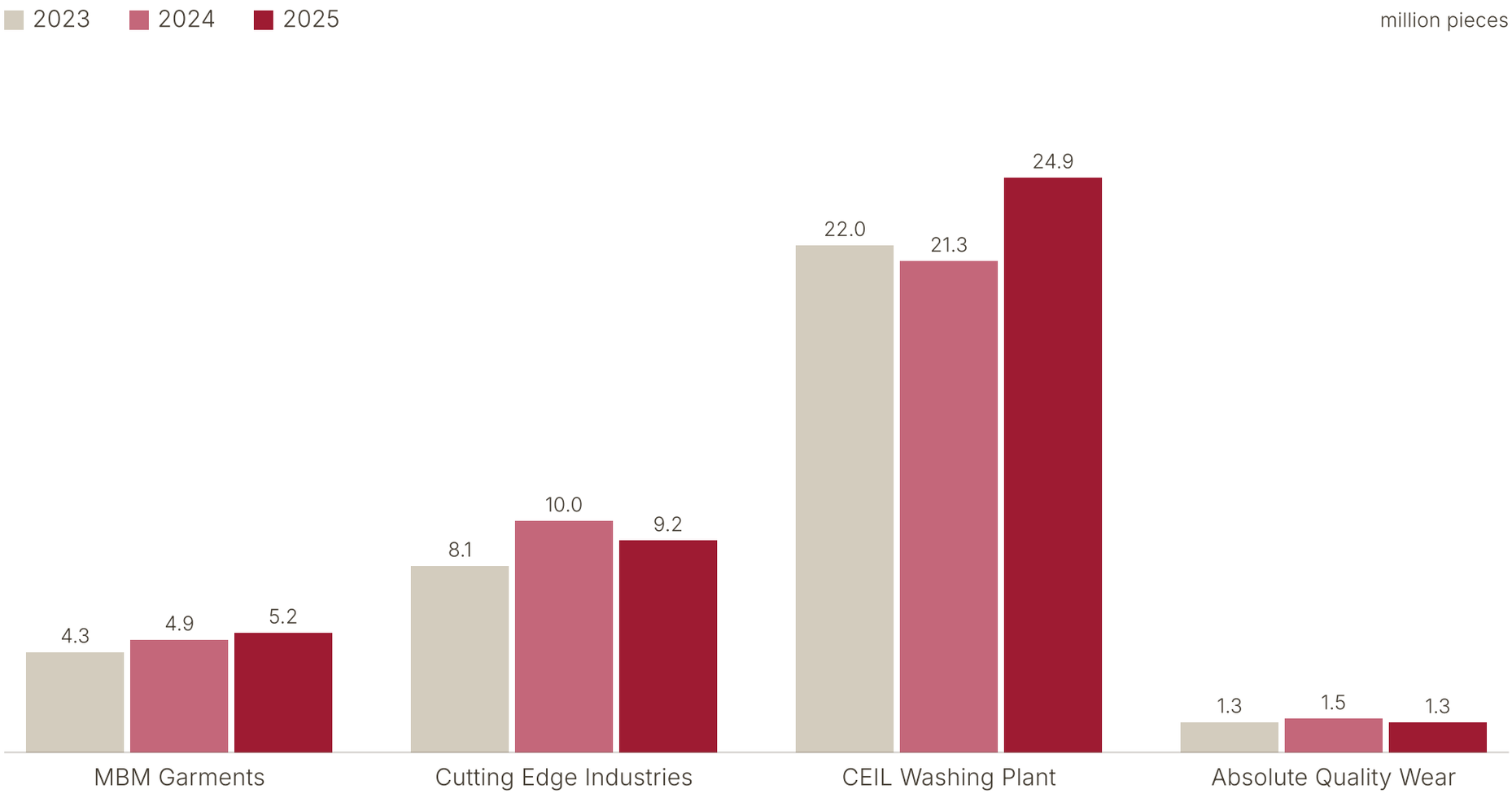


OPERATING UNITS, CAPACITY AND PRODUCTION LINES

UNIT	ESTABLISHED	ANNUAL CAPACITY	PRODUCTION LINES
MBM Garments Ltd.	1988	8 million pieces	18
Cutting Edge Industries Ltd.	2008	12 million pieces	42
Cutting Edge Industries Ltd. Washing Plant	2015	24 million pieces	—
Absolute Quality Wear Ltd.	2018	2 million pieces	10



Production by Operating Unit



Production by Operating Unit · drawn in millions of pieces

Geographic spread is a deliberate risk-management mechanism, not an accident of demand.

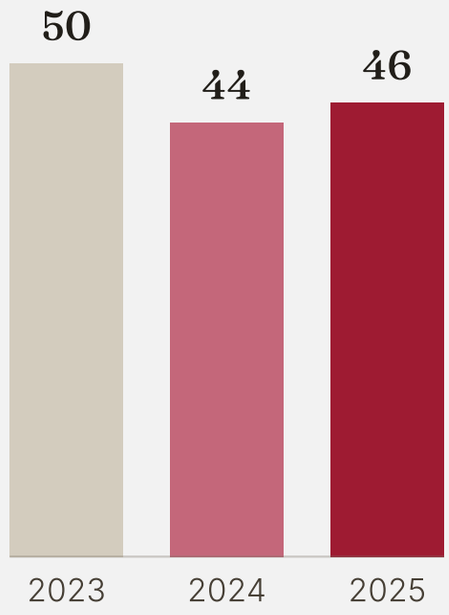
SECTION 2

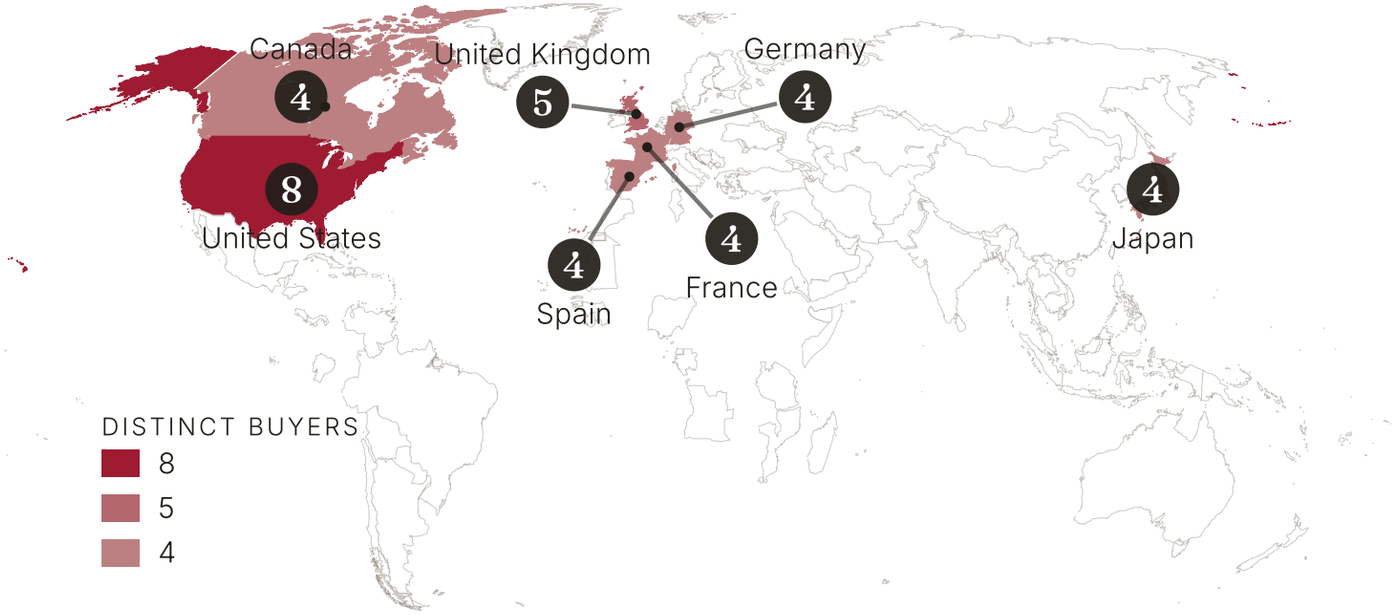
Export Markets

GRI 2-6 · ESRS 2 SBM-1

MBM Group's export footprint spans 46 countries in 2025, reaching across North America, Europe, Asia, the Middle East, Africa and Latin America. That footprint has moved deliberately rather than steadily, from 50 countries in 2023 to 44 in 2024 and back up to 46 in 2025, a pattern that reflects our active risk-management approach. By spreading across this many markets, we absorb external shocks, stabilize revenue and avoid dependency on any single market corridor.

EXPORT MARKET COVERAGE ACROSS THE REPORTING PERIOD



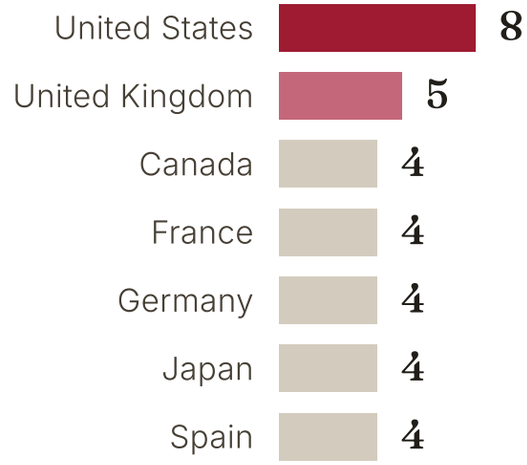


EXPORT MARKETS

The United States Carries the Greatest Buyer Diversity of Any Destination

The United States anchors this footprint, carrying over 40% of our total export value and, in 2025, the greatest buyer diversity of any market we serve, with 8 distinct clients. The United Kingdom follows with 5, while Canada, France, Germany, Japan and Spain each hold 4. Within Europe, our reach extends across the Western, Northern, Southern and Central subregions, and 2025 saw our Spanish export value rise sharply on the strength of the Inditex partnership, a signal of how a single strategic relationship can shift the shape of a whole subregion's contribution.

BUYER DIVERSITY BY DESTINATION, 2025



EXPORT MARKETS

Client Relationships Measured in Years

Running through all of this is Levi Strauss & Co., MBM Group's single largest buyer by geographic reach, exporting to 37 or more countries consistently year on year, a relationship whose breadth has held steady even as our own country coverage has moved.

CLIENT	PARTNER SINCE	SCOPE
Levi Strauss & Co.	1992	Levi's, Dockers, Signature and Denizen. QMP-certified manufacturing partner
Catalyst Brands, including JCPenney	1995	Seven house brands
OVS	2018	Licensed merchandise and premium foil-coated jackets
G-Star RAW	2018	Core denim using premium Japanese fabrics from 2025
Inditex	2022	Lefties, Stradivarius and ZARA TRF
ÏDKIDS	2022	Obaïbi–Okaïdi and Jacadi

CLIENT RELATIONSHIPS BY FIRST YEAR OF ENGAGEMENT

SECTION 2

Certifications, Frameworks and Recognition

GRI 2-28 · ESRS G1-5

MBM Group's compliance footprint runs across trade facilitation, product integrity, worker welfare, environmental performance and climate strategy, each strand validated by third-party frameworks. Among the earliest signals of this approach was our Authorized Economic Operator certification from the National Board of Revenue, awarded to MBM Group for its sustained, clean compliance record on customs, tax and VAT obligations. MBM Group was the first RMG company in Bangladesh to be awarded as such. In practical terms, it grants expedited customs clearance for the raw materials our production depends on, which matters in an industry where meeting a buyer's delivery window often comes down to how quickly imported fabric and trims can move from port to factory floor.

Beyond formal certification, we participate in a broader network of frameworks and development programmes. Nirapon and the RMG Sustainability Council anchor our approach to workplace safety, while Better Work and the Social & Labor Convergence Program guide our labour standards. On environmental and chemical performance, we work within the Science Based Targets initiative, the Higg Index, ZDHC, CleanChain, IFC PaCT, Regenagri, with involvement from third parties such as Solidaridad and BluWin, and for energy assessment and compliance tracking we draw on ERI, TÜV SÜD Bangladesh and INTELEX. The full detail of our memberships and affiliations is set out in Section 4.



Certifications by Category

CATEGORY	STANDARDS AND FRAMEWORKS	UNITS
Trade facilitation	Authorized Economic Operator	All Units
Product and material	GOTS, OCS, GRS, RCS, OEKO-TEX 100, European Flax	All Units
Environment and facility	LEED Gold	Washing Plant
Environment and facility	OEKO-TEX STeP	Absolute Quality Wear
Worker health and wellbeing	Clear Vision Workplace, VisionSpring	CEIL, AQL
Social and labour	amfori BSCI, SEDEX SMETA	All Units

Across the industry, fire and electrical safety commissioning too often becomes a paperwork exercise, a box ticked rather than a system verified. Every life-safety and electrical system at MBM Group is fully commissioned and third-party verified before sign-off, fire separations remain sealed and documented, and egress requirements are inspected across every building, every time.

Recognition

AWARD	DETAIL
National Export Trophy	Awarded on six occasions by the Government of Bangladesh
Best Global Quality Award	G-Star RAW, awarded to Cutting Edge Industries for product integrity and dimensional accuracy
Power of Partnership Award	Levi Strauss, conferred at the Regional Supplier Summit
4-Star Award	Levi's, five consecutive years
Inspiring Women's Award	Bangladesh Brand Forum, for the Jahan programme











SECTION 2

Leadership

GRI 2-9

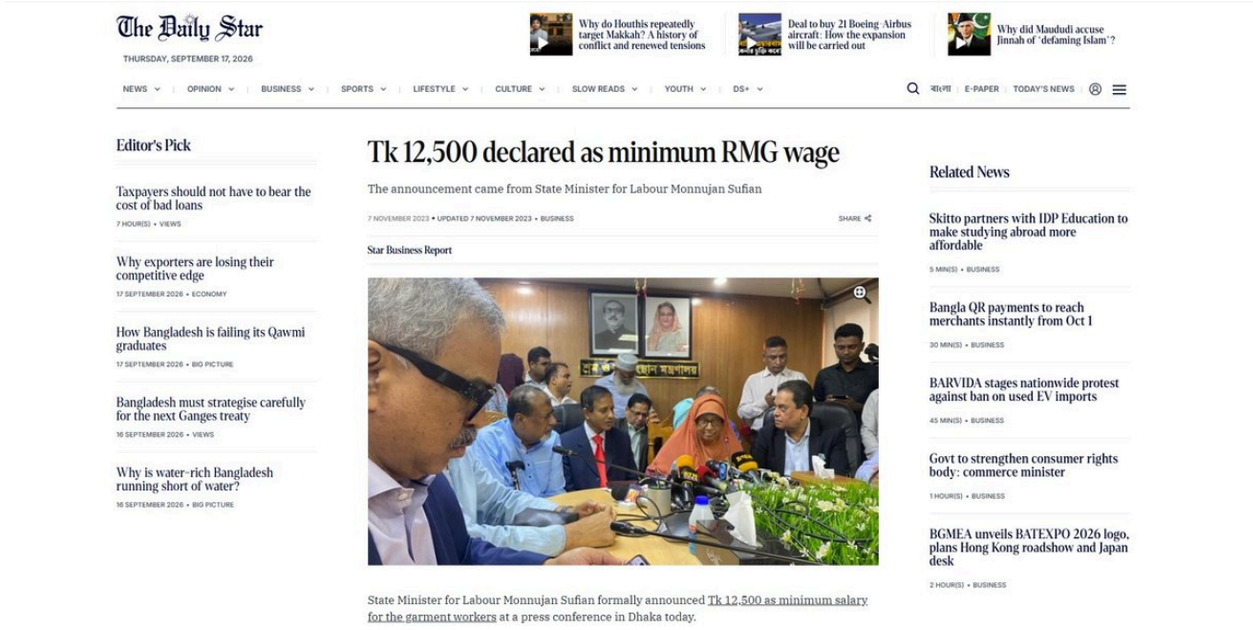
MBM Group's leadership rests with four individuals, who together make up its Board of Directors and senior management. This Board is the group's governing body, separate from the unit management personnel covered in Section 6. Its structure, responsibilities and evaluation are detailed in Section 4.

Managing Director, **Mr. Wasim Rahman**, entered the apparel industry in 1993 and assumed his current role in 2008, providing strategy, vision and Board-level direction for the Group.

Deputy Managing Director, **Mr. Mohammad Mehroz Jalil**, brings more than 28 years in apparel manufacturing across merchandising, marketing, modular production, human resources and compliance.

Director, **Mr. Kamran Sadique**, brings over 27 years across commercial operations, compliance and project management, and environmental sustainability, and also serves as Chairman of the Standing Committee on the RMG Sustainability Council at BGMEA and as Co-Chair of its Decarbonization Committee.

Chief Executive Officer, **Mr. Engr. Mohammad Saifur Rahman**, brings over 18 years of experience across factory operations, marketing, and supply chain management.



SECTION 2

Resilience in Action

ESRS 2 SBM-3

Between 2023 and 2025 MBM Group navigated three distinct disruptions: a structural wage reset, a period of heightened political instability, and a significant shift in trade policy.

The measure of an organization is not how it performs in favourable conditions, but how it holds its commitments when conditions turn against it. Between 2023 and 2025 MBM Group navigated three distinct disruptions: a structural wage reset, a period of heightened political instability, and a significant shift in trade policy.

Bangladesh's introduction of a BDT 12,500 minimum wage annual increment mandate represented a structural rather than cyclical shift. Revised increment schedules were integrated into multi-year financial forecasting, production was shifted toward technically complex higher-margin categories, lean protocols were redesigned, and real-time dashboards across all 70 production lines enabled proactive intervention on efficiency variance.

Through this period there were no salary reductions, no air shipments, and no interruption to welfare programmes.

The political transition of July 2024 introduced institutional uncertainty, logistics disruption and elevated country-risk perception. Tiered crisis activation protocols and strengthened engagement with local industrial police protected logistics flow. A structured cadence of resilience briefings gave buyers objective data on plant uptime, workforce attendance and raw material throughput. Through this period there were no salary reductions, no air shipments, and no interruption to welfare programmes.

The introduction of United States reciprocal tariff measures in 2025 created pressure on landed costs for a market representing over 40% of total export value. Activation of first-sale customs valuation reduced dutiable value. Output was shifted toward European partners and toward growing Asian and Middle Eastern markets. Higher-margin product categories were prioritized.

1. Reporting boundary: MBM Garments Ltd., Cutting Edge Industries Ltd., Cutting Edge Industries Ltd. Washing Plant, and Absolute Quality Wear Ltd. MBM Group's wider structure includes further legal entities outside this boundary, excluded from every figure in this report.



3

SECTION 3

Stakeholder Engagement and Materiality Assessment



HIGHLIGHTS

8
Stakeholder Groups in Our Engagement Programme

13
Material Topics Determined

82
Workers Interviewed by Independent Assessors Without Management Present

SECTION 3

Stakeholder Engagement

GRI 2-29 · ESRS 2 SBM-2

Engaging with our stakeholders allows us to gain valuable insights into their concerns and priorities, while helping us better understand how our operations impact them. Stakeholder engagement is also a vital tool for assessing and refining our strategies, ensuring that we remain aligned with both internal and external expectations.

In our 2024 report we committed to expanding our stakeholder engagement during 2025 and to conducting a more comprehensive materiality assessment. Both were completed during the reporting year. Our ongoing engagement programme follows a defined procedure: stakeholder identification, prioritization, mapping, communication and engagement, then documentation and review. The materiality assessment described in drew on a narrower and more specific set of consultations, and we set out separately below which groups informed that assessment, how, and which were not reached, because the two should not be read as the same exercise.



Stakeholders and Experts Whose Views Informed the Materiality Assessment · the Engaged column of the table, as a scale: Yes, Informally, No, Not applicable

Stakeholder Groups, Engagement Channels and Topics of Concern

STAKEHOLDER GROUP	MODE OF ENGAGEMENT	TOPICS OF INTEREST OR CONCERN
Employees	Welfare programmes; feedback surveys; health and safety audits; development programmes	Worker welfare and fair compensation; health, safety and well-being; career development; satisfaction and retention
Clients	Customer surveys and feedback channels; marketing activities; periodic meetings	Product quality and delivery timelines; customer satisfaction; supply chain transparency and traceability; sustainability targets
Financial institutions	Financial reporting and investment discussions; need-based meetings	Return on investment; governance and risk management; operational excellence and financial stability
Local communities	CSR activities; community outreach; local employment initiatives	Economic development and job creation; environmental impact of operations; local infrastructure and well-being
Government	Compliance reporting; need-based meetings; governance and tax discussion	Compliance with labour and environmental law; ethical business practices; jobs and tax contribution
Industry partners	Conferences and forums; joint sustainability initiatives	Industry standards and best practices; sustainability trends; collaborative practice
Development partners	Collaboration on projects; performance reviews	Social responsibility and community development; sustainable business practice; long-term societal impact
Service providers	Email, meetings and site visits; performance reviews; supplier audits	Service quality and contract compliance; product quality standards; adherence to terms

Stakeholders and Experts Whose Views Informed the Materiality Assessment

GROUP	ENGAGED	HOW, AND WHAT IT CONTRIBUTED
Own workers — production	Yes	82 documented individual and group interviews conducted by independent assessors without management present: 40 at MBM Garments, being 16 men and 24 women drawn from cutting, sewing, finishing, medical, security and maintenance, and 42 at Absolute Quality Wear. Further worker interviews were conducted at Cutting Edge Industries and the Washing Unit during assessment and across 14 advisory visits
Worker representatives	Yes	Participation Committees, Safety Committees and, at Cutting Edge Industries, the Anti-Harassment Committee, engaged during Better Work advisory visits. Worker representatives are elected by secret ballot at each assessed entity
Independent experts	Yes	Better Work Bangladesh enterprise advisors under the ILO and IFC programme; Intertek Bangladesh SMETA auditors; Ethical Trading Initiative Bangladesh, which delivered three onsite advisories on anti-harassment committee capacity
Management	Yes	Internal survey across seven functions, with 14 admitted responses, and management interviews conducted within every assessment
Community representatives	Informally	Qualitative discussions, not documented contemporaneously; photographic records only
Regulatory contacts	Informally	Qualitative discussions, not documented contemporaneously
Trade unions	Not applicable	No trade union is registered at any assessed entity and no collective bargaining agreement is in effect. Better Work confirmed against the Department of Labour database that no registration exists, and found no evidence of management opposition to freedom of association. That absence is itself treated as an identified impact
Suppliers and their workers	No	Not engaged. No supplier-level assessment evidence formed part of this cycle
Buyers	No	Not engaged in this cycle
Civil society organisations	No	Not directly engaged. Sector context drawn from published sources

The strength of this cycle is that the workforce, the group of rightsholders most directly affected by the impacts assessed, was consulted at scale, in confidence, and by independent parties rather than by management.

SECTION 3

Materiality Assessment and Priority Topics

GRI 3-1 · GRI 3-2 · GRI 3-3 · ESRS 2 IRO-1 · ESRS 2 IRO-2

Thirteen material topics, determined from independent assessment evidence at all four entities.

Our material topics are determined under GRI 3: Material Topics 2021. Material topics are those representing the organisation's most significant impacts on the economy, the environment and people, including impacts on their human rights. Significance of impact is the sole criterion we apply. Difficulty of reporting, and the fact that a topic is not yet fully managed, have not been used as grounds for exclusion, and a topic is not removed from the list because it is not considered financially material. The assessment covers the group's own operations in full at all four entities.

We describe this as an impact materiality assessment. We did ask management to assess the financial magnitude and likelihood of each topic, and we disclose those results in because they inform strategy. They are directional only: the register spans 2.5 points on a 25-point scale, which is too narrow to discriminate reliably between topics, and risks and opportunities were captured as a single combined score over a single undefined time horizon without magnitude anchored to a financial metric. MBM Group falls outside the scope of the Corporate Sustainability Reporting Directive; our alignment with the European Sustainability Reporting Standards elsewhere in this report is voluntary.

Sources Used to Identify Impacts

Impacts were identified from four kinds of source. The principal source is independent third-party assessment carried out during the period at each of the four entities: Better Work Bangladesh compliance assessments and advisory cycles at MBM Garments Ltd., Cutting Edge Industries Ltd. and the CEIL Washing Unit, and a SMETA 4-Pillar audit conducted by Intertek Bangladesh at Absolute Quality Wear Ltd. These examined labour standards, occupational health and safety, working hours, compensation, environmental permitting and business ethics through document review, floor inspection, management interview and worker interview, and their findings evidence actual impacts. That was supplemented by an internal assessment completed by management across seven functions, by informal engagement with community and regulatory representatives, and by a review of impacts commonly associated with ready-made garment manufacturing in Bangladesh. Positive impacts were identified from the same evidence base and are ranked separately; they do not offset any negative impact and have not displaced one from the material list. Every impact in the register cites the source finding it derives from, is recorded as actual or potential and as negative or positive, and is classified by whether MBM Group causes the impact, contributes to it, or is directly linked to it through its business relationships.

REF	SOURCE	WHAT IT CONTRIBUTED	EVIDENTIAL WEIGHT
S1	Better Work Bangladesh compliance assessments and advisory cycles at three entities	Actual impacts evidenced by document review, floor inspection and worker interviews against Bangladesh labour law and ILO core labour standards, across eight compliance clusters	High. Independent ILO and IFC programme; findings are dated, referenced and independently re-verified during advisory visits
S2	SMETA 4-Pillar audit by Intertek Bangladesh at Absolute Quality Wear Ltd.	Actual impacts across labour standards, health and safety, environment and business ethics, including living wage and environmental permitting	High. Independent accredited auditor; findings carry Sedex reference numbers and photographic evidence
S3	Worker interviews conducted within S1 and S2	Direct rightsholder input: 82 documented interviews conducted without management present, plus Participation Committee and Safety Committee sessions across 14 advisory visits	High for own-workforce impacts; conducted by independent parties
S4	Internal materiality assessment survey	Management assessment across seven functions of severity and likelihood for eleven pre-defined topics, and of financial risks and opportunities	Moderate. Internal only; see the data quality findings recorded in the limitations table
S5	Informal engagement with community representatives and regulatory contacts	Qualitative input on community-facing and regulatory matters, used to inform the topic set	Low. Not documented contemporaneously
S6	Sector and geographic context review	Impacts commonly associated with ready-made garment manufacturing in Bangladesh, used to test the topic set for omissions	Contextual

Volume and Nature of Assessment Findings

The internal survey was administered to fifteen named individuals across Quality, Operations, Marketing and Merchandising, Human Resources, Production, Industrial Engineering and Finance. One instrument was returned blank and excluded; fourteen were admitted. Screening of the returns before aggregation identified two pairs of instruments identical in every scored cell, a cluster of six respondents with 81 to 100 per cent cell-level agreement, two respondents rating the large majority of impacts at the scale minimum, and two returns without respondent identification. The survey has therefore been used as one input among several, specifically as management's view of relative topic priority and as the basis for the financial perspective, and not as the determinant of the topic list. Separately, members of the ESG function held qualitative discussions with community representatives near the operating sites and with regulatory contacts. Those discussions were not documented at the time; photographic records exist and a written account of each session was prepared retrospectively and is dated as such. The evidential consequence is stated plainly: the photographs evidence that the engagement occurred, not what was discussed. No topic is determined material on the strength of that source alone.

ENTITY AND ASSESSMENT	FINDINGS RAISED	STATUS AT REPORTING DATE	NATURE
MBM Garments — Better Work Bangladesh Cycle 5	13 areas of improvement	Open at assessment date, July 2025	Compensation, employment contracts, emergency preparedness, health services, OHS management systems, worker protection, working time and overtime
Cutting Edge Industries — Better Work Bangladesh Cycle 6	21 improvement areas, of which 6 subject to public reporting	15 resolved; 6 in progress	OHS, compensation, contracts and human resources, working time
CEIL Washing Unit — Better Work Bangladesh Cycle 4	18 improvement areas, of which 4 subject to public reporting	10 resolved; 8 in progress	OHS, chemicals, compensation and statutory funds, contracts, working time
Absolute Quality Wear — SMETA 4-Pillar	5 areas of improvement and 1 good example	Open at audit date, October 2025	Health and safety, living wages, environment

Severity Characteristics by Topic

Impacts were prioritised by severity. Severity is assessed on the three characteristics defined in the GRI Standards, each rated from 1 to 5: scale, being how grave the impact is; scope, being how widespread it is; and irremediable character, being how hard it is to counteract the resulting harm. The severity of an impact is taken as the highest of the three rather than their average, because GRI 3 states that any of the three can make an impact severe. Actual impacts are prioritised on severity alone, since the impact has already occurred and is evidenced by an assessment finding; potential impacts are prioritised on severity together with likelihood. Where an impact bears on human rights, severity takes precedence over likelihood, and any such impact rated 4 or 5 on any severity characteristic is material irrespective of how likely it is. Where an audit-evidenced actual impact and a survey-derived potential impact conflicted, the audit evidence prevailed, which is why occupational health and safety is determined material notwithstanding its low ranking in the internal survey. An actual negative impact is material where severity is 3 or above. A potential negative impact is material where severity is 3 or above and likelihood is 3 or above, or where the human rights precedence rule applies.

	Scale	Scope	Irremediable character	Maximum applied	Arithmetic mean	Impact type
Occupational Health and Safety	5	4	4	5	4.3	Actual
Working Hours and Overtime	4	4	2	4	3.3	Actual
Wages, Benefits and Living Wage	3	4	2	4	3.0	Actual
Freedom of Association and Social Dialogue	3	5	3	5	3.7	Actual
Grievance Mechanisms and Harassment Prevention	3	4	3	4	3.3	Actual
Employment Terms and Worker Awareness	2	4	1	4	2.3	Actual
Chemical and Hazardous Substances	4	2	3	4	3.0	Actual
Environmental Compliance, Energy and Emissions	3	3	3	3	3.0	Both
Water and Effluents	3	3	3	3	3.0	Potential
Materials and Sustainable Sourcing	4	4	4	4	4.0	Potential
Waste Management and Circularity	3	3	3	3	3.0	Potential
Diversity and Non-Discrimination	3	4	2	4	3.0	Both
Contracting and Subcontracted Labour	4	1	2	4	2.3	Actual

Material Topics Determined for the Reporting Period

MATERIAL FROM 3

SEVERITY	3	4	5
Actual, audited		Working Hours and Overtime Wages, Benefits and Living Wage Grievance Mechanisms and Harassment Prevention Employment Terms and Worker Awareness Chemical and Hazardous Substance Management	Occupational Health and Safety Freedom of Association and Social Dialogue
Actual, remediated		Contracting and Subcontracted Labour	
Actual and potential	Environmental Compliance, Energy and Emissions	Diversity, Equal Opportunity and Non-Discrimination	
Potential	Water and Effluents Waste Management and Circularity	Materials and Sustainable Sourcing	

Material Topics Determined for the Reporting Period

Thirteen topics are determined material. Nine of the thirteen are material for the first time in this cycle, and the explanation is a change in method rather than a change in impacts: this is the first cycle in which independent assessment findings were used to identify impacts, and those impacts were present but not visible to a process that scored a pre-defined topic list. Occupational health and safety, working hours and overtime, freedom of association, grievance mechanisms, employment terms, chemical management and contracting are newly determined material on that basis. Wages, benefits and living wage is newly determined material following the SMETA base code non-conformities at Absolute Quality Wear and the outstanding statutory funds at the Washing Unit. Diversity and equal opportunity rises from below the threshold to material on assessment evidence rather than on survey scores. The remaining four, materials and sustainable sourcing, environmental compliance with energy and emissions, water and effluents, and waste management and circularity, were material in the previous cycle and remain so.

	MATERIAL TOPIC	SEVERITY	BASIS	GRI TOPIC STANDARDS REPORTED	WHERE REPORTED
1	Occupational Health and Safety	5	Actual, audited	GRI 403	6.5
2	Freedom of Association and Social Dialogue	5	Actual, audited	GRI 407; GRI 2-29; GRI 2-30	6.4
3	Working Hours and Overtime	4	Actual, audited	GRI 403; GRI 401	6.4; 6.5
4	Wages, Benefits and Living Wage	4	Actual, audited	GRI 202; GRI 401	6. Wages; 7. Market Presence
5	Grievance Mechanisms and Harassment Prevention	4	Actual, audited	GRI 406; GRI 2-25; GRI 2-26	4.3; 6.2
6	Employment Terms and Worker Awareness	4	Actual, audited	GRI 401; GRI 404	6.1; 6.3
7	Chemical and Hazardous Substance Management	4	Actual, audited	GRI 403; GRI 306	5.4

Material Topics Determined for the Reporting Period

	MATERIAL TOPIC	SEVERITY	BASIS	GRI TOPIC STANDARDS REPORTED	WHERE REPORTED
8	Diversity, Equal Opportunity and Non-Discrimination	4	Actual and potential	GRI 405; GRI 406	6.2
9	Contracting and Subcontracted Labour	4	Actual, remediated	GRI 401; GRI 2-8	6.6; 6.8
10	Materials and Sustainable Sourcing	4	Potential	GRI 301; GRI 308; GRI 414	5.5; 6.8
11	Environmental Compliance, Energy and Emissions	3	Actual and potential	GRI 302; GRI 305; GRI 2-27	5.1
12	Water and Effluents	3	Potential	GRI 303	5.2
13	Waste Management and Circularity	3	Potential	GRI 306	5.3

Severity characteristics are recorded for each topic so that the effect of taking the highest of the three rather than their average is visible. Three topics — employment terms and worker awareness, contracting and subcontracted labour, and to a lesser extent wages, benefits and living wage — are determined material by that rule where the arithmetic mean would place them below the threshold. Employment terms is driven by scope, recurring at three of the four entities; contracting by scale, being the absence of statutory social protection for a subcontracted cohort. Both determinations are retained. Applying the mean instead would remove them from the list, and we disclose that sensitivity here rather than leave it implicit.

Topics Assessed and Determined Not Material

TOPIC	REASON NOT DETERMINED MATERIAL
Child labour	Assessed at every entity. No workers under 18 were recorded at MBM Garments during the assessment timeframe and no indication was found of employment below the minimum age. Age verification systems are in place and SMETA raised no finding. The impacts the topic covers were assessed as absent. The age verification method itself is carried forward under diversity and non-discrimination
Forced or compulsory labour	Assessed at every entity. No findings were raised under the freely chosen employment code area at Absolute Quality Wear and none under the equivalent Better Work cluster. Workers retain their original identity documents
Anti-corruption and business ethics	Assessed under the SMETA business ethics pillar with no findings. The facility permitted the audit without obstruction and no bribery was offered. No official notice, fine or prosecution has been received in three years. Reported in Section 4 as a general disclosure
Harsh or inhumane treatment	Assessed under SMETA code area 9 with no findings
Local communities	No community-facing impact was identified at a level meeting the threshold. The informal community engagement described above did not surface one. This determination rests on a weaker evidence base than the others in this table and will be revisited in the next cycle with documented engagement. Community investment and engagement continue to be reported in Sections 6.7 and 7
Economic performance and tax	Rated by the internal survey but not associated with a significant impact on the economy, environment or people at the level required by the threshold. Reported under GRI 201 and GRI 207 as a general disclosure rather than as a material topic
Biodiversity and ecosystems	No biodiversity or land-use impact was identified. Our four units occupy established industrial sites within existing urban and peri-urban areas, and neither our own operations nor the sourcing within our direct control was found to carry a significant biodiversity impact. This is consistent with our 2024 determination and is the basis on which GRI 304 and ESRS E4 are omitted

These are recorded with the reason for their exclusion so that no sector-typical topic is omitted silently. A topic determined not material is not a topic we have stopped managing or stopped reporting. Child labour, forced labour, anti-corruption, community investment and economic performance all carry disclosures elsewhere in this report; what the determination says is that no impact of the severity GRI 3 requires was identified in this cycle.

Limitations and Shortcomings of the Assessment

REF	LIMITATION	TOPICS AFFECTED	EFFECT ON RELIABILITY
L1	Community and regulatory engagement was informal and not documented contemporaneously. Photographic records evidence that the sessions occurred but not their content. A retrospective written account has been prepared and dated as such	Local communities; environmental compliance	Moderate. No topic is determined material on this source alone
L2	No supplier-level or mill-level assessment evidence formed part of this cycle. Upstream impacts rest on the internal survey and sector context	Materials and sustainable sourcing; supplier assessment	High for upstream topics. The most severe impacts identified by the internal survey are the least well evidenced
L3	Downstream value chain impacts — product use phase, end of life, post-consumer textile waste — were not assessed	Waste and circularity; materials	Moderate
L4	Buyers, suppliers, civil society organisations and investors were not engaged	All	Moderate. Own-workforce impacts are well evidenced; external perspectives on the topic set are absent
L5	The internal survey was completed by management only. Screening identified two pairs of instruments identical in every scored cell, a six-respondent cluster with 81 to 100 per cent cell-level agreement, two respondents rating most impacts at the scale minimum, one nil return and two unattributed returns. Where the survey and the audit evidence conflicted, the audit evidence was preferred	Financial perspective; relative priority	High for the survey as a standalone source; low overall, because it is not the determinant of the topic list
L6	The internal survey instruments for the current period reproduce the prior period responses, so they provide no independent evidence of change in management's assessment between periods	Financial perspective	Moderate. Disclosed rather than relied upon
L7	No materiality threshold was defined before the evidence was reviewed. The threshold was set by the preparer during the assessment and is documented rather than pre-registered	All	Moderate. The threshold and its rationale are disclosed in full
L8	Water abstraction and effluent discharge quality were not directly assessed. The assessments in this cycle covered environmental permitting rather than discharge monitoring	Water and effluents	Moderate
L9	No GRI Sector Standard for textiles and apparel is yet in force, so Requirement 3-b of GRI 1 does not apply. Sector-typical impacts were considered through the context review	All	Low
L10	The process and resulting topic list are reviewed and approved by the highest governance body before publication, as recorded in Section 4.1	All	Resolved before publication

Mapping of Our Material Topics to GRI Topic Standards and to ESRS

MATERIAL TOPIC	ESRS STANDARD REFERENCED	CORRESPONDING GRI STANDARDS
—	ESRS 1 General Principles	GRI 1 Foundation
—	ESRS 2 General Disclosures	GRI 2 General Disclosures
Environmental compliance, energy and emissions	ESRS E1 Climate Change	GRI 302 Energy; GRI 305 Emissions; GRI 2-27 Compliance
Chemical and hazardous substance management	ESRS E2 Pollution	GRI 403 Occupational Health and Safety; GRI 306 Waste
Water and effluents	ESRS E3 Water and Marine Resources	GRI 303 Water and Effluents
Waste management and circularity; materials and sustainable sourcing	ESRS E5 Resource Use and Circular Economy	GRI 301 Materials; GRI 306 Waste
Occupational health and safety; working hours and overtime; wages, benefits and living wage; employment terms and worker awareness; diversity and non-discrimination; freedom of association; grievance mechanisms	ESRS S1 Own Workers	GRI 401 Employment; GRI 402 Labor/Management Relations; GRI 403 OHS; GRI 404 Training; GRI 405 Diversity; GRI 406 Non-discrimination; GRI 407 Freedom of Association
Contracting and subcontracted labour; materials and sustainable sourcing	ESRS S2 Workers in the Value Chain	GRI 2-8 Workers who are not employees; GRI 414 Supplier Social Assessment; GRI 308 Supplier Environmental Assessment
Not determined material in 2025; reported as a general disclosure	ESRS S3 Affected Communities	GRI 203 Indirect Economic Impacts; GRI 413 Local Communities
Not determined material in 2025; reported as a general disclosure	ESRS G1 Business Conduct	GRI 201; GRI 204; GRI 205; GRI 207

SECTION 3

The Financial Perspective

GRI 201-2 · ESRS 2 SBM-3 · ESRS MDR-A · ESRS S1-4

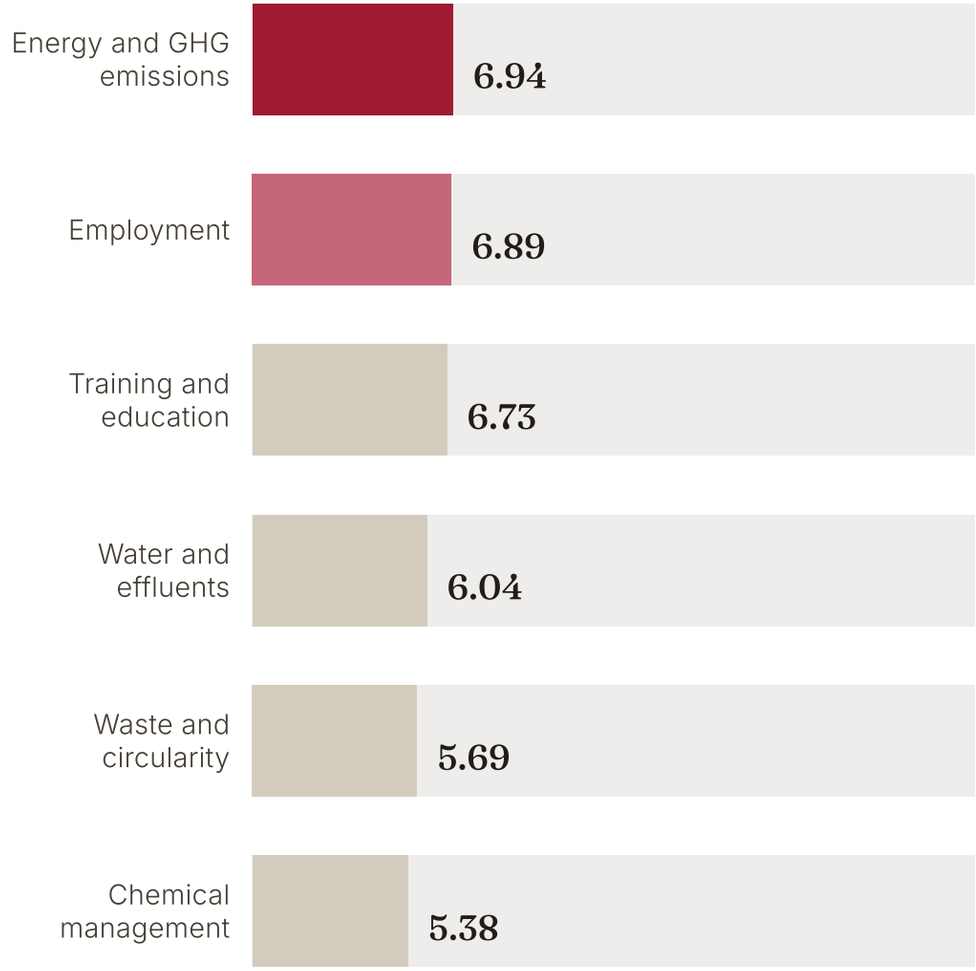
Each material topic is managed and reported within the section of this report to which it belongs. Energy and emissions, water and effluents, waste and circularity, materials and sustainable sourcing, and chemical management are addressed in Section 5. Occupational health and safety, working hours, wages, employment terms, diversity, freedom of association, grievance mechanisms, contracting and supplier assessment are addressed in Sections 4 and 6. Economic performance and business conduct, which were assessed and not determined material in this cycle, are reported as general disclosures in Sections 4 and 7.

