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# Year in Review



# Message from Our Group CEO

**GRI 2-22**

As we mark the completion of yet another year of building a sustainable, equitable business for MAS, I am happy to share my thoughts on the MAS Plan for Change Impact Report of 2024.

With the external volatility and market environment caused by the ongoing economic downturn, 2024 continued to be a challenging year for the Organisation as well as the global apparel industry. MAS continued to focus on our long-term strategy, while moving forward with our efforts to consolidate and streamline operations to ensure the longevity, protection, and wellbeing of our people, planet, and communities.

## CONTINUED INVESTMENT IN SUSTAINABILITY

As an organisation committed to sustainable, equitable growth, MAS has continued to invest in our sustainable business initiatives despite the continuing challenges faced in the macro environment ranging from geopolitical instability to recessionary markets.

With sustainability engrained in our founding values, we believe that these efforts give us a competitive advantage and the license to operate, and motivate our employees by providing them a meaningful purpose to guide them.

## CHANGING LIVES FOR GOOD

Our focus on empowering our people also continues through training and development initiatives, while upholding our commitment to being an equal opportunity employer. We remain committed to engaging with the communities we operate in and investing to build capacity to create change agents who make their environments more resilient and sustainable.

An especially proud moment for MAS was supporting Sri Lanka's national athletes and para-athletes at the Olympics and Paralympics, as well as our investment in future generations of athletes in Sri Lanka, through the newly launched MAS Athlete Training Academy.

## FUTUREPROOFING OUR BUSINESS

In the face of an evolving regulatory environment, we are proactively aligning our efforts with the incoming European Union regulation on product design, environmental performance and due diligence frameworks, in order to minimise potential impacts and futureproof our business.

MAS has worked hard to build on a strong foundation to address these changes and has built on this through a holistic approach to sustainability covering in depth aspects of product, social, and environment.

We have also taken strides to craft our strategy for 2030 and beyond, both for business and sustainability, continuing the Organisation's commitment and foundational legacy of doing the right thing. We look forward to exploring these in further detail in 2025 as we prepare our Organisation and our people for the next chapter in our onward journey.

## ACKNOWLEDGING OUR WINS

We were also humbled to be recognised at Sri Lanka's 26th Presidential Export Awards for 2023/24, winning the coveted "Exporter of the Year" award, as well as being recognised our contribution to

"Sustainable Development in Exports". This is but one of the wins that our teams have secured for MAS for its commitment and achievement in sustainable business initiatives.

We look forward to this year as it brings us to the close of the last five years of strategic efforts, a significant milestone to mark the culmination of our 2025 strategy. As we move forward as an organisation, we are keen to move forward on our commitments to all stakeholders and work towards the fruition of the Plan for Change in 2025.

Inspired by the changemakers in our midst, we move forward with the commitment to realising the potential we see to drive positive change and transformation within our industry, and our world.

## Suren Fernando

Group Chief Executive Officer  
MAS Holdings

We look forward to this year as it brings us to the close of the last five years of strategic efforts, a significant milestone to mark the culmination of our 2025 strategy.



# Progressing Our Plan for Change in 2024

The year 2024 was an important one, as we were on our final stretch in terms of ensuring all necessary initiatives were lined up to achieve our 2025 commitments, whilst also looking ahead to the next phase of our Plan for Change strategy. It was important to ensure that we remain both pragmatic and ambitious in our vision and commitments, taking us to 2030, equipped and to influence and lead the change that our industry needs.

It was also a year where there was an unprecedented slowdown in the markets that we serve, putting pressure on the businesses and managing competing priorities. Through this period, MAS has been able to stay on course with our purpose to “be changemakers, enabling dreams and enriching the fabric of life on our planet”, whilst driving the Plan for Change forward.



It was important to ensure that we remain both pragmatic and ambitious in our vision and commitments, taking us to 2030, equipped and to influence and lead the change that our industry needs.

## **POWERING CIRCULARITY**

This year, we were able to continue the progress on our commitment to create more sustainable products and increase our sustainable product revenue by continuing to converting our core programmes into more sustainable raw material. Decarbonisation of our raw material remains the number one priority on our sustainable product efforts, while also recognising that giving our brands and their consumers products that they know are better for the planet, is equally important in order to create that much needed paradigm shift in fashion.

Powering circularity and enabling it to scale, continue to be mission critical, and this year we partnered with Los Angeles based startup, Ambercycle, by committing to an offtake for of their textile-to-textile recycled polyester yarn, Cycora. This 3-year offtake agreement will enable and further strengthen the MAS' sustainable product pipeline, while allowing us to be a strong partner to our brands, especially in meeting the upcoming European Union regulations on eco design.

Following our engagement with Heiq Aeoniq™ last year as an alternative to petroleum-based yarns and now with Ambercycle's Cycora yarn, we have progressed in growing our portfolio within the circularity space, being a true partner to help companies and start-ups reach a viable scale.

## **OUR TALENT AND OUR PEOPLE**

From the early days, guided by our founders, MAS has always run our business with our people at the heart of all that we do. We believe in the power of partnerships and focusing on deep and lasting relationships both within our own operations, and with our extended communities.

Our strengthened efforts in 2024 resulted in empowering our women by creating over 300,000 empowerment opportunities and focussing on our endeavour to increase the representation of women in management within our Organisation, by expanding initiatives such as unconscious bias training, gender smart communication, and improving childcare facilities and support to all employees.



We pride ourselves as an equal opportunity employer, embracing diversity, inclusion and creating and implementing employment supporting model to enable persons with disabilities to thrive in our Organisation. It was a proud moment when we won the Zero-Project Award for the MAS supported employment process as an exemplary practice in disability inclusive employment.

The Eco Go Beyond Sustainable Schools Programme remains our flagship community engagement initiative which focusses on one of the most important segments of our community, our youth and students, enabling the next generation to become changemakers in their communities.

We have been successfully operating in the sustainable education space for the last 18 years and we are privileged to have been given the opportunity by the Sri Lanka National Commission for UNESCO, to share our learnings and best practices as the knowledge partner in the development of the implementation strategy for the UNESCO Green Schools Standard 2030 for Sri Lanka.

## **CHANGING OUR PLANET FOR GOOD**

Everything we do on product and in our communities, is focused on ensuring that we leave our environment and our planet healthier better and more resilient.

As the climate unceasingly breaks down and global instability intensifies, our purpose becomes more important and increasingly urgent.

Our primary focus is on meeting our science-based emission targets while continuing to reduce our energy intensity. While becoming more productive in our processes is key in the energy and emissions space, we are heavily reliant on external factors such as regional and government policies that will have a large part to play in our journey to achieve net zero.

This year we focused on areas that are within our control such as optimising our rooftops' capacity for solar and expediting the roll out of certified sustainable biomass.

As part of our efforts in circularity, we were able to convert and divert 10% of our fabric waste back into the apparel supply chain, while continuing to ensure none of our waste goes to landfill and as much as 65% of raw material waste was value enhanced.

Expanding our biodiversity efforts to Indonesia was another key highlight of 2024 where we are focusing on the reforestation of 8,500 acres. This is a key step in ensuring our biodiversity efforts are global.

## **CONCLUSION**

We have been able to progress in all our key commitments due to the steadfast commitment of our teams who truly embrace and live their purpose. We look forward to 2025 as the conclusion of our first phase of the Plan for Change and completing the initiatives we have lined up to successfully achieve the vision we have for 2025.

### **Nemanthie Kooragamage**

Director – Group Sustainable Business  
MAS Holdings





# 2024 Highlights

Advancing our sustainable products agenda

**40%**

revenue generated through sustainable products

Closing the loop

**22%**

of our primary products included recycled input materials

Empowering women in management

**26%**

women in management positions

Investing in community initiatives

**2.1 million**

opportunities created

Reducing emissions in line with our SBTi commitment

**24.04%**

decrease in absolute emissions (Scope 1 and Scope 2), against 2019 baseline

Inspiring decarbonisation across the apparel value chain

**45%**

suppliers by spend committed to science-based targets for emission reduction

Enabling the energy transition

**39%**

of our energy from renewable sources

Practicing sustainable water management

**50%**

reduction in water intensity for our textile operations, against the 2011 baseline

**198 ml**

water recycled, reducing freshwater demand by 7%

Driving waste value enhancement and transforming waste streams

**76.2%**

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

**99%**

of waste diverted from landfills

Upholding our commitment to responsible chemical use

**96%**

of MAS Chemicals at ZDHC MRSL version 3.1 Level 1 or above accepted status

**95.4%**

Bluesign approved chemicals used in our dye facilities

Scaling-up our biodiversity conservation efforts

**19,927**

cumulative acres restored or under conservation (79x the space we occupy)





# Introduction



## The MAS Story

From humble beginnings in 1987, with just 26 machines and 60 people in a single facility, MAS has grown into a two-billion-dollar global apparel tech powerhouse, driven by the vision of Mahesh Amalean and his brothers. We reach beyond the boundaries of manufacturing – crafting innovative solutions that push boundaries and redefine the industry.

GLOBAL APPAREL TECH  
POWERHOUSE

USD 2 Bn.





Get to know us

Our global reach spans 14 countries, with over 100,000 employees and a supply chain of over 50 state-of-the-art facilities and design hubs. We build partnerships with leading brands, and nurture our own innovative labels; addressing real-world needs through diverse divisions: Intimates, Athleisure, Wearable Technology, and more.

Our expertise spans nine distinct divisions: Intimates, Leisure and Athleisure, Training and Performance, Swimwear, FemTech, Wearable Technology, Adaptive Apparel, and Shapewear. We constantly work to evolve and expand our capabilities – from fabric to printing, elastics to lace, and even the most intricate embellishments.

See what we do

GRI 2-6





Our products

Our strength lies in a vertically integrated supply chain, enhanced by strategic acquisitions that bolster our presence. Our worldwide reach extends beyond apparel manufacturing; encompassing industrial parks, innovative brands, and logistics and warehousing solutions. This approach ensures efficiency and sustainability, from fabric to finished garment.

Explore our ecosystem

Innovation is at our core. Twinery, our dedicated innovation arm, has pioneered disruptive technologies across materials, lighting, heating, odour-protection and water-repellency. We transform the interaction between humans and textiles by exploring new methods and technologies that make for smarter apparel and smarter ways of making apparel.

SUPPLY CHAIN  
SPREAD



Step into our future

Sustainability is woven into our DNA. We align our efforts with the SDGs and UNGC principles, striving for ethical practices and positive impact across our value chain. We champion long-term change, empowering our people, communities, and the planet; while driving profitable and sustainable growth.

Our Plan for Change



## A GLOBAL BUSINESS FOR GOOD

**GRI** 2-9, 2-11, 2-15, 2-23

Staying true to our corporate purpose to be changemakers, we uphold the highest standards for corporate governance and responsible business. Our robust governance framework and ethical value-based commitment form an essential pathway to creating long-term value for our stakeholders.

We believe that being a global force for good goes beyond statutory control mechanisms and compliance-based adherence to laws and regulations. This is why, at MAS, it is imperative that everything we do creates value for our stakeholders, and is good for our environment, society, and employees. This is the core of our Plan for Change: a long-term commitment to change products, lives, and our planet for good.

## GOVERNANCE FRAMEWORK

Staying true to our corporate purpose to be changemakers, we are committed to outstanding corporate governance and value driven behaviour. It is our foundation for building an ethical work culture, long-term sustainable value, effective control mechanisms, and compliance

with laws and regulations. Our core value system, the MAS DNA, is inherited from our founder members who have built and nurtured this Organisation and are the force that drive our Code of Conduct.

At MAS, it is imperative that everything we do as an organisation to create value for our stakeholders, is aligned with what is good for our environment, our society, and our employees. This is the core of MAS' Plan for Change, a long-term commitment to our planet, people, and products.

Our exemplary governance is reflected across our leadership; starting from our apex governing body – the MAS Holdings Board. The Board works collaboratively and in consultation with the Apparel and Innovations Boards and Management to develop long-term strategies aligned distinctly with the Organisation's Purpose, Vision, Mission and Values. Strong oversight is exercised by the Board to drive meticulous execution and operational excellence. In addition to the MAS Holdings and MAS Capital Director Boards, each legal entity has their own Board that provides leadership and drives operational and strategic decision-making relevant to that entity and division.

Through a structured and systematic approach, our Audit Committee provides independent oversight of governance,

risk management, and internal control mechanisms, ensuring transparency and accountability.

The governance framework systematically delegates and cascades management and oversight of operations to a number of functions and divisions at Group, SBU, and facility-level.

These functions are supported by a well-defined and routinely reviewed policy framework that addresses the Group's material risks and impacts. Together with processes in place for **Sustainability Governance**, which propel our Plan for Change, this constitutes a comprehensive framework of people and processes that shape our impact on the wider economy, environment, and community.





## Economic value creation

We strive to be responsible stewards of our financial position and resources, in line with all applicable regulations, to create and deliver economic value for our stakeholders.

MAS Holdings has a strong balance sheet and adequate resources to meet obligations related to retirement benefits applicable at each of the jurisdictions in which the Group operates. The Company contributes to EPF, ETF, Gratuity, or similar liabilities according to country-specific statutes and regulations. Read more about what we are doing to provide [Sustainable Compensation](#) for our people.

The following functions and financial processes are part of a comprehensive governance framework, under the Group’s Economic and Governance pillars, that addresses business risks and impacts and ensures responsible financial stewardship.

- Independent Audit Committee, with requisite industry experience
- Internal audit (IA) function and an Enterprise Risk Management (ERM) function
- Central and SBU-level finance functions
- Central and SBU-level Human Resources Divisions
- Legal Division
- Tax Team
- SBU-level operational and engineering teams
- Compliance Teams
- Health and Safety, CSR, Sustainability, and ESG teams at each SBU

## CHANGEMAKERS AT THE HELM

Our leadership has always believed in putting people first, seeking adaptability in a changing world, creating opportunity despite adversity, and embracing change with courage.

Our founders are Mahesh, Ajay, and Sharad Amalean, whose commitment and values are at the very core of what MAS is today.

The [MAS Holdings Board](#) serves as the driving force behind the Company’s mission to create positive change. This esteemed Group brings together a wealth of diverse experience, visionary leadership and strong governance expertise. Composed of Mahesh Amalean, Sharad Amalean, Eliyas Poleg, Gail Klintworth, and Thomas Zimmerhaeckel, the Board plays a critical role in shaping the future of MAS. Their leadership embodies the values upon which MAS was founded, ensuring these principles continue to guide our people, culture, and overall impact.

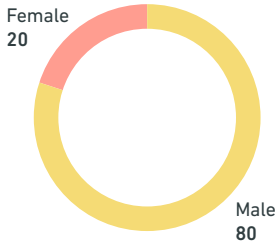
The [MAS Capital Board](#) is a dynamic group of 10 operations leaders (including the Group CEO), which brings together senior leadership within the Group, and plays a pivotal role in guiding our success. Their focus leverages well-honed skills and insights to champion bold initiatives and unlock opportunities for MAS and our customers. By building capabilities across the spectrum, this Board empowers our changemakers and fuels a culture of continuous innovation.

Together, the MAS Holdings Board and the MAS Capital Board form the backbone of our governance structure. Through their leadership and engagement with operations, these governing bodies ensure MAS stays on a clear path to shaping a positive and sustainable future. Further details of our Directors are available on our [Corporate website](#).

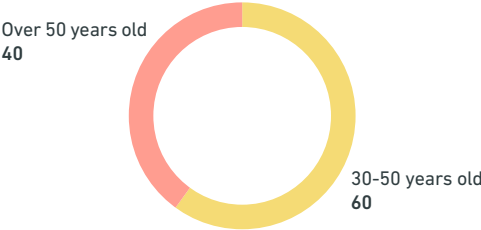
## BOARD DIVERSITY

GRI 405-1

### BOARD DIVERSITY BY GENDER (%)



### BOARD DIVERSITY BY AGE GROUP (%)





**THE MAS DNA**

**GRI** 2-15

Our core value system, MAS DNA, is inherited from our founders who have built and nurtured MAS. It serves as a guiding compass that incorporates our corporate values, aligns with our commitment to ethical and responsible business conduct, and drives our ambition to function as a changemaker and leader – for our people and planet.



**VALUES**

- Honesty and Integrity
- Trust and Mutual Respect
- Freedom with Accountability
- Humility
- Passion for Excellence
- Entrepreneurial and Innovative
- Giving Back

**BEHAVIOURAL PILLARS**

- Respecting People
- Protecting Assets
- Valuing Customers
- Sustaining Relationships
- Nurturing Communities
- Competing Ethically
- Complying with the Law

**POLICIES**

**Code of Conduct Related Policies**

- Equal Opportunity and Anti-harassment Policy
- Conflict of Interest Policy
- Gift Policy
- Social Media Policy
- Confidentiality Policy
- Intellectual Property Policy

**Administrative Policies**

- Information System Usage Policy
- Flexible Working Policy
- Leave Policy

The MAS Code of Conduct, corporate policies, and system of core values outlined in the MAS DNA, apply to all employees – from our Directors to operational teams on the ground. These outline standards we uphold, processes to follow, and targets we aspire to. Our policies, vision, mission, and values are detailed at length on our [Corporate website](#).

Our [Social Impact Strategy](#) describes the Company's grievance reporting system and redress/remediation processes for internal and external stakeholders to raise concerns.





ENTERPRISE RISK  
MANAGEMENT (ERM)

GRI 2-9, 2-13

The MAS Holdings Board holds oversight responsibility for risk and opportunity management, ensuring the effectiveness of risk management and internal control systems across the Organisation. MAS takes a proactive approach to risk and opportunity management using a comprehensive Enterprise Risk Management structure, which is based on the COSO framework. Our framework acts as our roadmap for identifying, prioritising, effectively managing risks across the entire Organisation. This framework seamlessly aligns with our organisational structure, with specifically classified risk domains and clear risk assessment criteria that ensures consistent application across all risk types. Beyond identification and assessment, the framework extends to risk oversight and reporting. Accountability and responsibility for risk are distributed across the Organisation, ensuring dedicated resources and structured risk review processes across the relevant risk domains. This comprehensive approach is further strengthened by clear lines of oversight within our governance structures, setting the tone for a risk-aware organisation.

As part of this structured approach, ESG-related risks and opportunities are also identified, assessed, and managed through the ERM framework. This ensures that environmental, social, and governance considerations are embedded into our decision-making processes, reinforcing our commitment to sustainable and responsible business practices.

Our core values, embodied in the MAS DNA, inspire a culture of risk awareness and responsible decision-making, which is key to effective risk management. Enterprise Risk Management is seamlessly integrated throughout our strategic planning process. Business objectives, taken from our overall strategy, form the basis for identifying, assessing, and addressing any potential obstacles to our success. The MAS Holdings Board periodically reviews major risk areas and retains overall authority over defining the extent of significant risks MAS is willing and able to undertake in pursuit of its strategic objectives.

RISK MANAGEMENT  
FRAMEWORK

RISK MANAGEMENT PROCESS						
Risk Management Committees	Risk Domain Owners	Key Risk Management Activity				Review and Revision of Risk Management Activity
		Identify Risks	Assess Risks	Prioritise Risks	Respond to Risks	<ul style="list-style-type: none"><li>Assess substantial change</li><li>Assess efficacy of RM in light of performance</li><li>Check and adjust risk and risk responses</li></ul>
Apparel Board	Group CEO	Domain 1: Enterprise				
Functional Leaders Forum	Functional Heads	Domain 2: Functional				
SBU Exco	SBU CEO	Domain 3: Division/SBU				



# Our Plan for Change

The Plan for Change is a bold commitment to drive sustainable change across our business, amongst our customers, people, and communities, and for our planet. Launched in 2020, with a five-year horizon leading to 2025, the Plan outlines clear goals and commitments for our Group.

SHAPING OUR SUSTAINABILITY  
STRATEGY AND PLAN FOR

# 2030





GRI

2-23, 2-24



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 and work-life balance
- Ensure and elevate sustainable compensation for all employees
- Foster diversity and inclusion with freedom of expression and 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 Emission

- Reduce our emissions footprint to achieve 25.2% 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 and mitigate negative impact to the environment and community

Champion Biodiversity

- Restore biodiversity by 100x in the space we occupy

Planning for 2025 and Beyond

As we move closer to our  **Plan for Change** 2025 targets, we have already begun shaping our sustainability strategy and plan for 2030; building on progress made towards our current Plan for Change goals.

We have seen real progress during the five-year period of the current Plan for Change cycle: from increasing adoption of renewable energy generation, to groundbreaking innovations in sustainable products, and the championing of diversity, equity and gender inclusion in a way that reflects the contextual needs of our operations and communities. However, the world is shifting rapidly and it is not just our Organisation that has advanced. The global landscape has changed significantly with new economic models and regulatory forces, and increased awareness among stakeholders on the urgency of global challenges.

To stay ahead, we are creating an updated strategy that is not just reactive – but future-shaping. One that is built through a process

that involves a broad range of stakeholders, and based on the latest knowledge and science on sustainability and systems-change.

Starting in December 2023, we brought together a cross-functional team representing key SBUs; with the collective goal of setting up a 2030-strategy. We started with a comprehensive reflection on the current Plan for Change, and a deep-dive into industry trends, challenges, and opportunities – to glean insights for a forward-looking plan aligned with the global outlook, and ensure lessons-learned from past efforts will inform our future actions.

Our next steps in 2025 will include ongoing engagements with stakeholders to understand their expectations and priorities, identification and prioritisation of critical issues, and development of strategic options with clear success-metrics. Finally, we will be benchmarking the strategy against industry best-practices and validating it with stakeholders; to ensure that our strategy is not only ambitious, but also feasible, relevant, and truly impactful.



AREAS OF FOCUS

GRI 3-1, 3-2

These priority topics – concerning Products, People, and Planet – represent the areas of greatest opportunity for positive impact; where our actions have the potential to create the most meaningful change. Our sustainability commitments are mapped against industry-specific and broadly-accepted topical areas for responsible business, which address the issues, opportunities, and challenges that are shaping our future and the future of the apparel industry.

In 2024, approaching the penultimate year in our Plan for Change cycle, we began the process of re-evaluating our focus areas and identifying new matters that are material to our business and stakeholders.



**PRODUCTS**  
CHANGED FOR GOOD



Innovate and Disrupt

- Product and Process Innovation

Source Sustainably

- |                                    |  |
|------------------------------------|--|
| • Responsible and Ethical Sourcing | • GRI 308: Supplier Environmental Assessment   |
| • Supply Chain Management          | • GRI 414: Supplier Social Assessment  |
| • Sustainable Materials            | • SASB CG-AA-430: Environmental Impacts in the Supply Chain, Labour Conditions in the Supply Chain |
|                                    | • SASB CG-AA-440: Raw Materials Sourcing   |
|                                    | • GRI 301: Materials   |
|                                    | • GRI 408: Child Labour  |
|                                    | • GRI 409: Forced or Compulsory Labour   |

Pioneer Circularity at Scale

- Circularity



**LIVES**  
CHANGED FOR GOOD



Empowering Women

- |                    |  |
|--------------------|--|
| • Empowering Women | • GRI 405: Diversity and Equal Opportunity |
|--------------------|--|

Meaningful Employment

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| • Sustainable Compensation         | • GRI 401: Employment             |
| • Diversity, Equity, and Inclusion | • GRI 404: Training and Education |
| • Learning and Development         | • GRI 406: Non-Discrimination     |

World-class Workplaces

- |                                   |   |
|-----------------------------------|---|
| • Health, Safety, and Wellbeing   | • GRI 402: Labour Management Relations                      |
| • Engaging and Purposeful Culture | • GRI 403: Occupational Health and Safety                   |
|                                   | • GRI 407: Freedom of Association and Collective Bargaining |

Thriving Communities

- |                         |                              |
|-------------------------|------------------------------|
| • Community Development | • GRI 413: Local Communities |
|-------------------------|------------------------------|



**OUR PLANET**  
CHANGED FOR GOOD



Limit Emissions

- |                                   |                      |
|-----------------------------------|----------------------|
| • Energy and Emissions Management | • GRI 302: Energy    |
|                                   | • GRI 305: Emissions |

Transform Waste

- |                    |                  |
|--------------------|------------------|
| • Waste Management | • GRI 306: Waste |
|--------------------|------------------|

Responsible Chemical Use

- |                        |   |
|------------------------|---|
| • Chemicals Management | • GRI 303: Water and Effluents                        |
| • Product Stewardship  | • GRI 416: Customer Health and Safety                 |
|                        | • SASB CG-AA-250: Management of Chemicals in Products |

Safeguard Water

- |                     |                                |
|---------------------|--------------------------------|
| • Water Stewardship | • GRI 303: Water and Effluents |
|---------------------|--------------------------------|

Champion Biodiversity

- |                             |                         |
|-----------------------------|-------------------------|
| • Biodiversity Conservation | • GRI 304: Biodiversity |
|-----------------------------|-------------------------|



## PROPELLING OUR PLAN FOR CHANGE

**GRI** 2-12, 2-13, 2-14, 2-16, 2-17, 2-24, 2-27, 408, 409

The highest governing bodies at MAS, alongside senior executives, played an active role in shaping our Plan for Change. They are also involved in developing, approving, and updating the Group's policies, goals, and the overall sustainability purpose.

Guided by ongoing materiality assessments, strategic leadership of governing boards, and consultancy from our Sustainability Advisory Council (SAC), we prioritise sustainability initiatives that address the most critical environmental and social issues. The effectiveness of these processes is also reviewed regularly, to deliver measurable results.

Clear goals are communicated across the Company, and cascaded down from our CEOs. These goals encompass Hoshin KPIs (strategic objectives) and Foundational KPIs (core performance metrics), covering sustainability in relation to the three Plan for Change pillars focused on Product, Lives, and Planet. Sustainability KPIs are reviewed periodically alongside the Company's broader KPIs.

KPIs are monitored and reviewed monthly by each pillar and the respective divisional leads, who track achievement against KPIs each month, and compiled to assess performance against the year-end goal. This continuous monitoring process allows teams to bring up concerns or roadblocks that they see in achieving goals. Any such roadblocks are discussed, and identified solutions are recorded and put into practice. Discussions take place at a Group level, enabling learnings from other SBUs to also be channelled into the process, allowing for decision-makers to develop holistic and viable solutions.

Concerns that require leadership-level intervention or direction are initially addressed by the Group Business Director. If further direction or approval is required (especially for decisions that impact the entire Group, or require a large investment), these are raised at the SAC.

The Group's Sustainability Advisory Council (SAC) is made up of members of the MAS Capital Board, including the CEO. The SAC advises the Director – Group Sustainable Business and plays a pivotal role in the implementation of our sustainability strategy. Mandatory council meetings are held quarterly, outside of which, members are contactable

for consultation when the need for guidance on sustainability topics arises. Quarterly SAC meetings bring together the Group CEO, Group Legal Director, Group HR Director, Business Director and a Non-Executive Director. The meeting agenda includes key risks that would affect achievement of Plan for Change KPIs. The SAC prioritises topics based on their scale and impact, which then guides execution plans.

CEOs personally review key reports, including MAS' Communication on Progress (CoP) to the UN Global Compact (UNGC), and the annual sustainability report that provides stakeholders with a comprehensive picture of how the Group is managing impacts, responding to sustainability-related risks and opportunities, and progressing against sustainability commitments.

Ongoing formal training conducted by experts, as well as the Centre for Creative Leadership, ensures our Directors and Senior Leadership are equipped with up-to-date information and requisite knowledge to make informed decisions regarding sustainability.



In 2024, key members of our sustainability-related teams attended training programmes on implementation of the SLFRS S1 and S2 standards published by The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka). The guidelines are aligned with the International Sustainability Standards Board (ISSB) inaugural standards for sustainability-related disclosures – IFRS S1 and S2.

Internal and external stakeholder concerns, queries, and feedback are also escalated to Senior Leadership through designated channels and code officers – such as the Director – Group Human Resources, who sits on both the Sustainability Advisory Council (SAC) and the Apparel Board. In fulfilling their role, the Director – Group Human Resources has the authority to inform our CEOs of any critical issues. Additionally, an independent Audit Committee with direct access to the chairman and shareholders, provides an additional layer of oversight, and ensures transparency and accountability throughout our enterprise.

These systems constitute a robust framework, wherein we gain knowledge and awareness of applicable laws and

regulations impacting MAS, globally. We periodically review applicable legal requirements, and ensure internal monitoring processes are in place to evaluate compliance against the same; with outcomes of compliance evaluations being presented to the Board.

Moreover, the Group’s governance process is empowered with adequate resources, robust policies, standardised procedures, and integrated KPIs that are cascaded across operations.

We have an established formal escalation mechanism for labour-related compliance issues and violations, where plant or SBU-level Compliance Teams identify violations, if any, through either self-audits, government and regulatory audits, or customer audits. Such violations are escalated to the respective Divisional Compliance Team who, together, would design a corrective action plan to address the same. These issues would also be reported to the Director – Group HR; either on a quarterly basis or immediately, where seriousness of the issue required timely attention and action. As such, there have been no significant cases of labour compliance violations reported; and no incidents of child labour or forced or compulsory labour within company operations during the reporting year.

STAKEHOLDERS  
AS PARTNERS

GRI 2-29, 408-1, 409-1





At MAS, we believe that sustainable systemic change requires concerted collaboration across our entire ecosystem. Many of our stakeholders, from employees to customers, play a key role in the MAS Plan for Change and our strategies to create collective impact. In turn, MAS has long been a critical stakeholder in the industry and supply chain, and amongst our communities. Our engagement, support, and collaboration help them to thrive and flourish. Engagement with stakeholders begin with comprehensive mapping that helps us identify priority groups. We consider our specific business model and the stakeholders who play a crucial role in our operations and value chain; then we assess the operating landscape we occupy; and benchmark ourselves against industry standards and regulatory requirements. Thereafter, we utilise an Impact-Influence Matrix to ascertain our sphere of impact: identifying significant stakeholders who are affected by the business, and those who can influence our operations.

