



Plan for Change



MAS Holdings | Impact Report 2021

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About this report

This report outlines our progress against the MAS 'Plan for Change', encompassing our efforts in product, social, and environmental sustainability, during the calendar year 2021.

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A Year of Change

In 2020, MAS Holdings introduced our new sustainability strategy for 2025, the MAS Plan for Change. Building on over two decades of work dedicated improving the lives of our people, and reducing our environmental impact, the MAS Plan for Change laid out twelve commitments that we would work towards for 2025, under the focus areas of Products, Lives and Our Planet Changed for Good.

While 2020 was a year that defined the history of humanity, 2021 brought along a fresh set of challenges as the pandemic evolved and continued to impact our people, communities, and business operations. But amidst a year of change, our commitment to inspire sustainable change did not waver, and we continued our Plan for Change journey with renewed focus.

During the year 2021, our teams spent the year in the discovery of our corporate purpose—once again, embracing change as an integral and inevitable part of the MAS journey—articulating our purpose **to be changemakers, enabling dreams and enriching the fabric of life on our planet.** Our purpose is intrinsically linked to the Plan for Change, which acts as a blueprint to bring our purpose to life.

We built on our efforts to integrate our Plan for Change commitments across MAS, aligning our work across business units and geographies, and finding ways to accelerate our impact by combining the strengths of our diverse teams. Working with our customers and partners, we continued to drive the effort to generate 50% of our revenue through sustainable products by 2025, reaching 21% by the end of the first year in 2021. We also continued to support our people and communities through the COVID-19 pandemic, while our commitment to the Science Based Targets initiative (SBTi) were validated, marking an important step in our journey of limiting emissions.

While we have made encouraging progress, we are excited to embrace the work that is yet to be done, and remain true to our founding values and our commitment to staying the course to do the right thing.

This report examines the work that we have done in 2021, considering the progress made in designing and developing more sustainable products, while contributing positively to our people, communities, and planet.



MAS Plan for Change :

Our commitment to inspire sustainable change for 2025



Products *changed for good*

50% revenue generated through sustainable products by 2025

- **Innovate and Disrupt**
Innovate the way products are made so that they can last longer, be good for the wearer, use less resources, and be recycled after use
- **Source Sustainably**
Partner with supply chain to responsibly source and develop organic, natural, and recycled raw materials
- **Pioneer Circularity at Scale**
Close the loop by using post-consumer waste to make new products



Lives *changed for good*

- **Empowering Women**
*+ Empower 100% of women at the factory floor
+ 30% women in management*
- **Meaningful Employment**
*+ Accelerate employee wellbeing & work-life balance
+ Ensure & elevate sustainable compensation for all employees
+ Foster diversity & inclusion with freedom of expression & identity for all*
- **World-class Workplaces**
Be first-in-class for working conditions in our industry
- **Thriving Communities**
Be an enabler for positive impact in all communities we work in



Our Planet *changed for good*

- **Limit Emissions**
Reduce our emissions footprint to achieve 25% absolute reduction
- **Transform Waste**
Value enhance 100% of non-hazardous waste
- **Responsible Chemical Use**
Be zero toxic in all products and processes
- **Safeguard Water**
Achieve zero impact to MAS' operations & mitigate negative impact to the environment & community
- **Champion Biodiversity**
Restore biodiversity in 100x the space we occupy



Products
Changed
for Good



Products Changed for Good

As a manufacturer, products are at the heart of what we offer through our business. Our aim is to make products that are good for the wearer, good for the planet and good for our business.

In 2020, with the launch of the Plan for Change, MAS took on the goal to generate 50% of our apparel revenue through sustainable products by 2025.

To meet these goals, partnerships with our brands and customers are key. We need to collaborate with our brands to understand the needs of their consumers, and co-create game-changing sustainable product offerings and platforms that can disrupt how the apparel industry operates.

These are our commitments in changing products for good:

01

Innovate and Disrupt

Creating sustainable products includes challenging the status quo and finding new ways to do things better for our customers and for our world. Whether this is through new technology, reengineering our supply chain, revolutionizing business models or making simple changes that create a bigger impact, we are committed to innovate and disrupt to create products that can last longer, are less resource intensive, can be good for the wearer, and be recycled after use.

02

Source Sustainably

From the use of water in growing agricultural crops like cotton, to the production of dyes and synthetic materials, manufacturing industries consume a lot of resources in sourcing raw materials. This is why we have committed to responsibly sourcing and developing organic, natural, and recycled raw materials.

03

Pioneer Circularity in Scale

Waste is one of the biggest challenges in our industry; however, it also has the potential to be one of our greatest resources. Addressing this problem is not only our responsibility as manufacturers, but it is essential to ensure the sustainability of our businesses. We believe that using circular business models will help us address this issue by extracting the optimal value out of used products once discarded. This is why we are committing to close the loop by using post-consumer waste to make new products.

Our journey of changing products for good

With the creation and operationalization of the MAS Plan for Change, sustainable product was one of the three focus areas of the overall strategy. We believed that making products more sustainable, was a key step in the overall journey of creating a more sustainable apparel industry.

MAS set itself the ambitious goal of 50% of its revenue being through sustainable product by the year 2025. Regular process is tracked on this target through annual, interim goals.

By focusing on the areas of Sourcing, Innovation and Circularity, MAS was able to surpass the goal for 2021 and meet the 2022 target a year ahead of schedule, by reaching 21% of its total revenue through sustainable products. This is a very promising start for MAS, as it not only depicts that impact and focus of our projects, but also that the brands that we serve are also committed to making products more sustainable.

As an organization focused on disrupting the industry, the commercialization of an unprecedented number of sustainable styles across all categories has been very encouraging.

FOCUS ON RAW MATERIAL

Much of the sustainable product revenue achieved in 2021 has been through the conversion to more sustainable raw material alternatives, such as, converting to recycled polyester and nylon instead of virgin, fossil fuel-based raw material, or the conversion to organic cotton and sustainable man-made cellulosic fibers. These small changes have had the biggest impact, yielding 66% of the total sustainable product revenue for 2021.

Advances in design and merchandising as well as enhancements in the manufacturing process have had an equal impact of 8% on sustainable product related revenue achieved in 2021.

In addition to the changes in made in process and raw materials, 18% of the sustainable product revenue has been achieved through products that have a positive social impact. Products that fall within this category are ones that enhance the experience of the wearer.

MAS has been on a journey to develop this space, with product categories such as adaptive apparel which is designed and manufactured to provide ease of wearing for persons with disabilities, and products that supports women through different stages of their lives, such as clothing designed to tackle menstruation, motherhood, and menopause.



Progress Snapshot

Our Commitment:
50% revenue generated through sustainable products by 2025



*Progress on indicators as of December 2021

Innovate and Disrupt



Our commitment: Innovate the way products are made so that they can last longer, be good for the wearer, use less resources, and be recycled after use

MAS recognized very early on that meaningful change cannot be achieved without innovating the way we manufacture and deliver products, and how products are used and discarded at the end of their life, prompting the teams to work on key sustainability related innovations, as we move forward in our sustainable product journey.

Novel technologies and business models are imperative for sustainability to become mainstream and integrated into processes. This is no different in the apparel industry. For this reason, we have been putting countless resources behind innovation projects, with the goal of providing long-term solutions that contribute towards sustainability.

Our main focus is on developing new technologies that will enable products to be more sustainable. Innovations that enable products to be coloured and finished without the use of water, technologies that eliminate waste during the manufacturing process, recycling of blended fabrics, natural dyestuffs, and business model innovations that will reduce

environmental impact are some areas where we have begun working on, to innovate and disrupt in our journey of changing products for good.

PLANETONES NATURAL DYE SOLUTION

MAS Strategic Business Unit, Noyon Lanka developed the world's first 100% natural dye solution to be certified with the 'Eco Dye Standard' by the Control Union.

Named Planetones, this solution stands impressive against its traditional synthetic dye counterpart, saving approximately 30% on water and 15% on energy. This innovation also significantly reduces chemical load on effluent. Made out of naturally occurring materials such as cranberry, butterfly pea flowers, and tea leaves, Planetones overcomes the concerns over colour variety, quality and consistency, that have traditionally constrained natural dyes. This solution shows impressive test scores on colour matching (85%-95%), repeatability (90%-95%) and colour fastness, the fabric's resistance to colour change or its transfer on to adjacent material.

As for its colour palette, Planetones offers 32 exciting shades from cranberry red and turmeric yellow to nude colours extracted from tea leaves. It has broad

applicability, enabling customers to source multiple components that are also naturally dyed. Planetones' and its Intellectual Property will be extended to other supply chain partners, enabling them to offer certified naturally dyed elastics, fabric and other accessories.

Noyon also complies with several other sustainable standards, such as the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List—Level 1, Oeko-Tex as well as a Transaction Certificate from the Control Union.





ADAPTIVE WEAR AND THE ESTABLISHMENT OF THE ADAPTIVE CENTRE OF EXCELLENCE (COE)

Understanding that clothing should be designed for everybody and every body, MAS has been working towards designing and developing product solutions that cater to include any wearers with limited abilities. Commencing from 2018, MAS has ventured into the space of adaptive clothing through easy on and off enabled apparel solutions for persons with physical disabilities.

Having identified that conventional clothing available in the market requires the usage of both arms and legs, adaptive apparel solutions have specifically been designed to offer easy on and off ability, thus offering wearers autonomy, independence, empowerment, and an inclusive lifestyle.

The adaptive apparel initiative was kicked off by onboarding the US based, adaptive wear startup Slick Chicks Inc., and shortly thereafter a second customer named Undercare. With products offering easy on and off capability, these apparel solutions offered convenient and inclusive alternatives to conventional clothing, and were designed specifically with persons with disabilities and those with a limited range of motion and mobility.

In 2020, MAS began to establish a Center of Excellence (CoE), catering to solidifying adaptive apparel as an important, emerging priority for MAS on our journey of inclusivity.

Having understood the challenges faced by persons with disabilities through extensive research, the Adaptive Centre of Excellence focuses on developing a range of styles and products with universal design thinking, garment construction and fastener placement to address mobility and emotional pain points associated with temporary and permanent conditions.

In 2021 the Adaptive Centre of Excellence partnered with the Sri Lankan Paralympics team, as its official Clothing Sponsor, co-creating with over 64 athletes and testing product functionality at peak performance. Two youth para-swimmers would later go on to win five medals at the Bahrain Youth Para Games.

The team also expanded its resources with a specialist team comprising of designers, pattern, sourcing & product technologists to elevate and innovate its product offering across key brands in the intimates and activewear space – further validated by its loungewear range commercialized through Slick Chicks, being featured on “The Best Bras of 2021”.

Source Sustainably



Our commitment: Partner with supply chain to responsibly source and develop organic, natural, and recycled raw materials

Sustainable sourcing plays a vital role in our overall sustainable product strategy. MAS considers sustainable sourcing as one of the most effective ways to convert our customer offering to one that is better for people and better for the planet.

Through this pillar, our focus is on converting a majority of the raw material into sustainable alternatives such as organic cotton and recycled synthetics. We have implemented the necessary resources to be able offer these products to our customer brands in line with globally accepted sustainability standards such as the Global Recycled Standard (GRS) and Organic Cotton Standard. This includes converting and certifying our manufacturing facilities to be in line with these standards.

As evident through the breakdown of MAS' sustainable product revenue for the year 2021, the sourcing of sustainable raw materials is one of the fastest solutions in making products more sustainable. This has led to MAS establishing stringent parameters into its sourcing

strategy, focusing not just on sustainable materials, but also the social practices at the sources where raw material is sourced from, ensuring complete alignment to the way in which sustainable product is measured at MAS.

This work that began in 2021 aims to create a more sustainable vendor base for MAS, will also help drive upstream producers towards the adoption of more sustainable practices, and thereby push forward MAS' vision of changing the industry for good.

BODYLINE RECOGNIZED FOR ITS BIO-DEGRADABLE POLY BAG

In 2021, MAS Strategic Business Unit Bodyline was recognized by the MAS Apparel Board for the introduction and commercialization of the bio-degradable poly bag. This bag is designed to degrade within 30 days of contact with landfill. Accordingly, every customer sample developed by Bodyline is now shipped to the brand in bio-degradable polybags. We have already commercialized this solution 100,000 units per month to existing brands, with many others expressing interest in commercializing this solution.

Bodyline is also working with other MAS divisions to explore the possibility of making this poly bag a standard offering to all brands. This initiative has indeed helped position Bodyline as a sustainable business organization that is leading the industry as a changemaker through its sustainable product offerings.

SUSTAINABLE PRODUCT CRITERIA

RAW MATERIALS

COTTON

- MORE THAN 50% OF THE COTTON USED IS ORGANICALLY GROWN. – L2
- MORE THAN 30% OF THE COTTON USED IS RECYCLED COTTON. – L2

NATURAL MATERIAL ALTERNATIVES

- MORE THAN 30% OF FABRIC MATERIALS USED MADE UP OF JUTE, BAMBOO, COIR, MODAL, LYOCCELL, ETC. AS AN ALTERNATIVE TO COTTON. – L2

SYNTHETICS

- OVER 75% RECYCLED SYNTHETIC CONTENT USED IN THE PRODUCT. – L3

RECYCLED NATURAL ALTERNATIVES

- MORE THAN 30% OF FABRIC IS MADE OF RECYCLED NATURAL ALTERNATIVES. – L2

WOOLS

- PROCUREMENT ALIGNS WITH RWS (RESPONSIBLE WOOL STANDARD) – L2
- OVER 75% OF THE WOOL CONTENT IS FROM RECYCLED WOOL CONTENT USED IN THE PRODUCT. – L2

OCEAN PLASTICS

- 90% OF THE NON-ELASTANE SYNTHETIC COMPONENT OF THE GARMENT TO CONTAIN RECYCLED OCEAN PLASTIC. – L3

BIODEGRADABLE

- PRODUCT IS MARKETED AS A FULLY COMPOSTABLE/Biodegradable PRODUCT, WITH NECESSARY DATA TO SUPPORT CLAIMS. – L2

BIO-BASED

- 30% OF FABRIC USED IS FROM BIOBASED ALTERNATIVES (CORN STARCH, SOY PROTEIN, CASTOR OIL, LAB GROWN, ETC) – L2
- 80% OF TRIMS AND AUXILIARIES MANUFACTURED USING NATURAL ALTERNATIVES SOURCED FROM WASTE OF OTHER INDUSTRIES. – L1

DESIGN/MERCHANDISING

RAW MATERIAL SOURCING

- 100% OF RAW MATERIALS ON BOM SOURCED FROM WITHIN THE SAME COUNTRY. – L1

MONOMATERIALS

- MONOMATERIALS – SINGLE MATERIAL USAGE PER GARMENTS. 100% OF FABRIC ITEMS IN BOM MADE WITH EXACT SAME COMPOSITION. – L2

ENGINEERED KNIT

- PRODUCT DESIGNED FOR ENGINEERED KNIT, WHICH HAS THE EFFECT OF ELIMINATING FABRIC CUT WASTE. – L3

DESIGN FOR LONG LIFE

- PRODUCT CONTAINS ANTI-STAIN, ANTI-SNAGGING AND ANTI-ODOR* FINISHES/TECHS TO PROLONG LIFETIME OF THE PRODUCT. – L1
- *DOES NOT INCLUDE BACTERIOCIDAL FINISHES/YARNS**

COMPOSTABLE PACKAGING

- POLYBAGS USED FOR GARMENT PACKAGING IS COMPOSTABLE. – L1

RECYCLED PACKAGING

- 100% OF POLYBAGS USED FOR GARMENT PACKAGING IS 100% RECYCLED. – L1

SHIPMENT AIR FREIGHTED

- IF A SHIPMENT OF STYLES ARE AIR FREIGHTED, THE "SUSTAINABILITY LEVEL" OF THE GOODS IN THAT SHIPMENT WILL BE REDUCED TO THE NEXT LOWER LEVEL.

PAPER-BASED

- 100% PAPER-BASED PACKAGING (INCLUDES CORRUGATED CARTON BOXES, DYES AND INKS USED IN PACKAGING TO BE NATURAL/WATER BASED/VEGETABLE BASED AND NATURALLY DECOMPOSING/RECYCLABLE. – L1

DESIGN FOR REUSE

- PRODUCT ENABLES A SHIFT OVER FROM SINGLE-USE TO REUSABLE. – L3

MANUFACTURING PROCESS

DYEING & FINISHING

- BODY FABRIC"/"BODY FABRIC AND ELASTICS" ARE COLORED USING AT LEAST 80% NATURAL COLORANTS (EX: TEA STAINING). – L2
- BODY FABRIC"/"BODY FABRIC AND ELASTICS" IN THE PRODUCT HAS BEEN RE-DYED. – L3
- PRODUCT HAS BEEN DYED/FINISHED USING BLUE SIGN APPROVED CHEMISTRIES – L2
- PRODUCT USES ONLY DIGITAL COLORATION FOR EMBELLISHMENTS AND BASE FABRIC COLOR. – L3
- PRODUCT USES 90% LESS WATER THAN TRADITIONAL DYEING AND FINISHING METHODS. – L3
- PRODUCT USES 90% LESS ENERGY THAN TRADITIONAL DYEING AND FINISHING METHODS. – L3

CIRCULARITY

POST-CONSUMER WASTE

- 80% OF RAW MATERIALS PRODUCED USING POST-CONSUMER APPAREL WASTE. – L3

DESIGN FOR POST-CONSUMER

- PRODUCT IS DESIGNED TO BE 100% RECYCLED, POST CONSUMER USE. – L2

PRE-CONSUMER

- 80% OF PRODUCT MADE USING PRE-CONSUMER WASTE. – L3
- ANY PRODUCTS WHOSE BUSINESS MODEL ELIMINATES CUSTOMERS' PRODUCT INVENTORY WASTE. – L3

SOCIAL




SOCIAL WELLBEING

- % OF PRODUCT FOB/RETAIL PRICE GOES DIRECTLY TO A SOCIAL WELLBEING INITIATIVE. – L2

EMPOWERMENT

- PRODUCT ENABLES AND EMPOWERS WOMEN (FEMTECH); PERSONS WITH IMPAIRMENTS; PHYSICAL, MENTAL OR SITUATIONAL, TO LEAD MORE NORMAL LIVES. – L3

RATING CONVENTION

	≥ ONE L3 = GOLD	≥ TWO L2 = GOLD
	ONE L2 = SILVER	≥ THREE L1 = SILVER
	≤ TWO L1 = BRONZE	
SILVER AND GOLD ARE ONLY CONSIDERED FOR THE KPI BUT BRONZE WILL CONTINUE TO BE TRACKED		

Pioneer Circularity at Scale



POST-CONSUMER CIRCULARITY

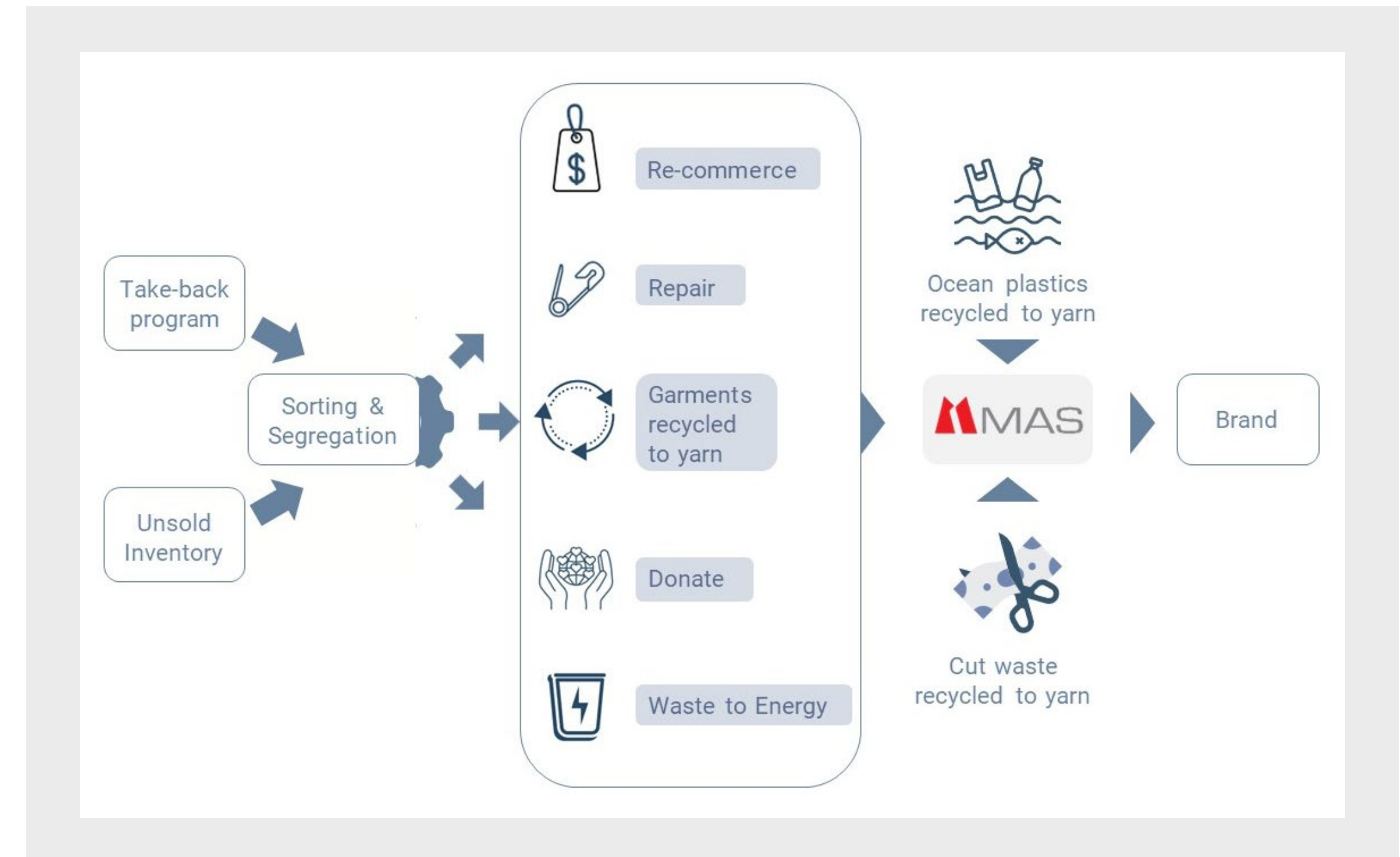
Our commitment: Close the loop by using post-consumer waste to make new products

A circular economy is one that is based on the principles of eliminating waste and pollution by keeping products and materials in use through a circular system. In the apparel industry, circularity plays a primary role in helping to reduce waste generation by rerouting discarded products and materials back into the value chain as raw material.

At MAS, we recognize that, in order for our industry to be able to sustain itself and stop impacting the earth negatively, there needs to be a rapid overhaul of the way apparel is manufactured, sold, used and discarded. This also means that value chains that have remained linear for centuries must now transition into circular models, to enable the industry to explore closed-loop solutions in manufacturing.

In 2021, the teams placed a lot of focus on post-consumer circularity with the goal of unlocking circular business models for our customer brands and explore ones that can function at scale.

We have commenced meaningful partnerships with players across the value chain, from sorters and segregators to recyclers and logistics providers. The circular business models that we have taken to the brands have now been converted to pilot programs in order to validate the feasibility of the models.



As illustrated above, the model utilizes unsold inventory as well as goods returned through the brand's take-back scheme, as feed stock for the circular end of life options. Efficient sorting and segregation are key to ensure the products are routed to the highest value channel, in keeping with the waste hierarchy framework.

Products that cannot be reused or repaired are recycled back into yarn, and MAS utilizes a combination

of recycled cut waste, fugitive plastics and recycled post-consumer waste to manufacture products once again.

MAS has launched several pilot programs with strategic brands to test and validate the real-world feasibility of the model. While remaining positive about the anticipated results, MAS hopes that these steps will lead us to unlocking circularity at a meaningful scale, within the industry.



CIRCULAR DESIGN

Through our experience, MAS has recognized that products must be designed with the intention of being recycled, to be compatible with circular models and for circularity to truly reach scale. With this in mind, MAS began training designers and other key players in the product development process, on circularity and the concepts and principles behind it.

As we progress on these efforts, our goal is to have all stakeholders in the development process trained on circularity so that MAS is able to provide a full suite of solutions in the space, at a scale that truly changes the industry for good.

Change Spotlight:



Reusable Absorbent Undergarment Testing Protocol

FemTech
at MAS

HOHENSTEIN

BRINGING
NORMALCY TO
WOMEN'S
LIVES,
EVERYDAY.

REUSABLE ABSORBENT UNDERWEAR TESTING PROTOCOL

Always considering new areas through which we could lead change in the industry, MAS identified a gap in the Reusable Absorbent Underwear space very early on, which was the lack of testing and standards and protocols. While different solutions available in the market made a myriad of claims, these were not validated against any standards.

This means that consumers are unable to base purchase decisions on science-based data and can only depend on brand claims to inform their purchase decisions.

MAS decided to address this gap by developing an international standard that takes into consideration the actual use-case of Reusable Absorbent Underwear, ensuring that functionalities the consumer holds valuable were also captured.

Together with our longtime partner, Hohenstein Laboratories GmbH, an independent lab in Germany, MAS developed the first Global Test Protocol for Reusable Absorbent Underwear. The aim of this protocol is for brands to use it as a benchmark to make accurate marketing claims, claims that empower the consumer to make fact-based decisions.



Who will benefit?



Consumers/End-Users

Consumers will be provided with a selection of products that conform to global standards and are best suited to their requirements based on closer to real life user experiences. They will no longer be misled by a variety of ill-supported or overvalued claims.



Brands

With a global standardized protocol, brands will have the required parameters for testing and making accurate claims in the Washable Absorbent Underwear market.



The Industry

Given insufficient regulatory standards currently, the FemTech industry will steer towards producing high quality products that are standardized and true to their claims.



Lives
Changed
for Good



Lives Changed for Good

Since the inception of MAS, the company was always built on the foundational values of doing the right thing. Our founders were of the firm belief that we could only succeed as a business through the success of our employees and communities, who remain at the heart of our business.

Today, MAS is home to over 118,000 changemakers across the globe who have grown with the company and helped grow our business from a Sri Lankan enterprise to a company with a global soul. Our employees are our greatest strength, and the local communities surrounding us have been our support system since day one. This is why it is vital that we sustain them, just as they sustain us, and help change their lives for good.

01 Empowering Women

At MAS, women are the heart of our workforce. Our success is a direct reflection of their development, well-being, and happiness. We want to give them every opportunity to do better and achieve more in life.

This is why we are making two bold commitments to grow the number of strong women in our midst and give them every opportunity to succeed:

- a. We will empower 100% of female team members with opportunities to enhance their careers, health, well-being, and safety.*
- b. We will have 30% women in management by 2025, with a longer-term ambition to reach gender equity.*

02 Meaningful Employment

So much of our lives are spent at work – away from family, friends and other things that give our lives meaning. This is why we must support our people to find meaning at work, so that they are motivated to do more and achieve more during their time with us.

To enable them to do so, we are committing to compensate them fairly, help them improve their well-being and balance their work and personal lives, and support them to feel included and accepted for all their differences and strengths:

- a. We will support all employees to improve their well-being and to better balance life and work.*
- b. We will provide all employees fair, market-based compensation, and performance-focused recognition.*
- c. We will promote diversity, inclusion, and freedom of expression for all employees, with emphasis on persons with disabilities.*

03

World-class Workplaces

As the place we spend most of our waking hours, our workplaces should be safe, secure, and help us do our jobs comfortably and productively. There are many guidelines and compliance standards that MAS is aligned to in order to achieve this goal; but we want to make sure that we go beyond being compliant, to give our teams places of work that they look forward to coming to every day. This is why we are providing world-class workplaces where our teams can thrive, pushing towards 'Exceptional' compliance ratings through best-in-class and first-in-class working conditions across all facilities.

04

Thriving Communities

The communities that surround us have been our support systems from day one. Many of our team members are from these communities, and the community leaders, local authorities and people in these areas have supported us since our inception, helping us along our journey. We are committed to supporting the communities around our facilities to develop and create positive change through opportunities to improve education, health, environment, sports, local needs, and national causes.





Progress Snapshot



Empowering Women

3.7MN

opportunities created for women since inception

GOAL:
Empower 100% women at shop floor



Empowering Women

22%

women in management

GOAL:
Reach 30% women in management positions



Meaningful Employment

380

persons with disabilities employed within the group

GOAL:
Foster diversity & inclusion with freedom of expression and identity for all



Meaningful Employment

20

locations with on or off-site, company-supported childcare facilities

GOAL:
Accelerate employee wellbeing and work-life balance



Thriving Communities

8.6MN

Opportunities created through corporate citizenship activities

GOAL:
Be an enabler for positive impact in all communities we work in

*Progress on indicators as of December 2021

Empowering Women



Since its inception in 1986, MAS has always placed emphasis on empowering its employees. The company felt that the best way to ensure that its workforce was capable, well-equipped, and geared towards excellence was by incorporating empowerment into the organizational strategy. Additionally, understanding that our industry is driven by a predominantly female workforce and their significant impact on the business, over the last few years, we have renewed our focus on gender equality and women's empowerment.

MAS' hallmark "Women Go Beyond" (WGB) platform drives the work on women empowerment and gender equality throughout the company, creating change within the workplace and in the communities in which MAS operates.

The Women Go Beyond programme has expanded and adapted to the needs of the company and its employees over its 18-year journey since 2003. Today, approximately 70% of MAS' workforce is women, and WGB has permeated the very DNA of the organization.








The WGB programme promotes knowledge, awareness, leadership, attitudinal changes, and the ability to balance work and personal life. While the focus for many years was on gender sensitization,

women's health, gender-based violence prevention and skill development, all mainly at a factory floor level, since 2017, MAS has set itself an ambitious goal to increase women in management and is actively working to address the gender gap in decision-making roles.

The WGB framework is closely aligned with the UN's Women's Empowerment Principles:

- 1. Establish high-level corporate leadership commitments for gender equality*
- 2. Treat all women and men fairly at work – respect and support human rights and non-discrimination*
- 3. Ensure the health, safety and well-being of all women and men workers*
- 4. Promote education, training and professional development for women*
- 5. Measure and publicly report on progress to achieve gender equality*

The programmes carried out under WGB are also aligned with the Sustainable Development Goals (SDGs) set by the United Nations General Assembly. While the two biggest goals in our agenda are goal 3 and 5, we believe our programmes contribute in different degrees towards achieving all of the following SDGs in our process of achieving a well-rounded and holistic life experience:

- 
Goal 3 – Ensure healthy lives and promote well-being for all at all ages
- 
Goal 4 – Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 
Goal 5 – Achieve gender equality and empower all women and girls
- 
Goal 8 – Promote sustained, inclusive, and sustainable economic growth, full and productive employment and decent work for all
- 
Goal 10 – Reduce inequality within and among countries
- 
Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- 
Goal 17 – Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

The year 2021 continued to be a challenging year. With the pandemic outbreak worsening in most of the countries where our facilities were located in 2021 compared to 2020, our purpose and adaptability has been tested. However, amid all these challenges and obstacle, we were able to push forward and ensure lives made better for all our employees, keeping true to our MAS Values.

Women Go Beyond showcases the policies and practices related to supporting women’s empowerment and advancing gender equality in the workplace, marketplace, and community, supported by sex-disaggregated data where available. It will also demonstrate how the company pushed its women’s empowerment agenda this year more than ever through innovative ways, despite the challenges.

Under MAS’ 2025 Social Sustainability Strategy, “Empowering Women” was recognized as a standalone pillar in recognition of its importance to the company. In line with this strategy, the Women Go Beyond initiative continued to carry out work under our two main focus areas in 2021:

- *Women on the Factory Floor*
- *Women in Management*



Women on the Factory Floor

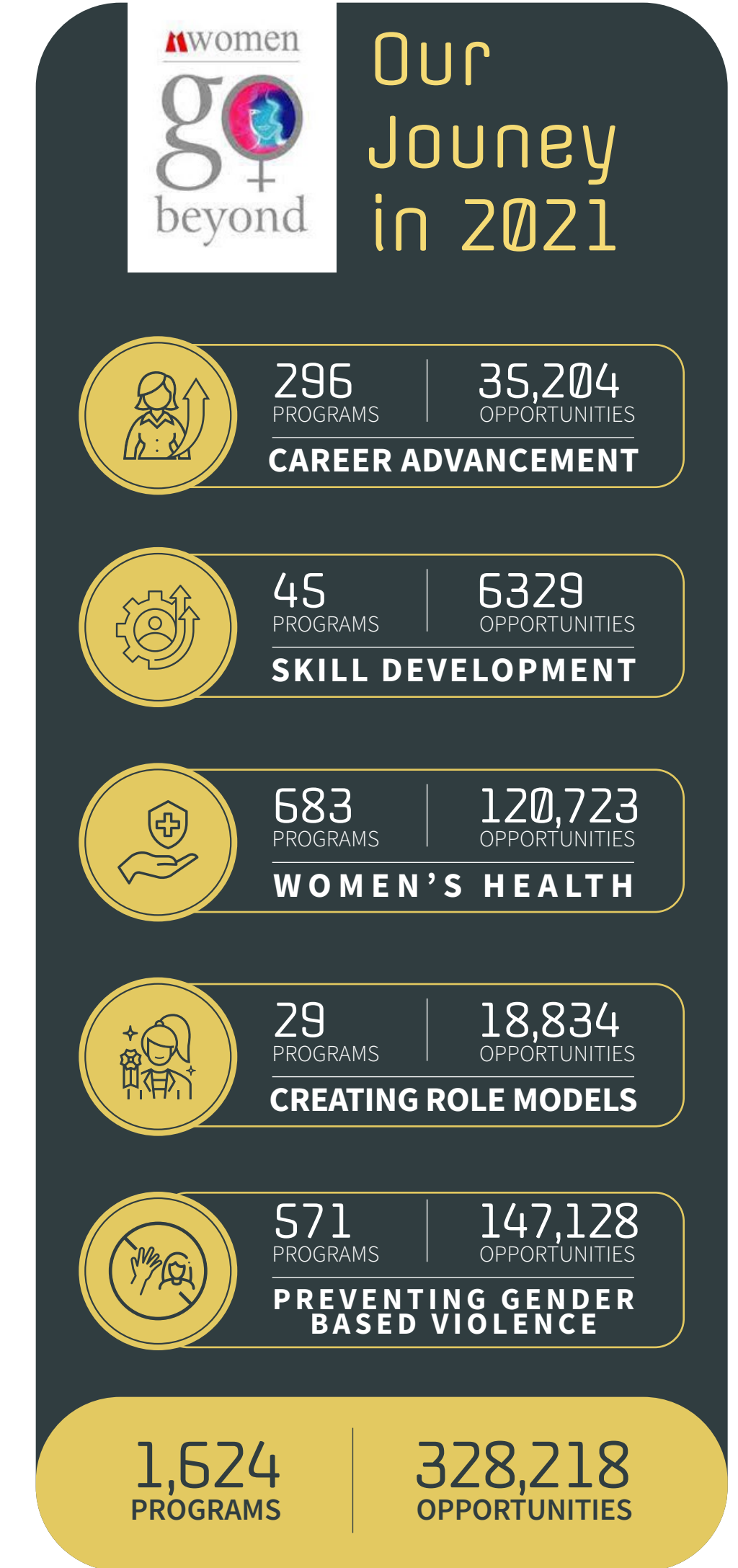


Our commitment: Empower 100% of women at the factory floor

In line with our 2025 Social Sustainability Strategy, we identified five key areas of focus to contribute to 100% empowerment of women on the factory floor.