FINANCIAL PERSPECTIVE FROM THE INTERNAL SURVEY

TOPIC	FINANCIAL SCORE, MAXIMUM 25	MOST-SELECTED DRIVER
Energy and GHG emissions	6.94	Cost of energy-efficient upgrades; buyer decarbonisation targets
Employment	6.89	Recruitment cost from turnover; negative social audit findings
Training and education	6.73	Low productivity; production quality
Water and effluents	6.04	Operating cost of sourcing and treatment
Waste and circularity	5.69	Disposal costs
Chemical management	5.38	Buyer rejection of non-compliant product
Remaining topics	4.44 to 5.33	Recorded in the assessment working papers

THE FINANCIAL PERSPECTIVE

The internal survey also asked respondents to assess the financial magnitude and likelihood of each topic for the business. Those results are reported here because they inform strategy, and not because they determine the topic list. Under the GRI Standards, significance of impact is the sole criterion, and a topic cannot be de-prioritised on the basis that it is not considered financially material. The whole register spans 2.5 points on a 25-point scale, which is too narrow to discriminate reliably between topics; and risks and opportunities were captured as a single combined score rather than assessed separately, over a single undefined time horizon, without magnitude anchored to a financial metric. Several of the risks identified below nevertheless materialised in measurable form during 2025 and are reported as such. Rising operating costs are visible in our operating cost intensity of 0.095676 for the fiscal year 2024-25, which is now the baseline against which the 2030 commitment is measured and which we report without a movement because the series has been rebased. High turnover remains a live productivity risk. Escalating waste liabilities are reflected in a significant increase in hazardous waste. Readers will find each of these quantified in the relevant section.



Financial Perspective from the Internal Survey · financial score, maximum 25; Remaining topics: 4.44 to 5.33

Material Topics, Key Risks and Strategic Opportunities

Climate and energy

STRATEGIC OPPORTUNITIES	KEY RISKS
Direct cost savings; access to green finance; enhanced brand standing	Rising operational costs; business interruption; loss of contracts from decarbonizing buyers

Water stewardship

STRATEGIC OPPORTUNITIES	KEY RISKS
Utility cost reduction; attracting water-conscious clients; improved community relations	Cost increase from water scarcity; regulatory fines for pollution; reputational damage

Materials and waste

STRATEGIC OPPORTUNITIES	KEY RISKS
New revenue from waste sales and reuse; cost savings from material efficiency; attracting circular-demand clients	Escalating disposal costs and penalties; loss of contracts through non-circularity; reputational damage from landfill

Chemical management

STRATEGIC OPPORTUNITIES	KEY RISKS
Cost savings through substitution; securing clients requiring strict compliance; reduced long-term liability	Regulatory fines and disposal liabilities; worker health risks; environmental pollution

Employment and occupational health and safety

STRATEGIC OPPORTUNITIES	KEY RISKS
Efficiency through stable skilled labour; employer of choice; internal leadership pipeline	High turnover and productivity loss; labour unrest; reputational damage from safety incidents

Diversity, equity and inclusion

STRATEGIC OPPORTUNITIES	KEY RISKS
Innovation through diverse perspectives; improved culture; access to targeted social funding	Brand damage; inability to attract diverse talent; loss of buyers prioritizing inclusivity

Training and education

STRATEGIC OPPORTUNITIES	KEY RISKS
Efficiency improvement; increased retention; successful adoption of automation	Low productivity and quality issues; high turnover; difficulty adapting new technology

Responsible supply chain

STRATEGIC OPPORTUNITIES	KEY RISKS
Attracting ethical investment; high-value clients on verified sourcing; supply chain resilience	Contract loss from tier 2 and 3 non-compliance; sourcing risk; legal and reputational crisis

Economic performance

STRATEGIC OPPORTUNITIES	KEY RISKS
Access to premium markets and pricing; brand loyalty; social licence to operate	Loss of market share to sustainable competitors; brand boycotts; loss of operating licence

4

SECTION 4

Strengthening Governance

Structure, Conduct, Grievance and Risk

HIGHLIGHTS

100%
Delegation of Sustainability, Compliance and Impact Oversight Across Governance Levels

Formally Documenting and Maintaining Risk Logs

All
Grievances Received During the Year Were Resolved

Zero
Confirmed Incidents of Corruption, 2022 to 2025

VISION 2030

100%
Grievance Resolution to be Achieved

SECTION 4

Leadership and Governance Structure

GRI 2-9 · GRI 2-12 · GRI 2-13 · GRI 2-14 · ESRS GOV-1 · ESRS GOV-2

Sound governance is the framework within which every other commitment in this report is made good. Our structures determine how strategy is set, how accountability is assigned, how concerns reach the people able to act upon them, and how risk is anticipated rather than merely absorbed.



The Group is governed through a multi-tiered goal-planning structure with explicitly defined accountabilities at each operational level. At the strategic level, the Board of Directors sets three-year strategic goals with inputs from senior management. At the tactical level, senior management sets goals with inputs from the Board while mid management develops annual objectives and execution plans. At the operational level, mid management sets objectives based on inputs from senior management, while line management is responsible for execution on a quarterly basis.

Five committees operate at Board level. The four carrying the Group's audit, social, people and environmental remits are constituted under written policy, and their formation, composition, meeting cycle and quorum are set out below. The Internal Audit Committee oversees internal audit across the four units, covering compliance, controls and the closure of findings. The CSR Committee guides community and social responsibility initiatives and carries delegated spending authority. The People Sustainability Committee addresses employee well-being, development and workplace practices. The EMS Review and Managing Committee, constituted under our Environmental Management System organogram, carries environmental performance. Three of the four are constituted by the Deputy Managing Director or designated senior management; the CSR Committee alone is constituted by the Board of Directors. Composition in the Internal Audit and People Sustainability Committees is maintained by designation rather than by name, so the responsibility stays with the position when the person in it changes.

Internal Audit Committee

FIELD	DETAIL
Governing document	Policy and Procedure on Internal Audit, MBM/POL/IA/012, Rev. 02 dated 18 May 2025
Constituted by	The Deputy Managing Director or designated senior management authority. The Chairperson is appointed by senior management
Basis of nomination	Departmental responsibility, experience, knowledge, professional competence, and involvement in relevant operational or compliance functions. Composition is maintained by designation, so the responsible position continues to carry the responsibility when personnel change. Any change in composition or assigned responsibility is documented and communicated to the departments concerned
Chairperson	Deputy Managing Director, MBM Group
Secretary	Chief Executive Officer, MBM Group
Internal Audit Coordinator	Head of Compliance, Cutting Edge Industries Ltd., proposed by the member heads of department
Members	Eleven positions in total, including the office holders above. Head of HR, MBM Group; Head of Operations, MBM Garments Ltd.; Head of HR and Head of Operations at Cutting Edge Industries Ltd., at the CEIL Washing Plant and at Absolute Quality Wear Ltd. Further members may be co-opted where technical, operational, environmental, security, IT or commercial expertise is required, and the Chairperson may assign or replace members
Meeting cycle	At least twice a year at six-month intervals, with additional meetings where the significance of findings requires one, and a further review as soon as practicable after any zero-tolerance violation. Two meetings were held in 2025
Quorum	The Chairperson or a formally designated representative, plus at least three further members including the Head of HR, MBM Group, HR and Compliance, and the factory operational heads

CSR Committee

FIELD	DETAIL
Governing document	CSR Policy, MBM Group, 3rd Edition, August 2025
Constituted by	The Board of Directors of MBM Group, for a two-year term
Basis of nomination	Position, experience, competence, business involvement, and responsibility for CSR, employee welfare, community engagement, environmental sustainability, finance or related areas, with representation from senior management and, where applicable, the Board. An updated record of members and their roles is maintained
President	Managing Director, MBM Group
Chairperson	Deputy Managing Director, MBM Group
Secretary	Chief Executive Officer, MBM Group
CSR Committee Coordinator	Head of HR, MBM Group
Members	Six positions in total, including the office holders above. Head of Compliance, MBM Group; Head of Finance, MBM Group. Additional members, functional representatives or subject matter experts may be invited to specific meetings
Meeting cycle	The policy provides for monthly meetings, with reporting to the Board every two months. Two meetings were held in 2025, and the cadence is being brought back into line with the policy during 2026
Quorum	The President, or the Chairperson in the President's absence; the Secretary or a formally designated representative; and at least two further members
Delegated authority	Approvals up to BDT 100,000. Above that amount, Managing Director approval is required

People Sustainability Committee

FIELD	DETAIL
Governing document	Policy and Procedure on People Sustainability, MBM/POL/PS/066, Rev. 01 dated 20 January 2025
Constituted by	The Deputy Managing Director or designated senior management authority. The Chairperson is appointed by senior management
Basis of nomination	Departmental responsibility, management experience, knowledge, professional competence, and involvement in people-related, operational, welfare or business functions. Composition is maintained by designation and is reviewed whenever a significant organisational or management change affects the Committee's responsibilities
Chairperson	Deputy Managing Director, MBM Group
Secretary	Chief Executive Officer, MBM Group
People Sustainability Coordinator	Head of HR, MBM Group, proposed by the member heads of department
Members	Eleven positions in total, including the office holders above. Head of Compliance, MBM Group; Head of Operations, MBM Garments Ltd.; Head of HR and Head of Operations at Cutting Edge Industries Ltd., at the CEIL Washing Plant and at Absolute Quality Wear Ltd. Further members or subject matter representatives may be included where specific expertise or departmental representation is required
Meeting cycle	Twice a year at six-month intervals, with additional meetings for critical people-related issues. Four meetings were held in 2025
Quorum	The Chairperson or a designated representative; the Secretary or a designated representative; and at least three further members including the Head of Compliance, Cutting Edge Industries Ltd., and the unit-wise HR and operational representatives

EMS Review and Managing Committee

FIELD	DETAIL
Governing document	Environmental Management System organogram
Constituted by	Named office holder rather than by designation alone, which distinguishes it from the other three committees
EMS Lead	Mr. Kamran Sadique, Group Director
Review and Managing Committee	Mr. Mohammad Mehroz Jalil, Deputy Managing Director
Energy and air emissions	Engr. Julkar Nayen Khan, Deputy General Manager
Energy, water and air emission	Ms. Junnatul Ferdous Eva, Deputy General Manager
Environmental Management Systems	Mr. Sydur Rahman Gazi, Assistant Manager
Waste and chemical	Mr. Dewan Rustom Ahmed, Deputy General Manager
Waste water	Mr. G.M. Shohrab Hossain, General Manager
Reach	All five functional pillars cascade to all staff. One meeting was held in 2025

One feature of this structure is worth stating plainly. The Deputy Managing Director chairs the Internal Audit, CSR and People Sustainability Committees, and the Chief Executive Officer is Secretary of all three, so the governance apex is the same across audit, community and people matters. Only the CSR Committee places the Managing Director above that apex as President, and only the CSR Committee is constituted by the Board rather than by the Deputy Managing Director. This concentration gives consistent direction and short escalation paths; it also means that the independence of the audit function from the executive it reviews rests on the same person who leads that executive. We disclose it here rather than leave it to be inferred from the composition table.

SECTION 4

Role of the Highest Governance Body in Sustainability Reporting

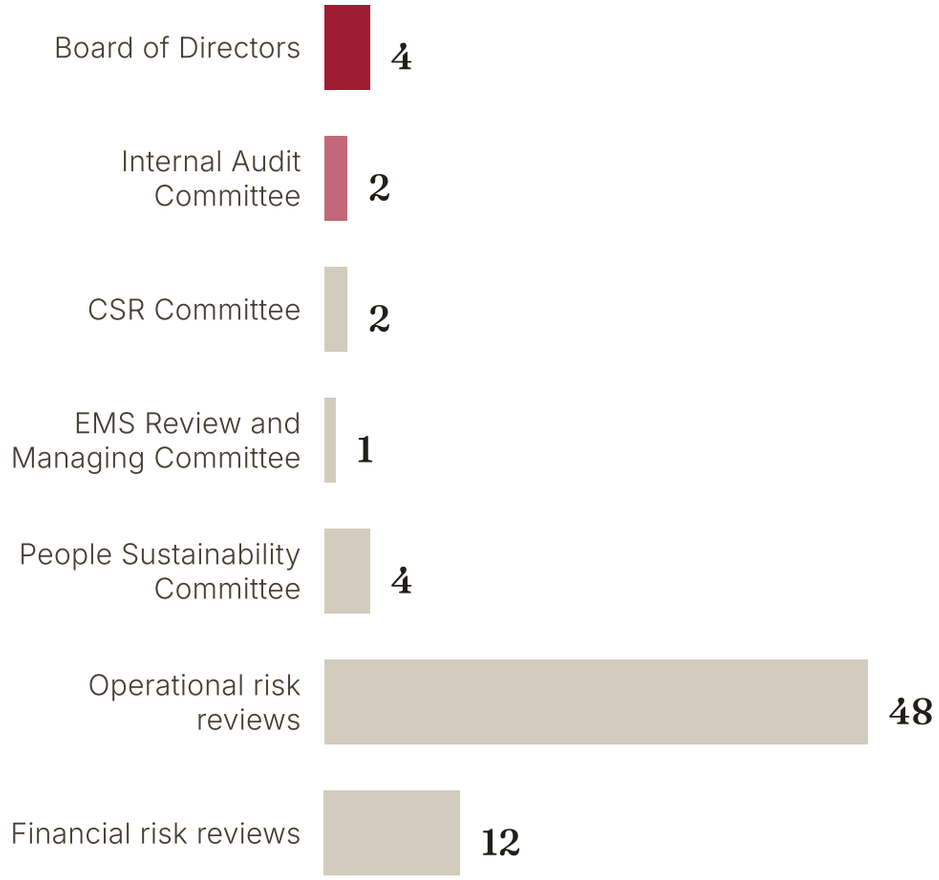
GRI 2-14 · ESRS 2 GOV-1 · ESRS 2 GOV-5

Our highest governance body reviews and approves this report and the material topics on which it reports. Approval of the material topic list is the step GRI 2-14 requires, and it is given before publication on the basis of the Materiality Assessment Report described in Section 3.2, together with the limitations recorded in it. The Board also approves the omissions recorded in the GRI and ESRS Content Index and the reasons stated for them, and approves the engagement of the external assurance provider. The more consequential judgements in this report were settled at that level rather than by the reporting team: the adoption of a single Group definition of management on the overtime basis, the decision to disclose taxation on audited figures, and the decision to move every monetary disclosure onto the fiscal year were each taken by Board instruction.

Responsibility for the reporting process itself sits with the Deputy Managing Director, who sponsors the report on behalf of the Board, and with the Director for the environmental disclosures. The Compliance Department co-ordinates collection across the four units, and unit HR heads and Environmental Management Systems teams confirm the figures originating at their sites. Where a figure could not be substantiated to that standard it has not been reported, and the reason appears in the Content Index rather than in a footnote.

The Board also approves the omissions recorded in the GRI and ESRS Content Index and the reasons stated for them, and approves the engagement of the external assurance provider.

GOVERNANCE BODY AND COMMITTEE ACTIVITY, 2025



GOVERNANCE BODY COMPOSITION IN DETAIL, 2025

INDICATOR	2025	2024	2023
Board members — total	4	4	4
Board members — male	4	4	4
Board members — female	0	0	0
Women on the board	0%	0%	0%
Board members — executive	4	4	4
Board members — non-executive	0	0	0
Board members — independent non-executive	0	0	0
Board members — under 30	0	0	0
Board members — 30 to 50	1	1	1
Board members — over 50	3	3	3
Board members with sustainability or ESG competence	4	4	4
Average tenure of board members	18 years	17 years	16 years
Chair is also a senior executive in the organisation	Yes	Yes	Yes
Board committees	5, of which four are constituted under written policy	5	5

SECTION 4

Composition of the Governance Body

GRI 2-9 · GRI 2-10 · GRI 2-11 · GRI 405-1 · ESRS S1-9

zero women on the Board throughout the period reported.

The composition of MBM Group's governance body has remained stable throughout the reporting period, reflecting continuity in leadership and consistent oversight across strategic functions.

Our highest governance body comprises the Managing Director, the Deputy Managing Director, the Director and the Chief Executive Officer. Within MBM Group these four individuals constitute the Board of Directors, the management board, top management and senior management; the terms are used interchangeably and refer to the same body. This Board is the group governing body and is distinct from the unit management personnel reported in Section 6. Brief biographies appear in Section 2.6.

The Board is chaired by the Managing Director, who is also the owner of MBM Group and its most senior executive. This arrangement reflects the ownership structure of a family-founded business and provides direct continuity between ownership, strategic direction and executive authority. MBM Group's business goals are tied together in a written strategic guideline, developed in consultation with the third party referenced earlier in this report and it is this strategic guideline, that anchors our long-term direction. MBM Group has not yet formalized a documented process for the prevention and mitigation of conflicts of interest at Board level. We intend to establish such a process and to report upon it in the 2026 cycle.

MBM Group’s Board of Directors comprises only males. Our progress on gender representation within the wider workforce and management structure is set out in Section 6.

SECTION 4

Selection, Training and Evaluation

GRI 2-10 · GRI 2-17 · GRI 2-18 · ESRS GOV-1

Board members gain sustainability knowledge through participation in international seminars, forums and environmental technology events, together with engagement with global stakeholders.

Members are selected for industry-specific experience in ready-made garments and export operations, long-standing leadership in finance, production or compliance, and a proven ability to manage large-scale teams. The Managing Director oversees the internal process. Board members gain sustainability knowledge through participation in international seminars, forums and environmental technology events, together with engagement with global stakeholders. Third-party international consultants are engaged for capacity building, benchmarking and gap analysis.

MBM Group operates a fixed board structure with long-term appointments. Board members are appointed by the Managing Director, and membership is internal and legacy-based, and positions are reviewed only when a leadership need arises. This approach has provided considerable continuity of direction, it does so without any external or independent representation.

The performance of our highest governance body is evaluated through internal reviews, self-assessments and board-level performance discussions, conducted annually and at the close of major projects. These evaluations are conducted internally by the Board itself, without involvement from external or independent parties, and no third-party oversight or formal evaluation tools are currently used. Evaluations during the reporting period found performance against strategic goals to be satisfactory, and no changes to the composition of the Board or to organizational practice arose as a consequence.

Audit reports, compliance certificates and relevant archives are maintained digitally through ERP, SharePoint and internal database systems, with paper backups for high-importance items.

SECTION 4

Delegation and Critical Concerns

GRI 2-13 · GRI 2-16 · ESRS GOV-2

Top management delegates economic impact oversight to the VP of Finance and Finance Controller. Environmental responsibilities sit with the environmental and compliance teams, and social impacts are managed by the HR-led welfare team, the health and safety committee and the grievance committee. Gender equity is handled by the Organizational Development Team together with HR. Each of these responsibilities is defined in job descriptions, standard operating procedures and organograms.

Accountability for our most material impacts rests with named officers. The Deputy Managing Director, Director and Chief Executive Officer jointly oversee economic impact, Director carries environmental impact and sustainability, and the Deputy Managing Director also carries social impact.

Critical concerns, including buyer non-compliance, environmental breaches, financial irregularities, safety incidents, labour unrest and regulatory notices, reach our highest governance body through email, verbal briefings supported by written memoranda, monthly and quarterly meetings, emergency meetings when a crisis arises, and ERP-based alerts. Urgent matters are reported immediately, serious findings are escalated within the working day, and non-urgent issues move through a weekly or biweekly reporting cycle.

The critical concerns escalated to the Board during the reporting period related principally to profitability, productivity, supply chain, shipment and regulatory matters, and are estimated at three to four each year. We report this as an estimate because MBM Group does not presently maintain a formal log of escalations. A logging process will be introduced during 2026, from which point the total number will be reported.

Remuneration

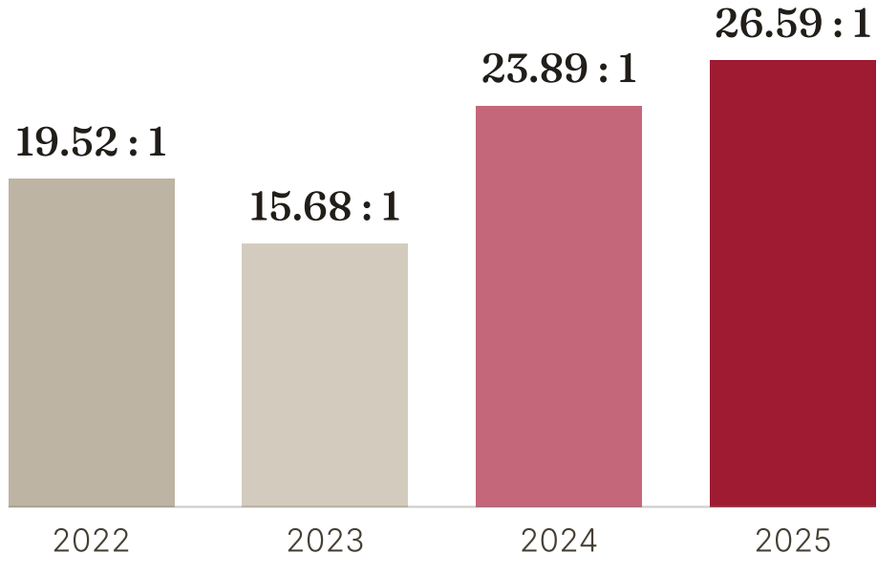
GRI 2-21 · ESRS S1-16

We are disclosing our compensation ratios for the first time in this report.

Compensation at MBM Group is determined by role, responsibility and market benchmark, and the movement in this ratio reflects both the growth of the business and the expansion of our workforce, the greater part of which sits within production grades. Our position on wage floors, minimum wage compliance and the distribution of pay across employee categories is set out in Section 6.

The compensation ratio has risen since 15.68 : 1 in 2023

ANNUAL TOTAL COMPENSATION RATIO



SECTION 4

Policies and Business Conduct

GRI 2-23 · GRI 2-24 · ESRS MDR-P · ESRS G1-1

Our policy framework comprises twenty-two policies spanning environmental stewardship, labour standards, human rights and business conduct, and the list that follows is the complete framework rather than a selection from it. On the environment: Waste Management, Chemical Safety and Management, Energy Conservation, and Ambient Air Quality. On safety and continuity: Health and Safety, Emergency Preparedness and Business Continuity, and Risk Assessment and Crisis Management. On labour and human rights: Child Labour Remediation, Young Labour, Forced Labour, Working Hours, and Freedom of Association and Collective Bargaining. On people and workplace conduct: Grievance, Anti-Harassment, Non-Discrimination and Gender Equity, Compensation and Benefits, Leave, Disciplinary Action, and Human Resources. On business relationships and conduct: Outsourcing and Sub-Suppliers, and Anti-Corruption, Bribery and Compliance. To these twenty, adopted at or before the reporting date, are added the Risk Management Policy adopted on 12 December 2025 and described in Section 4.10, and the External Assurance Policy adopted on 1 January 2026 and described in Section 1.5.

None of these policies is currently published on a public channel, and we state that rather than leave the absence to be discovered. They are maintained internally, issued to every employee through orientation and the notice boards at each unit, extended to suppliers through the Supplier Code of Conduct and contractual terms, and made available in full to buyers, auditors and assurance providers on request. Publishing the framework on the MBM Group website is a defined action for 2026, and the 2026 report will carry the link.

The Deputy Managing Director approves all social, people-related and governance policies, and the Director is responsible for approving environmental policies. Policies are communicated through internal circulation, briefings and training, and are integrated into standard operating procedures. Where a policy bears upon our business relationships, it is extended through contractual terms and supplier onboarding requirements.

MBM Group promotes a culture of integrity, transparency and accountability through a formal Code of Conduct applicable to all employees and management. An open-door policy encourages the reporting of unethical behaviour, supported by a clearly defined disciplinary process and by an anonymous grievance reporting system. Third-party suppliers are required to sign a Supplier Code of Conduct, and due diligence and background checks are conducted before onboarding.



SECTION 4

Anti-Corruption and Memberships

GRI 2-28 · GRI 205-1 · GRI 205-2 · GRI 205-3 · GRI 206-1 · ESRS G1-3 · ESRS G1-4

No legal actions concerning anti-competitive behaviour or anti-trust practice were brought against us in any of those years.

MBM Group recorded 0 confirmed incidents of corruption, bribery, fraud or conflict of interest during 2022, 2023, 2024 or 2025. No employee was dismissed, no contract with a business partner was terminated or not renewed on corruption grounds, no public legal case concerning corruption was brought against the organisation or any of its employees, and there were no convictions or fines for violation of anti-corruption or anti-bribery law. No legal actions concerning anti-competitive behaviour or anti-trust practice were brought against us in any of those years.

Our operations are assessed for business ethics risk through SMETA 4-Pillar audits, whose Business Ethics pillar examines controls over bribery and corruption. Two of our four business units are covered by SMETA audit. Our units are separately subject to SCAN audits, which address supply chain security. We report nil against GRI 205-1 for operations assessed for risks related to corruption, and the nil is a complete answer rather than a gap in collection: the audits we undergo, whether internal, buyer-commissioned or third-party, verify that an anti-corruption policy exists and is applied, but none of them evaluates an operation for corruption risk in the sense GRI 205-1 requires. A corruption risk assessment methodology is being scoped for the 2026 cycle.

Because orientation runs at least monthly, and in most months more than once, the module is delivered at least twelve times a year.

5,619

new joiners received the ethics module during 2025

60.4%

of the year-end workforce

100%

of our highest governance body trained on anti-corruption in each of 2023, 2024 and 2025

Orientation training covering ethics, anti-corruption, anti-harassment and our Code of Conduct is delivered to every new employee at onboarding, and evidence of completion is maintained. 5,619 new joiners received the ethics module during 2025, equal to the whole of our recruitment for the year and to 60.4% of the year-end workforce. Because orientation runs at least monthly, and in most months more than once, the module is delivered at least twelve times a year. Refresher training for the existing workforce is not currently provided, and this limitation is recorded against GRI 205-2 in the Content Index. All four members of our highest governance body have been communicated our anti-corruption policies and have received anti-corruption training, being 100% of that body in each of 2023, 2024 and 2025. The number of business partners to whom anti-corruption policies have been formally communicated is not yet held in a reportable form.

Top management confirms that MBM Group received no notice, whether from a regulator, a buyer, an auditor or any other party, alleging corruption, bribery or a related offence at any of its four operating units during the reporting period, and that no such matter was reported to the Board. Supporting confirmation is held on record and was made available for the purposes of this report.

Anti-Corruption Performance

INDICATOR	2025	2024	2023
Operations assessed for risks related to corruption	0	0	0
Operations assessed for risks related to corruption, as a share of all operations	0%	0%	0%
Units covered by SMETA 4-Pillar audit	2 of 4	2 of 4	2 of 4
Board members communicated anti-corruption policies	4 of 4	4 of 4	4 of 4
Board members trained on anti-corruption	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
New joiners receiving the ethics and anti-corruption module	5,619	Not held	Not held
Frequency of anti-corruption training delivery	At least 12 times a year	At least 12 times a year	At least 12 times a year
Confirmed incidents of corruption	0	0	0
Employees dismissed or disciplined for corruption	0	0	0
Contracts with business partners terminated or not renewed for corruption	0	0	0
Public legal cases regarding corruption	0	0	0
Convictions for violation of anti-corruption or anti-bribery law	0	0	0
Fines for violation of anti-corruption or anti-bribery law	USD 0	USD 0	USD 0

We hold membership of eight industry and multi-stakeholder bodies: BGMEA, amfori BSCI, SEDEX, the Social and Labor Convergence Program, Better Work Bangladesh, Nirapon, the RMG Sustainability Council, and the Sustainable Apparel Coalition. Our participation in Better Work includes GEAR, a programme supporting the advancement of women into supervisory roles. We participate in multi-stakeholder initiatives that carry business integrity components.

SECTION 4

Grievance Mechanism

GRI 2-25 · GRI 2-26 · GRI 2-27 · ESRS S1-3 · ESRS G1-4

37 grievances were received across the four units during 2025, and every one of them was closed within the month it was raised.

Beyond complaint boxes, in alignment with our belief that every stakeholder deserves to be served with excellence, we proactively add newer, easier and more frictionless ways for our employees to communicate any issues they may be facing. In addition to the Shochho hotline, amarHR, our own app, is one such addition, letting employees report grievances anonymously directly from their phones. As such, we operate a multi-channel grievance collection system so that employees and stakeholders can raise concerns through whichever route they find most comfortable, including external channels such as the RMG Sustainability Council hotline and the grievance mechanisms made available by our buyers.



GRIEVANCE MECHANISM

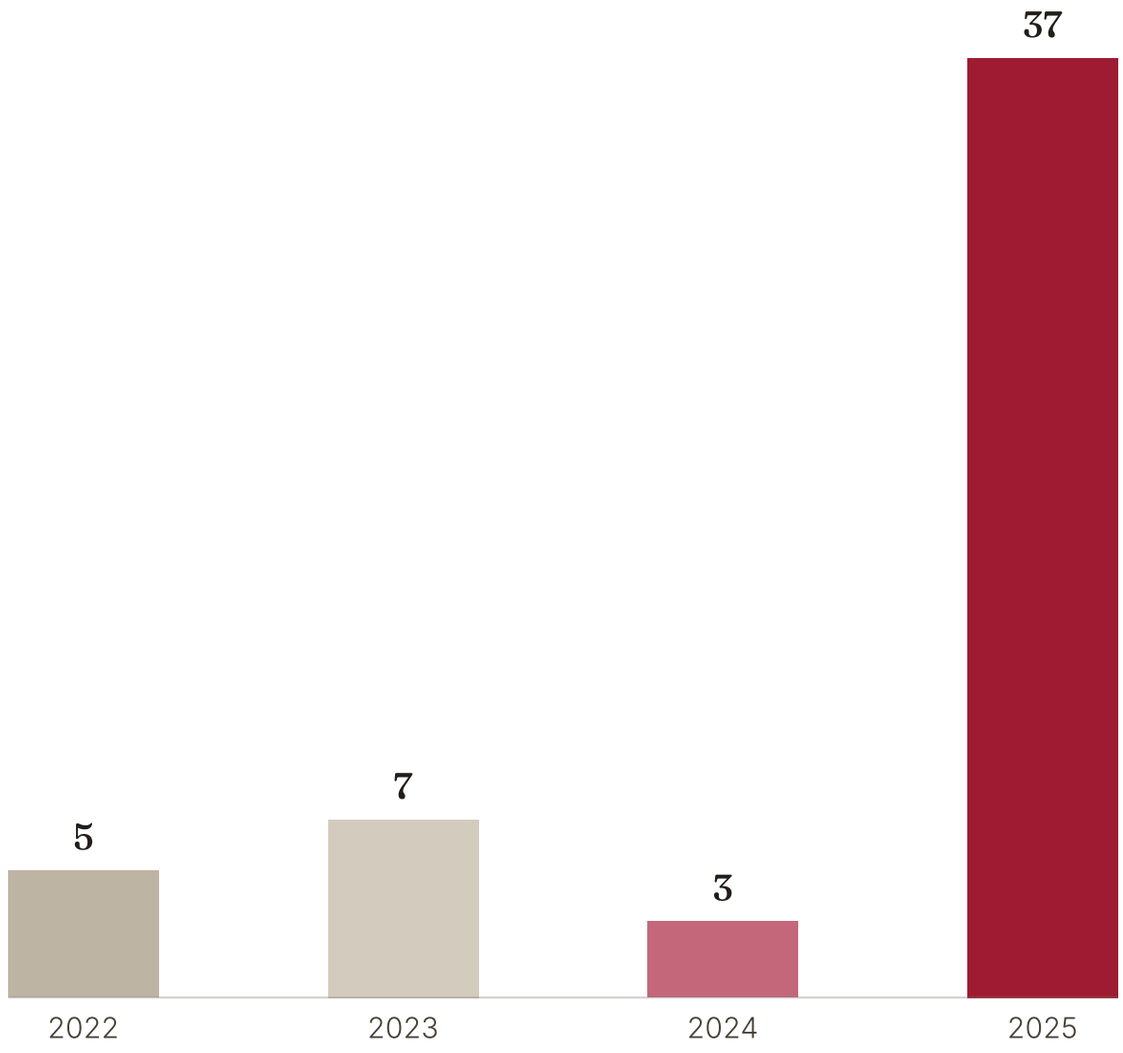
This structural independence matters: a worker raising a concern about their own supervisor is not required to route that concern through the management line it concerns.

Concerns may be raised through the Shochho hotline, open to internal and external parties alike, through complaint boxes placed within our facilities, through the Grievance Committee or the Participation Committee, through HR and welfare officers, through line chiefs and supervisors, or by email and through our portal.

The Shochho hotline reports directly to the central committee, bypassing unit-level and factory-level HR and management entirely, and escalates to Board level where the nature of a concern requires it. This structural independence matters: a worker raising a concern about their own supervisor is not required to route that concern through the management line it concerns.

Upon receipt, MBM Group follows a structured process comprising acknowledgment, preliminary review, investigation, a resolution proposal, decision and implementation, an appeal stage where required, and documentation with feedback. We maintain a written register throughout.

GRIEVANCES RECEIVED



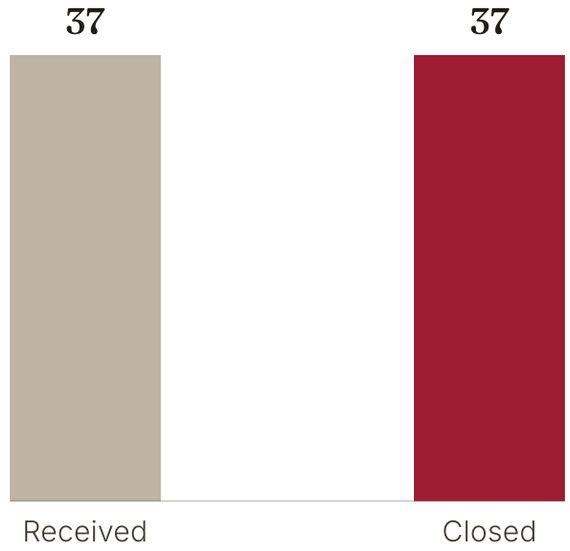
GRIEVANCE MECHANISM

We read that as the intended effect of making direct reporting easier rather than as a deterioration in conditions: a mechanism that is easier to reach records more of what is already happening.

37 grievances were received during 2025 and all 37 were closed, each within the month in which it was raised. The number is materially higher than in previous years. We read that as the intended effect of making direct reporting easier rather than as a deterioration in conditions: a mechanism that is easier to reach records more of what is already happening. The distribution across units is uneven, with 30 of the 37 raised at Absolute Quality Wear, 6 at Cutting Edge Industries and 1 at MBM Garments, and we treat a unit reporting no grievances as a question about access to the mechanism rather than as a clean result. We do not disclose the details of individual grievances or their resolutions, in order to protect the confidence of those who raised them.

MBM Group recorded no incidents of non-compliance with regulations concerning workplace conditions or labour standards during 2022, 2023, 2024 or 2025.

GRIEVANCES RECEIVED AND CLOSED BY UNIT, 2025



100%

Achieve 100% grievance resolution

MET

OPERATING UNIT	RECEIVED	CLOSED	CLOSED WITHIN THE MONTH RAISED
MBM Garments Ltd.	1	1	1
Cutting Edge Industries Ltd.	6	6	6
Cutting Edge Industries Ltd. Washing Plant	0	0	—
Absolute Quality Wear Ltd.	30	30	30
Group	**37**	**37**	**37**

GRIEVANCE MECHANISM

During 2025 no grievance required an appeal, and none exceeded the standard turnaround for its category.

The route a concern takes after it is received depends on what it concerns, and so does the time we allow ourselves to resolve it. Every complaint is acknowledged and entered in the written register on receipt. A matter that carries an immediate risk to safety is acted upon before it is investigated. A matter concerning a supervisor is removed from that supervisor's reporting line at the point of receipt and handled by the central committee. A matter concerning harassment or discrimination goes to the Anti-Harassment Committee and is handled under a confidentiality protocol that restricts access to the file. The standard turnaround set in our Grievance Policy, together with the escalation point if that standard is not met.

An appeal stage is available at every category. Where a complainant is not satisfied with the outcome, the matter is reheard by the central committee, and the outcome of the appeal together with the reasons for it is recorded in the register. Every closure is documented with feedback to the person who raised the concern, except where the concern was raised anonymously through a channel that provides no reply route. During 2025 no grievance required an appeal, and none exceeded the standard turnaround for its category.

The channels above exist to raise a concern about something that has happened. For advice on how a policy should be applied before anything happens — how the working-hours policy bears on a particular shift pattern, how the anti-harassment policy applies to a situation someone is unsure about, what the grievance procedure will do with a complaint — any employee, supplier or business partner may write to info@mbm.group, where the request reaches the Compliance function under Junnatul Ferdous Eva, Deputy General Manager, Compliance. The same address is the route for advice on the Group's business conduct and on its integrity in relation to tax, as set out in Section 7.9. No request for advice was recorded through this channel during 2025.

SECTION 4

Risk Management

GRI 2-12 · ESRS GOV-4 · ESRS GOV-5 · ESRS G1-1 · ESRS SBM-3

Structured risk practices had operated for years; this is their first codification.

Structured risk practices have operated within MBM Group for many years, embedded within our compliance function, our audit cycles and our management review meetings. Our Risk Management policy converts risk practices already operating across the organization into a single Board-recognized reference document, supporting alignment with the GRI Standards, ESRS, buyer codes of conduct including those of Levi's, G-Star RAW, OVS and Inditex, and applicable Bangladeshi regulation including the Environmental Conservation Rules 2023. It applies group-wide across all four operating units.