This analysis guides our actions, interventions, channels, and frequency of engagement with stakeholders. Which in turn leads to strategising and structuring of proactive, formal, and informal interactions and engagements, which are implemented at various levels within the Group. We consider our primary stakeholders – customers, employees, suppliers, and communities, as critical enablers in driving our plan for change. As such, our engagements take an approach of partnership that incorporates continuous communication, collaboration, learning, and sharing. We strive to maintain strong relationships with regulatory authorities, civil society organisations, and other institutions who share our commitment to transforming systems, communities, society, and the planet, for good. Where required, we provide timely and accurate information on our initiatives, business developments, compliance, risks, and financial position, and work to strengthen the systems and institutions around us. We also advocate for positive transformation to champion change in areas and spaces where collective effort is essential. Since incorporation almost four decades ago, MAS has grown to encompass an innovative and vertically integrated ecosystem beyond needlepoint. While we have minimal engagement with






end-consumers of the products we manufacture, we work with leading brands who are closely aligned with the needs and aspirations of a wide-ranging consumer base. When partnering with our customer brands, from concept-to-delivery, we exercise a duty of care and incorporate the precautionary principle in all our dealings; maintaining stringent standards for product quality that ensure consumer safety.





Stakeholder category	Principal mechanisms to engage stakeholders	Topics of discussion and engagement	Frequency of engagement
<b>Customers</b> 	<ul style="list-style-type: none"><li>• Vendor Summits/Roadshows</li><li>• Customer Feedback Surveys, Vendor Touch base with Strategy sessions</li><li>• In-person meetings – MAS Customer Facing and development teams</li><li>• Meetings, emails, phone/ conference calls</li><li>• Calls/meetings with Leadership/ Management Teams</li><li>• Product and Design Development Reviews/Customer Touch bases</li></ul>	<ul style="list-style-type: none"><li>• Strategic business partnering</li><li>• Raw material and product innovation and development</li><li>• Innovation and technology beyond product and raw material (digitalisation, automation, etc.)</li><li>• Collaborations on product, sourcing and manufacturing</li><li>• Risk mitigation – Product deliveries, product pricing/ production planning and manufacturing capacities</li><li>• Sustainable collaborations and initiatives on product, social and environment projects</li></ul>	Based on need/ special projects: Monthly Quarterly, Biannually, Annually
<b>Employees</b> 	<ul style="list-style-type: none"><li>• Organisational Health Index survey</li><li>• Quarterly Townhalls Q&amp;A</li><li>• Employee satisfaction surveys on various benefits and work-life balance initiatives</li><li>• Performance reviews</li><li>• L&amp;D feedback surveys, open door policy at all management levels</li><li>• Joint Consultative Committee/ Employee resolution Board meetings</li><li>• Division specific counsellors and supported employment officers</li><li>• Intranet communications through Yammer/email communications/ social media</li></ul>	<ul style="list-style-type: none"><li>• Work-life balance including parental support and flexibility</li><li>• Safety and wellbeing/diversity and inclusion</li><li>• Community/Volunteering engagement activities</li><li>• Supported employment</li><li>• Career development</li><li>• Learning and Development/ Engagement opportunities</li><li>• Employee grievances</li></ul>	Ongoing/Routine, Monthly, Biannually, Annually

Stakeholder category	Principal mechanisms to engage stakeholders	Topics of discussion and engagement	Frequency of engagement
<b>Suppliers</b> 	<ul style="list-style-type: none"><li>• Supplier Audits (Third Party)</li><li>• Management level meetings, supplier Touch base on situations</li><li>• Collaboration meetings to further partnerships (project based, event based, or ongoing)</li><li>• Supplier onboarding/Supplier production and quality meetings</li></ul>	<ul style="list-style-type: none"><li>• Development of long-term mutually beneficial partnerships for sustainable supply chains</li><li>• Adherence to contractual obligations</li></ul>	Ongoing/Routine, Monthly, Biannually, Annually
<b>Communities</b> 	<ul style="list-style-type: none"><li>• Feedback surveys for projects</li><li>• Community grievance mechanism</li><li>• Flagship CSR projects and Operations teams in SBUs connect with local communities on their needs</li><li>• Specific engagement with identified vulnerable groups</li></ul>	<ul style="list-style-type: none"><li>• Issues and challenges faced by communities</li><li>• Disaster management programmes</li><li>• Community grievances</li><li>• Providing health related engagements</li><li>• Positive social community impact</li><li>• Supporting sustainable community development in terms of economic, education, and social aspects</li></ul>	Ongoing/Routine, Monthly, Biannually, Annually

Stakeholder category	Principal mechanisms to engage stakeholders	Topics of discussion and engagement	Frequency of engagement	Stakeholder category	Principal mechanisms to engage stakeholders	Topics of discussion and engagement	Frequency of engagement
<b>Banks and Financial Institutions</b> 	<ul style="list-style-type: none"><li>Review meeting for past results</li><li>Annual audited accounts</li><li>Quarterly meeting, quarterly consolidated accounts</li><li>Meetings, emails, phone/ conference calls</li></ul>	<ul style="list-style-type: none"><li>Future growth and utilisation of funds – value generation</li><li>Investment and financing opportunity scoping and management</li><li>Risk management</li><li>Financing options, credit facilities, cash management</li><li>Consistent economic performance</li><li>Adherence to financial and taxation regulations</li></ul>	Ongoing, Biannually, Annually	<b>Regulatory Authorities</b> 	<ul style="list-style-type: none"><li>Certifications and accreditations</li><li>Licenses, memberships and approvals and site inspections/meetings and disclosures</li><li>System Certification Audits</li><li>Environmental Audit</li></ul>	<ul style="list-style-type: none"><li>Business operations in compliance with laws, regulations, social and environmental standards</li></ul>	Ongoing, based on needs/projects
<b>International and Local Media</b> 	<ul style="list-style-type: none"><li>MAS website, social media platforms, press releases, media correspondence and engagement activities, public relations and advertising, thought leadership panels and forums</li><li>Feedback on PR and public media presence</li></ul>	<ul style="list-style-type: none"><li>Corporate updates and announcements – product innovation and launches</li><li>Corporate Governance</li><li>Industry Insights and thought leadership on key topics</li><li>Brand reputation and public perceptions</li><li>Build awareness and engagement</li><li>Commitment to CSR, Environmental and Product Sustainability</li></ul>	Regularly, Quarterly, Annually	<b>NGOs</b> 	<ul style="list-style-type: none"><li>Partner feedback meetings</li><li>Forums on key social and environmental topics</li><li>Associations of private/ public partnerships</li></ul>	<ul style="list-style-type: none"><li>Issues faced by vulnerable communities and environments</li><li>Industry insights and thought leadership on key topics</li><li>Opportunities for impactful partnerships</li><li>Commitment to Social, Environmental and Product Sustainability</li></ul>	Ongoing, based on requests/projects
				<b>Consumers</b> 	<ul style="list-style-type: none"><li>Carry out consumer testing on new innovative products for feedback on socialisation and review</li></ul>	<ul style="list-style-type: none"><li>Product safety and responsible chemical use</li></ul>	Based on projects



OUR COMMITMENTS,  
PARTNERSHIPS, AND ADVOCACY

Our Plan for Change is the culmination of MAS’ comprehensive approach to sustainability. It is aligned with commitments and initiatives that are inspiring and aligning action toward achieving change at a global scale.

As a partner in the manufacturing-side of the apparel value chain, these are also important nexuses of collaboration where we share learnings, amplify the voice of our stakeholders, and add to discourse that is shaping the industry; ultimately advocating for systemic change that can only be achieved, together.

COMMITMENTS

GRI

2-23

United Nations Global  
Compact (UNGC) Principles

From strategies, to policies and procedures, we uphold ethical business practices, respect human rights, labor standards, environmental protection, and anti-corruption measures; in line with the 10 principles of the UN Global Compact (UNGC). MAS has maintained alignment with these principles since 2003.

Women’s Empowerment  
Principles

Since 2011, we endorse and incorporate the Principles in our Group-wide efforts to drive women’s empowerment and gender equality. MAS’ exemplary Women Go Beyond programme, which is enshrined in the Plan for Change and closely aligned with the seven principles, serves as our roadmap to fostering a diverse and inclusive workforce where women can thrive.

Business for Peace  
(B4P) Platform

MAS endorsed the B4P initiative in 2013, as one of its founding participants, recognising Sri Lanka’s unique context and the opportunity for our initiatives to advance peace – in the workplace and the wider community.

Better Work  
Programme

We actively participate in, and comply with, the Better Work Programme; as part of MAS’ broader commitment to employees that is outlined in our Plan for Change – working toward empowering women, providing meaningful employment, and creating world-class workplaces.

Caring for Climate  
(C4C) Initiative

Since engaging with the Caring for Climate (C4C) initiative in 2008, we began implementing systematic changes at strategy, policy, and activity-level; to ensure MAS is positioned to address the challenges presented by climate change. These foundational steps have informed our Plan for Change and culminated in MAS setting ambitious Science Based Targets for emissions reduction.

Science-Based Targets  
Initiative (SBTi)

In 2020, we signed up to SBTi; setting and validating ambitious targets for absolute emission reduction within our operations, and committing to drive climate response across MAS’ supply chain.

Products Changed for Good



Industry, Innovation and Infrastructure



Responsible Consumption and Production

Lives Changed for Good



Good Health and Well-being



Quality Education



Gender Equality



Decent Work and Economic Growth



Reduced Inequalities



Sustainable Cities and Communities



Peace, Justice, and Strong Institutions



Partnerships for the Goals

Our Planet Changed for Good



Affordable and Clean Energy



Climate Action



Life Below Water



Life on Land

MAS Foundation for Change



Clean Water and Sanitation



Life Below Water



Life on Land

MEMBERSHIPS

GRI

2-28

CASCALE

An industry-wide non-profit alliance representing the global value chain; including brand retailers, manufacturers, supply chain partners, and others.

Joint Apparel Association Forum  
Sri Lanka (JAAFSL)

The apex body presenting a common front for Sri Lanka’s apparel industry, its representative associations, and businesses.

Global Compact Network SL: Board,  
Steering Committee, and Working  
Groups (Human Rights, Climate Action)

Local Network contact point for the United Nations Global Compact (UNGC), which is working to mainstream sustainable business practices in Sri Lanka.

ADVOCACY

Achieving our Plan for Change targets and realising transformational change at scale require collective action. This necessitates a proactive voice in shaping industry standards, policies, and practices.

Throughout the year, we actively engaged in various high-level forums and collaborative initiatives, championing best practices and advocating for impactful interventions across critical environmental and social domains. Our commitment extends beyond our operations, as we strive to drive systemic change within the apparel sector and beyond.

KEY ADVOCACY ACTIVITIES AND ENGAGEMENTS IN 2024

- **International Engagement:** Participation in prominent global platforms including the Global Fashion Summit and the Business of Fashion Summit roundtable in London. Panelist participation at Forward Faster Now: Accelerating Sustainable Business on the Asia and Oceania Region in Kuala

- Lumpur, Malaysia; facilitated by the United Nations Global Compact Network (UNGC).
- We co-authored and launched a White Paper on Financing Decarbonisation. This supplier-led initiative, developed in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and industry leaders like NITEX Pte Ltd, Pactics Trading International Limited, Artistic Milliners Pvt Ltd, Epic Group, and TAL Apparel; provides a vital roadmap for accelerating decarbonisation efforts across the supply chain.
  - **Shaping National Dialogue:** Participation in the 6th SL Association of Young Scientists Open Forum on INDUSTRY 5.0 – highlighting MAS’s Vision for a Greener Future, addressing policy requirements, research gaps, and opportunities.
  - Sharing insights on “Top Techniques to Scale Sustainability Measurement and Management”, moderated by Worldly’s VP of Customer Success, Loretta Tam.
  - Panelist attendance at the Environment session of the ESG Summit 2024, organised by the MBA Alumni

- Association of the University of Colombo. And, panelist engagement at the National HR Conference 2024.
- Active advocacy for a more inclusive work environment by participating as a panelist at two events – Inclusive Threads: Creating opportunities for Persons with Disabilities (PWDs) within Sri Lankan Apparel Industry, organised by IFC, ILO, and Better Work Sri Lanka; and Towards a more inclusive work environment for PWDs, organised by GIZ and Bconnected.

In addition, our ongoing representation at key industry bodies ensures continuous advocacy:


- **United Nations Global Compact:** As a participant, we align with the Ten Principles, advocating for human rights, labor standards, environmental responsibility, and anti-corruption through public reporting and collaborative projects.
- **Cascale (formerly Sustainable Apparel Coalition):** Through Cascale, we support industry-wide sustainability standards, share best practices, and contribute to the evolution of the Higg Index for supply chain impact measurement.

- **ZDHC:** We are actively involved in ZDHC’s efforts to promote sustainable chemical management across the supply chain.
- **PUCSL:** We contribute to national discussions on energy regulation, renewable energy integration, and sustainable utilities policies.

TOOLS FOR TRANSPARENCY

We believe that achieving real change requires not only ambitious targets, but also a commitment to rigorous standards, verifiable measurements, and transparent disclosure.

We leverage a range of internationally recognised standards, certifications, accreditations, and tools to uphold accountability across our interactions with regulators, customers, suppliers, and employees. They also provide clarity and credibility as we track progress against the ambitious goals of our Plan for Change, and strive for real sustainability across the industry.

Many of these standards and commitments extend to our  Suppliers in the apparel value chain.

SLCP Gateway and Converged Assessment Framework (CAF)

Sedex Members Ethical Trade Audit (SMETA)

Carbon Disclosure Project

Overall climate action rating – C

Supply chain engagement rating – C

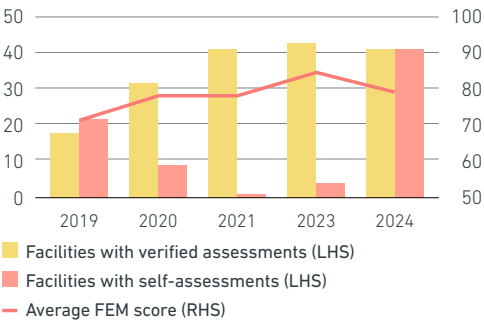


HIGG INDEX

As a founding member of the Sustainable Apparel Coalition – SAC (now Cascale), since 2011, MAS has actively participated in developing and utilising the Higg Index – a standardised set of tools for measuring environmental and social impact at facility-level.

Our Design and Merchandising teams also utilise the Higg Materials Sustainability Index (Higg MSI) and Higg Product Module (Higg PM) for a data-driven approach to evaluating impacts of the products we manufacture; thereby enabling teams, customers, and end-consumers to make more sustainable choices.

HIGG FEM PERFORMANCE – 2019 TO 2024 (No.)



	2024	2023	2021	2020	2019
No. of facilities with verified assessments	41	43	41	32	18
No. of facilities with self-assessments	41	4	1	9	22
Average FEM score	79.2	85	78	78	71

INTERNATIONAL CERTIFICATIONS AND ACCREDITATIONS

Certification List	Intimates	Kreeda	Active	Bodyline	Matrix	Noyon	Texo	Linea Aqua	Total*
BSCI	1	–	1	–	–	–	–	–	2
C-TPAT	–	–	–	–	–	–	–	1	1
ISO 45001	1	10	7	–	–	1	–	1	20
ISO 14001	14	10	7	4	1	1	–	3	40
ISO 50001	–	1	1	–	–	–	–	–	2
SCOPE – GOTS	7	–	–	3	–	1	–	–	11
FSLM (SLCP)	14	7	3	3	1	1	–	2	31
HIGG FEM	14	10	6	4	1	1	1	3	41
Oeko-tex 100	15	–	1	3	–	1	1	1	22
GRS and RCS	13	1	6	4	1	1	–	3	29
ISO 14064	16	10	8	4	1	1	–	3	50
OSH Transformational Leadership – IOSH, UK	–	1	–	–	–	–	–	–	1
ILO Better Work Program	–	3	–	–	–	–	–	1	4
OCS	1	–	–	–	–	–	–	–	1
Fair Trade	–	1	–	–	–	–	–	1	2
GSV – Global Security Verification	–	–	–	–	–	–	–	2	2

\*Number of Facilities (SBUs) that have received the certification or passed the audit in 2024 (if they have a continuing certification, this counts as well).



AWARDS AND RECOGNITION

<p><b>MAS Femography wins 03 Excellence Awards</b> for functional apparel, inclusive workforce, and sustainable apparel</p> <p>JustStyle Excellence Awards 2025, presented by JustStyle and Global Data PLC.</p> <p>The Excellence Awards celebrate the greatest achievements and innovations in the apparel industry.</p>	<p><b>MAS adjudged Overall Exporter of The Year for 2023/24 at Sri Lanka's Presidential Export Awards.</b></p> <p>MAS wins 6 additional awards recognising sustainable development contribution, regional supply chain development, product diversification, foreign exchange earnings, and performance in emerging markets.</p>	<p>4 Gold and 1 Silver (MAS KREEDA Vaanavil), and 1 Best-Kaizen Award (MAS Active Linea Intimo)</p> <p><b>National Quality Circle Project Awards 2024</b>, presented by the Sri Lanka Association for the Advancement of Quality and Productivity (SLAAQP) – Celebrating quality and productivity achievements</p>	<p>recognising significant contributions to environmental conservation.</p> <p>Gold – MAS Fabric Park, recognised as the Best Private institution that contributes to the environment</p> <p>Silver – MAS KREEDA Shadeline, MAS Active Linea Intimo</p> <p>Bronze – MAS Active Contourline</p> <p>Merit – MAS KREEDA Synergy, MAS Fabrics Intimo</p>	<p>Best Sustainability Projects: Merit – BODYLINE (Touch of Hope and Water for All);</p> <p>MAS CAPITAL x TWINERY (Girls in STEM)</p>
<p><b>MAS Supported Employment Process recognised as a Zero Project Awardee 2025</b></p> <p>The Zero Project Awards contributions that advance the United Nations Convention on the Rights of Persons with Disabilities (CRPD), standing out for their innovation, impact, and scalability.</p>	<p>1 Excellence Award (MAS KREEDA Vaanavil), and 1 Appreciation Award (MAS KREEDA Shadeline)</p> <p><b>LRCC Awards 2024</b>, presented by the Lanka Responsible Care Council (LRCC) and the International Council of Chemical Associations (ICCA) – Celebrating excellence in Environmental, Health, and Safety (EHS) practices.</p>	<p>5 Gold, 1 Silver, 1 Bronze, and 1 Merit</p> <p><b>Green Productivity Awards 2024</b>, presented by the Sri Lanka Association for the Advancement of Quality and Productivity (SLAAQP) – Evaluating and honouring organisations with the best Green Productivity (GP) practices.</p> <p>Gold – MAS KREEDA Vaanavil, MAS KREEDA Balangoda, MAS KREEDA Methliya, MAS KREEDA Synergy, and Matrix</p> <p>Silver – Linea Aqua Bronze – Bodyline Merit – MAS KREEDA Campus</p>	<p>1 Overall Award, 2 Category Awards and 4 Project Awards</p> <p><b>Best Corporate Citizen Award</b>, presented by the Ceylon Chamber of Commerce – recognising companies that demonstrate a commitment to sustainability and corporate social responsibility.</p> <p>Triple Bottom Line Social Sustainability: Winner – MAS KREEDA</p> <p>Category Award Winner: MAS KREEDA (Customer Relations, Employee Relations)</p> <p>Best Sustainability Projects: Winner – BODYLINE (Releaf Knuckles)</p>	<p>10 Gold</p> <p><b>RoSPA Health and Safety Awards 2024</b>, presented by the Royal Society for the Prevention of Accidents (RoSPA) – the benchmark for excellence, recognising outstanding achievements and dedication to workplace safety across the globe.</p> <p>Gold – MAS KREEDA Synergy, MAS KREEDA Methliya, MAS KREEDA Balangoda, MAS KREEDA Campus, MAS KREEDA Vaanavil, MAS KREEDA Shadeline, MAS KREEDA Madaba, MAS KREEDA Dulayl, MAS KREEDA Sahab, MAS KREEDA Arya 2</p>
<p><b>Shortlisted for a Parity Award</b></p> <p>I&amp;D Impact Awards 2025, presented by the World 50 Group</p> <p>Recognising the Group's contributions to advancing equality, challenge and break down barriers, promote equal opportunities, and foster a dynamic work environment.</p>	<p>1 Gold Award from ICQCC 2024 (MAS Nirmaana)</p> <p><b>International Convention on Quality Control Circles 2024</b>, Organised by the Sri Lanka Association for the Advancement of Quality and Productivity (SLAAQP) – celebrating milestones in quality excellence.</p>	<p>1 Gold, 2 Silver, 1 Bronze, and 2 Merit</p> <p><b>Presidential Environment Awards 2024</b>, presented by the Central Environment Authority (CEA) –</p>		



# Background to the Report

**GRI** 2-1, 2-2, 2-3, 2-4, 2-5

We are pleased to present the MAS Holdings (MAS) Annual Impact Report for 2024, offering a comprehensive overview of our ongoing commitment to responsible and impactful operations.

As we approach the culmination of our MAS Plan for Change targets in 2025, the year's report details our sustainability performance in the penultimate year of our strategy cycle.

The report marks successes, notes challenges, and describes our efforts to revisit goals and enhance our sustainability performance to align with changing global imperatives, industry priorities, and evolving needs of our business. As in previous years, the report shares our progress in numbers, but also includes case studies, examples of impact, and stories from our employees, partners, and beneficiaries; showcasing real change and the positive outcome of our collective effort.

In 2024, we have discussed our approach to addressing major sustainability topics in extended detail. We invite you to explore the strategies, policies, processes, and initiatives employed by MAS; as we strive to integrate sustainability with our core business and deliver on our promise to be a positive force for change. As part of efforts to improve the standard and effectiveness of our reporting, we encourage you to share your feedback, suggestions, and critiques.

For feedback and clarifications, please contact:

## Amanthi Perera

Head - Social Sustainability  
MAS Holdings (Private) Limited  
No: 199, Kaduwela Road,  
Battaramulla, Sri Lanka.

✉ [@Amanthi](#)

## OUR PUBLIC REPORTING SUITE

The Annual Impact Report is the Group's primary sustainability report published by MAS Holdings (Private) Limited (MAS), which is held by a trust and is a Private Limited Company. The Report is published annually. The 2024 report covers the period from 1 January 2024 to 31 December 2024, which aligns with the Organisation's financial reporting cycle.

Since 2020, the Impact Report also functions as our Communication on Progress against the Ten Principles of the United Nations Global Compact (UNGC). Apart from statutory reporting carried out by MAS and subsidiaries across our countries of operation; we also present a report to the International Finance Corporation (IFC), outlining our compliance with IFC guidelines.

Reflecting our continued commitment to transparent sustainability reporting, this Impact Report 2024, published in June 2025, is the second consecutive report prepared in accordance with the Global Reporting Initiative (GRI) standards; maintaining consistency with our sustainability reporting practices.

## ENSURING THE VERACITY OF OUR DISCLOSURES

Changes to MAS operational boundaries and reporting scope, which came into effect in 2024, have guided restatement of previous years' data in the current report.

In order to enhance the accuracy and comparability of our environmental performance metrics, we have restated greenhouse gas (GHG) emissions and baseline data for previous reporting periods. Similarly, our energy consumption disclosure for the previous year (2023) has also been restated.

Restatements reflect continuous improvement in our data collection methodologies and our efforts to align historical figures with current reporting standards.

While significant efforts have been made to apply new boundaries retrospectively, certain data points for previous years have not been fully restated; either due to unavailability of historical data or practical limitations related to non-comparability in scope and boundary.

While setting ambitious targets for change, we also work to ensure the accuracy and transparency of our disclosures. Wherever possible, we have endeavoured to use standardised metrics and objectively verifiable indicators as evidence of our progress against ambitious goals outlined in the MAS Plan for Change.

Group-level Centres of Expertise (COEs) and Global Reporting functions support the collation and narration of work and progress to meet reporting requirements. Our senior leadership team reviews sustainability disclosures presented in the report, with CEOs personally reviewing the Plan for Change report.

Our internal audit function plays an ongoing and vital role in reviewing and vetting information presented in the report. In addition, we have continued the best practice of pursuing a rigorous process of external assurance for our sustainability disclosures in 2024. Assurance is obtained on GRI standards. For this purpose, we have renewed our contract with Ernst and Young, a reputable and seasoned assurance provider known for their expertise and commitment to the highest standards, who have provided independent verification of our sustainability efforts. Their full assurance statement is included on page 161.

REPORTING SCOPE  
AND BOUNDARY

For consistency and comparability, our Impact Report utilises a reporting boundary that as a baseline, considers the sustainability performance of our wholly-owned subsidiaries. Given the close interdependencies of the apparel ecosystem, we recognise that our impact is not confined to our internal operations; which is why we aim for transparency by defining reporting boundaries that provide a holistic perspective of our influence.

Entities	Relationship to MAS Holdings
MAS Capital (Private) Limited	Wholly owned directly by MHOLD
MAS Active (Private) Limited	Wholly owned indirectly by MHOLD
Bodyline (Private) Limited	Joint Venture
Linea Aqua (Private) Limited	Joint Venture
Noyon Lanka (Private) Limited	Wholly owned indirectly by MHOLD
Silueta (Private) Limited	Wholly owned indirectly by MHOLD
MAS Legato (Private) Limited	Wholly owned indirectly by MHOLD
MAS Fabrics (Private) Limited	Wholly owned indirectly by MHOLD
MAS Fabric Park (Private) Limited	Wholly owned indirectly by MHOLD
MAS Unichela (Private) Limited	Wholly owned indirectly by MHOLD







# Impact Review

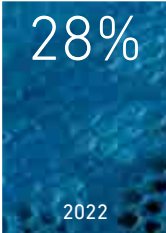
# Products Changed for Good

We believe that sustainable products are those that are good for the wearer, good for the planet and good for business. This is the guiding principle that propels our actions toward Products Changed for Good.

Transformative change, at this scale, demands collaboration; which is why we forge strategic partnerships with leading brands, pioneering manufacturers, and responsible producers across the apparel value chain. Together, we are visioning and realising innovations that are industry disruptors, sourcing sustainably to reduce environmental impact, and championing new ideas that are pioneering circularity at scale – proving that the business of fashion can be both responsible and revolutionary.