Under these key areas of focus, in 2021, the WGB initiative offered 328,218 education, training and development opportunities for people both within the organization and in our communities, of which 248,221 opportunities were created especially for our women working on the factory floor. These opportunities were offered through 1,624 programmes conducted group-wide, both online and off-line adhering to health and safety regulations. Figure 1 shows a snapshot of the programmes conducted under WGB in the 5 main focus areas for factory floor employees during 2021.

Having the vaccination process rolled out in all of our facilities and group-wide awareness created continuously, we faced the year with a stronger, more disciplined and responsible workforce which made all our endeavours this year possible. The resilience and dedication of specially our courageous women on the factory floor amidst of all financial, emotional and physical challenges were truly inspiring. Through the year 2021 too, we made sure to stay connected to understand their needs to the best of our ability as a Group.



CAREER ADVANCEMENT FOR WOMEN

With the aim of promoting education, training, and professional development for women (WEP - 4) and to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (SDG Goal 4), MAS provided a wide range of education and training opportunities for female workers through professional trainers and subject specialists during 2021.

These programmes included the following:

- *English language skills development*
- *Leadership development*
- *Communication and public speaking skills development*
- *Presentation skills, computer, IT, positive thinking development*
- *Mentorship for identified women on the factory floor*

These training programmes were conducted by WGB focusing on team member level female employees in addition to the regular technical trainings provided by the L&D team. All programmes were aimed at bridging the gap between the current state of female associates and their desired state in career, with most being conducted virtually, keeping the health and safety regulations in check.

English Language Training

Altogether 55 such programmes were conducted across the Group in 2021 supporting employees to improve their English language skill, providing a total of 1,194 opportunities to our employees. A sampling of engagements is shared below.

Strategic Business Unit	Programme	Beneficiaries	Mode
Corporate WGB team	English Language Skills Development	52 Abhimani Empowered Women Award winners	Once a month tutorial series
MAS Intimates	Reading, Writing, Listening and speaking skills	MAS Intimates plants in Sri Lanka, Indonesia and Bangladesh	Workshops
Bodyline	English Development Club	80 selected employees	Regular engagement



Leadership & Skills Development

Supporting more and more women to be future leaders has always been a key element in WGB agenda. These leadership development programs cover key areas such as goal setting, self-reflective practices, emotional intelligence and public speaking and socialization skills on top of many others.

Strategic Business Unit	Programme	Beneficiaries	Mode
MAS Intimates Unichela	Self Motivation, problem solving, creativity, and communication	20 identified employees	Full day workshop with lecturer from Ruhunu University
MAS Intimates Unichela	Leadership development and emotional intelligence	20 identified employees (follow up)	Full day workshop with senior counsellors and psychotherapists
MAS Intimates Casualline	Leadership Development	Team leaders, group leaders and factory floor executives	Activity based skill development programme
MAS Intimates Slimtex	Personal Grooming and Communication & Presentation skills	Team Leaders and Group leaders	Workshops
MAS Intimates Thurulie, Unichela, Vidiyal	Personal Grooming and Communication & Presentation skills	Team Leaders, Group leaders and bipartite committees, Abhimani winners	Two-batch programme
MAS Active	Personality and Skill Development	Abhimani applicants	Workshops in interview skills and effective presentations
Bodyline	Team motivation	Team members who were coming to work daily	Workshops with corporate trainer
Bodyline	Positive thinking and goal orientation	Group leaders	Workshops with corporate trainer

It is important to note that while working from home and remote working practices were adopted in a majority of the job roles whose nature allowed the same, most of our employees who worked on the factory floor didn't get this opportunity purely based on the nature of their job. While we as a Group were grateful towards their courage and dedication, different locations continued to conduct different programs to keep them motivated and to boost their morale.



Personal Advancement and Career Enhancement (P.A.C.E)

Personal Advancement and Career Enhancement (P.A.C.E.) is an innovative and educational learning programme introduced by Gap Inc, that positively impacts women in the workplace and in community settings by providing them the foundational skills and support to advance in their work and personal lives. The programme enhances the professional and personal capabilities of female team members is a key initiative carried out by MAS Intimates Division.

PVH Corp. also decided to come onboard and extended the same to their vendors, including MAS Intimates. The programme started at Slimtex in 2015 and, by 2021, the programme continued to thrive across 12 plants in Sri Lanka: Slimtex, Casualline, Unichela Panadura, Thurulie, Unichela Biyagama, Silueta, Linea Clothing, Linea Intimates, Slimline, Unichela Koggala and Vidiyal.

The year 2021 focused on challenging and breaking stereotypes associated with gender. Throughout the years, MAS has been in the forefront on promoting females in non-traditional job roles such as mechanics, cutters, printers, technicians, etc. Each division has been training and encouraging women to take up these job roles that are traditionally dominated by men through different initiatives amid the challenges posed by the pandemic.

Programme Name	No. of Programmes	Participation Hours	Opportunities for Females	Opportunities for Males
Abhimani training and coaching sessions	22	53	421	0
Career guidance programme	23	87.5	413	118
Communication/Public speaking/ Presentation skills	32	58.5	821	334
Computer/IT/ Microsoft Office	8	18.5	130	83
English language skills development	50	370	987	155
English language development program for empowered women by corporate	5	5	52	0
Technician training	8	600	46	12
Finance management	36	40	4755	957
Leadership development training	44	143	814	265
Mentorship	5	4	8	0
PACE programmes	7	448	985	0
Time management	10	13.5	2197	585
Positive thinking	21	520.5	1563	4480
Motivational speech by an external facilitator + internal	16	31	11884	2977
Multi-skilled/Jumper	2	4	20	5
Non-traditional female roles	7	14	136	1
TOTAL	296	2,411	25,232	9,972

SKILLS DEVELOPMENT OUTSIDE THE JOB ROLE

The 'Entrepreneurship Acceleration Program' launched by the corporate WGB team successfully continued online through the year of 2021. We were inspired to see our female team members actively participating in the online sessions amidst all challenges. The program was launched in 2019, launched with the aim of supporting female business owners and women entrepreneurs selected from the winners of the Abhimani Empowered Woman of the Year program.

Due to the restrictions posed by the COVID-19 pandemic, we adopted an innovative new model for this programme, where 5 learning modules in forms of short videos with specific deliverables at the end of each segment. The second phase of this program continued in 2021 as successful participants were divided into subgroups based on their product or service interest and the sessions are curated accordingly to uplift their knowledge and give individual attention to each of the industries.

In addition this centralized program, all divisions across the Group organized workshops, knowledge sharing sessions and training programmes in collaboration with industry experts and successful entrepreneurs to promote entrepreneurship among our female associates, as well as to promote the generation of a secondary income. Across the Group, we provided 4,661 opportunities for our female employees through 43 entrepreneurship development programmes, which also included training on arts and crafts, beauty culture, hand work, curtain stitching and tailoring etc. All these efforts aimed at further

enhancing the financial empowerment of our women and to nurture the entrepreneurial spirit in them so that they bring it to their homes and communities in return.



Strategic Business Unit	Programme	Beneficiaries	Mode of Delivery
Corporate WGB team	Entrepreneurship Acceleration Program	Team members	Learning modules with industry experts
MAS Active Nirmaana	Craft training	Team members	Activity based workshops
MAS Intimates Casualline, Silueta, Unichela Biyagama	Home baking	Team members	Workshops by industry experts

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Arts & craft training	2	11	1645	436
Beauty culture training	1	8	86	0
Cookery/Culinary classes	6	18	222	0
Curtain stitching	2	5	24	0
Dancing class/Music and singing	1	1	10	0
Handwork	2	10	2197	82
Entrepreneurship programme	7	37.5	125	8
Entrepreneurship skills development programme by corporate	11	22.5	153	1
Sewing classes/Tailoring training	12	32	209	0
Driving lessons	1	1	1031	100
TOTAL	45	146	5,702	627

WOMEN'S HEALTH

In line with the 3rd Women's Empowerment Principle of ensuring the health, safety and well-being of all women and men workers, MAS has been working with doctors, trained professionals, and subject specialists to create awareness and educate employees at all levels. We achieved this through in-depth training and awareness sessions and free medical check-ups across the Group, with a special focus on gender-specific health and safety issues. Some of the key areas covered in these awareness sessions are as follows:

- *Sexual and reproductive health and rights*
- *Prevention of diseases such as STDs and HIV*
- *Life skills including consent, choice and consequences*
- *General health and nutrition*
- *Non-Communicable Diseases (NCDs), Breast cancer and cervical cancer detection and awareness*
- *Mental health and stress management*
- *Pre- and post-natal care including support for pregnant women and those returning from maternity leave*

Having doubled the original commitment made to the United Nations Foundation in 2019 to reach 10,000 associates by 2021, MAS achieved the extended commitment to reach 20,000 associates in terms of

awareness and education on sexual and reproductive health and rights and gender-based violence by 2021.

The unique curriculum on sexual and reproductive health and rights, life skills, prevention and control of Non-Communicable Diseases and gender-based violence, developed in partnership with International Planned Parenthood Federation's (IPPF) Family Planning Association of Sri Lanka (FPASL) continued to get rollout out across the group, through internal trainers trained and upskilled at each division through multiple sessions conducted online amidst the challenges posed by the pandemic.

This initiative led by the corporate WGB team alone had built internal capacity of 83 internal trainers including counsellors, ER members and past empowered women of which 74 are women and has provided education and awareness to 24,615 employees through small group workshops.



Strategic Business Unit	Programme	Beneficiaries	Mode of Delivery
Corporate WGB team	Well Woman programme in partnership with National Cancer Control Programme led by Ministry of Health, Sri Lanka.	Team members	Workshops on cervical cancer awareness in partnership with Family Health Bureau
MAS Intimates	Aloka Breast Cancer Awareness programme	All female employees	Workshops, groupwide awareness sessions, clinics, screenings
Linea Aqua	Well Woman Cancer Screenings	Female employees	Medical camps for womb cancer screenings
MAS Intimates - Linea Clothing	Medical camp on gynaecology	Team members	Medical camps with screenings
Bodyline	Support for expectant mothers	Team members	Clinics for prevention of iron deficiency
MAS Intimates, Intimates Linea Fashions India, MAS Arya Indonesia	Dignity of Motherhood	Team members	Comprehensive workshops and clinics on neonatal support
MAS Active	Pre- and Post-Natal Care	Team members	Workshops and clinics
MAS Active	Community projects for expectant mothers	Women in communities around MAS plants	Clinics and screenings

'Aloka' Breast Cancer Awareness Programme

The 'Aloka' Breast Cancer Awareness Programme was another key initiative carried out by MAS Intimates supporting this agenda, where the company worked in partnership with the Sri Lanka Cancer Society to conduct group-wide awareness sessions on breast cancer, symptom detection, performing self-examinations and treatment options. The programme aims at:

- filling the knowledge and accessibility gaps in a subject area that is still considered taboo in rural areas where some of MAS facilities are located;
- increasing awareness and education on early detection methods, risk factors (including food and environmental), signs and symptoms, access to doctors, clinics and screening;
- reducing morbidity and mortality by shifting diagnosis states from late stages to stages where the disease is more curable (0-II stage), where survival rates are higher and treatment costs are lower; and
- encouraging behavioural changes for women to check their breasts regularly for changes, for women with possible early signs of breast cancer

to visit clinics, to empLower local women to take a leading role in delivery of the campaign, to encourage peer-to-peer messaging and advocacy, and work towards embedding a sustainable approach to engaging with this audience on health and lifestyle issues, and the dissemination of information and advice.

Throughout 2021 too, awareness sessions at all MAS locations were conducted together with public health officers facilitated by the Sri Lanka Cancer Society. The sessions were integrated into the induction programme, conducted by nurses

at the in-house medical centres at all facilities, while internal PA systems were sometimes used to conduct awareness programmes and interviews with doctors and technical experts on breast cancer and diagnosis.

Throughout 2021, 24,535 women and 8,777 men were given awareness and education on breast cancer through 103 programs conducted across the group, majority of which were facilitated by the Aloka program. This benefit was also extended to 660 beneficiaries in the community through 9 community programmes conducted.



Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Reproductive health-related education	324	527.9	19420	5195
SRH - (Train the Trainer) programme by corporate	2	4	74	9
Breast Cancer Awareness	103	162.5	24535	8777
Cervical Cancer Awareness	63	97.5	17577	4622
Female related nutrition & hygiene	116	160.5	31435	7207
Maternal Health	64	82.5	1033	52
Total	672	1,034.9	94,074	25,862

On top of that, programs conducted across the group have provided education and awareness to 598 women and 189 men in the community through 11 programs conducted on breast cancer awareness and Female related nutrition and hygiene.

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Breast Cancer	9	9	486	174
Female related nutrition & hygiene	2	5	112	15
Total	11	14	598	189



THE LACTATION ROOM IS NOW OPEN TO ALL FEEDING MOTHERS AT KREEDA CAMPUS!

Empowering The Mothers of Our Workforce!

- All feeding mothers are welcome to use the breastfeeding room on the ground floor of the NXT building.
- The room, which is open from 8:00 a.m. to 5:00 p.m., does not require advance reservations. For more information, please contact SachithraD.

#SUSTAINABILITY@KREEDA

MASKREEDA

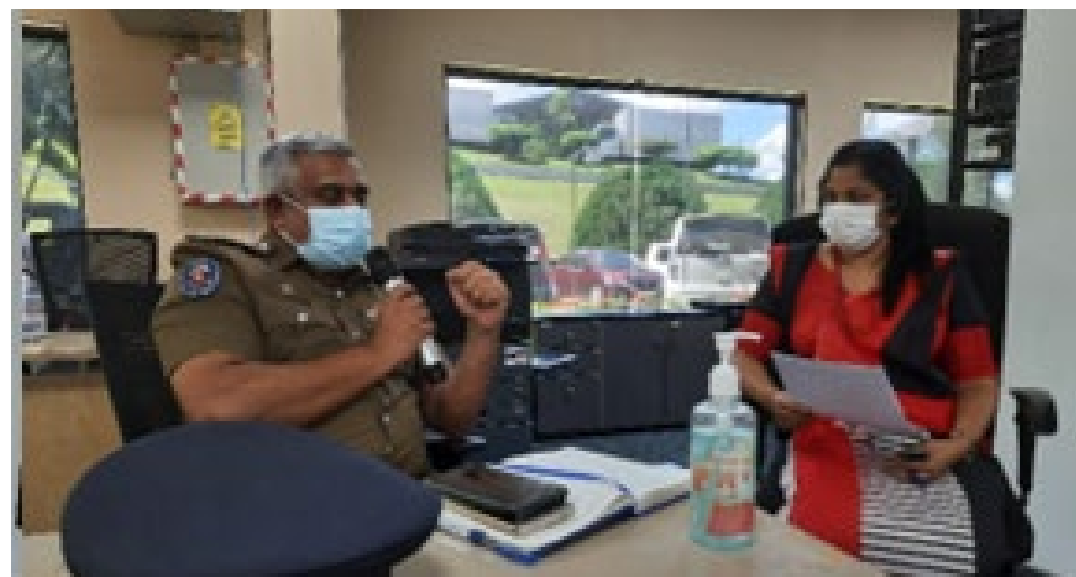


ADDRESSING AND PREVENTING GENDER-BASED VIOLENCE (GBV)

According to UNDP, the COVID-19 outbreak has intensified domestic and gender-based violence (GBV) globally. The pre-existing toxic social norms and gender inequalities, economic and social stress caused by the pandemic, coupled with restricted movement and social isolation measures, have led to an exponential increase in GBV, and the situation was no different in Sri Lanka. The Computer Emergency and Readiness Team (CERT) in Sri Lanka also reported a steady and alarming growth of ‘social media related incidents’ which include instances of cyber bullying, fake profiles, hacking and other online violations during the pandemic.

Against this backdrop, there was an enhanced emphasis and a Group-led mandate to create more awareness and education on preventing domestic and gender-based violence, and avenues of support, and we continued to engage in many initiatives within the organization and with community stakeholders.

Through these interventions, in 2021, a total of 37,855 employees were provided with sensitization and awareness through 305 programs conducted contributing to approximately 450 hours of learning across the group. Most of the facilities took these learning to their communities as well, as they provided education and awareness to 2,674 people in the community through 26 programs conducted with the intention of raising awareness and minimizing incidents of gender-based violence including domestic violence and workplace harassment.



Strategic Business Unit	Programme	Beneficiaries	Mode of Delivery
Corporate WGB team	Prevention of cyber bullying and harassment	Internal trainees and employees	Train-the-trainer programmes, awareness sessions, sensitization workshops
MAS Kreedaa	#OrangeTheWorld campaign by UN Women	Employees and local communities	Capacity building workshops
Bodyline	Gender Based Violence prevention	Internal employees	Awareness sessions on resources, legal support
MAS Active	Cyber security with special focus on women	Internal employees	Programmes in partnership with Child & Women Bureau of Sri Lanka Police HQ
MAS Active – Akansèyl, Haiti	Prevention of sexual violence and abuse	Internal employees	Awareness sessions
Corporate WGB team	Happy Family Life programme	Internal employees and local communities	Awareness sessions with domain experts
MAS Active	Community awareness on strengthening family relationships	Local community members, parents of students in local schools	Community programmes
MAS Intimates, Unichela Panadura and Biyagama, Silueta, Linea Clothing and MAS Sumantra Bangladesh	Prevention of drugs, alcohol and substance abuse	Local communities in Panadura, Biyagama, and Bangladesh	Programme structured on 3 modules, in partnership with regional hospitals, police, govt authorities and NGOS
MAS Intimates Ayathi	Happy Me and Happy Work programme	Internal employees	Self-care workshops

Code of Conduct & Grievance Handling

MAS also possesses a fully structured and robust grievance handling mechanism – MAS DNA. This includes our anti-harassment policy; multiple avenues for raising concerns; code officers at every location and at the central and corporate level, all of whom are available to any employee; an online platform; and a hotline. The Group also has a standard grievance investigation process and a consequence management framework to ensure equity.

Our efforts in this regard were not limited to local boundaries, as Women Go Beyond has been launched in many of our foreign locations including India, Bangladesh, Indonesia, and Jordan. It was very encouraging to see communities in these foreign locations coming onboard to follow and adapt the same curriculum and material developed by the Group using their local resource personnel to internalize the content.

All of these efforts are linked to our social sustainability strategy and are a part of the social sustainability score for which the CEOs are responsible, therefore creating accountability.

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Alcohol, drugs and tobacco prevention	28	33.5	10866	4005
Awareness on legal aid/Legal requirements	122	269.5	34341	11624
Child abuse/Care and development/ Parenting skills/Family values	22	32	16580	5267
Cyber bullying	12	21	3604	1563
Domestic violence awareness programmes	305	449.5	29175	8680
Early marriages and its consequences	3	3.5	1381	376
Happy family programme by corporate	25	30	6348	1716
Prevention of harassment	19	22	4592	951
TOTAL	536	861	106,887	34,182

Programs conducted across the group have provided education, awareness, and sensitization to 3,995 women and 2,064 men in the community through 35 programs conducted addressing and preventing domestic and gender-based violence. Table 6 shows the breakdown of individuals in the community who benefited from these training, by gender and the hours of training involved.

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Alcohol, drugs and tobacco prevention	2	3.5	2137	840
Awareness on legal aid/Legal requirements	1	3	30	20
Child abuse/Care and development/ Parenting skills/Family values	4	18.5	89	45
Domestic violence awareness programmes	26	53.5	1577	1097
Happy family programme by corporate - internal	1	2	12	12
Prevention of harassment	1	2	150	50
TOTAL	35	82.5	3,995	2,064

CREATING ROLE MODELS

Keeping in line with the main UNSDG for Women Go Beyond: to achieve gender equality and empower all women and girls, MAS has realized that profiling, sharing success stories of women who have broken the stereotypes and achieved the supposedly “impossible!” helps to create inspirational role models in the journey of achieving gender equality.

MAS has rewarded and recognized the success stories of MAS women at the group wide ‘Abhimani Awards Ceremony’ since 2004. Through this endeavor, a number of ‘Empowered Women’ are recognized and promoted to be a role model and an inspiration to the rest of the women in the organization.

In 2021, the company witnessed the 14th celebration of “Empowered Woman of the Year - Abhimani Awards” with the theme: “pride of our nation”. MAS played

host to a number of inspiring women, driving and leading our organization and being the backbone of our economies during these challenging times. The program honoured 77 female associates from all work levels of the company, selected from among more than 500 applicants, across 40 locations and 5 countries.

The company works closely with these recognized women to further develop them and to support and enable them to add more and more value to their communities, their personal and professional lives throughout their career and beyond.

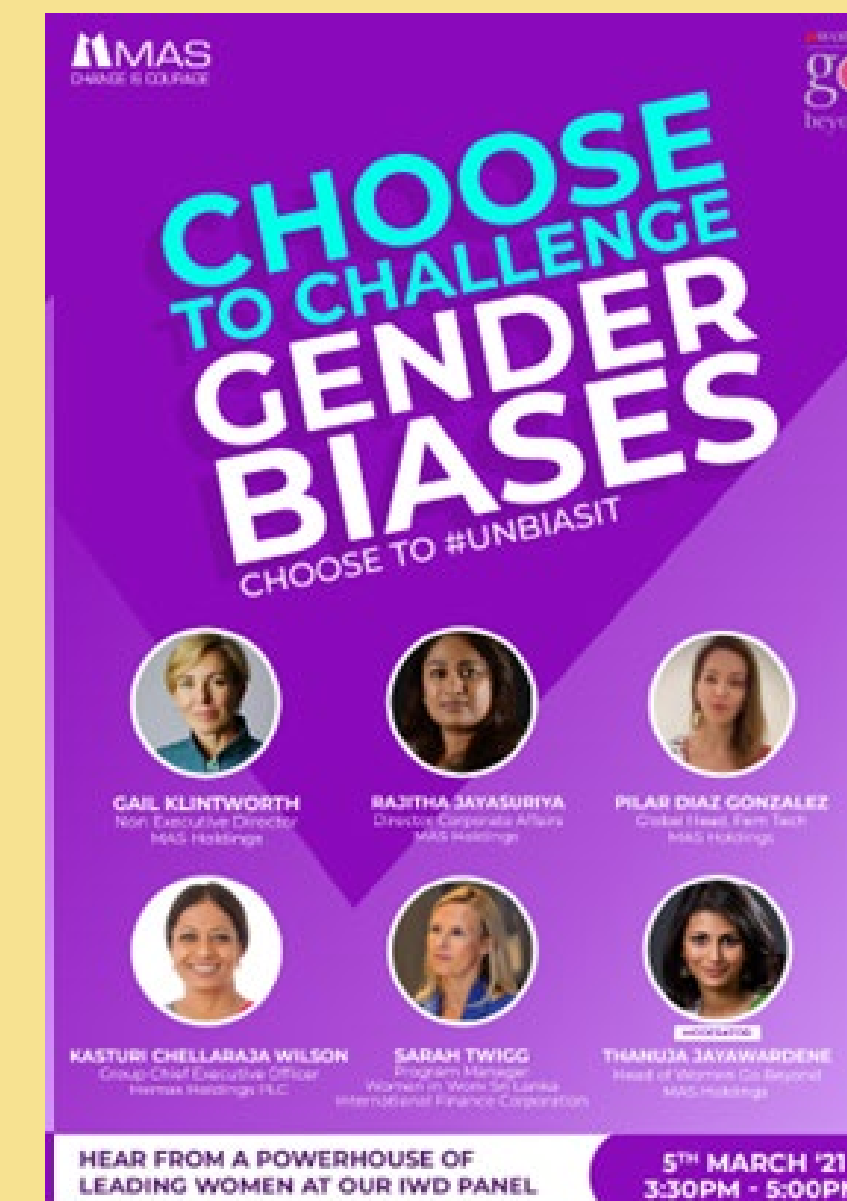
Under ‘Empowered Woman of the year’ 44 awards were presented at the event while 6 special awards were also given, relating to exemplary performance in entrepreneurship, innovation, and sustainability. 13 award winners were recognised under the ‘Frontier Challenge’ while 14 recipients were honoured with ‘Leadership Awards’.

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Abhimani Finalists recognition	2	4	8	0
Abhimani - Empowered Woman of the Year - Awards/recognition	4	7	4662	981
Recognition at ‘Diriya Pola’ entrepreneurship platform	4	30.5	3069	620
Employee recognition	5	30.5	1910	198
Completions and awarding ceremonies	14	30	6677	709
TOTAL	29	102	16,326	2,508

International Women's Day

Every year, strategic business units ensure that their female workforce engages with inspirational role models who would show them the way and give them re-assurance to excel in avenues that might seem too difficult.

The International Women’s Day 2021 was special because it aimed at challenging gender biases and inequalities which is a key agenda for Women Go Beyond. Along with the international #ChooseToChallenge campaign, the WGB team partnered with the corporate communications team launched a campaign within and outside MAS named #Unbiasit to draw attention to and challenge gender biases. Specially to mark the day, a panel discussion was organized, bringing senior female leaders from MAS globally and from outside MAS, to share their experiences with leadership and biases.



Women in Management



Our commitment: Reach 30% women in management by 2025, with a longer-term ambition to reach gender equity.

In line with SDG 5.5.2 and the UN Women's Empowerment Principle of establishing high-level corporate leadership commitments for gender equality, MAS has been focusing on increasing the representation of women in management through a synergized effort across the Group. The leadership has committed to a social sustainability goal to reach 30% of women in management by 2025. While this is an aspirational goal, we are working on many interventions to support and develop more women into the leadership pipeline. These efforts essentially focus on achieving and maintaining gender equality in the organization's middle management and above cadre.

CREATING AND MAINTAINING WORKPLACE AWARENESS OF GENDER EQUALITY, AND THE INCLUSION AND NON-DISCRIMINATION FOR ALL WORKERS

To ensure that senior and middle management understood the business case for diversity and were on board with accessibility innovations, the Diversity, Accessibility and Respect (DAR) Sensitization workshops launched by the corporate WGB team in 2019, continued in 2021 as well across the Group.

The DAR workshops focus on developing an understanding of the link between diversity and innovation in business, how to structure a team environment so that everyone has a voice, and how to manage for a healthy and respectful workplace. It also deals with unconscious bias and innovation in relation to how we work in order to develop more women to take on management and leadership roles.

With the onset of the pandemic, we were able to develop an online alternative, which were launched via Microsoft Teams to familiarize present and future decision makers with the business case for diversity in leadership and how to support more women to take on leadership roles while combatting their own unconscious biases.

The programme not only continued in locations that had already initiated DAR work in previous years such as MAS Intimates, MAS KREEDA, Bodyline, Linea Aqua, Brands, Noyon and Twinery by MAS, but was also launched in a several new locations such as MAS Fabric Park and Legato despite the challenges.

We also included some foreign locations such as Bodyline Intimate Fashions India while we extended this training to the executive carder at MAS Kreeda Al Safi - Jordan and Brands India, keeping true to our One MAS concept.

By the end of 2021, across MAS Group, over 2,700 employees had been sensitized, while training 55 internal trainers to carry out these sensitization workshops. The unified effort of all our champions across the Group has resulted in sensitization of over 86% of management by the end of 2021.



REDUCING UNCONSCIOUS BIAS

The content developed in 2020 was online programmes have been connected to standard learning and development modules. The first module was on Unconscious Bias, the second on Diversity and Innovation, and the last was focused on creating a Respectful Workplace.

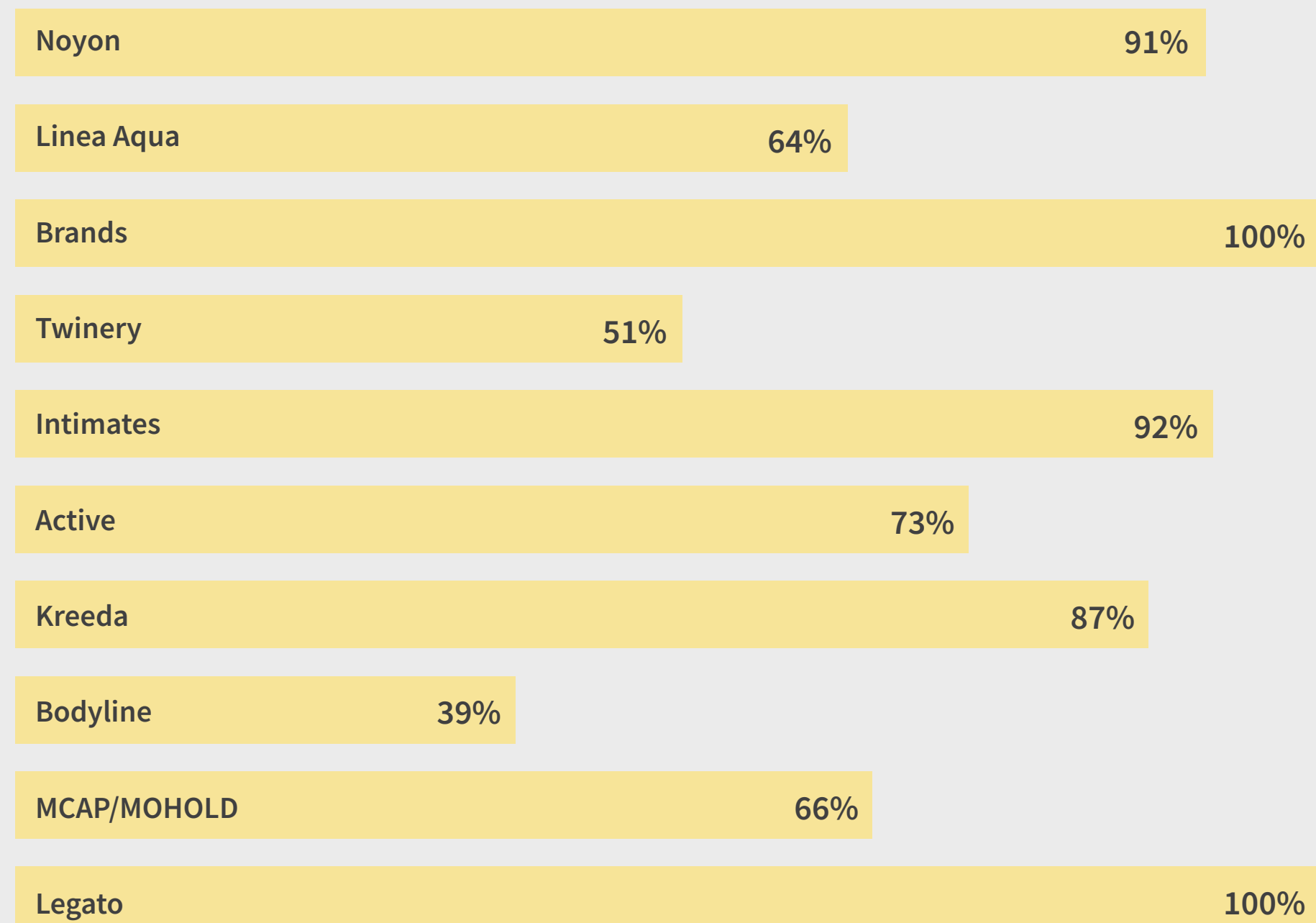
A new initiative that was launched by the corporate WGB team in 2021 was the rollout of “Unconscious Bias Reduction” workshops, providing a deeper look at our biases and helping to view situations and people in a

more productive and positive manner, making us more effective leaders and managers.

The workshops were developed and carefully curated with resource person, Stephanie Shea, Gender Equality Advisor with over 10 years’ experience in the space of gender equality and social inclusion in Canada, Africa, Sri Lanka and other international contexts.

Following pilots conducted in 2021, 71 Assistant Manager and above level employees from across the group have been sensitized with these virtual small-group workshops.

DAR COVERAGE OF AM AND ABOVE CADRE - 2021



A TRAINING PROGRAMME ON MANAGEMENT STYLE AND COMPANY CULTURE.