The Board of Directors reviews priority risks on a periodic basis and confirms the adequacy of the policy, compliance mechanisms and internal control systems. Senior Management is responsible for ongoing monitoring, implementation of mitigation measures and identification of emerging issues. Day-to-day ownership is assigned by domain: the Compliance Department oversees regulatory and buyer-compliance risk, the Finance Department manages financial and liquidity risk, and department heads are accountable for operational risk within their functions.

The policy operates through a structured three-phase process. Understand: risks are identified through internal audits, buyer compliance audits, regulatory inspections and department-head review meetings, then mapped, classified and assessed for likelihood and impact using a two-dimensional heat map, and segmented by time horizon. Plan: risk considerations are integrated into operational, strategic and investment planning. Act: defined risk responses and crisis management procedures are executed, with critical risks escalated immediately.

Risk is tracked across five reporting domains: third-party and external, regulatory and compliance, financial, environmental, and social. Operational and compliance risks are reviewed weekly and monthly, and financial risks monthly and quarterly. The policy is reviewed at least annually by the Compliance Department and requires re-endorsement by the Deputy Managing Director.

APPLIED RISK DOMAINS

Third-party and external	Regulatory and compliance	Financial	Environmental	Social
OWNER	OWNER	OWNER	OWNER	OWNER
Compliance and Commercial	Compliance Department	Finance Department	ESG, Compliance and Environmental Management Systems	ESG, Compliance and HR

1. The management of conflicts of interest under GRI 2-11(b) and GRI 2-15, and remuneration policy and process under GRI 2-19 and 2-20, are not reported for 2025. Reasons are stated in the GRI and ESRS Content Index.



5

SECTION 5

Environmental Stewardship

Climate, Water, Waste, Chemicals and Materials

BASELINE YEAR 2022



HIGHLIGHTS

32.6%
Reduction in Energy Intensity Against Our 2022 Baseline

33.5%
Reduction in GHG Emission Intensity Against Our 2022 Baseline

51.9%
Reduction in Water Consumption Intensity, Exceeding Our 2030 Target

31%
Of Garments Produced Containing Certified Sustainable Fibres

VISION 2030

38%
Reduction in Energy and GHG Intensity

40%
Reduction in Water Consumption Intensity

30%
Reduction in Total Waste Generated

100%
Substitution of Hazardous Chemical Substances by 2030

SECTION 5

Climate Change and Energy

GRI 302-1 · GRI 302-2 · GRI 302-3 · ESRS E1-5

Consumption rose 4.2% while production grew 7.7%.

Garment manufacturing is a resource-intensive undertaking, and wet processing carries an even heavier footprint. MBM Group produced 40,578,403 pieces in 2025, and every one of them carried an environmental cost in energy, water and material. Our environmental commitment is simple to state and harder to keep: reduce that cost per garment year upon year, and stay candid about where we are succeeding and where we are not.



Where a figure is calculated rather than measured we say so, because the distinction matters to anyone relying on it.

Energy performance is managed through a three-function model applied consistently across all four units. Our Environmental Management Systems team, our ESG team and our Compliance function work together on this. Natural gas, purchased grid electricity and water withdrawal are meter-derived: gas and electricity are read from utility meters and reconciled to the supplier invoice each month, and water withdrawal is read from electromagnetic flow meters installed on the borewells, supported by invoice where a metered reading is unavailable. Diesel and fabric waste used as fuel are taken from purchase and issue records rather than from a meter. Captive generation is metered at the generator. Energy in megajoules, and every greenhouse gas figure in this section, is calculated from those quantities using the conversion and emission factors stated in the notes to this section; none of it is metered directly. Where a figure is calculated rather than measured we say so, because the distinction matters to anyone relying on it.



Excess condensate is then automatically directed to a hot water tank that feeds directly into the Washing Plant's process water.

Underpinning this is WEManage™, our in-house developed water and energy management system, currently tracking, analyzing, optimizing and automating resource consumption across Cutting Edge Industries Ltd. and the Cutting Edge Washing Plant. We trademarked WEManage in 2025 and received copyright rights in 2026, and expect to extend it to MBM Garments and Absolute Quality Wear soon, with the infrastructure for that expansion already being set up in line with our target of complete adoption across all four units.

WEManage digitally tracks water extraction, discharge, recycling and consumption, bringing together water used across production processes, domestic use, fire safety, gardening and car wash into a single system. It also monitors the capture of steam condensate and flash steam from our operations, energy that would otherwise be lost to the atmosphere, channeling it into the boiler feed water tank and raising its temperature from 25 degrees Celsius to anywhere between 80 and 100 degrees Celsius without drawing on any additional energy. Excess condensate is then automatically directed to a hot water tank that feeds directly into the Washing Plant's process water.

Temperature requirements are programmable through PLCs directly from the WEManage dashboard, and the system draws on PLCs, digital pressure gauges and electromagnetic flow meters to enable real time reporting, tracking, monitoring, optimizing and automation of resource use.

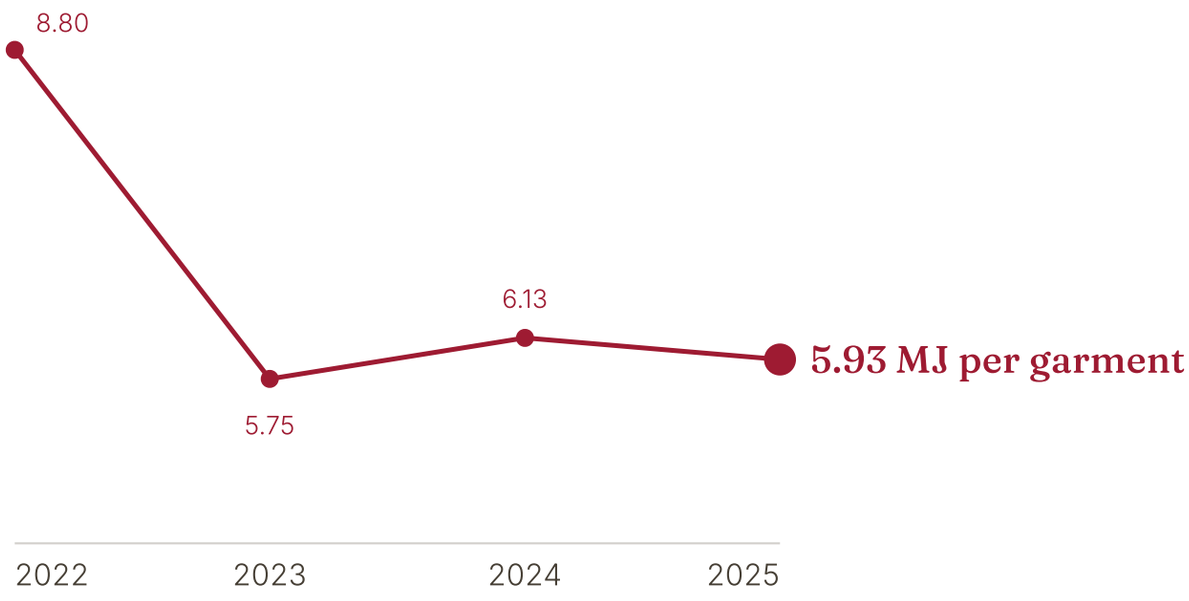




Energy intensity has fallen 32.6% against our 2022 baseline

WEManage sits alongside a set of equipment choices that push in the same direction. European eco-friendly machines, including Triveneta green dryers, repurpose thermal energy that would otherwise be lost, cutting energy consumption for the dryers by up to 18%. Our boilers are fitted with economizers, our motors increasingly run on variable frequency drives, and IE3 motors have been replacing IE2 motors on our pumps. On our sewing lines, servo motors are replacing clutch motors.

Given our increase in production volume of 7.7%, total energy consumption rose only 4.2% during 2025, to 240.56 million MJ, meaning that energy intensity improved to 5.93 MJ per garment. Measured against our 2022 baseline of 8.80 MJ per garment, intensity has fallen 32.6%, putting us within reach of our 2030 commitment of a 38% reduction.





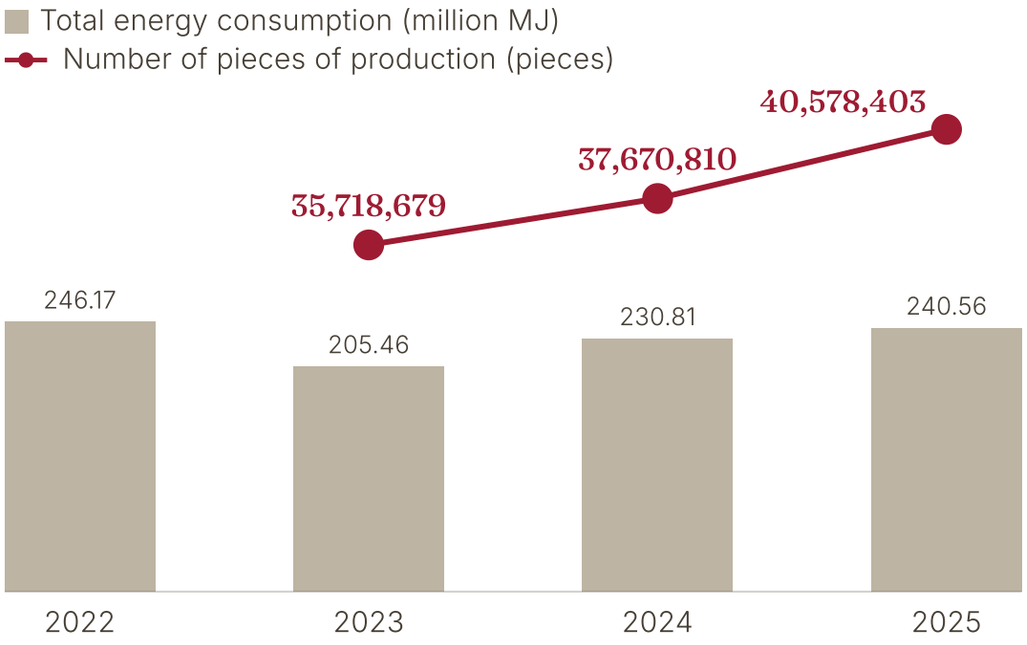


During 2025, 124,460 kg were used this way, generating 2.71 million MJ.

Steam is not a separate line in our energy total and should not be. Steam is raised in our own boilers from natural gas and, at Absolute Quality Wear, from fabric waste, both of which are already counted as fuel inputs above. Adding the energy content of the steam those fuels produce would count the same energy twice. The condensate and flash steam that WEManage recovers work the other way again: they return heat and volume to the boiler feed, which reduces the gas we have to burn, and that reduction is already visible in the natural gas figure rather than appearing as a separate saving. Purchased steam is nil; MBM Group buys no steam, heating, cooling or compressed air from outside the Group, so there is no sale of electricity, heating, cooling or steam to report.

Our energy figures are drawn from Higg-verified records for each entity, and we report consumption changes as consumption changes, not as energy savings for 2025. Consumption fell at MBM Garments and Absolute Quality Wear and rose at Cutting Edge Industries and the Washing Plant, in alignment with the respective changes in number of garments produced at each.

An important element of our energy profile is the use of fabric waste as boiler fuel. Cutting waste generated across our garment units is collected and combusted in the jute fired boiler at Absolute Quality Wear, displacing purchased fuel. During 2025, 124,460 kg were used this way, generating 2.71 million MJ. This fabric waste is reported here as fuel and excluded from the waste figures in Section 5.3, to avoid double-counting error.



Energy Consumption and Intensity · total energy consumption as columns; production as the line — consumption rose 4.2% while production grew 7.7%

CLIMATE CHANGE AND ENERGY

Solar photovoltaic installations generated 15,191 kWh during 2025, 0.02% of our total energy consumption. Generation is recorded at three sites: 7,236 kWh at MBM Garments, 5,114 kWh at the Washing Plant and 2,841 kWh at Absolute Quality Wear.

ENERGY CONSUMPTION AND INTENSITY

	2022	2023	2024	2025
Number of pieces of production	—	35,718,679	37,670,810	40,578,403
% change in production pieces	—	—	+5.5%	+7.7%
Total energy consumption	246.17 million MJ	205.46 million MJ	230.81 million MJ	240.56 million MJ
% change in energy consumption	—	−16.5%	+12.3%	+4.2%
Energy intensity	8.80 MJ per garment	5.75 MJ per garment	6.13 MJ per garment	5.93 MJ per garment
% change in energy intensity	—	−34.7%	+6.6%	−3.3%



CLIMATE CHANGE AND ENERGY

Energy by Source

ENERGY SOURCE	2023	2024	2025
Natural gas	3,922,159 m3	4,339,527 m3	4,666,386 m3
Purchased grid electricity	11,250,128 kWh	11,863,459 kWh	13,948,126 kWh
Captive generated electricity	893,510 kWh	1,276,652 kWh	680,946 kWh
Diesel	258,438 litres	439,675 litres	240,044 litres
Fabric waste used as boiler fuel	173,780 kg	194,260 kg	124,460 kg
Solar photovoltaic generation	17,360 kWh	13,945 kWh	15,191 kWh

SECTION 5

Greenhouse Gas Emissions

GRI 305-1 · GRI 305-2 · GRI 305-3 · GRI 305-4 · GRI 305-5 · GRI 305-6 · GRI 305-7 · ESRS E1-6

The first increase in absolute emissions since our baseline year.

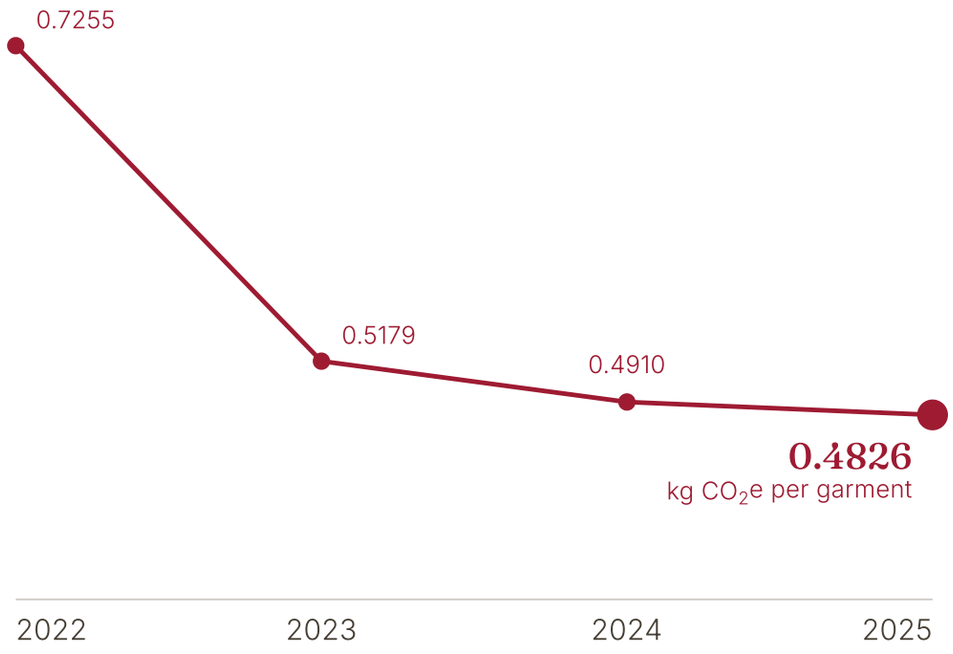
Steam that would otherwise vanish into the atmosphere now comes back as heat for our boiler feed water. Motors that once ran at full throttle regardless of load now scale with variable frequency drives. Clutch motors on our sewing lines are giving way to servo motors, and IE2 pump motors are giving way to IE3. Each of these choices, made across CEIL and the Washing Plant, feeds into a single number: how much carbon it takes MBM Group to make one garment.

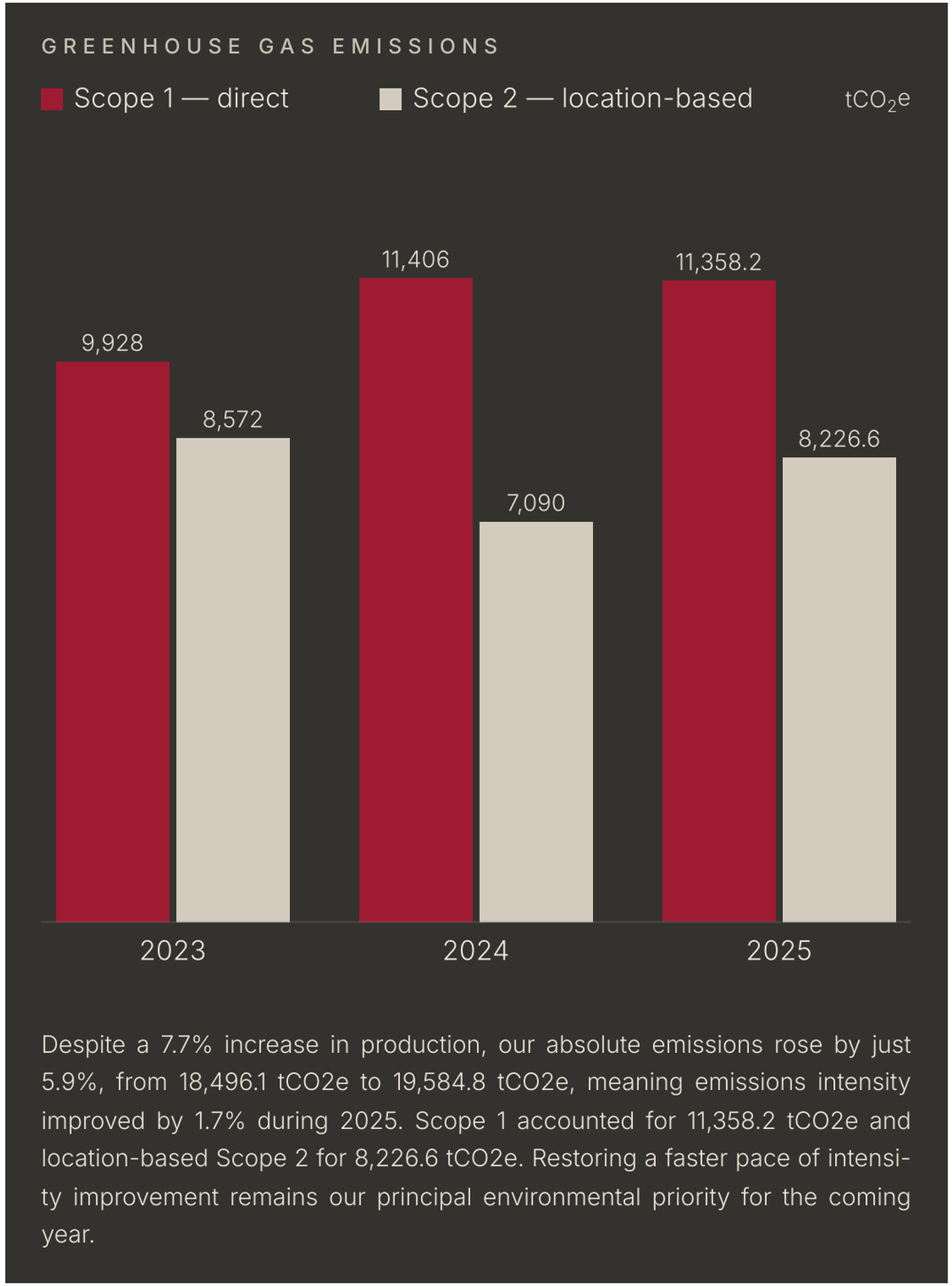
Each of these choices, made across CEIL and the Washing Plant, feeds into a single number: how much carbon it takes MBM Group to make one garment.

GHG intensity fell to 0.4826 kg CO2e per garment, a reduction of 33.5% against our 2022 baseline and comfortably ahead of the 18% milestone we had set for 2025.

That number improved meaningfully in 2025. GHG intensity fell to 0.4826 kg CO2e per garment, a reduction of 33.5% against our 2022 baseline and comfortably ahead of the 18% milestone we had set for 2025.

INTENSITY CONTINUED TO FALL WHILE ABSOLUTE EMISSIONS ROSE FOR THE FIRST TIME SINCE BASELINE





Despite a 7.7% increase in production, our absolute emissions rose by just 5.9%, from 18,496.1 tCO2e to 19,584.8 tCO2e, meaning emissions intensity improved by 1.7% during 2025. Scope 1 accounted for 11,358.2 tCO2e and location-based Scope 2 for 8,226.6 tCO2e. Restoring a faster pace of intensity improvement remains our principal environmental priority for the coming year.

GREENHOUSE GAS EMISSIONS

Scope 3 emissions have not yet been calculated. For a garment manufacturer, value chain emissions represent the substantial majority of the total footprint, so their absence is a material limitation of our climate disclosure. Scoping work will commence in 2030.

These figures are derived from monthly activity data across the four units using the factors stated in the notes to this section: natural gas 2.14684 kg CO2e per cubic metre, diesel 2.8487983 kg CO2e per litre, purchased electricity 0.5897988 kg CO2e per kilowatt hour, and fabric waste combusted as boiler fuel 2.8544921581 kg CO2e per kilogram. Air emission, CNG and petrol have no monthly activity driver and are apportioned evenly across the twelve months; that portion is apportioned rather than measured, and we identify it as such. Emissions arising from the chemicals consumed at the Washing Plant are not included in Scope 1 or Scope 2: they are a value-chain emission belonging to Scope 3, which we have not yet calculated, and no emission factor has been applied to chemical consumption for this report. Ozone-depleting substances are computed from metered refrigerant top-up quantities at each unit, converted at 1,924 kg CO2e per kilogram for R-410A and 1,760 kg CO2e per kilogram for R-22. Our 2024 figure was updated from 195.52 tCO2e to 276.50 tCO2e under the Higg FEM 4.0 basis, which treats all air conditioning gases as contributing to ozone-depleting substance generation; the 2025 figure of 216.85 tCO2e is computed directly from refrigerant quantity and gas-specific factors, which we regard as the more transparent basis and will carry forward.

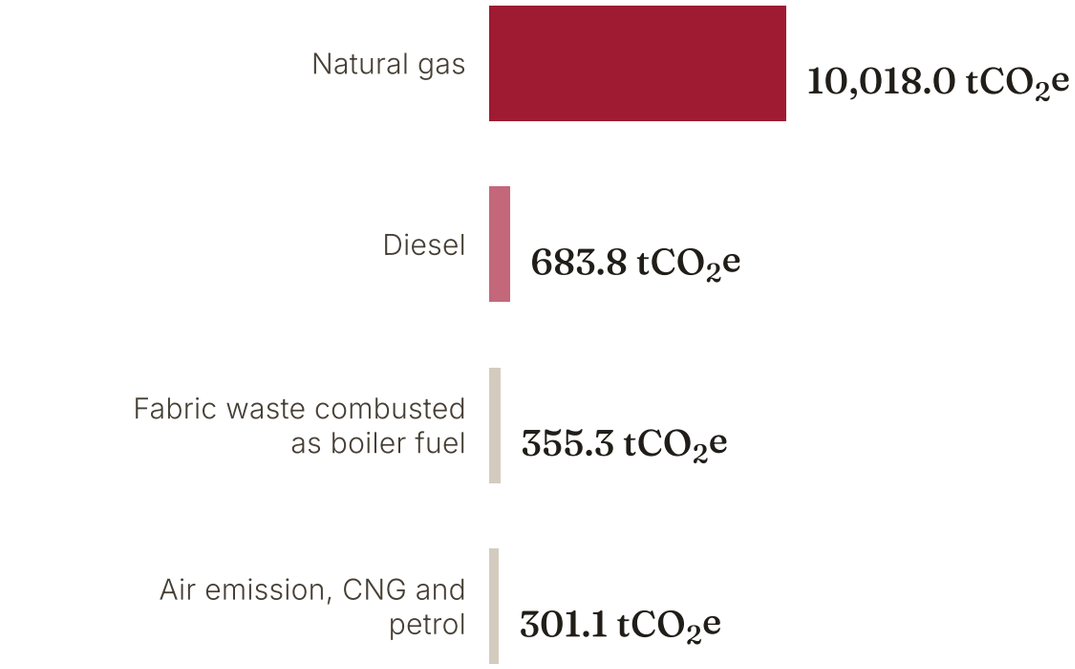


GREENHOUSE GAS EMISSIONS

Because the sum of our measured fuel sources does not equal our Scope 1 total, we set out the bridge in full rather than leave a reader to find the gap. Natural gas, diesel and fabric waste combusted as boiler fuel account for 11,057.1 tCO2e of the 11,358.2 tCO2e Scope 1 total. The remaining 301.1 tCO2e is the air emission, CNG and petrol component, which has no monthly activity driver and is apportioned evenly across the twelve months from the annual scope statement. That portion is apportioned rather than measured and is identified as such. Scope 2 needs no such bridge: 13,948,126 kWh of purchased grid electricity at 0.5897988 kg CO2e per kWh gives 8,226.6 tCO2e, which is the whole of the Scope 2 figure.

One limitation of these figures should be stated alongside them. The gases included in the calculation are those embedded in the composite emission factors we apply, which express carbon dioxide, methane and nitrous oxide together as carbon dioxide equivalent. Our records do not separate the three gases, so we cannot report a gas-by-gas breakdown for Scope 1, for Scope 2 or for the intensity ratio, and biogenic carbon dioxide emissions are not separately identified. Refrigerants are the exception: they are converted at gas-specific global warming potentials of 1,924 for R-410A and 1,760 for R-22 and are identified by gas in the table above. Obtaining factors that separate the constituent gases is an action for 2026. The greenhouse gas intensity ratio reported in this section covers Scope 1 and location-based Scope 2 and no other scope, with group production in pieces as the denominator.

Natural gas, diesel and fabric waste combusted as boiler fuel account for 11,057.1 tCO2e of the 11,358.2 tCO2e Scope 1 total.



Scope 1 Emissions by Source, 2025 · the four sources that make up the Scope 1 total of 11,358.2 tCO_2e

GREENHOUSE GAS EMISSIONS

Reducing this figure depends on cutting leakage, and tightening our refrigerant containment and recharge discipline is the action that will do it.

Refrigerant losses from air conditioning and chilling equipment are a fugitive emission of the organisation and belong within Scope 1. Our ozone-depleting substance figure is disclosed separately under GRI 305-6 because that disclosure requires it, but the underlying refrigerant loss is classified as a Scope 1 fugitive source and is not a separate category sitting outside our Scope 1 total. Refrigerant loss across the Group in 2025 was 114.5 kg, comprising 39 kg at MBM Garments, 39 kg at Cutting Edge Industries, 35 kg at the Washing Plant and 1.5 kg at Absolute Quality Wear. Cutting Edge Industries, the Washing Plant and Absolute Quality Wear run R-410A only. MBM Garments runs a mixed fleet and is the one unit still holding R-22 equipment, at 21 kg against 18 kg of R-410A during the year. Converted at 1,924 kg CO2e per kilogram for R-410A and 1,760 kg CO2e per kilogram for R-22, the Group total is 216.85 tCO2e. MBM Garments is the only unit still operating R-22 equipment. R-22 is a hydrochlorofluorocarbon being phased out under the Montreal Protocol, and its replacement is scheduled within the equipment replacement programme. We state plainly what that substitution does and does not achieve: R-410A carries a higher global warming potential per kilogram than R-22, at 1,924 against 1,760, so moving off R-22 removes an ozone-depleting substance from our estate but does not by itself lower the carbon dioxide equivalent reported here. Reducing this figure depends on cutting leakage, and tightening our refrigerant containment and recharge discipline is the action that will do it.

REFRIGERANT LOSS AND OZONE-DEPLETING SUBSTANCE EMISSIONS, 2025

OPERATING UNIT	REFRIGERANT	LOSS DURING 2025	CONVERSION FACTOR	TCO2E
MBM Garments Ltd.	R-410A	18 kg	1,924 kg CO2e per kg	34.63
MBM Garments Ltd.	R-22	21 kg	1,760 kg CO2e per kg	36.96
Cutting Edge Industries Ltd.	R-410A	39 kg	1,924 kg CO2e per kg	75.04
Cutting Edge Industries Ltd. Washing Plant	R-410A	35 kg	1,924 kg CO2e per kg	67.34
Absolute Quality Wear Ltd.	R-410A	1.5 kg	1,924 kg CO2e per kg	2.89
Group	**R-410A and R-22**	**114.5 kg**	**—**	**216.85**



Other Air Emissions

Nitrogen oxide and sulphur oxide emissions are not calculated from activity data and no emission factor is applied to them. They are measured directly. An accredited third-party laboratory carries out stack emission testing at each unit operating a combustion source, sampling the flue gas at the stack and reporting a concentration for each gas together with the stack flow rate at the time of test. The annual tonnage reported below is that measured mass rate extended over the boiler and generator operating hours recorded for the year at each unit, and summed across units. The two gases are measured and reported separately and are not aggregated into a single air emissions figure. The laboratory reports are held in the working papers and are available to the assurance provider. Nitrogen oxide emissions rose materially during 2025, consistent with increased boiler operation at the Washing Plant, and sulphur oxide emissions rose on the same basis. The prior-year series was updated downward following verification against the laboratory records held at each entity.

GREENHOUSE GAS EMISSIONS

	2022	2023	2024	2025
Scope 1 — direct	—	9,928 tCO2e	11,406 tCO2e	11,358.2 tCO2e
Scope 2 — location-based	—	8,572 tCO2e	7,090 tCO2e	8,226.6 tCO2e
Total Scope 1 and 2	20,285.4 tCO2e	18,499.6 tCO2e	18,496.1 tCO2e	19,584.8 tCO2e
GHG intensity	0.7255 kg CO2e per garment	0.5179 kg CO2e per garment	0.4910 kg CO2e per garment	0.4826 kg CO2e per garment

	2023	2024	2025
Ozone-depleting substances (Scope 1 fugitive)	239.07 tCO2e	276.50 tCO2e	216.85 tCO2e, being 114.5 kg of refrigerant
Nitrogen oxides — third-party laboratory test	0.841 tonnes	0.645 tonnes	3.280 tonnes
Sulphur oxides — third-party laboratory test	0.228 tonnes	0.055 tonnes	0.285 tonnes



SECTION 5

Water Management and Conservation

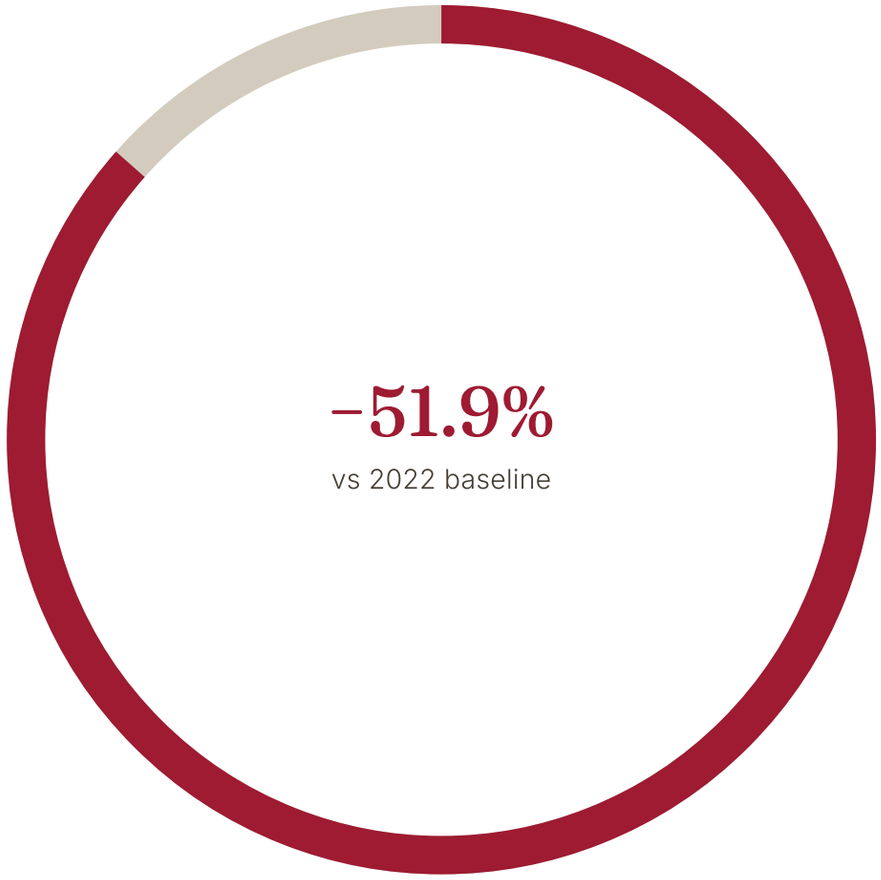
GRI 303-1 · GRI 303-2 · GRI 303-3 · GRI 303-4 · GRI 303-5 · ESRS E3-3 · ESRS E3-4 · ESRS E3-1 · ESRS E3-2

The condensate and flash steam our WEManage system captures carry their own volume back into the system, so every cubic metre recovered is a cubic metre the boiler does not need to draw fresh from the ground. That kind of double return, heat and volume together, is the pattern running through MBM Group's water story in 2025.

All four units sit in areas classified as Extremely High water stress.

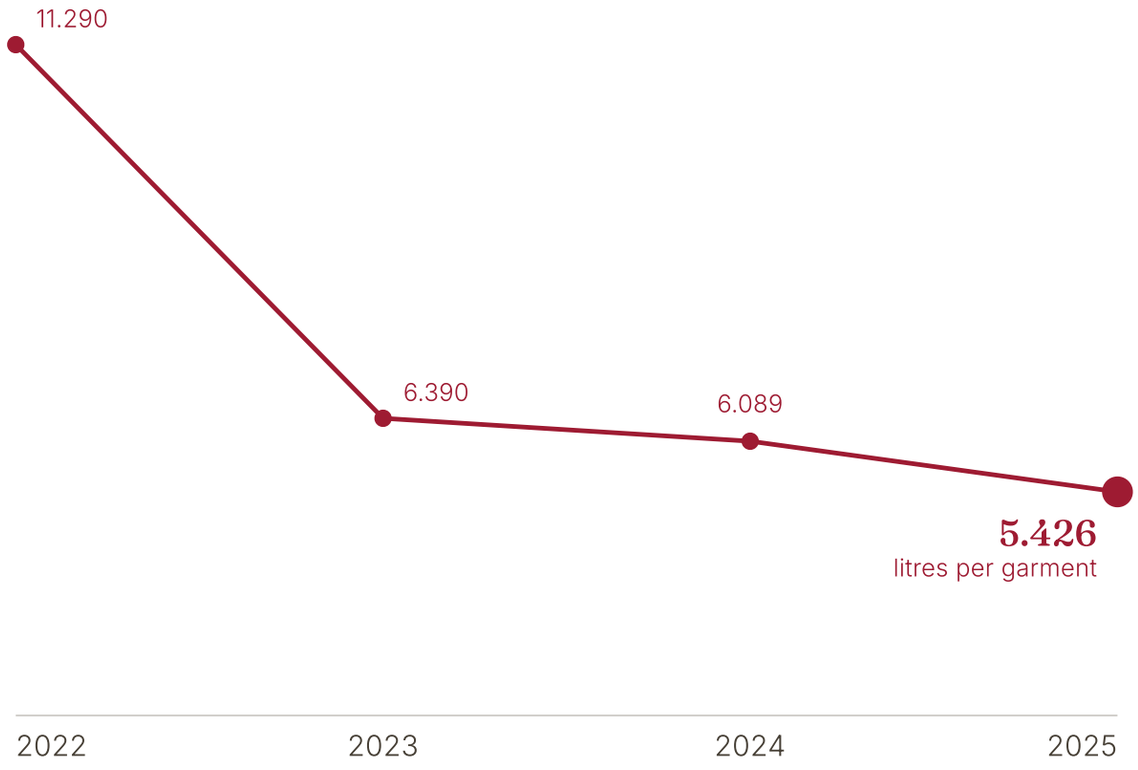
Our 2030 commitment to reduce water consumption intensity by 40% has already been achieved five years early, with a reduction of 51.9% against our 2022 baseline.

All four of our operating units sit in areas classified as Extremely High water stress, and groundwater is our sole primary source. Every cubic metre of the 895,008 m3 withdrawn in 2025 came from our own borewells. We withdraw no surface water, no seawater, no produced water and no third-party water, so the whole of our withdrawal falls in a single source category. It is abstracted from freshwater aquifers and is treated as freshwater; testing to confirm the 1,000 mg/L total dissolved solids threshold the standard uses is not currently performed and is scheduled for 2026, and we flag that rather than present the classification as measured. There is no municipal backup and no river to fall back on, so the efficiency with which we use water is not just an environmental metric here, it is a question of long-term operational viability, and it is the area of our environmental performance where we have made the greatest progress. Our 2030 commitment to reduce water consumption intensity by 40% has already been achieved five years early, with a reduction of 51.9% against our 2022 baseline. We are now reviewing whether to reset this target at a more demanding level instead of simply carrying an achieved commitment forward unchanged.



Water Consumption Intensity Fell 51.9%, Exceeding the 40% Target Five Years Early

Recycling shows its benefit in the withdrawal figure, which has fallen by 323,753 m3 since 2022, rather than being added back into consumption.



Water Consumption Intensity Fell 51.9%, Exceeding the 40% Target Five Years Early · the table states cubic metres per garment; drawn in litres (x 1,000)

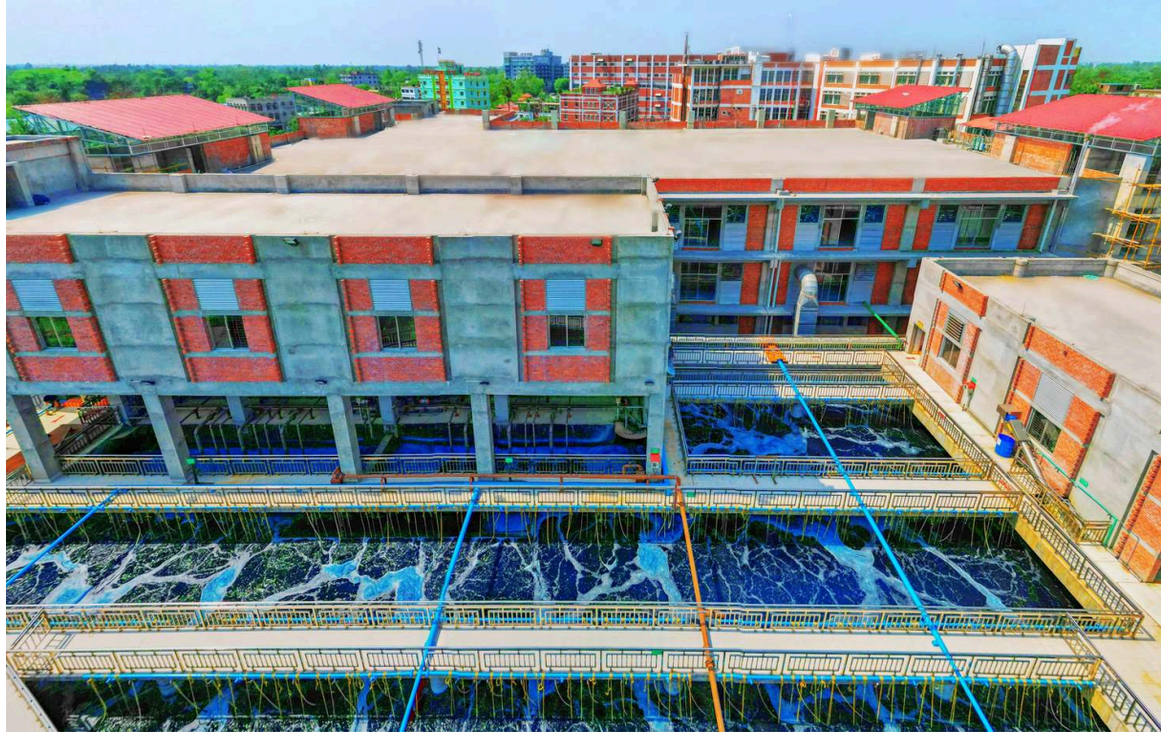
WATER MANAGEMENT AND CONSERVATION

Water withdrawal has fallen at all four units across the reporting period, from 1,218,761 m3 in 2022 to 895,008 m3 in 2025. A meaningful part of that decline traces to what happens at the Washing Plant, where water recycling has grown from 24,075 m3 in 2022 to 224,475 m3 in 2025, avoiding the equivalent of roughly a quarter of our total group withdrawal. 2025 was also the first year in which domestic reuse was recorded separately, at 2,945 m3. Recycling shows its benefit in the withdrawal figure, which has fallen by 323,753 m3 since 2022, rather than being added back into consumption. Water recovered through our effluent treatment plant and returned to process never leaves the operational boundary, and was already counted once when it was first withdrawn; adding it again would double count the same volume and would perversely make our reported consumption look worse the more we recycle.