**Our Target for 2025:**  
Revenue generated through sustainable products

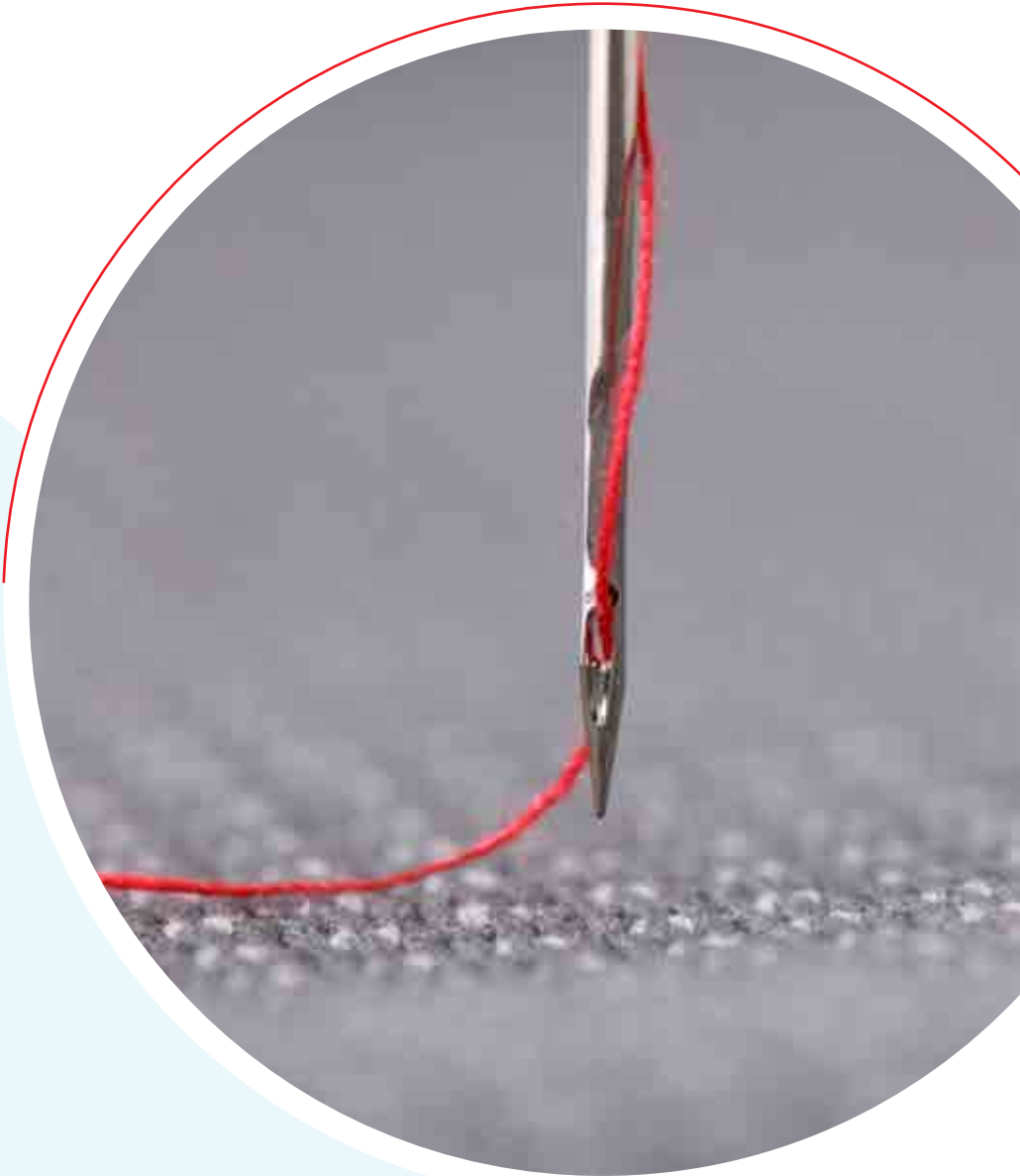
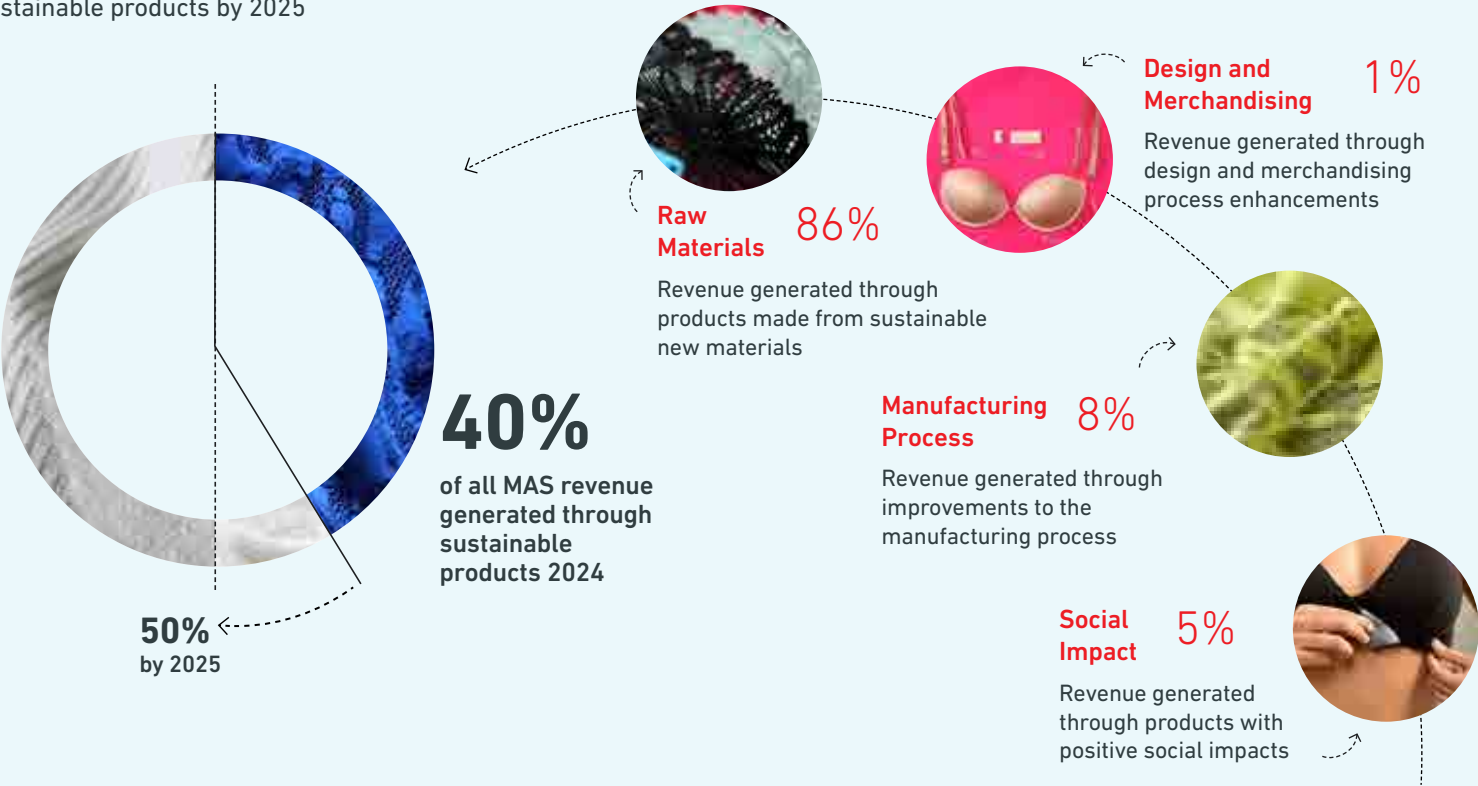
50%





# PROGRESS SNAPSHOT – PRODUCTS CHANGED FOR GOOD

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



Upholding our  
Commitment to  
Sustainable Products

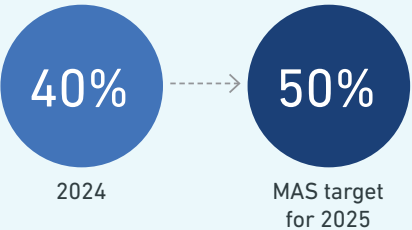
**GRI** 301-1, 301-2, 414

Our continuing work with partner brands, industry innovators, and raw material suppliers bore fruit as the percentage of our revenue generated through sustainable products increased to 40% in 2024, up from 34% the previous year.

In 2024, we continued to promote and encourage the use of sustainable materials in our products especially recycled raw materials in PET & Nylon. Based on the MAS product sustainability criteria, recycled input materials constituted around 22% of our primary products for the year.

MAS KPI

Percentage revenue generated through sustainable products



22%  
of primary products in 2024  
included recycled input materials.

Our **Strategic Approach** to sustainable products and the carefully defined **MAS Sustainable Product Criteria**, are instrumental in working toward transformative change in the apparel sector. We continue to advocate for circular and sustainable material choices, in line with our ethos of setting ambitious goals that push the industry forward.

In 2024, we see continued interest and improvements in the concept of sustainable alternatives to conventional fibres; recognising the rise in material innovation from other renewable feedstock sources such as microorganisms, food waste, agricultural waste etc. Looking to deepen considerations for circular thinking within our product criteria, we also have aspects of durability and repairability in products to make them last longer; new unlocks in this space compared to 2023 promise to not only increase the lifespan of apparels, but also reduce the volume of resources we use.

With regard to dyeing and finishing, we continue to champion Bluesign considerations in our criteria and grow our bluesign factory onboarding. This in line with our strategic drive to integrate Bluesign principles within our processes and further promote our supply chain to be Bluesign-enabled. We also recognised the value of completely undyed products, which remove the need to use synthetic colourants in dyeing.

Regenerative cotton is a material we feel very strongly about because of its potential to be introduced as a base for large core segments of the industry. We also saw an incremental increase in the usage of Bio-based materials with fabric/yarn made with renewable sources such as cornstarch.

During the course of 2024, we broke new ground in expanding our work with Tier-3 suppliers; setting up networks to improve access to sustainable yarn solutions that could also enhance the overall features of our product offering.





**INNOVATE AND  
DISRUPT**

If driving transformative change is our ethos, innovation is the engine propelling MAS towards our sustainable product commitments. From sourcing, to design, merchandising, and manufacturing; our innovations and innovative partnerships are pioneering sustainable products and contributing to circularity in the apparel industry.

Planatones which is our Certified natural color dyeing solution saw continued development and applications in the year 2024 , similarly to Lable which is our vertical on Adaptive apparel , 2024 was a pivotal year as we established a platform with a suite of solutions for any requirement involving People with disabilities. Finally Infini continues to continue as a solve for monomaterial functional bra cups

2024 saw the European Union (EU) rolling out new legislation aimed at improving circular thinking, mainstreaming considerations for the lifecycle impact of apparels, and driving transparency and accountability in the apparel value chain.

The new Ecodesign for Sustainable Products Regulation (ESPR) come into force in July 2024, and the concept of a Digital Product Passport (DPP) was debuted as a key instrument under the ESPR; with studies carried out for application of the DPP in the textile sector.

The apparel industry has seen these regulations accelerate the shift towards products that are more durable, reusable, repairable, and recyclable – in line with the dynamics of circularity and sustainability.

Alongside preparation for these changes, our teams have been in discussion with a number of partner-brands as they carried out the groundwork to facilitate the large-scale transitions necessary to achieve their own 2030 sustainability targets.

**SOURCE  
SUSTAINABLY**


**GRI** 308-1, 414-1, 414-2

Our promise of Products Changed for Good relies on sustainable sourcing. Our work in this space involves ongoing efforts to adopt environmentally preferred, responsibly manufactured, and greener materials; while actively engaging partners and suppliers to source, verify, and support a responsible supply chain.

**RAW MATERIALS (RM)  
SOURCING**

While a portion of Raw Materials (RM) utilised in 2024 came from subsidiaries and JV partners, external suppliers remained our primary source for the majority of our RM-spend. This included the majority of our fabric and lace, nearly all downstream packaging and labeling, as well as essential production chemicals and dyes.

Throughout the year we maintained priority for traceable, sustainably produced, raw materials like Cotton, Polyester, and Nylon. We also continued to explore eco-friendly alternatives such as bio-based or man-made cellulosic fibres, biodegradable fabrics, and closed-loop solutions that reintroduced recycled materials into the production process.

Read about our  long-standing innovations for recycled polyester and nylon and new partnerships with industry disruptors pioneering new regenerative material.



OUR SUPPLY CHAIN  
COMMITMENT

The performance of our supply chain is a fundamental driver for achievement of the ambitions set out in the MAS Plan for Change. Accordingly, realisation of our sustainable product strategy involves a commitment not only to our end-users and clients, but also our vast network of suppliers and business partners.

The expression of our commitment involves active engagement with our suppliers to prioritise sustainable sourcing of raw materials, ensure stringent environmental compliance – including the critical phase-out of hazardous chemicals and restricted substances, promote energy efficiency and emissions reduction, and uphold social compliance and ethical business practices.

Digital Traceability  
for Sustainability

In 2024, MAS piloted a cutting-edge digital traceability platform to enable end-to-end visibility of raw materials by capturing and validating critical sourcing data while maintaining the confidentiality of sensitive supplier information.

A key engagement during the year was our engagement with Tier 1 Fabric Suppliers; to implement a digital traceability solution that provides end-to-end tracking of raw materials from source to finished goods. Following completion of the pilot phase, we expect to expand the rollout of the digital traceability platform across our entire supply chain.

Traceability in a Vast  
Global Supply Chain

The global apparel supply chain involves numerous geographies, materials, and suppliers; spanning intricate processes from raw material cultivation to finished garment production. This complexity often

creates a lack of visibility, making it challenging to verify ethical practices, ensure compliance, and mitigate risks. At the same time, consumers, regulators, and investors are increasingly demanding greater transparency, driven by concerns over human rights, environmental impact, and product authenticity. New and upcoming global regulations, such as UFLPA and upcoming EU due-diligence laws, are placing significant onus on companies to invest in the sustainability and transparency of their supply chains.

Leveraging Technology  
for Traceability

- **End-to-End Visibility:** A digital platform enables comprehensive tracking of raw materials from their original source all the way to the finished goods, providing a level of granular visibility that is crucial for understanding the journey of a product's various components.
- **Supplier Collaboration:** The success of any traceability initiative hinges on strong partnerships, which is why we are working closely with key Tier 1 fabric

suppliers to implement this digital solution – ensuring their active participation and data contribution. While ensuring transparency, we are also committed to maintaining the confidentiality of sensitive supplier information.

- **Robust Data Capture and Validation:** The platform captures and validates critical sourcing data, ensuring accuracy and reliability. It allows for uploading of Chain of Custody documents from all supply chain tiers. Each document undergoes rigorous review for authenticity and alignment with regulatory requirements and our internal sustainability standards. Once verified, data is seamlessly integrated into the traceability system, allowing for continuous, real-time tracking from fibre to finished product.

In 2024, we include a new section appended to the MAS Vendor Code of Conduct (MAS VCC), which provides onboarded suppliers with a set of non-exhaustive guidelines related to material traceability and compliance with laws pertaining to prohibition of child and forced labour. As of year-end 2024, the MAS VCC covered 90% of new supplier spend, reflecting our commitment to onboarding partners aligned with our values.

- **Chemical Compliance:** In 2024, 55% of RM suppliers by spend were monitored against ZDHC MRSL compliance, and 62% were monitored against the ZDHC Wastewater Guideline. This is an increase from 42% spend coverage in 2023.
- **Environmental Compliance:** The percentage of RM suppliers by spend carrying out Higg FEM self-assessments increased to 82% in 2024, up from 75% in 2023.
- **Environmental Performance:** By the end of 2024, approximately 45% of our suppliers by spend had set their own science-based targets for emission reduction, down from 50% in 2023.






Our efforts to assess and engage with suppliers has enabled MAS to uphold an excellent record with regard to prohibiting underage or child labour and forced or compulsory labour. The MAS VCC upholds these essential elements of sustainable sourcing, through which over 90% of our raw material vendor base is now engaged, reflecting the broader commitment of the MAS Supply Chain ESG strategy.

			2022 %	2023 %	2024 %	MAS target for 2025
ENVIRONMENTAL						
MAS (SBTi) KPI	GHG emissions	% of suppliers (by spend) committing to SBTi targets for emission reduction	36	50	45	85
		% of JVs in Scope 3 investments committing to SBTi targets for emission reduction	100	100	100	100
MAS (Chem) KPI	Wastewater discharge/chemical compliance	% of subcontracting wet operations that are compliant with local discharge regulations and ZDHC Wastewater Guidelines (WWG)	100	100	100	100
		% of RM suppliers (by spend) that are monitored against ZDHC Wastewater Guidelines	–	42	62	65
		% of RM suppliers (by spend) that are monitored against ZDHC MRSL	–	42	55	60

**PIONEER CIRCULARITY  
AT SCALE**

**Our Commitment:**

We feel Circularity is the future  
as we can use renewable

In 2024, we saw success in reintroducing post-industrial raw material waste back into the production cycle through pilots for  **Textile-to-Textile (T2T)** Recycling of high-cotton-content material waste. By the end of the year, we recorded a verified 10.64% diversion rate for fabric waste to T2T recycling within the Group.

Waste valorisation targets included in the Environmental Pillar of our Plan for Change, circular models prioritised by our Sustainable Product Criteria, engagements from the Central MAS Circularity Team, and new partnerships with industry pioneers, were instrumental in driving forward circular thinking and practices across the organisation.

**MAS Partnership  
with Ambercycle**

In 2024, MAS joined forces with Los Angeles-based materials science company Ambercycle; signing a three-year offtake agreement for a circular polyester material – cycora®. The partnership will expedite Ambercycle's efforts to reach commercial-scale production for this premium new fabric made from end-of-life textile waste.

Ambercycle's proprietary molecular regeneration technology represents a cutting-edge solution to textile waste. We are proud to integrate this advanced sustainable material into our products, offer novel new materials and solutions for adoption by our partner brands, and actively foster the industry's transition towards circularity.

**The Challenge for  
Circularity in Fashion**

The global apparel industry operates largely on a linear take-make-dispose model. Each year, an estimated 92 million tonnes of textile waste end up in landfills or incinerators, with this figure expected to rise in the years ahead. A major component of this waste is polyester, a synthetic fiber derived from petroleum, which constitutes almost 60% of all clothing materials today.

The production of virgin polyester is resource-intensive, generates significant emissions, and contributes to plastic pollution through its non-biodegradable nature and potential for shedding of microfibres.

**Textile-to-Textile  
Regeneration: The MAS-  
Ambercycle Partnership**

The landmark partnership between MAS and Ambercycle, with a three-year offtake agreement, promises to scale up textile-to-textile regeneration through cycora® – Ambercycle's revolutionary circular polyester material, created through proprietary molecular regeneration technology.

- **Virgin-Grade Quality from Waste:** cycora® offers the same high quality and performance as virgin-grade polyester, giving fashion brands and retailers the option of including recycled materials without compromising the integrity or aesthetic of finished apparels.
- **Reducing Environmental Impact:** Choosing cycora® is a net positive for the environment: reducing emissions from virgin raw-material extraction and diverting waste from landfills or incineration.
- **Bridging the Gap and Accelerating Change:** Establishing an offtake agreement ensures that global brands have access to regenerated

next-gen materials to meet rising consumer demand for sustainable solutions; and suppliers like Ambercycle have the impetus to reach commercial-scale production for their industry-changing innovations.

Looking ahead, the potential impact of this partnership is immense. Ambercycle plans to establish a state-of-the-art textile regeneration facility by the end of 2025, which will significantly increase the production of cycora®. Our partnership supports the scaling of this new technology and serves as a strong collaborative model for interdependent engagement in the apparel value chain; to nurture novel technologies, unlock commercial scale for production, and deliver high-quality circular solutions to end-consumers.



# Lives Changed for Good

Our ability to drive positive change in society hinges on an evolving social compact with our employees and communities – one that actively shapes industry norms.

Our Lives Changed for Good pillar embodies this belief in partnership; focusing on tangible impact for the people we employ and the communities we operate in. We're empowering women, fostering meaningful employment, building world-class workplaces where everyone can thrive, and investing in the long-term development of our communities.

[Read about](#) how MAS integrates, operationalises, and tracks progress against social ambitions outlined in the Plan for Change.

**TOTAL AVERAGE PERMANENT  
EMPLOYEES**

# 78,664



DELIVERING ON OUR PLAN  
FOR CHANGE

	EMPOWERING WOMEN	MEANINGFUL EMPLOYMENT	WORLD-CLASS WORKPLACES	THRIVING COMMUNITIES
<div>GOAL</div>	<div>Empower 100% of women at the factory floor</div> <div>30% Women in management</div>	<div>8,000+ employees sensitised on respect and inclusion for people of diverse SOGIESCS</div> <div>80+ internal trainers trained to sustained the conversation</div> <div>Launched a homegrown educational public microsite: "Empower Inclusivity"</div>	<div>Be first-in-class for working conditions in our industry</div>	<div>Be an enabler for positive impact in all communities we work in</div>
<div>ACHIEVEMENT AS AT 2024</div>	<ul style="list-style-type: none"><li>Over 5.5 million opportunities created since inception through over 16,147 programmes</li><li>26% women in management</li><li>36 locations that provide employer supported childcare solutions</li><li>43 lactation rooms</li><li>3,768 mothers supported</li><li>52% maternity return rate</li></ul>	<ul style="list-style-type: none"><li>435 persons with disabilities employed within the Group</li><li>1,000+ knowledge-sharing sessions impacting over 100,000 employees</li><li>474 staff to executive movements</li><li>25 average training hours per employee</li></ul>	<ul style="list-style-type: none"><li>4,400+ H&amp;S Committee members and 2,350 additional H&amp;S point-persons engaged</li><li>1,250+ H&amp;S-related Committee meetings</li><li>1,170 H&amp;S trainings reaching 89,000+ employees</li><li>57% reduction in accident-rate</li><li>95% completion rate on the Organisational Health Index (OHI) roadmap</li><li>1,000+ participants in mercantile sporting events</li></ul>	<ul style="list-style-type: none"><li>2.1 million opportunities created since inception</li></ul>



**THE STRENGTH OF OUR PEOPLE**

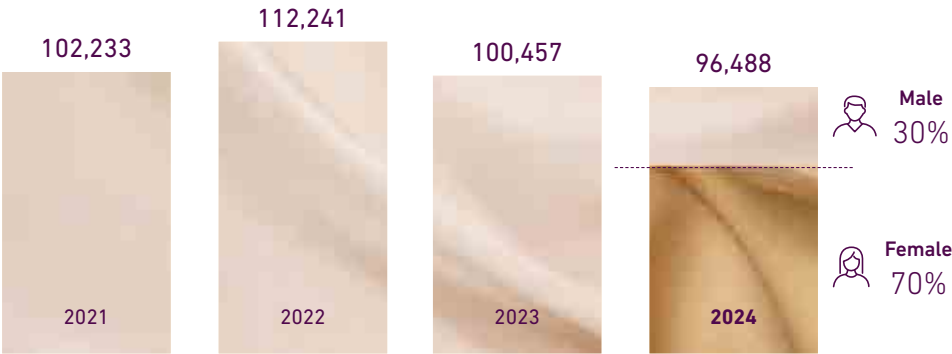
**GRI** 2-7

In 2024, our manufacturing operations spanned nine countries, with additional customer-facing and support functions in North America and Singapore.

We continue to employ an expansive and diverse workforce, with unique perspectives, skills, and abilities. This rich tapestry of ideas and ambitions fuel our impact through the Plan for Change.

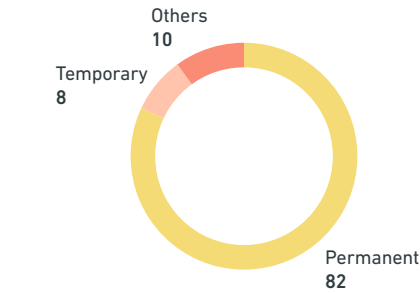
The entirety of our workforce is considered full-time employees; including all teams working on the factory-floor across our operations.

**TOTAL WORKFORCE**  
(No.)

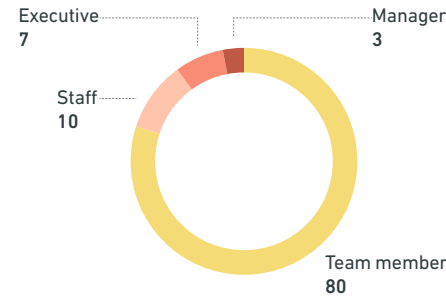


In 2024, the vast majority of our team, approximately 81%, continue to be employed on a permanent basis with their employment status confirmed after a probationary period. A smaller portion of our workforce, around 8%, are employed on fixed-term contracts, and hired based on operational needs - in accordance with local labour laws. This includes a significant portion of our workforce in Jordan, Kenya, and Vietnam, 68%, 99%, and 95% respectively, are employed on fixed-term contracts.

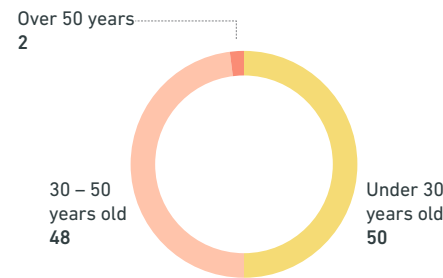
**EMPLOYEES BY STATUS**  
(%)



**EMPLOYEES BY DESIGNATION**  
(%)



**AGE SPLIT**  
(%)



**Total employees by gender by region**

Region (Country)	Gender		Employees
	Male	Female	
Sri Lanka	23,510	48,594	72,104
Bangladesh	1,368	4,187	5,555
Indonesia	742	4,805	5,547
Jordan	1,200	2,736	3,936
Kenya	886	2,713	3,599
India	620	2,895	3,515
Vietnam	175	949	1,124
Haiti	196	527	722
Dominican Republic	121	104	226
USA	47	108	155
Singapore	1	4	5
Total average	28,866	67,622	96,488

**Total number of temporary (contract) employees, and its breakdown by grade, gender and region**

Grade category	Temporary employees
Team member	6,793
Staff	790
Executive	361
Manager	85
Total average	8,029

Gender	Temporary employees
Male	2,169
Female	5,860
Total average	8,029

Region (Country)	Gender		Temporary employees
	Female	Male	
Kenya	2,711	884	3,595
Jordan	1,911	771	2,682
Vietnam	925	149	1,074
Sri Lanka	266	331	597
Haiti	30	27	57
Indonesia	16	3	19
USA	1	3	4
Singapore	1	–	1
Total average	5,860	2,169	8,029

Total number of permanent employees, and its breakdown by grade, gender and region

Region (Country)	Gender		Permanent employees
	Male	Female	
Sri Lanka	22,006	43,744	65,750
Bangladesh	1,209	3,634	4,843
Indonesia	670	4,111	4,782
India	323	1,120	1,443
Jordan	288	639	927
Haiti	169	496	665
Dominican Republic	121	104	225
Vietnam	16	4	20
USA	6		6
Singapore	1	3	4
Kenya	1		1
Total average	24,810	53,855	78,664

Total number of full-time employees, and its breakdown by grade, gender and region

All the employees in the organisation are full-time employees. Hence the Total and the breakdown is similar to the “Total Number of employees”.

**Note:** The values for employees were taken from the system in January, 2025.

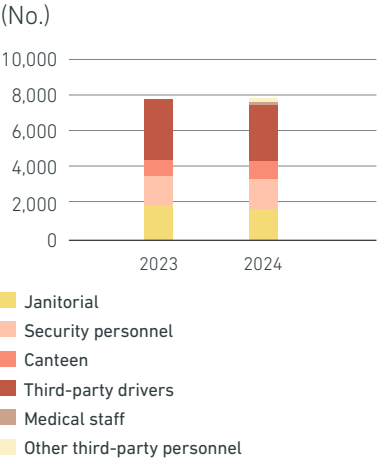
GRI 2-8

Given our operational scale and footprint, our work necessitates collaboration with contracted partners and on-site service providers for essential ancillary functions like workplace janitorial services, workplace security, staff canteen management, and staff transport.

These partners and service providers are considered suppliers and suitably vetted as part of our due diligence processes. In addition, they are expected to adhere to the stringent MAS Vendor Code of Conduct (VCC) that outlines expectations for ethical business code.

While not direct employees, these service-provider personnel often work within our facilities and benefit from many of the facilities that make up our world-class workplaces. The Occupational Health and Safety (OHS) section details our commitment to engaging with, and ensuring the safety of, these service providers and their teams. Aligned with the size of our overall operational footprint, most categories of service-provider personnel reflected minor reductions, year-on-year. However, with consideration of new service-provider categories in 2024, the overall count increased marginally.

PARTNER AND SERVICE-PROVIDER PERSONNEL



Total number of janitorial staff in 2024

1,841

Total number of security staff in 2024

1,636

Total number of canteen staff

971

Total number of third party drivers in 2024

3,192

Total number of medical staff in 2024

111

Total number of other 3rd party service providers

255

Total number of 3rd party service providers for 2024

8,006



EMPOWERING WOMEN

Our Commitment


- Empower 100% of women at the factory floor

Achievements in 2024

- Over 5.5 million opportunities created since inception through over 16,147 programmes
- 36 locations that provide employer supported childcare solutions
- 43 lactation rooms
- 3,768 mothers supported
- 52% maternity return rate

Our focus on women’s empowerment led us to set two ambitious goals: narrowing the gender gap in management and investing in the empowerment of women at the factory floor.

For MAS, a commitment to women across our operations is realised through continuous investment in their development, wellbeing, and happiness; which not only empowers our workforce, but also strengthens the apparel industry’s resilience and sustainability.

We believe that true women’s empowerment is more than programme or a series of projects; it is a holistic ecosystem that integrates economic, social, and political dimensions. Take a deep-dive into our comprehensive and collaborative approach to  **women’s empowerment** that is setting standards in the apparel industry.

OUR FRAMEWORK OF EMPOWERMENT



**Career Advancement**  
1,137 Programmes  
44,987 Opportunities



**Skill Development**  
27 Programmes  
962 Opportunities



**Women’s Health and SRHR**  
1,256 Programmes  
154,818 Opportunities



**Preventing Gender Based Violence**  
762 Programmes  
107,705 Opportunities



**Career Role Models**  
50 Programmes  
705 Opportunities



**Unconscious Bias Training**  
4,500+ Employees  
60+ Trainers



**Childcare Facilities**  
36 Company-supported childcare facilities  
43 Wellness spaces



**Mentoring and Sponsorship for Women**  
11 divisions with membership launched  
6 divisions with sponsorship launched

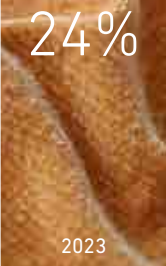


**Recruitment, Retention Promotion Strategies**



**Flexible Work**

OUR TARGET FOR 2025 (%)



**Reach 30%**  
women in management

### Women Go Beyond (WGB)

Signature programme for women’s empowerment at MAS

- 5.5 million opportunities created and 16,147 programmes implemented for women since inception

For 21 years, MAS has championed a commitment to women through the flagship Women Go Beyond (WGB) programme, which is grounded in our comprehensive framework for women’s empowerment. This initiative has evolved over the last two decades, adapting to the complex and changing needs of women within our operations and communities, both in Sri Lanka and overseas.

In these two decades we have delivered over 16,147 programmes and created more than 5.5 million opportunities for women, resulting in multiple, tangible, positive outcomes for our women, their families and communities. This level of sustained investment, with a focus on multi-faceted intervention, has resulted in meaningful advances for gender equality in our operations.

Today, while deepening the scope of original interventions like Sexual and Reproductive Health and Rights (SRHR) and Gender-Based and Intimate Partner Violence (GBV/IPV), the programme also encompasses a comprehensive strategy addressing systemic inequalities. This includes a focus on policy and infrastructure-level interventions to address gaps in resources, skills, rights, and needs for women and other groups marginalised due to gender. Our achievements in implementing the principles of Diversity, Inclusion, and Freedom of Expression and Identity for All are detailed in the subsequent

Meaningful Employment section.

### CAREER ADVANCEMENT AND SKILL DEVELOPMENT

GRI 404-2

In 2024, our career advancement work for women on the factory floor continued with multiple interventions across all our main divisions. Focus areas included leadership and personality development, technical competency building, communication, public speaking and presentation skills, IT literacy, conflict management, negotiation and influencing etc. In addition, focused interventions continued to identify and bridge technical gaps among women on the factory floor in identified job roles, especially in traditionally male-dominated spaces.







## Focused Career Advancement: Innovative Programmes Shaping our Women's Future

### Key Influencer Programme

**(MAS Intimates):** Launched as a complement to the well-established Personal Advancement and Career Enhancement (PACE) programme, which is developed with the assistance of GAP Inc. to fill knowledge gaps between Team Member (TM) and Staff grade employees.

### FutureFemme (MAS KREEDA):

A leadership development training rolled out in 10 locations, focused on Abhimani winners and women in manufacturing facilities as Shadow Team Leaders. The training programme aligns with the MAS Plan for Change and Nike's Gender Equity Strategy, which aim to identify, nurture, and elevate the potential of over 250 carefully-identified prospective woman leaders on the factory floor.

Through formal career mapping and skill-gap assessments, the programme strives to address identified gaps through targeted

training for technical competencies, soft skills, and leadership development.

### SparkMech (MAS KREEDA):

A technical training programme designed to empower and encourage women to pursue traditionally male-dominated job roles in the apparel industry. In 2024, a mini boiler operator certification programme was initiated under SparkMech to train all ironers on mini boiler operation. By the end of the year, 19 women ironers from locations in Biyagama, Avissawella, and Kilinochchi areas in Sri Lanka, were qualified with the certification.