The training will cover the following areas:

As a follow up to the Diversity Accessibility Respect Workshops that have been conducted across the MAS Group, we introduce the Unconscious Bias Reduction Workshop, which is a deeper look at our biases and how we might manage them. Identifying our biases helps us view situations and people in a more productive and positive manner, making us more effective leaders and managers.

The workshop will help us identify biases and also provide us with tools on how to address and manage them. MAS requires managers to participate in this workshop, with a view to creating stronger, more diverse teams and promoting a culture of respect and inclusion.

UNCONSCIOUS BIAS REDUCTION

Stephanie Shea,
Gender Equality Advisor – for over 10 years
Stephanie has been working on gender equality and social inclusion in Canada, Africa, Sri Lanka and other international contexts. Stephanie spent 2 years with MAS, working on the gender equality agenda with the Women Go Beyond Program.

MAS

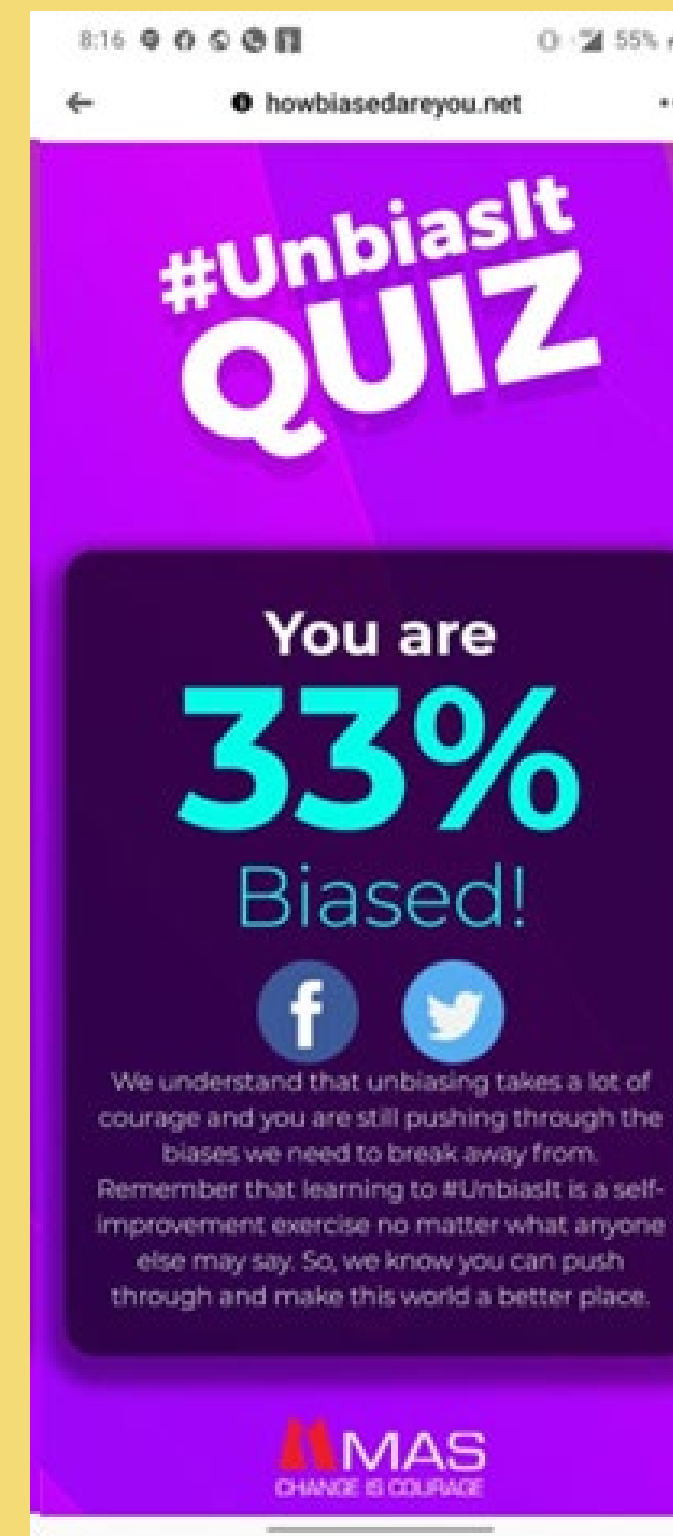
Communicating for Impact

We believe in the power of communication to create and scale impact. We partnered with our communications teams to develop powerful stories and campaigns that inspire women and men across our company and other stakeholders:

The first campaign which ran across social media channels on International Women’s Day \called out to audiences to challenge common gender stereotypes and unconscious biases.

The second campaign looked to raise awareness about toxic masculinity and how it is detrimental to both men and others around them. The campaign that was titled “Real Men Do” also sought to create conversations around how gender equality is essentially about having a choice for all genders.

The third campaign targeted our team member population who are working on the factory floor, raised awareness and counter narratives against some of the common biases seen mainly in the home front, that makes working in the new normal increasingly difficult for women.



#SheLeads Campaign

Another campaign led by MAS KREEDA was the #SheLeads Campaign, which recognized inspirational female leaders who are shattering gender stereotypes across all levels of Kreedaa and was a resounding success with 46 recognitions across Sri Lanka and Jordan.

LEADERSHIP COMMITMENT TOWARDS INCREASING WOMEN IN MANAGEMENT

As of 2021, MAS was able to increase its overall women in management carder to 22% from the previous year’s 21.5%. Female representation of MAS Capital and Holdings boards also saw an increase to 20% in 2021, from last year’s 13%.

As at 2021, MAS had achieved the following increments of women in management, from the preceding year:

- *First line management (Assistant Managers and Managers) 21% to 22%*
- *Middle management (Deputy General Managers and General Managers) 20% to 21%*
- *Senior management (divisional and functional directors) 21% to 23%*

Incorporating gender representation in the business strategy is key to moving the needle on this agenda. While all of this was a result of a unified effort across the Group, it was also much connected to the support and commitment we got from the leadership to drive this agenda in terms of numbers and creating a more supportive and a conducive environment for women. The deliverables set for MAS’ HR leaders and business leaders to either maintain or increase their percentage of women in middle and senior management were tracked and measured throughout the year, and based on year-end percentages, these deliverables were renewed as appropriate for the next year. While the movement in percentage points was minimal, it was

meant to hold leadership accountable and set the right direction for the company.



ENGAGEMENT WITH UNITED NATIONS PROGRAMMES

MAS continued to partner with the United Nations Global Compact’s (UNGC) Target Gender Equality (TGE) programme which is an accelerator programme that drives business success, sustainability and contribution to SDG 5.5, which is to ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

The UNGC’s Target Gender Equality programme calls for bold action in setting and reaching ambitious corporate targets for women’s representation and leadership, through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level.

Intervention	Topic	Participants	Outcome
Capacity building workshops	Diversity Equity and Inclusion (DEI) strategies, actions and attributes	All TGE participants	While gaining many new insights, MAS was encouraged to have existing active interventions running in all 3 areas discussed at these workshops for effective DEI Strategies: organizational programs and policies; removing barriers for advancement caused by lack of role models, lack of key access to networks and due to unconscious bias and stereotyping; promoting individual behavioural changes.
In-depth analysis on the United Nations Women Empowerment Principles Tool	A business-driven tool comprising 18 multiple choice questions that draw from good practices from around the world, covering gender equality in leadership, workplace, marketplace, and community.		This self-evaluation helped us assess our current gender equality performance across these 4 areas to identify our strengths, gaps and opportunities to improve our overall performance on gender equality, which influenced strategy and action plan for the year.
Feature on male leaders as champions of gender equality in a series of profiles / interviews		Group CEO - Suren Fernando along with 5 other CEOs: Sarinda Unamboowe from MAS KREEDA, Ivan Brown from MAS ACME – North Carolina USA, Chelan Goonetilleke from MAS Active, Dinesh de Silva from MAS Bodyline and Rajiv Dharmendra from MAS Intimates	Key leaders had the opportunity to share their perspectives and actions on gender equality.

MENTORING AND SPONSORSHIP OPPORTUNITIES FOR FEMALE ASSOCIATES

MAS has launched 2 structured programmes on mentorship and sponsorship at multiple divisions across the Group to provide support and encouragement for high potential women.

- *The mentorship programmes connect high-performing women at executive and senior executive level with female mentors from higher management*
- *Sponsorship programmes connect female managers with sponsors from their organizational Executive Committees.*

The sponsorship programmes differ from mentorship programmes, as a mentor is someone who will only advise and support while a sponsor will be a senior level member who will invest in a protégé's career success and advocate for them.

By the end of 2021, 9 divisions in the group have launched Mentorship and had over 125 female mentees from the executive and senior executive carder and 121 mentors who benefited from the program.

While companies who had already launched mentorship continued and most launched the second cycle, Twinery, Brands and Noyon were new additions to the list. With the pandemic slowly easing out, we were



able to re-start our interventions on sponsorship as well, and had 6 locations that have formally launched sponsorship providing opportunities for 25 female proteges who were sponsored by 22 members of their senior leadership by end of 2021, including Innovation, Bodyline, Kreedaa, Intimates and Linea Aqua.

MAS Kreedaa successfully completed the second cycle of its own mentorship programme for female executive development, “EMERGE”, offered to 25

high-potential mentees. This programme was crafted specially to cater to women's unique needs related to career advancement, which are not discussed in 'the usual' leadership programmes. The programme had participants from Sri Lanka and Jordan who shared their experience and feedback on the mentorship program and the community project.

FLEXIBLE WORKING

The centralized Group policy on flexible working was piloted in several divisions from January 2020 and rolled out across the group during 2021. The policy includes multiple flexible working options such as work from home, work from a different MAS location and flexible time, and aimed to promote striking a better balance between career and personal lives.

Progress report:

- *MAS' Kreedaa was the first division to pilot flexible working in 2018.*
- *Rolled out to wider audience in 2020 and 2021.*
- *Carried out 3 surveys on work arrangements.*
- *Multiple trainings and support sessions conducted to encourage different ways of working*
- *Pandemic prompted extensive roll out and Work from Home guidelines.*
- *Constantly evolving policy based on learnings.*
- *Considering creative ways to provide flexibility for manufacturing roles.*



ACCESS TO CHILD AND DEPENDENT CARE

MAS provides on-site and off-site child-care facilities and crèches to over 200 children in 20 locations such as Sri Lanka, India, Bangladesh and Jordan. These facilities are conducted in collaboration with authorized and trained institutions and staff, and plans are in place to improve and expand these facilities.

In 2021, a childcare need assessment survey was conducted across all work levels in the company in Sri Lanka. Surveys were very short, user-friendly and were available in all 3 languages for the local strategic business units. Global facilities and business units outside of Sri Lanka used internal mechanisms to administer the translated survey.

- 64% groupwide completion among Team Members and staff
- 61% groupwide completion in Executive and above employees.

Insights from these are being used to improve existing facilities as providing at least one type of childcare related benefit has been made a mandatory requirement, linked to the performance goals of the HR leader and chief executive officer of each strategic business unit.

MAS KREEDA also conducted an Elderly-care Survey to understand the actual caregiving requirements of KREEDA workforce, especially during the pandemic, since care-giving is traditionally expected to be predominantly handled by women. The exercise was well received by the employees since it provided them a chance to be heard and share their experience.

2021 Progress

Having a space dedicated for the use of lactating mothers has been mandated, so that mothers returning to work have a safe and secure space to pump and store breast milk. This was identified as an essential infrastructure need for women who return to work after maternity, to be able to have a dignified experience, without discomfort or embarrassment about pumping breast milk. This was pioneered by MAS Active was followed by other divisions and in 2021, 26 locations have fulfilled this requirement across the Group. Such spaces may also be used at the discretion of the facility's leadership, for other wellbeing related needs.

Meaningful Employment



Our commitments:

- **Accelerate employee wellbeing & work-life balance**
- **Ensure & elevate sustainable compensation for all employees**
- **Foster diversity & inclusion with freedom of expression & identity for all**

So much of our lives are spent at work – away from family, friends and passions that give our lives meaning. This is why we must support our people to find meaning at work, so that they are motivated to do more and achieve more during their time with us.

To enable them to do so, we are committing to compensate them fairly, help them improve their well-being and maintain a work-life balance, and support them to feel included and accepted for all their differences and strengths:

- *We will give all employees tools to improve their well-being and to better balance life and work.*
- *We will provide all employees fair, market-based compensation and performance-focused recognition.*

- *We will promote diversity, inclusion and freedom of expression for all employees, with emphasis on persons with disabilities*

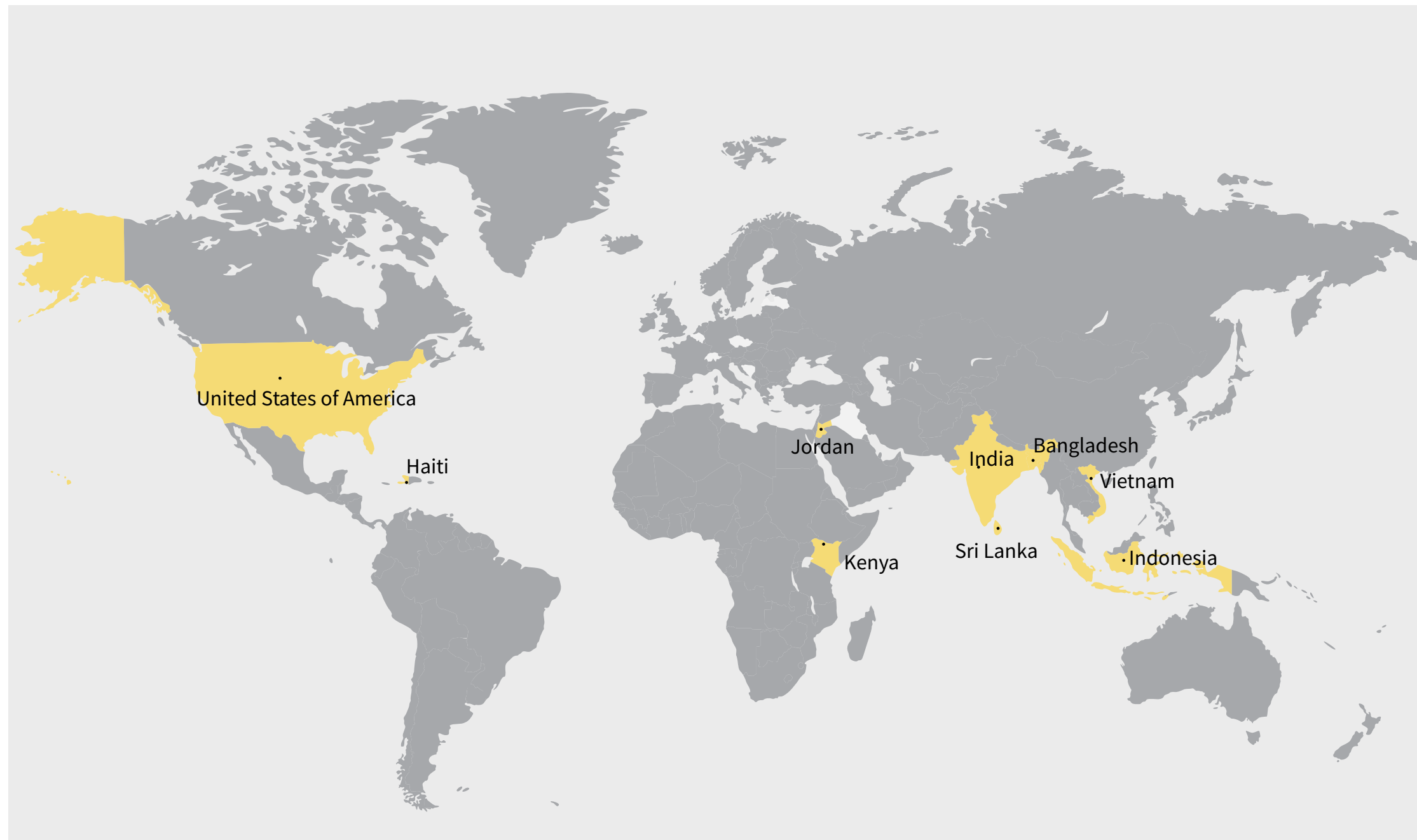
At MAS our employees are the lifeblood of the organization, and our constant challenge to ourselves is to give employees the best employee experience possible. To this end The Meaningful Employment Pillar encompasses the work we do to safeguard employee well-being and work-life balance, ensure our teams are adequately rewarded whilst maintaining an environment of inclusivity where everyone can thrive and grow within their identity.

HEADCOUNT INFORMATION

Headcount as at 31st December 2021 for entities governed by MAS

114,908

By Geographic Location

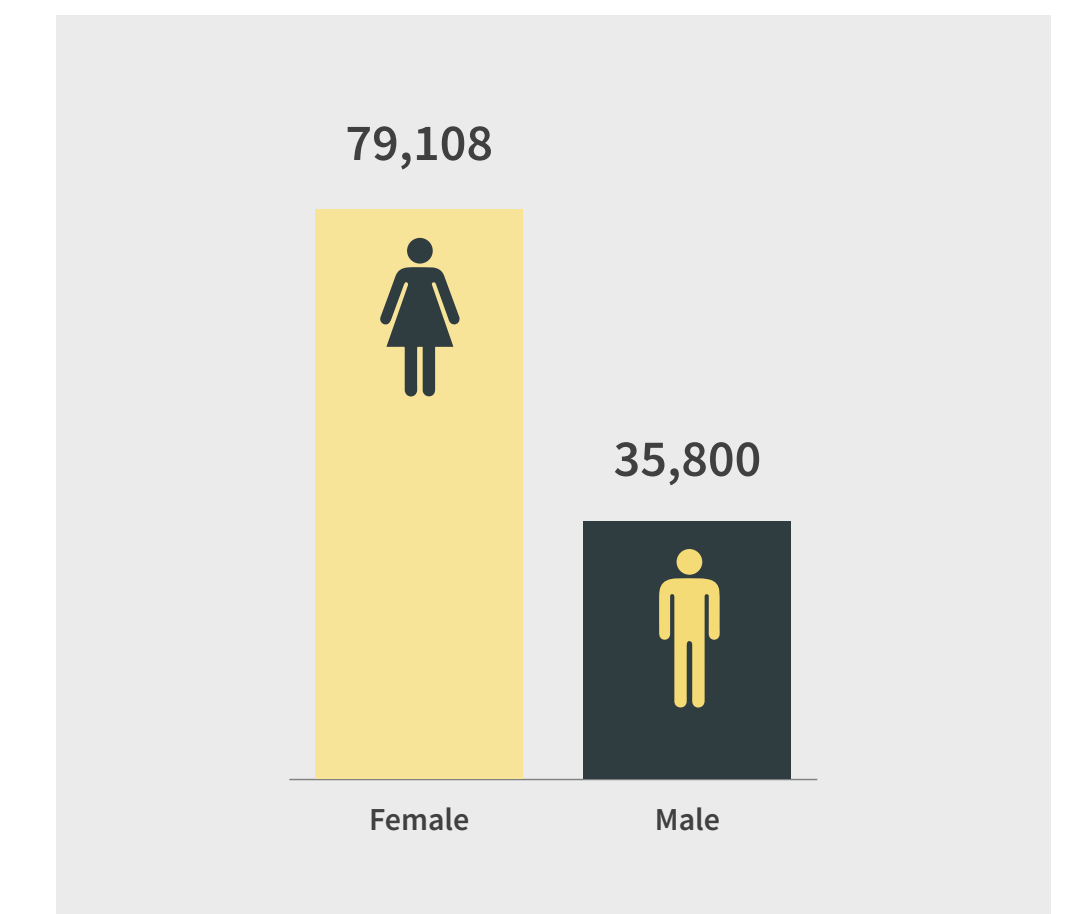


By Geographic Location

Sri Lanka	90,040
India	5,292
Bangladesh	5,461
Indonesia	5,519
Jordan	2,725
Haiti	1,828
Vietnam	1,219
Kenya	2,685
USA	139

TOTAL HEADCOUNT 114,908

By Gender



By Grade



GOVERNANCE AND COMPLIANCE

All people related processes and policies are the accountability of the Director – Group Human Resources of MAS Holdings, who reports to the Group Chief Executive Officer and is a member of the MAS Capital Board. HR leaders at every Division / Strategic Business Unit (SBU) report into the Director Group Human resources.

The Group Human Resources team takes on the role of facilitating world-class people practices aligned with the MAS' Purpose and Values, by providing strategic direction, governance frameworks and holistic solutions to MAS' SBUs to ensure consistency in how we address people related matters across the Group, as 'One MAS'. HR leaders at the Divisions / SBUs are responsible to deploy and adopt, the Group HR team will support and ensure compliance.

An independent Audit Committee provides the Board with objective advice on the adequacy of Management's arrangements with regard to key functions within the organization, to assist the Board of Directors in fulfilling their oversight responsibility for the organization's governance, risk management, and internal control practices. As such, the Audit Committee has oversight into the HR function, where the Director – Group HR is required to provide regular updates, thereby further strengthening governance of our people related practices.

ORGANIZATIONAL HEALTH INDEX (OHI)

MAS remains strongly committed to ensuring a healthy work environment for all employees. There are multiple factors to creating a healthy work environment and ensuring that work life is meaningful, and we were keen to understand our health and readiness as an organization to perform and deliver on our transformation strategy for 2025.

Key steps and outcomes

- An Organizational Health Index (OHI) survey was conducted for MAS, by McKinsey & Company in 2018
- Involved Executive grade and above across the Group.
- Findings measured 9 Outcomes and 37 Behavioural Practices, indicating the health of the organization.
- The results provided insights into areas which could be further strengthened
- 4 'outcomes' to focus on were selected; "Leadership", "Accountability", "Motivation", and "Capabilities" at an enterprise level.
- A Group OHI team was formed, and a carefully curated roadmap was formulated, with focused initiatives to address the areas of concern.

• Divisions also received OHI scores, based on which divisional roadmaps were developed.

• Progress is monitored by monthly 'Transformational Council' meetings.

• Pandemic caused checks and adjustments to the roadmaps to align to requirements of the evolving 'new normal'.

The Group HR team includes an Organization Development Pillar, which works on these outcomes:

• 'Leadership' and 'capability' – through structured leadership development programs, competency-based development and various talent acquisition and retention strategies

• 'Accountability' – through the performance management processes

• 'Motivation' – through the mechanisms to recognize and reward our employees via the work being done within our Compensation and Benefits pillar, flexible work options and such like, augmented by the work we are doing to inculcate the MAS DNA - our core values, into everything we do.

2021 Progress

To assess our progress, in our continued efforts to ensuring a healthy work environment for our people, in July 2021, MAS conducted the second Organizational Health Index survey for our executive and above cadre, in consultation with McKinsey and Co.

MAS as a Group and the Divisions both had targets for 2021 based on their initial scores from 2018, with some being achieved and some falling short. Based on their respective survey results, the Divisional teams formulated new actions plans to address the new areas of concern and capitalize on the opportunities identified.

A new roadmap has been formulated, with the institutionalization of the MAS purpose, with the areas of focus remain largely the same – Accountability, Capabilities, Leadership and Motivation – with the addition of the Work Environment outcome and its related practices.

Accelerate employee wellbeing & work-life balance



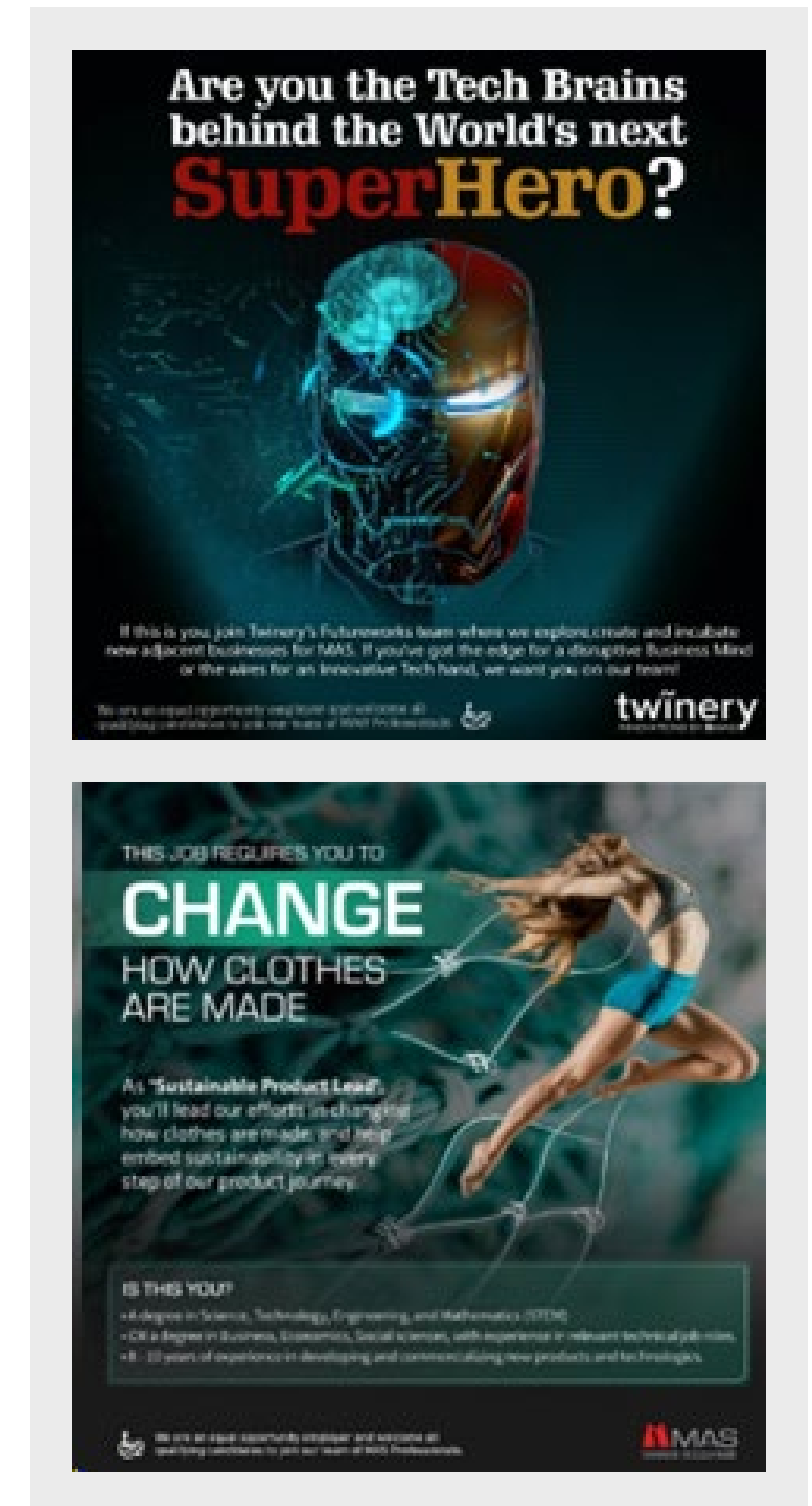
ORGANIZATIONAL DEVELOPMENT

A key part of MAS' 2025 strategy is attracting and retaining the right talent, developing them and providing opportunities to enable them to reach their full potential. In 2020, the focus was on ensuring consistent deployment, adoption and quality of processes across the board. In 2021 we continued to build on our strengths and further delve in to adapting to the new normal and upskilling our workforce.

Meaningful Recruitment

At MAS, we factor in our recruitment and equal opportunity policy and provide training and development interventions identified through extensive annual performance appraisals carried out for all executive and above employees.

MAS is built on a workforce that upholds skills and talent that has created the Changemakers of tomorrow. As MAS continues to expand globally, we endeavor to maintain global standards in all aspects in our purview, and aim to identify and recruit exceptional talent from diverse backgrounds. Therefore, our globally recognized recruitment system, Oracle, has played a pivotal role in enabling us to manage the recruitment process which helps us reach prospective talents across the globe, easing the recruitment process for both internal and external stakeholders.



External Engagements and Programmes

Over the years, MAS has conducted numerous initiatives in collaboration with key state and non-state universities across Sri Lanka to upskill graduates, ensuring that they are ready for the world of work. The three-fold purpose and benefits are as follows:

1. To provide on-the-job training that will enhance their employability (through internship opportunities provided at MAS)
2. To develop and enhance the skills of the talent needed for the industry.
3. To enable us to build the MAS brand and attract the best talent from universities.

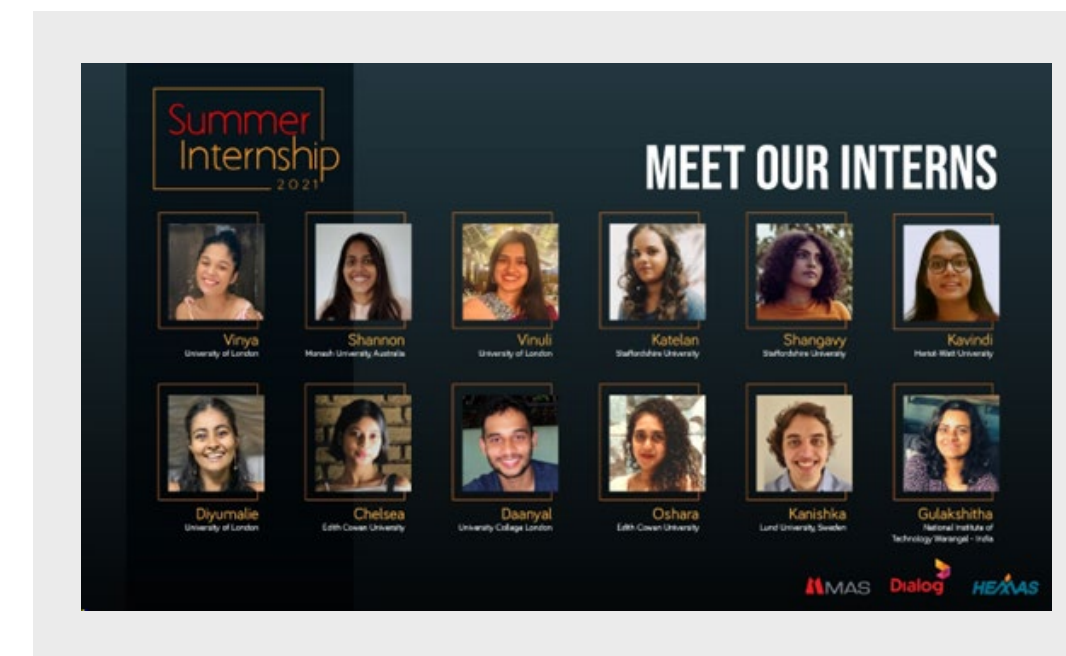
Despite the pandemic, MAS continued to foster relationships with universities locally through virtual participation at University career fairs and other engagements.

- Sponsored the Best Young Entrepreneur Award at the University of Sri Jayawardenapura Employability Skills Awards (JESA) 2021
- Participated in panel discussion about the “Corporate View of Employability Skills and JESA” focusing on how the world of work has evolved during the pandemic.
- Participated in a panel discussion at Moratuwa University on how fresh undergraduates should fit and move ahead in the corporate world.