Measured against production, withdrawal intensity in 2025 stood at 9.51 litres per garment at Cutting Edge Industries, 9.20 litres per garment at Absolute Quality Wear, 23.04 litres per garment at MBM Garments and 27.14 litres per garment at the Washing Plant, against a Group figure of 22.06 litres per garment. Cutting Edge Industries reduced withdrawal from 99,362 m3 to 87,382 m3 even as its production rose from 8,078,951 pieces in 2023 to 9,185,111 pieces in 2025. The Washing Plant carries the wet processing for the whole Group and withdraws accordingly, at 676,322 m3 against a throughput of 24,919,060 pieces. Withdrawal at MBM Garments fell substantially between 2022 and 2024 and has held stable since, and we are examining why this unit continues to run a higher withdrawal intensity than our other garment units.

At the Washing Plant, the only unit in the Group operating an effluent treatment plant, discharge is metered at the ETP outlet.

Our effluent treatment plant processed 761,339 m3 of inlet during the year and discharged 736,271 m3 of treated outlet, with untreated process discharge from the Washing Plant at nil. Discharge is established on two different bases and we identify which applies where. At the Washing Plant, the only unit in the Group operating an effluent treatment plant, discharge is metered at the ETP outlet. At MBM Garments, Cutting Edge Industries and Absolute Quality Wear, discharge is calculated rather than metered, and it is calculated on domestic water alone. The reason is physical: the remainder of the water drawn at those three units is converted to steam in the boilers, and steam is consumed in the process rather than discharged, so it cannot appear in a discharge figure without overstating it. Sewage treatment plant capacity for domestic effluent exists at two of our four sites only, Cutting Edge Industries and the Cutting Edge Industries Washing Plant, which share a campus in Gazipur. At MBM Garments and Absolute Quality Wear, domestic effluent passes to the municipal system without on-site treatment, and extending that capacity is under assessment. We report water consumption on the basis prescribed by GRI 303-5, total withdrawal less total discharge. Two figures from our 2024 report have been updated onto this basis: the 1,080,650 m3 we published as consumption in 2024 measured withdrawal rather than consumption, and the 700,701 m3 we described as untreated discharge was in fact effluent treatment plant inlet volume. Both are now updated across the series.



BASIS OF THE DISCHARGE FIGURE BY OPERATING UNIT

OPERATING UNIT	BASIS OF DISCHARGE	WHAT IS EXCLUDED AND WHY
MBM Garments Ltd.	Calculated on domestic water use	Water converted to steam in the boiler is consumed in process and is not discharged
Cutting Edge Industries Ltd.	Calculated on domestic water use	Water converted to steam in the boiler is consumed in process and is not discharged
Cutting Edge Industries Ltd. Washing Plant	Metered at the effluent treatment plant outlet	Nothing excluded; the full treated volume is metered
Absolute Quality Wear Ltd.	Calculated on domestic water use	Water converted to steam in the boiler is consumed in process and is not discharged

Water Discharge by Destination, 2025

DESTINATION	VOLUME	UNITS	BASIS
Surface water, treated effluent under consent	511,796 m3	Cutting Edge Industries Ltd. Washing Plant	Metered at the effluent treatment plant outlet
Third-party municipal system, domestic effluent	163,049 m3	MBM Garments Ltd., Cutting Edge Industries Ltd., Absolute Quality Wear Ltd.	Calculated on domestic water use; the remainder of withdrawal at these units is converted to steam and is not discharged
Groundwater	nil	—	No discharge to ground
Seawater	nil	—	No coastal operation
Total discharge	**674,845 m3**	**Group**	**Sum of the two lines above**

Of the 674,845 m3 discharged in 2025, 511,796 m3 was treated process and domestic effluent leaving the Washing Plant's effluent treatment plant to surface water under consent, and 163,049 m3 was domestic effluent from MBM Garments, Cutting Edge Industries and Absolute Quality Wear passing to third-party municipal systems. Destination is classified by the discharge route at each site; the receiving water body has not been separately characterised. All discharge is to freshwater receiving environments, on the same aquifer-based basis described for withdrawal, and a total dissolved solids classification is not held. Effluent from the Washing Plant is tested against the Department of Environment discharge standards and the ZDHC wastewater guidelines, and those tests govern our consent; we do not, however, report volumes or concentrations of priority substances of concern, and building that reporting is an action for 2026.

The Washing Plant's balance repays setting out in full, because it is the only unit where treatment, recycling and reuse all operate and because the relationship between the volumes is not obvious. The plant withdrew 676,322 m3 of groundwater and put 900,797 m3 of water to use, the difference being the 221,530 m3 returned to production from the recycling plant and the 2,945 m3 of domestic reuse. Its effluent treatment plant received 761,339 m3, which is more than the plant withdraws because recycled volume passes through the treatment cycle more than once, and discharged 736,271 m3 of treated outlet, a treatment yield of 96.7%. Of that outlet, 221,530 m3 was returned to production, which is 30.1%. We report that 30.1% as the proportion of wastewater recycled, and we define it precisely because it is open to being read another way: every cubic metre of process effluent the Washing Plant generates is treated, so treatment coverage is 100%, but 30.1% of the treated volume is returned to production and the remainder is discharged to the environment within consent. The two figures measure different things and we disclose both.

Cutting Edge Industries Ltd. Washing Plant water balance, 2025

LINE	2025	BASIS
Groundwater withdrawal	676,322 m3	Electromagnetic flow meter on the borewells
Recycled water returned to production	221,530 m3	Metered at the recycling plant outlet
Domestic reuse	2,945 m3	Metered; recorded separately for the first time in 2025
Total water put to use	900,797 m3	Withdrawal plus recycled plus domestic reuse
Effluent treatment plant inlet	761,339 m3	Metered at ETP inlet; exceeds withdrawal because recycled volume passes through the cycle more than once
Effluent treatment plant outlet	736,271 m3	Metered at ETP outlet; a treatment yield of 96.7% of inlet
Of treated outlet, returned to production	221,530 m3, being 30.1%	The proportion of wastewater recycled, as reported
Of treated outlet, discharged to the environment	511,796 m3	Metered; untreated process discharge is nil
Water consumption, GRI 303-5 basis	164,526 m3	Withdrawal less discharge
Rainwater harvested	2,784 m3	Metered at the harvesting tank
Hot water re-used in boiler feed	34,439 m3	WEManage record; condensate and flash steam recovery
Hot water re-used in process	4,204 m3	WEManage record



WATER MANAGEMENT AND CONSERVATION

Water drawn for steam is not lost from the balance: it is raised in the boilers, condensed and returned through the condensate and flash steam recovery described in Section 5.1, and the 34,439 m3 of hot water re-used in boiler feed and 4,204 m3 re-used in process are recorded in the Group water balance as reuse rather than as fresh withdrawal.

Rainwater harvesting operates at two sites, both in Gazipur: Cutting Edge Industries harvested 1,652 m3 and the Washing Plant 2,784 m3, giving the Group figure of 4,436 m3. MBM Garments and Absolute Quality Wear have no harvesting installation. Water drawn for steam is not lost from the balance: it is raised in the boilers, condensed and returned through the condensate and flash steam recovery described in Section 5.1, and the 34,439 m3 of hot water re-used in boiler feed and 4,204 m3 re-used in process are recorded in the Group water balance as reuse rather than as fresh withdrawal.

We are planning to assess the water-related impacts of our operations on the catchments we draw from, for future reporting purposes. Given the Extremely High stress classification across all four sites, we regard this as a material requirement that we intend to address.

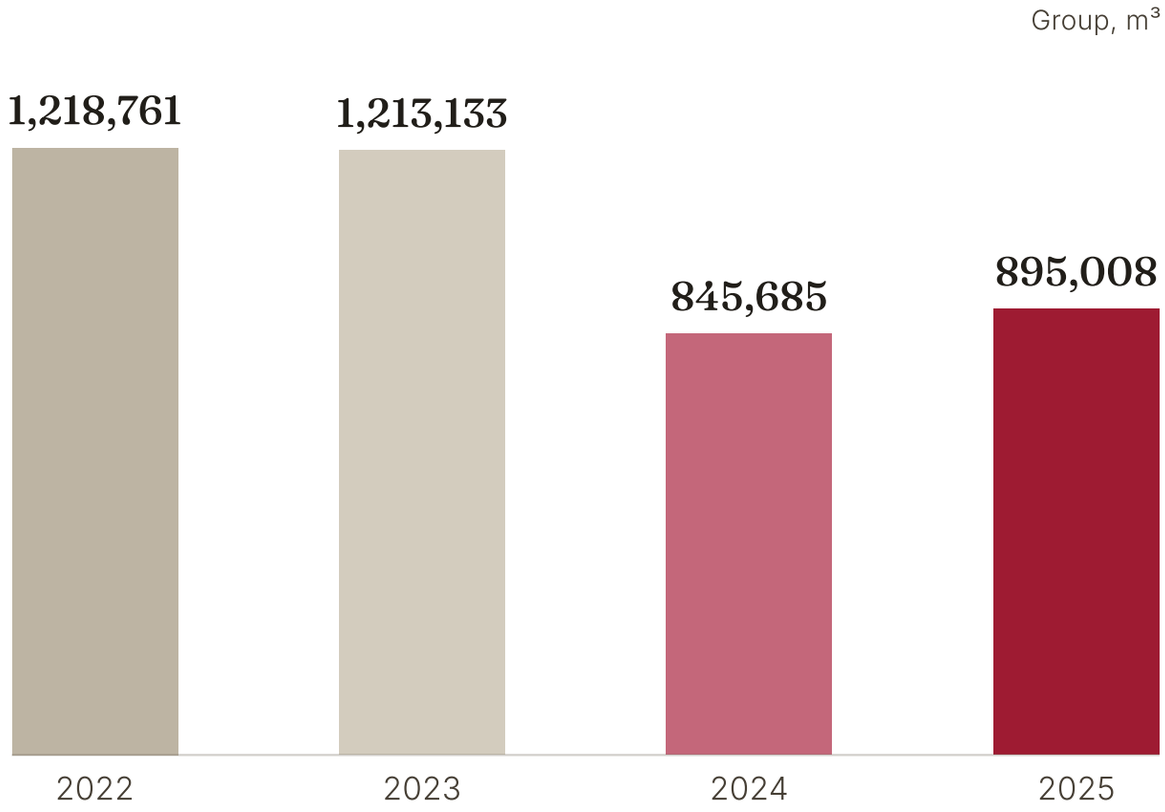
WATER WITHDRAWAL, CONSUMPTION AND INTENSITY

	2022	2023	2024	2025
Water withdrawal — groundwater	1,218,761 m3	1,213,133 m3	845,685 m3	895,008 m3
Water consumption	315,658 m3	228,231 m3	229,382 m3	220,163 m3
Water intensity	0.011290 m3 per garment	0.006390 m3 per garment	0.006089 m3 per garment	0.005426 m3 per garment

Group Water Balance, 2025

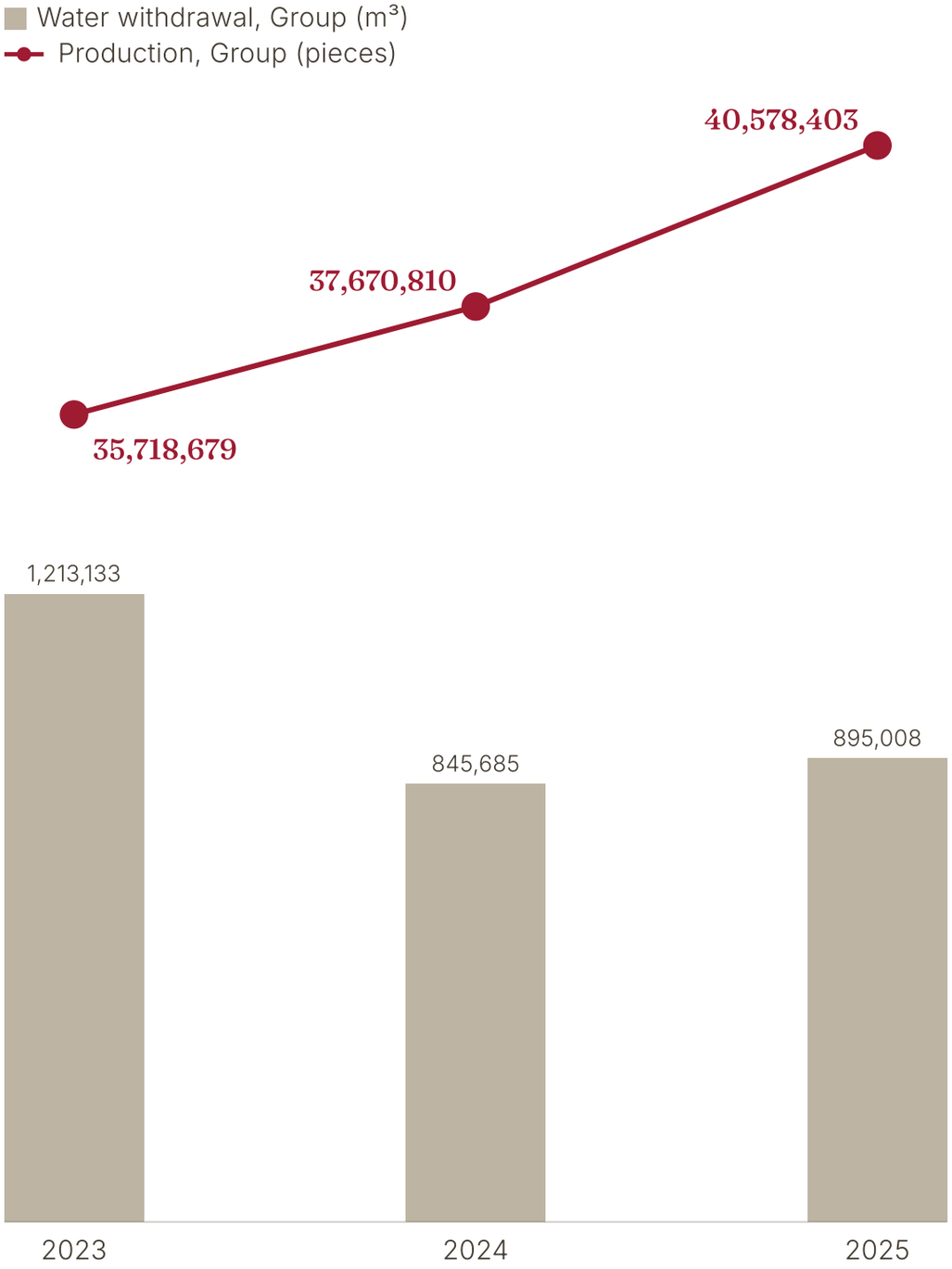
LINE	2025	BASIS
Groundwater withdrawal	895,008 m3	Electromagnetic flow meter, supported by invoice
Rainwater harvested	4,436 m3	Metered at the harvesting tank
Recycled water returned to production	221,530 m3	Metered at the recycling plant outlet
Recycled water, domestic reuse	2,945 m3	Metered; recorded separately for the first time in 2025
Hot water re-used in process	4,204 m3	WEManage record
Hot water re-used in boiler feed	34,439 m3	WEManage record
Total water used, including reuse and harvesting	1,162,562 m3	Sum of the lines above
Effluent treatment plant inlet	761,339 m3	Electromagnetic flow meter at ETP inlet
Effluent treatment plant outlet	736,271 m3	Electromagnetic flow meter at ETP outlet
Total discharge to the environment	674,845 m3	Metered at the ETP outlet at the Washing Plant; calculated on domestic water at the other three units
Water consumption, GRI 303-5 basis	220,163 m3	Withdrawal less discharge

WATER WITHDRAWAL BY OPERATING UNIT ACROSS THE REPORTING PERIOD



WATER WITHDRAWAL BY OPERATING UNIT

OPERATING UNIT	2022	2023	2024	2025
MBM Garments Ltd.	390,276 m3	305,798 m3	116,313 m3	119,422 m3
Cutting Edge Industries Ltd.	99,362 m3	98,930 m3	95,399 m3	87,382 m3
Cutting Edge Industries Ltd. Washing Plant	710,573 m3	795,561 m3	620,837 m3	676,322 m3
Absolute Quality Wear Ltd.	18,550 m3	12,844 m3	13,136 m3	11,882 m3
Group	**1,218,761 m3**	**1,213,133 m3**	**845,685 m3**	**895,008 m3**

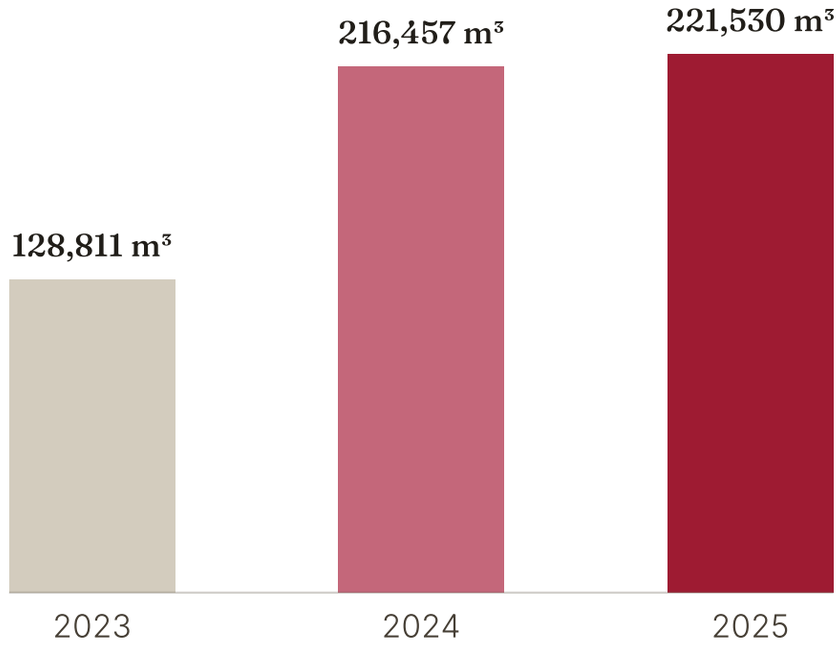


PRODUCTION BY OPERATING UNIT

OPERATING UNIT	2023	2024	2025
MBM Garments Ltd.	4,348,055 pieces	4,877,485 pieces	5,182,732 pieces
Cutting Edge Industries Ltd.	8,078,951 pieces	10,033,299 pieces	9,185,111 pieces
Cutting Edge Industries Ltd. Washing Plant	21,985,387 pieces	21,303,234 pieces	24,919,060 pieces
Absolute Quality Wear Ltd.	1,306,286 pieces	1,456,792 pieces	1,291,500 pieces
Group	**35,718,679 pieces**	**37,670,810 pieces**	**40,578,403 pieces**

Water Recycling

	2023	2024	2025
Recycled water used in production	128,811 m3	216,457 m3	221,530 m3
Proportion of wastewater recycled — treated volume returned to production	17%	32%	30%
Process effluent treated, Washing Plant	100%	100%	100%
Rainwater harvested	—	5,200 m3	4,436 m3



Water Withdrawal, Discharge and Consumption by Operating Unit, 2025

OPERATING UNIT	WITHDRAWAL	DISCHARGE	CONSUMPTION
MBM Garments Ltd.	119,422 m3	76,978 m3	42,444 m3
Cutting Edge Industries Ltd.	87,382 m3	76,848 m3	10,534 m3
Cutting Edge Industries Ltd. Washing Plant	676,322 m3	511,796 m3	164,526 m3
Absolute Quality Wear Ltd.	11,882 m3	9,223 m3	2,659 m3
Group	**895,008 m3**	**674,845 m3**	**220,163 m3**

WATER INTENSITY BY OPERATING UNIT, 2025

MBM Garments

WITHDRAWAL INTENSITY

23.04 litres per garment

Cutting Edge Industries

WITHDRAWAL INTENSITY

9.51 litres per garment

CEIL Washing Plant

WITHDRAWAL INTENSITY

27.14 litres per garment

Absolute Quality Wear

WITHDRAWAL INTENSITY

9.20 litres per garment

SECTION 5

Waste Management and Circularity

GRI 306-1 · GRI 306-2 · GRI 306-3 · GRI 306-4 · GRI 306-5 · ESRS E5-5 · ESRS E5-1 · ESRS E5-2 · ESRS E5-3

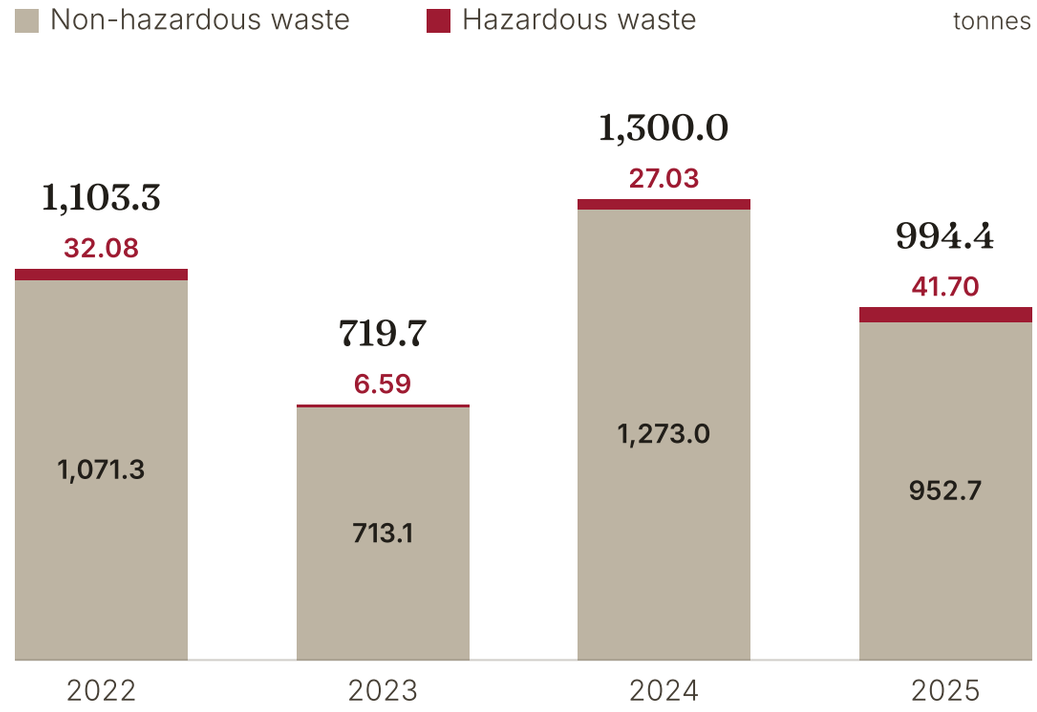
Hazardous waste is the weakest result in our environmental performance this year.

Total waste fell to 994.4 tonnes during 2025. Measured against our 2022 baseline, that puts the reduction at 9.9%, against a 2030 commitment of 30%, and the trajectory across the four years has not moved in a straight line, so we remain behind on this target.

We report the hazardous and non-hazardous split, which is what our disposal records carry, and we do not report a breakdown by material type — cutting and fabric waste, treatment sludge, chemical containers, paper, plastic and metal are collected and weighed together by stream rather than by material. Establishing a composition breakdown with our licensed vendors is an action for 2026.

Given that chemical usage in washing facilities is a factor of clientele base, product mix and the nature of the wash itself, hazardous waste rose 54.3% during 2025 to 41.70 tonnes, standing 30.0% above our 2022 baseline. 39.43 tonnes of that total, being approximately 95%, arises at the Washing Plant, reflecting the chemical intensity of wet processing. The remainder is spread thinly across the three cut-and-pack units at 0.97 tonnes, 0.77 tonnes and 0.53 tonnes.

WASTE GENERATED



	2022	2023	2024	2025
Total waste generated	1,103.3 tonnes	719.7 tonnes	1,300.0 tonnes	994.4 tonnes
Non-hazardous waste	1,071.3 tonnes	713.1 tonnes	1,273.0 tonnes	952.7 tonnes
Hazardous waste	32.08 tonnes	6.59 tonnes	27.03 tonnes	41.70 tonnes
Significant spills	—	zero	zero	zero

3,270 kilograms were logged through the platform within the 2025 reporting period.

In December 2025, Cutting Edge Industries began participating in Reverse Resource, a digital platform that traces textile waste from generation through to the onward buyer. 3,270 kilograms were logged through the platform within the 2025 reporting period. We disclose this material as sold onward, not as recycled. Reverse Resource gives us traceability and connects our waste to buyers who will process it, but without confirmation of downstream recycling outcomes we hold off claiming a recovery we cannot evidence.

On the evidence we hold, the whole of the 994.44 tonnes generated in 2025 is directed to disposal and none of it is claimed as diverted. That is a deliberately conservative position rather than an absence of activity: the 3,270 kilograms logged through Reverse Resource during the period were sold onward to buyers who will process them, and we hold traceability to the buyer but not confirmation of the downstream recovery outcome, so we do not claim a recovery we cannot evidence. Waste is collected by licensed vendors under disposal agreements held at each unit; we do not maintain, and therefore do not report, a split of the disposal volume between incineration, landfill and other operations, and establishing that split with our vendors is an action for 2026.



Waste Directed to Disposal and Diverted from Disposal, 2025

LINE	HAZARDOUS	NON-HAZARDOUS	TOTAL
Waste generated	41.70 tonnes	952.74 tonnes	994.44 tonnes
Diverted from disposal — preparation for reuse	nil	nil	nil
Diverted from disposal — recycling	nil	nil	nil
Diverted from disposal — other recovery	nil	nil	nil
Total diverted from disposal	nil	nil	nil
Directed to disposal — on site	nil	nil	nil
Directed to disposal — off site, licensed vendor	41.70 tonnes	952.74 tonnes	994.44 tonnes
Total directed to disposal	41.70 tonnes	952.74 tonnes	994.44 tonnes
Memorandum — sold onward through Reverse Resource, not claimed as recovery	nil	3.27 tonnes	3.27 tonnes

Hazardous waste rose 54.3% in 2025 and stands 30.0% above our 2022 baseline

The programme has scaled considerably since the year end. Between January and July 2026, 355,933 kilograms were logged, with a further 41,873 kilograms in August, of which approximately 18.8 tonnes were segregated by fibre composition and traced to individual brand streams. This activity falls outside the 2025 reporting period and is presented here as a subsequent event, an indication of direction rather than a result achieved within the year. We are yet to assess microplastic generation or use within our operations.



SECTION 5

Chemical Management

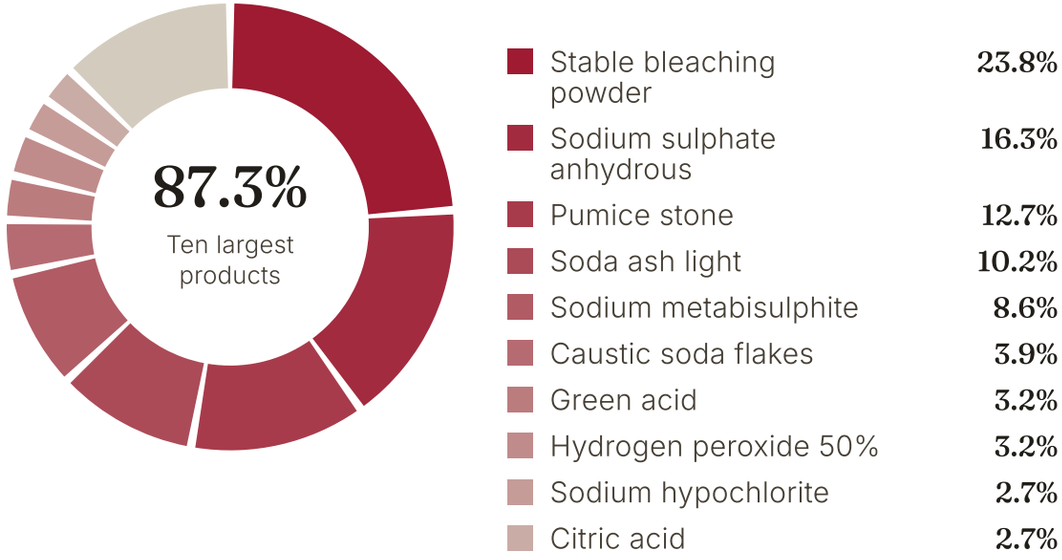
GRI 306-3 · GRI 403-5 · ESRS E2-1 · ESRS E2-2 · ESRS E2-3 · ESRS E2-4 · ESRS E2-5

This concentration is the reason our substitution work targets a small number of high volume products rather than the full inventory.

Chemical management applies principally to the Cutting Edge Industries Ltd. Washing Plant, where all of the Group's wet processing takes place. Our three cut-to-pack garment units use no production chemicals, and the consumption figures below are therefore the Washing Plant's figures and the Group's figures at the same time.

We are disclosing total chemical consumption for the first time in this report. The Washing Plant consumed 1,687.41 tonnes of chemicals during 2025 across 74 distinct products, measured from the monthly issue records maintained at the plant and reconciled to purchase records. Against the plant's throughput of 11,213,577 kilograms of garment, that is 150.5 grams of chemical per kilogram processed, and against its 24,919,060 pieces it is 67.7 grams per piece. Consumption is concentrated: the ten largest products account for 1,472.4 tonnes, being 87.3% of the total, and the single largest, stable bleaching powder, accounts for 402.1 tonnes or 23.8% on its own. This concentration is the reason our substitution work targets a small number of high volume products rather than the full inventory.

2025 is adopted as the base year for chemical consumption.



Ten Largest Chemicals by Consumption, 2025 · the ten largest products; the unlabelled remainder is the other 64 products

2025 is the first year for which chemical consumption has been compiled on this basis, so there is no comparable base-year figure to measure against. The 2022 baseline used elsewhere in this section rests on records that do not carry item-level chemical quantity, and we are not willing to construct one retrospectively. Fiscal discipline on this point cuts both ways: it means we cannot yet show a trend, and it means the trend we do show from 2026 onward will rest on a measured base rather than an estimated one. 2025 is adopted as the base year for chemical consumption.

TEN LARGEST CHEMICALS BY CONSUMPTION, 2025

RANK	PRODUCT	CONSUMPTION	SHARE OF TOTAL
1	Stable bleaching powder	402,093 kg	23.8%
2	Sodium sulphate anhydrous	275,091 kg	16.3%
3	Pumice stone	214,857 kg	12.7%
4	Soda ash light	171,473 kg	10.2%
5	Sodium metabisulphite	144,894 kg	8.6%
6	Caustic soda flakes	65,850 kg	3.9%
7	Green acid	54,036 kg	3.2%
8	Hydrogen peroxide 50%	53,316 kg	3.2%
9	Sodium hypochlorite	45,595 kg	2.7%
10	Citric acid	45,234 kg	2.7%
	Ten largest products	1,472,439 kg	87.3%
	All 74 products	1,687,408 kg	100%

Total consumption is disclosed here without a hazardous and non-hazardous split. The Washing Plant maintains a full chemical inventory identifying the substances in use, but that inventory has not yet been classified by hazard category, nor screened against the Substances of Very High Concern list. Until that work is done, any figure we published for hazardous chemical consumption would be an estimate presented as a measurement. The classification and the SVHC screening are together a defined action for 2026, and the 2026 report will carry both the split and the SVHC position.

For the same reason we do not quantify the greenhouse gas emissions embodied in our chemical consumption. Applying Higg Materials Sustainability Index factors to the consumption above would produce a cradle-to-gate figure for the chemicals themselves, which is a Scope 3 purchased-goods emission rather than an emission of our own operations. Our Scope 3 inventory has not been calculated and its scoping begins in 2026; chemical-related emissions will be quantified within that work, using Higg MSI factors where a matched factor exists, rather than presented in isolation ahead of it. No emission factor has been applied to chemical consumption in the figures reported in this section.

There were no significant chemical spills at any of our four operating units during 2022, 2023, 2024 or 2025. Chemical storage at the Washing Plant is bunded, incompatible substances are segregated, spill kits are stationed at each storage and dosing point, and spill response forms part of the emergency drill programme. Eight emergency drills are conducted across the Group annually.

We have not yet assessed microplastic generation within our operations, and fibre shedding from the garments we produce and process is not currently measured. Fibre shedding is a recognised pollution pathway for a wet processing operation and falls within the scope of ESRS E2. We are establishing the measurement method during 2026, beginning with effluent sampling at the Washing Plant, and intend to disclose fibre shedding in a future reporting cycle. We record the gap here rather than leave it unstated.

No ISO management system standards are certified at any MBM Group facility.

CHEMICAL MANAGEMENT

Our Vision 2030 commitment is the substitution of 100% of hazardous chemical substances, aligned to our ZDHC Manufacturing Restricted Substances List commitment. Measured progress against that commitment cannot be stated as a percentage until the inventory is classified by hazard category, and we decline to report one that we could not evidence. What we can report is the position on the compliance instruments that stand behind the target: ZDHC MRSL conformance is at 100%, our ZDHC InCheck Level-1 position moved from 96.67% self-assessed in 2024 to 100% independently verified in 2025, and Screened Chemistry coverage improved from 71% to 73%. We regard the independently verified InCheck position as the more meaningful of the two InCheck figures. The target status is therefore reported as in process, with the measurement basis due in 2026.

Our chemical management follows REACH and the Globally Harmonized System of Classification and Labelling. 377 personnel who handle chemicals received chemical safety training during 2025, comprising 248 at the Washing Plant, 58 at Cutting Edge Industries, 50 at MBM Garments and 21 at Absolute Quality Wear, delivered through 48 chemical safety training sessions across the Group. The figures of 821, 884 and 1,043 published in our 2024 report counted cumulative training attendances rather than individual personnel. The series presented here counts individuals, drawn from the participant register, and this population of chemical handlers is a different and much smaller group than the workforce reached by general training as reported in Section 6.

CHEMICAL SAFETY TRAINING

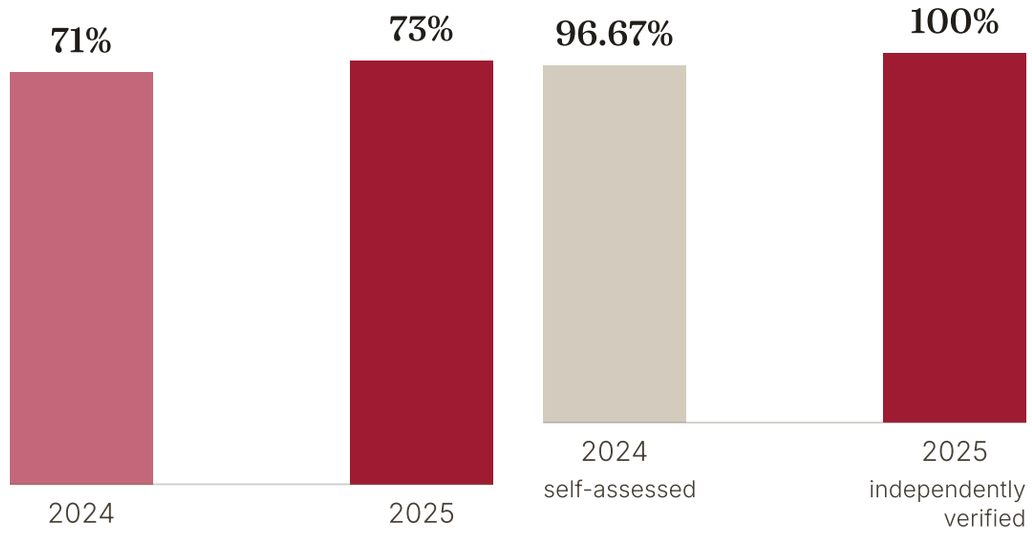
	2022	2023	2024	2025
Personnel trained on chemical safety	271	192	400	377

Ø ZDHC

CHEMICAL COMPLIANCE PERFORMANCE

100%

ZDHC Manufacturing Restricted Substances List compliance in 2024 and 2025



SECTION 5

Sustainable Material Sourcing and Traceability

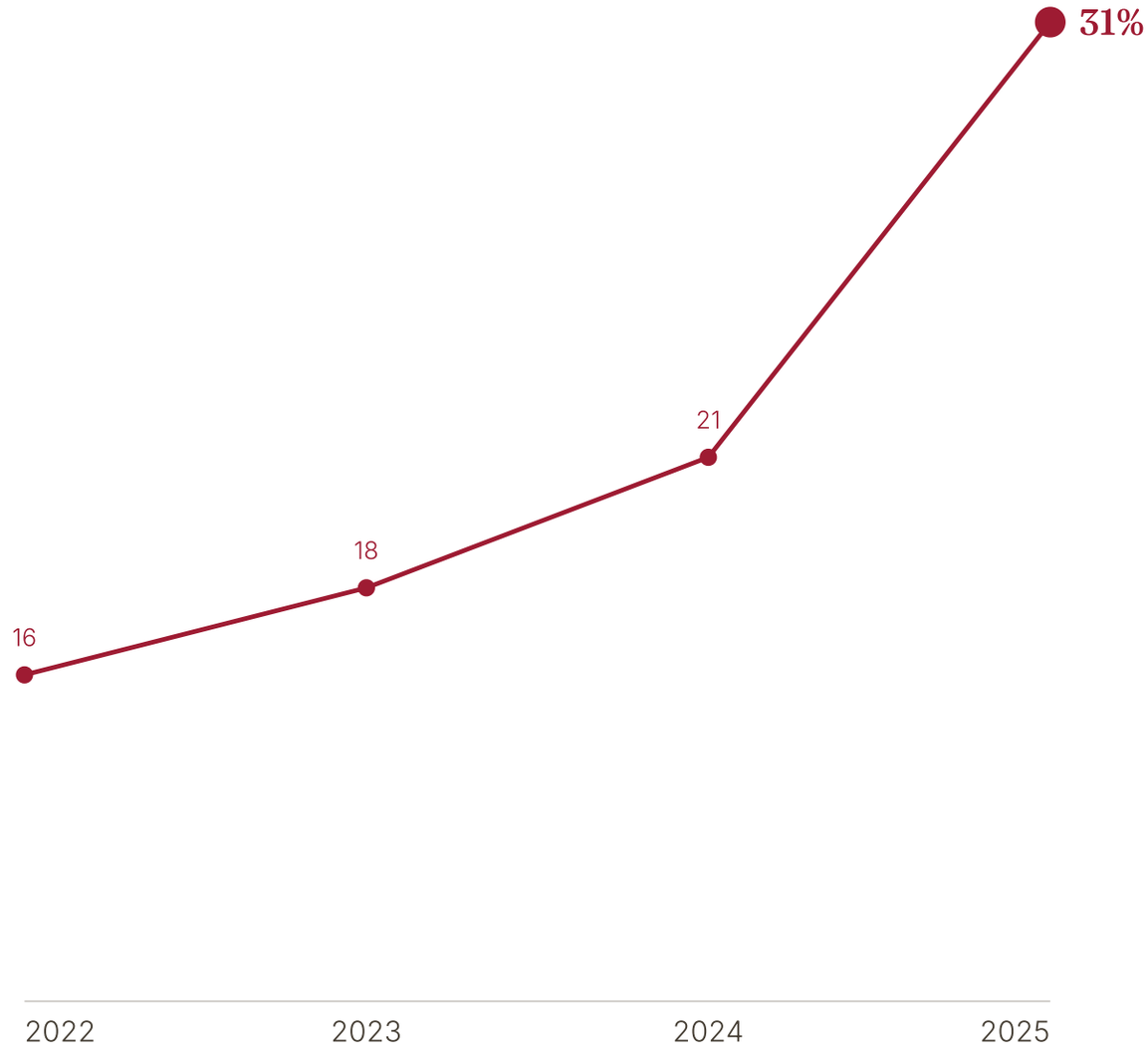
GRI 301-1 · GRI 301-2 · ESRS E5-4

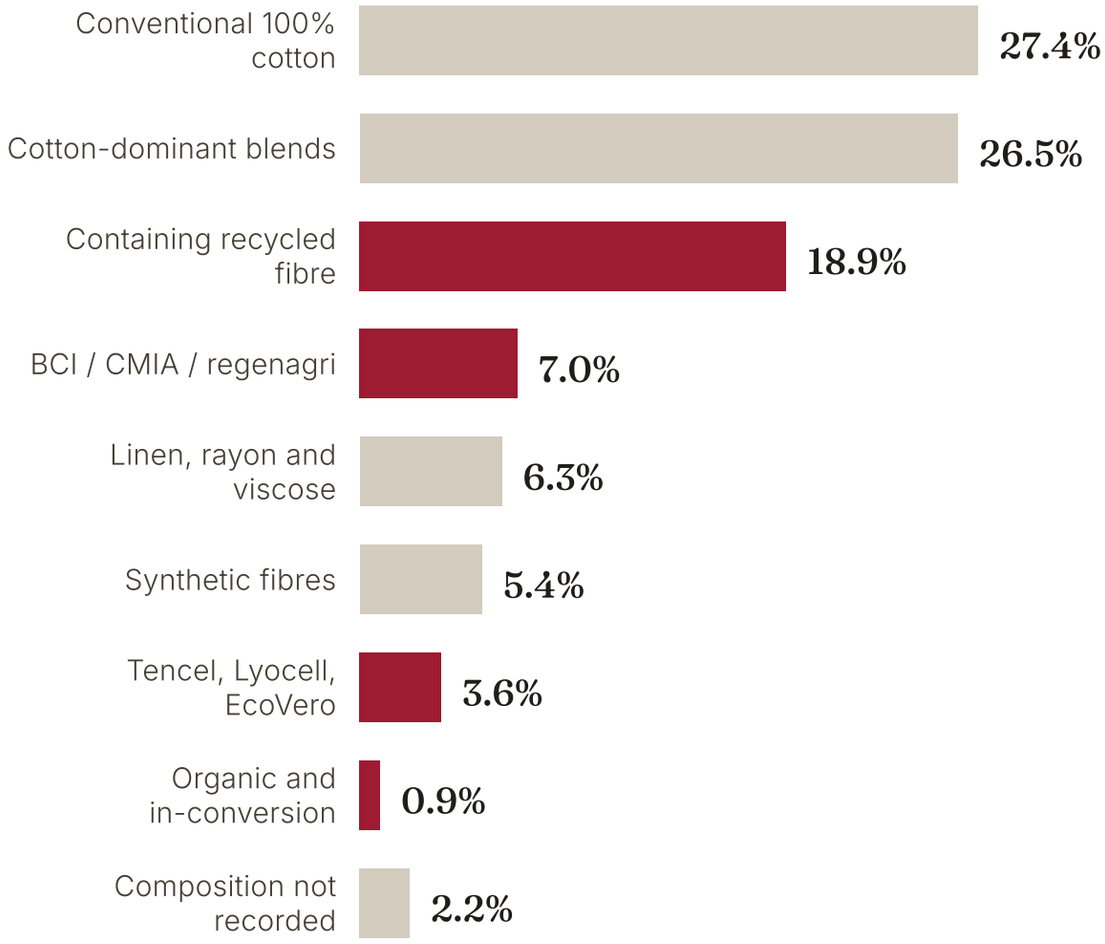
The largest single-year movement in the series.