### Ignite – Women in Leadership

**(MAS KREEDA):** A transformative programme designed to cultivate high-potential female Senior Executives, equipping them with the leadership skills necessary to build a stronger and more gender-balanced management pipeline. The programme, supported by  Luminary Learning Solutions, celebrated another successful graduation in 2024 as 26 promising female Senior Executives from manufacturing and front-end operations completed six months of intensive training, mentorship,

and impactful project work. We implement similar programmes across all divisions with the intention of promoting more women in traditionally male-dominated job families.

### Cross-Departmental Training

**(Matrix):** This 2-day programme, conducted within Matrix, created opportunities for women to explore different roles in other departments, improve their network, expand their skill-sets, and gain exposure beyond their current job role; significantly enhancing their adaptability and career growth opportunities. This initiative has already seen incremental impact, with 10 women completing the cross-training in 2024, and an overall 10% increase in women applying for roles outside of their initial job functions.

"I started my journey at MAS in 2020 as a staff member, and by 2024, I was promoted to Executive – Quality Assurance. Progress in my career has been made possible thanks to the continuous support and opportunities provided to me by MAS. I feel incredibly fortunate to have participated in various training programmes, including 8-Step Training, Power BI Training, Fabric Training, Lacoste Training, and important courses that polished my knowledge and practice of English, IT, Dress-Making, and Lean Six Sigma Green Belt.

These programmes and courses have equipped me with the skills and knowledge to become a qualified trainer in Quality Assurance for other team members at Asialine. I am deeply grateful for the growth these opportunities have provided, and I am committed to working hard and continuing to be a positive role model for others. I look forward to advancing further in my career and making a meaningful impact at MAS".

**Dinushika Hasarangi**  
Executive (Quality Assurance),  
Asialine – Active



"The cross-training programme opened up new opportunities that I had never imagined. It helped me gain skills that made me eligible for a role in a different department, and I'm excited to take on these new challenges".

**Shanika Bandara**  
Senior Executive, Matrix



## Empowerment through Entrepreneurship

Developing and promoting more women entrepreneurs has always been a key focus area for MAS. While our women had secure employment in our operations, many had communicated interest in making the most of the shift nature of their job to leverage additional opportunities for income generation for their families, spouses, and communities.

In 2023, responding to needs voiced by our teams on the factory floor and considering Sri Lanka's economic crisis, we gave greater priority to developing female entrepreneurs and supporting women in their small-scale ventures and self-employment efforts.

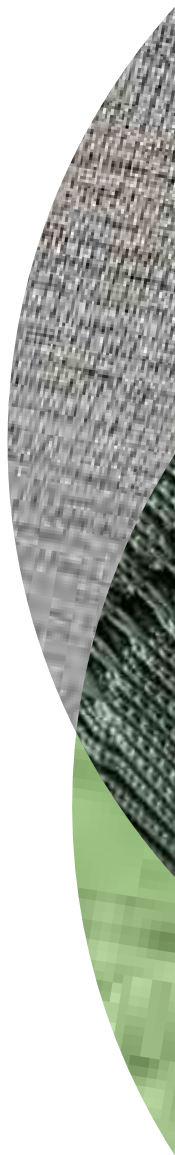
In 2024, these efforts were further supported by a Group-led entrepreneurship and skill development programme, carried out in partnership with Lonali Rodrigo, founder of the  House of Lonali. This initiative enabled participants from all our divisions to explore five learning modules on Entrepreneurship, Sustainability and Emerging Opportunities, Supply Chain, Marketing, Finance Management, and Business Canvas - including cost structures and income structures. As part of the second phase of this programme, participants were coached to develop business plans that could be expanded into full-fledged business solutions.

Over and above this centralised initiative, we continued implementation of targeted training programmes with practical application at all our locations. Programmes covered areas such as tailoring, beauty culture, cookery/ culinary skills, cake baking and decorating, etc.

MAS Active continued the Diriyapola (fair of the courageous) initiative throughout 2024 as a monthly establishment. The Diriyapola

guide was used to support all entrepreneurs within their facilities and in the community, encouraging them to move away from reselling businesses and to focus on business initiatives that provide them with long term growth and success.

Recognising the inherent value of financial literacy to entrepreneurship, and in personal lives, we partnered with the Central Bank of Sri Lanka to develop and carry out a practical educational session with the objective of improving Financial Literacy among our employees. The programme was piloted at Bodyline in 2024, and discussed areas such as personal financial planning, effective debt management, smart investing, and savings strategies. Additionally, it equipped participants with the knowledge to identify and avoid financial scams, while promoting responsible money management. We plan to extend this programme to other locations in the Group in the coming years.





**CREATING ROLE MODELS,  
MENTORING, AND SPONSORSHIP**

The culture of knowledge-sharing across MAS is driven by formal mentoring, targeted sponsorship, and inspirational peer-interactions sparked by role models that have grown with and through our ranks. This has created a supportive network of mentors and like-minded peers, particularly amongst our female talent, with role models to pave the way for others in the cadre. In 2024, more than 220 carefully selected women from the Executive and Senior Executive cadre were given formal mentorship opportunities with over 150 mentors within the Group.

The success of our targeted mentorship programme is evident: an 85% retention-rate among mentees and 66% achieving at least one promotion in 2024; the latter referring to protégés within the Sponsorship Programme. Furthermore, over 60 women in managerial roles have gained formal sponsorship from 40+ EXCO members and senior leaders across the Group.

“My mentor’s journey inspired me to break through my own career barriers. She not only helped me develop my skills but also gave me the confidence to aim for senior roles”.



**Hasanthi Koswatta**  
Mentee – Matrix

**“Abhimani: Empowered  
Woman of the Year”  
Awards**

Signature excellence-recognition programme for women’s empowerment at MAS

Launched in 2004, the initiative seeks to recognise, celebrate and showcase the outstanding achievements of our women. The programme predominantly focuses on women on the factory floor, and also highlights female entrepreneurs and women driving progress in sustainability and innovation across the Group. MAS provides these women with supplementary skills to prepare them for internal and external evaluation panels before the competition. We remain dedicated to supporting their

growth beyond the Awards, enabling them to contribute meaningfully to their broader communities.

In 2024, the Abhimani programme continued its tradition of recognising and rewarding excellence among our women from different walks of life, and is an important tool in cultivating empowered role models across the organisation. We proudly recognised and celebrated over 120 remarkable female changemakers in 2024, together with the 20th Anniversary celebration of the Women Go Beyond programme; providing a platform to share stories of exceptional women within and outside MAS.

Each Abhimani winner at Team Member (TM) or Staff level was assigned a trained mentor and set up for one-on-one conversations with their respective General Manager – Production. We saw these opportunities as essential, not only for providing vital support for their growth, but also for granting them the visibility and recognition they rightfully deserve.

As part of our multi-faceted approach to fast-tracking career progression of these outstanding women, the

Programme included conversations with inspirational women leaders, a hands-on workshop that offered a fresh perspective on emotional resilience, communication and confidence-building through theatre techniques - conducted by Power of Play, and a diversity and respect sensitisation workshop conducted by Kapila Rasnayake – a Gender and Communication Consultant. The holistic approach to personal development also included training on building self-awareness, connecting with your purpose and personal branding followed by a hands-on experience in business and social etiquette conducted by Manusha Weerakkody – Executive Coach and HR consultant.

All Abhimani winners in Sri Lankan and overseas locations were also offered a series of group coaching sessions on identifying, setting, and actioning goals for their personal and professional lives. Winners and runners-up also were offered a comprehensive English Language Development Certificate Programme, tailor-made for their needs, in collaboration with Sri Lanka Institute of Information Technology (SLIIT).

The certificate programme was conducted in a combination of online and on-site sessions, covering a multitude of aspects and culminating with a Best Speaker Contest between the top participants who were also supported through coaching in the run-up to the contest.

“Over the past year and a half, the knowledge I gained from the various training workshops I attended has been instrumental in helping me self-evaluate and further develop my skills and attitudes. Thanks to the support from the WGB team, I was able to enhance my abilities, which led to participation in The Abhimani Awards. Not only did I take part, but I was also honored to win as an Empowered Woman of the year 2023 for MFI. I got the opportunity to take part in the SLIIT English Course, which significantly improved my language skills and transformed me into a more confident and effective individual at work. These experiences have been pivotal in my growth, and I am deeply grateful for the continued support and opportunities provided by the WGB team”.

**Piumi Nisansala**  
Team Leader (Operations), MFI – Active

“The session on goal-setting was very insightful and helped me clearly map my short and long-term goals. This was a good opportunity for me to reflect on myself and plan my future”.

**Tasnim Al Hissa**  
Winner – Empowered Woman of the year, MAS Kreedat Al Safi Madaba, Jordan

“First of all, the Comprehensive English course helped me brush-up on grammar that was taught to me in my school days. One of my biggest fears was public speaking and this course provided me with the opportunity to practice and improve my confidence and develop my public speaking skills by overcoming this fear. Throughout this class, I was able to learn and enhance my English proficiency, and I was selected to be among the top 6 best speakers. Not only was I able to receive the award for Best Speaker at the final contest, I was also able to pass the written exams with an A-grade as well. I am very grateful for this opportunity which is a great support my career progression”.

**Anjalika Senadheera**  
Winner – Best Speaker contest

“Teaching has always been my passion, and I’m grateful to have had the opportunity to pursue it professionally. I completed my Higher National Diploma in Primary Teaching (Grades 1-5), and currently, have the privilege of teaching English to three wonderful students. I had taken a step back from teaching for a while, but enrolling in the SLIIT English course reignited my passion for education and helped in refining and expanding my knowledge. Therefore, I am grateful to Linea Intimo and the WGB team for pushing me to take part in this course”.

**Ayesha Piyumali**  
Team Member – participant of the English development programme, Linea Intimo, Active





**ENABLING ENVIRONMENT  
AND AFFIRMATIVE ACTION**

**GRI** 401-3, 403-6

Our women’s empowerment programmes integrate targeted interventions with broader system-change, wrought through policy support, infrastructural changes, affirmative action, and addressing unconscious bias. These efforts are nurturing an enabling environment that can attract, retain, and empower our female talent to excel.

To facilitate this, we continue to advocate, advice and support policy and infrastructure changes, such as childcare facilities, lactation rooms, recruitment considerations, and policies for flexible-work, maternity and paternity leave, adoption leave, etc.

As of 2024, 36 of our global locations provide at least one type of employer-supported childcare, benefiting over 500 children. Employer-supported childcare can be through provision of an internal creche, external creche or even an allowance – depending on the need of the location. While 43 of our locations have a designated lactation room that can be used by mothers returning from maternity, there are other specific interventions, implemented throughout the Group, that focus on expectant

mothers. At a group level, all mothers were entitled to the legally mandated 84 days of maternity leave and over 3,768 mothers were supported during the year – not only with maternity leave, but also through provision of additional care, nutritious meals, awareness and education, and other provisions such as care packs. Additionally, our policies for paternity leave enabled 1,083 fathers to utilise paternity leave during the same period. While paternity leave is not a legal requirement, we remain committed to supporting our fathers in balancing work and family responsibilities.

“When I began at 21, as a LKG (Lower Kindergarten) teacher, I was looking to build my future. Today, I’m a proud mother of a 3-year-old, who now is also an LKG student at Sithula. Sithula gave me the foundation and confidence to become the woman I am, and I’m incredibly grateful for the journey. Looking back, I feel immense gratitude for everything Sithula has provided not just a job, but a community that has shaped my life. I hope MAS continues to support this amazing institution, so future generations can experience the same opportunities that I did”.

**Sonali Iresha Mariya Bandara**

Teacher at Sithula Community Pre School offered by Linea Intimo – MAS Active

These ongoing efforts have enabled MAS to achieve a maternity return rate of 52% in 2024, as well as a paternity return rate of 87%. To facilitate a smooth transition back for our staff, we monitor return-to-work rates and take proactive steps understand their needs.



	Paternity leave (male)	Maternity leave (female)
Employees entitled for parental leaves	1,083	3,768
Employees utilising parental leave	1,083	3,768
Employees who returned to work after parental leave ended	941 (definition is the number that retained beyond 3 months upon returning)	1,962 (definition is the number that retained beyond 3 months upon returning)
Return-to-work rate	87%	52%
Those still employed 12 months after their return to work	139 (525 remained beyond 6 months upon returning)	361 (1,025 remained beyond 6 months upon returning)

**WOMEN'S HEALTH AND SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS (SRHR)**


Health and wellbeing of our women is a key priority for MAS, and many of our initiatives focused on women's health and Sexual Reproductive Health and Rights (SRHR) continued, across all divisions, throughout the course of 2024.

All MAS facilities continue to include an in-house medical center with trained nurses and visiting doctors available in the factory premises. Emergency sanitary pads are also made accessible at all locations; free of charge or at a subsidised amount.

In addition to the number awareness programmes conducted in 2024, all locations conducted at least on medical camp providing women the opportunity to get screened for breast cancer and cervical cancer.

Understanding that our employees' wellbeing is intrinsically linked to their families and communities, we carried out 174 programmes, and reached over 8,523 beneficiaries from the community during the course of the year.

A Strategic Partnership for Women's Health

Marking a milestone for MAS in 2024, we signed an MoU with  UNFPA on women's health and wellbeing on 28 November 2024. This MOU aims to provide a framework of cooperation and facilitate collaboration between MAS and UNFPA, with the goal of increasing investment in health and wellbeing service delivery through workplace interventions to reach and empower women and girls in the apparel sector. Initial collaborations, following the MoU signing, have already begun – including upgrading of existing medical centres, carrying out awareness work, and setting up wellness centres in BOI zones accessible to MAS and other employees.






### Circle of Care: Women's Health and wellbeing


**Idle Module Training Marathon** (Linea Aqua): A series of training sessions were organised in 2024 with the objective of engaging employees during down-time, and enhancing their understanding on topics such as menstrual health and hygiene, family planning, maternal health, and prevention of Sexually Transmitted Infections (STIs).

**Nobody Fights Alone** (Bodyline): This ongoing Cancer-care and community support programme, launched in 2021, continues to address the urgent need for early cancer detection and support for those affected by breast cancer. In 2023, this programme was honored as a joint winner at the MAS Changemaker Awards, alongside MAS Intimates, in the "Lives Changed for Good" category. The cash component of the award was reinvested in the programme – renovating the Well Woman Clinic at the Ingiriya Hospital, which benefits women, aged 40 years and above, within a radius of 10 km from our facilities. This clinic, now upgraded, is easily accessible to communities living in Ingiriya, and

also serves as the nearest facility for Bodyline factory workers seeking breast cancer screenings and family planning consultations.

**Menopause and SRHR:** Following up on last year's initiative, Group carried out an in-person refresher programme in collaboration with the  Menopause Society of Sri Lanka.

Awareness work continued in small groups through our internal trainers across all divisions with the hope of breaking the stigma and normalising this very natural change in a woman's body.

**HIV Awareness and Prevention:** Considering rising HIV numbers in Sri Lanka, MAS lent support to the Country's national efforts aimed at controlling the spread through information and awareness. We conducted in-person Train-the-Trainer sessions in 2024, in partnership with Sri Lanka's  National STD/AIDS Control Programme bringing the right information, addressing common myths, and raising awareness through posters and other tools distributed among trainers from all our divisions. As a further step in this effort, MAS also launched a series of podcasts on social media themed – "The Shame

Epidemic", focused on halting stigma and misinformation that hold back the fight against HIV. The podcast included conversations with Dr. Janaka Weragoda, Consultant Community Physician at National STD/AIDS Control Programme, and Hans Billimoria from the Grassrooted Trust.

### Preventing and Addressing Gender-Based Violence (GBV)

All our divisions engage in mandatory quarterly awareness sessions on preventing and addressing gender-based violence, including legal consultation sessions.

Intimates rolled out a series of activity-based Body Safety Education workshops in 2024 curated for parents and teachers at MAS and in the wider community. The workshops were organised to provide proactive education and awareness with the intention of ensuring the safety and wellbeing of children.


This was paired with a Body and Boundaries Workshop for children aged four and above, specifically including children of our employees

and their communities. This interactive, activity-based training, titled 'My Body! My Choice!' guided children on how to recognise and respond if their personal boundaries are violated, and equipped them with essential knowledge to protect themselves and seek help when needed.

In 2024, our collaboration and partnership with UNFPA included efforts to create awareness on GBV in line with the global movement: 16 Days of Activism Against Gender-Based Violence. Aside from MAS taking part in a marathon organised for the cause, several of our facilities in Bodyline, Active, and Kreedaa, were lit up in orange, as part of the 'Orange the World' call-to-action that is working to end violence against women and girls. Commemorative efforts also included audiovisuals and other modes of awareness-raising. We also conducted two in-person awareness and sensitisation workshops for our trainers and those who volunteered to be change-agents in this journey. The workshops were conducted by Ms Bimali Amaresekera, National Programme Analyst, Women's Rights and Gender at UNFPA.

In addition to the community-focused work carried out on GBV by all our divisions, Linea Aqua worked with Sri Lanka's AG Office – Dompe, Prison Department, and Treatment and Rehabilitation Division, to conduct education programmes on domestic and cyber-violence and exploitation. This initiative, which included an awareness session at the rehabilitation center in Meethirigala, sought to address some of the root causes for GBV, including abuse of drugs and alcohol.

## Men-Engage for Equitable Workplaces

In 2024, MAS initiated a new partnership with the  **Grassrooted Trust** to gather insights on the experiences, challenges, and needs of male employees, with a focus on determining potential interventions to better support male employees at MAS, while making them better allies in our journey towards gender equity.

The Grassrooted Trust facilitated a series of 14 independent Focus Group Discussions (FGDs), across multiple MAS facilities and all organisational bands – ranging from TM/Staff, up to Director level.

The conversation centred on mental health and interpersonal relationships, physical and sexual health, perceptions/prevailing attitudes towards gender and sexuality, and managing personal economy.

The discussions were well received, generating a number of important perspectives and providing our teams with important insights on interventions that could be implemented in the coming years.

## WOMEN IN MANAGEMENT

**GRI** 405-1

2024 has been yet another challenging year, with shifting ground realities and changes in the internal and external environment. Despite these exigent circumstances, we saw an improvement in our Women in Management metric – reaching 26% in 2024, from 24% the previous year.

Our successes in improving gender equity at management-level are closely connected to the support, commitment, and accountability of Senior Leadership at MAS, who drive this agenda and are an integral part of creating a more supportive and a conducive environment for women.

Alongside targeted interventions, we also provide tools and create access to resources and networks that empower our women on multiple fronts. To support this agenda, our women's networks continued through 2024, where all divisions across the Group launched divisional women's networks aligned with a set of Group-wide guidelines. Over 180 women from our major divisions were a part of these divisional networks during the year, with the opportunity to connect at a Group level, which received overwhelmingly positive feedback.

Our journey towards gender equity has been incremental and positive – overall Women in Management numbers have improved from 21% in 2019 to 26% in 2024. However, we are conscious of the fact that we will not achieve our aspirational goal of 30% by 2025. This is due to struggles in pipeline building, attracting and retaining women in the manufacturing industry, and many of the gaps we need to continue to address as businesses and as an industry.

Similarly, although the women's representation at Board-level (MAS Capital and MAS Holdings Boards) has reduced marginally – 21% in 2024, from 23% the previous year, we are heartened that this is still a significant increase from 8% in 2018, when our active interventions began. MAS will continue to place relevant targets for ourselves as we check and adjust our journey.








## MEANINGFUL EMPLOYMENT

Meaningful employment in the apparel industry is a value-lever that considers the needs and motivations of the people behind the positions, as much as it considers their job-roles, skillsets, and experience. This section details our commitment to fostering meaningful employment for the thousands of employees who call MAS home.

Read about the  **Social compact** that governs our approach to meaningful employment and the core values enshrined in our strategies for recruitment, training, and more.

## ATTRACTING AND RETAINING TALENT

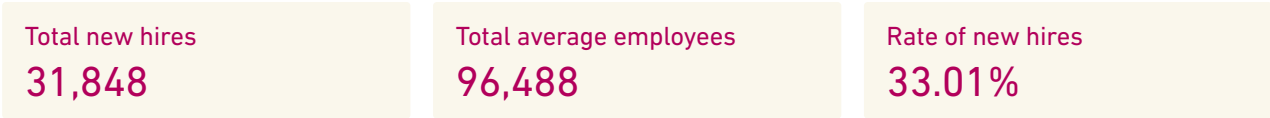
**GRI** 401-1

We continued to build on the previous year's momentum in 2024, by strategically amplifying MAS' value proposition to employees and prospective candidates through targeted branding efforts.

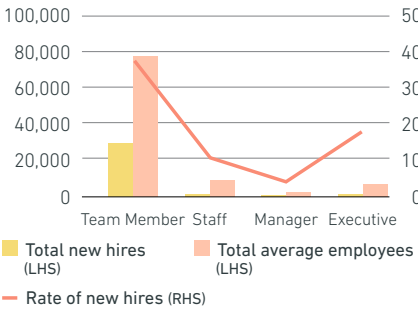
As an equal opportunity employer, we continued to prioritise finding the best-qualified candidates for each role, irrespective of race, gender, age, sexual orientation, disability and religious beliefs. This is reflected in our job postings, flyers, and throughout the entire recruitment process and policy.

Our workforce numbers remained fairly stable in 2024 – at 96,488 average headcount; reflecting a marginal 4% downtick from 100,457 in 2023. Employee hires in 2024 amounted to 31,848 at a 33% hire-rate, against the employee turnover of 30,301 at 31% turnover rate. Closure of our Haiti Business Unit in mid-2024, corresponded with expansion and resultant increased hiring at other business units that resulted in no significant net change to our workforce.

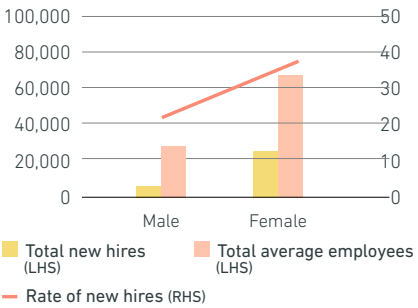
TOTAL NUMBER AND RATE OF NEW EMPLOYEE HIRES, BY GRADE, GENDER AND REGION



NEW EMPLOYEE HIRES BY GRADE  
(No.) (%)



NEW EMPLOYEE HIRES BY GENDER  
(No.) (%)



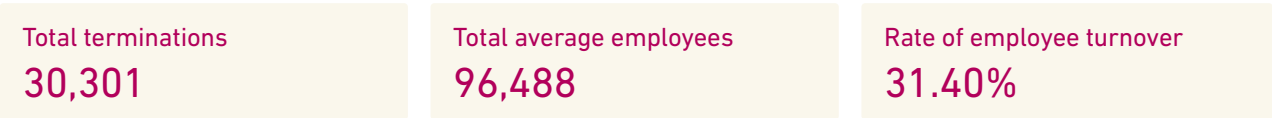
The values for recruitment and turnover of employees has been taken from the systems in January, 2025.

Age category	Total new hires	Total average employees	Rate of new hires
Under 30 years old	24,960	48,289	52%
30-50 years old	6,849	46,220	15%
Over 50 years old	39	1,979	2%
Total	31,848	96,488	33%

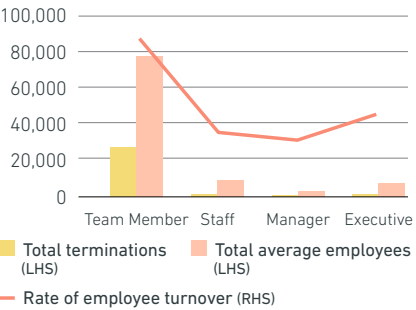
Age category	Female			Male		
	Total new hire	Total average employees	Rate of new hires	Total new hire	Total average employees	Rate of new hires
Under 30 years old	19,919	34,432	58%	5,041	13,857	36%
30-50 years old	5,707	31,944	18%	1,142	14,276	8%
Over 50 years old	19	1,252	2%	20	728	3%
Total	25,645	67,628	38%	6,203	28,860	21%

Region (Country)	Total new hires	Total average employees	Rate of new hires
Bangladesh	2,997	5,555	54.0%
Dominican Republic	3	226	1.3%
Haiti	2	722	0.3%
India	2,437	3,515	69.3%
Indonesia	2,191	5,547	39.5%
Jordan	659	3,936	16.7%
Kenya	804	3,599	22.3%
Singapore	2	5	40.0%
Sri Lanka	22,371	72,104	31.0%
USA	30	155	19.4%
Vietnam	352	1,124	31.3%
Total	31,848	96,488	33.0%

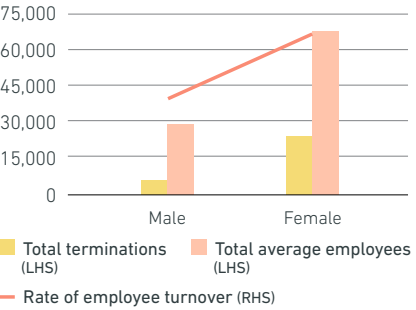
TOTAL NUMBER AND RATE OF EMPLOYEE TURNOVER, BY GRADE, GENDER AND REGION.



EMPLOYEE TURNOVER BY GRADE  
(No.) (%)



EMPLOYEE TURNOVER BY GENDER  
(No.) (%)



*\*With the closure of the Haiti Business Unit in mid-2024, the total average number of employees decreased significantly, making the total terminations for the year appear higher than the total average and resulting in more than 100% turnover rate.*

Age category	Total Terminations	Total average employees	Rate of employee turnover
Under 30 years old	19,945	48,289	41%
30-50 years old	9,979	46,220	22%
Over 50 years old	377	1,979	19%
Total	30,301	96,488	31%

Age category	Female			Male		
	Total terminations	Total average employees	Rate of employee turnover	Total terminations	Total average employees	Rate of employee turnover
Under 30 years old	16,257	34,432	47%	3,688	13,857	27%
30-50 years old	7,686	31,944	24%	2,293	14,276	16%
Over 50 years old	257	1,252	21%	120	728	16%
Total	24,200	67,628	36%	6,101	28,860	21%

Region (Country)	Total terminations	Total average employees	Rate of employee turnover
Bangladesh	1,624	5,555	29.2%
Dominican Republic	75	226	33.2%
Haiti	1,628	722	225.5%*
India	2,034	3,515	57.9%
Indonesia	1,784	5,547	32.2%
Jordan	1,106	3,936	28.1%
Kenya	606	3,599	16.8%
Singapore	–	5	0.0%
Sri Lanka	20,889	72,104	29.0%
USA	46	155	29.7%
Vietnam	509	1,124	45.3%
Total	30,301	96,488	31.4%



## Engaging the Brightest Young Minds

- 26 career fairs
- 59 guest lectures, workshops, and forums – attended by over 5,000 students
- 39 skills for work sessions
- 1,751 interns engaged

MAS took part in 26 career fairs during the year, including MAS Open Days at state and private universities. MAS Open Days is a recruitment drive organised solely for MAS, where we are able to provide one-on-one attention and advice to students on employment opportunities that align with their career goals.

Our engagement in career fairs and recruitment events goes beyond recruitment, intending to develop the Country's future workforce by nurturing young graduates across various disciplines. Skill development programmes in the form of guest lectures, workshops, and forums are prime examples of how some of our internal subject matter experts share their knowledge, skills, and expertise on succeeding in the ever-evolving

job market. In 2024, MAS worked to upskill more than 3,000 students by facilitating 59 guest lectures and conducted workshops attended by over 2,000 students.

MAS internship programmes provide immersive, hands-on experiences across various departments; offering mentorship, industry experience, and skill development opportunities for students and recent graduates. In addition to the signature internship initiatives detailed below, the Group's ongoing internship programme runs year-round, and engaged 1,751 interns during 2024.

## MAS, Dialog, and Hemas Summer Internship Programme

The Summer Internship Programme, in partnership with Dialog and Hemas, is a longstanding initiative established 19 years, providing a curated experience for Sri Lankan students studying in private universities locally and or global universities overseas. This collaboration between some of the

Country's largest conglomerates showcases the vast capabilities of Sri Lankan enterprises and opportunities in the job-market; with the intention of motivating young talent to remain in the Country or return to Sri Lanka once they have completed their studies.

Over the course of the 6-week internship programme, selected interns have the unique opportunity to engage in projects, meet leaders and subject matter experts, attend knowledge sharing sessions, and take part in various workshops across the three companies and industries. They gain a deeper understanding of each organisation's operations, and build essential knowledge and experience that would smoothen their transition into the professional world.





## MAS Global Internship Programme

The MAS Global Internship Programme, in partnership with the University of Oregon, USA entered its second year in 2024. Tailored for postgraduate students, this year's cohort included three interns from the Sports Product Management and Sports Product Design programmes. Throughout the internship, the interns were provided with an in-depth look at the Company's capabilities, visiting eight MAS facilities to gain valuable insights. In addition, the interns were given the chance to travel and explore Sri Lanka's best offerings, enriching their overall internship experience in the Country.

Together, these initiatives help maintain our position as a leading employer of choice for students, while also strengthening our brand presence and drawing exceptional young talent to the organisation.

## MAS Alumni Network: Redefining the Employee Experience Beyond Exit

Over the course of the year, the MAS Alumni Network expanded to include 47 former Deputy General Manager and above individuals from across the Group. The network was formed with the goal of extending the employee experience beyond their point of exit, fostering ongoing relationships with former employees.

## LEARNING AND DEVELOPMENT

**GRI** 404-1, 404-2

We adopted a well-rounded approach to training in 2024, blending a variety of methods and channels to best meet the needs of our employees.

For Team Members and Staff categories, we focused on hands-on instructor-led training and blended learning formats, while prioritising targeted self-paced training for our Executive and Senior Leadership teams. This approach ensured that employees had access to the most relevant learning opportunities tailored to their roles and career progression.

Many of our signature programmes and self-directed learning options, empower employees to take control of their own growth. Owing to the success of this approach, we were able to deliver an average of 25 hours of learnings per employee in 2024.