Internship opportunities

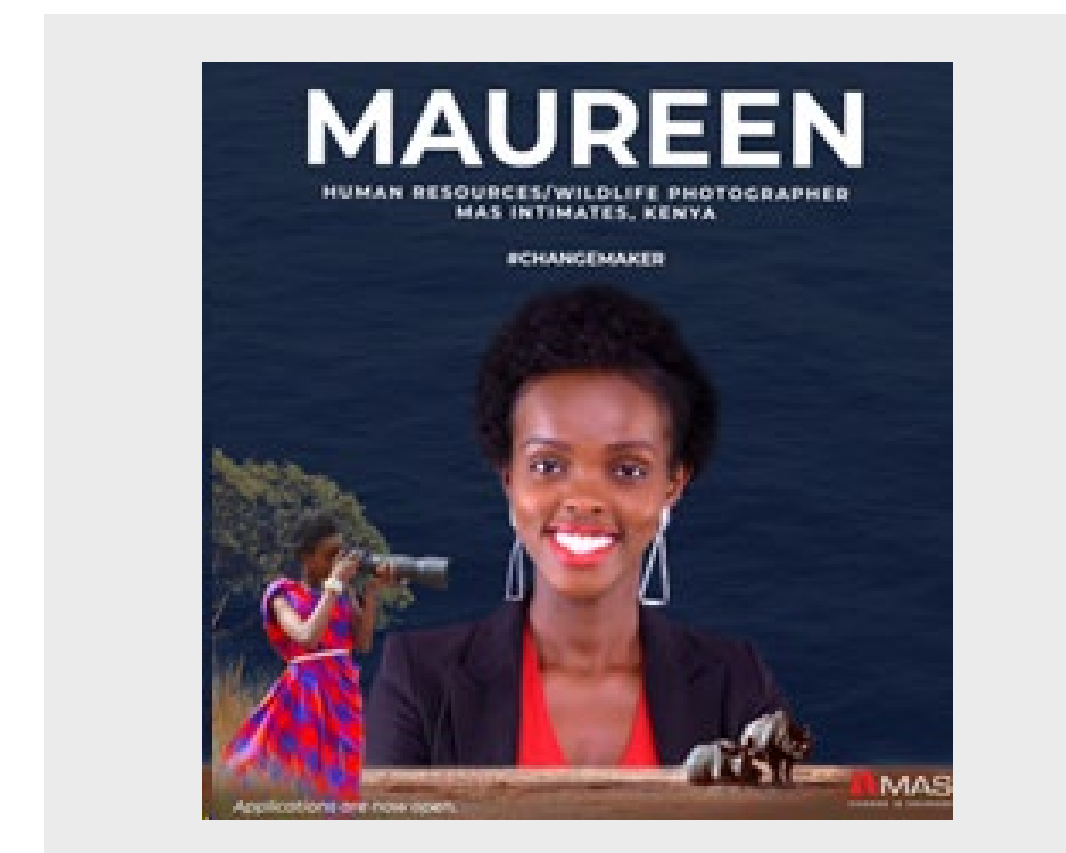
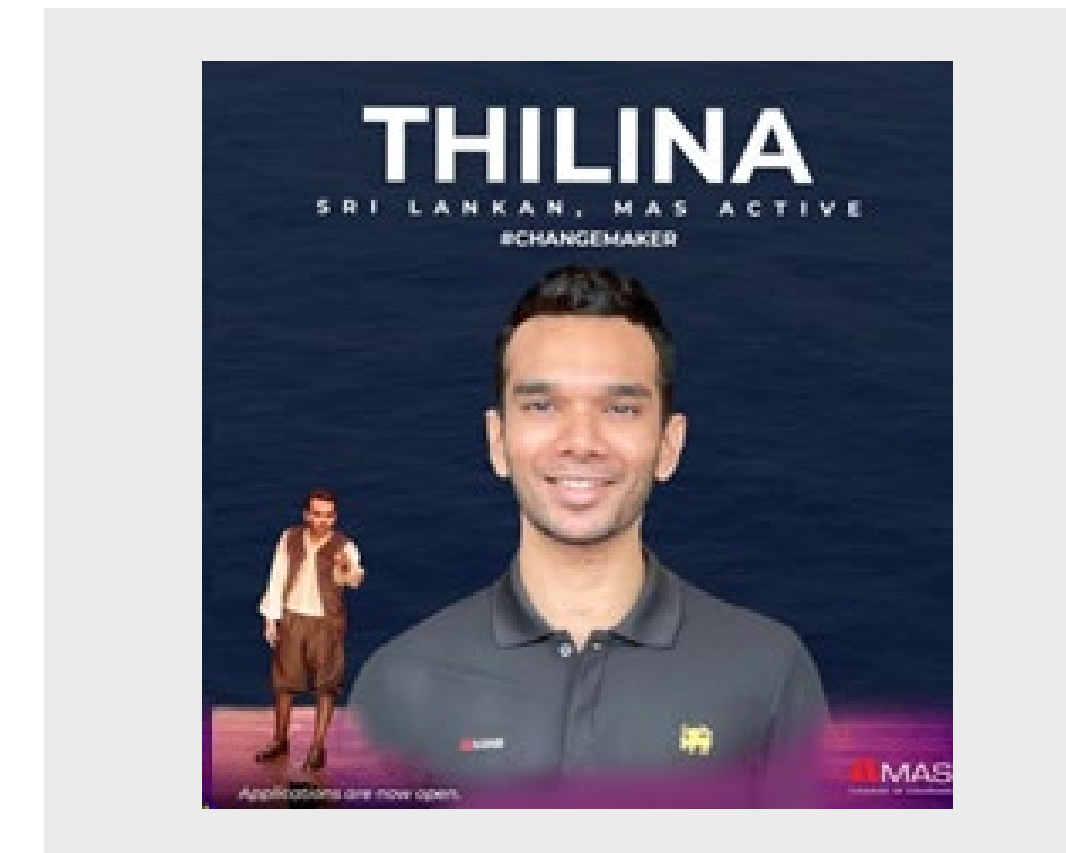
MAS continues to provide internship opportunities for high performing students of universities in localities which we operate in.

We also are part of the MAS, Dialog and Hemas Summer Internship Programme which aims to provide graduates and undergraduates with exposure from three leading organizations in the country. In 2021, MAS conducted its first virtual, global internship programme with a batch of 12 interns connecting locally and globally.



The MAS Global Management Trainee Programme

MAS onboarded 28 Management Trainees following a global recruitment campaign and an extensive selection process. The Management Trainees will be a part of a 2-year programme where they will be trained by the best in the business and get hands on experience to become the next generation of leaders at MAS.



Skills for Work

Through the Skills for Work program, which was designed to bridge the skill gaps of university students, our Talent Attraction team has contributed to the development of undergraduates’ soft skills by conducting career development workshops. We have also engaged in training related to Green Supply Chain Management, with introductions to corporate sustainability and environmental management systems ISO 14001, and the role of data science and business analytics.

Due to the COVID-19 pandemic, programs were conducted online, including 58 virtual Skills for Work sessions, contributing to the development of over 700 students across 7 Universities, including:

- University of Moratuwa – Fashion Designing and Textile departments
- University of Colombo – Science and Management Faculties
- University of Sri Jayawardenepura – Science Faculty
- University of Kelaniya – Human Resource department
- Sri Lanka Institute of Information Technology (SLIIT)

PERFORMANCE MANAGEMENT

Nurturing Healthy Succession Pipelines

The continuation of Succession Management is a fundamental element under MAS' Organizational Development pillar. Crafted with the strategic intent of

ensuring a continuous flow of competent and capable employees to fill identified critical roles through a structured process of identification and development.



The structure of the talent review exercise has evolved and progressed into an agile process which ensured the continuation of the same through our first ever virtual talent review in August 2021, during the height of the third wave of the pandemic.

The maturation of this process has supported us in

- Identifying critical roles and potential talent
- Facilitating focused development interventions

- Enabling the mobility of leaders across our businesses to take on roles that are of wider and varied scope
- Using tools such as 'high-potential' surveys and existing performance management process to identify key talent based on their placement in the '9-box'
- Creating 'succession plans' and 'succession development plans (SDP)' to pave the way for succession pipelines
- Ensuring the organization to uphold a healthy and robust talent pipeline

Creating Career Opportunities

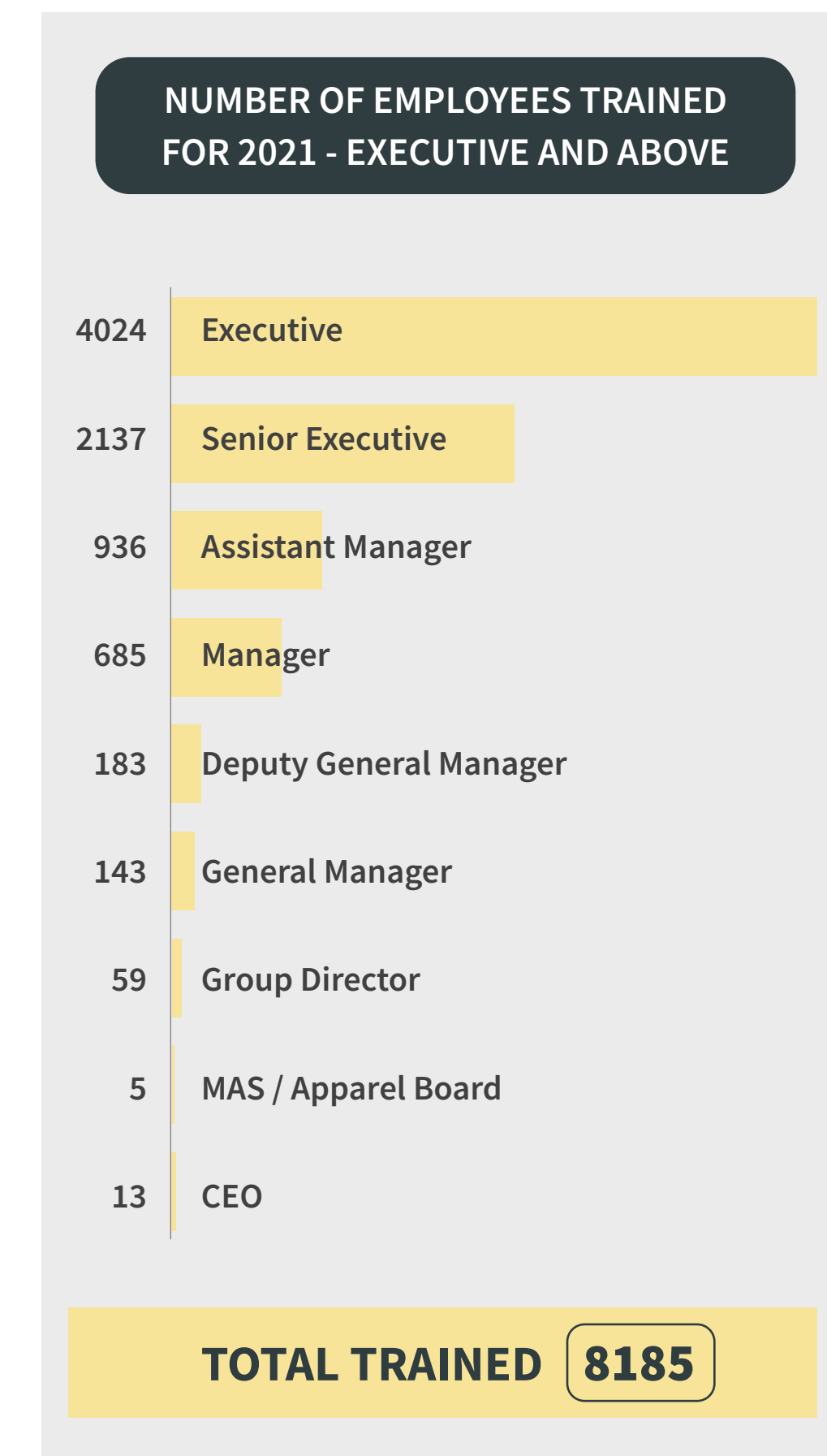
The launch of the Career Management process took place in 2021, with the intent of empowering the employees to carve their future at MAS. This process provides visibility to the skills and competencies required in all positions employees may aspire for. Through the exploration of these requisitions, the employees can build on the areas required for development into their talent conversations, supporting their path. Career management also encourages employees to dive into varied functions to gain more experience and a wider understanding of the other areas of the business, with the intention of promoting both lateral and upward movement.

The recurring Succession cycle merged with the Career Management process is guided by our Purpose, set with the intent of ensuring the business priorities are aligned with the aspirations of our employees, enabling their dreams, and encouraging changemakers.

LEARNING & DEVELOPMENT

Based on the learnings from 2020 on being agile and adapting to a volatile environment, the Learning & Development teams took measures for a flexible approach in 2021, through self-driven learning, employee-centric options led by digitization. Our approach to the employee learning experience is not only on formal learning but spans across available options, whether it be self-driven, instructor-led or on the job learning.

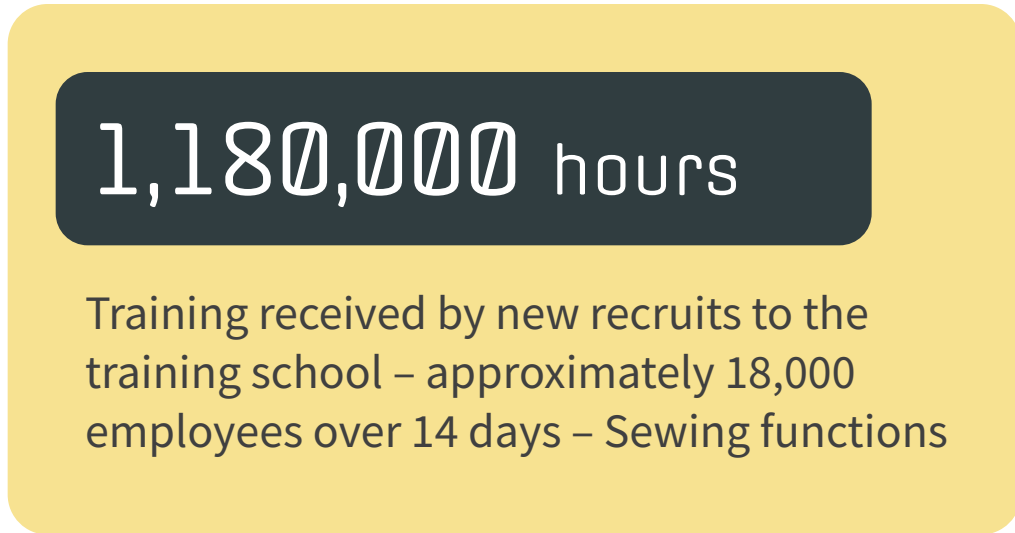
In 2021 the total number of employees trained across MAS was 8185 employees which is 80% of our Executive and above population.



SKILLS DEVELOPMENT AT SHOP FLOOR LEVEL

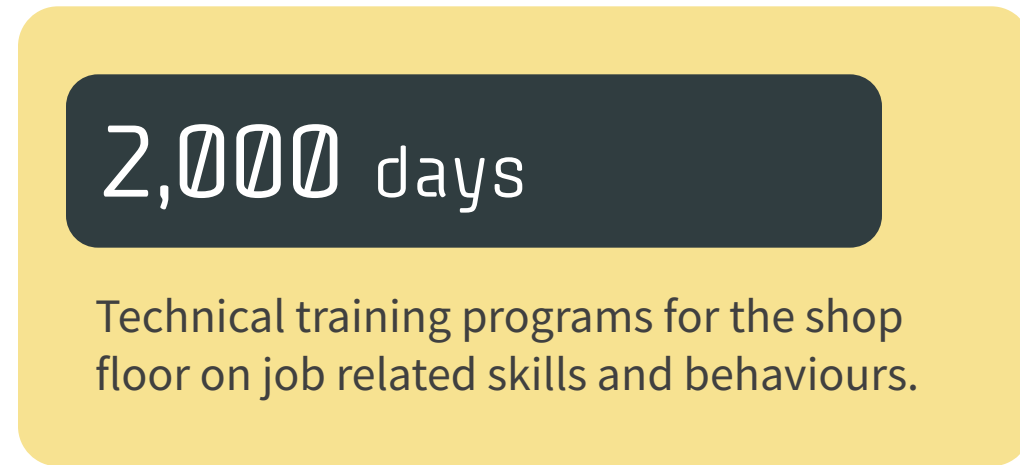
New recruits to the Team Member Cadre

MAS' training schools provided, on average, 3 days of induction and 10 days of basic skills training to all new recruits at the factory floor. The mandatory training and development continued in 2021 with heavy emphasis on health, safety and social distancing given the pandemic situation.



Technical training for Team Member cadre

11,000 employees on the shop floor completed more than 450 formal classroom based technical training and soft skill programmes across MAS. The number of training programmes conducted in year 2021 has decreased due to the prevailing pandemic situation.



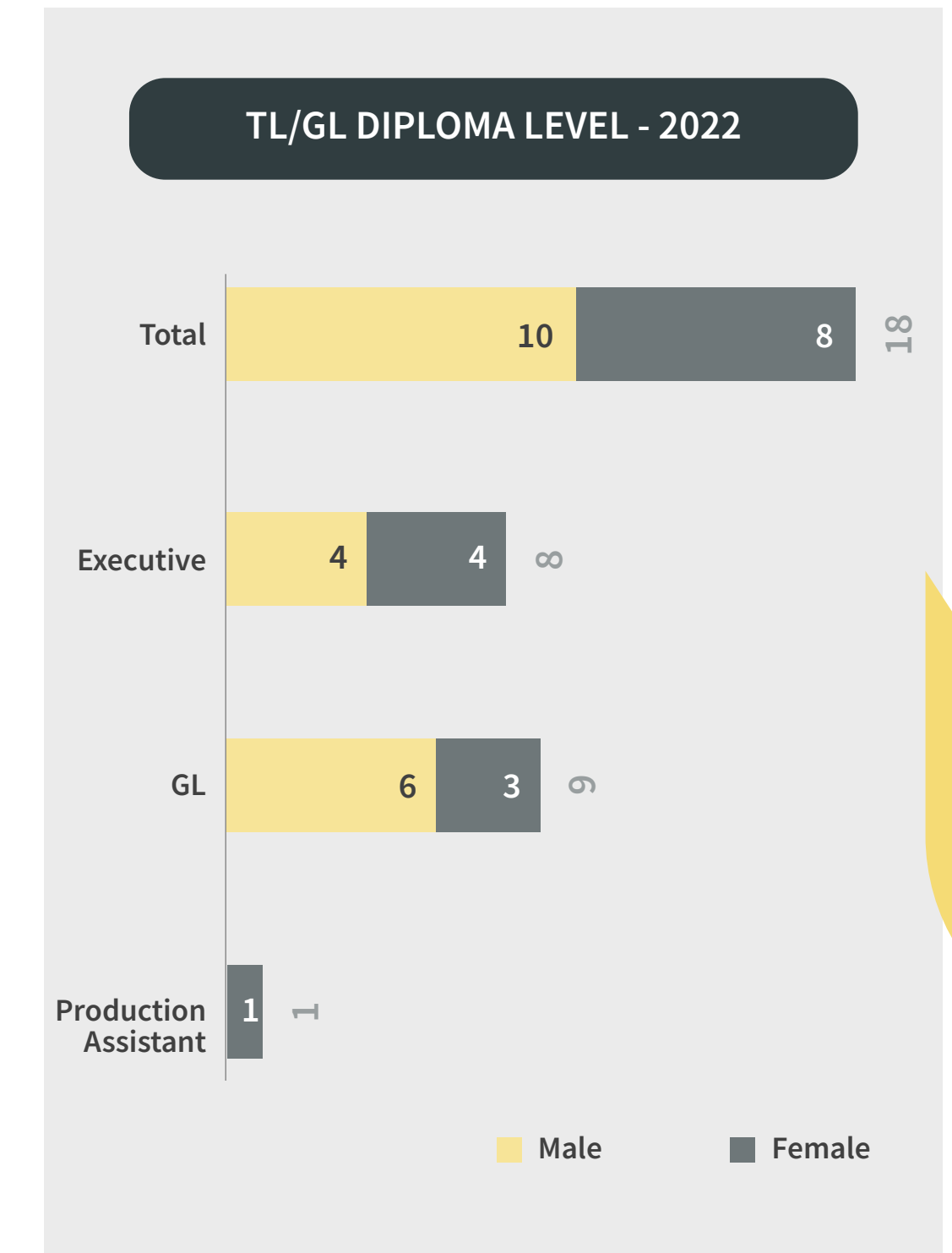
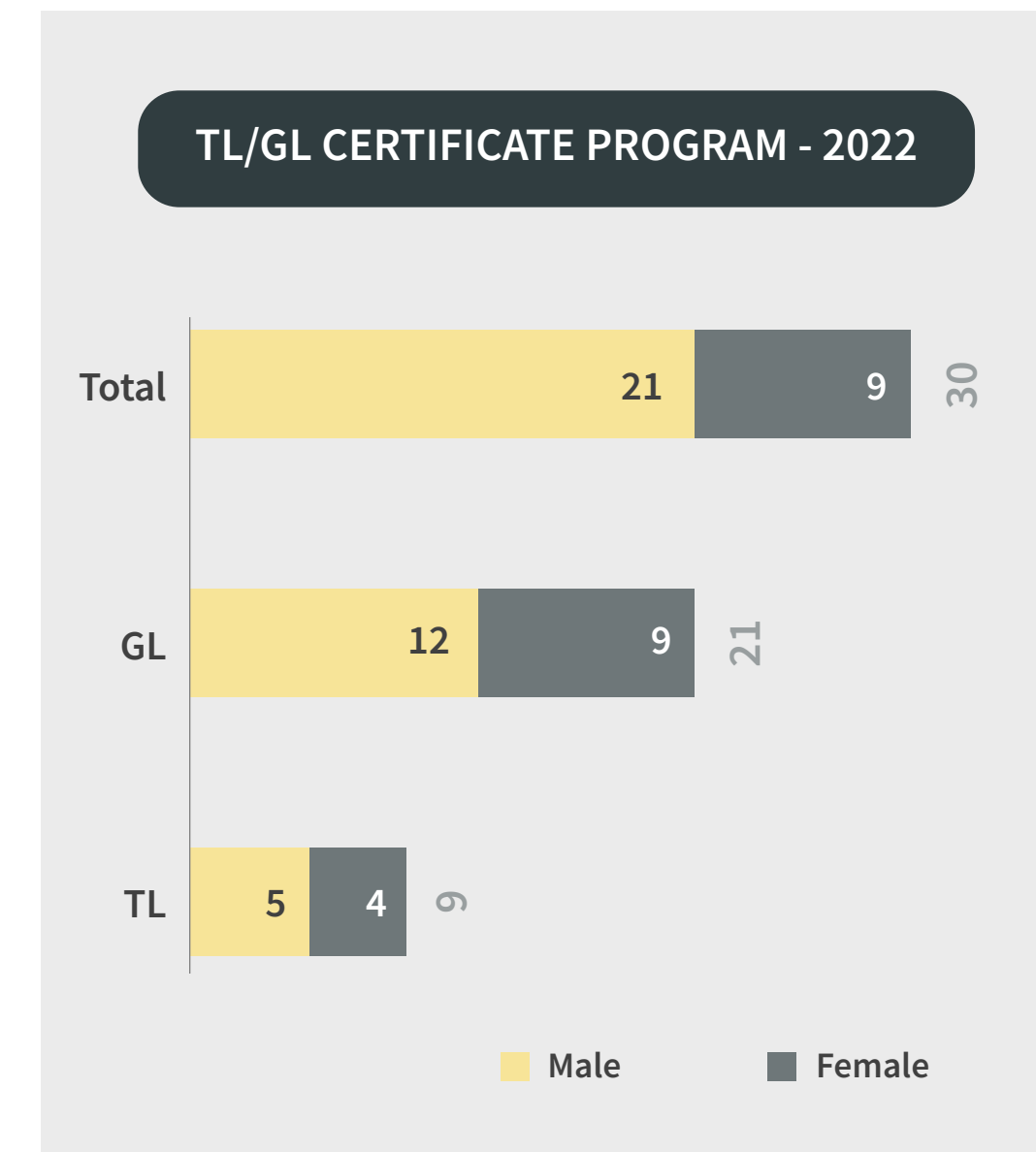
TL (Team Leader) & GL (Group Leader) Technical Competency Development Program

The Team Leader / Group Leader Technical Competency Development program focuses on enhancing the technical expertise and confidence of Team Leaders & Group leaders, in areas such as textile and clothing technology. The purpose of this program is to provide a professional qualification to support career progression whilst developing key areas of technical competency currently needed in the industry in Sri Lanka, whilst building professionally trained technical and managerial personnel for the future of the industry.

The Program consists of the Certificate level and the Diploma level.

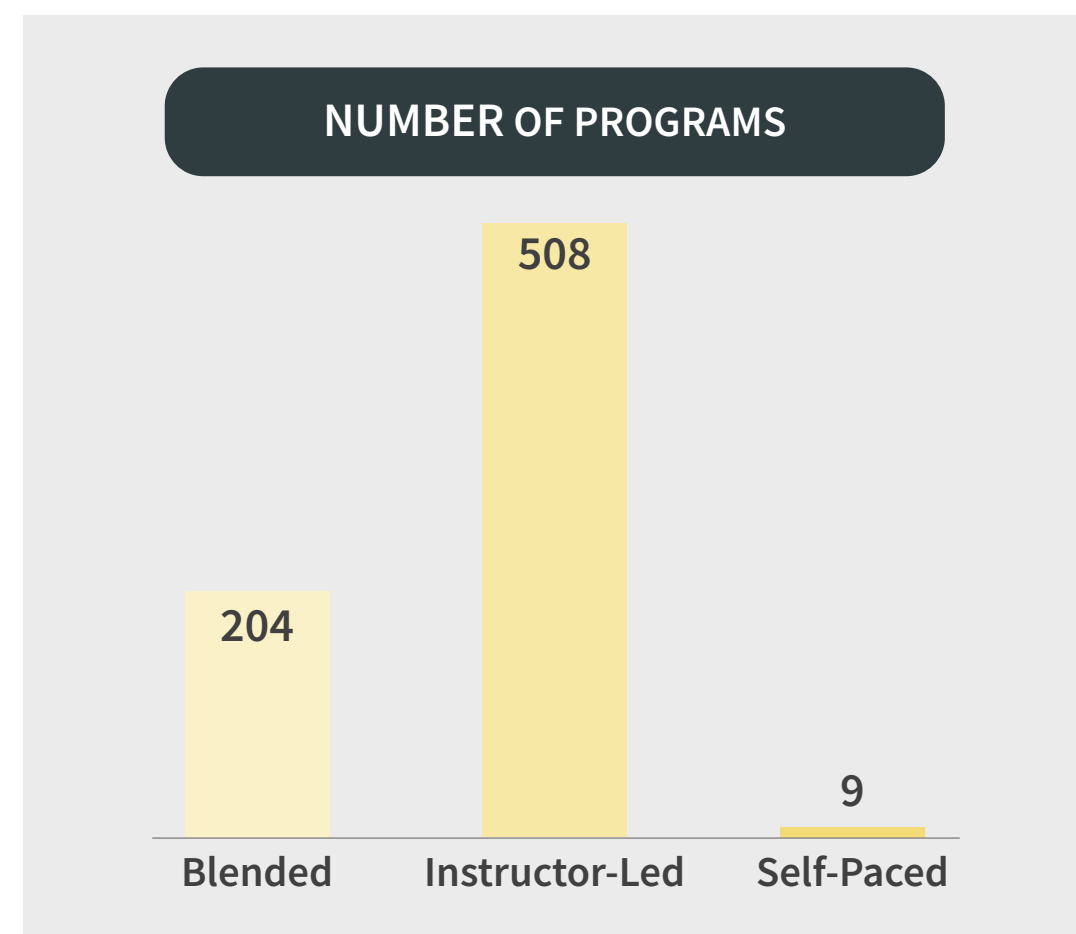
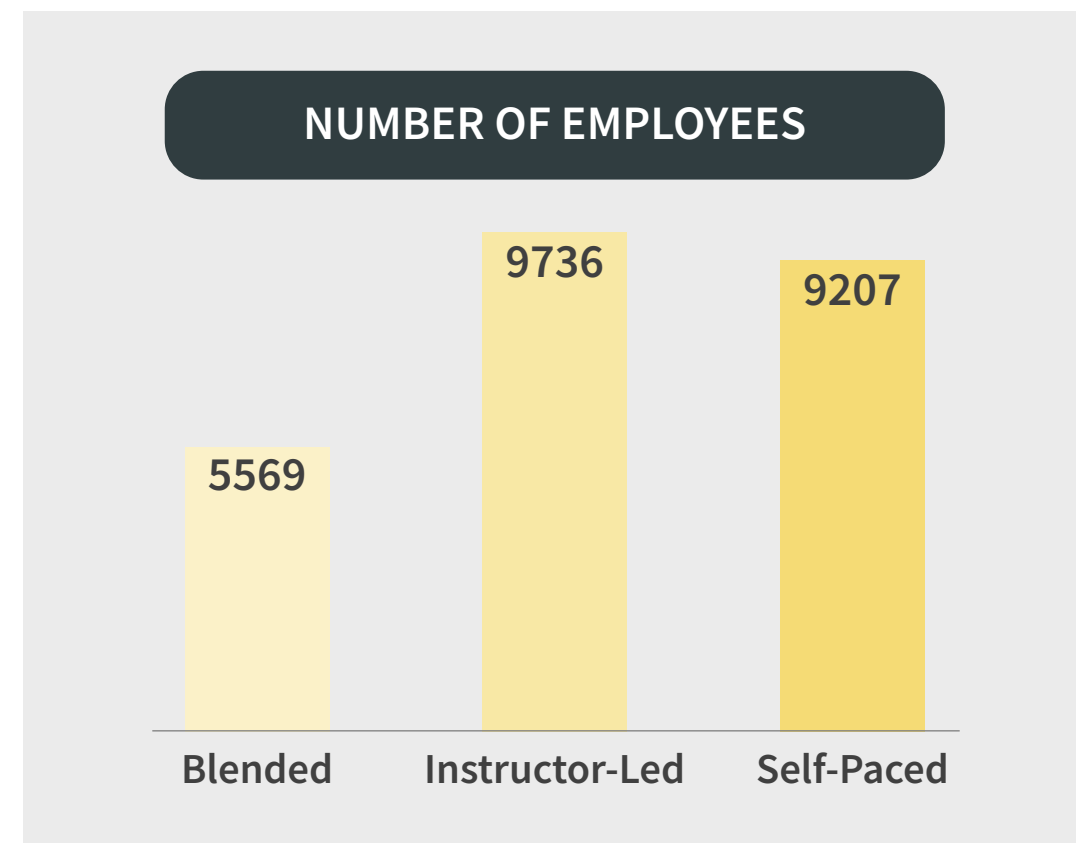
The fourth batch of the Certificate level program has been completed with 30 participants from 17 SBUs in December 2021, with the training methodology in some modules amended to the online delivery mode due to COVID-19. The Diploma program was completely converted to virtual mode, with participants engaging with in-plant training projects.

The Certificate Level program has achieved the National Vocational Qualification (NVQ) LEVEL 4 status, with the quality and procedure manuals required for the Quality Management System (QMS) being developed to reach the next, NVQ level 5 status.



SKILLS DEVELOPMENT - EXECUTIVE AND ABOVE WORK LEVELS

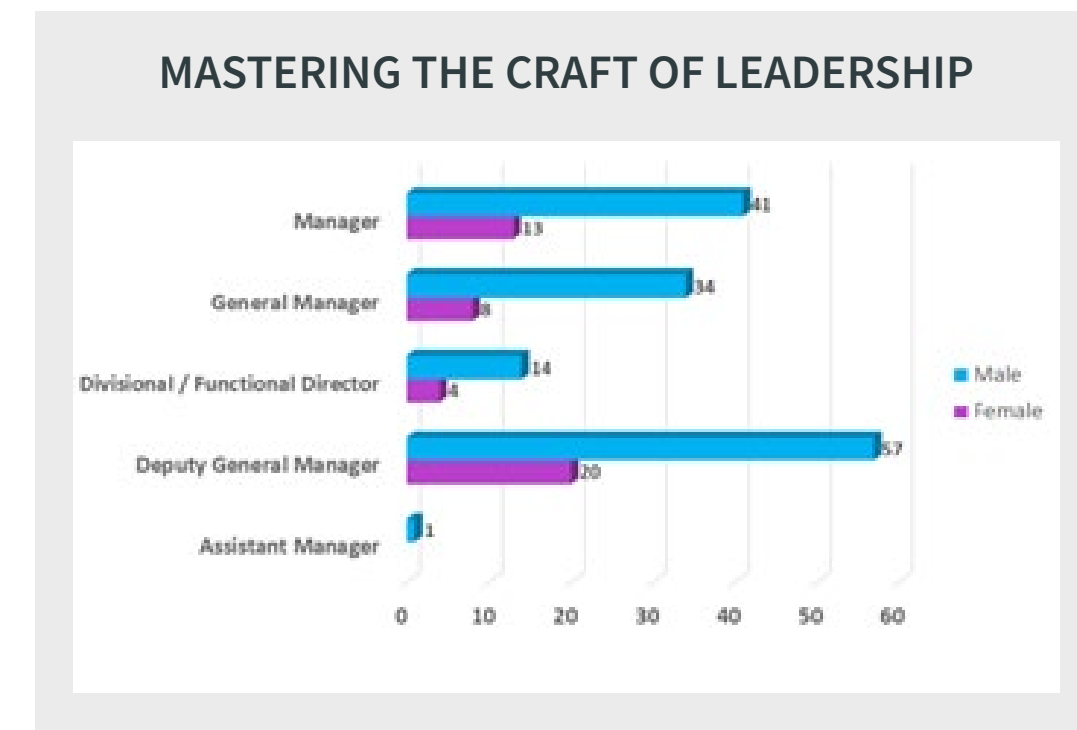
With learnings from the pandemic, the teams benefitted by leveraging on technical platforms through Oracle LMS and Microsoft to design and conduct trainings in a more virtual setting.



LEADERSHIP DEVELOPMENT

Based on the learnings from the OHI survey, MAS curated leadership training to develop key behaviours within management levels. In 2021 the programme was revamped with 11 MAS facilities being upskilled to conduct the training virtually, giving participant time to practice the learnings they gained through the sessions.

The Program officially was launched May 2021 with the 8 batches completed within the year with a Total of 183 employees trained.



Executive Development Programme

As part of MAS's long-term vision to attract and retain the best talent, the Group HR team designed a fully MAS owned Executive Development programme to develop the executive level population of MAS. In May 2021, MAS launched the programme with 22 employees participating through the new curriculum. In 2022, with feedback from the pilot, the programme is to be scaled up within every business unit.

Technical Skill Development – Lean Knowledge

A regularly required development need is to upskill employees on the MAS Operating System (MOS) and tools. In collaboration with the MAS Lean Enterprise Team, the Group Learning Development team developed curriculums and content that was offered as self-paced and facilitator led programs giving access to a larger of population of employee who was upskilled in 2021.

Technical Skill Development – Data Analytics

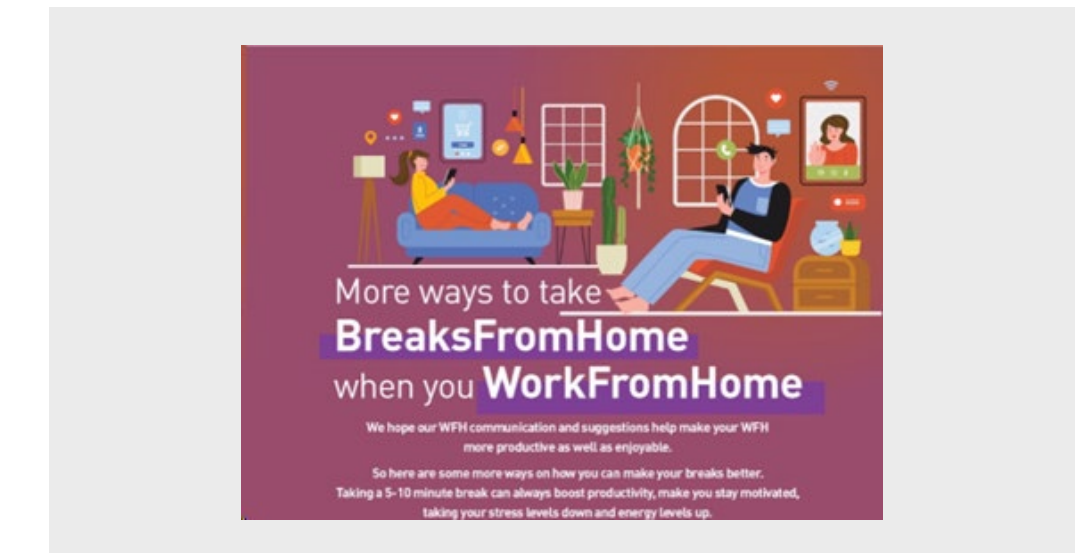
In today's environment, data becomes a critical factor for decision making. With this in mind, MAS designed a framework for upskilling employees in different work levels and streams and in this framework trainings were designed to address the different focus groups. In 2021, this resulted in the development of a pool of Data Analytics specialist who were key drivers within the respective business units in ensuring the Data analytics and digitization strategy was being implemented.