Our use of certified sustainable materials increased substantially during 2025, from 21% to 31% of garments produced across our cut-to-pack units, the largest single-year movement in the series and an increase of fifteen percentage points against our 2022 baseline. This indicator counts garments containing certified sustainable fibres as a proportion of garments produced, on a piece basis. Sustainable fibres are defined as recycled fibres, organic and in-conversion cotton, BCI, CMIA and regenagri cotton, and Tencel, Lyocell and EcoVero. On a recycled-content-only basis the 2025 figure stands at 19.3%, which we disclose as the more conservative measure.

Our systems record material inputs by garment piece and by value, so the percentage measures above are presented on a piece basis. We are yet to develop a weight or volume basis for reporting materials used, and readers should not treat the figures above as equivalent to a weight-based material disclosure.

SUSTAINABLE FIBRE SHARE ROSE FROM 16% TO 31% ACROSS THE REPORTING PERIOD





Conventional Cotton and Cotton Blends Account for 53.9% of Production — Where Substitution Opportunity Is Greatest · the categories in crimson are the certified sustainable fibres that make up the 31%; the rest in ash

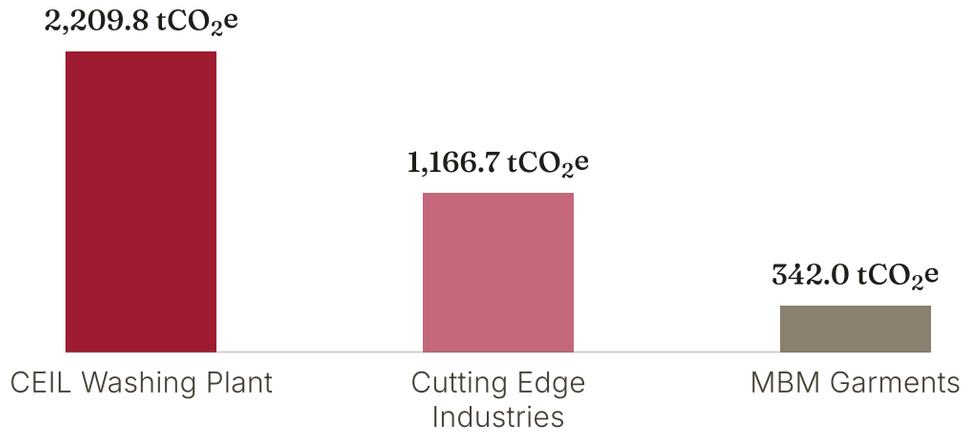
SUSTAINABLE MATERIAL SOURCING AND TRACEABILITY

Garments containing recycled fibre have become our third-largest material category at 18.9%, meaningful progress from a low base, while organic and in-conversion cotton stands at 0.9%.

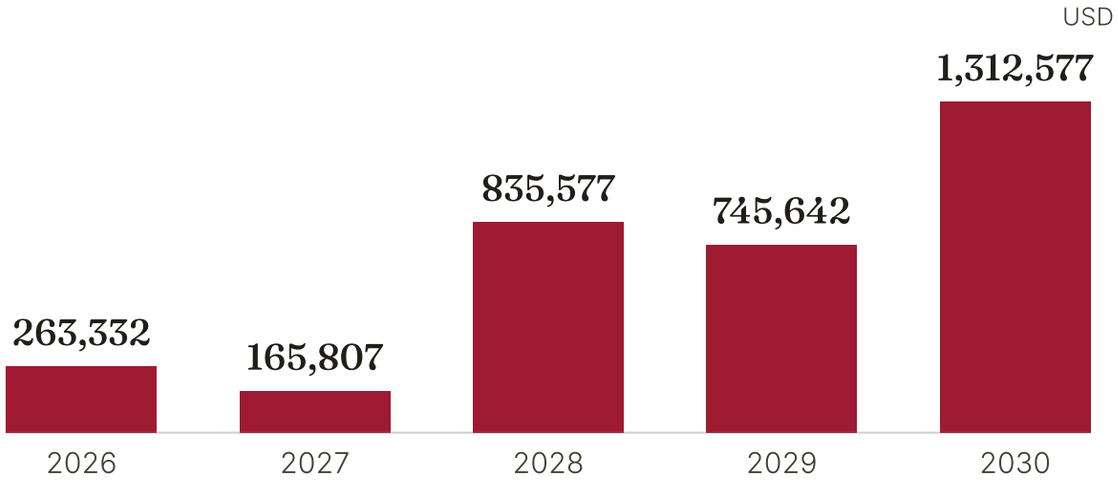
Conventional cotton and cotton-dominant blends together account for 53.9% of our production, marking out where the greatest opportunity for substitution lies. Garments containing recycled fibre have become our third-largest material category at 18.9%, meaningful progress from a low base, while organic and in-conversion cotton stands at 0.9%.

The Group figure for recycled fibre conceals one internal variation worth noting: the proportion of garments containing recycled fibre differs considerably between our two reporting units, running materially lower at MBM Garments. Bringing that unit toward the Group position is a specific objective for 2026.

CUMULATIVE EMISSIONS REDUCTION BY UNIT AGAINST TOTAL ANNUAL INVESTMENT



Roadmap Coverage by Operating Unit · annual reduction at full operation by unit; Absolute Quality Wear Ltd.: plan in preparation



Planned Investment by Year and Operating Unit · Total planned investment across the three units, by year

SECTION 5

Emissions Reduction Roadmap, 2026 to 2030

GRI 305-5 · ESRS E1-1 · ESRS E1-3 · ESRS E1-4

USD 3.32 million of planned investment across three operating units.

Our greenhouse gas disclosure this year records an improvement in intensity alongside a rise in production, set against a considerably smaller increase in absolute emissions. Behind that trajectory sits a roadmap of 50 individually costed projects spanning three of our four operating units, each carrying a named intervention, an implementation year and a quantified reduction. Together they represent 3,718.5 tCO2e of annual emissions reduction at full operation, backed by USD 3.32 million of planned capital investment.

Reduction is weighted toward the units carrying the greatest impact. The Washing Plant accounts for 2,209.8 tCO2e of the planned annual reduction on USD 1,846,552 of investment, Cutting Edge Industries for 1,166.7 tCO2e on USD 1,311,875, and MBM Garments for 342.0 tCO2e on USD 164,508. This mirrors the concentration of impact described elsewhere in this section, with capital following the same pattern.

EMISSIONS REDUCTION ROADMAP, 2026 TO 2030

Reducing demand before investing in supply is the lower-cost path and makes the generation investment go further.

The sequencing is deliberate. Early years are weighted toward efficiency measures with short implementation cycles, boiler and steam recovery, high-efficiency fans, servomotors, motors and compressed air, while the larger capital items, solar generation and battery storage, land from 2028 onward. 17 projects are scheduled for 2026 at USD 263,332, against 7 projects at USD 1,312,577 in 2030. Reducing demand before investing in supply is the lower-cost path and makes the generation investment go further.

Solar photovoltaic generation contributes 903.4 tCO2e of annual reduction and battery energy storage 813.0 tCO2e, the two largest contributions in the programme. Set against today's solar generation of 15,191 kWh, this represents a substantial change in how our operations will be powered. Boiler and steam efficiency measures contribute a further 788.3 tCO2e across three units.

Every figure in this roadmap is an absolute annual reduction in tonnes of carbon dioxide equivalent at full operation of each measure. We express these reductions in absolute tonnes because our production capacity may change over the period of this roadmap, and tonnes remain comparable whatever our output turns out to be, in a way a percentage against a fixed baseline would not.

This roadmap covers MBM Garments, Cutting Edge Industries and the Cutting Edge Industries Washing Plant. We are yet to finalise a decarbonisation plan for Absolute Quality Wear, so the figures above reflect the three units currently covered, and we are disclosing the roadmap on this basis instead of waiting to complete it. Absolute Quality Wear will be brought within the programme and reported in a subsequent cycle.

PLANNED INVESTMENT BY YEAR AND OPERATING UNIT

YEAR	CUTTING EDGE INDUSTRIES LTD.	CEIL WASHING PLANT	MBM GARMENTS LTD.	TOTAL
2026	USD 72,680	USD 140,552	USD 50,100	USD 263,332
2027	USD 62,130	USD 80,000	USD 23,677	USD 165,807
2028	USD 360,000	USD 450,000	USD 25,577	USD 835,577
2029	USD 159,065	USD 568,000	USD 18,577	USD 745,642
2030	USD 658,000	USD 608,000	USD 46,577	USD 1,312,577

Expected annual emissions reduction by initiative — Cutting Edge Industries Ltd.

Initiative	Annual reduction at full operation
Solar photovoltaic generation	381.0 tCO2e
Battery energy storage	271.0 tCO2e
Boiler and steam efficiency	84.0 tCO2e
High-efficiency fans	189.1 tCO2e
Air conditioning replacement	87.3 tCO2e
Motors, drives and compressed air	22.3 tCO2e
Real-time energy monitoring	50.0 tCO2e
Servomotors on sewing machines	39.3 tCO2e
Phase change materials	37.5 tCO2e
Vehicle electrification	5.1 tCO2e
Total	**1,166.7 tCO2e**

Expected annual emissions reduction by initiative — Cutting Edge Industries Ltd. Washing Plant

Initiative	Annual reduction at full operation
Solar photovoltaic generation	470.0 tCO2e
Battery energy storage	542.0 tCO2e
Boiler and steam efficiency	623.6 tCO2e
High-efficiency fans	11.4 tCO2e
Air conditioning replacement	195.0 tCO2e
Motors, drives and compressed air	197.0 tCO2e
Real-time energy monitoring	50.0 tCO2e
Ozone finishing technology	83.3 tCO2e
Phase change materials	37.5 tCO2e
Total	**2,209.8 tCO2e**

Expected annual emissions reduction by initiative — MBM Garments Ltd.

Initiative	Annual reduction at full operation
Solar photovoltaic generation	52.4 tCO2e
Boiler and steam efficiency	80.7 tCO2e
High-efficiency fans	150.4 tCO2e
Servomotors on sewing machines	58.5 tCO2e
Total	**342.0 tCO2e**

Roadmap coverage by operating unit

Operating unit	Annual reduction at full operation	Planned investment
Cutting Edge Industries Ltd. Washing Plant	2,209.8 tCO2e	USD 1,846,552
Cutting Edge Industries Ltd.	1,166.7 tCO2e	USD 1,311,875
MBM Garments Ltd.	342.0 tCO2e	USD 164,508
Absolute Quality Wear Ltd.	Plan in preparation	Plan in preparation
Total	**3,718.5 tCO2e**	**USD 3.32 million**

SECTION 5

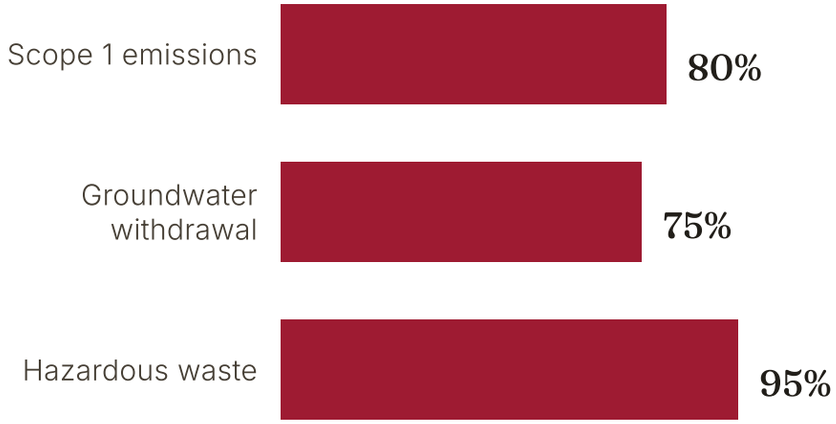
Where Our Impact Is Concentrated

ESRS E1-6 · ESRS E3-4 · ESRS E5-5

The Cutting Edge Industries Washing Plant accounts for approximately 80% of our Scope 1 emissions, approximately 75% of our groundwater withdrawal and approximately 95% of our hazardous waste, reflecting the resource intensity that wet processing carries relative to cut-to-pack assembly. This concentration of impact is also why the Washing Plant carries the greater part of the efficiency investment described in our roadmap, precisely where that investment delivers the most value. Given that wet processing is inherently more resource-intensive than assembly, greenhouse gas intensity at this unit moved from 0.493 to 0.545 kg CO2e per unit of output across the reporting period.

Our Group environmental trajectory is closely tied to the Washing Plant's trajectory, and progress against our targets will be driven substantially by performance there.

FOUR OPERATING UNITS CONTRIBUTE DIFFERENTLY TO OUR ENVIRONMENTAL FOOTPRINT, SHAPED BY THE DISTINCT NATURE OF THEIR PROCESSES.



WHERE OUR IMPACT IS CONCENTRATED

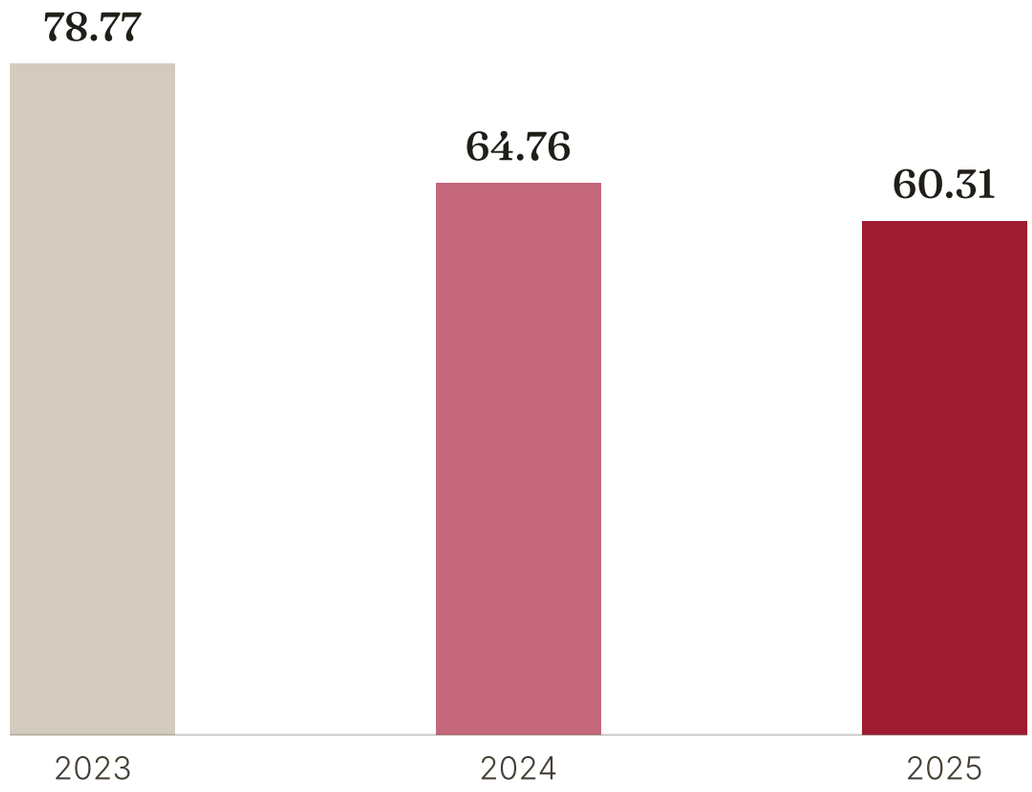
Measured per kilogram of throughput, water withdrawal at the Washing Plant fell from 78.77 litres per kilogram in 2023 to 60.31 litres per kilogram in 2025, even as throughput itself rose from 9,893,424 to 11,213,577 kilograms.

The Washing Plant is the only unit in the Group recording production on a mass basis, and for a wet-processing operation that is the more meaningful denominator: a heavy denim garment and a light woven top count as one piece each but consume very different volumes of water. Measured per kilogram of throughput, water withdrawal at the Washing Plant fell from 78.77 litres per kilogram in 2023 to 60.31 litres per kilogram in 2025, even as throughput itself rose from 9,893,424 to 11,213,577 kilograms. Consumption on the same basis stood at 14.67 litres per kilogram in 2025. Our three garment units record production in pieces only, and a mass basis is yet to be developed for them.

1. Baseline year for environmental disclosures — 2022. Group production 2025: 40,578,403 pieces.

2. Conversion factors: 38.22 MJ per cubic metre of natural gas; 38.46 MJ per litre of diesel; 3.6 MJ per kilowatt hour; 21.77 MJ per kilogram of fabric waste combusted as boiler fuel. Emission factors: natural gas 2.14684 kg CO2e per m3; diesel 2.8487983 kg CO2e per litre; purchased electricity 0.5897988 kg CO2e per kWh; fabric waste 2.8544921581 kg CO2e per kg.

3. Materials by weight under GRI 301-1, Scope 3 under GRI 305-3, energy reductions under GRI 302-4, market-based Scope 2, water-related catchment impacts, the hazardous and non-hazardous split of chemical consumption, SVHC volumes and microplastics are not reported for 2025. Biodiversity is not reported, having been assessed as not material — see Section 3.2. Reasons are stated in the GRI and ESRS Content Index.



Washing Plant Water Intensity on a Mass Basis · Water withdrawal intensity, litres per kilogram

	2023	2024	2025
Throughput	9,893,424 kilograms	9,586,455 kilograms	11,213,577 kilograms
Water withdrawal intensity	78.77 litres per kilogram	64.76 litres per kilogram	60.31 litres per kilogram



6

SECTION 6

Empowering People

Our Workforce, Communities and Supply Chain

BASELINE YEAR 2022



HIGHLIGHTS

9,297
People Employed Across Four Operating Units

Zero
Major Injuries and Zero Fatalities, Three Consecutive Years

51,683
Training Attendances Recorded Across the Group

VISION 2030

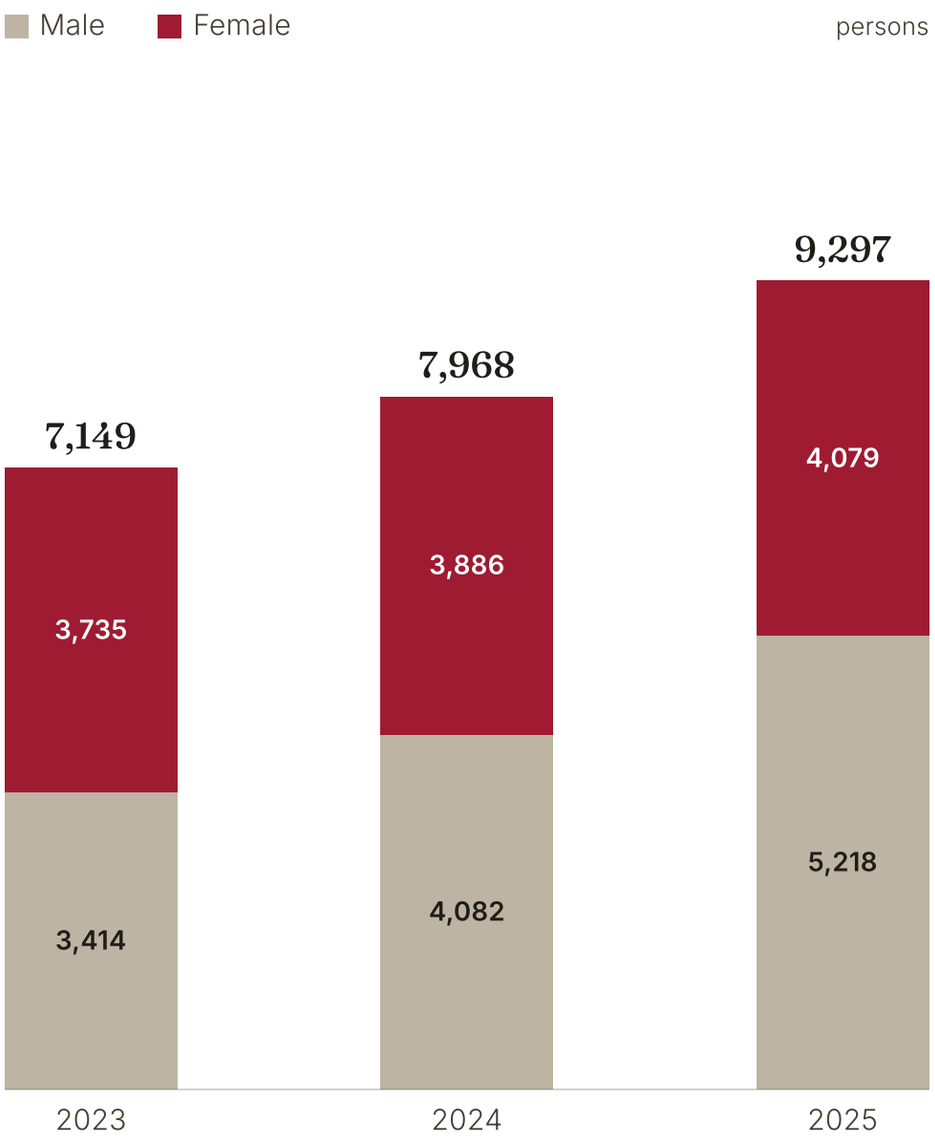
18%
Women in Leadership Positions

Zero
Workplace Injuries

100%
Employees Paid At or Above the Statutory Minimum Wage

Every employee at every unit is engaged on a full-time, permanent basis.

WORKFORCE GREW 16.7% IN 2025 WHILE THE FEMALE SHARE DECLINED FOR A SECOND YEAR



SECTION 6

Workforce Profile

GRI 2-7 · ESRS S1-6

Female share fell for a second year, from 52.2% to 43.9%.

Our people are the foundation upon which MBM Group is built. Our workforce grew to 9,297 at 31 December 2025, the largest single-year expansion in the reporting period and an increase of 16.7% on the 7,968 reported at the end of 2024. In line with our expansionary business policy, this growth mirrors the increase seen in our production, reflecting capacity growth across our units and the introduction of additional shifts at MBM Garments. Every employee at every unit is engaged on a full-time, permanent basis. MBM Group employs no part-time workers, no temporary or fixed-term workers and no non-guaranteed hours workers at any of its four units. Employee data is compiled through ERP systems at all four sites and is a point-in-time count at month end.

Our operations sit in two locations, and we report our workforce by both. MBM Garments Ltd. is in Mirpur, Dhaka. Cutting Edge Industries Ltd., the Cutting Edge Industries Ltd. Washing Plant and Absolute Quality Wear Ltd. share a campus in Gazipur. Those two districts are the significant locations of operation for every disclosure in this report that calls for a regional breakdown, and MBM Group has no operations, employees or workers outside Bangladesh. 2,756 people, being 29.6% of the workforce, are employed in Dhaka and 6,541, being 70.4%, in Gazipur. The two locations differ in composition: women are 50.8% of the Dhaka workforce and 41.0% of the Gazipur workforce, a gap that traces almost entirely to the Washing Plant, where wet processing and night shifts have drawn a predominantly male intake.

WORKFORCE PROFILE

Workforce by Region at 31 December 2025

	DHAKA — MBM GARMENTS LTD.	GAZIPUR — CUTTING EDGE INDUSTRIES LTD., ITS WASHING PLANT AND ABSOLUTE QUALITY WEAR LTD.	GROUP
Total workforce	2,756	6,541	9,297
Share of Group workforce	29.6%	70.4%	100%
Male	1,357	3,861	5,218
Female	1,399	2,680	4,079
Female share	50.8%	41.0%	43.9%
Under 30	1,264	2,878	4,142
30 to 50	1,431	3,612	5,043
Over 50	61	51	112
Management and supervisory, Non-OT basis	484	932	1,416
Worker, OT basis	2,272	5,609	7,881
Employment type	Full-time permanent	Full-time permanent	Full-time permanent

WORKFORCE PROFILE

The concentration is visible at unit level: women are 50.8% of the workforce at MBM Garments and 48.1% at Absolute Quality Wear, but 8.9% at the Washing Plant.

The proportion of women in our workforce moved from 52.2% in 2023 to 43.9% in 2025, a second consecutive year of movement in this direction, reflecting the composition of our recent hiring, which has been weighted toward the washing and finishing operations. The expansion of night shifts at these operations, where the workforce has historically been predominantly male, is a key driver of this shift. The concentration is visible at unit level: women are 50.8% of the workforce at MBM Garments and 48.1% at Absolute Quality Wear, but 8.9% at the Washing Plant. We regard building back toward greater gender balance as a legitimate expectation of us, and our approach is set out under Diversity, Equity and Inclusion below.

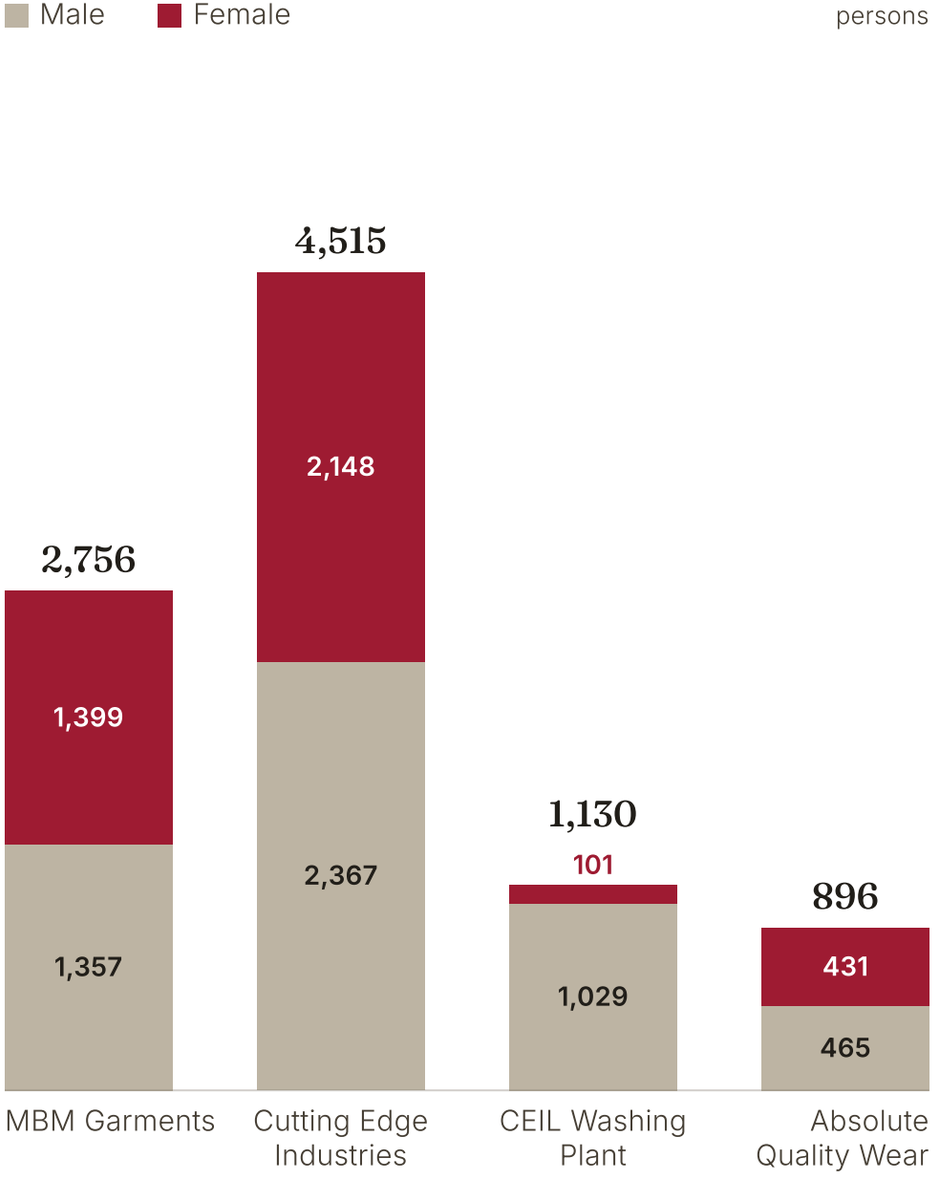
Labels applied to the shop floor and management populations in our 2024 report were transposed, and we have recorded this update in the restatement register. Separately, the basis on which employees are classified between the two categories has been placed on a single Group definition: management is an employee not entitled to overtime, worker an employee entitled to it. The 2024 comparative is updated on this basis, with total workforce unaffected.



WORKFORCE PROFILE

	2023	2024	2025
Total workforce	7,149	7,968	9,297
Male	3,414	4,082	5,218
Female	3,735	3,886	4,079
Female share	52.2%	48.8%	43.9%
Management and supervisory, Non-OT basis	—	1,461	1,416
Worker, OT basis	—	6,453	7,881

WORKFORCE PROFILE



Workforce by Age Band and by Operating Unit at 31 December 2025

WORKFORCE BY AGE BAND AND BY OPERATING UNIT AT 31 DECEMBER 2025

	MBM GARMENTS	CUTTING EDGE INDUSTRIES	CEIL WASHING PLANT	ABSOLUTE QUALITY WEAR	GROUP
Total workforce	2,756	4,515	1,130	896	9,297
Male	1,357	2,367	1,029	465	5,218
Female	1,399	2,148	101	431	4,079
Under 30	1,264	1,841	626	411	4,142
30 to 50	1,431	2,648	490	474	5,043
Over 50	61	26	14	11	112
Management and supervisory, Non-OT basis	484	575	215	142	1,416
Worker, OT basis	2,272	3,940	915	754	7,881
Employment type	Full-time permanent	Full-time permanent	Full-time permanent	Full-time permanent	Full-time permanent

Age is evaluated at each reporting month rather than once at year start, so an employee crosses a band on their birthday. 44.6% of our workforce is under thirty, 54.2% is between thirty and fifty, and 1.2% is over fifty. Of the 9,297 people employed at year end, none is under the age of eighteen.

SECTION 6

Recruitment

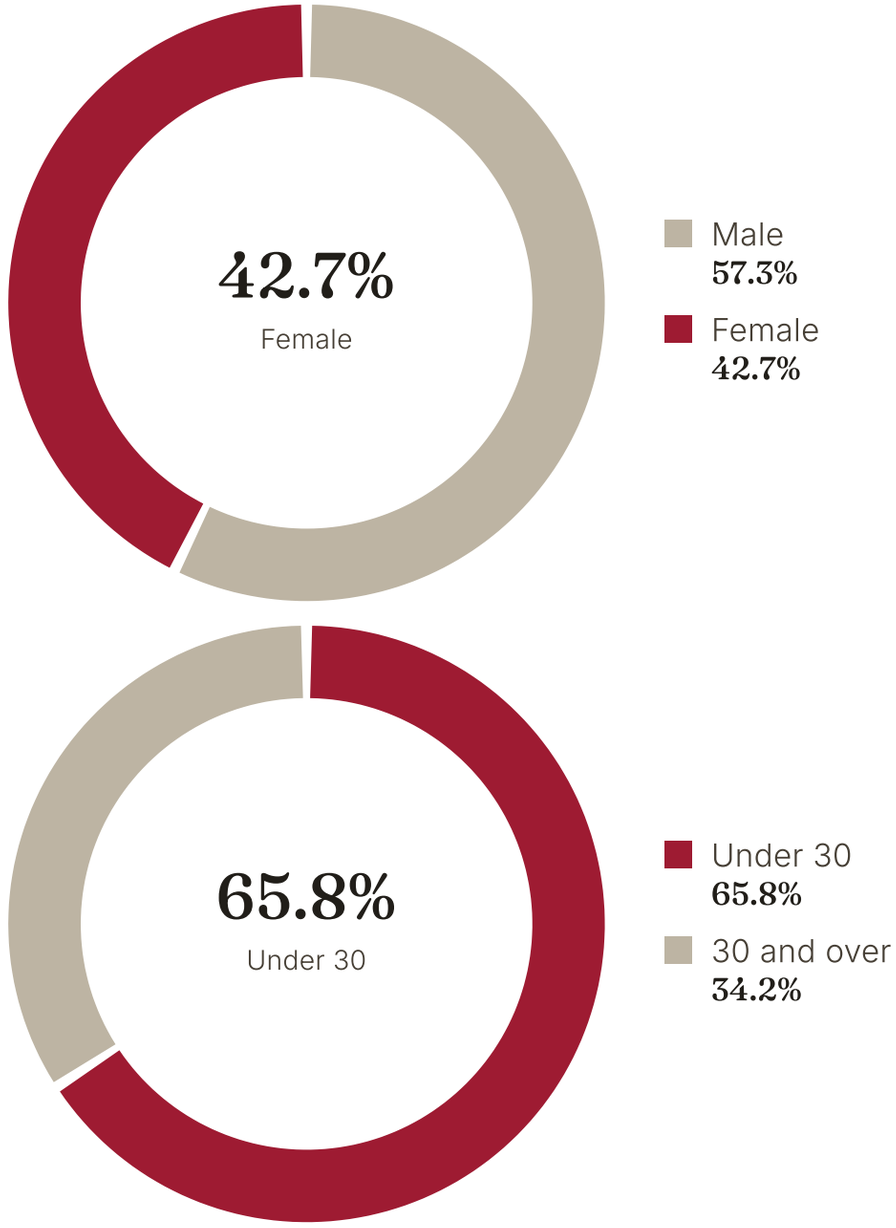
GRI 401-1

MBM Group is, for many of those we hire, a first formal employer, and the responsibility that carries is one we take seriously.

We recruited 5,619 people during 2025, of whom 3,700, being 65.8%, were under the age of thirty. That is equal to 60.4% of our year-end workforce, a rate that reflects both the scale of our expansion and the turnover discussed below. MBM Group is, for many of those we hire, a first formal employer, and the responsibility that carries is one we take seriously.

Rates are calculated on the year-end headcount of the population concerned. The picture they give is consistent: recruitment and departure both run hardest among the under-thirties and both run harder in Gazipur than in Dhaka. The under-thirty hiring rate of 89.3% against an under-thirty turnover rate of 70.7% is the clearest single statement of the churn this Group is managing, and it is the reason retention sits at the centre of our medium-term commitments.

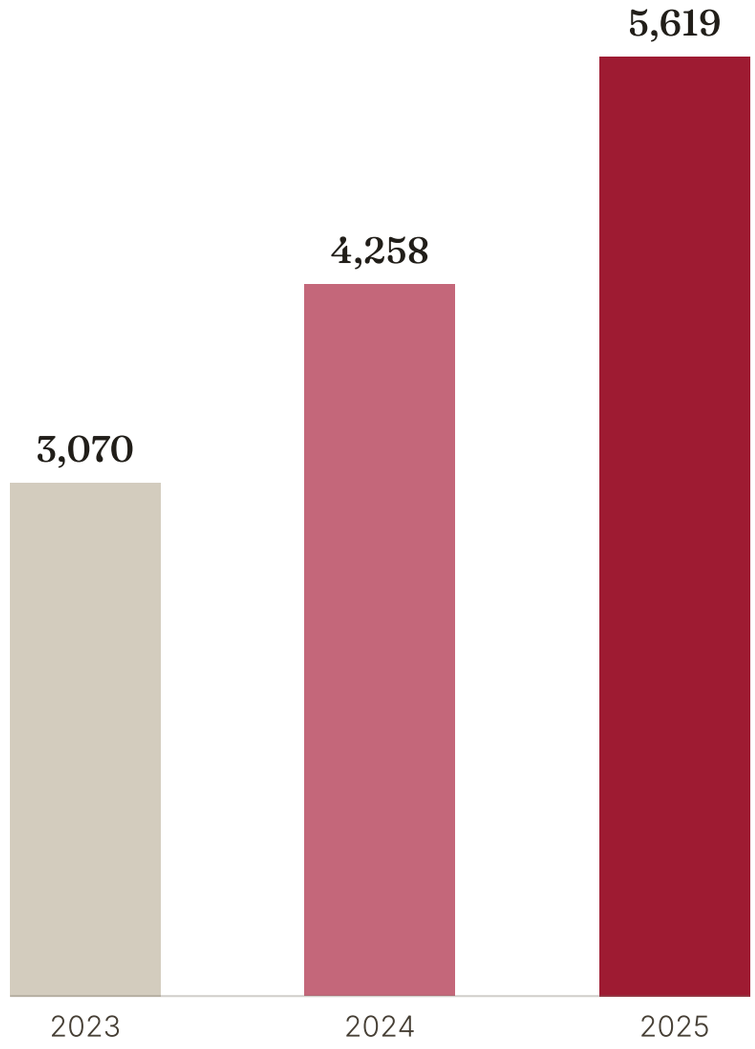
NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION, 2025



NEW EMPLOYEE HIRES BY AGE GROUP, GENDER AND REGION, 2025

CATEGORY	NEW HIRES	SHARE OF ALL HIRES	YEAR-END HEADCOUNT OF THE CATEGORY	HIRING RATE
Male	3,222	57.3%	5,218	61.7%
Female	2,397	42.7%	4,079	58.8%
Under 30	3,700	65.8%	4,142	89.3%
30 and over	1,919	34.2%	5,155	37.2%
Dhaka — MBM Garments Ltd.	1,444	25.7%	2,756	52.4%
Gazipur — Cutting Edge Industries Ltd., its Washing Plant and Absolute Quality Wear Ltd.	4,175	74.3%	6,541	63.8%
Group	**5,619**	**100%**	**9,297**	**60.4%**

NEW EMPLOYEE HIRES



New Employee Hires · Total new hires

RECRUITMENT

NEW EMPLOYEE HIRES

	2023	2024	2025
Total new hires	3,070	4,258	5,619
Male	—	—	3,222
Female	—	—	2,397
Under 30	—	—	3,700

NEW HIRES BY OPERATING UNIT, 2025

OPERATING UNIT	MALE	FEMALE	UNDER 30	TOTAL
MBM Garments Ltd.	642	802	1,046	1,444
Cutting Edge Industries Ltd.	1,224	1,194	1,382	2,418
Cutting Edge Industries Ltd. Washing Plant	1,026	38	878	1,064
Absolute Quality Wear Ltd.	330	363	394	693
Group	**3,222**	**2,397**	**3,700**	**5,619**



SECTION 6

Turnover

GRI 401-1 · ESRS S1-6

Management and shop floor behave differently — 35.5% against 58.1%.