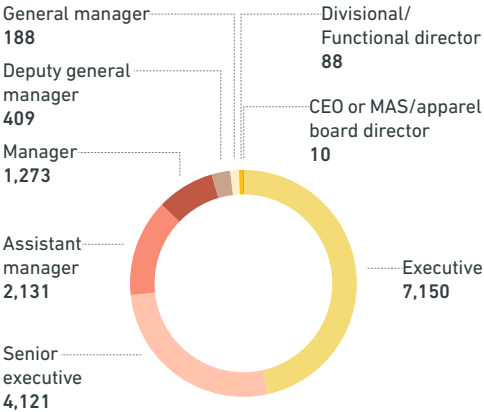
Group-wide talent reviews, conducted by our Centre of Excellence (CoE) assess localised and region-specific challenges to align talent development with regional and global business objectives. These reviews play a vital role in promoting local leadership development across global operations, by assessing and enhancing talent within specialised functions, building functional bench strength, identifying subject matter experts, and supporting talent rotation. In 2024, these reviews were held in manufacturing facilities across Jordan, Kenya, Indonesia, India, and Bangladesh.

**NURTURING OUR  
TALENT PIPELINE**

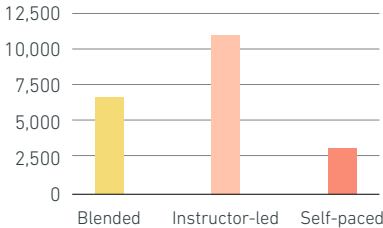
The majority of training programmes are designed for our Executive talent, particularly young professionals. These programmes aim to introduce our ways of working, enhance technical expertise, broaden operational and industry knowledge, and develop leadership capabilities.

In 2024, with the objective of further enhancing the knowledge base of the Executive to General Manager cadre, we introduced an in-house, quarterly, Compliance and Labour Knowledge Sharing Session. The new programme is designed to equip participants with the latest insights on local and international labour compliance landscapes, ensuring they remain well-informed of evolving regulations and industry best practices. Additionally, the sessions provide a structured platform to identify and address common group-wide labour compliance bottlenecks, fostering greater efficiency and regulatory adherence across our operations.

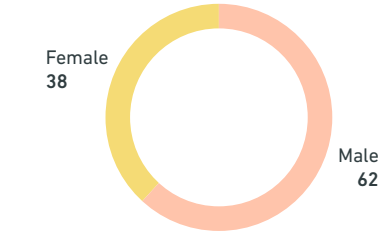
**NUMBER OF HEADS BEEN TRAINED –  
(EXECUTIVE AND ABOVE GRADE)  
GRADE WISE  
(No.)**



**TRAINING METHOD  
(EXECUTIVE AND ABOVE GRADE) –  
NUMBER OF HEADS BEEN TRAINED  
(No.)**



**NUMBER OF HEADS BEEN TRAINED –  
(EXECUTIVE AND ABOVE GRADE)  
GENDER WISE  
(%)**



Team member and staff training hours

**2,537,457**

Executive and above training hours

**315,342**

Total training hours

**2,852,799**

Total headcount 2024

**115,077**

Training hours per head

**25**

**AVERAGE TRAINING HOURS BY GENDER AND EMPLOYEE CATEGORY**

Grade	Number of employees trained	Man hours	Learning hours per employee
Male	33,507	776,208	23.2
Female	81,570	2,076,591	25.5
Total	115,077	2,852,799	24.8

Grade	Number of employees trained	Man hours	Learning hours per employee
Team member and staff	99,707	2,537,457	25.4
Executive and above	15,370	315,342	20.5
Total	115,077	2,852,799	24.8



**SKILL DEVELOPMENT  
AT THE SHOP FLOOR**

In addition to career advancement and upskilling initiatives detailed under the Empowering Women section, the following skill development programmes express our broader commitment to growth and development of employees on the factory-floor.

The Shilpi Programme, piloted in 2022, is designed to certify Training School Instructors (TSIs) or Sewing Trainers, in order to enable them to better understand sewing techniques and support them to train team members in a more effective manner.

The first batch of 25 participants, selected from the Group’s five main divisions, completed their training in 2023. Following the pilot programme, we incorporated feedback, evaluated outcomes, and refined the curriculum before launching the second batch from January to December 2024. In addition, during the course of the year, we carried out a density mapping exercise to analyse the success and reach of our Shilpi certification programme. With completion of the second batch, the Programme has now successfully covered almost 40% of our TSIs.

	2023	2024
TSIs completing the certification	23	22

MAS also offers a Technical Skills Development programme specifically designed for Team Leaders (TL) and Group Leaders (GL). This programme equips participants with the technical expertise and essential soft-skills necessary to excel in their leadership roles. The programme offers a structured learning pathway leading to a Certificate or Diploma; catering to various learning needs and career aspirations. Programme content is regularly reviewed by Subject Matter Experts (SMEs), MAS Technical Leadership, external industry experts to ensure the curriculum alignment with up-to-date technical knowledge and industry requirements. As part of the program’s upliftment aspect, a corporate etiquette session, conducted by an external resource-person, was included and conducted for both Certificate and Diploma participants.

The Certificate Level programme concluded its sixth batch in June 2024 – with 42 participants successfully completing the programme (at an 89% completion rate). The Diploma level programme is currently underway for its second batch of 27 students participants representing 13 MAS SBUs.

Looking towards expanding the Technical Skills Development Programme, we are actively pursuing establishment of a Degree-offering module and are in collaboration with relevant institutions to develop an appropriate curriculum aligned with industry standards. This would be especially beneficial to talented and driven employees who have advanced through the ranks without a formal degree.



Accredited equivalent NVQ standard		Course duration	2023	2024
Certificate level graduates	Production supervisor (sewing) – NVQ level 4	6 months	28	42
Diploma level graduates	Textile and apparel manufacturing technology (apparel sector) – NVQ level 5	24 months	N/A	27 (Ongoing)

Programme name	Programme duration	Batch size	Completed	Retained – after completion	Resigned – after completion	Resigned – during the programme	Quit the programme
Certificate batch 6	November 2023 – July 2024	47	42	42	–	1	4
Certificate batch 6 %	–	–	89	100	–	2	9
Diploma batch 2 – ongoing	November 2023 – December 2025	28	–	–	–	2	–

**GLOBAL TALENT MOBILITY**

The MAS Global Mobility (GM) programme facilitates the movement of employees across countries and regions for work. Employees can typically be sent on short term assignment (ranging from 3 to 12 months) and long-term assignment (ranging from 1 to 5 years).

Talent movement in this form serves multiple purposes, including staffing new or expanded plants and operations, filling critical knowledge gaps by deploying experts, and providing essential oversight through experienced leaders. Furthermore, it significantly contributes to employee development by facilitating global networking, offering opportunities to adapt to diverse regional customs, regulations, working styles, and business environments, as well as handling critical projects and collaborating with multinational teams.

In 2024, MAS provided 127 employees with the opportunity to go on international assignments. From this, 40 were short term assignments and 87 were long term assignments. The top three divisions were Intimates (67), Kreedaa (23) and Silueta (13). The top three countries we sent employees to were India (30), Kenya (25) and Bangladesh (22). The top three grades that went on international moves were Senior Executive (37), Manager (26) and Assistant Manager (20).

**EMPLOYEE WELLBEING AND WORK-LIFE BALANCE**

We champion a comprehensive, four-pronged approach to employee wellbeing, encompassing mental, physical, emotional, and financial aspects. We implement tailored initiatives, guided by country-specific principles, to meet the unique needs of each of our divisions.

In 2024, we implemented over 1,000 knowledge-sharing sessions across our global footprint, positively impacting over 100,000 employees. Building on the success of our initiatives in fostering awareness, enhancing health practices, and cultivating a supportive culture; we are committed to expanding and refining our interventions, conducting regular needs assessments, fostering open dialogue, and rigorously measuring our impact through consistent feedback mechanisms.







## MENTAL WELLBEING

In the context of Asia, mental health, drug prevention, domestic violence, and suicide prevention are essential elements of general wellbeing and workplace productivity. Our dedication to advancing mental health and nurturing an environment that fosters our values of inclusivity, compassion, and support for every employee, go beyond conventional commercial goals.

- **BLOOM Project:** A recurring programme that provides stress management workshops, counselling sessions, and resources to enhance mental resilience and overall wellbeing.
- **Substance Abuse and Suicide Prevention Awareness Programme:** Addresses the psychological impact of economic hardship by providing personnel with tools to identify warning signs, seek aid, and cultivate a supportive work environment.
- **Sri Lanka Sumithrayo MAS Helpline:** In 2024, MAS proudly marked the second successful year of implementing the Sri Lanka Sumithrayo MAS Hotline initiative. This dedicated mental health hotline serves over 70,000 Sri Lankan employees, operating from Monday to Saturday (10:00 am – 10:00 pm), and connects them with mental health professionals during and beyond office

hours. Additionally, employees have access to face-to-face consultations at 10 centres across the island, ensuring comprehensive support.

- **MindCare:** The MindCare programme is an initiative designed to develop Counselling skills of middle managers. Rooted in the belief of fostering a supportive work environment, this programme aims to equip our middle managers with essential Counselling skills, transforming them into Barefoot Counsellors. While MAS is fortunate to have dedicated full-time qualified counsellors to address employee grievances, we recognise the pivotal role middle management plays in nurturing employee morale, managing stress, resolving conflicts, and ensuring overall wellbeing.
- **Art Therapy Sessions:** Art therapy is a powerful tool for supporting mental wellbeing in the workplace by providing employees with a creative outlet to express emotions, reduce stress, and improve overall mental health. Through activities like painting, drawing, or sculpture, individuals can explore their feelings in a non-verbal way, which can often be easier than talking about difficult emotions. Art therapy helps to foster a sense of mindfulness and relaxation, allowing employees to disconnect from work-related stress and rejuvenate their minds. It also

promotes problem-solving skills, enhances emotional regulation, and improves self-awareness, which are all essential for managing the pressures of a busy work environment.

- **Employee Assistance Programme:** The initiative offers confidential counselling services to help employees cope with personal challenges such as stress, family issues, addiction, and mental health concerns. Employee Assistance Programmes typically provide access to professional counsellors, legal and financial advice, and referrals to other resources.

## PHYSICAL WELLBEING

Ensuring the physical health and wellbeing of our workforce is paramount at MAS. Through various initiatives and programmes, we strive to promote healthy lifestyles and preventive healthcare practices, fostering a culture of wellbeing and vitality among our employees.

- **Ergonomic Workplace Design:** This process focuses on creating a work environment that promotes comfort, reduces physical strain, and enhances productivity. By incorporating ergonomic furniture and equipment, such as adjustable chairs, sit-stand desks, keyboard/mouse setups, and proper lighting, employees can maintain good posture and avoid musculoskeletal



issues like back pain or eye strain. Ergonomic workspaces are tailored to fit individual needs, ensuring employees can work efficiently without discomfort.

- **Medical Camps:** Annual medical camps with expert medical personnel provide free check-ups for all employees, emphasising preventive health measures and early detection of potential health issues.
- **Sexual and Reproductive Health Awareness Sessions:** MAS conducts comprehensive sessions on sexual and reproductive health, covering key topics such as the reproductive system, menstruation, endometriosis, PCOS, menopause, safe sex, and contraceptive methods.
- **Spiritual Bliss:** An initiative that utilised Yoga sessions led by a professional Yoga instructor, to foster holistic wellbeing by promoting physical health, mental clarity and spiritual rejuvenation. Open to all, these sessions provide dedicated time for employees to prioritise self-care and relaxation. This initiative has been carried forward from 2023.
- **Zumba Sessions:** Fun and energetic activity-based sessions to promote physical fitness, reduce stress, and encourage team bonding.

## FINANCIAL WELLBEING

As Sri Lanka's economy continues its recovery post economic crisis, financial challenges persist for many. In response, the Company has rolled out a series of initiatives to strengthen employees' personal finance management skills and help them navigate the rising cost of living.

### Entrepreneurship Development Programme:

This initiative is a comprehensive entrepreneurship programme aimed at equipping employees with the skills, knowledge, and mindset needed to successfully launch and manage their own businesses. Training in key areas such as business planning, financial management, marketing strategies, leadership, and innovation, ensure that participants are well-prepared to navigate the complexities of entrepreneurship projects, while also contributing to soft-skills such as building confidence, enhancing problem-solving abilities, and fostering resilience. Additionally, hands-on workshops cover practical skills in industries such as cake-baking and beauty culture, with plans to expand into other sectors based on participant interest and market demand. As further support, we provide mentorship, networking opportunities, and access to real-world case studies, creating an ecosystem where participants can learn from experienced professionals and gain valuable industry insights.

- **Financial Literacy Programmes:** Financial Literacy Awareness Programmes are aimed at enhancing the financial wellbeing of MAS employees. This comprehensive programme, conducted at national and regional levels, focuses on key areas such as personal financial planning, effective debt management, smart investing, and savings strategies. Additionally, it equips participants with the knowledge to identify and avoid financial scams, promoting responsible money management.
- **Bank and Goods Promotions for Employees:** This initiative was a special banking and retail promotion that offered exclusive discounts and financial benefits. By partnering with banks and retail vendors, employees gained access to low-interest loan schemes, installment plans, and special discounts on essential goods and services.
- **Financial Counselling Services:** These provide employees with access to professional guidance on managing their personal finances. These typically include one-on-one consultations with certified financial planners or advisors, who help individuals with budgeting, debt management, saving, and long-term financial planning. The goal is to assist employees in making informed decisions about their financial situation, while also providing support for specific issues like credit management or retirement planning.



EMOTIONAL  
WELLBEING

Emotional wellbeing is a cornerstone of a healthy and thriving workplace environment. At MAS, we prioritise the mental health and emotional resilience of our employees through targeted programmes and initiatives. By fostering open dialogue, providing support, and promoting self-care, we aim to create a work culture that prioritises emotional wellbeing and contributes to overall employee satisfaction and success. Fostering a respectful and supportive workplace is key.

- **Renew and Restore:** An innovative and tailored intervention designed to enhance mental health and emotional resilience across various departments. This initiative responds to the growing need for effective workplace support by offering targeted sessions that address specific challenges faced by employees. Every session is customised to ensure relevance and effectiveness, creating a supportive environment where employees can openly engage and develop essential coping mechanisms. These sessions are conducted in small groups to foster meaningful interactions and a personalised experience.

Depending on the level of intervention required, sessions will range from 1.5 to 3 hours, allowing adequate time for discussion, skill-building, and reflection.

- **Gender Based Violence and Cyber Harassment Prevention:** This is an initiative to raise awareness and equip our members with essential knowledge on identifying, preventing, and reporting such issues. Among others, this aims to educate members about the impact of GBV and cyber harassment, provide guidance on safe online practices and inform members about the official channels to report such incidents.
- **Bring your Child to Work Day:** Is an initiative organised to give employees the opportunity to bring their children to the workplace, allowing them to emotionally connect with where their parents spend their work days. This initiative not only fostered a deeper understanding and bond between parents and children but also created a supportive and engaging environment for everyone involved.
- **Music Therapy Sessions:** As part of our commitment to employee wellbeing, these sessions are designed to provide a calming and rejuvenating experience, offering a dedicated space where employees can unwind, reconnect, and relieve stress through the power of music.

- **Defensive Driving Training:** This programme equipped drivers with the knowledge and skills to anticipate and avoid potential hazards on the road, through a combination of both practical and classroom instructions. Participants who enrolled in the programme learnt to identify risky driving behaviour, understand the principles of safe vehicle operation, and develop proactive strategies for preventing accidents. The training covered topics such as hazard perception, space management, proper following distances, and techniques for handling adverse driving conditions.

ENSURING SUSTAINABLE  
COMPENSATION FOR OUR PEOPLE

GRI 2-19, 2-20

Our sustainable and competitive compensation packages go beyond the financial element alone, consistently exceeding minimum wage and complying with country-specific regulations and apparel industry standards. Our efforts extend to providing safe and conducive working conditions, fair and transparent pay practices that prioritise recognition and reward based on merit, and opportunities for skill development and career growth.

Benefits made available to employees range from insurance cover for medical needs, illness, and accidents; communication and transport allowance; and support for professional growth and wellbeing.

In 2024, we took a major step forward in employee welfare by extending Critical Illness Coverage (CIC) to Team Members, ensuring broader financial protection and access to essential healthcare for a larger segment of our workforce. In addition, we worked with our business partners and service providers to increase the value of Personal Accident Cover that is made available to employees. This benefit will be realised from 2025 onwards.

PERFORMANCE MANAGEMENT AT MAS:  
DRIVING GROWTH AND EXCELLENCE

GRI 404-3

Performance Management (PM) is a continuous process of identifying, measuring, and developing individual and team performance while aligning efforts with organizational goals. In the fast-paced apparel industry, where efficiency, quality, and innovation are key to staying competitive, an effective Performance Management System is essential. At MAS, PM is designed to ensure employees are equipped to succeed and grow

within the organisation. It encompasses goal setting to provide clear direction, mid-year reviews to track progress and make necessary adjustments, values assessments to reinforce the company's core principles, and year-end reviews to evaluate overall performance and set future development plans.

Through targeted development opportunities, MAS enables employees to enhance their skills, advance in their careers, and contribute meaningfully to the Company's success. All Executive and above employees undergo annual performance reviews, while Staff and Team Member evaluations are conducted based on specific requirements – such as Team Leader/Group Leader reviews, skill master evaluations, or skill matrices.

In the 2024 Performance Management Cycle, conducted in early 2025, a total of 9,417 employees were eligible for performance reviews.



EMPLOYEES ELIGIBLE FOR PERFORMANCE REVIEWS

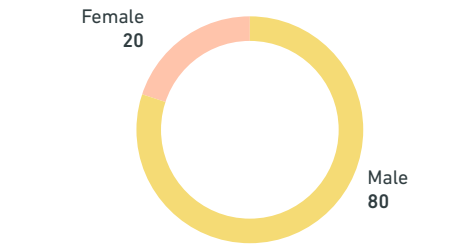
Employee category	Male	%	Female	%
Assistant manager	891	72	349	28
CEO	18	86	3	14
Chairman	1	100	–	–
Deputy chairman	1	100	–	–
Deputy general manager	220	75	75	25
Divisional/Functional director	87	80	22	20
Executive	2,294	58	1,649	42
General manager	140	79	37	21
Group director	3	100	–	–
Holdings board director	2	100	–	–
Manager	634	78	174	22
MAS/Apparel board director	6	75	2	25
Senior executive	1,885	67	924	33
<b>Total</b>	<b>6,182</b>	<b>66</b>	<b>3,235</b>	<b>34</b>

DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

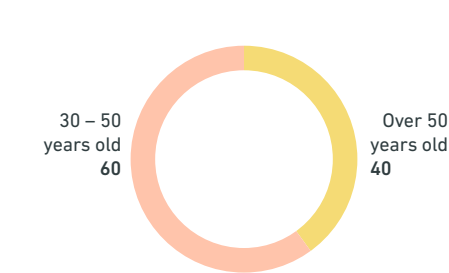
**GRI** 405-1

PERCENTAGES OF INDIVIDUALS WITHIN THE ORGANIZATION'S GOVERNANCE BODIES BY GENDER

PERCENTAGE OF INDIVIDUALS – GENDER (%)

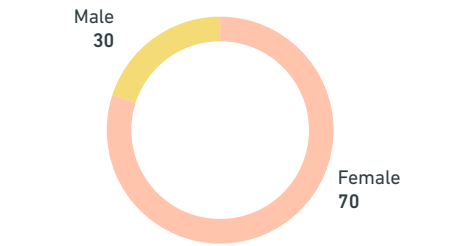


PERCENTAGE OF INDIVIDUALS – AGE (%)

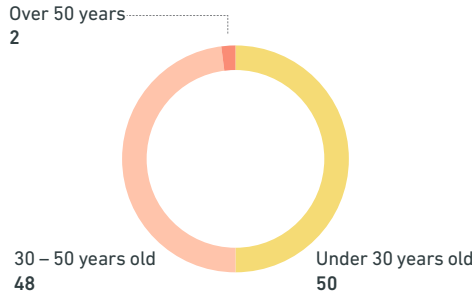


PERCENTAGE OF EMPLOYEES PER EMPLOYEE CATEGORY BY GENDER

PERCENTAGE OF INDIVIDUALS – GENDER (%)



PERCENTAGE OF INDIVIDUALS – AGE (%)



EMPLOYEE CATEGORY

Gender	Team member	Staff	Executive	Manager
Male (%)	59	19	15	7
Female (%)	89	6	4	1

Age category	Under 30 years old	30-50 years old	Over 50 years old
Male (%)	14	15	1
Female (%)	36	33	1

GRI 2-21, 405-2

MAS ensures equal remuneration for men and women in similar job roles, with a strict policy against gender-based discrimination in all compensation and benefits practices. The remuneration packages for the staff and the annual compensation ratio are kept confidential in nature.

DIVERSITY, INCLUSION, AND FREEDOM OF EXPRESSION AND IDENTITY FOR ALL

Our value proposition to employees includes a commitment to create an equitable workplace free from discrimination and harassment where all decisions affecting individuals are made fairly, considering individual merit, job requirements, and business needs. We expect all employees to contribute to this by treating each other with dignity and respect.

EMPOWERING PERSONS WITH DISABILITIES

In 2024, our comprehensive four-pronged approach to disability inclusion continued to guide our actions as we progressed in creating and improving an inclusive workplace where our colleagues with disabilities can thrive.

Recognition for Disability-Inclusive Employment

In 2024, MAS was recognised in driving disability-inclusive employment practices and awarded the prestigious Zero Project Award for 2025 for our Supported Employment Process.

The Zero Project, in partnership with the ILO Global Business and Disability Network (GBDN), is dedicated to eliminating barriers for persons with disabilities. By spotlighting exemplary practices, the Zero Project aims to foster a more inclusive world aligned with the United Nations Sustainable Development Goals (SDGs) and the UN Convention on the Rights of Persons with Disabilities (UN CRPD).

The Supported Employment Process at MAS was recognised for its innovation, impact, and scalability in an extensive multi-step awarding process that involved over 350 experts and more than 300 hours of review. MAS was one the awardees for 2024, selected from 522 nominated initiatives and institutions from around the world.

Persons with Disabilities employed

435

Vision impaired

21

Hearing impaired

294

Physically impaired

119

Cognitive impaired

8





During 2024, our Employees with Disabilities continued to benefit from initiatives that create a supportive and enabling environment:

**ENABLE**

- Buddy systems  
**38**
- Sign language training  
**32**
- Ensuring accessible workplace  
**30**
- Innovative, accessible tools and technology provided for PWDs (e.g. vibrating bracelets/bands, hearing aids, etc.)  
**10**

**EMPOWER**

- Specialised counselling, mentoring or coaching  
**32**
- Leadership and soft-skill development  
**32**
- Providing new job opportunities and/or cross-functional roles  
**31**

**ENGAGE**

- Supported Employment process in place  
**41**
- Annual engagement events  
**41**
- Sign language and emergency training for buddies and parents of PWDs  
**30**
- JCC minutes communicated to all PWDs in the SBU  
**23**
- Engagement with disability networks (such as the Deaf and Blind Association, and Marks and Starts Programme)  
**12**

**Lable by MAS**

Launched in 2023, our  Homegrown solution for adaptive clothing continued to deliver on its commitment to creating innovative clothing that is inclusive and accessible.

Participating in the Abilities Expo in Fort Lauderdale, we introduced new adaptive products to a wider audience, created direct connections with consumers, and expanded our product tester network.

Our partnership with Sri Lanka's National Paralympic Committee reached new heights as Sri Lankan Para Athletes competed in the 2024 Paris Paralympics, wearing kits designed and manufactured by Lable. We also hosted an Felicitations to celebrate these athletes, upon their send-off and return.

**Dialog-MAS Enabler Programme 2024**

In collaboration with Dialog Axiata PLC, Sri Lanka's leading connectivity provider, MAS Holdings successfully launched the second iteration of the Dialog MAS Enabler Programme in early July 2024. This initiative is designed to enhance employment opportunities for persons with disabilities (PWDs), offering them meaningful workplace exposure while simultaneously educating employers on the value of inclusive hiring practices.

The two-week pilot programme welcomed 14 undergraduates and graduates who had visual, hearing, or physical impairments from the University of Kelaniya, University of Colombo, and University of Sri Jayewardenepura. Participants engaged in immersive learning experiences across various departments within both companies.

At Dialog, students explored customer engagement through hands-on experiences at service centers. At MAS, they gained valuable insights into product development and the manufacturing process.

A highlight of the programme was the experience at the MAS Adaptive Centre of Excellence, which houses Lable by MAS, an innovative adaptive apparel brand designed for people with disabilities.

The programme concluded with participants sharing their reflections and key takeaways, underscoring the transformative impact of this exposure.

The Dialog MAS Enabler Programme represents a pivotal step towards creating more inclusive workplaces in Sri Lanka. Beyond empowering individuals with disabilities, it seeks to reframe the national narrative around disability inclusion advocating for equity, accessibility, and meaningful participation in the world of work.



### COLLABORATION FOR EQUITY AND INCLUSIVITY


We continue to drive the agenda for gender equity and are proud to be an initial signatory from Sri Lanka to the UNGC Target Gender Equality programme. Additionally, partnerships with the Grassrooted Trust, National Transgender Network Sri Lanka,  **EQUITE Sri Lanka** and our engagements with local and global organisations such as UNFPA and the International Finance Corporation (IFC) continue to bolster our efforts to create a more inclusive environment for all marginalised groups.

As a corporation headquartered in Sri Lanka, we maintain strong ties and close connections with other trailblazing Sri Lankan corporates that are on the same journey. Celebrating International Women's Day 2024, MAS launched a new podcast series entitled Conversations that Count – bringing together other private sector parties like JKH, Unilever, Brandix, and Hirdaramani to share and discuss their work in this space. In 2024, we hosted the 20th UNGC Gender and Diversity Working Group Meeting in Sri Lanka where panelists from MAS, UNFPA, Diesel and Motor Engineering (DIMO), and Sandbox Consultancy shared their insights. The Working Group meeting created an opportunity for MAS to share the progress made toward "Diversity and Inclusion for

Women at Work". The meeting was attended by representatives from many Sri Lankan corporates including Brandix, Fortude, Aitken Spence, Hayleys, Deloitte, etc.

### Empowering Inclusivity

Throughout 2024, we continued to carry out sensitisation conversations on people of diverse Sexual Orientation, Gender Identity, Gender Expression, and Sex Characteristics (SOGIESCs); often collaborating with other organisations and institutions who are working toward similar objectives.

In celebration of PRIDE in 2024, MAS launched its homegrown  **Empower Inclusivity** microsite – a public educational platform which can be referred to anyone who wishes to learn more about this space. This is our first public communication in the space of people of diverse SOGIESCs and is being utilised in our in-person training programmes as well.

In partnership with the Grassrooted Trust, National Transgender Network Sri Lanka, and EQUITE Sri Lanka, we conducted two comprehensive training-of-trainer programmes and sensitisation workshops for targeted employee categories; resulting in

a pool of over 80 trainers who are taking this conversation forward in small groups.

With the support and guidance of these partners, MAS has also developed a set of guidelines to support and facilitate employees who seek assistance in going through a gender transition process in Sri Lanka.





WORLD-CLASS  
WORKPLACES

Ensuring our operations are world-class is not an overnight achievement; it involves concerted action and a sustained commitment to continuous development. Our achievements during the year are the result of continuous engagement with our employees, celebration and reinforcement of our core values and purposeful culture, and enforcement and improvement of stringent standards for health and safety.


ENSURING HEALTH  
AND SAFETY

**GRI** 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-8, 403-9, 403-10

The Company’s outstanding H&S performance during the year was recognised with the receipt of 10 gold awards and one silver award at the ROSPA Awards in 2024. In addition, one of our divisions received a proactive Gold-level business assurance certification from the Institute of Occupational Safety and Health – UK (IOSH).

Attaining International  
Benchmarks for our  
Workplace Safety

RoSPA Health and Safety Awards  
2024 – 10 Gold and 1 Silver Award

Our commitment to a zero-accident, zero-incident, and zero-disease workplace, driven by an interdependent safety culture, has earned significant international recognition. In 2024, we received 11 awards at the prestigious  RoSPA Health and Safety Awards 2024 – for our facilities in Sri Lanka, Jordan, and Indonesia. This marks a major milestone in benchmarking our world-class OHS standards.

The award programme pioneered by the Royal Society for the Prevention of Accidents (RoSPA), now in its 69th year, has grown to become the largest Occupational Health and Safety awards programme in the UK. The awards attract over 2,000 entries yearly, from more than 50 countries worldwide, representing H&S programmes covering over 7 million employees. These globally sought-after accolades recognise excellence in accident prevention, robust safety

management systems, and the processes, leadership, culture, and workforce engagement that fosters a mature safety culture.

MAS KREEDA recognised  
with Gold from IOSH UK

MAS KREEDA achieved a prestigious Gold (Proactive) – Level 9 (90%) in Occupational Safety and Health (OSH) cultural maturity at the enterprise level, through Business Assurance Certification provided by the Institute of Occupational Safety and Health (IOSH), UK. IOSH is the leading global professional body for OSH, and their Business Assurance Certification provides independent assurance against global benchmarks for enterprise-level occupational safety and health management.

The internationally recognised  certifications and accreditations we hold, such as ISO 45001 for Occupational Health and Safety, serve as a powerful external validation of our commitment to world-class workplace standards. These globally recognised endorsements assess our compliance with a number of industry-standard indicators that attest to the success of our H&S efforts. During the year 2024, 21 of our SBUs achieved or maintained ISO accreditation for world-class health and safety practices.

Our Lost Time Accident Frequency Rate and Severity Rates reduced by 57% and 31% respectively, reflecting the hard-earned success of efforts to elevate H&S standards, improve risk management practices, and create an interdependent safety culture across the Organisation.