FLEXIBLE WORK

Policy Deployment

By the beginning of 2020, the Flexible Working Policy was being piloted in many companies in the MAS Group. The policy introduced three types of flexi-work:

- **Flexi time** - you are able to start at a later time of the day or leave at an earlier time of the day; as long as you complete 9 hours a day and are present during the predetermined core hours
- **Flexi location** - you are able to work from any MAS location convenient to you on selected number of days
- **Home-working** - you are able to work from home on selected number of days



As we were working to bring about the mindset shift needed to encourage flexi-work, the pandemic made its impact on the globe – and this defined a turning point where there was a surge in the interest towards alternate and flexible working solutions.

Accordingly, “Guidelines for Working from Home” were created and shared with all Executive and above employees across the group; and two surveys were conducted in 2020 and 2021. These survey responses highlighted the effectiveness, connectivity and challenges faced in the current working arrangements; while also helping to gauge the preferred future work arrangements, further support required and other feedback.

Leave Policies

Leave policies for both executive and above cadre and team members in Sri Lanka were standardized and amended. MAS introduced paternity leave for all employees in Sri Lanka and included adoption leave as a formal leave entitlement. Exam leave and bereavement leave were also formalized in the latest leave policy. In 2021 leave entitlements of Bangladesh, India, Indonesia and Jordan were amended in line with the law of land, to standardize the policy across the group providing paternity, adoption, bereavement and exam leave where necessary.

Ensure & elevate sustainable compensation for all employees



COMPENSATION AND BENEFITS

As an equal opportunity employer, MAS is committed to ensure parity and fairness in pay and benefits, for all employees across our global operations. Our key focus areas in 2021 were to ensure both Compensation and Benefits are aligned with market to retain and attract the best talent in our organization.

• **Benefits Harmonization – Hospitalization cover**

Within MAS’ benefit portfolio, Hospitalization cover plays a vital role as it serves all staff grade and above employees and their immediate family members. In 2021, hospitalization benefits were enhanced for each grade, benefitting many of our employees and their families.

• **Mental Health Coverage in the Medical Policy**

The need for further mental health assistance was a key learning during the pandemic, which resulted in measure being taken to include medical expenses related to psychiatrist and psychologist treatments within the MAS medical policy for Staff grade and above employees in Sri Lanka.

• **Team Member Insurance (Life Cover)**

In 2021, we were able to extend the existing life insurance cover to our employees on the factory floors, the Team Member grade, in Sri Lanka. A communication campaign was developed and carried out to ensure awareness of this benefit, branded as “Diwidiri” (strength for life) amongst our Team Members.

• **Professional Membership Entitlement**

The Professional Membership entitlement for our Executive and above cadre in Sri Lanka, was enhanced considering the impact of currency depreciation since majority of our employees hold international qualifications and memberships.

• **Sabbatical Leave Policy**

In 2020, we conceptualized and finalized the Sabbatical Leave Policy for Sri Lanka which will be implemented from 2022 onwards.

Main objectives of introducing this concept to MAS are:

- *To motivate employees to pursue new opportunities, and experience new things in life*
- *To re-energize employees who have worked in the company for a longer period, by giving them some time off to pursue their personal interests*
- *To retain employees by increasing employee morale and loyalty*

In 2021, our focus was to extend this policy across our global operations and hence, we gathered information specific to each of country we operate in and refined the policy, for implementation in 2022.

World-class Workplaces



Our commitment: Be first-in-class for working conditions in our industry

This section demonstrates the work we do to uphold world-class health and safety standards at all our facilities, as well as using the right systems and measurements to operate as an ethical and responsible corporate citizen.

We have also included the extensive and deliberate efforts we undertook in response to the COVID-19 pandemic in 2021.

MAS DNA 2021 Update

MAS' Code of Conduct, the MAS DNA was launched with the senior leadership in 2016, and subsequently rolled out to all other employees, focusing on the Executive grade and above employees first. Work related to factory floor rollouts have been ongoing since 2019.

Factory Floor Roll Out

Having conducted focus group discussions as pre-work in 2019, the MAS DNA roll out to the factory floor employees began in February 2020 for a selected

number of local companies with conducting the first train-the-trainer session for our assigned DNA Champs, who have an in-depth understanding of the MAS Code of Conduct, Equal Opportunity & Anti-Harassment policy, and the standard grievance handling mechanism and consequence management.

Following the training of the DNA Champs, a factory-wide launch is held where the entire factory-floor cadre will be given an introduction to the MAS DNA and Equal Opportunity & Anti-Harassment policy, with DNA Champs hosting small group workshops. In 2021, the MAS DNA was rolled out to all the local factory floor employees and to a selected number of overseas locations including Bangladesh, India, Indonesia and Jordan.

Overseas Roll Out

Learning from the pandemic, virtual trainings were utilized to facilitate the global rollout of the MAS DNA. This was first introduced to India, Bangladesh, Jordan and Indonesia in 2020 and in 2021 MAS DNA was introduced to Kenya, Haiti, Vietnam and the USA.

While we had always ensured policies and disciplinary procedures have been in line with the local law of the respective country, the global rollout of the MAS DNA is a key step to ensuring that all employees live by the code of conduct and uphold the company values as One MAS.



Strengthening DNA Awareness

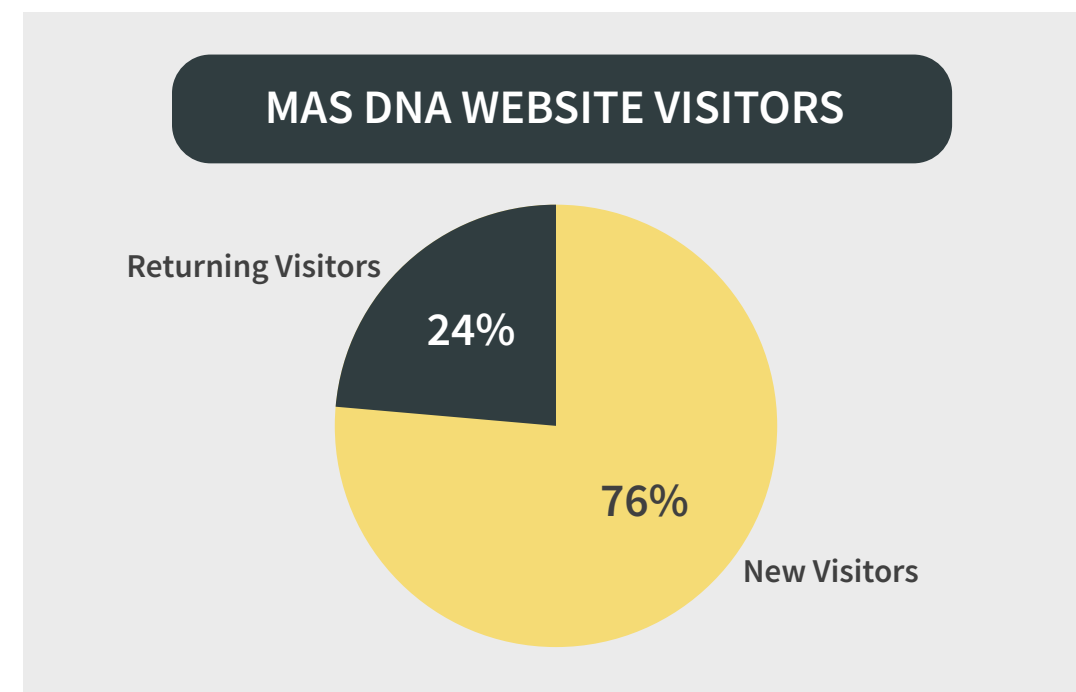
Even with the pandemic, our teams were keen to strengthen the vigour of our initiatives, prioritizing our people more than ever. By the end of year 2021, 97% of the Executive grade and above cadre and 86% of the Team member cadre of business units in Sri Lanka had completed the initial DNA awareness and trainings.

Training mechanisms included

- Initial DNA awareness and training
- DNA workshops to allow employees a deep dive into the MAS DNA
- Email communication
- Dissemination of videos and notices in relation to the MAS DNA.
- MAS DNA website in English and Sinhala

MAS DNA Website Usage

The following was analyzed with regards to the usage of the MAS DNA website since introduction till the end of 2021.



32,232 sessions

“A session can be defined as the material usage by an employee where he/she actively peruses and engages with the content of the website.”

Out of the total number of sessions stated above, it was noted that:

- 76.3% were sessions by New Visitors (first-time users during the year)
- 23.7% were sessions by Returning Visitors (Users who have initiated at least one session previously)

62,737 pageviews

“Pageviews is the total number of pages viewed.”

It was hoped that this increased awareness would encourage employees to report situations of non-compliance. Numbers show that number of cases reported have improved, which shows the willingness to come forward and speak up and indicates a level of confidence, trust and acceptance towards the MAS DNA, and the credibility of the investigation process.

- Number of cases reported by 2020 – 461
- Number of cases reported by 2021 – 646



Operational Connect



EMPLOYEE ENGAGEMENT AND ADDRESSING CONCERNS

As a partner to leading global brands, MAS prides itself in being inextricably interconnected with its people and communities, driving economic growth and social inclusivity. The organization has always been committed to ensuring the well-being and freedom of expression of its associates at all levels, from the management to the factory floor.

Since inception, MAS employees have engaged with management every month through Joint Consultative Committees (JCC) also known as Employee Representative Boards (ERB). These forums ensure they have a voice; an opportunity to voice their concerns, make suggestions for improvement and such like, which effectively provides collaborative solutions for all concerned.

The JCC / ERB is a committee comprising of a President, Secretary and membership consisting of representation of each operational function within the business unit, elected periodically by the employees themselves. These groups meet with the facility management monthly at a formal meeting where employee related concerns are collated by the Committee members and are then taken up for discussion at the meeting.

To ensure consistency and uniformity among all business units at MAS, the formulation and representation within these committees, the frequency and structure of meetings, are governed by guidelines issued by the MAS Group Human Resources Division. A dedicated function – Group HR Operations - was established in 2019, to ensure oversight into this area.

Apart from the work done with regards to the connect with JCC / ERB's, the Group HR Operations team also supports crisis response at a group level in terms of emergency response protocols, communication, monitoring and adherence e.g for COVID, they further

act as a conduit between Government institutions and SBU's in situations of Natural Disasters.

The Group HR Operations function also assists the units in terms of employee relations, community relations, providing collective MAS representation with varying government and non-government entities such as the Ministry of Labor, Board of Investment, and the Sri Lanka Apparel Exporters Association.

Regular visits to the Business Units are carried out, to meet the respective JCC / ERB members and maintain operational connect with the factory floor. The meeting minutes of these forums are reviewed and monitored by the Group HR Operations team.

Despite the pandemic related travel restrictions and social distancing regulations, the teams continued to work on staying connected to employees in the factories wherever possible. In 2022, plans are in place to strengthen relationships with our units by increasing the frequency of our visits across our global locations. In 2021, MAS also formulated and implemented a Community Grievance Policy with the aim of Establishing a timely, consistent, transparent, structured, and trusted procedure for receiving and addressing community concerns and complaints. This was subsequently rolled out for all local operations in Sri Lanka.

COVID-19 RESPONSE



As the impact of COVID-19 was felt around the world, we took swift action to safeguard our employees and protect our operations from the pandemic. A COVID Response Leadership team was established who together with compliance experts and HR leaders formulated a COVID-19 Risk Control Policy and Standard Operating Procedures which were devised to be followed by all our facilities both local and overseas, surrounding:

- *The Lifecycle of an Employee from recruitment, daily activities, transport, leaving of work*
- *Employee Accommodation within MAS premises*
- *Management of Third-Party Service Providers*
- *Emergency Response Protocols*

In 2021, our priority continued to be the health and safety of our people, their families, and communities. Therefore, the focus was on continually strengthening and refining these protocols by incorporating the best practices across the Group, to ensure a uniform response to the COVID 19 pandemic, as ONE MAS.

Our HR teams ensured expected standards were diligently followed and all global business units were also instructed to strictly adhere to guidelines and directives issued by the authorities of their respective local governments and authorities.

Throughout 2021, MAS continued to validate all our health and safety protocols and policies through government / medical authorities and used regular meetings to clear out any concerns regarding Ministry of Health (MOH) directives, request for MOH support in terms of vaccination, seek advice on changing of internal protocols among a host of other benefits. We were also able to provide the MOH the confidence they required for us to continue our business activities by sharing our protocols and providing regular updates. We also built on learnings from the previous year to better manage the ongoing pandemic situation:

- *Regular, transparent communication was continued in 2021 on the situation with the Pandemic and the state of business and impact therein, which was shared with all levels of our employees – via virtual and physical means such as flyers and townhalls.*
- *Frequent audits of our instituted protocols were carried out to ensure strict adherence to the directed measures as well as compliance of the same.*
- *The internal Risk Assessment Survey which was formulated for the Group in 2020 was further streamlined and revised as per the Government Protocols and considering the country situation as well.*
- *Policies and guidelines around bringing in employees to work, and guidelines on Work from Home to further augment our Flexible Working Policy and support employees utilizing WFH/Flexible Working options.*

SUPPORTING OUR STAKEHOLDERS

Being a responsible corporate citizen, we continued to support our internal and external stakeholders to mitigate the impacts of the pandemic, throughout 2021.

- Supported the Sri Lankan Government by manufacturing and providing over 15,000 Personal Protective Equipment to over 50 hospitals and institutions across the country.
- Introduced oxygen tanks to the Kuliypitiya Regional Hospital and Pimbura community which had a heavy prevalence of COVID in 2021.
- Initiated several other COVID projects to help our community around us such as donating essential medical supplies to hospitals such as ventilators, ultrasound scanners, refurbishments and upgrades to hospitals, oxygen delivering systems etc.
- Created COVID-19 data dashboard to collate critical COVID-19 related information and monitor the real time analytics—this information was also shared with Government authorities and third parties to accurate data.
- Introduced an innovative face mask for employees with hearing and speech impairments, to create a more inclusive work environment even during the pandemic. This design incorporated a transparent area around the mouth to allow speech and hearing-impaired employees to read lips and also see the wearer’s facial expressions.

- Set up four ‘COVID Care Centers’ with a capacity of 1000 beds, in consultation with the Sri Lankan Ministry of Health, where employees and / or family members who were diagnosed with COVID-19 could be treated and recover. These were equipped with required medical and other professional staff, and were also open to the general public as well to support our communities.
- Worked with the Joint Apparel Association Forum and Sri Lanka Government, MAS worked with other apparel organizations to combat the stigma associated with the virus and industry via engagement and open communication with local communities and authorities.



VACCINATION PROGRESS

A key aspect of MAS COVID-19 Response was the vaccination drives which were done in order to better protect our employees from contracting the virus and if found positive better recover from COVID 19. In this regard we organized along with the support of the Ministry of Health Vaccination drives across all of our units and industrial zones in which we operate. In 2021, we managed to surpass 80% of our total employee cadre having received the recommended two doses of COVID 19 vaccinations.

IMPACT IN 2021

As the covid situation evolved, so did the measures taken by the organization to support our people and manage operations in the new normal. During the first half of 2021 MAS recorded 13,845 cases where there was a spike in Sri Lanka, during the month of April. By the end of 2021, the total amount of positive cases throughout MAS was 27,244, corresponding to spikes in Sri Lanka during the months of September and December.

We sadly experienced 13 COVID-19 related deaths in Sri Lanka and 2 such deaths in other global locations.



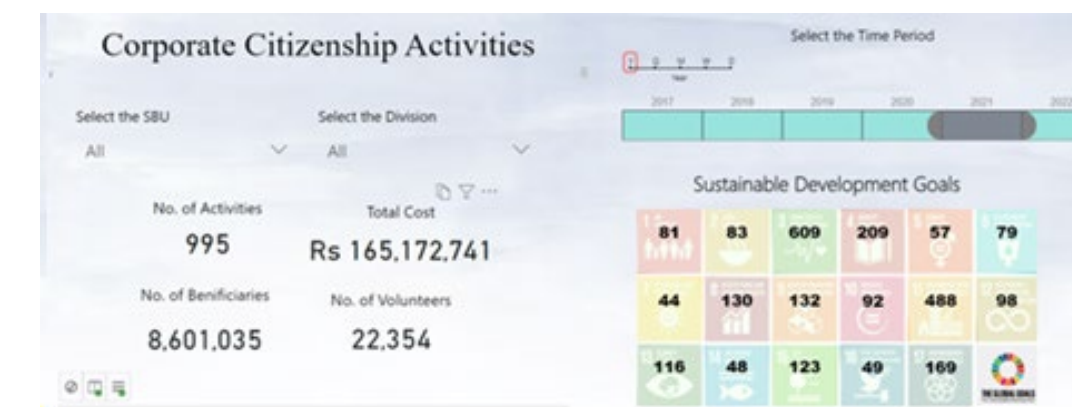
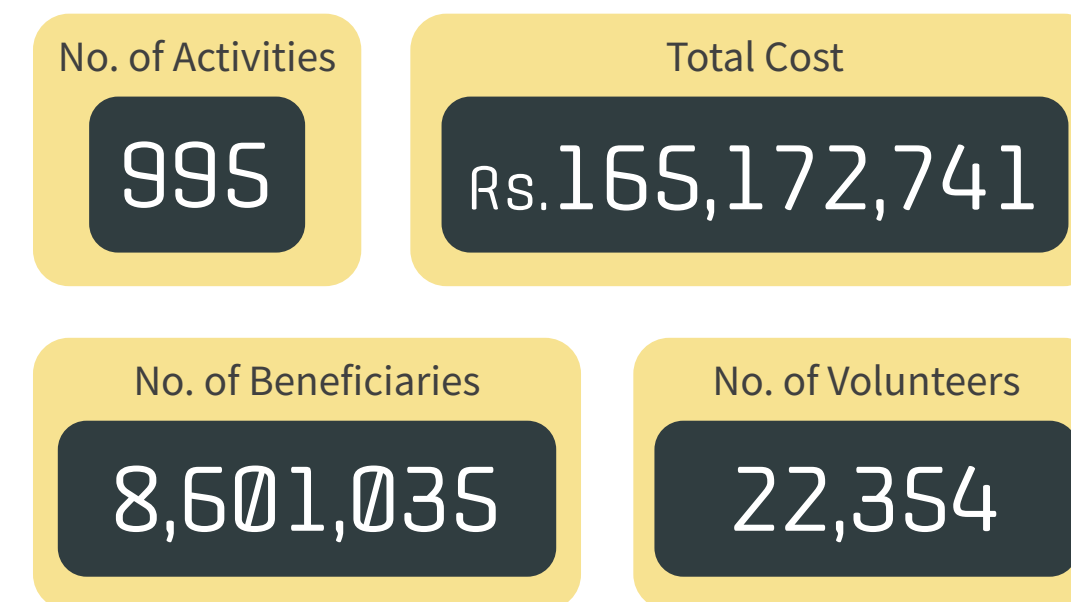
Thriving Communities



Our commitment: Be an enabler for positive impact in all communities we work in

The effects of the COVID-19 pandemic and related challenges in the community only escalated in 2021 with the rise of different variants. Throughout this time, MAS continued to maintain our commitment to the communities that we operate in, and our wide array of corporate citizenship activities are testament to our efforts.

Our impact in 2021 is as follows:

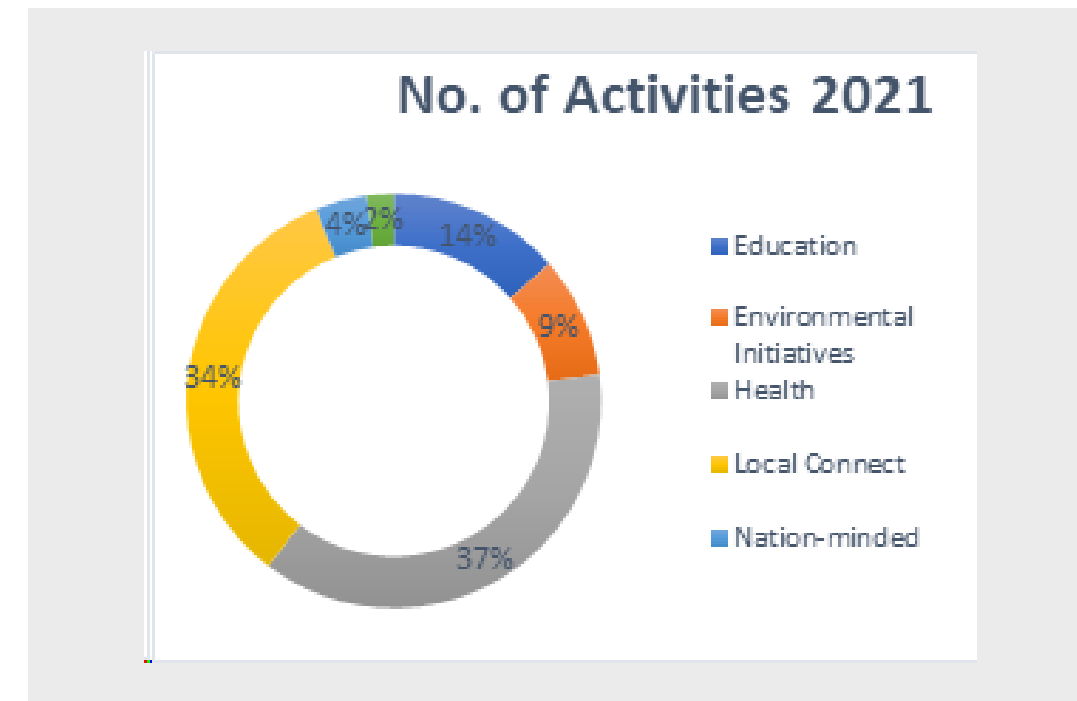


MAS has allocated LKR 165 million for its corporate citizenship activities in 2021, encompassing our community engagement initiatives under the ‘Thriving Communities’ pillar.

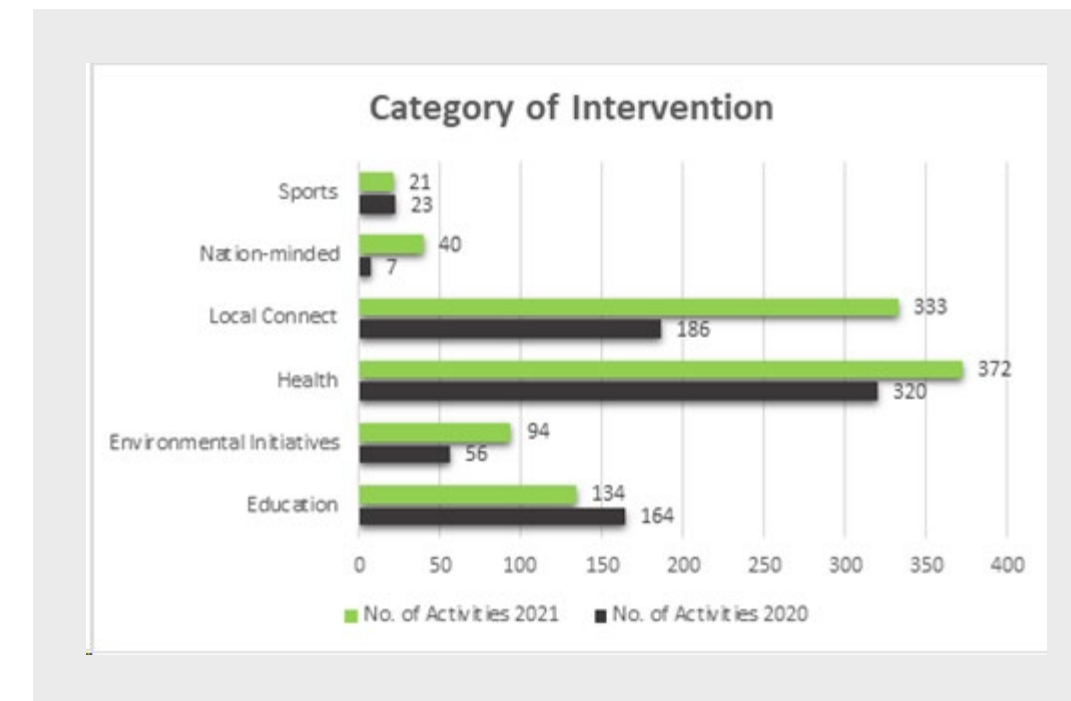
Even with the challenges and long periods of lockdown MAS has seen a significant increase in the number of beneficiaries and initiatives in the community, compared to 2020.

	2020	2021	Increment
Number of activities	756	995	24%
Number of beneficiaries	6,776,751	8,601,035	21%
Number of volunteers	11,009	22,354	51%

In keeping with the needs brought on as response to the pandemic, MAS has focused on more for Good Health and Wellbeing (SDG 3), while continuing to contribute to Quality Education (SDG 04) and sustainable cities and communities (SDG 11).



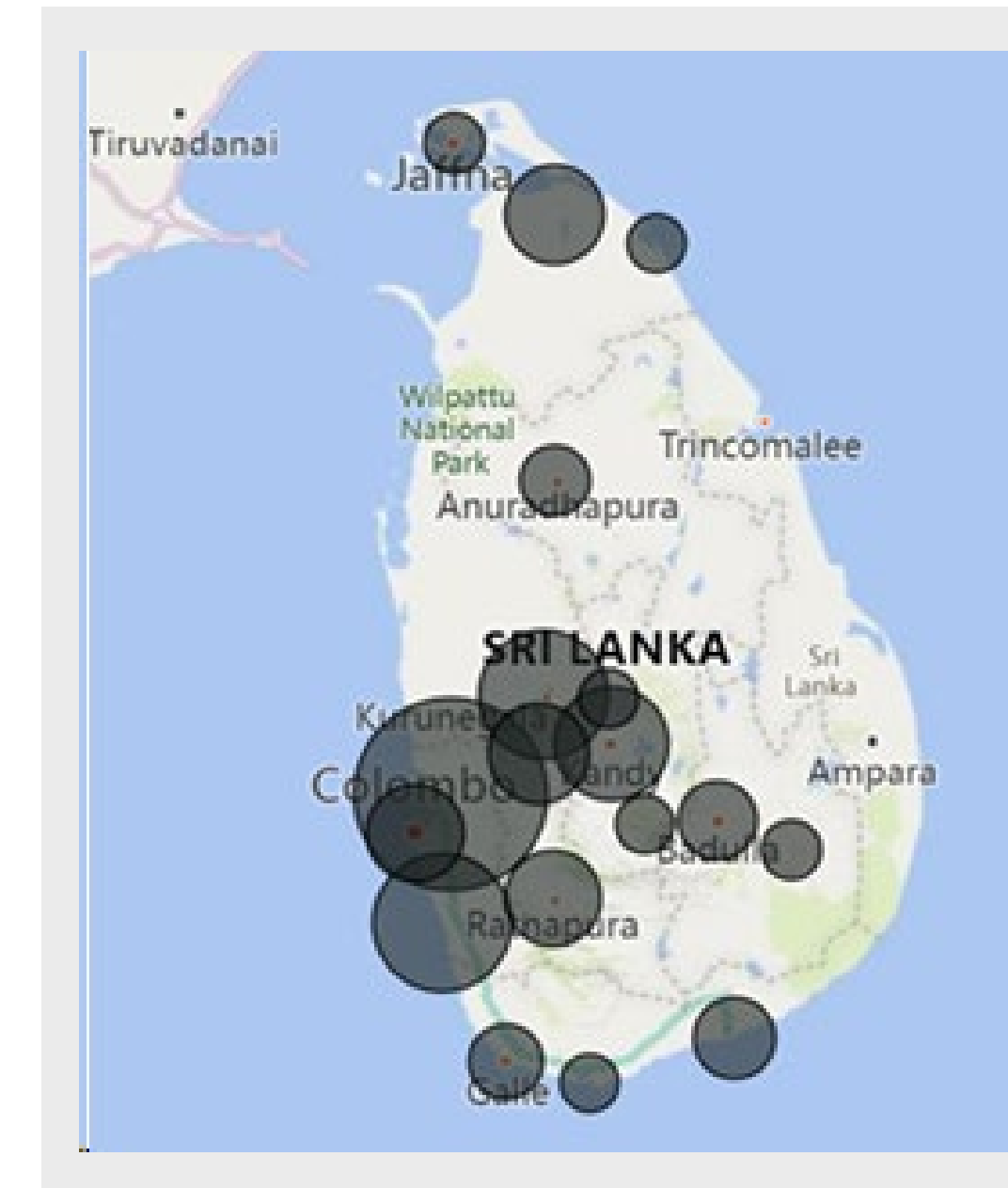
Category of Intervention	No. of Activities
Education	134
Environmental Initiatives	94
Health	372
Local Connect	333
Nation-minded	40
Sports	21



MAS conducted 132 CCOVID-19-related interventions through different sections.

Category of Intervention	No of Activities
Education	2
Environmental Initiatives	4
Health	101
Local Connect	14
Nation mindedness	11
Total Activities	132

MAS' activities are distributed among 21 Sri Lankan districts, with the highest intervention in the Gampaha, Kandy, Kilinochchi and Kurunegala districts.



The Community Engagement Model

We continue to rollout the Community Engagement Model across MAS. With the number of stakeholders in the community increasing due to the complexities of our environment, this engagement model provides a strategic methodology to cover all stakeholders, with a firm rationale.

Furthermore, the model provides transparency of the selection and implementation of the activities,

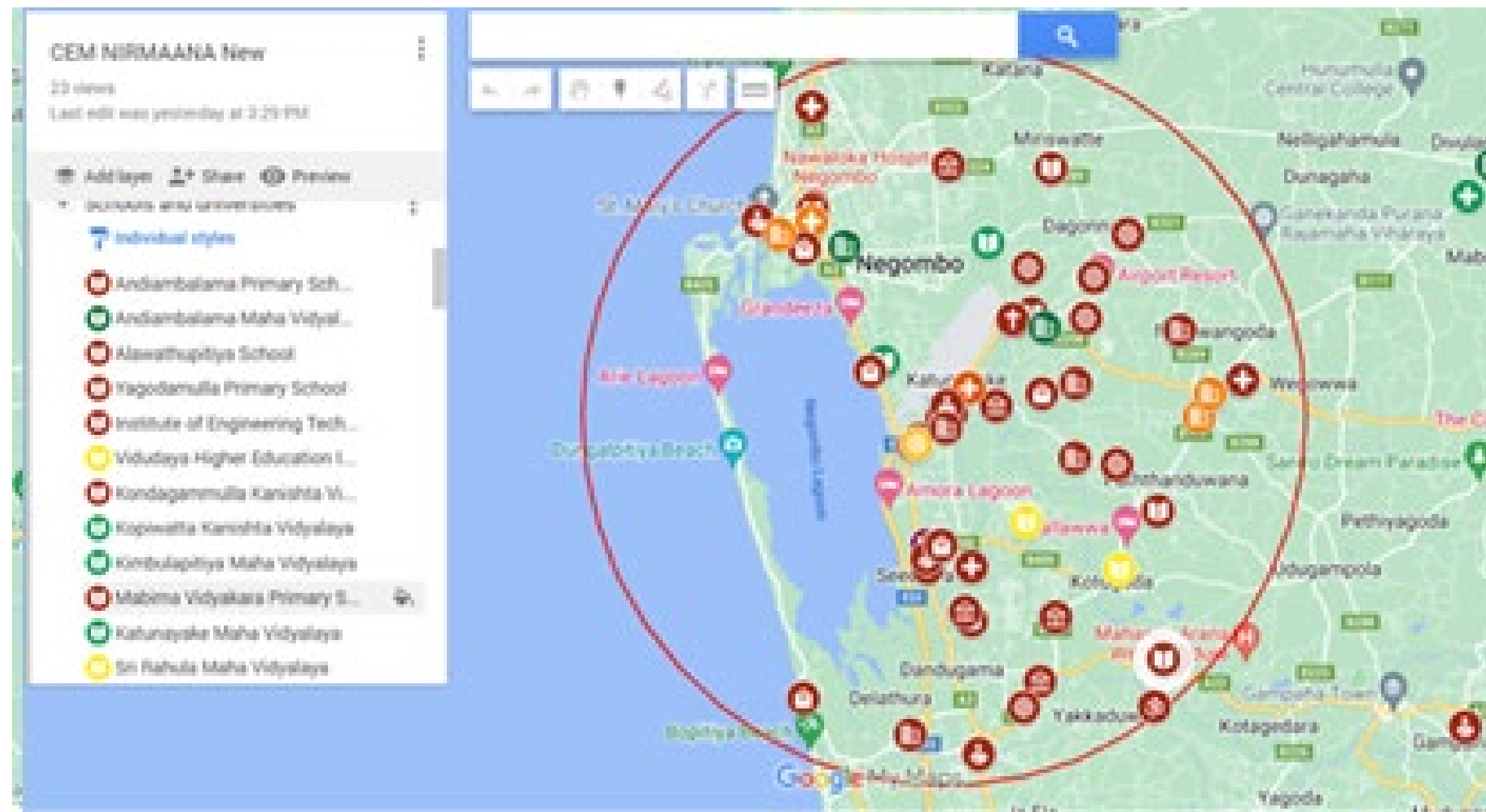
with a formal reporting mechanism. This has helped community engagement activities to continue smoothly and benefit the necessary stakeholders in our communities.