Employee turnover in the ready-made garment sector runs high, and MBM Group reflects that broader industry pattern. Our 2024 report published a turnover rate of 3.75%. That figure was a monthly average, and it sat alongside a Vision 2030 commitment expressed in annual terms. We have placed turnover onto a consistent annual basis and presented it in this section with the management and worker populations separated, given that the two segments behave in different ways.

Group turnover was 54.7% in 2025 on a year-end headcount basis, against 51.4% in 2024. Shop-floor turnover accounts for the greater part of this movement, while turnover among management and supervisory staff moved in the opposite direction, falling to 35.5%. 5,084 people left the Group during the year, of whom 2,826 were men and 2,258 women, and 2,929 were under the age of thirty, being 57.6% of all leavers and 57.6% of the 5,082 for whom an age is recorded. Of the total, 4,581 were shop-floor employees on the overtime basis and 503 were management and supervisory staff. Two of the 5,084 leaver records carry a corrupt date of birth and therefore no age band, one at MBM Garments and one at the Washing Plant, so the age columns in the table below sum to 5,082 rather than 5,084. The records are otherwise complete and are included in every other breakdown; the date-of-birth fields are being corrected in the HR system.

ANNUAL TURNOVER RATE, PAYROLL BASIS

ANNUAL TURNOVER RATE	2023	2024	2025
Management and supervisory	39.8%	39.8%	35.5%
Shop floor	60.1%	53.4%	58.1%
Group	57.0%	51.4%	54.7%
Total leavers	4,072	4,097	5,084

TURNOVER

Management turnover is materially more stable than shop-floor turnover

LEAVERS BY OPERATING UNIT, GENDER AND AGE, 2025

OPERATING UNIT	MALE	FEMALE	UNDER 30	30 TO 50	OVER 50	TOTAL	MANAGEMENT TURNOVER	SHOP-FLOOR TURNOVER	GROUP TURNOVER
MBM Garments Ltd.	541	748	821	455	12	1,289	20.9%	52.3%	46.8%
Cutting Edge Industries Ltd.	1,186	1,139	1,160	1,157	8	2,325	42.8%	52.8%	51.5%
Cutting Edge Industries Ltd. Washing Plant	782	35	618	195	3	817	24.2%	83.6%	72.3%
Absolute Quality Wear Ltd.	317	336	330	320	3	653	73.2%	72.8%	72.9%
Group	**2,826**	**2,258**	**2,929**	**2,127**	**26**	**5,084**	**35.5%**	**58.1%**	**54.7%**

The pattern varies considerably between our units, shaped by distinct circumstances at each. Shop-floor turnover was 83.6% at the Cutting Edge Washing Plant, 72.8% at Absolute Quality Wear, 52.8% at Cutting Edge Industries and 52.3% at MBM Garments. At MBM Garments, the expansion from one shift to three during 2025 required recruiting approximately six hundred people, a hiring surge that carries its own probation-period dynamics. At the Cutting Edge Washing Plant, the 2025 figure reflects a more complete leaver count than prior years, giving us a fully recorded basis for this metric. Absolute Quality Wear is the one unit where management turnover, at 73.2%, runs close to its shop-floor rate, and we are examining why.

Retention is the outcome of many things that appear elsewhere in this section, from welfare programmes to health and safety performance to training investment, and improving it further is a continued focus of our work in each of those areas.

Employee Turnover by Age Group, Gender and Region, 2025

Turnover rates are calculated on the year-end headcount of the relevant population. Of the 5,084 departures, 2,132 were recorded as resignations and 2,952 as other departures. Retention is the outcome of many things that appear elsewhere in this section, from welfare programmes to health and safety performance to training investment, and improving it further is a continued focus of our work in each of those areas.

CATEGORY	LEAVERS	SHARE OF ALL LEAVERS	YEAR-END HEADCOUNT OF THE CATEGORY	TURNOVER RATE
Male	2,826	55.6%	5,218	54.2%
Female	2,258	44.4%	4,079	55.4%
Under 30	2,929	57.6%	4,142	70.7%
30 to 50	2,127	41.8%	5,043	42.2%
Over 50	26	0.5%	112	23.2%
Age not recorded	2	0.04%	—	—
Dhaka — MBM Garments Ltd.	1,289	25.4%	2,756	46.8%
Gazipur — Cutting Edge Industries Ltd., its Washing Plant and Absolute Quality Wear Ltd.	3,795	74.6%	6,541	58.0%
Group	**5,084**	**100%**	**9,297**	**54.7%**

SECTION 6

Benefits and Social Protection

GRI 401-2 · GRI 401-3 · ESRS S1-11 · ESRS S1-15

MBM Garments has provided a free lunch to its entire workforce since 1988, a commitment now in its thirty-eighth year, while our other three units provide subsidised meals.

All full-time employees at all four units receive the statutory benefit package together with additional Group provisions. These include festival bonuses, attendance and production incentives, transport, medical support, and maternity provision in accordance with the Bangladesh Labour Act. MBM Garments has provided a free lunch to its entire workforce since 1988, a commitment now in its thirty-eighth year, while our other three units provide subsidised meals.

The package is the same at both of our significant locations of operation with one difference. Statutory benefits, festival bonuses, attendance and production incentives, transport, medical support, life insurance on the overtime basis and maternity provision under the Bangladesh Labour Act apply identically in Dhaka and in Gazipur. The difference is the meal: MBM Garments in Dhaka has provided a free lunch to its entire workforce since 1988, now in its thirty-eighth year, while the three Gazipur units provide subsidised meals. No benefit is provided at one location and withheld at the other, and none is restricted to full-time employees because the Group employs no part-time or temporary workers.



BENEFITS AND SOCIAL PROTECTION

Coverage reached 7,881 people at 31 December 2025, being the whole of the worker population and 84.8% of total headcount.

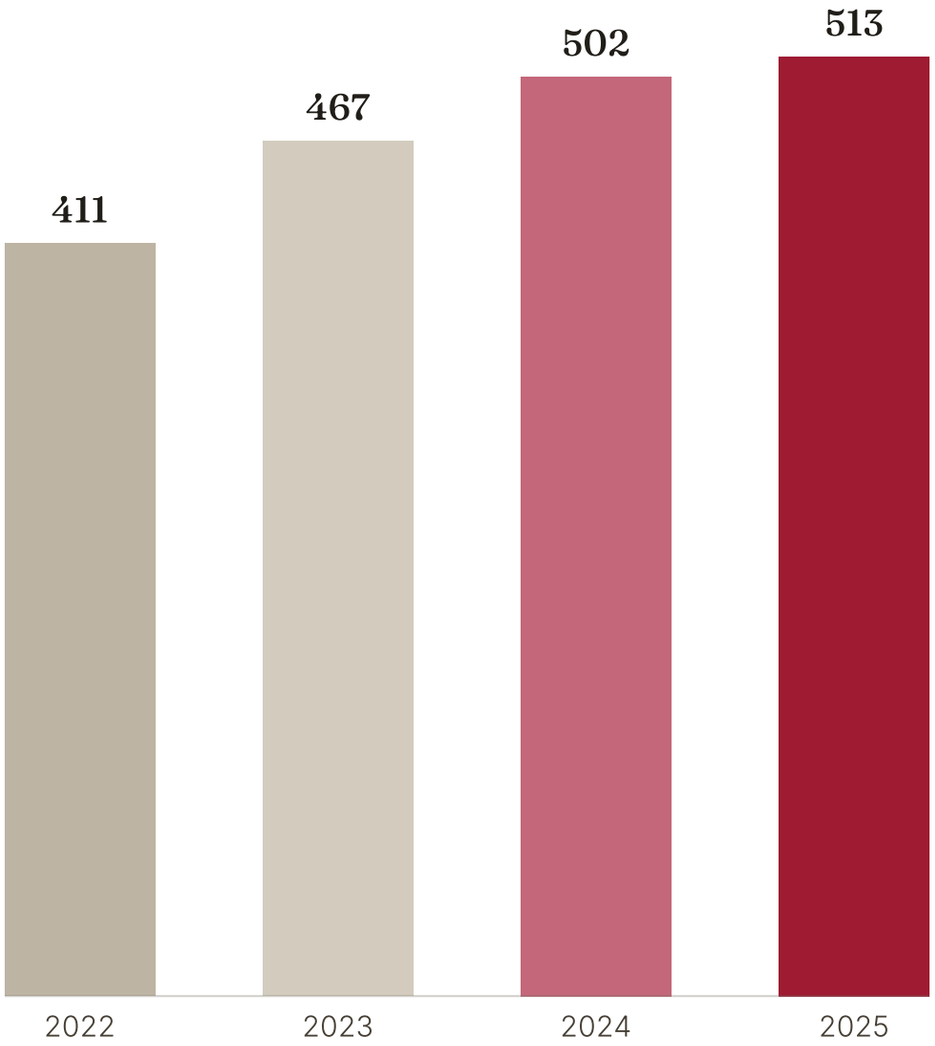
All employees on the overtime basis at all four units are covered by life insurance from the point of joining. Coverage reached 7,881 people at 31 December 2025, being the whole of the worker population and 84.8% of total headcount. The cover follows the worker classification rather than total headcount, and management and supervisory employees are covered under separate arrangements that are not included in this figure. Extending a single consolidated life cover across both populations is under review.

We do not operate a separate retirement provision or provident fund. Statutory service benefit is provided under the Bangladesh Labour Act 2006 in every year, funded from general Group resources. 173 employees took parental leave during 2025, and 118 employees returned from parental leave and remained in employment for at least twelve months after returning. The returner figure carries a twelve-month qualifying period, so it is a retention measure rather than a return-to-work rate, and returners in a year will not equal leave-takers in that year. We report it on that basis rather than present it as a return rate it is not.





INTEREST-FREE AND FLEXIBLE LOANS EXTENDED



Interest-Free and Flexible Loans Extended · Loans extended

PARENTAL LEAVE

	2023	2024	2025
Employees taking parental leave	198	172	173
Employees returning from parental leave and retained twelve months	—	—	118

PARENTAL LEAVE AND LIFE INSURANCE BY OPERATING UNIT, 2025

OPERATING UNIT	PARENTAL LEAVE TAKEN	RETURNED AND RETAINED TWELVE MONTHS	EMPLOYEES COVERED BY LIFE INSURANCE
MBM Garments Ltd.	64	7	2,272
Cutting Edge Industries Ltd.	77	82	3,940
Cutting Edge Industries Ltd. Washing Plant	2	2	915
Absolute Quality Wear Ltd.	30	27	754
Group	**173**	**118**	**7,881**

SECTION 6

Wages

GRI 202-1 · ESRS S1-10

The statutory minimum for the ready-made garment sector is BDT 12,500 per month, raised from BDT 8,000 with effect from December 2023.

Between 10.2% and 47.9% by unit sit exactly at the floor for their grade.

Total wages and employee benefits distributed across the Group are reported in Section 7.4 under our economic disclosures, on a gross employment cost basis and on the fiscal year 2024-25, which is the period every monetary figure in this report covers.

100% of employees at all four units are paid at or above the statutory minimum wage, verified through independent social audit. The statutory minimum for the ready-made garment sector is BDT 12,500 per month, raised from BDT 8,000 with effect from December 2023.

We are also disclosing a second measure for the first time, distribution above the statutory floor, because compliance with a floor and distribution above it are different questions. The measure counts employees on the overtime basis whose contractual monthly gross equals the Bangladesh ready-made garment gazette rate for their own grade exactly, under the 2023 gazette rates of BDT 15,035, 14,273, 13,550 and 12,500. It is tested on contractual entitlement for a full month of normal hours, not on the amount payable through the bank in a given month, because testing on paid amounts creates false breaches in any short month. The proportion varies considerably between our units, from 10.2% at Absolute Quality Wear to 47.9% at the Washing Plant. The concentration at the Washing Plant reflects an operation with a higher proportion of entry-grade roles.

Employees Remunerated Exactly at the Gazette Rate for Their Grade, December 2025

OPERATING UNIT	SHARE OF OVERTIME-BASIS EMPLOYEES AT THE GAZETTE RATE FOR THEIR GRADE	EMPLOYEES BELOW THE GAZETTE MINIMUM FOR THEIR GRADE
MBM Garments Ltd.	20.3%	0
Cutting Edge Industries Ltd.	25.2%	1
Cutting Edge Industries Ltd. Washing Plant	47.9%	0
Absolute Quality Wear Ltd.	10.2%	0
Group	**Not summable across units**	**1**

One employee across the Group was identified as remunerated below the gazette minimum for their grade during 2025: a Cutting Edge Industries associate promoted to Grade 3 in November on BDT 13,405 against a rate of BDT 13,550, a shortfall of BDT 145 a month arising from the promotion not carrying through to the pay record. The case was identified through our own monthly testing and is under payroll correction. The figure is the number of persons in the highest month rather than a sum across months, because summing would count one person once for every month the condition persisted. The test is applied against both gazette schedules, Tafsil-Ka for production grades and Tafsil-Kha for support categories, and a breach is counted only where an employee falls below both.

SECTION 6

Diversity, Equity and Inclusion

GRI 405-1 · GRI 405-2 · GRI 406-1 · ESRS S1-9 · ESRS S1-16 · ESRS S1-17

Elevating a woman to supervisor on the shop floor is only half the work; the other half is making sure the floor she now leads is ready to follow her.

Reported on a Non-OT basis applied consistently across all four units.

MBM Group is committed to a workplace in which opportunity is determined by capability. That commitment extends beyond increasing female representation in the corporate office to the shop floors as well, a gap that is prevalent across the RMG industry, and one we are closing through our ongoing female leadership programme, run in conjunction with the Jahan literacy programme.





DIVERSITY, EQUITY AND INCLUSION

A dedicated Anti-Harassment Committee was established following the Bangladesh Labour Law amendment of 17 November 2025.

Elevating a woman to supervisor on the shop floor is only half the work; the other half is making sure the floor she now leads is ready to follow her. We have run dedicated receptiveness training for male shop-floor employees, built specifically to prepare them to work under and take direction from female supervisors. On the other side of that same relationship, we engaged professors from a leading business school in Bangladesh to deliver soft-skill training to the women we are developing into supervisory roles, giving them the communication and leadership tools the position demands. This pairing, preparing the floor and preparing the leader, sits alongside the other programmes underway to build toward our Vision 2030 commitment. Gender sensitivity and equity training was delivered across all units during 2025. Our participation in Better Work Bangladesh includes GEAR, a programme specifically designed to advance women into supervisory roles. We also operate the Jahan programme, a structured initiative supporting underprivileged women in our workforce through leadership development, technical training and literacy support, recognised with the Bangladesh Brand Forum's Inspiring Women's Award in 2024. A dedicated Anti-Harassment Committee was established following the Bangladesh Labour Law amendment of 17 November 2025.

DIVERSITY, EQUITY AND INCLUSION

For this reporting period, we have unified the definition of management and supervisory classification across all four units, following overtime entitlement: an employee entitled to overtime is a worker, an employee not entitled to overtime is management. This definition is applied uniformly across all four units in this report and to the 2024 comparative. It redistributes how our people are classified; it does not change the total, which remains 9,297.

Minority and indigenous representation stood at 377 employees at 31 December 2025, being 4.06% of our workforce, comprising 201 at Cutting Edge Industries, 86 at MBM Garments, 56 at the Washing Plant and 34 at Absolute Quality Wear. Our 2024 report published minority representation as 4%. A recomputation undertaken during the preparation of this report produced a materially lower figure, and we had intended to restate on that basis. Re-sourcing the count from the monthly unit records establishes that the original basis was the correct one and that the lower figure rested on an incomplete extract. The 2024 figure as published therefore stands, no restatement is made, and the 2025 figure is reported on the same basis. We record the sequence here because the intended restatement was visible in our working papers and its withdrawal should be visible too. Prior-year counts on the current unit-level basis are not reproducible and are not presented.

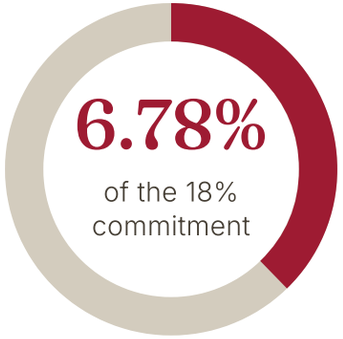
On the Non-OT basis, 96 women held management or supervisory positions in 2025 within a management population of 1,416, giving 6.78%. The comparable 2024 figure is 107 of 1,461, or 7.32%, against a Vision 2030 commitment of 18%. It is concentrated at unit level: 43 of the 96 are at MBM Garments and 39 at Cutting Edge Industries, while the Washing Plant has one woman in its management population of 215. There are no women in top management at any of our four units, and none on our Board of Directors, as disclosed in Section 4.

The gender cut of employee category is disclosed above and the age cut of the workforce as a whole is disclosed in Section 6.1. Bringing the two together is a reporting change scheduled for 2026.



DIVERSITY METRICS, MANAGEMENT POPULATION ON THE NON-OT BASIS

	2023	2024	2025
Women in management and supervisory positions	—	107	96
Women in leadership as % of management	—	7.32%	6.78%
Employees from indigenous or minority groups	—	—	377
Minority and indigenous employees as % of workforce	—	—	4.06%
Employees with disabilities	13	18	Not held on a consolidated basis; collection begins 2026



Achieve 18% Women in Leadership

DIVERSITY BY OPERATING UNIT, 2025

OPERATING UNIT	MANAGEMENT POPULATION	WOMEN IN MANAGEMENT	WOMEN IN MANAGEMENT %	MINORITY OR INDIGENOUS EMPLOYEES
MBM Garments Ltd.	484	43	8.88%	86
Cutting Edge Industries Ltd.	575	39	6.78%	201
Cutting Edge Industries Ltd. Washing Plant	215	1	0.47%	56
Absolute Quality Wear Ltd.	142	13	9.15%	34
Group	**1,416**	**96**	**6.78%**	**377**

MBM Group applies a single remuneration structure across each employee category without differentiation by gender. Wage grades are determined by role, skill level and length of service. Specific pay ratios are yet to be disclosed, consistent with our 2024 position.

A formal Anti-Harassment, Non-Discrimination and Gender Equity Policy is in place across all units, with named accountability at each site. No incidents of discrimination were reported at any of our four units during 2023, 2024 or 2025.

SECTION 6

Training and Development

GRI 404-1 · GRI 404-2 · GRI 404-3 · ESRS S1-13

46,211.5 hours delivered across 1,205 sessions, an average of 4.97 hours per employee.

Training is the most direct investment we make in the people who work for us. During 2025 we delivered 1,205 training sessions across the four units, recording 51,683 attendances and 46,211.5 hours of training. Measured against our year-end workforce of 9,297, that is an average of 4.97 hours per employee, ranging from 4.34 hours at the Washing Plant to 6.20 hours at Absolute Quality Wear. Of the attendances recorded, 27,083 were by women and 24,600 by men.

Attendances are session sign-ins rather than distinct individuals: a person attending four sessions counts four times. We do not hold a reconciled count of distinct individuals trained for 2025, and we therefore do not report a coverage percentage of the workforce. Building a de-duplicated individual count is a defined action for 2026.

TRAINING REACH AND HOURS

1,205	51,683	4.97 hours
Training sessions delivered	Training attendances recorded	Average training hours per employee



Training Delivery by Operating Unit, 2025

OPERATING UNIT	SESSIONS	ATTENDANCES — MALE	ATTENDANCES — FEMALE	ATTENDANCES — TOTAL	HOURS DELIVERED	AVERAGE HOURS PER EMPLOYEE
MBM Garments Ltd.	220	9,537	14,866	24,403	15,700.5	5.92
Cutting Edge Industries Ltd.	385	8,645	7,368	16,013	20,394.3	4.52
Cutting Edge Industries Ltd. Washing Plant	210	4,393	1,326	5,719	4,582.4	4.34
Absolute Quality Wear Ltd.	390	2,025	3,523	5,548	5,534.4	6.20
Group	**1,205**	**24,600**	**27,083**	**51,683**	**46,211.5**	**4.97**

Our training programme covers occupational health and safety, fire safety and emergency response, chemical handling where applicable, quality and technical skills, workers' rights and freedom of association, and workplace conduct. Approximately 800 management and supervisory staff received role-specific development during the year, and 62 security personnel received specialised training. 100% of employees at all four units receive regular performance and career development reviews. The coverage is complete in every cut of the population GRI 404-3 asks for: 100% of men and 100% of women, and 100% of both the management and supervisory population on the non-overtime basis and the worker population on the overtime basis. Because coverage is universal, the percentage is the same in every category and we report it as such rather than repeat 100% across a table.



SECTION 6

Freedom of Association and Social Dialogue

GRI 2-30 · GRI 402-1 · GRI 407-1 · ESRS S1-2 · ESRS S1-8

MBM Group recognises freedom of association and the right to collective bargaining as fundamental, and both are protected under our Freedom of Association and Collective Bargaining Policy.

No trade union or collective bargaining agent is registered at any of the Group's operating entities, and no collective agreement has been concluded. As such, no employees of MBM Group are covered by collective bargaining agreements.

MBM Group respects workers' right to freedom of association and collective bargaining, as set out in its Policy and Procedure on Collective Bargaining and Freedom of Association. Membership of any lawful workers' organisation is voluntary, management does not interfere in the election or functioning of worker representatives, and no worker faces retaliation for raising a concern in good faith or acting as a representative.

Under the policy, workers raise employment matters — including wages and lawful allowances, working hours, overtime and leave, working environment, occupational health and safety, welfare benefits, and terms of employment — through elected Participation Committees, worker representatives, the grievance mechanism, HR and Compliance, and the factory hotline. Matters are discussed in good faith and escalate through the worker representative or Participation Committee, HR, and senior management, to the competent authority or lawful external mechanism where unresolved. Where a trade union or collective bargaining agent becomes legally applicable, negotiation is conducted under the Bangladesh Labour Act 2006 and Labour Rules 2015. For all employees, terms and working conditions are currently determined by the Act and the Rules and through consultation with the Participation Committees.

FREEDOM OF ASSOCIATION AND SOCIAL DIALOGUE

Wage payment dates, overtime rates, the grievance channels described in Section 4, and the statutory minimum wage schedule are displayed on those boards in Bangla throughout the year.

Our units support worker rights through continued monthly rights education covering freedom of association and collective bargaining, refresher training for workers and supervisors, and a public address system used for workplace communication and awareness. No operation or supplier was identified as being at risk in respect of freedom of association or collective bargaining at any unit in any year reported.

Because no collective agreement is in force at any unit, no minimum notice period regarding operational changes is specified by agreement. Notice is given as and when a change arises rather than against a fixed number of days. Where an operational change materially affects employees, it is raised with the elected Participation Committee at the unit and communicated to the workforce before it takes effect, through the notice board, line briefing and the public address system. Where the Bangladesh Labour Act 2006 or the Labour Rules 2015 prescribe a period for a particular change, that statutory period applies and is observed.

Other operational communications follow the same route. The annual holiday calendar is posted on the notice board available in each business unit, and any change to it is posted in the same place. Wage payment dates, overtime rates, the grievance channels described in Section 4, and the statutory minimum wage schedule are displayed on those boards in Bangla throughout the year.



SECTION 6

Prioritizing Health, Safety and Well-being

GRI 403-1 · GRI 403-2 · GRI 403-3 · GRI 403-4 · GRI 403-5 · GRI 403-6 · GRI 403-8 · GRI 403-9 · GRI 403-10 · ESRS S1-14

Health and safety at MBM Group goes well beyond keeping people safe on the line. Our medical centres distribute close to 40 types of essential medicines free of charge, our Clear Vision Programme gave almost 1,500 people their first pair of glasses to our associates, and our calendar of health camps runs from TB screening to diabetes and cancer awareness to free mental well-being sessions, in alignment with our value of delivering excellence to every stakeholder, especially our associates.

Zero cases of work-related ill health in any year reported.

PRIORITIZING HEALTH, SAFETY AND WELL-BEING

All 9,297 employees across the four units are covered by this system, being 100% of our workforce.

All four units operate an occupational health and safety management system implemented in accordance with the Bangladesh Labour Act and Labour Rules, buyer code requirements, and the standards of the RMG Sustainability Council and Nirapon. All 9,297 employees across the four units are covered by this system, being 100% of our workforce. The system is not certified to an external management system standard; no ISO certification is held at any facility. Coverage extends to every person working at our sites under our operational control, and no category of worker is excluded from it.

Hazard identification and risk assessment is conducted through scheduled inspections, factory walkthroughs, incident investigation and worker reporting. Each unit maintains a formal Safety Committee constituted under the Labour Rules with worker and management representation, meeting on a regular cycle with documented proceedings and follow-up on actions raised.

Across three years and a workforce that grew from 7,149 to 9,297 people, this is the disclosure in this section we hold with the greatest confidence.

MBM Group recorded zero work-related fatalities and zero major injuries at any of its four operating units in 2023, 2024 or 2025, and zero cases of work-related ill health were recorded in any year. Across three years and a workforce that grew from 7,149 to 9,297 people, this is the disclosure in this section we hold with the greatest confidence.

Minor injuries numbered 55 during 2025, predominantly cuts, lacerations and needle-related injuries consistent with garment manufacturing operations, each treated through on-site medical provision. 29 occurred at Cutting Edge Industries, 17 at Absolute Quality Wear, 8 at MBM Garments and 1 at the Washing Plant.

We are able to report injury rates for the first time in this cycle. Consolidated hours worked across the four units are now compiled monthly from the payroll and attendance systems, giving 28,107,615.6 hours for 2025, comprising 21,310,460.1 regular hours and 6,797,155.5 overtime hours. On that denominator the recordable work-related injury rate is 1.96 per million hours worked, the rate of high-consequence injury is nil and the fatality rate is nil. The corresponding rates on the 200,000-hour basis are 0.391, nil and nil. Prior-year rates cannot be computed, because hours worked were not compiled on a consolidated basis before 2025, and the absolute counts remain the comparable measure across the three years.

1.96

rate per 1,000,000 hours worked, Group, 2025

SAFETY PERFORMANCE

	2023	2024	2025
Work-related fatalities	zero	zero	zero
Work-related major injuries	zero	zero	zero
Work-related minor injuries	54	54	55
Cases of work-related ill health	zero	zero	zero





PRIORITIZING HEALTH, SAFETY AND WELL-BEING

On eye care, our Clear Vision Programme, run in conjunction with BRAC Bank and Vision Spring, gave close to 1,500 people their first pair of glasses through our eye camps.

MBM Garments operates an in-house medical centre with qualified medical staff, and all four units provide on-site first aid, medical rooms and access to referral care, together with general and statutory health checks. Our medical centres distribute approximately 40 types of essential medicines free of charge, giving employees direct access to routine care without cost as a barrier.

Beyond day-to-day medical support, we run a calendar of regular health camps that extends well past statutory requirements. These include TB screening and treatment, diabetes and cancer awareness sessions, and monthly medical camps for the wider workforce. On mental health, we offer free wellbeing and stress management sessions as part of our voluntary health promotion, alongside the mental health awareness programming newl. Maternal and reproductive health receives dedicated attention through free medicine and regular checkups for expecting mothers, reproductive health and hygiene awareness, and subsidised sanitary products for our grassroots associates. On eye care, our Clear Vision Programme, run in conjunction with BRAC Bank and Vision Spring, gave close to 1,500 people their first pair of glasses through our eye camps.

Work-Related Injury Rates and Hours Worked, 2025

INDICATOR	MBM GARMENTS	CUTTING EDGE INDUSTRIES	CEIL WASHING PLANT	ABSOLUTE QUALITY WEAR	GROUP
Regular hours worked	6,226,957	10,600,806	2,405,202	2,077,496	21,310,460
Overtime hours worked	1,991,578	3,449,328	725,790	630,459	6,797,156
Total hours worked	8,218,536	14,050,134	3,130,991	2,707,955	28,107,616
Recordable work-related injuries	8	29	1	17	55
Rate per 1,000,000 hours worked	0.97	2.06	0.32	6.28	1.96
High-consequence work-related injuries	0	0	0	0	0
Work-related fatalities	0	0	0	0	0
Cases of work-related ill health	0	0	0	0	0
Safety Committee meetings held	11	12	12	4	39
Workers' Participation Committee meetings held	8	12	12	7	39

Absolute Quality Wear carries a recordable injury rate more than three times the Group average on the smallest hours base of the four units. We disclose the unit rates rather than the Group rate alone because the Group rate conceals that, and a rate that conceals its own outlier is of limited use. A targeted review of the unit's hazard identification and machine guarding practice is underway.





SECTION 6

Human Rights

GRI 408-1 · GRI 409-1 · ESRS S1-1

MBM Group maintains policies on child labour remediation, young labour, forced labour, working hours, and freedom of association, applicable across all four units and extended to our suppliers through the Supplier Code of Conduct.

No person under the age of eighteen is employed at any MBM Group operating unit, a position verified through independent social audit in every year reported. Our Child Labour Remediation Policy establishes the procedure to be followed should any such case be identified, including provision for the education and welfare of the individual concerned.

Our units respect the rights of indigenous peoples and maintain secure employment conditions throughout our own operations. Recruitment is conducted directly and without recruitment fees charged to workers. One arrangement identified during the 2025 assessment cycle ran contrary to this. At the Washing Unit, daily labour was engaged through a subcontracting agency for label cutting and waste segregation without the required Department of Inspection for Factories and Establishments licence, without an account under the Employees Social Protection Fund, and without service books, job cards, payment sheets, overtime sheets or wage slips. The arrangement has been discontinued and the finding closed. No agency or contract workers were recorded at MBM Garments, and no subcontracting of the production process was found at any entity. We disclose this because contracting and subcontracted labour is one of the thirteen material topics determined for 2025, and because a finding that has been remediated is still a finding that occurred.

Several disclosures relating to workers in our value chain are not reported for 2025. We do not currently collect data on living wage assessment or social dialogue among the workers of our suppliers, nor on free prior and informed consent, migrant workers or land-related impacts. These fields do not exist within our present data collection framework. We have committed to establishing them, and consider it more useful to identify the gap precisely than to characterise the absence of data as an absence of risk.

SECTION 6

Community Engagement

GRI 413-1 · GRI 413-2 · ESRS S3-3 · ESRS S3-4

Through our MORE scholarship programme, we take on the entire responsibility for a child's education, from primary school all the way through graduation, an expression of the same culture of excellence delivered to every stakeholder.

Our effort of developing a culture that leaves a footprint of value delivery at MBM Group, is a continuous commitment, and nowhere is that clearer than in what we do for our associates' children. Through our MORE scholarship programme, we take on the entire responsibility for a child's education, from primary school all the way through graduation, an expression of the same culture of excellence delivered to every stakeholder. Our partnership with the JAAGO Foundation, active since 2018, provided school uniforms to 5,223 children in 2025 alone. Across our facilities, RO-purified drinking water stations, meeting WHO 2004 purity standards, give free access to clean water for 28,800 people in the communities surrounding MBM, CEIL and AQL, with CEIL and the Washing Plant sharing a single community water point given their proximity to one another.





5,223

children received school uniforms in 2025 alone, through our partnership with the JAAGO Foundation







COMMUNITY ENGAGEMENT

No negative impacts of our operations on local communities were identified at any unit during the reporting period.

Our operations sit within two principal community catchments, and our engagement is concentrated there. Interaction takes place through hygiene and health campaigns, educational support, participation in local religious and community institutions, and direct response where need arises.

During 2025 our units supported the MORE scholarship programme, uniform distribution and educational support through the JAAGO Foundation, pilgrimage assistance for employees, financial grants to associates in need, and the maintenance of community spaces. Absolute Quality Wear introduced new programmes during the year, providing financial support to neighbouring families whose homes were damaged by fire, and donations to sweeper communities, the third-gender community, educational institutions and local mosques. Cutting Edge Industries and the Washing Plant continued to provide drinking water access to surrounding communities, and MBM Garments continued its health and hygiene campaigns.

Total community investment for the fiscal year 2024-25 is reported in Section 7 under our indirect economic impacts, on a consolidated Group basis and on the fiscal-year basis applied to every monetary figure in this report. No negative impacts of our operations on local communities were identified at any unit during the reporting period.

SECTION 6

Supplier Social Assessment

GRI 414-1 · GRI 414-2 · ESRS S2-1 · ESRS S2-4

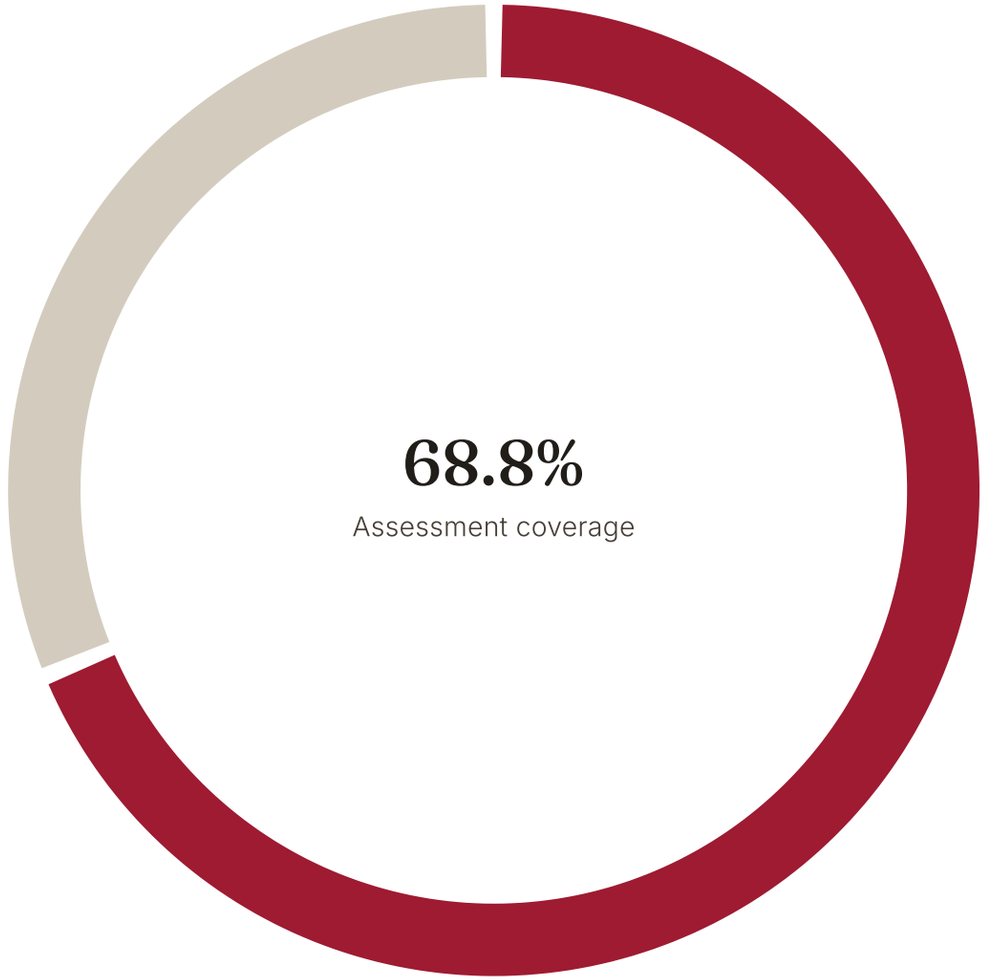
A narrower population than the procurement supply base reported in Section 7.

MBM Group assesses its suppliers against social criteria on an annual cycle, applying the Supplier Code of Conduct as the governing standard.

The population reported here comprises those suppliers falling within our social assessment programme. It is a narrower and separately defined group from the total procurement supply base of 331 suppliers reported in Section 7, and the two figures should not be compared directly or used as numerator and denominator of one another.

Our 2024 report stated that we worked with 30 suppliers, all of whom were assessed. Both figures are updated here on a clarified basis: the figure of 30 reflected a single unit's supplier count presented as a Group total, and assessment coverage in that year is now placed at 44 of 67 suppliers.

No significant negative social impacts were identified within our supply chain at any unit in any year reported, and no supplier relationship was terminated as a consequence of social or environmental assessment findings. MBM Group does not currently publish a list of its suppliers. We have committed to publishing a tier-one supplier list, and will confirm the timing of that disclosure in our next reporting cycle.



Supplier Social Assessment · 2025: 44 of 64 suppliers in the assessment population

SUPPLIER SOCIAL ASSESSMENT

	2023	2024	2025
Suppliers within the assessment population	62	67	64
Suppliers assessed against social criteria	42	44	44
Assessment coverage	—	65.7%	68.8%

It is the clearest illustration we have of why the business-relationship limb of this disclosure matters, and we report it rather than record a nil.

The same programme carries environmental criteria, and we report them here because our materiality assessment identifies supplier environmental assessment as part of the materials and sustainable sourcing topic. Our Supplier Code of Conduct sets environmental standards alongside labour and human rights standards, and every supplier accepts it at onboarding, so environmental screening covers the same population as the social assessment reported above. We do not record the count of suppliers screened against environmental criteria separately from those screened against social criteria, and separating the two counts is scheduled for 2026. No significant negative environmental impact was identified within our supply chain at any unit in any year reported, and no supplier relationship was terminated as a consequence of environmental assessment findings.

Occupational health and safety expectations travel the same route. The Supplier Code of Conduct sets them, buyer-commissioned audits test them at the suppliers our buyers nominate, and contractors working on our own sites are covered by the unit occupational health and safety management system for the duration of that work. The one arrangement in 2025 where those expectations were not met — daily labour engaged at the Washing Unit through an agency without the required licence or statutory social protection, described in Section 6.10 — was discontinued and the finding closed. It is the clearest illustration we have of why the business-relationship limb of this disclosure matters, and we report it rather than record a nil.

SECTION 6

Compliance

GRI 2-27 · ESRS S1-17

An audit programme that surfaces more findings is doing its work.

Labour compliance checks and audits are conducted annually at all four units, encompassing internal audit, buyer-commissioned audit and third-party certification assessment.

MBM Group incurred zero fines for non-compliance with regulations concerning working conditions or labour standards, and received zero non-monetary sanctions, warnings or prosecutions, during 2023, 2024 or 2025 at any of its operating units.

A significant instance is one that results in a monetary fine, a non-monetary sanction, a prosecution or a formal regulatory notice requiring corrective action, at any of the four units, under any law or regulation including labour, environmental, tax, customs and building law. Findings raised by buyer-commissioned or third-party social and environmental audits are not instances of non-compliance with law and are reported separately below. On that threshold there were no significant instances of non-compliance during 2023, 2024 or 2025, no fines, and no non-monetary sanctions.

LABOUR COMPLIANCE AUDIT FINDINGS

	2023	2024	2025
Findings raised through labour compliance audits	38	38	55
Findings closed within the reporting period	—	—	12
Fines and non-monetary sanctions for non-compliance	zero	zero	zero

Reflecting a more rigorous auditing programme across the Group, and in alignment with our drive to surface any issues at the grassroots, findings raised through compliance audits rose by 45% during 2025, from 38 to 55. Findings rose at Cutting Edge Industries to 21 and at the Washing Plant to 18, while falling at MBM Garments to 13, with 3 raised at Absolute Quality Wear. An audit programme that surfaces more findings is doing its work. 12 of the 55 were closed within the reporting period, with 10 closed at MBM Garments and 2 at Absolute Quality Wear; the remaining 43 were within their corrective action window at the year end and none had passed its agreed closure date. No finding resulted in a fine, sanction or prosecution.

1. Baseline year for social disclosures — 2022

2. The ratio of basic salary and remuneration of women to men under GRI 405-2, the entry-level wage ratio by gender under GRI 202-1, a de-duplicated count of individuals trained under GRI 404-1, the count of employees with disabilities, and value-chain worker disclosures under ESRS S2 are not reported for 2025. Work-related injury rates under GRI 403-9 are reported for 2025 for the first time; prior-year rates cannot be computed. Reasons are stated in the GRI and ESRS Content Index.