Health and Safety Achievement Snapshot 2024

ROSPA Awards

10 GOLD

31% reduction in  
Incident Severity Rate (LTISR)

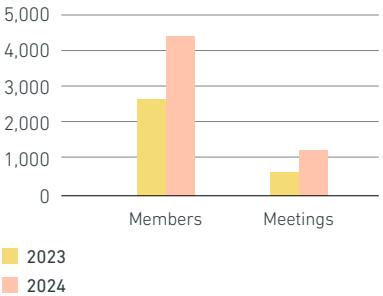
57% reduction in  
Incident Frequency Rate (LTIFR)

53% increase in  
Hazard-Reporting

Employee consultation and participation has been a cornerstone of our OHS success in 2024. We conducted more than 500 H&S committee meetings and addressed approximately 2,390 OHS issues and suggestions during the year. This was made possible by the 4,400+ H&S Committee Members who acted as dedicated H&S changemakers across all our SBUs. Additional engagements by almost 2,350 H&S point-persons functioning as Workplace Safety Facilitators, as members in Chemical Management Committees, and as Emergency Response Teams led to convening of around 728 meetings for 2024. The 53% increase in hazard-reporting and OHS suggestions, is another testament to increased employee awareness, interest, and participation in

Health and Safety initiatives. A Kaizen approach is consistently taken; 21,047 near misses recorded for 2024.

WORLD-CLASS WORKPLACES  
(No.)



61% of the reported near-misses and suggestions were actioned during the year and we have set ambitious SBU-level targets to increase action completion rates in the year ahead. We also maintained zero fatalities across our operations during the year.

Recognising the slight increase in the rates of road accidents with improved reporting, we have planned a number of SBU-level projects and initiatives to promote and strengthen commuter safety.

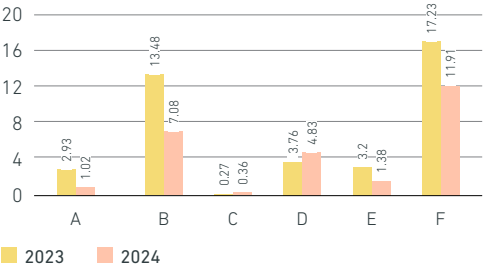
Improving our Fire Safety

In 2024, we completed implementation of a comprehensive Fire Detection Monitoring System that enhances fire safety at our operations – through real-time monitoring that enables rapid response. The system was developed entirely by our internal teams, originating as a Kaizen initiative.

The new fire safety system precisely identifies activated fire detectors or call-points on a factory map; feeding into a centralised display in the Engineering office and guard-room. Real-time alerts provide clear location details, and SMS notifications inform key personnel instantly.

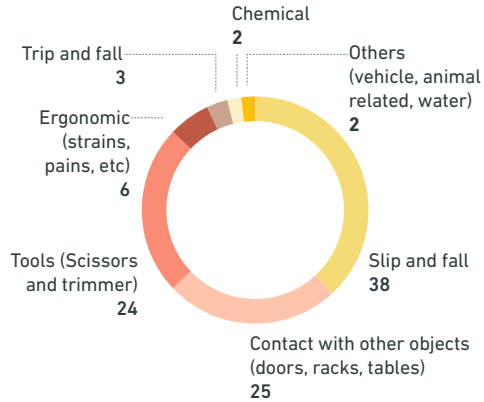
Category	Number
Total number of work-related non-fatal injuries due to accidents (lost time accidents)	201
Total number of lost man working days due to work-related non-fatal injuries	1,400
Total number of injuries due to road accidents that are work-related	71
Total number of lost man working days due to road accident-related injuries	956
Total number of non-fatal, non-work-related ill-health incidents recorded	2,243

H&S PERFORMANCE SUMMARY  
(No.)



A – Lost time accident frequency rate (non-road accidents)  
B – Lost time accident severity rate (non-road accidents)  
C – Lost time accident frequency rate (road accidents)  
D – Lost time accident severity rate (road accidents)  
E – Total lost time accident frequency rate  
F – Total lost time accident severity rate

ACCIDENT CATERGORISATION  
(%)







Training and development  
to ensure health and  
safety

We conducted 904 specialised H&S trainings during the year, covering a wide range of areas including fire safety, electrical safety, chemical management, confined space entry, fall protection, laser and radiation safety, machine safety, lockout and tag-out procedures, ergonomics, and contractor safety. These trainings covered over 2,218 hours and engaged the participation of over 45,473 employees.

We also conducted over 266 general H&S trainings, including annual refreshers and induction programmes on general H&S standards. These trainings reached 89,527 employees and totaled over 317.18 training hours.

		2023	2024
Special H&S training (e.g. electrical safety, chemical management, and other hazard/ risk-based trainings)	Participants	90,043	45,473
	Hours covered	1,854.80	2,283
	Training iterations	487	904
General H&S training (e.g. annual refreshers and awareness programmes)	Participants	93,130	89,527
	Hours covered	613	317.18
	Training iterations	360*	266

*\*2023 data restated, correcting discrepancy in previous disclosure.*

Strengthening Employee  
Health and Vision

In 2024, MAS significantly amplified its commitment to employee health and wellbeing through two impactful health-focused initiatives. Our Health and Wellness Camp, generously supported by Lululemon through their Vendor Grant, provided free medical services to over 4,000 employees. The delivered over 3,461 medical tests, including blood tests, cholesterol checks, and ECGs, with participants also benefiting from eye examinations, cancer awareness programmes, women's health and subfertility consultations, urology services, physical health awareness sessions, and skincare consultations.

Simultaneously, our Clear Vision Initiative, in partnership with VisionSpring, offered free eye screenings to over 2,000 employees. Those diagnosed with vision impairments were provided with personalised prescriptions; with more than 300 employees receiving free prescription glasses.

**OPERATIONAL  
CONNECT**

A foundational element of our Human Capital management strategy involves maintaining a strong operational connect between employees, industry, and our communities; in order to ensure smooth and continuous functioning of the organisation. Our ongoing work within this function continued to serve as proactive problem-solving hub, collaborating closely with business units to address and resolve a wide range of operational challenges.

In 2024, these efforts included provision of assistance to 80+ employees impacted by heavy rains that persisted throughout the fourth quarter. In addition, we launched a new Compliance and Labour Knowledge Sharing Session; an in-house training programme, conducted quarterly, aimed at enhancing the expertise of our Executive and above cadre. The Programme equipped participants with the latest insights into local and international labour compliance landscapes, ensuring they remain well-informed of evolving regulations and industry best practices. Furthermore, these sessions provided a valuable forum for identifying and addressing common labour-compliance challenges across the Group, leading to improved efficiency and adherence. A tangible outcome of these discussions was the formulation of our comprehensive Freedom of Association Policy.

**CULTURE AND  
ETHICS**

In 2024, we made significant strides in solidifying our ethical foundation and cultivating a culture of transparency and purpose. The MAS DNA survey echoed the progress made – with nearly 90% of employees understanding and being aware of our unique organisational DNA.

Perhaps most significantly, over the past four years we have witnessed a sustained increase in employee confidence to speak up, alongside widespread awareness of the grievance reporting channels that empower employees to voice concerns freely. This is evidenced by a significant rise in reported cases from 2020 to 2024 – a positive outcome confirming our efforts to create a mature and transparent environment where accountability is valued.

**GRIEVANCE REPORTING  
SYSTEM**

**GRI** 2-25, 2-26

At MAS, we believe open communication is the cornerstone of a healthy work environment. We have implemented a robust reporting system that empowers employees to voice their concerns through multiple avenues, ensuring every voice is heard. Our ongoing awareness and education programmes actively

encourage employees to voice their concerns whenever they experience discomfort or difficulty. Employees can choose the reporting method that best suits their comfort level. Trained Human Resources personnel are directly accessible for open and confidential conversations to address a wide range of concerns. Within groups, divisions, and SBUs, designated code officers act as trusted points of contact for discussions on ethical conduct or policy compliance.

For those who prefer anonymity, we offer several channels. Our anonymous hotline service and online platform managed by third party global service providers, allow employees to report concerns without revealing their identity. The DNA Helpdesk, accessible via the Company's website, provides another avenue for guidance or reporting potential violations. We are also seeking to extend the hotline to third parties to broaden our safety net. To further encourage reporting, we have strategically placed grievance boxes across our facilities, providing another layer of anonymity. Additionally, trained Employee Relations (ER) representatives are available to listen, address concerns, and escalate grievances as needed.

**IF YOU DON'T LIKE IT,  
WE CAN CHANGE IT.**

The time is now for you to speak up and bring attention to how we implement our MAS values and DNA behaviours at your place of work. Take this survey to bring out the good, bad and even the ugly so that we can make MAS the workplace that truly respects everyone and upholds best practices.

**Respond to the anonymous survey below  
to share your feedback**

English   Sinhala   Tamil

**DEADLINE  
EXTENDED  
TILL 30<sup>TH</sup>  
SEPT 2024**





## EMPLOYEE ENGAGEMENT AND VOICE

At MAS, we believe a healthy organisation one capable of aligning to a shared vision, executing strategies effectively, and adapting to change directly translates to high performance and long-term success. This is achieved through a resilient culture, employee satisfaction, and talent retention, which foster an engaged and productive workforce.

In line with previous efforts in 2018 and 2021, we partnered with a reputed third-party this year as well to conduct an organisation-wide pulse check survey, aimed at continuously improving MAS's organisational health and our ability to achieve strategic objectives. This comprehensive assessment analyses nine key areas:

- Motivation
- Capabilities
- Accountability
- Leadership
- Innovation and Learning
- Coordination and Control
- Direction
- Work Environment
- External Orientation

The survey also examines 43 management practices that contribute to these outcomes, pinpointing areas where MAS can excel and unlock the Organisation's full potential. A central dashboard to consolidate the survey results has been introduced, with the support of the Group talent analytics team, to support data-driven decision-making.

In addition to the survey, MAS made significant progress in executing the 2024 OHI roadmaps. A final evaluation at the end of the year revealed a 95% completion rate for the Group Culture Roadmap.

Ongoing leadership development programmes, focused on equipping leaders across the organisation with the necessary capabilities and tools to foster a psychologically safe environment, have been instrumental in driving employee engagement and happiness. The existing Team Care training, previously limited to a specific cadre, is set to be adapted for broader accessibility, ensuring all leaders benefit from its principles. To support this, a Train the Trainer session was conducted this year, enabling trainers to deliver Team Care more effectively across the organisation. In 2024, the training primarily focused on Assistant Manager and Manager cadre, with almost 50% of this group completing the programme through these trainers and prior sessions.

2024 saw MAS continue the tradition of employee excellence in Annual Mercantile sports competitions. MAS employees achieving multiple championship wins across various disciplines including swimming, table tennis, tennis, athletics, and volleyball. This year was particularly impressive, with our teams achieving some remarkable feats; such as phenomenal 11th consecutive championship wins in swimming and table tennis.

Our participation in ten different sports, sporting over 1,000 employee-competitors, is a strong demonstrator of employee engagement and internalisation of the organisation's culture of health and wellbeing through sport.



Sport	Participants in 2024	Championships in 2024	Achievement in 2024	Remarks
1. Swimming	110	Mercantile	Champions	11th Consecutive Year as of 2024
2. Table tennis	35	Mercantile	Champions	11th Consecutive Year as of 2024
3. Tennis	45	Mercantile	Champions	9th Consecutive Year as of 2023
4. Athletics	623	Mercantile	Champions	6th Consecutive Year as of 2024
5. Hockey	21	Mercantile	2024 Runner up	–
6. Badminton	36	Mercantile	Division “A” runner up	–
7. Rugby	31	Mercantile	Participated	–
8. Basketball	36	Mercantile	Participated	–
9. Volleyball	130	Mercantile	Champions – Championship Men’s category Champions – Division A Women’s Category 2nd Runners Up – Super League Women Category 2nd Runners Up – Super League Men Category	Won in different divisions
10. Chess	15	Mercantile	Participated	–





**THRIVING  
COMMUNITIES**

**GRI** 413-1

Our vision for a better tomorrow extends beyond the bounds of our organisation, ensuring the upliftment and empowerment of the communities in which we operate. We believe that initiatives implemented at grassroots level have the power to positively impact the entire community. As such, we strive to work together to create a world where everyone can thrive.

In 2024, MAS Holdings further strengthened corporate citizenship efforts, making significant strides in key impact areas. All operations (100%) within our reporting scope undertook community engagement initiatives in 2024. Despite a challenging business landscape, the number of initiatives increased by 2.69%, growing from 968 in 2023 to 994 in 2024. Volunteer engagement saw an impressive 32.82% growth, with 21,692 employees actively participating, reflecting a growing culture of collective responsibility and community involvement. While the number of beneficiaries reached 2 million, our community actions took a more focused approach during the year; prioritising high-impact transformative interventions with the potential to create lasting change.

**CORPORATE  
CITIZENSHIP ACTIVITIES**

**Sustainable  
Development Goals**



**SUSTAINABLE  
DEVELOPMENT  
GOALS**

Number of Activities

**994**

Number of Beneficiaries

**2,136,649**

Total Cost

**LKR 95,119,058**

Number of Volunteers

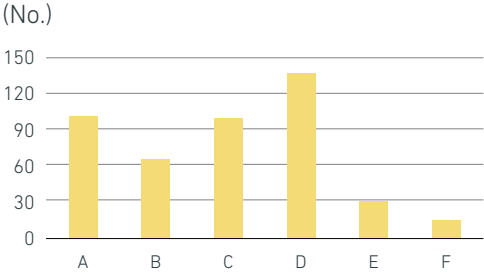
**21,692**



**OUR COMMUNITY  
ENGAGEMENT MODEL**

The MAS Community Engagement Model (CEM) uses a dedicated Community Engagement Team to ensure all stakeholders are considered. By thoroughly analysing community needs, we tailor impactful initiatives and maintain transparency in their implementation and reporting. Of the total activities implemented in 2024, 450 (45%) were directly aligned with our community engagement model.

**NUMBER OF ACTIVITIES BY CATEGORY  
OF INTERVENTION**



- A – Education
- B – Environmental Initiatives
- C – Health
- D – Local connect
- E – Nation minded
- F – Sports

**COMMUNITY ENGAGEMENT  
ROUND-UP 2024**

**MEAL DRIVE AND COMMUNITY  
ENGAGEMENT PROGRAMME  
(MAS INTIMATES)**

The year-long meal drive and other compassionate initiatives organised by MAS Intimates, in collaboration with schools and communities, continued into 2024. Focused on uplifting vulnerable groups, these projects provided nutritional support, health and hygiene awareness, and community engagement; particularly for schoolchildren and children with disabilities in underprivileged schools, orphanages, and elders’ homes. During the year 2024, the programmes ensured regular access to nutritious meals for over 5,273 children and 3,307 community members across 17 participating schools and community-based organisations, addressing critical gaps in food security.

**RENOVATION OF SEETHAGANGULA  
AMBALAMA AT ADAM’S PEAK  
(MAS BODYLINE)**

MAS Bodyline (BPL II) spearheaded the renovation of the Seethagangula Ambalama at Adam’s Peak; with the Sri Lanka Army serving as the primary partner under the approval of the Army Commander. Sri Lanka’s Seethagangula Ambalama holds historical significance as a community rest-stop along the sacred Sri Pada pilgrimage route; offering shelter and respite to over 5 million devotees who undertake the annual journey to this revered site. Recognising its cultural and religious value, the renovation project was carried out with requisite approval from the Department of Archaeology, ensuring all work adhered to heritage preservation guidelines.

**“MATU PARAPURATA HUSMA PODHAK” –  
A BREATH OF FRESH AIR FOR THE NEXT  
GENERATION (SHADOWLINE)**

MAS Kreeda – Shadowline launched the initiative to promote a cleaner, plastic-free environment. The project organised a 12km clean-up drive covering key areas like Awariwaththa Bus Stand, 18th Mile Post, Malgas Junction, and Amandoluwa. Over 300 volunteers and 14 stakeholders participated, removing 30 garbage bags filled with plastic, polythene, glass, and rubber waste. Additionally, 80 fruit and flower trees were planted to improve the local ecosystem, enhance air quality, and foster long-term environmental benefits.

**RENOVATION OF THE MINOR OT ROOM AT  
KARNOPHULI BEPZA (MAS SUMANTRA)**

As part of MAS Sumantra’s ongoing efforts to improve healthcare infrastructure for patients at BEPZA Hospital, the project expansion in 2024 provided surgical lights and patient beds to improve the quality of care and improve patient outcomes. Proper lighting during surgeries is essential for precision and accuracy, while comfortable patient beds are key to supporting patient recovery and overall wellbeing.

**DIGNITY OF MOTHERHOOD PROGRAMME  
(MAS INTIMATES, CASUALLINE)**

Multiple MAS business units conducted the holistic Dignity of Motherhood Programme aimed at improving wellbeing of mothers and babies before and after delivery. In 2024, MAS Intimates conducted 87 such programmes, reaching 789 mothers with knowledge, practical tips, music and art therapy, and baby essentials. Additionally, the Hiyata cleaning team of Casualline worked with the Medical Officer from Alawwa General Hospital, the Ministry of Health – Kurunegala, doctors at Thalampitiya Hospital – Kurunegala, and the local Keells Super; to implement a similar programme at the Thalampitiya Hospital, Kurunegala. The initiative supported and empowered pregnant mothers through a range of educational and practical initiatives focused on enhancing the maternal experience and creating a supportive community for expectant mothers.



## A Safer Tomorrow: Cultivating a National Safety Culture from the Ground Up

### The challenge

As Sri Lanka's economy evolves and returns to growth in the post-economic-crisis era, the manufacturing and industrial sectors will play a significant role in creating jobs, bolstering export competitiveness, and sustaining economic momentum. However, despite ongoing efforts, preventable workplace accidents and injuries are still common – leading to losses in productivity, increased healthcare costs, and diminished quality of life for workers and their families. Additionally, Sri Lanka has the worst road fatality rate in South Asia, indicating a pervasive lack of awareness that impacts the nation's human capital and economic progress.

In this climate, there is a dire need to instill a strong safety culture in Sri Lanka's younger generation; in order to empower them and create a ripple effect of positive safety practices within families and communities.

### The initiative

In a pioneering collaboration, MAS Kreedha partnered with the National Institute of Occupational Safety and Health (NIOSH) Sri Lanka to launch "A Safer Tomorrow" – a long-term national-level school safety programme. This initiative aims to cultivate safety consciousness from an early age, empowering students to prioritise their wellbeing and advocate for safety within their schools, homes, communities, and future workplaces.

The programme adopts a structured five-level framework, progressively equipping students with safety knowledge, skills, and practical experience. A core element is the Safety Champion Development Programme, where committed students are formally inducted and empowered to take on leadership roles. These Safety Champions guide their peers, organise safety events, and receive ongoing advanced training in hazard identification, risk assessment, and emergency response. The programme also extends beyond the classroom;

encouraging Safety Champions to involve their families and communities in safety initiatives.

### Early success and expansion

Launched in 2024, the programme has been successfully implemented in six schools across Sri Lanka, with success of the project seeing the model replicated at three schools in Jordan. Apart from the immediate benefits – such as increased safety awareness, a more organised approach to accident-prevention, and creation of peer-to-peer safety networks within participating schools; the project aspires to develop a generation of safety-conscious leaders who will champion safety in all aspects of life. By inculcating a far-reaching safety culture, the project expects to improve safety outcomes for entire communities – and ultimately contribute to a lasting reduction in workplace incidents and public accidents.



**MAS ECO GO  
BEYOND**

The MAS Eco Go Beyond continued for its 18th year, as part of the Company’s long-term commitment to uplift sustainability education in Sri Lanka. In 2024, MAS continued collaboration with 29 schools, for the second consecutive year, and saw implementation of 51 new student-driven projects.

New trees planted	640,469
Green cover increased (sqm)	14,709,833.40
Compost generated (kg)	31,140
Plastic collected for recycling (kg)	59,517
Glass collected for recycling (kg)	30,687
Paper collected for recycling (kg)	45,840
Iron collected for reuse (kg)	2,500
Generated harvesting from nutritious cultivation (kg)	11,476
Number of awareness programme conducted	3,478
5-S programmes implemented	2,850
Trees distributed	92,551

Awareness campaigns on Persons with Disabilities (PWDs) conducted	13,613
Awareness campaigns for households conducted	314,626
Student-led projects initiated	51
Students impacted	320,643
Schools involved	29

- MAS EGB encourages students to implement projects covering a range of topics, such as:
- Eco system restoration – Enhancement of Biodiversity (Conservation, Butterfly Gardens, Birds attraction) and Green Cover Enhancement/Tree Plantation/ Afforestation
  - Waste Management (Biodegradable Waste and Non-biodegradable Waste)
  - Food systems – SMART Agriculture/ Organic farming/Sustainable Cultivation
  - Water Conservation and Management
  - Energy Conservation and Management
  - Sustainable Lifestyle (Environmental responsible tours and trips, environmentally friendly decoration, Responsible consumerism)
  - Inclusivity – Multiculture promotion, disability inclusion – Adaptive solutions/ process/practices, Gender Equity

Upon project completion, a comprehensive evaluation assesses impact, effectiveness, and long-term viability. A crucial element of EGB’s success is its continuous feedback loop, ensuring projects remain aligned with objectives and continuously improve. Outstanding students and projects are recognised, motivating participants and fostering a broader shift towards sustainability.



### MAS EGB First Place Winner 2024

Ecosystem Restoration

**Rashmila Lasangi**

Uduwa Kanishta Vidyalaya, Horana

As the first-place winner of the MAS Eco Go Beyond Schools Programme, Rashmila Lasangi spearheaded an outstanding ecosystem restoration project with wide-reaching environmental and educational benefits. Her initiative began with the creation of a mini protected forest within her school, featuring 190 plants from 72 rare and endangered species identified through the IUCN Red List. To promote awareness and learning, she introduced informative name boards with QR codes, allowing students and visitors to access detailed information about each plant species. Beyond her school grounds, Rashmila extended her restoration work to the Dikhena forest patch, enriching its biodiversity by planting rare native species. This site now functions as a valuable green space that supports oxygen generation, soil conservation, and immersive learning opportunities for students. Tackling larger-scale environmental issues,

Rashmila led a significant riverbank protection effort along the Kalu Ganga River, an area affected by flooding and erosion.

She planted over 10,000 Mee, Kumbuk, and Bamboo trees, helping to stabilise riverbanks and safeguard local riverine ecosystems. This initiative was carried out in collaboration with the Water Board. To date, Rashmila has contributed over 20,000 plants to the environment, building a strong community of young environmental stewards and setting a benchmark for youth-led sustainability action.

### MAS EGB Second Place Winner 2024

Ecosystem Restoration

**Hashin Lakshan**

Bellana National College, Agalawatta

Hashin Lakshan implemented a high-impact ecosystem restoration project within the Kalutara District and beyond. His work addressed critical environmental challenges through practical, community-focused solutions. To mitigate

landslide risk in the disaster-prone area of Pahiyangala, Hashin cultivated and planted over 8,000 saplings, enhancing soil stability and reinforcing slope integrity. Additionally, he restored a land area in Galgamuwa previously known for frequent train-elephant collisions transforming it into a suitable habitat for elephants.

He also took on the conservation of the critically endangered Wesak Flower (*Dendrobium macarthurae*), partnering with a tissue culture facility in Baduraliya. Through this collaboration, he successfully propagated 200,000 orchid saplings, supporting species recovery and biodiversity conservation. Recognising the importance of preserving water resources, Hashin initiated a riverbank restoration project along 33 km of the Maguru River. He planted 14,000 Kumbuk trees and 700 Betel Nut trees to combat erosion, enhance water quality, and restore the riparian ecosystem. In addition to environmental restoration, his project supported education infrastructure through the construction of an outdoor classroom, creating a nature-integrated learning space

for students. Collectively, Hashin's projects contributed to the restoration of over 45,000 plants and engaged multiple stakeholders, demonstrating measurable environmental impact with long-term community benefits.





## MAS EGB Third Place Winner 2024

### Ecosystem Restoration

#### **Asindu Navodya**

Sri Gnanodaya Central College,  
Divulapitiya

Asindu led a transformative ecosystem restoration project through the support of Linea Aqua Naiwala. His work was grounded in reforestation, climate action, waste management, and food security; combining ecological impact with strong community engagement. Asindu planted over 22,000 tree saplings, including Kumbuk, Mee, and fruit trees, across multiple areas. He also collaborated with a Turtle Conservation Project to launch a 10,000-plant mangrove restoration initiative, reinforcing coastal ecosystems. Based on scientific projections, these trees are expected to absorb 80 metric tonnes of carbon dioxide over 20 years. His sub-project on waste management led to the recycling of over 1,156 kg of biodegradable and non-biodegradable waste, through a structured system based on 3R principles. This was

paired with awareness campaigns that built lasting behavior-change within households and schools.

Under the theme of sustainable food systems, Asindu introduced hydroponics and vertical gardening, cultivating over 53,000 vegetable plants (chillies, tomatoes, and brinjals), while also enabling home-based livelihoods in nine Grama Niladhari divisions. With over 76,000 plants contributed and a student-led team in place to sustain his work, Asindu's projects reflect deep impact, empowerment, and long-term sustainability.





### MAS GIRLS IN STEM

The MAS Girls in STEM programme ignites a passion for Science, Technology, Engineering, and Mathematics (STEM) careers amongst young women.

To address the limited availability of advanced science, technology, engineering, and mathematics (STEM) education in Sri Lanka, where only 10% of schools offer it, and to expand scarce opportunities for women in these fields, MAS is taking action. Our goal is to empower girls to challenge stereotypes and thrive in these male-dominated arenas.

Launched in 2022, the MAS Girls in STEM programme aims to spark a passion for STEM careers among young women. This initiative empowers female students pursuing science at A-level by providing practical learning experiences, valuable networking opportunities, and exposure to inspiring female role models in STEM fields.

The programme explores cutting-edge topics such as FemTech, wearable technology, aeronautics, data analytics, biotechnology, and artificial intelligence. To make learning dynamic and interactive, we incorporate engaging activities like quizzes, presentations, and hands-on sessions. We also established a network

of female role models, mentors, and like-minded peers to offer guidance and support.

**In 2024, the MAS Girls in STEM initiative was recognised amongst the Best Sustainability Projects at the Best Corporate Citizen Sustainability Awards, organised by The Ceylon Chamber of Commerce.**

In 2024, the programme completed its third year, engaging 100 aspiring students from 10 leading girls' schools across Sri Lanka. Over a period of 10 months, students explored seven dynamic modules: Wearable Technology, FemTech, GamerTech, WaveTech, Digital Product Creation, and Machine Build. While much of the learning took place through online modules, students also participated in an in-person experiential day, which offered them hands-on exposure to STEM subjects and the opportunity to develop innovative solutions to real-world FemTech challenges.

- Bishop's College, Colombo 03
- Holy Family Convent, Bambalapitiya
- Ladies College, Colombo 07
- Methodist College, Colombo 03
- Musaeus College, Colombo 07

- Muslim Ladies' College
- Saiva Mangaiyar Vidyalayam
- Sirimavo Bandaranaike Vidyalaya
- St. Bridget's Convent
- Visakha Vidyalaya



## Our Planet Changed for Good



Over the years, MAS has given prominence to identifying, analysing, and mitigating the environmental impact of our operations; driven by a core principle to leave our planet better than we found it.

Today, this pillar of the Plan for Change reaches beyond our manufacturing locations; to advance environmental sustainability within the industry, and effect positive change throughout our sphere of influence.

**TOTAL NON-HAZARDOUS  
WASTE VALUE ENHANCEMENT AS  
OF END-2024**

**76.2%**



LIMIT EMISSIONS

Our actions to limit emissions, embrace the energy transition, and inspire climate action, are allied with the concerted global effort to tackle climate change. The commitments we have made, for our business and our supply chain partners, reflect this responsibility to align business strategies and ambitions with the journey toward a low-carbon future.

OUR TARGET FOR 2025  
(%)



\*based on 2019 baseline





In 2024, we achieved 24.04% absolute reduction in our emissions footprint (measured against a 2019 baseline), surpassing our annual target of 21%. This continues the incremental gains made over the past years, and marks strong and steady progress toward our SBTi validated 2025-target of 25.2%.

We have adjusted and restated prior years' emission information, to reflect new acquisitions, and changes in control, and removal of facilities from the Group's operational boundary. As per these changes, and in order to more accurately represent the Group's actual emission footprint, MAS is in the process of proposing revised SBTi targets for 2030 in line with an adjusted baseline and new SBTi guidance.

Our progress in 2024 is the effect of a combination of strategic initiatives: including continued scale-up of solar power generation and transformation of renewable-energy management; strategic Power Purchase Agreements (PPA) with reputed utility providers; validation of green energy through Renewable Energy Certificates (RECs); prioritisation of

sustainable energy sources such as biomass; and continuous energy efficiency improvements across our operations; coupled with strategic business adjustments. Renewables now make up approximately 39% of our energy-mix.

We utilise emission-intensity and energy-intensity as metrics to analyse and monitor the efficiency of our operations and effectiveness of our emission-reduction initiatives. In 2024, the energy intensities of both Apparel Manufacturing and Textile Production saw a significant decline, even though emission-intensities saw a marginal increase.

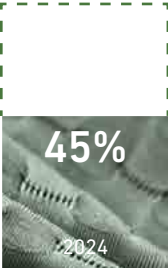
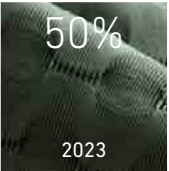
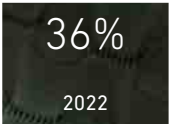
As we continued initiatives to address Scope 3 emissions and decarbonise the supply chain; we achieved 45% spend coverage for obtaining SBTi commitments: signifying almost half of our suppliers by-spend who have set their own science-based targets. While this is a reduction from 2023, reflecting the challenging business environment, we will continue to advocate for decisive action amongst our partners as we work toward the SBTi validated target of 85% suppliers by spend and 100% joint-venture

partners. We also focused on refining and improving the calculation of our Scope 3 emissions. This involved improvements to the methodology, inclusion of new data-points, and increasing of accuracy for impact calculations. In 2024 we also set in motion a series of strategic structural and cultural shifts to address and reduce Scope 3 emissions in the years ahead.