Under this methodology, all stakeholders are listed in one document, which is then mapped on a Google map with their geographic locations, simplifying the process when carrying out community engagement activities in a particular geography. In Sri Lanka, 34 facilities have now mapped their stakeholders and are continuing their community engagement activities based on the methodology laid out in the model.

MAS Community Engagement Checklist

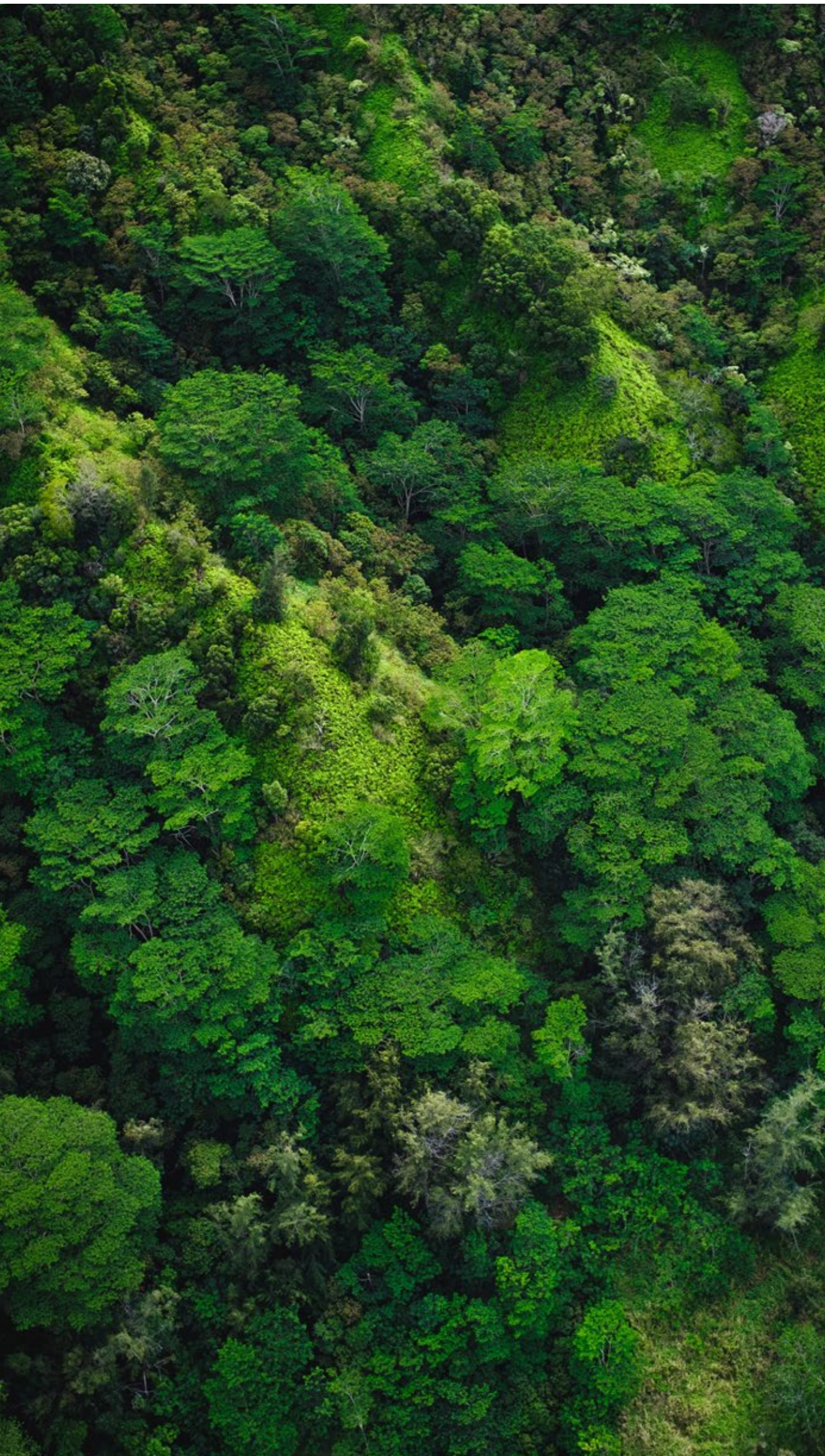
As an extension to the community grievance mechanism established in 2021 MAS also developed a community engagement checklist to outline the proper procedure to engage with the community.

This included accepted methods of problem identification, laying the terms and conditions for the engagements, key considerations points for the engagement activities, post evaluations, grievances reporting mechanisms, and responsible persons.



An aerial photograph of a dense forest bordering a body of water at sunset. The sun is low on the horizon, casting a warm, golden glow over the scene. The water is dark and reflects the sky. The forest is lush and green, with some trees showing early autumn colors. A large, stylized teal leaf graphic is positioned on the right side of the image.

Our Planet Changed for Good



Our Planet Changed for Good

Our third pillar of change looks at the impact we have on our planet, and the commitments we need to make to change our planet for good. Similar to the positive impact we create within our own value chain as well as outside of it, we want to ensure that we leave our planet better than we found it. Therefore, we have made the following five commitments in this focus area, covering our work in emissions, waste, chemicals, water, and biodiversity.

01 Limit Emissions

Climate change is a critical challenge faced by our planet. Reducing our emissions and energy is an important step in our efforts to champion climate action. In 2017, we set out a roadmap to reduce our carbon footprint by generating more renewable energy than our operations consume. In 2020, we took

an additional step to formalize these commitments further, by signing up for the Science Based Targets initiative (SBTi). In keeping with these efforts, we are committed to reducing our emissions footprint to achieve an absolute reduction of 25.2% by 2025 (on a 2019 baseline), taking crucial steps to combat the climate challenges of the future.

02 Transform Waste

The effective management of manufacturing waste is an important part of ensuring that we do not harm the environment and do not send waste to landfills. This is why we have decided to go beyond finding effective disposal methods to value-enhancing waste and giving it new life. By 2025, we aim to reuse, repurpose, or recycle 100% of the non-hazardous waste created through our manufacturing processes.

03 Responsible Chemical Use

Managing chemical use within our manufacturing processes and supply chain in a responsible manner has been a priority for MAS since our

journey started with the chemical management workstream in 2013. As the first Sri Lankan apparel and textile manufacturer to join Zero Discharge of Hazardous Chemicals (ZDHC) as value chain affiliates in 2017, we are driving the journey forward by committing not to use any toxic chemicals in our products or processes by 2025.

04 Safeguard Water

Water is our scarcest and most significant natural resource. Building resilience to face water scarcity and safeguarding water are very much business priorities. We do this by collaborating with our partners to develop new and better tools for metering and analyzing consumption, to improve the efficiency of usage in manufacturing and by our people. That's why we are committed to reduce our water intensities by 65% from the base year 2011 at our wet processing facilities, while mitigating any negative impact to our communities.

05

Champion Biodiversity

We have always been concerned about how we can help restore the biodiversity that we may have displaced with the physical presence of our plants and facilities. This is what caused us to take up the ambitious goal of creating and restoring habitats, not just in the space that we occupy, but restoring biodiversity and enhancing ecosystem services across 25,000 acres; translating to 100 times the area that we occupied on a 2016 baseline, by 2025.

Our Journey of Changing Our Planet for Good

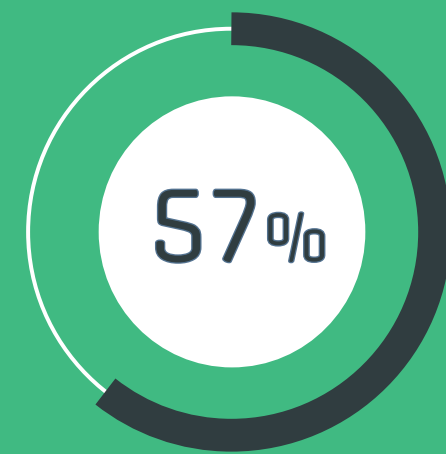
Work that we commenced in the environmental sustainability space in early 2010 have ramped up since then, and our strategic business units have worked over the years to streamline our processes in order to allow us to operate efficiently, while minimizing our footprint across our operations. In 2020, we once again re-evaluated the strategy, taking time to check and adjust our targets to better align ourselves to MAS' overall 2025 strategy, and bringing all our efforts together under the newly formulated 'Plan for Change'. As we established our revised sustainability strategy in 2020, we started rolling this out to all our stakeholders in 2021, and in this section provide updates on our environmental commitments under the pillar of 'Our Planet Changed for Good'.



Progress Snapshot



Emissions



of MAS runs on renewable energy

GOAL:
Generate more renewable energy than we consume



Waste



of all waste value enhanced by recycling, reusing, upcycling or turned to new resources

GOAL:
Value enhance 100% of non-hazardous waste



Chemicals



of MAS chemicals at ZDHC Level 1 status

GOAL:
Be zero toxic in our products and processes

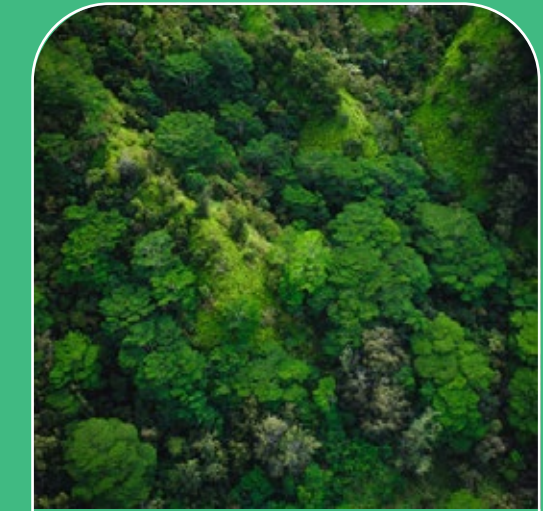


Water



reduction in water usage per kilo of product in textiles, knitting and elastics manufacturing

GOAL:
Reduce our water intensities by 65%



Biodiversity



of habitats restored

GOAL:
Restore biodiversity in 100x the space we occupy

*Progress on indicators as of December 2021

Limit Emissions



2025 Commitment: Reduce our emissions footprint to achieve 25.2% absolute reduction, from a 2019 base year

Over the past few years, MAS has been diligently monitoring, and improving our energy efficiencies, and increasing the usage of renewable energy sources in our operations to minimize our carbon footprint across our operations.

While we decided to take a step further and became a signatory for the Science Based Targets initiative (SBTi) to pledge our commitment towards absolute reductions in carbon emissions, in 2020, our near-term targets were approved and validated by SBTi in 2021, which was a significant milestone in this journey.

Our official commitment to the SBTi is articulated as follows:

MAS Capital (Pvt) Ltd commits to reduce absolute scope 1 and 2 GHG emissions 25.2% by 2025 from a 2019 base year*

MAS Capital (Pvt) Ltd also commits that 85% of its suppliers by spend and 100% of joint ventures in scope 3 investments, will have science-based targets by 2025.

**The target boundary includes biogenic emissions and removals from bioenergy feedstocks.*



2021 Progress

In consideration of the targets established under SBTi, MAS has decided to allocate the previously developed Verra Carbon Credits of rooftop solar of 14 MW to MAS' own emissions reductions. However, the business grew by 20%, thereby limiting the impacts of the emissions.

SBTi performance

Year	2019	2020	2021
Target Emissions (Ton CO2 eq.)	168,832	161,741	154,650
Actual Emissions (Ton CO2 eq.)	168,832	137,382	156,420
Expected Reduction %	0%	4.2%	8.4%
Actual Reduction %	0%	19%	7.4%

Annually, MAS will strive to reduce its absolute emissions 4.2% or more for the remaining period of the commitment through a number of initiatives, including increasing rooftop renewable energy, sourcing sustainable and climate impact neutral biomass, purchase of Renewable Energy Certificates (RECs), electrification of thermal sources and improving energy efficiency.

MAS also continues to publish its detailed emission performance through the Carbon Disclosure Project on CDP.net as it has done for 2020 and 2021.

MAS' other apparel investment companies, Trischel Pvt Ltd and Stretchline Pvt Ltd, also committed to Science Based Targets in 2021 and early 2022 respectively.

ENERGY MANAGEMENT SYSTEM

MAS has been deploying the Schneider Energy Management System (EMS) since 2011, which has been connected to measure major electricity usage points stored in a centralized server. The EMS can be accessed through the internet to check the facilities' energy consumption for all energy managers who have a valid username and password. The system currently has the capability to measure electricity and water and will be extended to steam measurement.

Thanks to the EMS, MAS engineers have access to energy-related information in real time.

- Dashboards of comparative energy usage
- Logical Meter View and Instantaneous Parameter view
- Logging of any trend parameters for a short time including power quality
- Energy statistics for the last 5 years at 5 min or 15 min intervals
- Custom reports on Time of Use, Shift, Cost, Power usage, etc.
- Alarm view



The most useful aspect of the system is the subscribed reports, which allows users to generate reports at any given time and automatically forward them to their email. An example of this use would be the running of the Cost Report on the first day of every month. MAS' energy managers usually generate weekly reports, according to department to see whether the respective departments operate within the budgeted costs.

EMISSIONS DATA

Apparel sector:

Apparel and apparel component manufacturing made a combined reduction of 17.4% from the base year.

The apparel divisions have reduced their usage from 11.4 MJ/Standard hours to 9.41 MJ/Standard hours from the base year.

Energy Mix – Sri Lanka

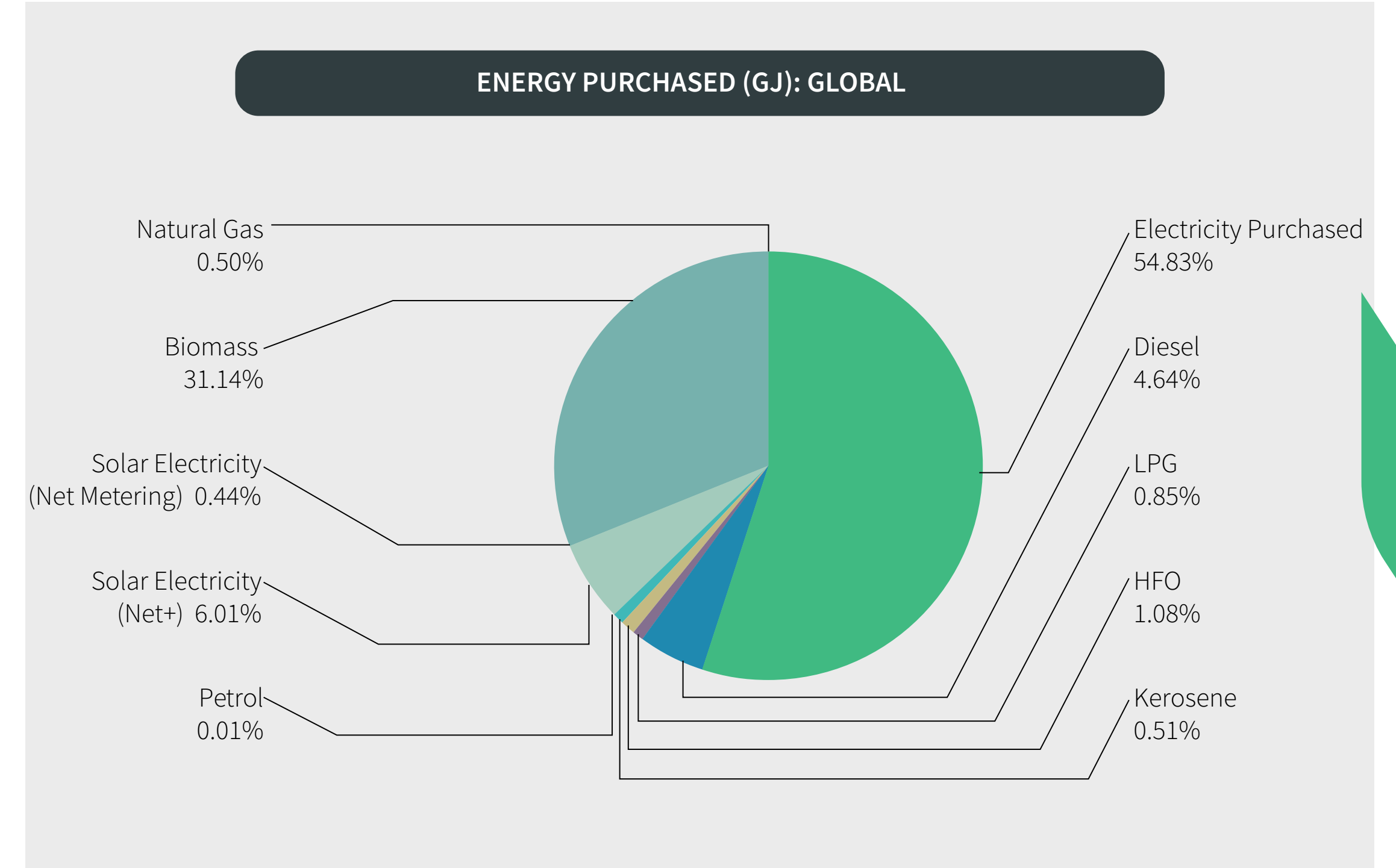
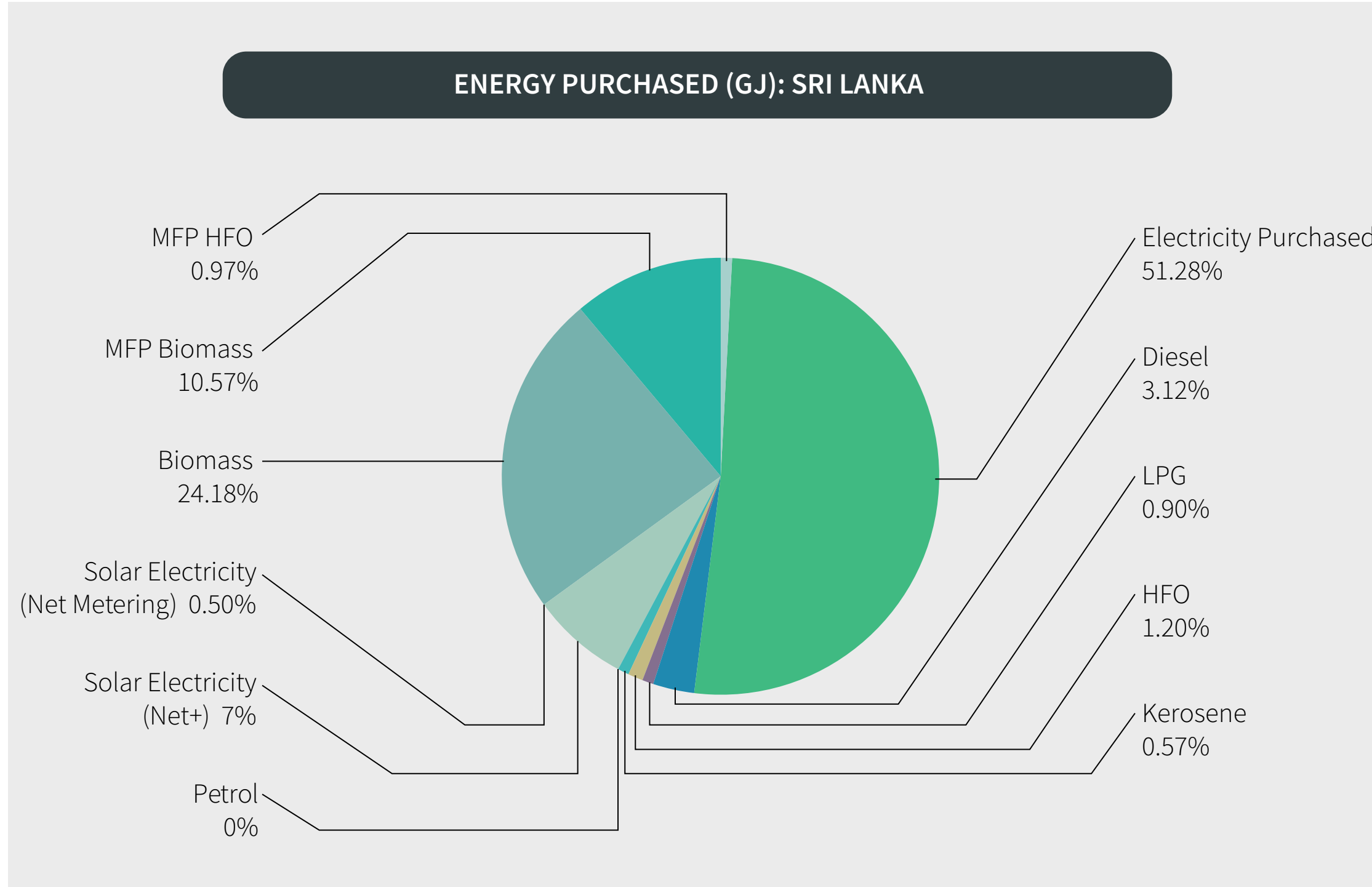
In Sri Lanka, our purchased electricity accounted for 51.28 % of our total energy mix. Purchased heat and steam are produced by MAS Fabric Park (MFP) and are therefore it is reported separately as MFP Biomass and MFP Heavy Fuel Oil.

The largest energy source within the Sri Lankan operations in 2021 was electricity at 51.28% of the energy mix, while more than 35 % of the energy was generated through biomass.

Energy Mix – Global Operations

In 2021 global MAS energy mix contained 1,186,341 GJ, and more than 54% was generated through purchased electricity, while 31% was through biomass used for steam generation.

Note: All fuel data is based on fuel purchased. Heating and steam purchases from MAS-owned Board of Investment zones are excluded and calculated as part of fuel consumption. All non-manufacturing sites outside of Sri Lanka are excluded in energy calculations. Energy sold to the grid through the Net Plus programme is excluded, as it is a carbon credit project.





PROJECT PHOTON

Although our commitments to the Science Based Targets initiative was initiated in 2020, our work in addressing climate change started many years ago with initiatives such as Project Photon, our multi-roof solar installation initiative.

We are in the process of completing Sri Lanka's largest solar rooftop project, where we implement solar installations with over 18MWp of capacity installed on 25 rooftops. All electricity harvested from each site is exported to the National Grid, generating a supplementary income for our business.

This initiative was implemented as part of the Sri Lankan Government's renewable energy drive, which aligned with MAS' long-term sustainability goals for 2025.

Below mentioned expansions were implemented for the year 2021.

- Expanded Slimline solar capacity by 100kW on 19th July 2021.
 - Initial capacity – 1,096kW
 - After the expansion – 1,196kW
- Started MFP 6MW solar PV project on 23rd Dec 2021
 - Sri Lanka's largest roof mounted solar installation on a single roof - Matrix – 4.2 MW (Including Matrix existing 1MW)
 - Sri Lanka's largest roof mounted solar installation in a single location - 7 MW (Including Matrix existing 1MW)

Change Spotlight:



Bodyline

SOLAR PANEL INSTALLATION

In alignment with MAS's overall target of reducing absolute GHG emissions by 25% in 2025, 2019 as the base year, Bodyline currently has the largest rooftop solar installation in Sri-Lanka (1.95 MWh in Bodyline 1 and 0.34 MWh in Bodyline 2).

Through Net Plus, this energy is supplied to the National Grid as a renewable energy portion which contributes to the Nationally Determined Commitments (NDCs).

MAS has requested the Sri Lankan government to acknowledge this contribution as a "private sector contribution to reduce GHGs" and to provide a certificate quantifying the GHG reductions gained through Net Plus rooftop solar installations.

IMPROVING ENERGY EFFICIENCY AT OUR OWN MANUFACTURING FACILITIES

We conduct monthly monitoring of GHG emissions per kg produced as well as electricity per kg produced. We converted our entire Factory lighting to LED lights

to improve energy efficiency and installed a Smart Air Master (Auto Air Controlling System) by replacing our existing compressor and saved 20% in energy use. We hope to further increase our energy efficiencies by investing in more energy efficient generators, chillers and cutting machines.

INCREASING RENEWABLE ENERGY GENERATION AND UTILIZATION

In 2019, we installed a combined 2.3 MWp rooftop solar installations in our Sri Lankan facilities, which is one of the nation's largest solar installation and provides renewable energy to the Sri Lankan National Grid. We are currently in the process of signing up for a Power Purchasing Agreement (PPA) for our Indian facility which will help us in our journey to decouple from fossil fuel derived energy from 2022 onwards.

Transform Waste



Our commitment: Value enhance 100% of non-hazardous waste

Apparel businesses have been known to be some of the largest contributors to the problem of waste. In fact, the apparel industry is globally known to contribute approximately 4% of the world’s waste¹, and fast fashion has long since battled its waste problem. As a business, not paying attention to our impact and not seeking solutions for waste means that we continue to be significant contributors to the problem.

In the apparel industry, the issue of waste is two-fold, as there is pre-consumer waste generated in the manufacturing process, as well as waste generated post consumer use. Our commitments to reducing waste include considering solutions to these, as well as finding solutions to the waste we generate by running our plants and offices, through Initiatives such as the ‘Pirisidu Lanka’ campaign.

¹<https://www.forbes.com/sites/jonbird1/2018/09/09/fashions-dirty-little-secret-and-how-its-coming-clean/?sh=69d0d2881771>

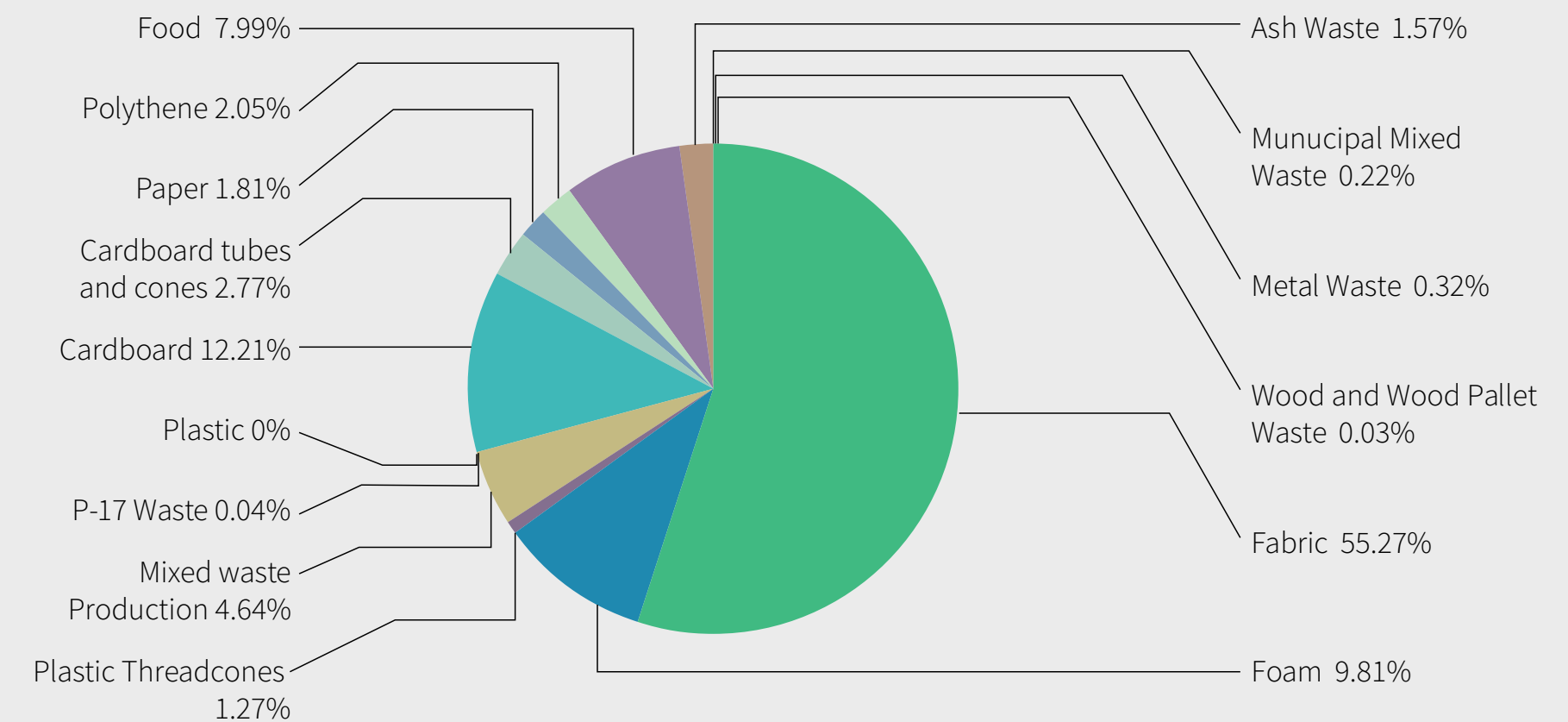
2021 Progress

Classification of our waste

In 2021, we diverted 99.9% of our overall waste away from landfills, and continued our efforts to reuse, repurpose or recycle the waste generated through our manufacturing and operations.

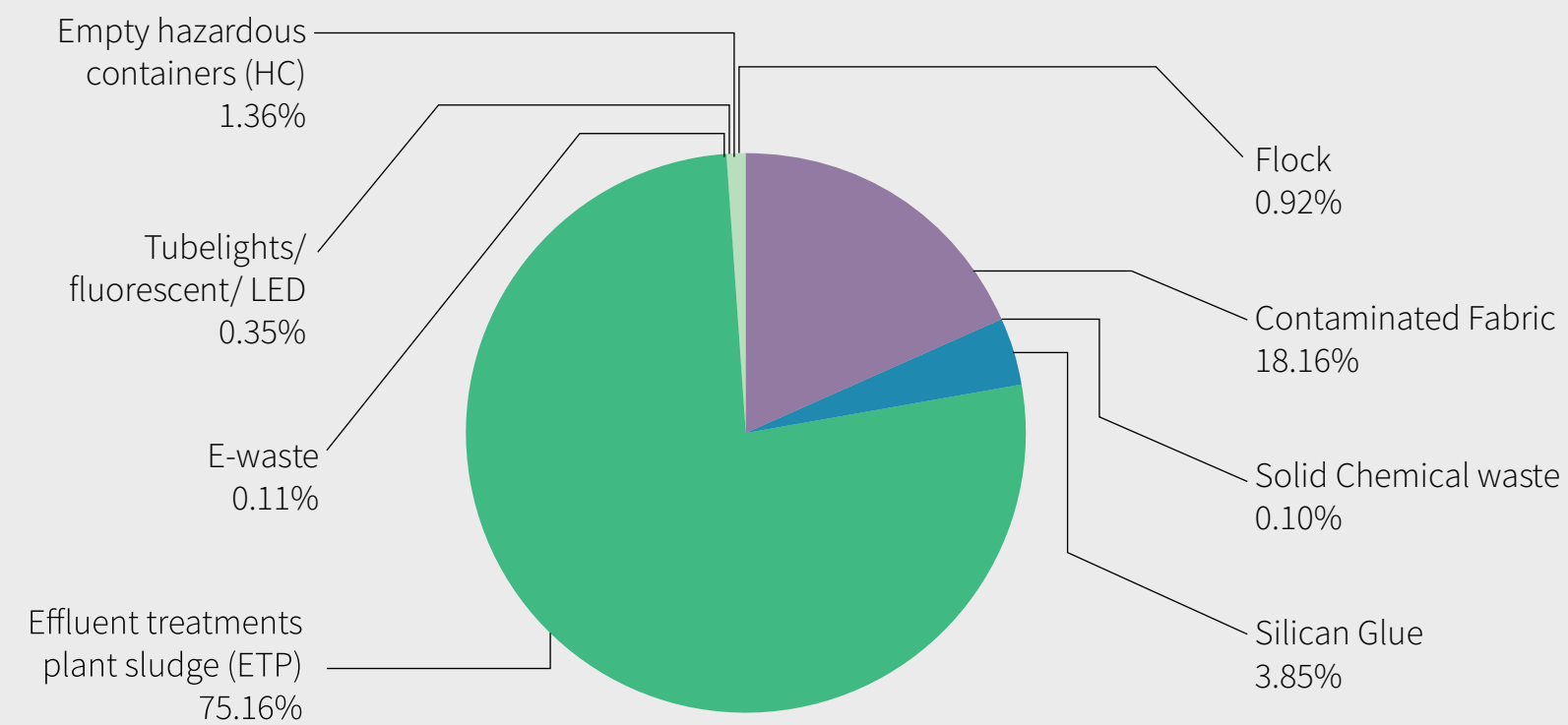
54.45 % of all waste was value enhanced by recycling, reusing, upcycling or being turned into a new resource, passing our targeted values.

NON HAZARDOUS WASTE PRODUCED BY MAS SRI LANKAN OPERATIONS



MAS was able to eliminate all production waste including fabric waste being sent to landfills while the majority of non-hazardous waste is used for energy recovery, waste to steam production, and recycling.

HAZARDOUS (SOLID) WASTE PRODUCED BY MAS SRI LANKAN OPERATIONS



Effluent treatment plant sludge (ETP) is the major non-hazardous waste type generated in MAS operations. All our hazardous waste types are diverted from landfilling and dispose through energy recovery.

PROGRESS FROM OUR STRATEGIC BUSINESS UNITS

Giving fabric waste a second life at Bodyline

The fashion industry is primarily produced in a linear “take, make, dispose” system, and each year millions of tonnes of clothes are produced, worn, and thrown away. It is now more urgent than ever to shift from this linear model to a circular model or circular economy where waste and pollution are designed out, products and materials are kept in use longer, and natural systems are allowed to regenerate.