7

SECTION 7

Strategic Growth & Expansion

Economic Performance

BASELINE YEAR FISCAL YEAR 2024-25



HIGHLIGHTS

$137.86M
Revenue, Fiscal Year 2024-25

$101.04M
Raw Material Procurement Across the Group

$37.26M
Economic Value Distributed to Stakeholders

49.24%
Of Raw Material Procurement Directed to Local Suppliers

VISION 2030

50%
Increase in Revenue Against the Fiscal Year 2024-25 Baseline

10%
Reduction in Operating Costs Per Dollar Exported by 2030

15%
Reduction in Inventory Holding Costs Per Dollar Exported



SECTION 7

Strategic Approach

ESRS 2 SBM-1

That change makes our economic disclosures verifiable against an audited period for the first time.

An important pillar of the Bangladeshi economy, the ready-made clothing sector supports millions of people and generates major export income. Being one of the pioneers of this industry, our business is aware of the difficulties presented by a quickly changing worldwide market that is marked by increasing customer preferences and financial demands. As such, our economic strategy is positioned to secure our long-term growth and economic viability.

MBM Group has delivered its strongest economic performance to date, sustaining the momentum of recent years and further solidifying its position among the market leaders. Revenue for the fiscal year 2024-25 reached USD 137.86 million, being BDT 16,929 million converted at the Bangladesh Bank closing rate of 122.80 on 30 June 2025, and reflecting the depth of our buyer relationships and the maturity of our expanded manufacturing capacity. Our business strategy emphasizes the need for constant adaptation to a dynamic environment, and we achieve this by leveraging innovation and technology to drive operations, boost efficiency, and deliver outstanding products to consumers.

We have embraced automation, digitalization, and the integration of systems and processes across the value chain. With a focus on transformation, our business model evolves in line with changing market dynamics, adapting to emerging trends, and exploring new growth opportunities. This second year of reporting has also brought a deeper discipline to how we measure ourselves. Every monetary figure in this section is now reported on the fiscal year 1 July to 30 June, the period on which our statutory accounts are prepared, in place of the calendar-year management-accounts basis used in our inaugural report. That change makes our economic disclosures verifiable against an audited period for the first time. It also means the fiscal year 2024-25 stands alone, without prior-year comparatives, and that our economic Vision 2030 targets are rebased from it.

USD 137,858,525

Direct economic value generated — revenue

USD 37,258,122

Total economic value distributed

STRATEGIC APPROACH

The Sustainable Development Goals of the UN, particularly SDGs 8 and 9, are directly supported by our economic plan. This connection ensures that our financial growth supports Bangladesh's wider economic and social development.

Progress Against Vision 2030

ESRS MDR-T

Both economic targets are rebased onto the fiscal year in this cycle

Fiscal year 2024-25 is the baseline year for our economic commitments.

Our economic targets are measured from the fiscal year 2024-25. Revenue of USD 137.86 million becomes the baseline against which a 50% increase, to USD 206.79 million, is committed by 2030. Operating cost per dollar exported of 0.095676 becomes the baseline against which a 10% reduction, to 0.086108, is committed. Inventory holding cost per dollar exported will be reported for the first time in 2026, once the measurement basis is settled. Because this is the first year of the rebased series, progress against all three is nil by construction, and we report it that way rather than carry forward a percentage earned on a basis we have replaced.

SECTION 7

Economic Value Generated and Distributed

GRI 201-1 · ESRS 2 SBM-1

COMPONENT	USD	BASIS
Direct economic value generated — revenue	137,858,525	Audited accounts, fiscal year 2024-25
Economic value distributed — operating costs	13,189,788	Annual figure; presented as one twelfth per month in our monthly records
Economic value distributed — employee wages and benefits	20,310,419	Payroll ledger of USD 19,821,803 plus an unallocated festival bonus increment of USD 488,616
Economic value distributed — payments to government	3,716,654	Audited taxation across the three filing companies, BDT 456,405,120
Economic value distributed — community investment	41,261	Community investment records across the four units
Total economic value distributed	37,258,122	Sum of the four components above
Economic value retained	100,600,403	Generated less distributed

At MBM Group, we believe that true business success extends beyond financial metrics to encompass our broader role in the economic ecosystem. Direct economic value generated in the fiscal year 2024-25 was USD 137.86 million. Economic value distributed was USD 37.26 million and economic value retained USD 100.60 million. Value distributed comprises operating costs, employee wages and benefits, payments to government and community investment, each drawn from the same twelve months. Payments to providers of capital are not itemised separately and are not included within the distributed figure; the split between dividends and interest is not held in a reportable form, and this limitation is recorded in the Content Index against GRI 201-1.



SECTION 7

Employee Wages and Benefits

GRI 201-3 · ESRS S1-11 · GRI 401-2 · GRI 401-3 · ESRS S1-15

Wages and benefits of USD 20.31 million, disclosed with the reconciliation behind the figure.

Our people remain the foundation of everything MBM Group achieves, and the value we distribute to them is the largest single component of our economic contribution. Total wages and employee benefits for the fiscal year 2024-25 were USD 20.31 million, comprising wages, salary, overtime, bonus, other benefits and transportation. That is 14.7% of revenue for the same period. Of the total, USD 15.81 million was paid to employees on the overtime basis and USD 4.01 million to employees on the non-overtime basis, measured across the three reporting entities; the Washing Plant's payroll is booked within Cutting Edge Industries and is not separable in the financial ledgers.



Employee Wages and Benefits, Fiscal Year 2024-25 · USD, fiscal year 2024-25

Employee Wages and Benefits, Fiscal Year 2024-25

LINE	USD	NOTE
Wages and employee benefits per the payroll ledger	19,821,803	Sum of MBM Garments, Cutting Edge Industries including the Washing Plant, and Absolute Quality Wear
Of which paid on the overtime basis	15,810,340	Worker population
Of which paid on the non-overtime basis	4,011,463	Management and supervisory population
Festival bonus increment — unallocated	488,616	Three annual unit figures; no monthly detail and no overtime split
Total employee wages and benefits, GRI 201-1 basis	20,310,419	The figure carried into economic value distributed
Wages and benefits as a share of revenue	14.7%	Against revenue of USD 137,858,525

MBM Group does not operate a provident fund. Retirement provision is made through statutory service benefit under the Bangladesh Labour Act 2006, funded from the Group's general resources. The composition of employee benefit between retirement provision, bonus, earned leave and maternity benefit was previously disclosed on the calendar year and is not reproducible on the fiscal year from the ledgers as they currently stand. Rather than restate those components onto a period they were not prepared for, we disclose the total on the fiscal-year basis with the reconciliation behind it, and will carry the component split on the fiscal year from the 2026 cycle. The festival bonus increment shown below exists only as three annual unit figures with no employment breakdown behind it, and no allocation across months or between the overtime and non-overtime populations has been applied: two of the three entities could be allocated on their ledger ratios, but MBM Garments carries no festival bonus line in its ledger, leaving 70.7% of the increment with no basis for a split.

SECTION 7

Financial Assistance Received from Government

GRI 201-4

The Government of Bangladesh provides a cash incentive to ready-made garment exporters in recognition of the sector's contribution to national export earnings. MBM Group received cash incentive of USD 976,641 during the fiscal year 2024-25. Prior-year receipts were reported on the calendar year and are not reproduced here, for the reason set out in About This Report. No other form of government financial assistance, whether tax relief, grant, subsidy, award or investment support, was received during the period, and the Government of Bangladesh does not hold a shareholding in any MBM Group entity.

GOVERNMENT FINANCIAL ASSISTANCE, FISCAL YEAR 2024-25

ITEM	USD	BASIS
Cash incentive received on export proceeds	976,641	Credited on realisation of export proceeds
Tax relief, tax credits or grants	None	—
Investment grants, research and development grants or awards	None	—
Government shareholding in any reporting entity	None	—
Advance Income Tax deducted at source on export proceeds	1,294,632	Deducted at source as each realisation is received; forms part of total taxation assessed

SECTION 7

Market Presence and Entry-Level Wages

GRI 202-1 · ESRS S1-10

Audit-verified across all four units. We also disclose how many sit exactly at the floor.

The statutory minimum wage for the ready-made garment sector was raised to BDT 12,500 with effect from December 2023, and entry-level wages at MBM Group are at or above this statutory minimum in every case across all four of our operating units, a position verified through independent social audit.

MBM Group does not apply a fixed entry-level wage slab. Worker remuneration is determined according to skill level and staff remuneration against prevailing market benchmarks, with the statutory minimum serving as the floor in both cases. Minimum wage figures are reported in Bangladeshi Taka only, without USD conversion, because converting a fixed statutory rate at moving exchange rates produces a misleading trend. A fuller account of wage distribution across our workforce, including the proportion of employees remunerated at the statutory floor, is presented in Section 6.

STATUTORY MINIMUM WAGE, READY-MADE GARMENT SECTOR

BDT MONTHLY	2022	2023	2024	2025
Statutory minimum wage	BDT 8,000	BDT 8,000	BDT 12,500	BDT 12,500

PAYROLL BY REPORTING ENTITY, FISCAL YEAR 2024-25

REPORTING ENTITY	NON-OVERTIME PAYROLL	OVERTIME PAYROLL	TOTAL PAYROLL AND BENEFITS
MBM Garments Ltd.	USD 1,455,985	USD 4,741,317	USD 6,197,302
Cutting Edge Industries Ltd., including the Washing Plant	USD 2,112,839	USD 9,394,581	USD 11,507,420
Absolute Quality Wear Ltd.	USD 442,639	USD 1,674,442	USD 2,117,081
Group	**USD 4,011,463**	**USD 15,810,340**	**USD 19,821,803**

SECTION 7

Indirect Economic Impacts

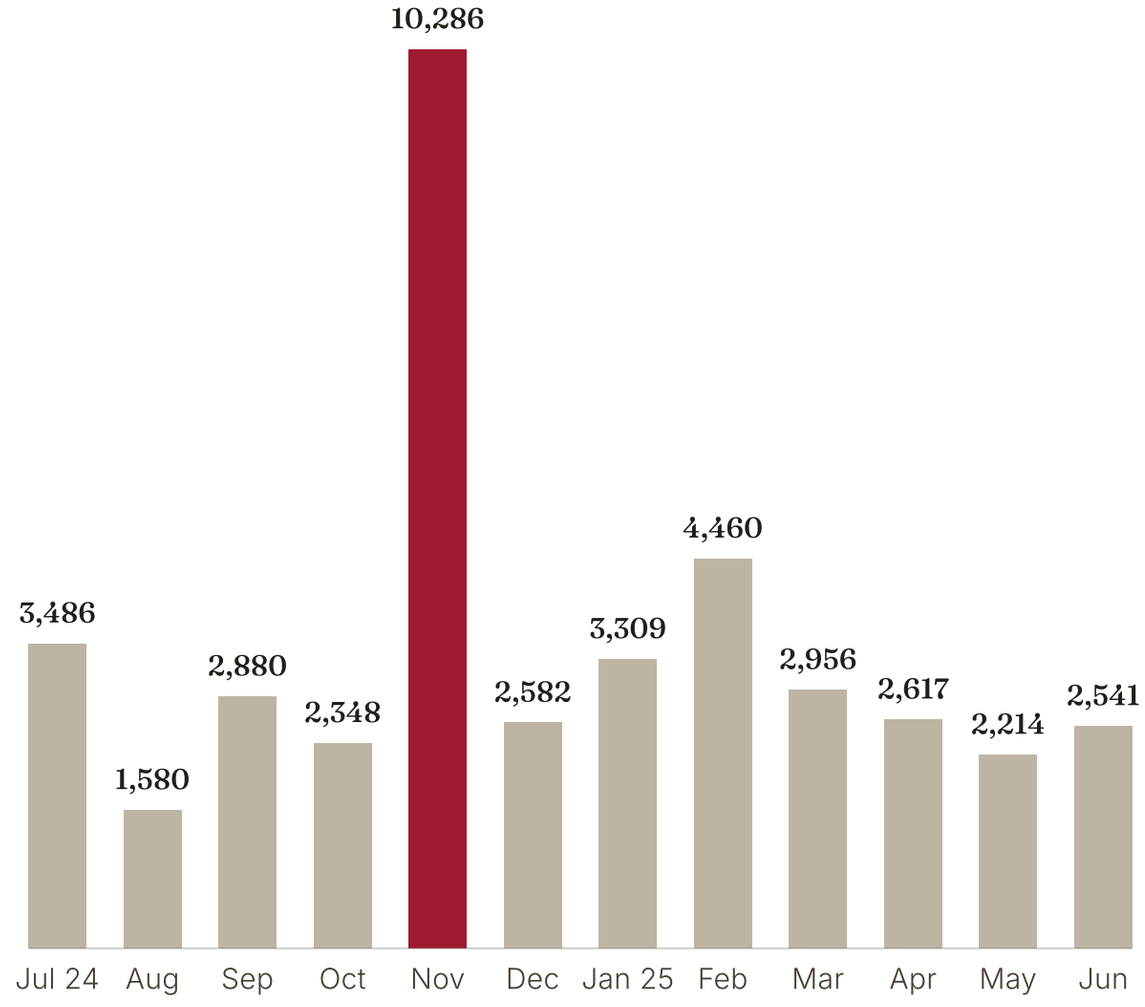
GRI 203-1 · GRI 203-2 · ESRS S3-4

Community investment of USD 41,261 in the fiscal year 2024-25, reported alongside the other channels through which value reaches the communities around us.

Our commitment to sustainable development extends beyond our direct operations, creating lasting value through strategic community investments. We promote social advancement and economic resilience in the areas we serve by building necessary infrastructure and promoting local well-being.

Community investment for the fiscal year 2024-25 was USD 41,261, of which the largest single month was November 2024 at USD 10,286. The period was one of upgrade and maintenance across our established community facilities rather than one of new construction, following the conclusion of the BSS 2 project, delivered in partnership with KfW DEG Impulse through the WASH for Communities programme, whose capital outflow completed. We recognise that sustaining community benefit over the longer term requires renewed capital commitment alongside the stewardship of what has already been built. Prior years were reported on the calendar year and are not reproduced here, for the reason set out in About This Report.

COMMUNITY INVESTMENT BY MONTH, FISCAL YEAR 2024-25



Community Investment by Month, Fiscal Year 2024-25 · USD, fiscal year 2024-25

Indirect Economic Impacts, Fiscal Year 2024-25

CHANNEL	FISCAL YEAR 2024-25	NATURE OF THE IMPACT ON THE COMMUNITY
Infrastructure development — cumulative facilities built	Eleven community masjids; three educational institutions; one special care unit for persons with disabilities; WASH infrastructure including drinking water stations, toilets and handwashing facilities	Commercial investment with a non-commercial return. Facilities remain in community use and are maintained by the Group
Infrastructure development — RO-purified drinking water stations	Free access for approximately 28,800 people in the communities around MBM Garments, Cutting Edge Industries and Absolute Quality Wear, to WHO 2004 purity standards	Direct public health benefit; reduces household expenditure on drinking water
Community investment — total expenditure	USD 41,261	Pro bono and in-kind programmes: MORE scholarships covering a child's education from primary school to graduation, JAAGO Foundation uniform distribution to 5,223 children, pilgrimage assistance, financial grants to associates in need, maintenance of community spaces, fire-damage support to neighbouring families, and donations to sweeper communities, the third-gender community, educational institutions and local mosques. Also includes infrastructure development and all other CSR costs.

We have now developed eleven community masjids, three educational institutions and a special care unit serving persons with disabilities, investing significantly in spaces that strengthen social cohesion and mental well-being. Our investments in Water, Sanitation and Hygiene infrastructure across underprivileged communities have created fundamental improvements in public health and living conditions, encompassing drinking water stations, toilets and handwashing facilities. These counts are cumulative, representing facilities developed since the programme began rather than additions during the reporting period.



Indirect Economic Impacts, Fiscal Year 2024-25

CHANNEL	FISCAL YEAR 2024-25	NATURE OF THE IMPACT ON THE COMMUNITY
Government incentives received	USD 976,641 cash incentive on export proceeds	Received by the Group in recognition of the sector's export contribution; supports the employment and local procurement reported in this section
Payments to government	USD 3,716,654 audited taxation, of which USD 1,294,632 Advance Income Tax deducted at source	Fiscal contribution to national development; the whole amount paid within Bangladesh
Licence and renewal fees paid to public bodies	USD 60,687	Regulatory and operating licences maintained across the four units
Employment and wages	9,297 employees; USD 20,310,419 in wages and benefits	The principal economic impact on the communities around our sites; 5,619 people were recruited during 2025, for many of whom this is a first formal job
Local procurement	USD 49,478,123.33 with local suppliers, being 49.24% of raw material procurement	Economic activity retained within the domestic supply base; shortens lead times for our buyers

SECTION 7

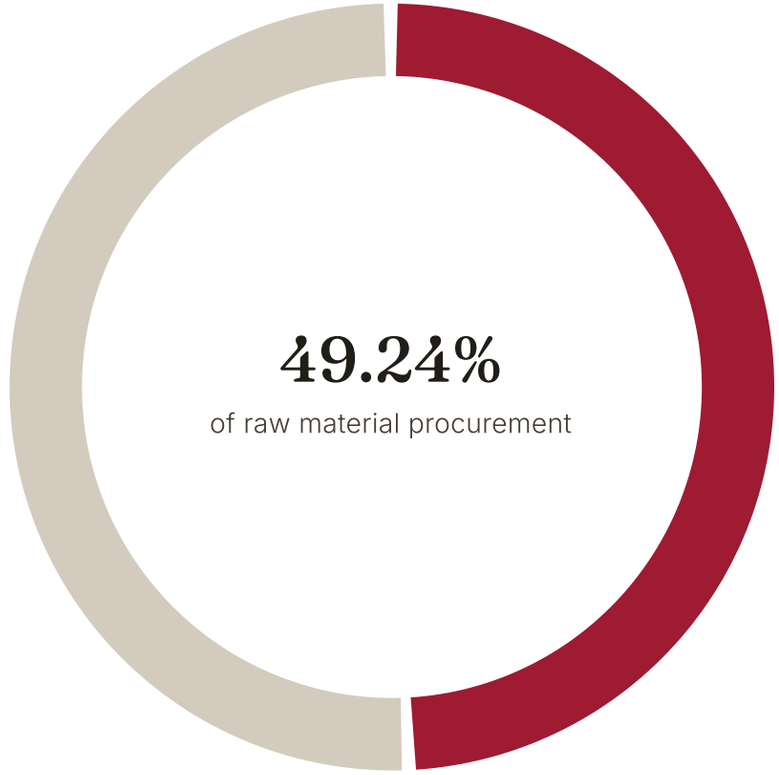
Procurement Practice

GRI 204-1 · ESRS G1-2

USD 49.75 million with local suppliers, against total raw material procurement of USD 101.04 million.

Procurement at MBM Group is structured to enhance operational capacity and support local economic development, emphasizing partnerships with local and diverse suppliers. Supplier performance is assessed through due diligence and compliance with the Supplier Code of Conduct, covering labour rights, environmental standards, and human rights. Third-party audits monitor supplier risk, and formal mitigation plans are implemented when negative impacts are identified.

In the fiscal year 2024-25, USD 49.75 million was directed to local suppliers, against total raw material procurement of USD 101.04 million across the Group. Local supplier spend therefore represents 49.24% of our raw material procurement, measured against the actual sourcing total. Local supplier spend is the value of accepted local procurement and is recorded in United States dollars. These partnerships reinforce workforce development and contribute to sustainable growth, reflecting MBM Group's commitment to an efficient supply chain and the well-being of the communities in which it operates.



Procurement Spend, Fiscal Year 2024-25

Reflecting a more complete measure of the economic value our procurement directs into the domestic economy, our methodology now includes locally manufactured goods procured through letter-of-credit channels, where our earlier methodology recognised only local purchases made outside those channels. The percentage disclosed above is calculated against total raw material procurement for the same fiscal year. Prior-year spend figures were reported on the calendar year against an estimated denominator; they are not comparable with the figure above and are not reproduced here.

PROCUREMENT PRACTICE

Procurement Spend, Fiscal Year 2024-25

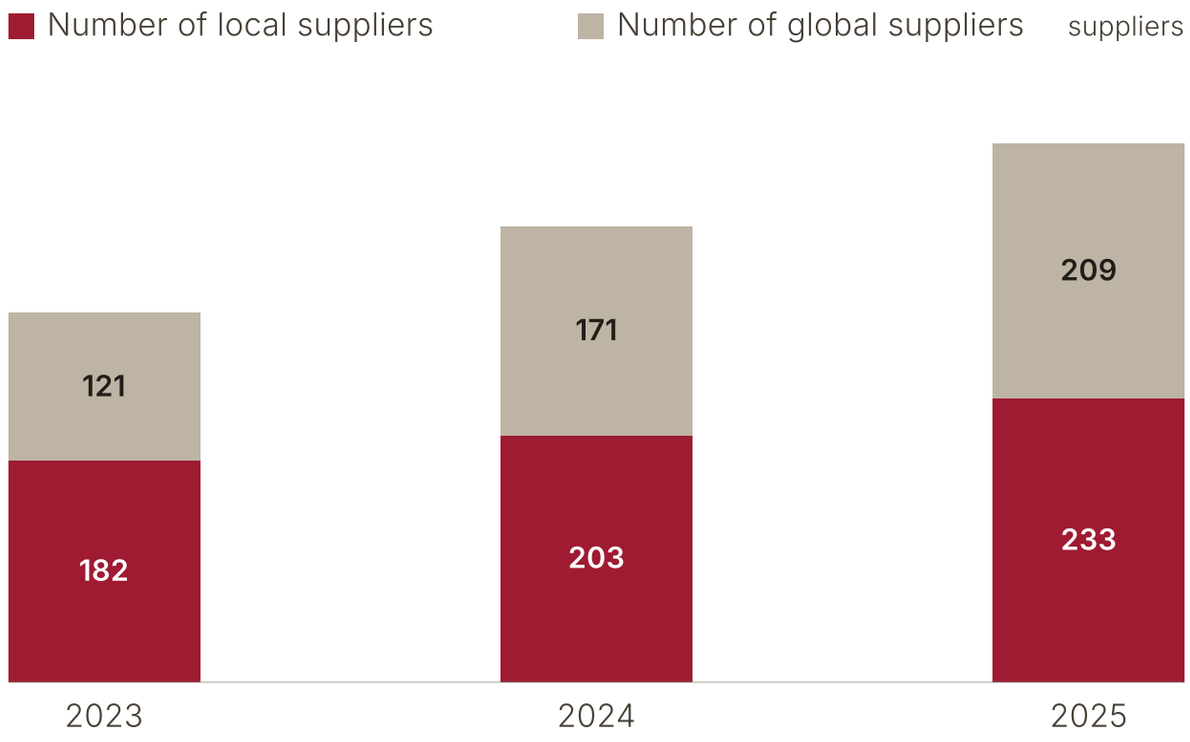
INDICATOR	FISCAL YEAR 2024-25
Total raw material procurement	USD 101,038,125
Spend with local suppliers	USD 49,478,123
Proportion of raw material procurement directed to local suppliers	49.24%

Our supply base is substantially buyer-nominated and varies from year to year with our buyer portfolio and the order mix associated with it. Within that framework we continue to pursue increased local procurement, both to strengthen economic opportunity within the domestic sector and to shorten lead times for our buyers. Supplier counts are maintained on the calendar year and are set out separately below so that the count basis and the spend basis are not confused with one another.

MBM Group has two significant locations of operation: Dhaka, where MBM Garments Ltd. operates, and Gazipur, where the other three units share a campus. The 49.24% reported above is the proportion for both taken together, and we are not able to split it between them. Procurement of raw material is centralised at Group level against buyer nominations that apply across units, a single order of fabric or trim is frequently allocated to more than one unit after it arrives, and the purchase ledger records the supplier and the Group entity rather than the receiving site. Any split we published would therefore be an allocation rather than a measurement. Both locations are within Bangladesh, so the whole of the local supplier spend is local to both. Recording the receiving site at the point of purchase is a system change scheduled for 2026, from which point the proportion will be reported for each location separately. We define a local supplier as one incorporated and operating in Bangladesh, and the figure counts the value of accepted local procurement.

PROCUREMENT PRACTICE

Supplier Counts, Calendar Year Basis



Supplier Counts, Calendar Year Basis · 2023 to 2025; the 2022 column of the table is not drawn

INDICATOR	2022	2023	2024	2025
Number of local suppliers	19	182	203	233
Number of global suppliers	6	121	171	209
Ratio of local to total suppliers	1:1.32	1:1.66	1:1.84	1:1.90

SECTION 7

Organisational Taxation

GRI 207-1 · GRI 207-2 · GRI 207-3 · GRI 207-4

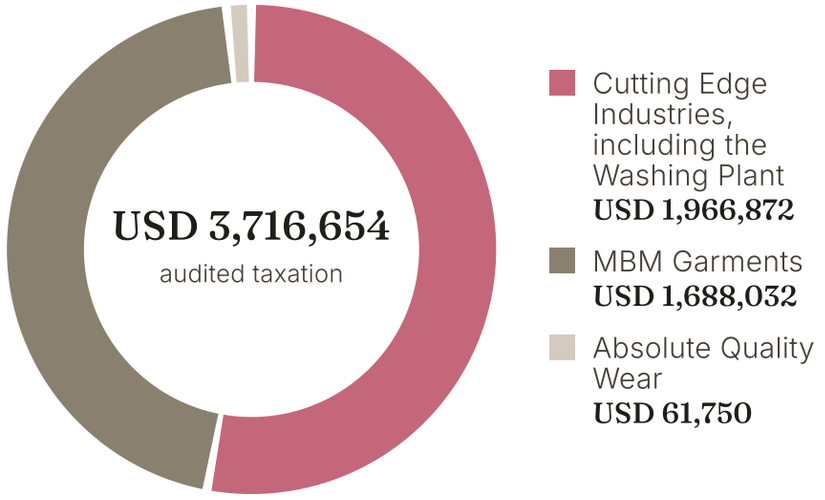
Audited fiscal-year taxation, on the same twelve months as every other monetary figure in this report.

MBM Group contributed USD 3.72 million, being BDT 456,405,120, in taxation during the fiscal year 2024-25 as recorded in our audited financial statements. This is the highest contribution the Group has made in any year and is the figure we regard as authoritative for our tax disclosure.

Our taxation figures are drawn from audited financial statements prepared on a fiscal-year basis. From this cycle every other monetary figure in this report is prepared on the same fiscal year, so the two bases now coincide and the dual presentation carried in our 2024 report is no longer required. Taxation is included within the statement of economic value generated and distributed above at the audited figure of USD 3.72 million, and every component of that statement covers the same twelve months.

MBM Group files tax as three companies: MBM Garments Ltd. at BDT 207,290,372, Cutting Edge Industries Ltd. at BDT 241,531,845, and Absolute Quality Wear Ltd. at BDT 7,582,903. The Cutting Edge Industries Ltd. Washing Plant operates as a plant of Cutting Edge Industries Ltd. rather than a separate legal entity, with its taxation included within that company. All operations within our reporting boundary are located in Bangladesh, and the whole of the taxation reported above was paid within that jurisdiction.

AUDITED TAXATION OF USD 3.72 MILLION, BY FILING COMPANY, FISCAL YEAR 2024-25



TAXATION, FISCAL YEAR 2024-25

INDICATOR	FISCAL YEAR 2024-25
Total taxation, audited	USD 3,716,654, being BDT 456,405,120
Of which Advance Income Tax deducted at source on export proceeds	USD 1,294,632
Jurisdictions in which tax is paid	Bangladesh only
Filing entities	Three: MBM Garments Ltd., Cutting Edge Industries Ltd. including the Washing Plant, and Absolute Quality Wear Ltd.
Conversion rate applied	USD 1 = BDT 122.80, Bangladesh Bank closing rate at 30 June 2025

Concerns may be raised anonymously, and no employee has been or will be disadvantaged for raising one.

We maintain full compliance with national tax regulations, demonstrating our commitment to fiscal responsibility and national development. Advance Income Tax is deducted at source on export proceeds as each realisation is received, and forms part of the total assessed. Through disciplined financial management and transparent engagement with tax authorities, we ensure all obligations are met promptly and accurately.

Our tax strategy is approved through a defined chain comprising the DMD, Director and the Manager (Tax), and is reviewed annually by senior management. Engagement with the tax authorities is conducted through formal correspondence, electronic communication and direct meetings. Concerns about the Group's tax conduct, or about the implementation of our tax policy, may be raised by any employee, supplier, buyer or member of the public through the same channels that serve every other concern: the Shochho hotline, the amarHR application, or by email to info@mbm.group. The point of contact is Junnatul Ferdous Eva, Deputy General Manager, Compliance. A concern raised through any of these routes is entered in the grievance register described in Section 4, acknowledged within twenty-four hours and answered substantively within fifteen working days, and is referred to the Manager (Tax) and to the Deputy Managing Director. Concerns may be raised anonymously, and no employee has been or will be disadvantaged for raising one.

TAXATION BY FILING COMPANY, FISCAL YEAR 2024-25

FILING COMPANY	AUDITED TAXATION, BDT	AUDITED TAXATION, USD
Cutting Edge Industries Ltd., including the Washing Plant	241,531,845	1,966,872
MBM Garments Ltd.	207,290,372	1,688,032
Absolute Quality Wear Ltd.	7,582,903	61,750
Total	**456,405,120**	**3,716,654**

SECTION 7

Business Conduct and Economic Risk

GRI 205-3 · GRI 206-1 · ESRS G1-1 · ESRS G1-3

MBM Group recorded no fines, penalties or financial settlements arising from ethical breaches, corruption, anti-competitive behaviour or anti-trust matters during 2022, 2023, 2024 or 2025. Supporting confirmation is held on record.

Economic and financial risk is managed under the Group's Risk Management Policy, formally adopted during 2025 and described within Section 4.3. Two of the five risk domains defined within that policy fall to economic stewardship. Financial risk encompasses currency exchange fluctuation, seasonal liquidity pressure, and rising raw material and freight costs, and is managed through working capital and liquidity buffers, cost control, centralized procurement, and diversification across buyers, suppliers and markets. Third-party and external risk encompasses non-compliance with buyer codes of conduct, delivery delays, subcontractor labour violations and outsourced-facility environmental exposure, and is managed through binding supplier contracts, third-party audit clauses, approved vendor lists, and termination provisions where serious violations arise. Financial risks are reviewed monthly and quarterly, with reporting to Senior Management and the Board on the same cadence, and critical risks are escalated immediately.

1. Monetary figures are reported on the fiscal year 1 July 2024 to 30 June 2025 and converted at USD 1 = BDT 122.80, the Bangladesh Bank closing rate at 30 June 2025. Local supplier spend is reported in USD.

2. Baseline year for economic disclosures — fiscal year 2024-25

3. The ratio of entry-level wage to minimum wage by gender under GRI 202-1, and the proportion of senior management hired from the local community under GRI 202-2, are not reported for 2025. Reasons are stated in the GRI and ESRS Content Index.

SECTION 7

Omissions and Limitations

GRI 2-5 · ESRS 2 BP-2

Reporting in accordance with the GRI Standards requires that each applicable disclosure is either reported in full or accompanied by a stated reason for omission. GRI permits four reasons: not applicable, legal prohibition, confidentiality constraint, and information unavailable or incomplete. Every omission in this report carries one of them, and each appears in the GRI and ESRS Content Index with the same reason.

This report is the subject of an external assurance engagement approved by our highest governance body, described under External Assurance in Section 1.5. Our inaugural report for 2024 was not externally assured. The data governance undertaken during 2025 was carried out with this engagement in view, and the omissions recorded below were settled before the engagement began rather than in response to it.

DISCLOSED IN PART

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
2-8 Workers who are not employees	GRI	information unavailable or incomplete	The subcontracted labour arrangement identified at the Washing Unit during the 2025 assessment is disclosed, together with its discontinuation. Consolidated counts of non-employee workers are not maintained across the four units; collection begins in 2026.
2-11 Chair of the highest governance body	GRI	information unavailable or incomplete	A documented process for preventing and mitigating conflicts of interest at Board level has not yet been formalized. To be established and disclosed in the 2026 cycle.

SECTION 7

Omissions and Limitations

DISCLOSED IN PART (CONTINUED)

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
2-16 Communication of critical concerns	GRI	information unavailable or incomplete	Escalations are not formally logged; an estimated range is disclosed. Formal logging begins 2026.
2-21 Annual total compensation ratio	GRI	information unavailable or incomplete	2-21(a) is disclosed in full. 2-21(b), the ratio of percentage increase, is withheld pending restatement on a documented basis. The remuneration records needed to restate the ratio of percentage increase on a documented basis are being compiled by Group HR during 2026, for disclosure in the 2026 cycle.
201-1 Direct economic value generated and distributed	GRI	information unavailable or incomplete	Payments to providers of capital are disclosed as a single total; the split between dividends and interest is not itemised. Dividends and interest will be itemised separately in the FY2025-26 audited accounts, for disclosure in the 2026 cycle.
201-2 Financial implications and other risks and opportunities due to climate change	GRI	information unavailable or incomplete	Climate-related risks and opportunities are disclosed qualitatively; financial quantification has not been performed. A quantified assessment of climate-related financial risk is scheduled to be commissioned during 2026, with disclosure intended in the 2027 cycle.
201-3 Defined benefit plan obligations and other retirement plans	GRI	information unavailable or incomplete	The absence of a provident fund and the statutory service benefit arrangement are disclosed in full. The composition of employee benefit between retirement provision, bonus, earned leave and maternity benefit is not reproducible on the fiscal-year basis adopted this cycle; the fiscal-year split is scheduled for 2026.
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	GRI	information unavailable or incomplete	The payroll system does not carry a gender field at designation level, so the ratio cannot be disaggregated by gender. System change scheduled for 2026.
205-2 Communication and training about anti-corruption policies and procedures	GRI	information unavailable or incomplete	Training is delivered to new employees at onboarding; refresher training for the existing workforce is not currently provided. A refresher programme covering the existing workforce is being designed by the Compliance function during 2026, with coverage rates to be disclosed in the 2026 cycle.
207-4 Country-by-country reporting	GRI	information unavailable or incomplete	All operations within the reporting boundary are located in Bangladesh; profit before tax and related country-by-country elements are not disclosed. The country-by-country elements will be compiled from the statutory accounts of each filing entity for disclosure in the 2026 cycle.

SECTION 7

Omissions and Limitations

DISCLOSED IN PART (CONTINUED)

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
301-2 Recycled input materials used	GRI	information unavailable or incomplete	Reported on a production-piece basis rather than by weight, for the reason stated against 301-1. This disclosure follows the same system change as 301-1, with weight-based reporting intended from the 2027 cycle.
302-2 Energy consumption outside of the organization	GRI	information unavailable or incomplete	Categories are identified qualitatively; consumption has not been quantified. Quantification of upstream and downstream energy use is scheduled to begin alongside the Scope 3 scoping exercise in 2026.
303-1 Interactions with water as a shared resource	GRI	information unavailable or incomplete	Water-related impacts on the catchments from which the Group draws have not been assessed. A catchment-level water risk assessment covering the four sites is scheduled for 2026, for disclosure in the 2026 cycle.
305-2 Energy indirect (Scope 2) GHG emissions	GRI	information unavailable or incomplete	Reported on a location-based method; a market-based figure is not available. Market-based emission factors are being requested from the supplying utilities during 2026, for disclosure in the 2026 cycle.
305-5 Reduction of GHG emissions	GRI	information unavailable or incomplete	Intensity reduction against baseline is disclosed; reductions are not attributed to specific initiatives, and absolute emissions rose during 2025.
306-4 Waste diverted from disposal	GRI	information unavailable or incomplete	Diversion is reported as nil by hazard class. The 3,270 kilograms traced through the Reverse Resource platform are disclosed as sold onward; downstream recovery outcomes are not confirmed and no recovery is claimed. Downstream recovery confirmations are being sought from the Reverse Resource platform and from the licensed waste contractors during 2026, for disclosure in the 2026 cycle.
303-4 Water discharge	GRI	information unavailable or incomplete	Discharge is disclosed by destination and volume. Water-type classification rests on the aquifer basis rather than on total dissolved solids testing, and volumes or concentrations of priority substances of concern are not reported. Both are scheduled for 2026.
306-3 Waste generated	GRI	information unavailable or incomplete	Total weight and the hazardous and non-hazardous split are disclosed. A breakdown by material composition is not held, because waste is collected and weighed by stream rather than by material type. Scheduled for 2026.

SECTION 7

Omissions and Limitations

DISCLOSED IN PART (CONTINUED)

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
405-1 Diversity of governance bodies and employees	GRI	information unavailable or incomplete	The governance body is disclosed by gender and age band, and employees by gender, age band, employee category and minority status. The cross-tabulation of employee category against age band is not currently produced. Scheduled for 2026.
308-1 New suppliers that were screened using environmental criteria	GRI	information unavailable or incomplete	Environmental criteria form part of the Supplier Code of Conduct applied at onboarding to every supplier, so screening coverage is the same population reported under 414-1. The count screened against environmental criteria specifically is not recorded separately from the social assessment. Scheduled for 2026.
401-3 Parental leave	GRI	information unavailable or incomplete	Leave taken is disclosed, and returners are disclosed on a twelve-month retention basis. A return-to-work rate and a retention rate on the GRI cohort definition are not computed. The HR information system is being configured during 2026 to hold the GRI parental leave cohort, so that return-to-work and retention rates can be disclosed in the 2026 cycle.
404-1 Average hours of training per year per employee	GRI	information unavailable or incomplete	Hours delivered, sessions and attendances are disclosed for 2025 from the unit training registers, with an average per employee computed on year-end headcount. A de-duplicated count of individuals trained is not held, so no coverage percentage of the workforce is reported. Comparative figures for prior years are not reproducible. Employee-level identifiers are being added to the unit training registers during 2026, so that a de-duplicated count of individuals trained and a workforce coverage percentage can be disclosed in the 2026 cycle.
405-2 Ratio of basic salary and remuneration of women to men	GRI	information unavailable or incomplete	Remuneration structure is disclosed. Specific ratios are not disclosed because gender-disaggregated remuneration data is not held at designation level. System change scheduled for 2026.
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	ESRS	information unavailable or incomplete	The impact materiality assessment under GRI 3 is disclosed in full, including its limitations. A financial materiality assessment meeting ESRS 1 has not been performed and is not claimed; MBM Group falls outside the scope of the CSRD.
E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	ESRS	information unavailable or incomplete	Scope 3 has not been calculated; Scope 2 is location-based only.

SECTION 7

Omissions and Limitations

DISCLOSED IN PART (CONTINUED)

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
E2-4 Pollution of air, water and soil	ESRS	information unavailable or incomplete	Air emissions, water discharge and total chemical consumption are disclosed. Fibre shedding and microplastic generation within our operations are not yet measured; the measurement method is being established during 2026 and disclosure is intended in a future cycle.
E2-5 Substances of concern and substances of very high concern	ESRS	information unavailable or incomplete	Total chemical consumption is disclosed by product for 2025. The inventory has not been classified by hazard category and has not been screened against the SVHC list, so no hazardous and non-hazardous split and no SVHC volumes are reported. Defined action for 2026.
E5-2 Actions and resources related to resource use and circular economy	ESRS	information unavailable or incomplete	Financial resources allocated to circular economy initiatives are not separately tracked.
E5-4 Resource inflows	ESRS	information unavailable or incomplete	Reported on a production-piece basis; weight data is not held.
S1-16 Compensation metrics, pay gap and total compensation ratio	ESRS	information unavailable or incomplete	The total compensation ratio is disclosed; a gender pay gap percentage is not held.
S2-1 Policies related to value chain workers	ESRS	information unavailable or incomplete	Nine value-chain data fields remain uncollected across the four units; collection begins 2026.

OMITTED

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
2-15 Conflicts of interest	GRI	information unavailable or incomplete	Not currently captured within reporting systems. Scoping begins 2026.
2-19 Remuneration policies	GRI	information unavailable or incomplete	Not currently captured within reporting systems. Scoping begins 2026.
2-20 Process to determine remuneration	GRI	information unavailable or incomplete	Not currently captured within reporting systems. Scoping begins 2026.
202-2 Proportion of senior management hired from the local community	GRI	information unavailable or incomplete	No definition of 'local community' and no defined senior management population has been established. Both are being addressed for the 2026 cycle.