Moving forward into 2025, we are committed to intensifying our efforts across these crucial areas. We will capitalise on opportunities for

emission footprint reduction, continue to expand our renewable energy capacity, strengthen our sustainable biomass supply chain, and drive enhanced engagement and impact throughout our value chain.

**OUR COMMITMENT FOR 2025**  
(%)



**85%**  
our suppliers by spend and 100% of joint ventures in Scope 3 investments, will have science-based targets

**SCOPE 1 AND 2 – DIRECT AND INDIRECT EMISSIONS OF OUR OPERATIONS**

**GRI** 305-1, 305-2

In 2024, we continued to implement measures to reduce our direct (Scope 1) emissions – prioritising efficient production process, especially for dyeing operations; reducing onsite electricity generation from diesel generators; and enhancing the benefits of sustainable biomass, including for steam generation to decrease the use of Heavy Fuel Oil (HFO). Scope 1 emissions for the year amounted to 64,449.48 TCO<sub>2</sub>e, while Scope 2 emissions reached 76,006 TCO<sub>2</sub>e.

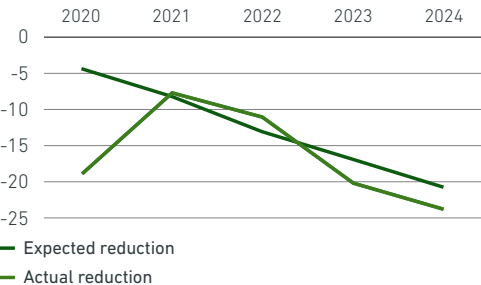
Scope 2 emission reduction efficiencies included expanding our solar net metering system to cover 18 Sri Lankan facilities; selecting energy-efficient machinery when pursuing new acquisitions; purchasing IRECs covering Sri Lanka, Jordan, and Vietnam; completing agreements on RECs for all our Indonesia facilities – aiming for 100% renewable grid energy; and finalising financial Power Purchase Agreements for our IFI Facility in India.

	2019	2020	2021	2022	2023	2024
Target emissions (TCO <sub>2</sub> e)	184,894.87	177,129.29	169,363.70	161,598.12	153,832.53	146,066.95
Actual emissions (TCO <sub>2</sub> e)	184,894.87	149,427.93	171,132.02	169,150.49	147,227.19	140,455.14
Expected reduction (%)	–	4.2	8.4	12.6	16.8	21
Actual reduction (%)	–	19.2	7.4	8.52	20.37	24.04

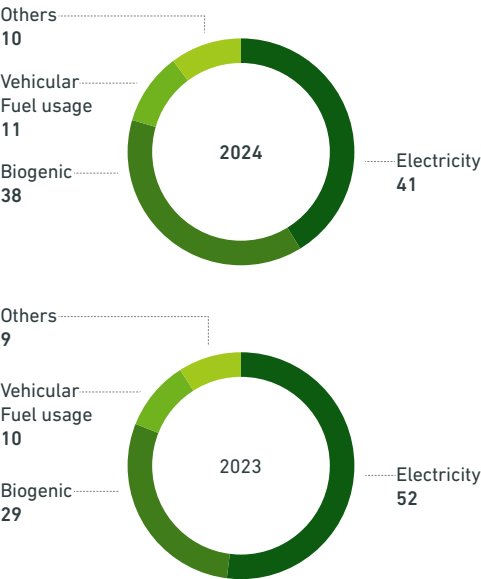
**GHG EMISSIONS AGAINST BASELINE (TCO<sub>2</sub>e)**



**EMISSION REDUCTION AGAINST TARGETS (%)**



**SCOPE 1 AND 2 EMISSIONS BY SOURCE (%)**



**GRI** 302-3, 305-4

Absolute emission reduction, coupled with successful implementation of process and production efficiency programmes, saw reductions in energy and emission intensity of our Apparel Manufacturing operations. Energy intensity stood at 17.79 MJ/SH (19.18 MJ/SH in 2023), while emission intensity was recorded at 0.91 kgCO<sub>2</sub>e/SDH (1.00 kgCO<sub>2</sub>e/SDH in 2023). Similarly, Textile Production operations saw a significant improvement in energy intensity to 106.69 MJ/kg, from 161.22 MJ/kg in 2023, even though emission-intensity increased to 12.63 kgCO<sub>2</sub>e/WP in 2024 (10.586 kgCO<sub>2</sub>e/kg in 2023).

**SCOPE 3 – EMISSIONS ACROSS OUR VALUE CHAIN**

**GRI** 305-3

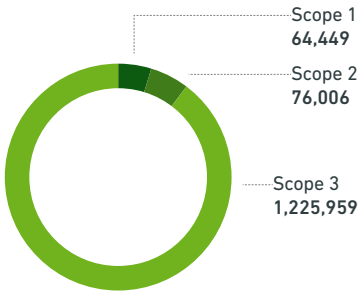
Our gross Scope 3 emissions in 2024 amounted to 1,225,958.85 TCO<sub>2</sub>e, reflecting a minor decrease from the previous year, despite addition of new data points for upstream emissions related to purchased fuels. Purchased goods and services contribute the majority of our emissions along the value chain (67%); while upstream and downstream transportation and distribution contribute an additional 18%. Employee commuting (4%) and end-of-life treatment of sold products (5%) are the other significant, addressable, categories of Scope 3 emissions.

In 2024, upon research and consultation with experts, we have adjusted the boundary of our Scope 3 emissions to not consider category 11, use of sold products, in accordance with allowances in the GHG Protocol guidelines. Additionally, newly acquired facilities were included in calculations.

**GROUP GHG EMISSIONS 2024**

**GRI** 305-5

(TCO<sub>2</sub>e)



In 2024, we focused on refining and improving the measurement and estimation of our Scope 3 emissions, including the trial of new databases for more accurate product impact calculations. This involved improvements to the methodology and use of data points for foreign travel and capital goods, new data points for fuel transport emissions, attention to upstream emissions related to fuel and purchased electricity, and expansion of considerations for purchased goods and services (category 1) to include services-related data.



### Addressing emissions in the apparel value chain

The apparel value chain involves an intricate web of suppliers, service-providers, and business partners involved in bringing products to market. Emissions across the value chain, as measured by Scope 3 emissions, continue to represent the largest share of emissions related to producing apparels.

While measuring and addressing these emissions present a significant challenge, we believe that it also represents a tremendous untapped potential for emission-reduction through impactful change.

Alongside our efforts to improve data collection and reporting, we are also working closely with our partners to address and reduce future emissions across the value chain. Commitments to emission-reduction by our suppliers, coupled with our forward-looking product strategy; are expected to deliver considerable emission-reduction results in the years to come.

- Onboarding supply chain partners to commit to SBTi.
- Increasing recycled RM content in product composition.
- Investing in recycling technologies that enable fibre-to-fibre recycling.

### OTHER SIGNIFICANT EMISSIONS

**GRI** 305-6, 305-7

The Group’s environmental management processes include regulations and monitoring of air quality and other air emissions from our facilities, in compliance with local regulations and international best practices. While our operations do not use Ozone Depleting Substances (ODS) for primary processes, products, or services, we account for the presence of hydrochlorofluorocarbon (HCFC) in Heating, Ventilation, and Air-Conditioning (HVAC) systems. Our efforts to phase-out ODS are aligned to regulator-driven stipulations in the areas we operate, including Sri Lanka – where HCFCs are planned to be phased out of the market by 2030.

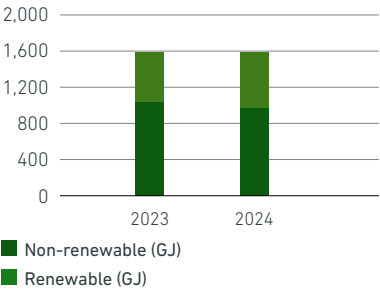
	2024	Share (%)
Ozone Depleting Substances (ODS) (TCO <sub>2</sub> e)	1,199.22	100
CO (kg)	–	63
NOx (kg)	–	25
SOx (kg)	–	7
Volatile Organic Compounds (VOCs) (kg)	–	1
Particulate Matter (PM) (kg)	–	5

### ENERGY TRANSITION

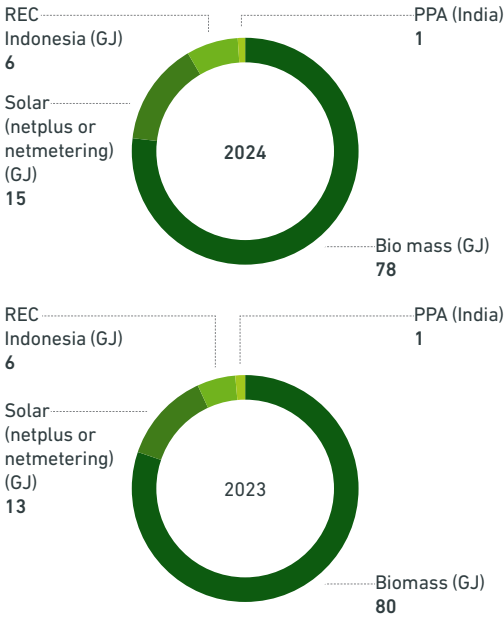
**GRI** 302-1, 302-2, 302-3, 302-4, 302-5

In 2024, our total energy consumption from non-renewable sources amounted to 972,507.41 GJ, with energy consumption from renewable sources standing at 614,554.31 GJ; resulting in total recorded energy consumption of 1,587,061.72 GJ. Overall energy consumption reduced marginally year-on-year, while energy from renewable sources grew by almost 10%; as we increase energy-utilisation from solar, biomass, and Renewable Energy Certificates (RECs). Renewables now make up approximately 39% of our energy-mix, up from 35% the previous year.

### SHARE OF RENEWABLES IN THE ENERGY-MIX (GJ '000)



### RENEWABLE ENERGY BY SOURCE (%)



We achieved an overall reduction in energy consumption in 2024, partly aligned with the scale of business for the year, but also owing to conservation and efficiency projects carried out at a number of our major plants.




Energy Management  
at MAS KREEDA

GRI 302-4


Division-level energy management and engineering advances implemented during 2024 have enabled MAS KREEDA to achieve significant reductions in energy consumption. These ongoing initiatives will help the Group realise gross energy savings of over 300,000 kWh (1,000 GJ) per year.

- Continuous compressed-air leak-rectification programme (65,400 kWh/year).
- Conducting a series of tests to identify and rectify compressed-air leaks on the production floor. Followed by assessments to quantify effectiveness of energy-saving measures.
- Compressor room heat elimination (5,600 kWh/year saving).
- Improved insulation and exhaust-control for compressors and dryers to reduce the overall compressor intake temperature.

- High and low-pressure separation in compressed air systems (53,400 kWh/year saving).
- Innovative plant-level optimisations that divided the compressed-air system to meet separate low-pressure and high-pressure needs, thereby reducing overall load on compressors.
- Compressor room rearrangement at Shadeline (143,000 kWh/year saving).
- Overhaul and rearrangement of piping pathways and improvement of temperature controls in the compressor room; leading to reduced transmission and distribution pressure-loss and optimisation of compressor-use.
- Installation of digital timers for lighting systems (39,600 kWh/year saving). New digital timers at our canteens allowed for improved automation of lighting control.

Sustainably sourced biomass remains a crucial component of our energy transition strategy, as outlined in our Approach to Managing  Energy and Emissions. In 2024, we continued to purchase biomass from reputed vendors, as per the MAS Sustainable Biomass Standard, with 5% of total biomass purchases sustainably sourced. In addition, we improved our systems to disaggregate and record biogenic emissions, from utilisation of biomass, at our facilities.

Project Prithivi:  
Sustainable Biomass  
Supply for the Future

- Transitioning to cleaner energy sources, such as sustainably sourced biomass, is a colossal undertaking. MAS operations in Sri Lanka, at the MAS Fabric Park  (MFP) and Biyagama Export Processing Zone (BEPZ), require approximately 320 tons of biomass per day (112,500 tons per annum).



Project Prithivi, our sustainable sourced biomass cultivation initiative at MFP, is an ambitious initiative to secure a sustainable energy-future for MAS. The project focuses on establishing and gradually scaling up a traceable supply of biomass; ensuring we meet our energy demands from cleaner sources, while responsibly managing potential environmental impacts.

Key Elements of Project Prithivi

- **Target Species:** Gliricidia sepium, a fast-growing, medium-sized tree that reaches heights of 10-12 meters (33-39 ft). This species is ideal due to its rapid regeneration capabilities.
- **Cultivation and Harvesting Cycle:** Once planted, the first pruning can occur just one and a half months later. The initial harvest is planned after a three-year maturity period, with subsequent harvests projected twice a year, ensuring a consistent supply of biomass.
- **Scale and Yield:** The current project spans over 70 acres, with a planting density of approximately 4,800

plants per acre (based on a 3ft x 3ft spacing). Each mature tree is expected to yield around 7 kg of biomass per harvest.

- **Energy Efficiency:** Gliricidia wood boasts a strong calorific value, typically ranging from 15 to 20 MJ/kg. This makes it an efficient and effective renewable energy source for our biomass-powered operations.

Project Prithivi is a long-term initiative with a medium time-horizon for returns. The first harvest, from 70 acres, is expected within three years. We expect to gradually expand the programme, which would improve the overall sustainability of our biomass supply. We have plans to enroll this new source of internal biomass supply, from Project Prithivi, with the SLS 1551:2016 standard; coinciding with ongoing sustainable-sourcing processes that apply to our main external suppliers of biomass. This will enable stronger traceability from field to gate, preventing natural forest encroachment or illegal harvesting and verifying biomass supply transparently.

With regard to solar PV generation, all MAS facilities in Sri Lanka transitioned from Net Accounting and Net Plus schemes to the Net Metering scheme in 2024. Under the Net Metering scheme, excess solar energy generated by our facilities is fed back into the national grid, resulting in reduced electricity costs. This change has also enhanced energy security at our locations and contributed to significant reductions in emissions due to the increased use of clean, renewable solar energy.





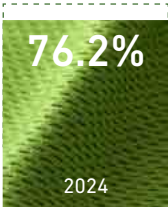
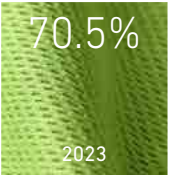
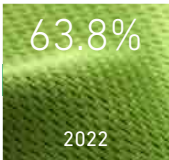
TRANSFORM  
WASTE

GRI 306-1, 306-2

We are committed to innovating sustainable solutions that reduce the fashion industry’s waste footprint – within our operations, and across the apparel value chain. We are guided by the principle of waste as a valuable resource that can be transformed to create new value, while also minimising environmental impact.

Our efforts for value enhancement of waste are fuelled by continuous innovation, sustained through ongoing waste minimisation measures, and enhanced through collaborative engagements and partnerships.

OUR TARGET FOR 2025  
(%)



Value enhance 80%  
of non-hazardous waste

In 2024, we made outstanding progress against our waste-related targets by driving new value enhancement initiatives, transforming waste streams across our operations and value chain, and redoubling our efforts to monitoring, train, and raise awareness amongst our people.

While the overarching goal of 100% value enhancement remains extremely ambitious, we have made significant progress in recent years through careful study of the potential of waste in terms of function, material, and structure; close monitoring of waste streams and waste management processes; and pioneering of innovative waste valorisation methods including recycling, reuse, and waste to energy operations.

However, in order to align our sustainability commitments with current realities while still holding ourselves to ambitious, forward-driving standards We have re-established our overall total non-hazardous waste value enhancement target to 80%, which is already a stretched target. This recalibrated goal is consistent with our expected performance and ensures transparency, accountability, and credibility in our reporting.

By the end of the year, we exceeding our internal target by a significant margin – achieving 76.2% of all non-hazardous waste value enhanced, up from 70.5% the previous year.





**RATIONALE FOR ADJUSTING OUR TRANSFORM WASTE TARGET**

MAS’s fabric waste portfolio comprises a complex and diverse mix of materials ranging from cotton, polyester, and nylon to blends incorporating elastane and other specialty fibers. When we set our original target in 2019 aiming for 100% value enhancement of fabric waste it was based on the belief that textile-to-textile (T2T) recycling would soon be commercially viable at scale. At the time, we were actively collaborating with several innovative partners whose technologies showed promise in supporting this ambition.

Over the past five years, we have pursued this goal with determination. However, our journey has been shaped by significant external disruptions, including the COVID-19 pandemic, global economic headwinds, and delays in the development and commercialisation of key recycling technologies. Several of the early-stage solutions we engaged with faced critical hurdles ranging from difficulties in validating processes, or scaling challenges, to shifts in business focus or discontinuation of operations altogether.

While a few T2T recycling solutions have recently shown potential, their large-scale implementation remains unlikely before

2026. These realities have directly impacted our ability to achieve the original target within the planned timeframe.

Despite these setbacks, MAS has made substantial progress. As of end-2024, we have achieved 76.15% total non-hazardous waste value enhancement.

To align our sustainability commitments with the current realities while still holding ourselves to ambitious, forward-driving standards We are re-establishing our overall total non-hazardous waste value enhancement target to 80%, which is already a stretched target. This recalibrated goal is consistent with our expected performance and ensures transparency, accountability, and credibility in our reporting.

At MAS, we remain deeply committed to advancing circularity in textiles, and we will continue to focus on this effort by

- Investing in emerging solutions,
- Partnering with innovators in the recycling space, and
- Seeking scalable, commercially viable pathways to maximise the value of our fabric waste.

Transparency is a core value for MAS, and we will continue to report candidly on our progress, challenges, and evolving approach as we work toward long-term impact.

**OUR WASTE FOOTPRINT**

**GRI** 306-3, 306-4, 306-5

In 2024, total waste generated across our operations amounted to 23,929 MT, with a significant 13,954.51 MT diverted from disposal through preparation for reuse and recycling – both onsite and offsite. Of the waste directed to disposal; the majority was disposed through energy recovery and sanitary landfilling, with some non-hazardous STP sludge and ash also being used for land application as fertiliser.

	2023			2024		
	Total waste generated	Waste diverted from disposal	Waste directed to disposal	Total waste generated	Waste diverted from disposal	Waste directed to disposal
Hazardous waste (MT)	898.89	62.37	836.52	1,000.54	83.62	916.92
Other non-hazardous waste (MT)	6,557.44	6,326.74	230.69	5,944.70	5,643.12	301.59
Non-hazardous RM waste (MT)	16,652.94	7,791.21	8,964.82	16,983.96	8,227.77	8,756.19
	24,109.27	14,180.32	10,032.03	23,929.20	13,954.51	9,974.70



WASTE DIVERTED FROM DISPOSAL

	Onsite MT	Offsite MT	Total MT
<b>Hazardous waste</b>			
Preparation for reuse	–	26.63	26.63
Recycling	–	56.99	56.99
Other	–	–	–
<b>Total</b>	–	–	83.62
<b>Non-hazardous waste</b>			
Preparation for reuse	–	4,457.46	4,457.46
Recycling	–	9,413.41	9,413.41
Other	–	–	–
<b>Total</b>	–	–	13,870.87
<b>Waste prevented</b>	–	–	13,954.49

- Hazardous waste – Solid chemical waste, contaminated fabric, silicon glue, sludge, empty hazardous containers, contaminated packaging, E-waste, tube light, liquid chemical, waste oil
- Non-hazardous non RM waste – Paper, cardboard, polyethene, food, regiform, wood and wood pellets, glass waste, municipal waste
- Non-hazardous RM waste – Fabric, foam, garments, plastic thread cone, mixed waste, elastic, BPU, fabric dust, expired yarn, right-off

WASTE DIRECTED TO DISPOSAL

	Onsite MT	Offsite MT	Total MT
<b>Hazardous waste</b>			
Incineration with energy recovery	–	916.01	916.01
Sanitary landfilling*	–	0.92	0.92
Other	–	–	–
<b>Total</b>	–	–	916.93
<b>Non-hazardous waste</b>			
Incineration with energy recovery	3,588.21	5,230.48	8,818.69
Sanitary land filling**	–	34.91	34.91
Other – dried STP sludge (land application as fertilizer)	–	–	8.48
Other-ash (land application as fertilizer)	–	195.71	195.71
<b>Total</b>	–	–	9,057.79

\*0.92 MT sent to sanitary landfill comprise of the glass wool sent to sanitary landfill from Texo facility renovation. This process was approved and authorised by the Central Environmental Authority and carried out under the supervision of them.

\*\*34.91 MT Sent to sanitary landfill comprise of mixed fabric waste generated from MAS Kenya operations where the waste is diverted to the sanitary landfill due to lack of waste energy recovery/co processing solutions. Currently the facility is working towards a minimising this waste category and co-processing solution.

Innovation for Effluent Treatment and Management – LINEA AQUA

The previous Sewage Treatment Plant (STP) sludge, consisting of about 80% water, was dewatered using a vertical sand-bed filtration system. This method was both time-consuming and resource-intensive, requiring recurrent water removal by browser.

The Maintenance department of LINEA AQUA Hanwella, brainstorming with other teams, proposed and promptly initiated replacement of the vertical sand-bed with horizontal filtering tanks. This new initiative to dewater Sludge effluent was not only more cost-effective, but also resulted in a host of environmental benefits, efficiency gains, and cost-savings.

- Sludge volumes reduced by 24,000 litres per week
- Cost saving of LKR 5 Mn. per annum
- Enabled 70% internal water reuse for other operations
- Lowered water intake and overall CO<sub>2</sub> emissions





Successful implementation of this process shift was recognised with a bronze at the 2023 Future Stars Awards.

## Going Zero Waste – MAS SILUETA

### R2 Project: Re-Purposing Waste

As part of our efforts to add value to waste, facility-level teams have pioneered the use of fabric waste, foam waste, and polythene to develop a variety of new and innovative products. The initiative currently produces items such as cartons, partitions, separators, paper books, calendars, soundproofing panels, holders, ceiling sheets, files, mousepads, and storage or packaging boxes.

## Innovations to Upcycle Fabric Waste

The MAS Brand Protection Unit (BPU) receives excess written-off fabric from plants each month, and aims to give this fabric a second life. The Unit carries out a Reconsolidating and Broadcasting (R&B) Project wherein excess written-off fabric is upcycled for use within MAS by in-house design teams, to support small and medium entrepreneurs, and to manufacture products for sales at an internal boutique for MAS employees to purchase.

Fabric received is segregated according to category needs and upcycled in fabric and finished-good form. By doing so, the BPU reduces excess production of both Raw Materials and Finished Goods. In 2024, the Unit upcycled over 22,000 kg of fabric, equating to a water-saving of 830,000m<sup>3</sup> and an emission-saving of 222,000 kgCO<sub>2</sub>e.

Looking to 2025/26, our strategies will continue to focus on expanding textile-to-textile recycling across more fabric types through active collaboration with solution providers and ongoing trials. In addition, we will continue to minimise waste generation itself, through continuous improvement projects and circular economy initiatives aimed at greater resource recovery and reduced environmental impact. We expect that our continuous work with fabric recyclers, incorporation of new technology, and validation of further commercial use-cases for waste valorisation will result in positive progress in the years ahead.

### WASTE MANAGEMENT AND CIRCULARITY

Driven by our vision to pioneer circularity at scale, we made significant progress towards the Company's internal circularity targets that aim to reintroduce post-industrial raw material waste back into the production cycle. This includes fabric, yarn, foam, and any raw material used in manufacturing – introduced back into the apparel and textile industry through either chemical or mechanical recycling to a higher or lower-value material. Reintroduction can occur within MAS's own textile and apparel manufacturing for new products or by supplying these reclaimed materials as raw materials to external textile and apparel product manufacturers.



### Circularity through Textile-to-Textile (T2T) Recycling

We broke new ground in 2024, engaging with textile-to-textile recycling technology providers to pilot commercial-level Initiatives for high-cotton-content fabrics (e.g. 100% and 95% cotton), for which viable recycling solutions are already available.

Closed-loop T2T recycling plays an important role in the circular economy by reducing the demand for virgin materials, retaining materials within the textile and apparel ecosystem, and enabling multiple life-cycles for raw material inputs; all while maintaining high levels of traceability.

The Central Sustainability Team worked to proactively identify end-users and verify the diversion of fabric waste into T2T recycling streams. Successful implementations in 2024 included mechanically recycled cotton, for manufacturing of socks and home-furnishing textiles, which led to a verified 10.64% diversion rate for fabric waste to T2T recycling within the Group.

Waste reduction projects, such as paperless workspaces and processes, and cutting table efficiency improvements also continued to net positive results, as did our ongoing food-waste reduction initiatives. Maintenance of point-wise waste segregation and designated waste stations/yards, coupled with bi-annual trainings for our waste handling teams was instrumental in ensuring success. In addition, we continued to work with carefully selected and regularly assessed third-party partners for treatment and disposal.





RESPONSIBLE  
CHEMICAL USE

GRI 303-1 and 303-2

Practicing responsible chemical management in the apparel industry gives us the means to minimise harm and maximise positive impact – to achieve far-reaching benefits for employees, consumers, and environment.

Our goal, to be zero toxic in products and processes, involves a commitment to green chemistry practices and a continuous journey to study chemical impacts, incorporate regulatory requirements, uphold industry best practices, and meet consumer expectations.

To this end, we are actively streamlining chemical management within our facilities, implementing robust procurement controls, forging collaborative partnerships with chemical suppliers, and upholding transparency through rigorous verification and certification.

OUR TARGET FOR 2025  
(Be zero toxic in our products and processes)  
(%)



MAS chemicals  
at ZDHC MRSL  
version 3.1  
level 1 or above



We made significant progress in 2024, strengthening responsible chemical use across our operations and supply chain by focusing on rigorous input standards, process controls, and output compliance; ensuring alignment with stringent environmental and safety standards.


Our dye and embellishment facilities achieved 96% compliance with ZDHC MRSL version 3.1 level or above conformance against performance InCheck criteria, up from 88% the previous year, as we carried out internal testing of chemicals for version 3.1, replaced non-compliant products with compliant alternatives, and actively engaged with chemical suppliers for updated chemical testing against the new ZDHC MRSL version 3.1 that was fully implemented by November 2023.

Dye facilities demonstrated outstanding input compliance in 2024 – achieving 100% alignment with ZDHC MRSL version 3.1 level 1 or above conformance against performance InCheck criteria (98% in 2023), and utilising 95.4% Bluesign approved chemicals (94% in 2023). Embellishment facilities made strong progress in input compliance, reaching 91% conformance against InCheck criteria in 2024, up from 75% in 2023. We also completed the year with no incidents of non-compliance with ZDHC wastewater discharge limits.

All subcontractors achieved minimum 81% compliance with ZDHC MRSL Version 3.1 whilst three subcontracting facilities achieving 100% compliance. We also continued monitoring of input chemical compliance and ZDHC wastewater compliance for 55% of our spend base, up from 42% in 2023.

In 2024, we extended our monitoring of Tier 1 suppliers supplying wet raw materials, to vendors comprising the top 90% of our spend-base (80% in 2023). Similarly, in terms of wet operations, we increased screening to cover 62% of our spend-base who had generated ClearStream reports through the ZDHC Gateway (43% in 2023).

**RESPONSIBLE CHEMISTRY WITHIN OUR FACILITIES**

In 2024, we updated the  **MAS RSL Manual – Version 3.0**. In addition to alignment with the RSL Manual, MAS has obtained 16 OEKO-TEX Standard 100 certificates, covering 22 facilities across the Group. As part of our commitment to implementing sustainable chemical management across our operational footprint, 22 MAS facilities completed Level 1 self-assessment, and one facility reached level 2 in the ZDHC Supplier to Zero certification programme.

Over the course of the year, we conducted around 100 RSL tests meeting customer-specific requirements; additional individual tests for bisphenol, formaldehyde and phenol bases; and nine randomised RSL tests for key suppliers across the value chain.

**Our Bluesign Commitment**

In 2022, we began alignment of our chemical management with Bluesign – one of the most stringent global sustainable chemical certifications. As of 2024, MAS Fabrics Private Limited – Intimo Division remains a Bluesign System Partner delivering Bluesign certified articles, and two additional facilities have been onboarded in obtaining Bluesign system partnership. Recognising our commitment to sustainable Textile Production, MAS Fabrics Private Limited – Intimo Division was awarded the Bluesign Appreciation Award in 2024.

Dye Facility SOPs for chemical procurement, aligned with the MAS Chemical Management Manual, mandate the use of Bluesign dyes and auxiliaries for dyeing operations

Success in this regard saw our Dye Facilities enhance compliance in 2024; achieving 95.4% Bluesign approved chemicals within 2024.

To support mainstreaming of this commitment, we conducted staff training that included awareness on Bluesign standards, assessed the latest updated version of Bluesign Black Limits for threshold limits, standards and guidance to inform our processes. We prioritised sourcing of low-risk Bluesign-approved chemicals, and continued to encourage the use of Bluesign-approved chemicals in all inputs and in-house chemicals.

Continuing to enhance chemical management competence across our workforce, we conducted comprehensive training programmes at all levels, and specialised sessions for executive staff on RSL, ZDHC MRSL, Bluesign, and internal chemical management policies. To further deepen expertise, executive staff received in-depth ZDHC CMS TIG training, resulting in certification for 45 participants.

**Innovation for Chemical Management Excellence**

In 2024, we introduced chemical replacements and treatment cycle optimisations at some of our facilities that led to reduction in the Mass to Liquor Ratio (MLR). Reductions to MLR are hard-won gains in our industry; leading to cost-savings and process efficiencies, reduced water and chemical consumption, lowering overall energy costs, and lessening risk and impacts associated with wastewater treatment and discharge.

Other projects for responsible chemical management and sustainability, founded on green chemistry principles, included hot water recovery from dye baths, dye recipe optimisations using TDS, and the use of natural dyes and non-curing pigments.