Recycling textiles is one such effective method to build sustainability and circularity in the apparel industry. At Intimate Fashions India, a manufacturing unit of Bodyline located in Tamil Nadu, we have been able to successfully recycle all our fabric waste and increase circularity within our operations. Our fabric waste mainly consists of polyester and cotton, which we have diverted in two different ways for recycling.

- *Cotton recycling: A circular model through which segregated cotton waste is shredded into uniform pieces and is spun into open ended yarn, that can be used to manufacture various garments.*
- *Polyester recycling: Segregated polyester waste is grinded and used as one of the raw materials in manufacturing roofing sheets.*



The recycling mill provides us with Global Recycling Standard (GRS) certification, confirming the total amount of waste fabric that is recycled, thereby ensuring the transparency and accountability of this process.

We are working towards further value enhancing our fabric waste is all our facilities and are working closely with few likeminded individuals in the industry to pilot innovative recycling projects that we hope to expand upon in the future.

E-WASTE RECYCLING AT STRETCHLINE

The e-waste disposal project of Stretchline Sri Lanka was initiated in 2021, with the following objectives:

- Reduce the environmental footprint of the company by assisting proper disposal of electronic waste
- Extending the service to the community, and thereby further reduce environmental impacts of improper e-waste disposal

The project was initiated to commemorate World Environment Day 2021 with an e-waste collection from the factory premises. During this event the following types of e-waste were collected and disposed.

- Used and damaged LED lights
- Used and damaged fluorescent lights
- Used and damaged computer parts
- Used and damaged printed parts
- Used empty toners

The next step of the project of this initiative would be to develop a mechanism to collect and safely dispose e-waste from the factory and office periodically, while extending the collection to household level.

OCEAN STRAINER

Research shows that, out of all the waste that reaches the ocean, approximately only 30% comes back to shore, which means that 70% of this waste remains at sea and breaks down into microplastics that pollute the ocean and impact marine life. This means that preventing plastic waste from reaching the ocean is a very crucial step of marine environment protection.

One of the key observations of our work with oceans was that a significant amount of fugitive plastic waste flows to the ocean through our inland waterways such as rivers and canals. In 2020, we designed our ‘Ocean Strainer’ floating trash trap, and launched our pilot project at the Dehiwala canal, as a first step in addressing this problem.

With the success of the ‘Ocean Strainer’ pilot and the immense positive feedback that we received in the first few months itself, we realized that true potential of this solution could only be realized by sharing the technology with likeminded partners who would support the replication and expansion of the ‘Ocean Strainer’ to other locations.

In February 2021, MAS announced that we would make the ‘Ocean Strainer’ technology openly available to interested parties, in order to replicate and scale up the solution.



UPDATE ON STRAINER REPLICATION: TO DATE

NUMBER OF STRAINERS

- 10 in total
- Breakdown by funding and implementation partner
 - 1 funded and implemented by MAS
 - 4 funded and implemented by Central Environmental Authority
 - 3 funded by donors (Laudato Si and Adore Me) and implemented by MAS
 - 2 funded and implemented by other corporates (Hemas and Heineken), with assistance from MAS
- Breakdown by district
 - 8 in Colombo (Western Province)
 - 1 in Kalutara (Western Province)
 - 1 in Galle (Southern Province)

IMPACT ESTIMATE

Total waste diverted from 10 traps

7,588 Kg per week

30,352 Kg per month

364,224 Kg per year

Responsible Chemical Use



Our commitment: Be zero toxic in all products and processes

Over the last decade, apparel manufacturers have been working hard to streamline their chemical management processes, as fashion brands have increasingly come under pressure to reduce the use of harmful chemicals in their products. Having begun our work in the Chemical Management Work Stream in 2013, MAS adopted the vision to 'be zero toxic in all products and processes' by 2025.

LASTING PARTNERSHIPS: ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC)

In 2017, MAS became a founding member of the Zero Discharge of Hazardous Chemicals (ZDHC) initiative and began contributing to the collective goal of protecting the planet by reducing the fashion industry's chemical footprint. MAS was the first manufacturer to join the ZDHC as value chain affiliates, and since then, the partnership has continued to grow with the company's chemical team becoming members of the ZDHC Manufacturing Restricted Substances List (MRSL) committee, which is responsible for setting the standards for all ZDHC members globally. MAS also represents the ZDHC MRSL Advisory Council (MAC)

and currently contributing to the ZDHC MRSL Version 3.0, which will be released in near future. The ZDHC MRSL is key to sustainable chemical management, and MAS outlined practical challenges of implementation in the revision update, which will be beneficial for manufacturers.

OUR CHEMICAL MANAGEMENT PROCESSES

Based on the MAS Chemical Sustainability strategy, we focus on the three areas of Input, Process and Output to benchmark our own operations, as well as external supply chain facilities within our value chain.

Through our Input stream management, we ensure safer chemicals are used in all our operations, with the aim of creating a safer product, while enabling safe processes for our people and mitigating any negative impact on the environment.

Our Process pillar makes the connection between Input and Output, where we ensure safer inputs are used in a correct way within our facilities.

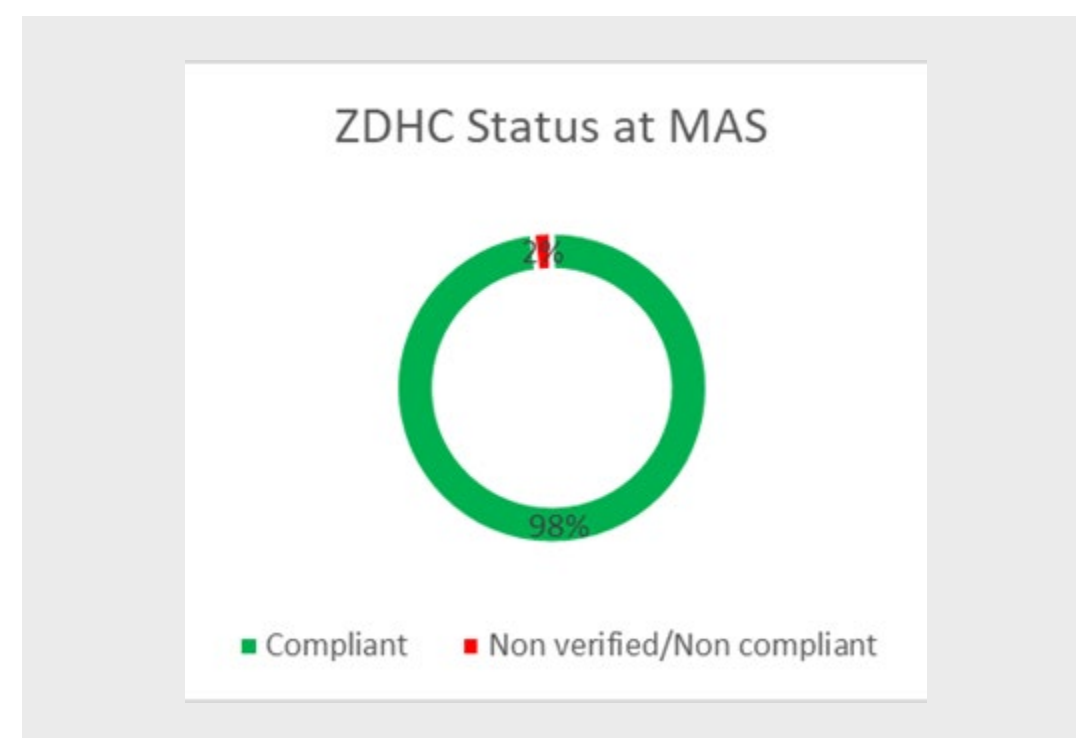
In the Output focus area, we measure our water and air quality to validate our input and process management practices. These processes are benchmarked by the

globally recognised ZDHC Chemical Gateway, our own MAS SCalE (Environmental Calibration) Tool or the SAC's Higg Facility Environmental Module (FEM), and the ZDHC Wastewater Guideline.

Even during a challenging year, we continued to leverage our teams and conduct trainings and audits virtually, and physically where possible, to ensure that we maintained the high standards of chemical management that we set for ourselves. Also, some chemical management work stream pillars were implemented for the foreign facilities.

Input Stream Management

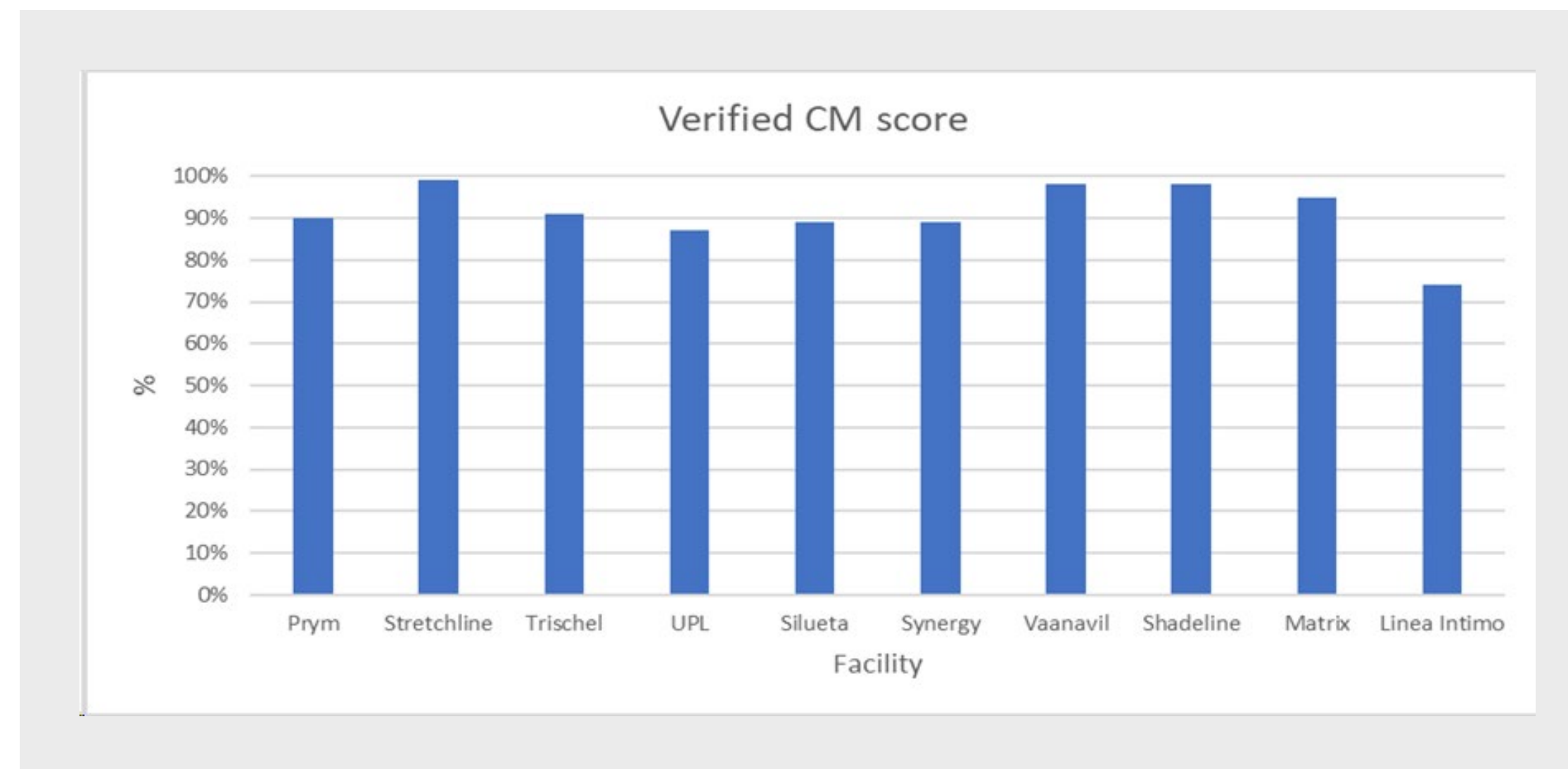
In 2021, we managed to achieve approximately 98% compliance of our process chemicals at local operations to the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL), with 98% of our overall chemicals being registered in the ZDHC Chemical Gateway Level 1 or above. In addition to this, our dye houses achieved approximately 99% compliance to the ZDHC MRSL in 2021. Moreover, ZDHC MRSL compliance monitoring was initiated for foreign facilities.



Commodity chemicals such as caustic soda and acetic acid are used in dyeing operations in the apparel value chain, and a number of studies show that commodity chemicals could include chemicals that are prohibited by the ZDHC MRSL. As continuation of the work done in 2020, we maintained the ZDHC MRSL compliance to all commodity chemicals used in dyeing operations. Furthermore, the monitoring of ZDHC MRSL compliance for ETP chemicals was initiated.

Process

In 2021, we conducted chemical assessments at all local SBUs as per the MAS SCalE (Environmental Calibration) tool to ensure that we are equipped with the correct chemical management processes across the Group. We also conducted an awareness session for all our chemical suppliers, to update them on our chemical management strategy and best practices. During 2021, most of our wet processing facilities completed Higg Index FEM assessment and achieved the 'Aspirational' limits in the Chemical Management section.

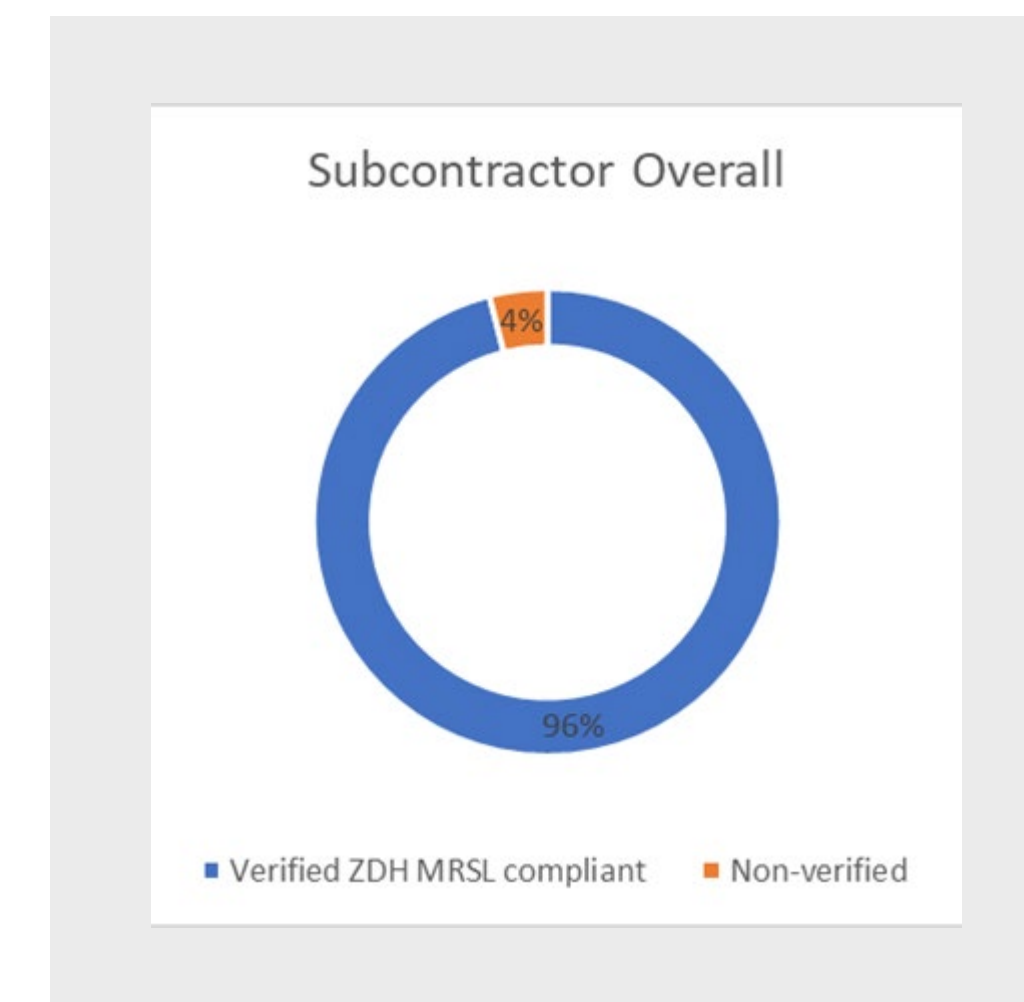


Output

In 2021, we took steps to test wastewater as per the ZDHC Wastewater Guideline at our wet processing facilities. All our wet processing facilities are aligned to the ZDHC guidelines, validating that MAS facilities do not discharge any hazardous chemicals to the environment. In 2021, most of our facilities reported the wastewater test results on the Detox Live Platform, which is hosted by the ZDHC Foundation and shows the efforts of manufacturers on the ZDHC journey.

Working Together: Our Supply Chain Efforts

Working in partnership with our suppliers and partners is a critical step in our journey towards achieving zero toxicity. Our subcontractors are a vital partner in our supply chain as they meet market demands of many players. In 2021, our team focused on expanding on the work done in 2020 to further elevate ZDHC MRSL input compliance at subcontractor facilities. Approximately 96% of our embellishment subcontractors' products are compliant with ZDHC Chemical Gateway Level 1. This is a 16% increment compared to 2020, and largely attributed to the continuous monitoring and evaluation of subcontractors even during the pandemic.





In 2021, we also continued Higg Facility Environmental Module (FEM) for all embellishment subcontractors and completed on-site 3rd party verifications. By the end of 2021, all our subcontractors have score 50% of the Chemical Management module in the Higg FEM, as well as fully aligning with ZDHC waste water guidelines in 2021.



In 2021, we have expanded the coverage of the Higg FEM implementation to our raw material suppliers to cover 75% of suppliers based on our raw material purchases. In 2022, we plan to extend our efforts to monitor the Higg FEM implementation to our top volume-based suppliers and strategic raw material suppliers.

Safeguard Water



Our commitment: Achieve zero impact to MAS' operations and mitigate negative impact to the environment and community

With every life form on the planet depending on water for survival, water remains the most critical resource on Earth, whether it be for the sustenance of life, nature, industries or economies.

This is why the efficient use of water is a key goal for MAS. We believe that building greater resilience in the face of increased periods of droughts and floods is important to effectively manage adverse climate events. We also believe that recycling and reusing water, and the responsible disposal of wastewater, are important goals for a business such as MAS.

All divisions and SBUs within MAS continuously collaborate to address these issues through the development of new and better tools to meter and analyze consumption, thereby improving the efficiency of our water usage in manufacturing and for our people.

ADOPTING AMBITIOUS GOALS

MAS has always believed in our responsibility to adopt ambitious goals that are transformative in nature. We want to continuously improve upon our efforts and push our teams to take bold actions wherever possible in our journey to become a truly sustainable business.

In 2015, we set ourselves a target of reducing water intensities at our wet processing facilities by 75% from the base year 2011, based on the assumption that we would be able to move the bulk of our water-intensive operations into waterless technologies, such as waterless dyeing.

However, the exploration of these technologies has since revealed that they are not as adaptable to our business model, and therefore have not yet been fully adopted at our facilities.

Considering this, the teams have taken a collective decision to recalibrate our water goals for 2025 to accurately reflect our ambition, based on our current capabilities. Therefore, this goal has now been modified to Reduce the water consumption to 52 liters per head per shift division wise and Achieve 52% water intensity reductions (2011 baseline).

UNDERSTANDING OUR RISKS: WATER RISK ASSESSMENT

Additionally, in a year of unprecedented events, we realized the importance of building resilience and readiness towards mitigating current and potential risks that exist for our business and value chain. Therefore, in 2020 we included a newer component to our water strategy, to assess the physical, regulatory and reputational water risks to all MAS facilities worldwide. This assessment would provide us with insights that allow us to make more informed decisions going forward and to mitigate risks before potential impacts become nonreversible.

As our communities are an integral part of MAS, the new water strategy also focuses on increasing and improving community engagement. MAS will position itself as an entity that proactively works with the community on water-related issues, ranging from awareness to stewardship endeavours.

In 2020, we identified a few priority areas within Sri Lanka that faced prominent issues relating to water quality, water availability, and higher likelihood of drought and floods. Additionally, we considered community and media perception, as well as regulatory impacts, in relation to water in these areas.

After categorizing these areas based on priority, we populated this information and other factors into MAS' Water Risk Assessment tool, which we created based on the Water Risk Filter tool designed by the World Wide Fund for Nature (WWF) with customizations to cater to local requirements.

This gave us insight on risks faced by MAS facilities due to being in a certain geographical area (basin risk), as well as due to our manufacturing methods and requirements (operational risk). While we completed only a handful of mock assessments in 2020, we will be focusing on identifying and operationalizing risk mitigation measures to all MAS facilities worldwide by 2025

We conducted the Water risk assessment tool for all of our sites, both locally and internationally, as the next step in 2021. The tool's implementation allowed us to fine-tune our legislative water management obligations, and we now place a greater emphasis on community involvement in water resource management and providing clean access to water in the communities where we operate.

2021 Progress

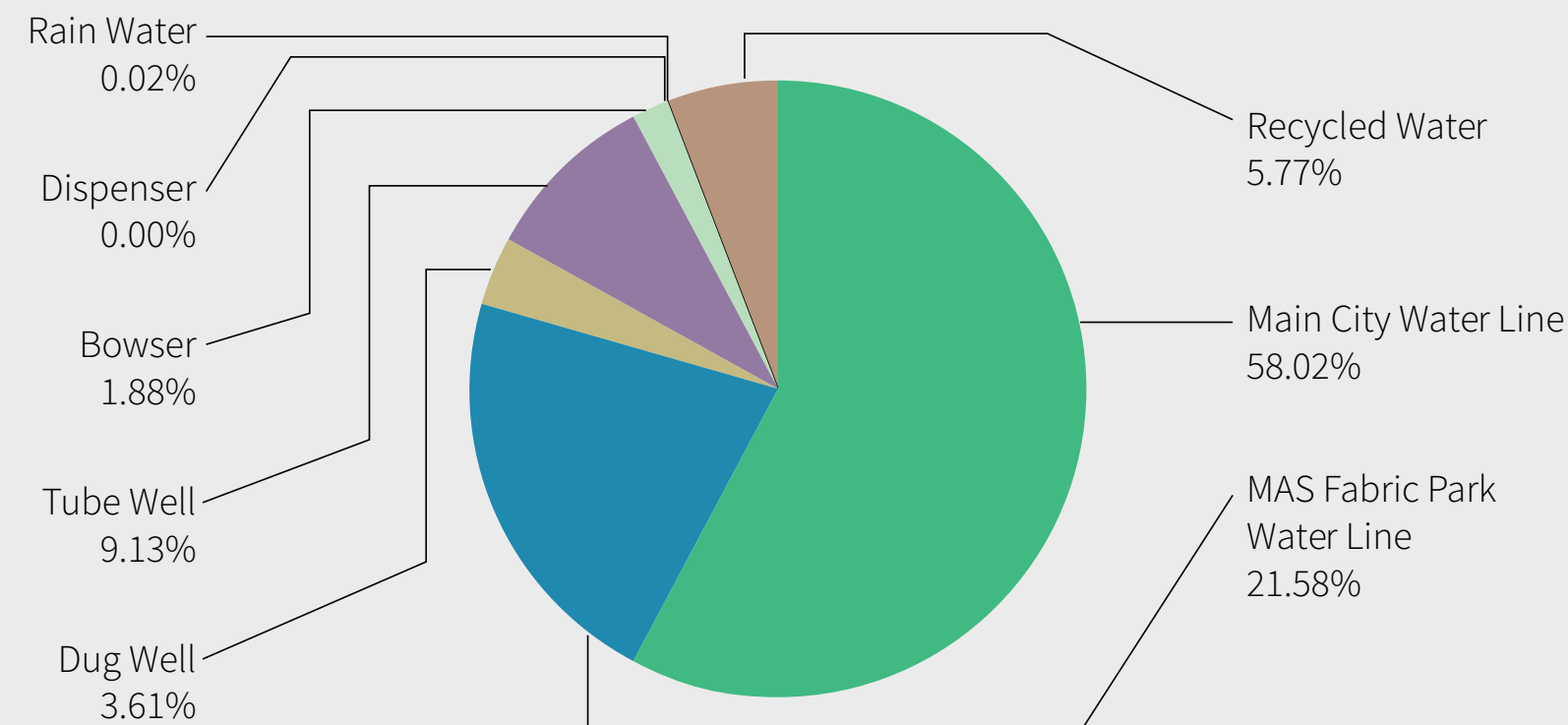
Through our efforts across the group, in the year 2021, MAS achieved a water intensity reduction of 50% against the 2011 baseline.

As of fourth quarter of 2021, the company's textile, seamless knitting and elastic manufacturing made a combined intensity reduction of 38% from base year of 2011, in the face of the challenges faced due to the COVID-19 pandemic and ongoing facility expansions.

The current average intensity for the apparel sector was recorded at 60.85 L/per head per shift. Current figures show that out of 32 apparel facilities), approximately eight facilities have achieved an intensity of 50 L per head or less.

MAS Capital used more than 2.3 billion liters of water for its operations in Sri Lanka in year 2021.

WATER BY SOURCE IN MAS CAPITAL SRI LANKAN OPERATIONS IN 2021



EFFORTS ACROSS THE GROUP

Dye bath recycling project

A recent initiative undertaken by the team is to collect dye bath water in the exhaust dye house, to be reused in subsequent dyeing operations. This project was initiated with the hope of reducing water intensity and reducing wastewater generation. The process also helps to bring down the costs associated with water consumption and wastewater treatment, as well as providing savings on the costs of dye and chemicals. The first step of the project methodology includes the re-standardization of dye recipes to facilitate the subsequent water recycling, followed by reusing of dye bath water.

SMART Liquor Project for improvement of dyeing RFT and efficiency

Right First Time (RFT) and efficiency of dyeing process can be improved through smart liquor application, while also reducing the dye consumption and the waste generation. The SMART liquor process is linked with another initiative called SMART matching, which is a digital color management process that can drastically reduce the number of laboratory trials, thereby saving water and wastage.

SETTING STANDARDS

MAS believes in aligning to standards globally, enables swift adoption of systems which helps us to strengthen our core. 35 facilities of MAS have been certified under ISO 14001 Environmental Management System and 13 facilities under ISO 45001 International Standard for Health and Safety at work. All global facilities under MAS Capital have been certified under ISO 14064 Carbon Footprint certification and validated by third party auditors. In addition to this, 14 facilities have taken Global Recycling Standard (GRS) and Recycled Claim Standard (RCS) certifications, backing up our customers' recycled content claims.

SUSTAINING PARTNERSHIPS: THE SUSTAINABLE APPAREL COALITION AND HIGG TOOLS

The Sustainable Apparel Coalition (SAC) has historically been a strategic partner, with whom we believe we share a mutually beneficial relationship. In order to ensure that manufacturers' voices are heard in the key policy and decision-making forums of the SAC, key sustainability resources from MAS dedicate their time and insights to SAC task teams and strategic councils. In 2021, some key talent from MAS participated in these engagements:

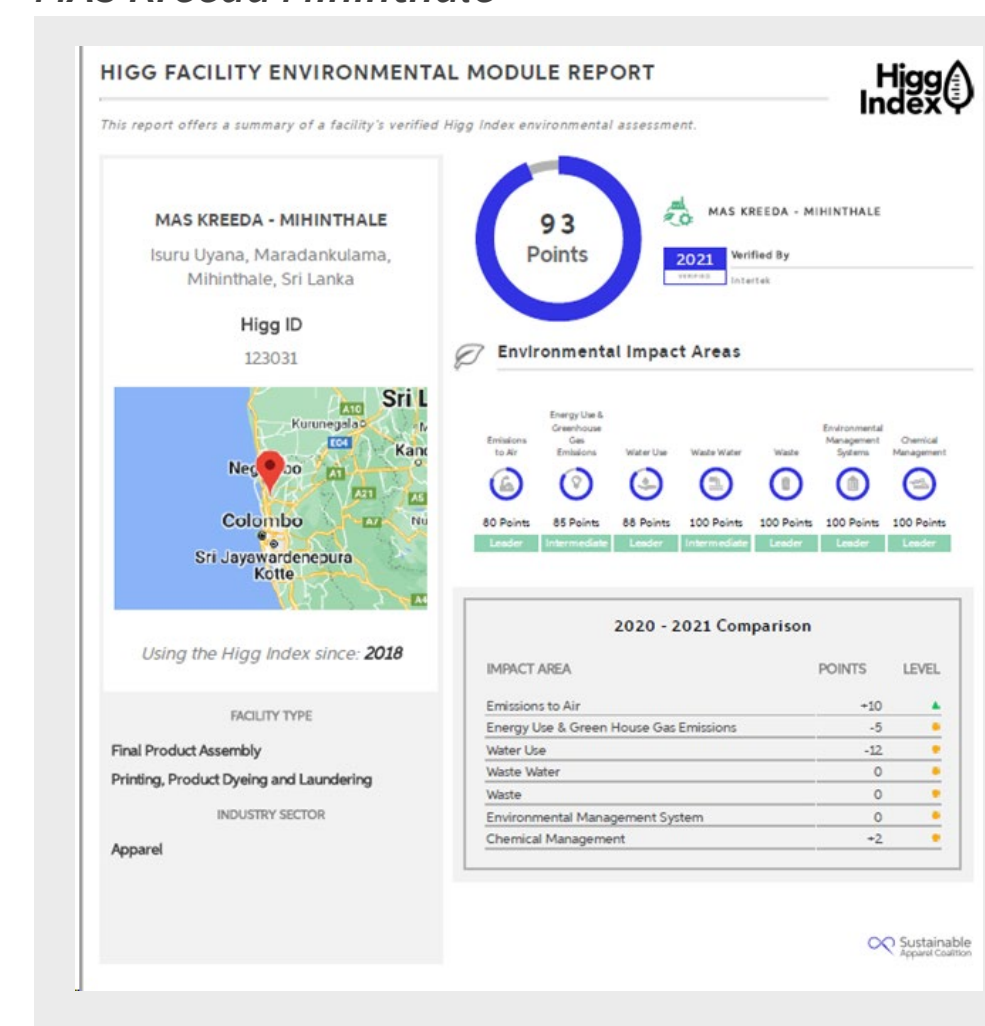
- Dr. Kshanika Gunasekara – Member Expert Team – Facility Environmental Module (FEM) / Facility Social and Labour Module (FSLM), on-product consumer facing claims.
- Eranga Dilhan – FSLM Strategic Council
- Dhanujie Jayapala – Product Tools Strategic Council

Out of 47 facilities, 42 MAS facilities reported under the Higg FEM in 2021, while two facilities reported into the Higg Facility Foundation. Supply Chain partners, Stretchline and Trischel also received verification from the Higg FEM module in 2021.