SECTION 7

Omissions and Limitations

OMITTED (CONTINUED)

DISCLOSURE	FRAMEWORK	PERMITTED REASON	EXPLANATION
301-1 Materials used by weight or volume	GRI	information unavailable or incomplete	Material inputs are recorded by garment piece and by value; no weight data exists in any source system. Weight capture at goods receipt is being added to the materials management system during 2026, with weight-based reporting intended from the 2027 cycle.
301-3 Reclaimed products and their packaging materials	GRI	information unavailable or incomplete	Not currently captured within the environmental data collection framework. Reclaimed product and packaging data will be scoped into the environmental data collection framework during 2026, with disclosure intended in the 2027 cycle.
302-4 Reduction of energy consumption	GRI	not applicable	Year-on-year movements could not be attributed to specific conservation initiatives with sufficient confidence to report them as savings; consumption changes are disclosed as changes.
302-5 Reductions in energy requirements of products and services	GRI	not applicable	MBM Group manufactures garments to buyer specification. Its products consume no energy in use and the Group sells no energy-consuming product or service, so there is no energy requirement of a product or service capable of reduction.
304-1 to 304-4 Biodiversity	GRI	not applicable	Biodiversity and ecosystem impacts were assessed and no impact was identified under the 2025 materiality assessment carried out under GRI 3. Basis stated in Section 3.2.
305-3 Other indirect (Scope 3) GHG emissions	GRI	information unavailable or incomplete	Value chain emissions have not been calculated. Scoping begins in 2026.
GOV-3 Integration of sustainability-related performance in incentive schemes	ESRS	information unavailable or incomplete	Not currently captured within reporting systems.
E4 (all disclosure requirements)	ESRS	not applicable	Not material. No biodiversity or ecosystem impact was identified under the 2025 materiality assessment carried out under GRI 3. Basis stated in Section 3.2.
S3-5 Targets related to affected communities	ESRS	not applicable	MBM Group has not set quantified community investment targets.
G1-6 Payment practices	ESRS	information unavailable or incomplete	Supplier payment-term data is not collected in a reportable form.

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SECTION 8

Restatements of Information

Corrections to figures published in ESG Report 2024

SECTION 8

Restatements of Information

GRI 2-4 · ESRS 2 BP-2

Presented in one register, whichever direction the correction runs.

Before drafting the 2025 report began, every figure it contains was traced back to its originating record and reconciled across our four operating units on a month-by-month basis. That exercise strengthened many of our disclosures. It also established that twenty-five figures or statements published in the ESG Report 2024 required restatement.

The register below sets out each restatement with the position as originally published, the restated position, and the reason for revision. A number of them move against us. They are presented on the same footing as those that move in our favour, in one register rather than separated, because a register that reported only the favourable corrections would not be a register at all.

Restatements arise in all four disclosure areas. Where a section of this report presents a figure that has been restated, that section states so and refers the reader here. The register is presented once, in full, rather than repeated in fragments through the document. One intended restatement was withdrawn during preparation, and the withdrawal is recorded in Section 6.2 rather than here, because a figure that ends up unchanged does not belong in a register of changes.

One further difference is recorded but not restated. The ESG Report 2024 published 50 minor injuries for that year; our site records total 54. That difference is unresolved at the date of this report, and the figure has not been restated pending confirmation from the sites concerned. We disclose it here rather than leave it unmentioned.

SECTION 8

Restatements of Information

ENVIRONMENT

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Scope 1 and total GHG, all years	20,042 / 18,259 / 18,213 tCO2e	20,285.4 / 18,499.6 / 18,496.1 tCO2e; 2025 reported at 19,584.8 tCO2e	Higg-verified group emissions data adopted as the system of record, with 2025 derived from monthly activity data using the factors stated in Section 5
Group production 2023	35,731,893 pieces	35,718,679 pieces	Restated to the sum of entity records; difference of 0.04%
Water consumption definition	1,080,650 m3 (2024)	229,382 m3 (2024); full series restated	The published figure measured withdrawal. GRI 303-5 defines consumption as withdrawal less discharge
CEILWP discharge classification	Untreated discharge of 700,701 m3	Untreated discharge was nil; the figure was ETP inlet volume	Classification error
NOx / SOx series	NOx 6.12 / 5.98 t; SOx 0.85 / 0.50 t	NOx 0.841 / 0.645 t; SOx 0.228 / 0.055 t	Restated to verified entity measurement records
Ozone-depleting substances 2024	195.52 tCO2e	276.50 tCO2e	Higg-verified figure adopted
Chemical safety training participation	821 / 884 / 1,043 personnel	271 / 192 / 400 personnel	The published figures counted cumulative attendances; the restated series counts individuals from the participant register

SOCIAL

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Group turnover rate 2024	3.75%	51.4% on an annual basis; 2025 reported at 54.7%	The published rate was a monthly average, not an annual rate

SECTION 8

Restatements of Information

SOCIAL (CONTINUED)

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Vision 2030 turnover target basis	Below 10% Annual Turnover	Target and metric stood on different bases; target under revision	Metric and target mismatch
Women in leadership 2024	7% of management and supervisory staff	7.32% — 107 of 1,461 on the Non-OT basis	Management classification placed on a single Group definition by Board instruction of 29 August 2026: management is an employee not entitled to overtime. Recomputed on that basis for 2024 and 2025
Shop floor and management labels, and classification basis	Shop floor 1,172 / management 6,796	Labels transposed, and the classification basis changed to Non-OT: management 1,461, shop floor 6,453 for 2024	Publication error in the labels, and adoption of a single Group definition of management by Board instruction: management is an employee not entitled to overtime
Supplier assessment claim	30 suppliers, all of whom were assessed	67 suppliers, of which 44 assessed	The figure of 30 was a single unit's count presented as the group total; the coverage claim was not supportable
MBM turnover 2023	5.72	4.23	The published figure reused the preceding year's leaver count
CEILWP turnover	0.22 / 0.51	Restated	Calculated on leaver counts understated by factors of 26 and 11
Interest-free loans	More than 500 employees	1,893 loans across 2022-2025	The published figure understated the programme; full loan records now available
JAAGO Foundation support	Nearly 7.5 million BDT annually	Approximately 2.25 million BDT for 2023 and 2024	Only expenditure traceable to accounting records is disclosed

SECTION 8

Restatements of Information

SOCIAL (CONTINUED)

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Training hours per employee	7 / 9 / 10 hours	Not reproducible. 2025 reported as 46,211.5 hours delivered across 1,205 sessions, an average of 4.97 hours per employee	Prior-year training records could not be substantiated. The 2025 series is taken from the unit training registers and supersedes every earlier figure

ECONOMIC

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Local supplier data	192 / 201 / 189 suppliers; USD 4.25M / 3.82M / 2.82M	Supplier counts restated to 211 / 382 / 392 / 233 on the calendar year. Spend restated in methodology and reported for the fiscal year 2024-25 at USD 49,478,123 against total raw material procurement of USD 101,038,125	Prior methodology recognised only local purchases outside L/C channels; the revised approach includes locally manufactured goods procured through L/C, and the proportion is now measured against an actual sourcing denominator
Economic Value Distributed label	Chart series labelled Generated	Correctly Distributed	Labelling error; figures unchanged
Economic Value Retained basis	Calculated excluding payments to government	Recalculated on the GRI 201-1 basis, tax within value distributed	The prior basis understated value distributed
Taxation basis and figures	USD 1.42M / 1.00M / 1.19M, calendar-year management accounts, described as Advance Income Tax at 1% of export proceeds	Audited fiscal-year taxation of USD 3,716,654 for the fiscal year 2024-25, converted at BDT 122.80, and carried within economic value distributed	Board instruction that taxation be disclosed on audited figures. With every monetary figure now on the fiscal year, one basis serves the whole section

SECTION 8

Restatements of Information

ECONOMIC (CONTINUED)

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Reporting basis for all monetary figures	Calendar-year management accounts throughout, with taxation alone on the audited fiscal year	Every monetary figure moved onto the fiscal year 1 July to 30 June, matching the statutory accounts. Prior-year monetary comparatives are not reproduced on that basis and the fiscal year 2024-25 becomes the economic baseline	Board instruction. The dual-basis presentation carried in 2024 placed taxation on one period and every other financial figure on another; a single audited period removes that

GOVERNANCE

ITEM	AS PUBLISHED IN 2024	RESTATED POSITION	REASON
Governance body size	Three members (2022, 2023, 2024)	Four members in every year	The published figure omitted one member of the Board
Governance committee names and constitution	Four specialised committees named as Audit, CSR, Environmental Sustainability and People Sustainability, without composition	Internal Audit Committee, CSR Committee, People Sustainability Committee and EMS Review and Managing Committee, with formation, office holders, members, meeting cycle and quorum disclosed for each	Committee names and constitution aligned to the governing policies: MBM/POL/IA/012 Rev. 02, the CSR Policy 3rd Edition, MBM/POL/PS/066 Rev. 01, and the EMS organogram
Materiality framework and material topic list	Twelve topics in three tiers, described as the outcome of a double materiality assessment	Thirteen material topics determined under GRI 3 on impact significance alone, set out in Section 3.2. The financial perspective is disclosed separately and described as directional only	The 2025 assessment identified impacts from independent third-party assessment evidence rather than by scoring a pre-defined topic list, which changed both the method and the resulting list. The financial scoring available does not meet ESRS 1, and MBM Group is outside the scope of the CSRD, so a double materiality assessment is no longer claimed

INDEX

GRI and ESRS Content Index

Statement of use. MBM Group has reported in accordance with the GRI Standards for the period 1 January to 31 December 2025, and with reference to the European Sustainability Reporting Standards (ESRS).

GRI 1 used: GRI 1: Foundation 2021

Reporting boundary. MBM Garments Ltd., Cutting Edge Industries Ltd., Cutting Edge Industries Ltd. Washing Plant, and Absolute Quality Wear Ltd.

How to read this index

SYMBOL	MEANING
✓	Disclosed in full
◐	Disclosed in part, with the reason for the omitted element stated
✕	Omitted, with reason stated

Where a disclosure is omitted in whole or in part, the reason for omission is stated in the row itself, before the explanation, and is one of the four permitted under GRI 1: not applicable, legal prohibition, confidentiality constraint, or information unavailable or incomplete. Where the reason is that information is unavailable or incomplete, the explanation states the step being taken and the period in which we expect to report it.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
GRI 2: General Disclosures 2021	2-1 Organizational details	2.1 A Legacy Built on Trust	24	✓	
	2-2 Entities included in the organization's sustainability reporting	2.2 Strategic Business Units; 1.5 About This Report	27, 12	✓	
	2-3 Reporting period, frequency and contact point	1.5 About This Report — Reporting Period, Frequency and Contact Point	15	✓	Contact point: Mahmudul Hasan Rafey, Deputy Manager, Marketing and Communications, info@mbm.group. Concerns and requests for advice are handled by Junnatul Ferdous Eva, Deputy General Manager, Compliance, at the same address.
	2-4 Restatements of information	8. Restatements of Information	178	✓	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	2-5 External assurance	1.5 About This Report — External Assurance	15 ✓	External Assurance Policy adopted 1 January 2026. Policy and practice for seeking assurance, and the involvement of the highest governance body, are disclosed. This report is the subject of an external assurance engagement approved by the Board.
	2-6 Activities, value chain and other business relationships	2.2 Strategic Business Units; 2.3 Export Markets	27, 31 ✓	
	2-7 Employees	6.1 Workforce Profile	121 ✓	All employees are full-time and permanent at every unit; the contract-type breakdowns resolve to a single category. Workforce is disclosed by region — Dhaka and Gazipur — and by age band, gender and employee category.
	2-8 Workers who are not employees	6.10 Human Rights	149 ◐	information unavailable or incomplete — The one subcontracted labour arrangement identified in the 2025 assessment is disclosed, together with its discontinuation. Consolidated counts of non-employee workers are not maintained across the four units; collection begins in 2026.
	2-9 Governance structure and composition	4.1 Leadership and Governance Structure	60 ✓	
	2-10 Nomination and selection of the highest governance body	4.1 Leadership and Governance Structure	60 ✓	
	2-11 Chair of the highest governance body	4.1 Leadership and Governance Structure	60 ◐	information unavailable or incomplete — A documented process for preventing and mitigating conflicts of interest at Board level has not yet been formalized. To be established and disclosed in the 2026 cycle.
	2-12 Role of the highest governance body in overseeing the management of impacts	4.1 Leadership and Governance Structure; 3.2 Materiality Assessment and Priority Topics	60, 45 ✓	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
	2-13 Delegation of responsibility for managing impacts	4.1 Leadership and Governance Structure	60	✓	
	2-14 Role of the highest governance body in sustainability reporting	4.2 Role of the Highest Governance Body in Sustainability Reporting	65	✓	The highest governance body reviews and approves this report and the material topic list before publication.
	2-15 Conflicts of interest	—		✗	information unavailable or incomplete — Not currently captured within reporting systems. Scoping begins 2026.
	2-16 Communication of critical concerns	4.1 Leadership and Governance Structure	60	◐	information unavailable or incomplete — Escalations are not formally logged; an estimated range is disclosed. Formal logging begins 2026.
	2-17 Collective knowledge of the highest governance body	4.1 Leadership and Governance Structure	60	✓	
	2-18 Evaluation of the performance of the highest governance body	4.1 Leadership and Governance Structure	60	✓	
	2-19 Remuneration policies	—		✗	information unavailable or incomplete — Not currently captured within reporting systems. Scoping begins 2026.
	2-20 Process to determine remuneration	—		✗	information unavailable or incomplete — Not currently captured within reporting systems. Scoping begins 2026.
	2-21 Annual total compensation ratio	4.1 Leadership and Governance Structure	60	◐	information unavailable or incomplete — 2-21(a) is disclosed in full. 2-21(b), the ratio of percentage increase, is withheld pending restatement on a documented basis. The remuneration records needed to restate the ratio of percentage increase on a documented basis are being compiled by Group HR during 2026, for disclosure in the 2026 cycle.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	2-22 Statement on sustainable development strategy	1.1 Message from the Deputy Managing Director; 1.2 Message from the Director; 1.3 Message from the Chief Executive Officer	3, 5, 7 ✓	Both statements set out the short, medium and long-term goals, the impact each horizon is intended to have, and the strategy behind it. The targets themselves are in 1.5 About This Report — Vision 2030 Targets.
	2-23 Policy commitments	4.7 Policies and Business Conduct	69 ✓	The full framework of twenty-two policies is enumerated. The policies are not currently published on a public channel; the reason and the availability arrangements are stated, and website publication is an action for 2026.
	2-24 Embedding policy commitments	4.7 Policies and Business Conduct	69 ✓	
	2-25 Processes to remediate negative impacts	4.9 Grievance Mechanism	73 ✓	
	2-26 Mechanisms for seeking advice and raising concerns	4.9 Grievance Mechanism	73 ✓	Channels for raising a concern and for seeking advice are described separately, including advice on business conduct and on integrity in relation to tax. No request for advice was recorded during 2025.
	2-27 Compliance with laws and regulations	4.9 Grievance Mechanism; 6.13 Compliance	73, 154 ✓	The threshold for a significant instance of non-compliance is stated in Section 6.13. There were none in any year reported.
	2-28 Membership associations	4.7 Policies and Business Conduct; 2.4 Certifications, Frameworks and Recognition	69, 34 ✓	
	2-29 Approach to stakeholder engagement	3.1 Stakeholder Engagement	42 ✓	The ongoing engagement programme and the stakeholders consulted for the materiality assessment are disclosed separately, including the groups not reached.
	2-30 Collective bargaining agreements	6.8 Freedom of Association and Social Dialogue	142 ✓	Disclosed as a fact for 2025: no registered trade union and no collective bargaining agreement. Elected Workers' Participation Committees are disclosed separately.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3.2 Materiality Assessment and Priority Topics	45 ✓	Determined under GRI 3 from independent third-party assessment evidence at all four entities. Identification, prioritisation, thresholds and the ten limitations of the assessment are disclosed in full.
	3-2 List of material topics	3.2 Materiality Assessment and Priority Topics	45 ✓	Thirteen material topics listed. Changes from the previous reporting period, and the seven topics assessed and determined not material, are disclosed with reasons.
	3-3 Management of material topics	Disclosed within each relevant topic section	— ✓	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	7.3 Economic Value Generated and Distributed	159 ◐	information unavailable or incomplete — Payments to providers of capital are disclosed as a single total; the split between dividends and interest is not itemised. Dividends and interest will be itemised separately in the FY2025-26 audited accounts, for disclosure in the 2026 cycle.
	201-2 Financial implications and other risks and opportunities due to climate change	3.3 The Financial Perspective	55 ◐	information unavailable or incomplete — Climate-related risks and opportunities are disclosed qualitatively; financial quantification has not been performed. A quantified assessment of climate-related financial risk is scheduled to be commissioned during 2026, with disclosure intended in the 2027 cycle.
	201-3 Defined benefit plan obligations and other retirement plans	7.4 Employee Wages and Benefits	160 ◐	information unavailable or incomplete — The absence of a provident fund and the statutory service benefit arrangement are disclosed. The component split of employee benefit is not reproducible on the fiscal-year basis; scheduled for 2026.
	201-4 Financial assistance received from government	7.5 Financial Assistance Received from Government	162 ✓	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	7.6 Market Presence and Entry-Level Wages; 6.5 Wages	163, 134	◐	information unavailable or incomplete — The payroll system does not carry a gender field at designation level, so the ratio cannot be disaggregated by gender. System change scheduled for 2026.
	202-2 Proportion of senior management hired from the local community	—		✕	information unavailable or incomplete — No definition of 'local community' and no defined senior management population has been established. Both are being addressed for the 2026 cycle.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	7.7 Indirect Economic Impacts	164	✓	
	203-2 Significant indirect economic impacts	7.7 Indirect Economic Impacts; 6.11 Community Engagement	164, 150	✓	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	7.8 Procurement Practice	167	✓	Reported for the fiscal year 2024-25 against actual total raw material procurement. The two significant locations of operation, Dhaka and Gazipur, are identified; procurement is centralised at Group level and cannot be split between them, and the reason and the 2026 system change are disclosed.
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	4.8 Anti-Corruption and Memberships	70	✓	Nil reported, with the basis for the nil stated: no audit performed assesses an operation for corruption risk in the sense this disclosure requires. Methodology being scoped for 2026.
	205-2 Communication and training about anti-corruption policies and procedures	4.8 Anti-Corruption and Memberships	70	◐	information unavailable or incomplete — Training is delivered to new employees at onboarding; refresher training for the existing workforce is not currently provided. A refresher programme covering the existing workforce is being designed by the Compliance function during 2026, with coverage rates to be disclosed in the 2026 cycle.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
	205-3 Confirmed incidents of corruption and actions taken	4.8 Anti-Corruption and Memberships	70	✓	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	4.8 Anti-Corruption and Memberships; 7.10 Business Conduct and Economic Risk	70, 172	✓	
GRI 207: Tax 2019	207-1 Approach to tax	7.9 Organisational Taxation	170	✓	
	207-2 Tax governance, control, and risk management	7.9 Organisational Taxation; 4.9 Grievance Mechanism	170, 73	✓	
	207-3 Stakeholder engagement and management of concerns related to tax	7.9 Organisational Taxation	170	✓	
	207-4 Country-by-country reporting	7.9 Organisational Taxation	170	◐	information unavailable or incomplete — All operations within the reporting boundary are located in Bangladesh; profit before tax and related country-by-country elements are not disclosed. The country-by-country elements will be compiled from the statutory accounts of each filing entity for disclosure in the 2026 cycle.
GRI 301: Materials 2016	301-1 Materials used by weight or volume	—		✗	information unavailable or incomplete — Material inputs are recorded by garment piece and by value; no weight data exists in any source system. Weight capture at goods receipt is being added to the materials management system during 2026, with weight-based reporting intended from the 2027 cycle.
	301-2 Recycled input materials used	5.6 Sustainable Material Sourcing and Traceability	112	◐	information unavailable or incomplete — Reported on a production-piece basis rather than by weight, for the reason stated against 301-1. This disclosure follows the same system change as 301-1, with weight-based reporting intended from the 2027 cycle.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
	301-3 Reclaimed products and their packaging materials	—		✕	information unavailable or incomplete — Not currently captured within the environmental data collection framework. Reclaimed product and packaging data will be scoped into the environmental data collection framework during 2026, with disclosure intended in the 2027 cycle.
GRI 302: Energy 2016	302-1 Energy consumption within the organization	5.1 Climate Change and Energy	80	✓	Conversion factors and the derivation of the total are disclosed. Steam is raised from fuels already counted and is not added again; purchased steam, heating and cooling are nil, as is energy sold.
	302-2 Energy consumption outside of the organization	5.1 Climate Change and Energy	80	◐	information unavailable or incomplete — Categories are identified qualitatively; consumption has not been quantified. Quantification of upstream and downstream energy use is scheduled to begin alongside the Scope 3 scoping exercise in 2026.
	302-3 Energy intensity	5.1 Climate Change and Energy	80	✓	
	302-4 Reduction of energy consumption	—		✕	not applicable — Year-on-year movements could not be attributed to specific conservation initiatives with sufficient confidence to report them as savings; consumption changes are disclosed as changes.
	302-5 Reductions in energy requirements of products and services	—		✕	not applicable — MBM Group manufactures garments to buyer specification. Its products consume no energy in use and the Group sells no energy-consuming product or service, so there is no energy requirement of a product or service capable of reduction. Energy reductions within the organisation are addressed at 302-4.
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	5.3 Water Management and Conservation	93	◐	information unavailable or incomplete — Water-related impacts on the catchments from which the Group draws have not been assessed. A catchment-level water risk assessment covering the four sites is scheduled for 2026, for disclosure in the 2026 cycle.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
	303-2 Management of water discharge-related impacts	5.3 Water Management and Conservation	93	✓	
	303-3 Water withdrawal	5.3 Water Management and Conservation	93	✓	All withdrawal is groundwater from the Group's own borewells at four sites, all in Extremely High water stress areas. Treated as freshwater on an aquifer basis; total dissolved solids testing is scheduled for 2026.
	303-4 Water discharge	5.3 Water Management and Conservation	93	◐	information unavailable or incomplete — discharge is disclosed by destination and volume. Water-type classification rests on the aquifer basis rather than on total dissolved solids testing, and volumes or concentrations of priority substances of concern are not reported. Both are scheduled for 2026.
	303-5 Water consumption	5.3 Water Management and Conservation	93	✓	Group and Washing Plant water balances are disclosed, with the basis of each discharge figure and the definition of the recycling percentage.
GRI 304: Biodiversity 2016	304-1 to 304-4 Biodiversity	—		✗	not applicable — Biodiversity and ecosystem impacts were assessed and no impact was identified under the 2025 materiality assessment carried out under GRI 3. Basis stated in Section 3.2.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	5.2 Greenhouse Gas Emissions	87	✓	A source-by-source bridge is disclosed: 11,057.1 tCO2e from natural gas, diesel and fabric waste, plus 301.1 tCO2e of air emission, CNG and petrol apportioned from the annual scope statement. Refrigerant loss is classified as a Scope 1 fugitive source.
	305-2 Energy indirect (Scope 2) GHG emissions	5.2 Greenhouse Gas Emissions	87	◐	information unavailable or incomplete — Reported on a location-based method; a market-based figure is not available. Market-based emission factors are being requested from the supplying utilities during 2026, for disclosure in the 2026 cycle.

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GRI STANDARD	DISCLOSURE	LOCATION	PAGE		OMISSION / NOTE
	305-3 Other indirect (Scope 3) GHG emissions	—		✕	information unavailable or incomplete — Value chain emissions have not been calculated. Scoping begins in 2026.
	305-4 GHG emissions intensity	5.2 Greenhouse Gas Emissions	87	✓	The denominator, the scopes and the gases included are stated. Composite emission factors do not separate carbon dioxide, methane and nitrous oxide, so no gas-by-gas breakdown is reported.
	305-5 Reduction of GHG emissions	5.2 Greenhouse Gas Emissions	87	◐	information unavailable or incomplete — Intensity reduction against baseline is disclosed; reductions are not attributed to specific initiatives, and absolute emissions rose during 2025.
	305-6 Emissions of ozone-depleting substances	5.2 Greenhouse Gas Emissions	87	✓	
	305-7 Nitrogen oxides, sulfur oxides, and other significant air emissions	5.2 Greenhouse Gas Emissions	87	✓	Measured by accredited third-party stack testing, not calculated from activity data. The measurement and annualisation method is disclosed and the two gases are reported separately.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	5.4 Waste Management and Circularity	105	✓	
	306-2 Management of significant waste-related impacts	5.4 Waste Management and Circularity	105	✓	
	306-3 Waste generated	5.4 Waste Management and Circularity	105	◐	information unavailable or incomplete — total weight and the hazardous and non-hazardous split are disclosed. A breakdown by material composition is not held, as waste is collected and weighed by stream rather than by material type. Scheduled for 2026.

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GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	306-4 Waste diverted from disposal	5.4 Waste Management and Circularity	105 ◐	information unavailable or incomplete — Diversion is reported as nil by hazard class. Material traced through Reverse Resource is disclosed as sold onward; downstream recovery outcomes are not confirmed and no recovery is claimed. Downstream recovery confirmations are being sought from the Reverse Resource platform and from the licensed waste contractors during 2026, for disclosure in the 2026 cycle.
	306-5 Waste directed to disposal	5.4 Waste Management and Circularity	105 ✓	Total, hazardous and non-hazardous weights directed to disposal are disclosed, all off site through licensed vendors. The split between disposal operations is not held; establishing it with vendors is an action for 2026.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	6.12 Supplier Social Assessment	152 ◐	information unavailable or incomplete — environmental criteria form part of the Supplier Code of Conduct applied at onboarding to every supplier, so screening coverage is the same population reported under 414-1. The count of suppliers screened against environmental criteria specifically is not recorded separately from the social assessment; separating the two is scheduled for 2026.
	308-2 Negative environmental impacts in the supply chain and actions taken	6.12 Supplier Social Assessment	152 ✓	No significant negative environmental impact was identified in the supply chain in any year reported and no supplier relationship was terminated on environmental grounds.
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	6.2 Recruitment; 6.3 Turnover	125, 128 ✓	Hires and turnover disclosed by age group, gender and region, with rates on year-end headcount. Age is not recorded for two of the 5,084 leavers.
	401-2 Benefits provided to full-time employees	6.4 Benefits and Social Protection	131 ✓	Benefits are disclosed and compared across both significant locations of operation. No part-time or temporary employees are engaged at any unit.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	401-3 Parental leave	6.4 Benefits and Social Protection	131 ◐	information unavailable or incomplete — Reported on a within-year cohort basis; return-to-work and retention rates are not computed. The HR information system is being configured during 2026 to hold the GRI parental leave cohort, so that return-to-work and retention rates can be disclosed in the 2026 cycle.
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	6.8 Freedom of Association and Social Dialogue	142 ✓	No collective agreement is in force at any unit, so no notice period is specified by agreement. Notice is given as and when a change arises, through the Participation Committee and the unit notice board, and any statutory period prescribed by the Bangladesh Labour Act 2006 or Labour Rules 2015 applies.
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	6.9 Prioritizing Health, Safety and Well-being	144 ✓	
	403-2 Hazard identification, risk assessment, and incident investigation	6.9 Prioritizing Health, Safety and Well-being	144 ✓	
	403-3 Occupational health services	6.9 Prioritizing Health, Safety and Well-being	144 ✓	
	403-4 Worker participation, consultation and communication on OHS	6.9 Prioritizing Health, Safety and Well-being; 6.8 Freedom of Association and Social Dialogue	144, 142 ✓	
	403-5 Worker training on occupational health and safety	6.7 Training and Development; 5.5 Chemical Management	140, 108 ✓	
	403-6 Promotion of worker health	6.9 Prioritizing Health, Safety and Well-being	144 ✓	

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	6.12 Supplier Social Assessment; 6.10 Human Rights	152, 149 ✓	Occupational health and safety expectations are extended through the Supplier Code of Conduct and buyer-commissioned audit; the one subcontracted labour arrangement identified in 2025 was discontinued.
	403-8 Workers covered by an OHS management system	6.9 Prioritizing Health, Safety and Well-being	144 ✓	
	403-9 Work-related injuries	6.9 Prioritizing Health, Safety and Well-being	144 ✓	Rates disclosed for 2025 on 28,107,616 consolidated hours worked. Prior-year rates cannot be computed; absolute counts are the comparable measure across the three years.
	403-10 Work-related ill health	6.9 Prioritizing Health, Safety and Well-being	144 ✓	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	6.7 Training and Development	140 ◐	information unavailable or incomplete — Hours, sessions and attendances disclosed from the unit training registers, with an average per employee on year-end headcount. A de-duplicated count of individuals trained is not held, so no workforce coverage percentage is reported. Prior years not reproducible. Employee-level identifiers are being added to the unit training registers during 2026, so that a de-duplicated count of individuals trained and a workforce coverage percentage can be disclosed in the 2026 cycle.
	404-2 Programs for upgrading employee skills	6.7 Training and Development; 6.11 Community Engagement	140, 150 ✓	
	404-3 Percentage of employees receiving regular performance reviews	6.7 Training and Development	140 ✓	Coverage is 100% in every category the disclosure requires: both genders and both employee categories.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	4.1 Leadership and Governance Structure; 6.6 Diversity, Equity and Inclusion	60, 136 ◐	information unavailable or incomplete — the governance body is disclosed by gender and age band, and employees by gender, age band, employee category and minority status. The cross-tabulation of employee category against age band is not currently produced. Scheduled for 2026.

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION	PAGE	OMISSION / NOTE
	405-2 Ratio of basic salary and remuneration of women to men	6.6 Diversity, Equity and Inclusion	136 ◐	information unavailable or incomplete — Remuneration structure is disclosed. Specific ratios are not disclosed because gender-disaggregated remuneration data is not held at designation level. System change scheduled for 2026.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	6.6 Diversity, Equity and Inclusion	136 ✓	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association may be at risk	6.8 Freedom of Association and Social Dialogue	142 ✓	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	6.10 Human Rights	149 ✓	
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	6.10 Human Rights	149 ✓	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	6.11 Community Engagement; 7.7 Indirect Economic Impacts	150, 164 ✓	
	413-2 Operations with significant actual and potential negative impacts on local communities	6.11 Community Engagement	150 ✓	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	6.12 Supplier Social Assessment	152 ✓	
	414-2 Negative social impacts in the supply chain and actions taken	6.12 Supplier Social Assessment	152 ✓	

ESRS CONTENT INDEX

ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE		OMISSION / NOTE
ESRS 1 — General Principles	General basis of preparation	1.5 About This Report	12	✓	
ESRS 2 — General Disclosures	BP-1 General basis for preparation of the report	1.5 About This Report	12	✓	
	BP-2 Disclosures in relation to specific circumstances	8. Restatements of Information; 7.11 Omissions and Limitations	178, 172	✓	
	GOV-1 The role of the administrative, management and supervisory bodies	4.1 Leadership and Governance Structure	60	✓	
	GOV-2 Information provided to and sustainability matters addressed by the governing bodies	4.1 Leadership and Governance Structure	60	✓	
	GOV-3 Integration of sustainability-related performance in incentive schemes	—		✗	information unavailable or incomplete — Not currently captured within reporting systems.
	GOV-4 Statement on due diligence	4.1 Leadership and Governance Structure; 4.10 Risk Management	60, 77	✓	
	GOV-5 Risk management and internal controls over sustainability reporting	4.10 Risk Management	77	✓	
	SBM-1 Strategy, business model and value chain	2. About MBM Group; 7. Strategic Growth & Expansion	22, 155	✓	

ESRS CONTENT INDEX

ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE	OMISSION / NOTE
	SBM-2 Interests and views of stakeholders	3.1 Stakeholder Engagement	42 ✓	
	SBM-3 Material impacts, risks and opportunities	3.3 The Financial Perspective	55 ✓	
	IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	3.2 Materiality Assessment and Priority Topics	45 ◐	information unavailable or incomplete — An impact materiality assessment under GRI 3 is disclosed in full. A financial materiality assessment meeting ESRS 1 has not been performed; the financial perspective disclosed in Section 3.3 is directional only. MBM Group is outside the scope of the CSRD.
	IRO-2 Disclosure requirements covered by the undertaking's sustainability statement	GRI and ESRS Content Index	184 ✓	
	MDR-P Policies adopted to manage material sustainability matters	4.7 Policies and Business Conduct	69 ✓	
	MDR-A Actions and resources	Disclosed within each relevant topic section	— ✓	
	MDR-T Tracking effectiveness of policies and actions through targets	1.5 About This Report — Vision 2030 Targets; 7.2 Progress Against Vision 2030	17, 158 ✓	
ESRS E1 — Climate Change	E1-1 Transition plan for climate change mitigation	5.7 Emissions Reduction Roadmap, 2026 to 2030	114 ✓	
	E1-3 Actions and resources in relation to climate change policies	5.7 Emissions Reduction Roadmap, 2026 to 2030	114 ✓	

ESRS CONTENT INDEX

ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE	OMISSION / NOTE
	E1-4 Targets related to climate change mitigation and adaptation	1.5 About This Report — Vision 2030 Targets	17 ✓	
	E1-5 Energy consumption and mix	5.1 Climate Change and Energy	80 ✓	
	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	5.2 Greenhouse Gas Emissions	87 ◐	information unavailable or incomplete — Scope 3 has not been calculated; Scope 2 is location-based only.
ESRS E2 — Pollution	E2-1 Policies related to pollution	5.5 Chemical Management	108 ✓	
	E2-3 Targets related to pollution	5.5 Chemical Management	108 ✓	
	E2-4 Pollution of air, water and soil	5.1 Climate Change and Energy; 5.3 Water Management and Conservation; 5.5 Chemical Management	80, 93, 108 ◐	information unavailable or incomplete — Air emissions, water discharge and total chemical consumption disclosed. Fibre shedding and microplastic generation are not yet measured; method being established during 2026.
	E2-5 Substances of concern and substances of very high concern	5.5 Chemical Management	108 ◐	information unavailable or incomplete — A full chemical inventory is maintained; screening against the SVHC list has not been completed. Defined action for 2026.
ESRS E3 — Water and Marine Resources	E3-1 Policies related to water and marine resources	5.3 Water Management and Conservation	93 ✓	
	E3-2 Actions and resources related to water and marine resources	5.3 Water Management and Conservation	93 ✓	
	E3-3 Targets related to water and marine resources	1.5 About This Report; 5.3 Water Management and Conservation	12, 93 ✓	
	E3-4 Water consumption	5.3 Water Management and Conservation	93 ✓	

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ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE		OMISSION / NOTE
ESRS E4 — Biodiversity and Ecosystems	E4 (all disclosure requirements)	—		✕	not applicable — Not material. No biodiversity or ecosystem impact was identified under the 2025 materiality assessment carried out under GRI 3. Basis stated in Section 3.2.
ESRS E5 — Resource Use and Circular Economy	E5-1 Policies related to resource use and circular economy	5.4 Waste Management and Circularity	105	✓	
	E5-2 Actions and resources related to resource use and circular economy	5.4 Waste Management and Circularity	105	◐	information unavailable or incomplete — Financial resources allocated to circular economy initiatives are not separately tracked.
	E5-3 Targets related to resource use and circular economy	1.5 About This Report — Vision 2030 Targets	17	✓	
	E5-4 Resource inflows	5.6 Sustainable Material Sourcing and Traceability	112	◐	information unavailable or incomplete — Reported on a production-piece basis; weight data is not held.
	E5-5 Resource outflows	5.4 Waste Management and Circularity	105	✓	
ESRS S1 — Own Workforce	S1-1 Policies related to own workforce	6.1 Workforce Profile; 4.7 Policies and Business Conduct	121, 69	✓	
	S1-2 Processes for engaging with own workers	6.8 Freedom of Association and Social Dialogue	142	✓	
	S1-3 Processes to remediate negative impacts and channels to raise concerns	4.9 Grievance Mechanism	73	✓	
	S1-4 Actions on material impacts and approaches to managing material risks	Disclosed within each relevant topic section	—	✓	

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ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE	OMISSION / NOTE
	S1-6 Characteristics of the undertaking's employees	6.1 Workforce Profile	121 ✓	
	S1-8 Collective bargaining coverage and social dialogue	6.8 Freedom of Association and Social Dialogue	142 ✓	Disclosed as a fact: no collective bargaining agreement; elected Workers' Participation Committees disclosed separately.
	S1-9 Diversity metrics	6.6 Diversity, Equity and Inclusion; 4.1 Leadership and Governance Structure	136, 60 ✓	
	S1-10 Adequate wages	6.5 Wages; 7.6 Market Presence and Entry-Level Wages	134, 163 ✓	
	S1-11 Social protection	7.4 Employee Wages and Benefits; 6.1 Workforce Profile	160, 121 ✓	
	S1-13 Training and skills development metrics	6.7 Training and Development	140 ✓	
	S1-14 Health and safety metrics	6.9 Prioritizing Health, Safety and Well-being	144 ✓	100% of employees covered by the occupational health and safety management system. Injury rates disclosed on 28,107,616 consolidated hours worked.
	S1-15 Work-life balance metrics	6.4 Benefits and Social Protection	131 ✓	
	S1-16 Compensation metrics, pay gap and total compensation ratio	4.6 Remuneration; 6.6 Diversity, Equity and Inclusion	68, 136 ◐	information unavailable or incomplete — The total compensation ratio is disclosed; a gender pay gap percentage is not held.
	S1-17 Incidents, complaints and severe human rights impacts	6.6 Diversity, Equity and Inclusion; 4.9 Grievance Mechanism	136, 73 ✓	

ESRS CONTENT INDEX

ESRS STANDARD	DISCLOSURE REQUIREMENT	LOCATION	PAGE		OMISSION / NOTE
ESRS S2 — Workers in the Value Chain	S2-1 Policies related to value chain workers	6.12 Supplier Social Assessment	152	◐	information unavailable or incomplete — Nine value-chain data fields remain uncollected across the four units; collection begins 2026.
	S2-4 Actions on material impacts to value chain workers	6.12 Supplier Social Assessment	152	✓	
ESRS S3 — Affected Communities	S3-3 Processes to remediate negative impacts and channels to raise concerns	4.9 Grievance Mechanism; 6.11 Community Engagement	73, 150	✓	
	S3-4 Actions on material impacts to affected communities	7.7 Indirect Economic Impacts; 6.11 Community Engagement	164, 150	✓	
	S3-5 Targets related to affected communities	—		✕	not applicable — MBM Group has not set quantified community investment targets.
ESRS G1 — Business Conduct	G1-1 Business conduct policies and corporate culture	4.7 Policies and Business Conduct; 4.10 Risk Management	69, 77	✓	
	G1-2 Management of relationships with suppliers	7.8 Procurement Practice; 6.12 Supplier Social Assessment	167, 152	✓	
	G1-3 Prevention and detection of corruption and bribery	4.8 Anti-Corruption and Memberships	70	✓	
	G1-4 Confirmed incidents of corruption or bribery	4.8 Anti-Corruption and Memberships	70	✓	
	G1-5 Political influence and lobbying activities	2.4 Certifications, Frameworks and Recognition	34	✓	
	G1-6 Payment practices	—		✕	information unavailable or incomplete — Supplier payment-term data is not collected in a reportable form.

SUMMARY

Counting convention. Each disclosure is counted once. Sections may report the same disclosure in more than one place, so a count of disclosure instances across sections is higher than the unique count here.

Three disclosures marked omitted are also tagged in the section that explains the omission: GRI 301-1, GRI 305-3 and GRI 306-4.

	DISCLOSED IN FULL	DISCLOSED IN PART	OMITTED	TOTAL ADDRESSED
GRI	72	23	10	105
ESRS	48	8	4	60
Combined	**120**	**31**	**14**	**165**

ESG Report 2024 indexed 40 GRI disclosures and 22 ESRS disclosure requirements. This index addresses 105 GRI disclosures and 60 ESRS disclosure requirements, of which 95 GRI and 56 ESRS are disclosed in whole or in part.

Disclosures made for the first time in 2025 include board composition and evaluation, the chair of the highest governance body, communication of critical concerns, the annual total compensation ratio, compliance with laws and regulations, anti-corruption assessment, training and confirmed incidents, defined benefit obligations, government financial assistance, local procurement, the full tax suite, parental leave, performance reviews, non-discrimination, child and forced labour, negative supply-chain impacts, air emissions, waste management processes, water discharge, minimum notice periods regarding operational changes, total chemical consumption by product, and work-related injury rates computed on consolidated hours worked.


MBM
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