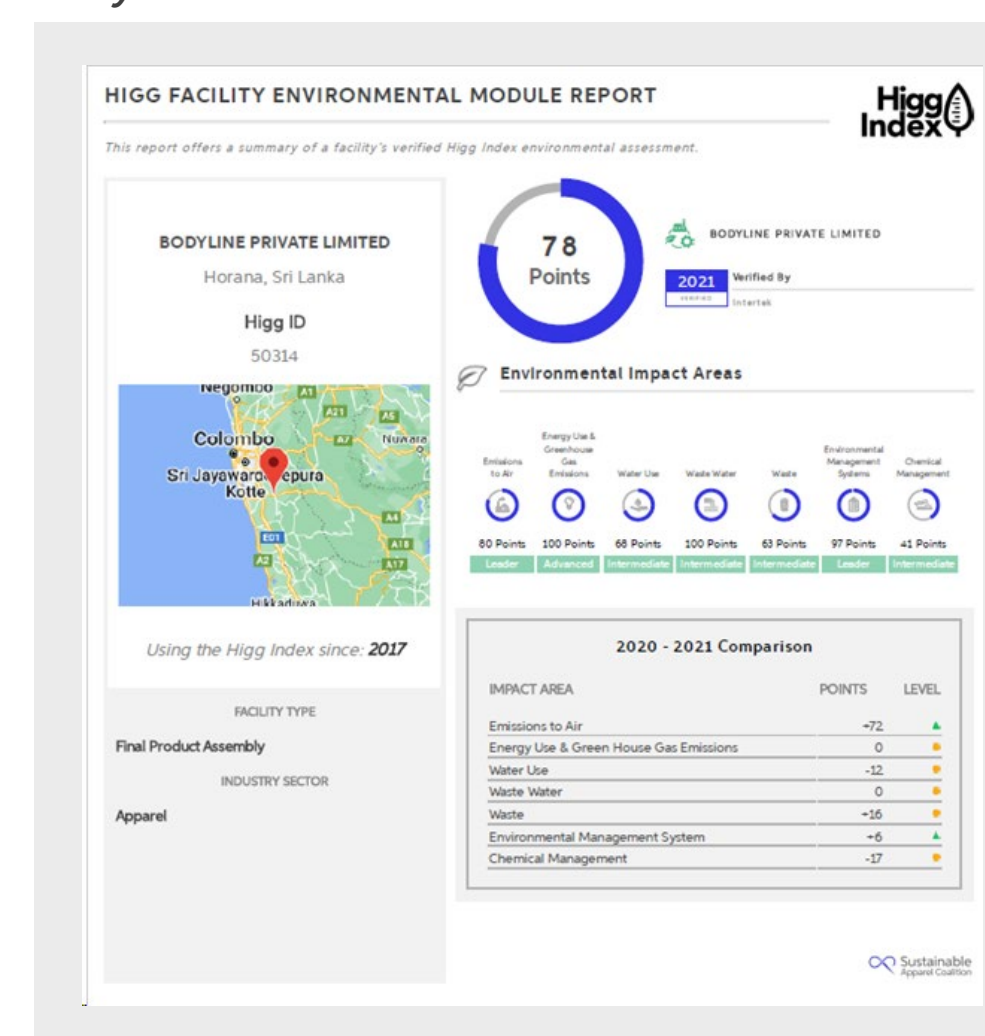


PROGRESS FROM MAS FACILITIES

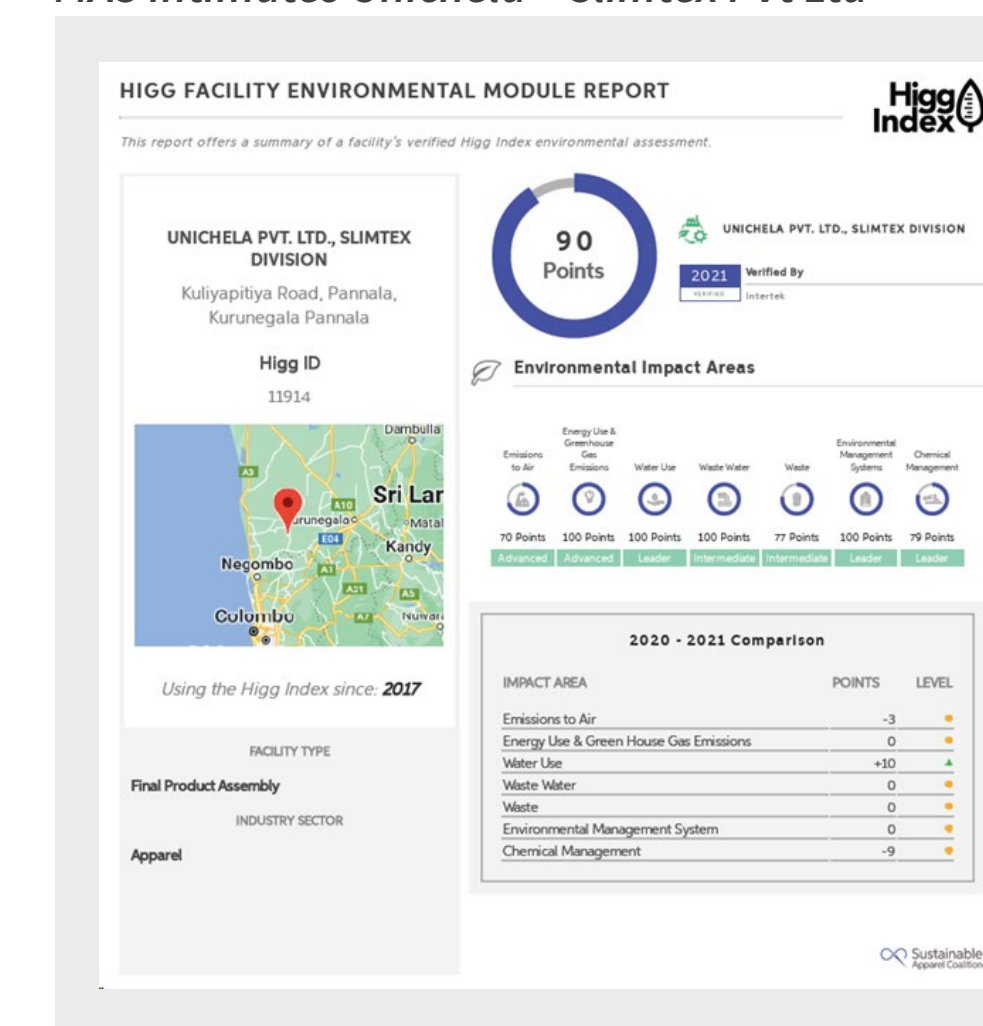
MAS Kreedaa Mihinthale



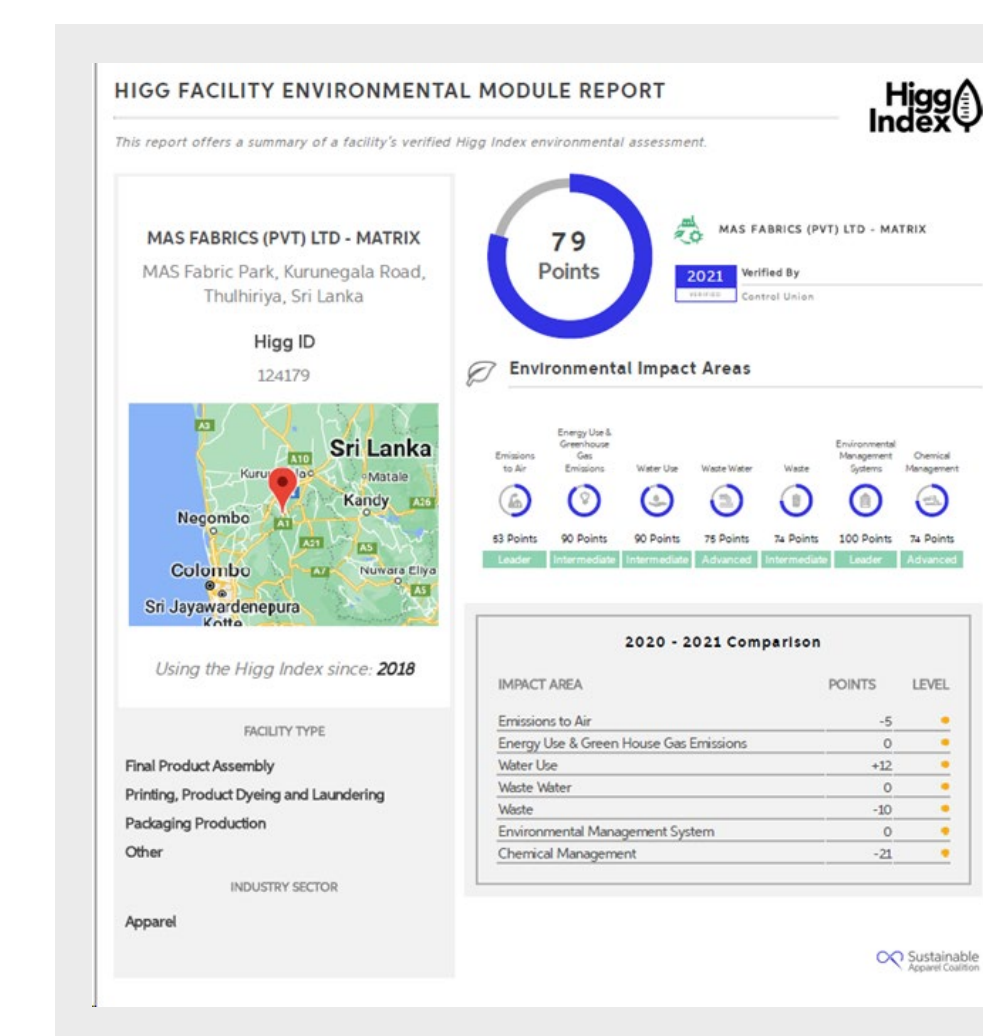
Bodyline 1 – Horana



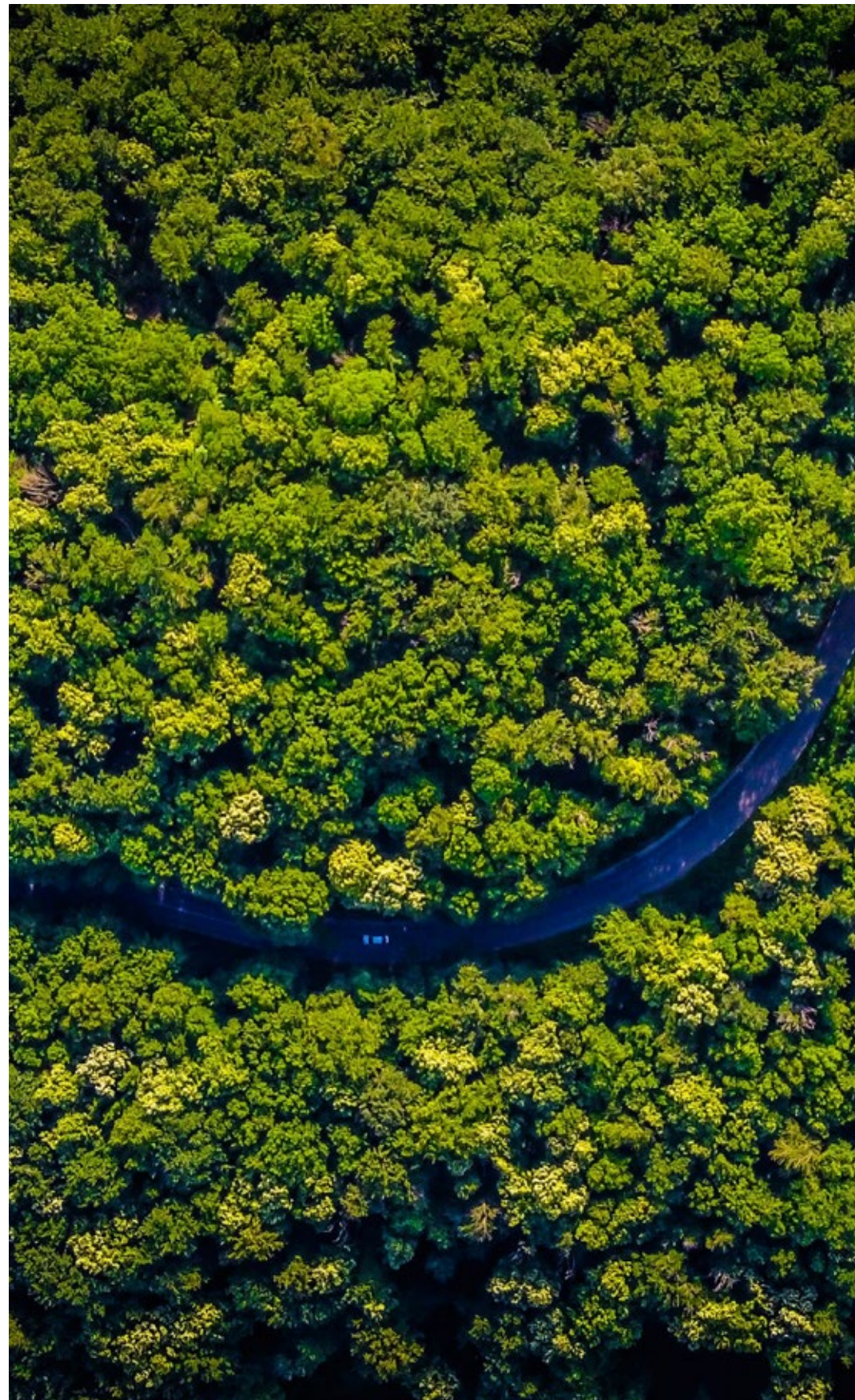
MAS Intimates Unichela – Slimtex Pvt Ltd



MAS Fabrics Matrix



Champion Biodiversity



Our commitment: Restore biodiversity in 100x the space we occupy

Mapping out our sustainability goals in 2016, we considered how we could positively impact and restore the biodiversity that we may have displaced by the physical presence of our facilities and operations. This led to the ambitious vision to actively contribute to restoring the biodiversity in the spaces where we operate, with MAS making a pledge to restore habitats and enhance ecosystem services in 100 times the area that it currently occupies. This meant restoring and replacing 100 x 250 acres, which led us on our ‘journey to 25,000 acres’.

SDG 15 focuses on life on land, and commits to protecting, restoring and promoting the sustainable use of terrestrial ecosystems, sustainably managing forests, combatting desertification, halting and reversing land degradation, and halting biodiversity loss.

With strong alignment to SDG 15, our journey to 25,000 acres recognizes that, without a balanced and thriving ecosystem, no business or community could survive in the long term; and so, we acknowledge the responsibility of businesses to intervene in deforestation and restore life and habitats.

In order to achieve this goal, MAS chose six models to engage and deploy habitat creation across multiple fronts, including restoration, afforestation, invasive removal and enrichment, analog forestry / social forestry, forest gardens, and conservation.

AERIAL REFORESTATION

Continuously committed to challenging the status quo to find ways to do things differently and efficiently, MAS explored the concept of aerial reforestation, or seed bombing, as a method of restoring forests in lands unreachable by foot. Seed balls are an ancient technique for propagating plants from seeds without opening up the soil with cultivation tools. We integrated the seed balling project to our sustainability action plan in June 2018 backed by the expertise of the University of Peradeniya’s agriculture faculty, which had been carrying out years of research in aerial reforestation, and the Sri Lanka Air Force who supported us with the aircrafts used for this effort.

The first attempt at seed bombing in 2018 was an experiment in aerial reforestation, and the first drop of 5,000 seed bombs in Nochchiyagama, while MAS and the Sri Lanka Air Force launched the second wave of 67,000 seed balls over 60 acres inside the forests of Lahugala in Ampara in 2019. While we are continuously monitoring growth of this second wave of seed bombing, our initial observations show a germination rate of 30 – 40%, a considerable improvement from the pilot.



Seed Bombing in 2021

Partnering with the Forest Department and the Sri Lanka Air Force for the fourth time, our team managed to successfully complete the third wave of seed bombing as the year drew to a close. The COVID-19 pandemic proved a significant challenge in terms of travel, seed collection and the creation of the seed bombs, which the MAS teams and Sri Lanka Air Force usually partake in together.

However, to minimize the risk of infection of COVID-19, the teams had to work separately to create the seed bombs, all the while adhering to strict health and safety regulations. All volunteers who participated in the seed balling activity were equipped with safety gear, including face masks and gloves, and maintained strict physical distancing, with separate quotas of soil and seeds allocated to each, to prevent cross-contamination.

Despite the many challenges, the teams managed to create over 65,000 handmade seed bombs, which were dispersed over 65 acres of deforested land in the Monaragala area, helping MAS achieve the milestone of reforesting over 2500 acres by the end of 2021.

INVASIVE REMOVAL

Habitat management in protected areas is important for the sustenance of healthy populations of wildlife. However, one of the key threats to the habitat within National Parks is the severe infestations of Invasive Alien Species (IAS) of flora, which deprive herbivores of food and cover. Sadly, these invasive alien plant species occupy up to 50% of the land area within some National Parks, thereby reducing optimal feeding grounds for wildlife. This loss of feeding ground within National Parks has led to wildlife such as elephants to venture beyond the borders, thereby resulting in increased human-elephant conflict.

Lunugamvehera National Park

The Lunugamvehera National Park covers an area of approximately 23,500 hectares and functions as a corridor between Udawalawe National Park to its west and Yala National Park to its east. The spread of Invasive Alien Species (IAS) of flora is estimated at about 5 – 10% of the land area of the park, which gravely threatens the natural habitat. The main invasive species identified are Lantana camara (S. Gandapana) and Eupatorium odoratum (S. Podi singho maran / Lokapalu).

The extensive spread of invasive plants inhibits the growth of native plant species and thereby causes extensive loss of habitat and grazing grounds in the Lunugamvehera National Park posing a serious threat to the elephants and other herbivore populations (including elephants - an endangered species) that are resident or visit the Park, and their interconnected ecological food webs.

Understanding that our combined efforts had the potential for a greatest impact, four of our SBUs partnered with the Federation of Environmental Professionals Sri Lanka (FEO) to provide funding to meet the urgent need to address the growing IAS issue in Lunugamwehera.

The removal of IAS from the park was conducted manually under the supervision of the Department of Wildlife (DWC). Most of the hired labor were drawn from those who have lost their income sources due to the downturn in tourism in the area owing to the pandemic. This project made a positive impact by providing them with a steady source of income by employing villagers for the manual removal of the invasive plants.



The project was able to support the livelihoods of 60 workers for the clearing from five villages in the vicinity. This was particularly appreciated by the local community as they are predominantly daily wage earners who were out of work during COVID-19 lockdown and restrictions imposed in the region.

The FEO suggests that the IAS removal and increase of wildlife mobility in these areas will result in more visitors to the park, also helping the business shop owners in the surrounding community as there will be an increase in their businesses.

Through the collaboration between the four SBUs, MAS was able to restore 189 acres of national park land, and has committed to keep this area free from invasives for the coming years.

- MAS Active: 19 acres
- MAS KREEDA: 50 acres
- MAS Intimates: 60 acres
- Bodyline: 60 acres

Bundala National Park

Since the year 2017, Bodyline in partnership with Linea Aqua has sponsored the restoration of 310 acres of forest at the Bundala National Park. This has involved the removal of a very virulent Invasive Alien Species (IAS) known as Prosopis juliflora (KalapuAndara) that grows in the Bundala National Park undermining the growth of the natural vegetation.

An invasive cactus variety (Opuntiaspp) growing under the shade of trees is also being removed as part of this Project. As we gradually clear areas of land which were overgrown with these invasive species, we are encouraged to observe native seeds that were dormant in the soil seed bed, flourish.

Udawalawe National Park

Udawalawe National Park is the third most visited park and the sixth largest animal sanctuary in Sri Lanka

located in the south-central part of the country. Built around the Udawalawe Reservoir, it is home to many species including wildlife such as water buffalo, wild boar, spotted deer, sambur deer, jackal, black-naped hare, mongooses, bandicoots, foxes, and many species of and birds and butterflies. It is also home to over 500 Asian elephants.

In 2017, MAS Active initiated an invasive removal and restoration project at Udawalawe National Park together with Department of Wildlife as their first restoration project. The aim of the project is to remove the invasive plant species, particularly 'lantana camera' that had spread across the park immensely. As the invasive spread has pushed out the native plant species, food for wildlife has also reducing causing human- elephant conflicts.

MAS Active has currently completed invasive removal of over 230 acres at the park premises enabling native species to grow. Active also ensures the maintenance of the areas that invasive removal takes place with the aim of bring back the park to its original state.





REFORESTATION PROJECT

Kandegama Village and Hare Park Tea Estate in the Knuckles Buffer Zone

The Knuckles Conservation Forest (KCF) mountain range lies in central province of Sri Lanka, in the districts of Matale and Kandy. In addition to its aesthetic value, the range is of great scientific interest because of its diverse climate conditions especially micro climatic conditions exhibited in the massif and harboring a variety of flora and fauna. Although the range constitutes approximately 0.03% of the island's total area, it is home to a significantly higher proportion of the country's biodiversity.

Knuckles mountain range is inhabited by traditional villagers who live in 37 ancient villages. The communities in the KCF and the buffer zone area are largely reliant on agriculture and other types of cultivation for income generation. Generally, the communities understood the importance of conservation and lived and co-existed with forest for several decades.

MAS Intervention

Knuckles features a great diversity in its forest cover such as dry evergreen forests, mountain forests, sub-mountain forests, dry and wet pathana, savanna etc. It has been found 20 percent of the plants herein are endemic to Sri Lanka. A wide range of hardwood as well as herbal plants are found herein.

In this project MAS worked with the Centre for Integrated Indigenous Knowledge System (CIKS) which is a non-profit, community-based organization located in Matale. The focus was on protection and

conservation of indigenous knowledge relating to biodiversity conservation and livelihood development in Knuckles Conservation area, a project funded by United Nations Development Programme, Global Environmental Facility and its Small Grants Programme.

The project was implemented in Kandegama village and in Hare Park Estate in the Udadumbara Divisional Secretary Division, in Kandy district, with the intention of increasing the forest cover by planting 20 hectares of utility forest plants.

An additional 5 hectares of forest was committed in Hare Part Estate to increase the livelihoods of the village communities by maintaining a community forest. An abandoned area of tea lands was selected along with the planting of species with native timber value.

Conservation of Sinharaja Rainforest Buffer Zone

The Sinharaja Rainforest is the last remaining patch of primary rainforest in Sri Lanka, situated across Sabaragamuwa and Southern Provinces. Spreading across an area of 11,000 hectares, it is home to many endemic trees and species including butterflies, mammals, insects, reptiles, etc. The Sinharaja Rainforest was also declared as a UNESCO world heritage in 1988.

However, the bordering areas have been facing major deforestation due to illegal logging and human encroachments. Therefore, MAS Active has partnered with the Rainforest Protectors Trust to conserve the Sinharaja Buffer zone. Initially MAS Active conserved an area of 2 acres in 2020 followed by another conservation project in 2021 of an area of 7.5 acres.



CONSERVATION

Panama (In-situ) Turtle Conservation

During the sea turtle nesting season on the south-east coast of Sri Lanka, a large number of sea turtle nests and hatchlings are lost due to various anthropogenic and natural causes. Since the endangered status of the turtles and their declining populations, there was a need to intervene and save hatchlings until they reach the ocean. Therefore, with the Wildlife and Ocean Resource Conservation (WORC), a local conservation group, MAS Intimates joined forces to initiate a unique in-situ conservation project of turtle nests and hatchlings.

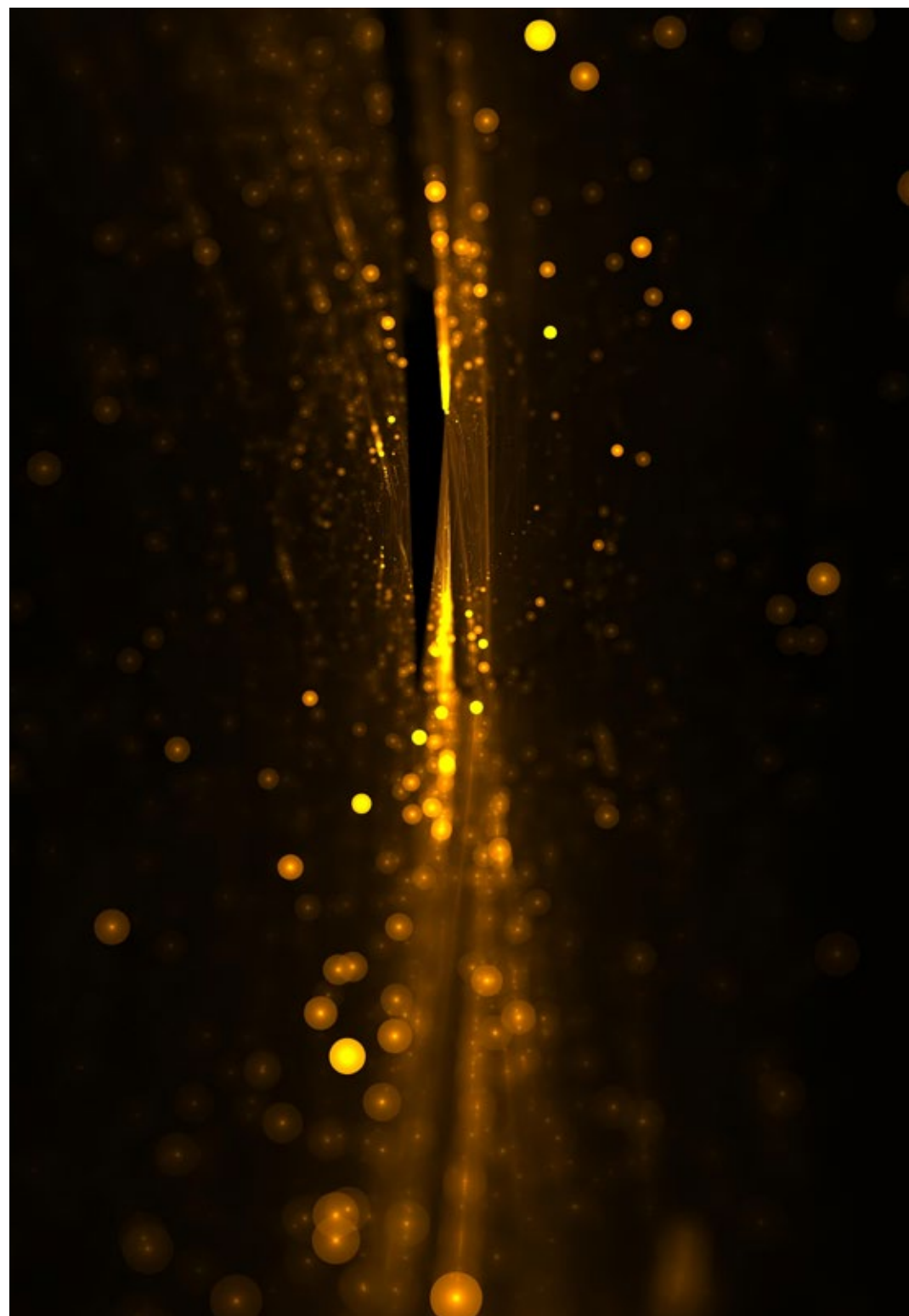
For the project, a 3 Km stretch of beach from Kunukala Lagoon to Beedimodara in Panama was selected. This conservation works mainly through routine beach patrol conducted by team of locals who were given awareness and education by the project. The villagers are paid for the effort they contribute to the project as well. Another feature of the project is that the awareness given to the villagers and recruiting some of them as the patrolling has contributing to the reduction of poaching to a near zero state.

During each nesting season beach patrols are conducted and nests are identified. Once a nest is located a protective mesh is placed over it and sunk to the sand to secure it further. This ensures that any predators such as stray dogs, wild boar and water monitors will not be able to disturb the nests. Also, due

to the routine beach patrols, the chances of poachers digging up the eggs has also been greatly reduced. Each location is documented. Once the incubation time for the species is close the nests will be checked. If there are signs that the hatchlings have left the nest will be dug up and from shells the number of hatchlings that were in the nest will be identified.

During the nesting season from October 2021 to April 2022, 8160 hatchlings belonging to 3 distinct sea turtle species, including Olive Ridley Sea Turtle (*Lepidochelys olivacea*), Green Turtle (*Chelonia mydas*) and Loggerhead Sea Turtle (*Caretta caretta*), were protected and released into the ocean.

Engagement and Recognition



Awards



- MAS Holdings was recognized for its work in protecting our oceans, as the MAS Ocean Strainer was selected as one of the ‘Best Sustainability Projects’ in the ‘Best Corporate Citizen Sustainability Awards 2021, organized by the Ceylon Chamber of Commerce.
- MAS business units received a number of awards at the National Cleaner Production Awards 2021, in recognition for sustainable manufacturing practices.
 - o Apparel Manufacturing – Large Category
 - Gold Winner – MAS KREEDA Synergy
 - Silver Winner – MAS Active Shadowline
 - Silver Winner – MAS KREEDA Methliya
 - Bronze Winner – MAS Active Contourline
 - Bronze Winner – MAS KREEDA Mihinthale
 - Bronze Winner – MAS KREEDA Shadeline
 - o Textile Manufacturing – Large Category
 - Platinum Winner – Noyon Lanka
 - Silver Winner – MAS Active – Linea Intimo

Customer Recognition



- In recognition for our efforts in driving sustainability within our operations, products and people, MAS Holdings was honoured at PVH’s Supplier Spotlight for Leadership in Sustainability in the South Asia region.
- Linea Aqua Linea Aqua won the ‘Real Good’ Sustainability Award 2021 at the Aerie customer’s Global Vendor Conference on the 24th of March 2021. It was awarded to Linea Aqua for the work done on water stewardship, value-enhancing waste and biodiversity restoration.

Certifications



- MAS Active’s Asialine facility became the first manufacturing facility in Sri Lanka to be certified for the triad of sustainable product certifications, receiving the Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS) and Responsible Wool Standard (RWS). These certifications were awarded by Textile Exchange and GOTS globally. Asialine was awarded all three certifications by the local awarding body, Control Union upon successful implementation.

Sponsorships



- MAS KREEDA provided a sponsorship for CEA for the International Conference on Environmental Governance – 2021 (ICEG – 2021, Colombo).
- MAS KREEDA sponsored the 2nd International Conference on Resource Efficiency & Circular Economy 2021 organized by the National Cleaner Production Centre.

UNGC Principles



By incorporating the 10 principles of the UN Global Compact (UNGC) into strategies, policies and procedures, corporates can establish a culture of integrity, uphold responsibilities to people and the planet, and set the stage for long-term success.

Human Rights

PRINCIPLE 1:

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2:

make sure that they are not complicit in human rights abuses.

Labour

PRINCIPLE 3:

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4:

the elimination of all forms of forced and compulsory labour;

PRINCIPLE 5:

the effective abolition of child labour; and

PRINCIPLE 6:

the elimination of discrimination in respect of employment and occupation.

Environment

PRINCIPLE 7:

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8:

undertake initiatives to promote greater environmental responsibility; and

PRINCIPLE 9:

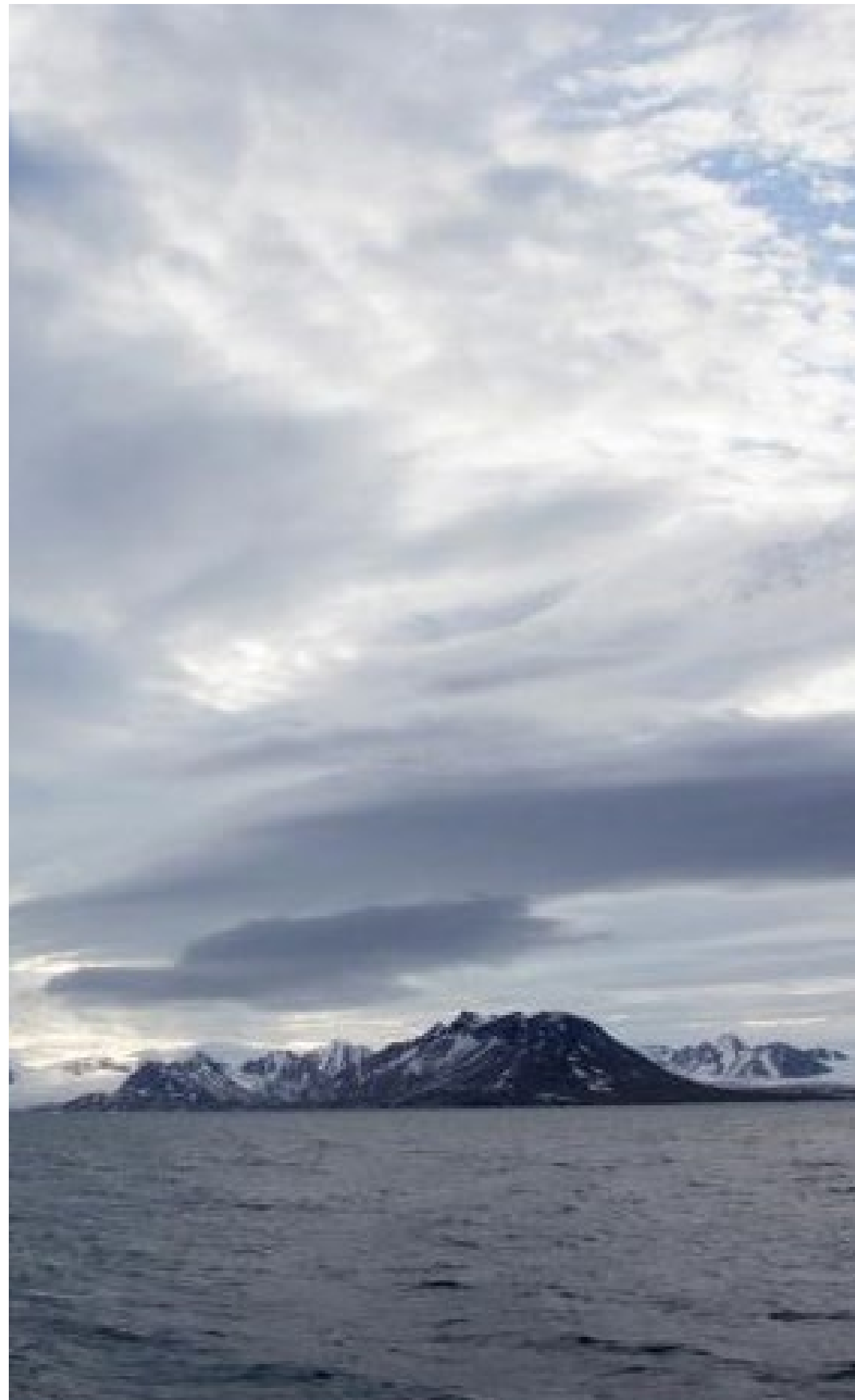
encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

PRINCIPLE 10:

Businesses should work against corruption in all its forms, including extortion and bribery.

Other UN Initiatives



Caring for Climate

Having taken part in the Caring for Climate initiative since August 2008, MAS is one of 453 companies from over 65 countries to be a part of this movement. The world's largest global coalition, Caring for Climate is led by UN Global Compact, UNEP and UNFCCC. Based on the consensus that climate change will affect business and society in vital ways, consultants from UNGC, UNEP and WBCSD prepared a statement titled "Caring for Climate: The Business Leadership Platform", which offers participants an opportunity to demonstrate climate leadership. MAS chose to endorse and implement the Caring for Climate initiative through CEO support, tactical changes within the organization and ongoing public communication.



Women's Empowerment Principles

The Women's Empowerment Principles are the end result of collaboration between UNGC and the United Nations Entity for Gender Equality (UN Women). The principles offer guidance to companies on how to empower women in the workplace, marketplace and community.

The seven principles are as follows:

1. Establish high-level corporate leadership for gender equality.
2. Treat all women and men fairly at work, respecting and supporting human rights and nondiscrimination.
3. Ensure the health, safety and well-being of all female and male employees.
4. Promote education, training and professional development for women.
5. Implement enterprise development, supply chain and marketing practices that empower women.
6. Promote equality through community initiatives and advocacy.
7. Measure and publicly report on progress to achieve gender equality.

Business for Peace

After a decade of researching the role of business and its contribution to peace, in September 2013, UN Global Compact launched the Business for Peace initiative. The platform assists companies in implementing responsible business practices in conflict-affected and high-risk areas. MAS endorsed the initiative in September 2013, and is proud to be one of its founding participants.