One of our facilities achieved a water savings of 11,800 m<sup>3</sup> by introducing a new chemical series that reduced the cycle time from 11 hours to 7 hours and improved the MLR from 1:12 to 1:8, with another facility saving 47,700 m<sup>3</sup> of water by optimizing the MLR from 1:15 to 1:10. Additionally, two facilities collectively saved 18,700 m<sup>3</sup> through effective hot water recovery initiatives.

#### CHEMICAL COMPLIANCE ACROSS THE SUPPLY CHAIN

For suppliers of fabrics, apparel embellishments, or chemicals, the risk of hazardous chemicals in products are controlled through ZDHC MRSL compliance assessment. We engage and work with all major raw material suppliers and monitor input chemicals for approximately 55% of our spend-base against the ZDHC MRSL (42% in 2023).

Further RSL testing is also carried out for products and materials, if mandated by specific customer brands. Brand-specific RSL requirements are also cascaded to vendors and supply chain partners, and their confirmations, acknowledgements, and self-assessments enable compliance with the same. Whereas 62% of spend base generated ClearStream reports via

the ZDHC Gateway. By year-end, 82% of raw material suppliers by spend base were onboarded to the Higg FEM platform (75% in 2023).

Similarly, we ensure subcontractors are monitored against ZDHC MRSL in their production process, which serves to restrict most chemicals of concern and meet brand-specific requirements. All subcontracting facilities achieved a minimum of 81% compliance, with three reaching full 100% compliance and are encouraged to use 100% ZDHC MRSL-approved chemicals in production. Further all subcontractor facilities were monitored for completion of verified Higg FEM and wastewater testing against ZDHC wastewater guideline. All eligible subcontractor facilities were aligned with ZDHC WWG requirements for wastewater. Annual subcontractor forums are a key tool in raising awareness, communicating expectations, and ensuring compliance; while interim meetings serve as a monitoring tool to evaluate compliance and progress toward targets. When failures are found, or chemicals of concern likely to be regulated are identified, we work collaboratively with subcontractors to find safer alternatives.



**CHAMPION  
BIODIVERSITY**

**GRI** 304-1, 304-2, 304-3

The apparel industry, with its extensive global supply chains and reliance on natural resources, bears a profound responsibility in biodiversity conservation. Acknowledging the impact of our operations on biodiversity, we actively contribute to its conservation and restoration; working towards an ambitious pledge to restore habitats and enhance ecosystem services in an area 100 times larger than our physical footprint.

Read about our model for [biodiversity conservation](#) and project prioritisation in our areas of operation.

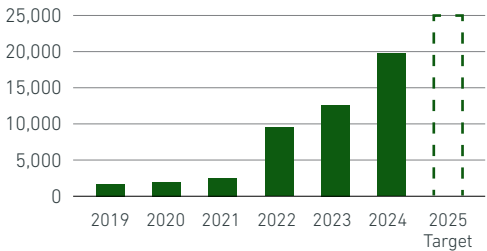
A key achievement for the year was the extension of our conservation footprint by 7,223 acres; including expansion of the Kenya Conservation project, Indonesia Reforestation project, and Minuwanela Reforestation project; restoration project in Rambapokuna and a new mangrove restoration project in Trincomalee.

This substantial scaling-up of biodiversity conservation efforts has enabled us to reach 79% of our 2025-target, with a cumulative area of 19,927.48 acres restored or conserved, including 1,561 acres verified by third-party professionals.

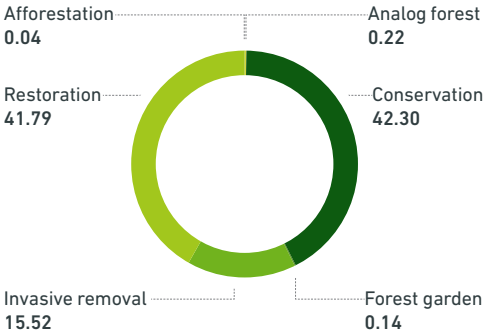
During the year 2024 we continued to lend support to a variety of ongoing projects including Leopard Conservation in Eastern Sinharaja; invasive-removal at the Horton Plains National Park; reforestation in Minuwanela; the Knuckles Reforestation Project; Rambapokuna Reforestation project; and Mangrove Restoration in Trincomalee. Additionally, we successfully completed a two-year, 12.5-acre, mangrove restoration in Kepuella, Galle – on Sri Lanka’s southern coastline.

Our largest project to date – the Kenya Conservation Project also saw expansion in 2024. The project area increased by 930 acres to reach a total extent of 8,275 acres by the end of the year. Similarly, the Blora-Ngawi Biodiversity Restoration Project in Central Java, Indonesia also saw a significant increase in restored acreage – encompassing a project area of 7,470 acres across 2023 and 2024.

**CUMULATIVE BIODIVERSITY  
CONSERVATION PROGRESS**  
(Acres)

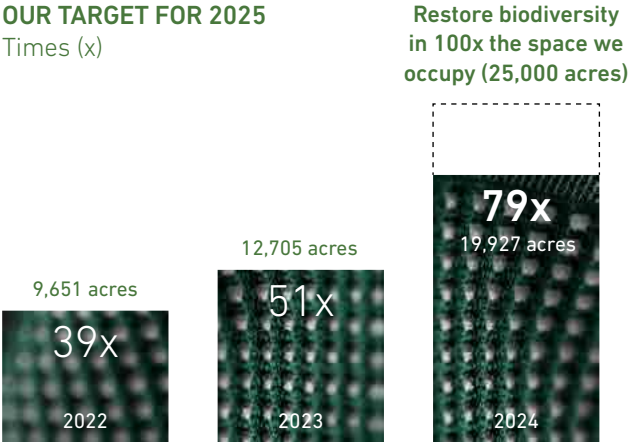


**BIODIVERSITY PROJECTS BY ACREAGE**  
(%)

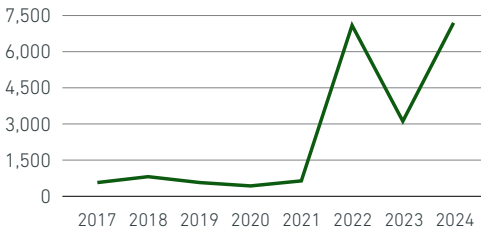


As we work toward reaching our biodiversity goal for 2025, our achievements hinge on strengthening ongoing partnerships with government, non-profits, academic institutions, and community organisations; which enhance the scope, sustainability, and effectiveness of all our conservation initiatives.

**OUR TARGET FOR 2025**  
Times (x)



**BIODIVERSITY CONSERVATION  
ANNUAL ACHIEVEMENT**  
(Acres)





BIODIVERSITY CONSERVATION  
IN ACTION: SUCCESS STORIES

CONSERVATION

Our in-situ conservation projects are working to preserve biodiversity, safeguard natural ecosystems, and protect a species threatened by habitat-loss, human-animal conflict, and other anthropogenic impacts. We work with pioneering partners and promote holistic and innovative approaches to conservation that can have a lasting impact.

By the end of 2024, our completed and ongoing Conservation projects encompassed 8,428.69 acres, representing approximately 42% of our total achievement by area.

Our Kenya Conservation Project, at the Nairobi National Park Wildlife Dispersal Area, saw further development in 2024. The target area was expanded by 930 acres, bringing the total project area up to 8,275 acres. This ongoing project has a lofty but impactful ambition – to establish secure areas for wildlife and local communities by promoting community conservation, conservation easements, and wildlife conservation leases outside Kenya’s Protected Area and Reserves.

Panama In-Situ Turtle  
Conservation Project

Location: Panama, Sri Lanka

Conservation Area: 10 Acres,  
3km Beach stretch

Project Partners: MAS Intimates,  
DIMO, Commercial Bank, Wildlife  
and Ocean Resources Conservation  
Society Ampara

Multiple species of endangered or critically endangered sea turtles have been known to use Sri Lanka’s coastline as a nesting ground. These majestic creatures, already under pressure due to ocean pollution and climate change, also face threats on land, particularly during their nesting season, which can have a significant negative impact on species survival rates.

Three of Sri Lanka’s best-known corporates came together to address this critical issue, partnering with a local environmental organisation – Wildlife and Ocean Resources Conservation Society. The project focuses on a 3km 10 acres stretch of beach extending from Kunukala Lagoon to Beedi Modara. This area is part of a longer 17 km stretch that is

a well-known nesting hotspot for sea turtles from October through May.

From October 2023 to June 2024, the project successfully protected 272 turtle nests that would otherwise have been lost to human interference or natural predation. Safeguarding these nests in-situ, minimised disturbance to the natural incubation process and retained original nesting locations where parents could return in future years. Following the natural incubation period, over 17,000 turtle hatchlings were safely released into the ocean.

Such urgent and direct interventions by responsible corporations can dramatically increase the survival rate of new turtle generations, and contributing significantly to the conservation of these globally vulnerable species.



RESTORATION

Our restoration projects aim to initiate, support, or accelerate recovery of disturbed ecosystems, and strengthen the communities and institutions that function as their environmental stewards. Restoration methods vary from efficient and cost-effective aerial restoration for heavily degraded areas; to resource-intensive multistage methodologies such as replanting, community engagement, public awareness and education, and collaboration with local counterparts to develop and operationalise comprehensive conservation plans. As at the end of 2024, our Restoration projects, both completed and ongoing, span 8,327.5 acres and account for about 42% of our project achievement by acreage.

Blora Ngawi Biodiversity Restoration Project

Location: Central Java, Indonesia

Restoration Area: 7,470 acres (2023-2024)

Project Partners: PT. Pesona Indonesia Tours, Universitas Gadjah Mada, MAS Partners, MAS Capital, MAS KREEDA, MAS Intimates, Silueta, MAS Active, Bodyline, Noyon, Trischel, Prym Intimates

In 2023, we launched our second largest biodiversity project in terms of acreage, at Indonesia’s Central Java region, known for its rich biodiversity. One year in, the Blora Ngawi Biodiversity Restoration Project has successfully restored 7,470 acres of land; a significant re-establishment of healthy forest landscapes and building of ecosystem resilience.

The project’s objectives focus on holistic environmental stewardship:

- Developing a multi-stakeholder forest management model encompassing forest protection, development, land rehabilitation, and animal habitat enrichment.

- Improving the quality of wildlife habitat through ecosystem restoration and the protection of critical areas.
- Increasing wildlife populations in KHDTK Getas by expanding adequate habitat and enhancing protection efforts.

To achieve these goals, a meticulous and community-centric approach was adopted. Land preparation involved detailed planning and execution by local residents, ensuring ecological sensitivity and providing stable employment.

Over 527,460 trees from diverse species, including Coffee, *Moringa oleifera*, *Indigofera*, *Senna siamea*, *Gliricidia sepium*, *Erythrina variegata*, and *Leucaena leucocephala*, were strategically planted. This scale of tree-planting significantly contributes to the restoration of vital habitat for wildlife, and supports the long-term health of the ecosystem. The collaborative framework between MAS, Universitas Gadjah Mada, and PT. Pesona Indonesia Tours is a strong indicator of the potential for multi-stakeholder projects to achieve sustainable conservation outcomes at massive scale.





### Ittapana Mangrove Forest Restoration Project

Location: Bentota, Sri Lanka

Project Area: 1 acre

Planted Species: *Bruguiera gymnorhiza*, *Bruguiera cylindrica*, *Cerbera manghas*, *Sonneratia alba*

Project Partners: Linea Aqua (Pvt) Ltd, Center for sustainability University of Sri Jayawardenapura

Sri Lanka's mangroves play a vital role in the health and resilience of the island-nation's coastal and riparian ecosystems. Mangrove forests are unique intertidal ecosystems that are critical for biodiversity, coastal and riverbank protection, and the livelihoods of local communities. They serve as nurseries for fish and shellfish, provide nesting sites for birds, and act as natural barriers against erosion.

Recognising their immense ecological and socio-economic value, the Ittapana Mangrove Forest Restoration Project was launched in 2023 to rehabilitate a degraded one-acre site within the Ittapana Mangrove Conservation Forest in Bentota.

Core objectives of the project included:

- Restoring degraded land to a healthy ecological balance.
- Addressing environmental degradation from saltwater intrusion and unsustainable anthropogenic activities.
- Re-establishing thriving mangrove ecosystems to boost biodiversity, prevent erosion, and enhance carbon sequestration.
- Raising awareness and delivering tangible benefits to local communities and other target groups.

By the end of 2024, the project has successfully planted 500 mangrove saplings from key species, achieving an impressive 94% survival rate. The project also completed a number of critical steps for long-term ecosystem health, including the clearing of invasive species, establishment of a 25-ft buffer zone, and construction of drainage canals to optimise saltwater levels.

The project has also contributed a number of direct and indirect benefits to the community, including:

- Restoration of crucial fish nurseries, supporting local fisheries and potential ecotourism.
- Enhanced water purification and retention, beneficial for local agriculture.
- Reduced risks of coastal erosion and storm damage, protecting coastal communities.
- Opportunities for economic benefits through sustainable use of revitalised mangrove resources.

Community involvement has been at the heart of the project's success. Local residents established and managed two community nurseries, participated in comprehensive training on mangrove care, and actively engaged in site clearing, planting, and ongoing maintenance. University students also provided invaluable support with GPS mapping and data collection.

The project also facilitated numerous education and awareness sessions for university students, international school groups, and foreign delegates. University-led research is now underway to propagate Kirala (*Sonneratia alba*) plants, to develop the Ittapana Mangroves into a hub for continued restoration and further knowledge sharing.



INVASIVE REMOVAL AND  
HABITAT ENRICHMENT

Our projects respond to Invasive Alien Species (IAS) that are disrupting areas of high biodiversity value such as national parks, which are often home to a number of endemic, endangered, vulnerable, or threatened species. We work with partners to carry out programmes for targeted removal of invasive species,

long-term maintenance and restoration of natural vegetation, and enrichment planting that supports restoration of ecological balance.

Since 2017, we have carried out IAS-removal and habitat enrichment projects across 3,092.08 acres, spanning seven of Sri Lanka's protected conservation areas, and accounting for around 15% of our total conservation achievement by acreage.



Removal of Invasive Alien  
Species – *Ulex europaeus*

Location: Horton Plains National Park,  
Sri Lanka

Conservation Area: 244 acres

Project partners: Federation of  
Environmental Organisations (FEO),  
Department of Wildlife Conservation  
(DWC), MAS Intimates, Linea  
Aqua, Trischel and Prym Intimates

Target Invasive Species:  
*Ulex europaeus*

Horton Plains National Park is a UNESCO World Heritage Site in the central highlands of Sri Lanka. It is a unique montane ecosystem characterised by cloud forests, grasslands, and exceptional biodiversity, including endemic flora and fauna. However, this fragile ecosystem faces significant threats from Invasive Alien Plant Species (IAPS), particularly *Ulex europaeus*, which has spread rapidly, threatening the park's ecological integrity and the survival of its unique species, including endemic grazing herbivores like the Sambar.

In 2023, MAS partnered with the Federation of Environmental Organisations (FEO) and the Department of Wildlife Conservation (DWC) to address the threat of *Ulex europaeus*. The main objectives of this initiative are twofold: to remove IAPS prior to seed generation – preventing further spread and facilitating the growth of native varieties; and to involve workers from surrounding communities – fostering local ownership and providing them with stable income.

By the end of 2024, we can report significant progress – including completion of the first round of *Ulex europaeus* removal for over 82% of the identified areas. This remarkable achievement was completed ahead of schedule; testament to the dedication of field associates and local community workers, and their understanding of the project's rationale and urgency. The commitment of local workers, who receive regular employment through the initiative, has been instrumental in accelerating the removal process. Phase 2 will commence following

the same sequential order as the initial clearance, ensuring that any *Ulex* re-growth is addressed swiftly before it can flower and spread.

Beyond direct ecological impact, the project has catalysed invaluable relationships and mutual learning. The DWC team deployed to Horton Plains National Park has worked collaboratively with FEO, enabling and extending the reach of both organisations. An exemplar has been broader community engagement through the ENVFORCE Youth Alliance, and FEO's local projects with schools located in Dayagama; where project teams raise awareness on conservation, biodiversity, and the importance of coexistence.



**QUANTIFYING OUR  
IMPACT**

Despite the inherent complexity of biodiversity conservation, which poses challenges to impact measurement and outcome tracking, we are dedicated to quantifying our impact to assess effectiveness, identify areas for improvement, and refine future strategies.

**Research on the  
Sri Lankan Leopard  
and Human-Wildlife  
Conflict (HWC)**

Location: Eastern Range, Sinharaja World Heritage Site, Sri Lanka

Project Duration: 5-year study/ highlight, commenced in 2022 (ongoing)

Project Partners: Wildlife Conservation Society Galle, MAS Intimates

Resource Persons: Supun Deshaprema, Madura De Silva, Sisira Darshana

Our commitment to preserving biodiversity and conserving Sri Lanka's last virgin rainforest,

goes as far back as 2017, with eight conservation projects carried out to-date. In 2022, partnering with the Galle Conservation Society, MAS initiated its first single-species conservation project - focused on the Sri Lankan leopard population in Eastern Sinharaja.

The Sri Lankan leopard (*Panthera pardus kotiya*), classified as an Endangered species (EN), is widely recognised as the sole apex terrestrial predator in Sri Lanka. While significant research has focused on leopard populations in the dry-zone, scientific understanding of their wet-zone counterparts, particularly in fragmented forest ecosystems, remains limited. The Sinharaja World Heritage Site, a UNESCO Natural World Heritage site and a global biodiversity hotspot, represents one such critical wet-zone habitat. Despite their protected status and presence within a national forest reserve, increasing territorial overlap with human settlements, particularly tea estates in the region, has led to a rise in Human-Wildlife Conflict (HWC); which is posing a significant threat to leopard populations and human livelihoods.

As part of our Leopard Conservation Project, a team of well-known researchers are conducting a longitudinal study to identify the possible reasons for human-leopard conflict in the southwestern wet-zone and propose measures that would result in mitigating the problem; using Eastern Sinharaja as a study area. The team is monitoring leopard behaviour in an anthropogenic landscape, and also studying decades-worth of data on human-leopard encounters in the area to identify HWC hotspots. Other objectives of the project include:

- Estimating the density of leopard populations in forest patches associated with tea estates where human-leopard encounters are high.
- Assessing prey densities and diet preferences of leopards, testing two hypotheses: (i) that leopards are drawn to estates due to a lack of food in their natural habitat, and (ii) due to a preference for easy prey.
- Gathering perspectives of the stakeholders from the estate sector; on leopards and the possibility of human-leopard coexistence.

As part of the ongoing study, research findings are already shedding light on this elusive predator and improving overall knowledge on the challenging topic of HWC.

Throughout the five-year period, 396 leopard scat samples have been meticulously collected and analysed to identify prey species. Samples were categorized based on their aerial distance from the forest boundary to assess dietary variations.

Dietary Preferences: Analyses revealed that 35.85% of scat samples contained bone particles of Sambar (*Rusa unicolor*), indicating that Sambar is a preferred prey species for leopards in the Eastern Sinharaja range.

Triggering Factors for Conflict: A considerable percentage of scat samples contained bone particles of domestic dogs, highlighting a significant contributing factor to human-leopard conflict. This suggests that leopards may be preying on domestic animals, potentially due to proximity to human settlements.

Habitat Preference, Triggers, and Potential HWC Hotspots: Direct and indirect evidence collected during the study indicates that leopards prefer forest margins, grasslands, or marshy areas over dense forest interiors. This finding is crucial as these preferred habitats often border human-dominated landscapes, increasing the likelihood of encounters.

Based on ongoing research and identified conflict drivers, several proactive conservation actions have already been integrated with the project for implementation:

- Education and awareness for tea plantation management, staff, and workers on the importance of leopard protection has been a key initiative. Similar education programmes have been conducted for schools in the study area.
- Regular removal of snares around the borders of the Eastern Sinharaja area is being developed carried out with the active participation of tea plantation workers, cardamom pluckers, and voluntary groups. Snares are a major cause of accidental

leopard mortality and injury in these transitional zones. Further, collection of motorbike and three-wheel brake and clutch cables from local sources aims to prevent these materials from being repurposed into snares by hunters.

- Mapping and listing individuals who own cattle and goats around identified red zones (areas marked as high-risk for leopard attacks on livestock) is underway. This will support targeted engagement in the future.

### Impact of Mangrove Restoration

Location: Sambaltheevu Lagoon, Trincomalee, Sri Lanka

Area Conserved: 10 acres

Planted Species: *Avicennia* sp. and *Rhizophora* sp.

Project Partners: Department of Forest Conservation, MAS Capital

Research partners: University of Colombo, University of Kelaniya

Since 2023, MAS has partnered with the Department of Forest Conservation to undertake a vital mangrove reforestation project. In 2024, to ensure scientific rigor and contribute to the long-term success of our restoration efforts, we worked with a research team led by prominent academics from the University of Colombo and University of Kelaniya.

The research project focused on assessing the survival rate and growth performance of planted *Rhizophora mucronata* seedlings, evaluating the impact of environmental factors on seedling survival and growth. Analysis from the research team would also support documentation of associated fauna and flora in the area and predicting the carbon sequestration impact of restoration.

Just nine months from project inception, our initial findings are highly encouraging:

**High Survival Rate:** Healthy restoration of *Rhizophora mucronata* was observed with an impressive 80.88% survival rate, indicating the suitability of planting techniques and site selection.

**Natural Regeneration:** Significantly, *Avicennia marina* was found to be regenerating naturally at the restoration site alongside the planted *Rhizophora mucronata*.

**Environmental Influences:** Environmental factors such as salinity, tidal influence, and herbivory by terrestrial animals were identified as key factors affecting the survival and growth of *Rhizophora mucronata* seedlings. This understanding is crucial for refining future restoration strategies.

**Carbon Sequestration Potential:** Early projections indicate that after 15 years, the restoration site will sequester approximately 4.822 tonnes of carbon per hectare per year after.





## Impact of Invasive Removal

Location: Bundala National Park, Sri Lanka

Area Conserved: 844.76 acres

Target Invasive Species:  
*Prosopis juliflora*

Project Partners: Department of Wild Life Conservation, Department of Wild Life Conservation, Linea Aqua, Bodyline, Noyon, MAS Capital, Trischel

Bundala National Park, a Ramsar wetland and a UNESCO Biosphere Reserve, is a critical habitat for a diverse range of flora and fauna - particularly as a wintering ground for migratory waterbirds. However, like many protected areas globally, Bundala has faced significant threats from Invasive Alien Species (IAS), with *Prosopis juliflora* being a dominant concern. *Prosopis juliflora* is a highly aggressive, fast-growing thorny shrub that forms dense, impenetrable thickets. Its rapid spread displaces native vegetation, reduces grazing lands, alters soil chemistry, and negatively impacts water availability,

thereby threatening the park's delicate ecosystem balance and the biodiversity it supports.

Following our IAS-removal project at Bundala, conducted between 2018 and 2022, we commissioned an impact assessment to study the effectiveness of our conservation efforts and add to body of knowledge on understanding and mitigating the ecological impacts of *Prosopis juliflora*.

The assessment sought to assess how faunal and floral diversity was affected by the invasive removal, to determine if invasive removal directly supports herbivore populations within the Park, and to assess the status of other invasive species in areas where *Prosopis juliflora* has been removed.

Our initial assessment following the *Prosopis juliflora* removal yielded promising insights:

**Faunal and Floral Diversity:** While further confirmation through additional field visits is needed, preliminary data suggests a non-significant but higher diversity of both butterflies and birds in the cleared areas; compared to uncleared control areas. This hints at a positive trend

towards ecosystem recovery and increased ecological-niche availability for the Park's native residents and migrants.

**Support for Herbivores:** A significant positive outcome was observed, with increased grass cover in cleared areas, which was twice that in non-cleared areas. This directly supports and enhances the habitats for herbivores, providing crucial forage and potentially leading to an increase in their populations.

**Status of Other Invasive Species:** *Eupatorium odoratum* and *Lantana camara* were observed in both cleared and non-cleared areas, with a higher abundance of *Lantana camara* noted in cleared areas. This highlights a critical challenge that requires addressing.



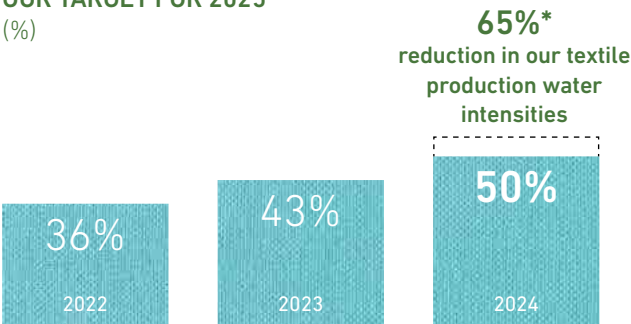
**SAFEGUARD  
WATER**

**GRI** 303-3, 303-4

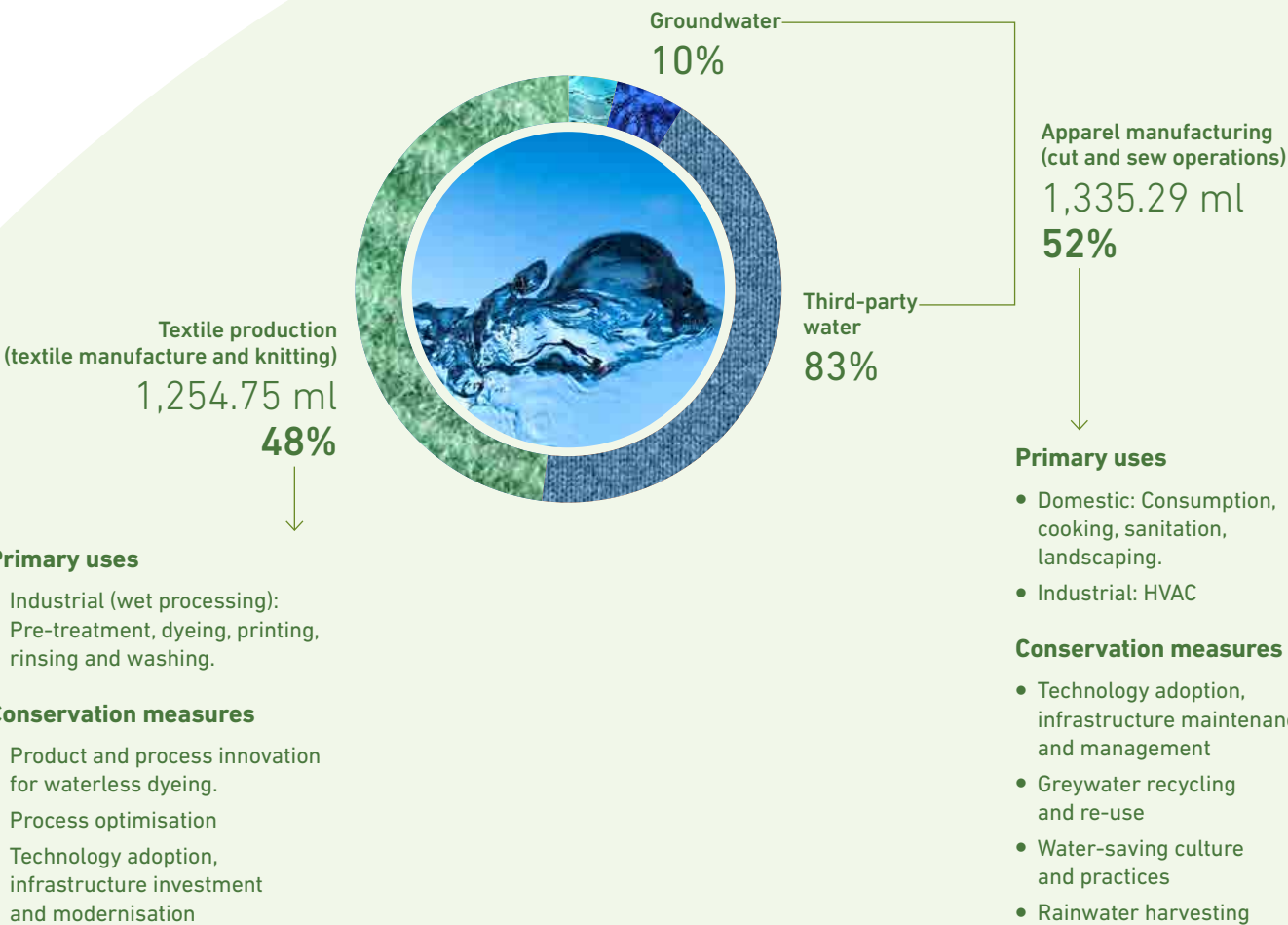
Water is a vital resource across the apparel value chain – from raw material inputs, to manufacturing processes, and the aesthetics and functionality of finished products. In a world where escalating population growth, human development, and climate-change induced shifts are increasing the strain on our planet’s vital water resources, the apparel industry faces a unique imperative.

Recognising this challenge, MAS embeds water stewardship as a core business strategy; actioned through collaborative efforts with customers, partners, suppliers, and communities; investment in the capabilities, awareness, and engagement of teams; and continuous improvement of technologies and processes.

**OUR TARGET FOR 2025**  
(%)



Achieve zero impact to MAS’ operations and mitigate negative impact to the environment and community.  
\*based on 2011 baseline





In 2024, overall water efficiency showed continued progress toward our 2025-target, reflecting an aggregated 50% water intensity reduction against the 2011 baseline. This is a 12% reduction in water intensities of our Textile Production operations and 7% reduction in water intensity of our Apparel Manufacturing operations, against the previous year.

Our ongoing initiatives for water conservation, in the form of daily water-meter monitoring and balancing, installation of water-efficient fittings with adjusted flow-rates that are compliant with MAS internal standards and international best-practices, regular meter verification, proactive leak detection, and employee awareness programmes; all contributed to reducing our water-intensity.

**OUR WATER FOOTPRINT**

**GRI** 303-5

Total water withdrawal amounted to 2,590.04 ml in 2024. The majority of our water, almost 83%, comes from third-party sources. Groundwater usage for the year stood at 271.81 ml. Water withdrawal is equal to the water consumption as at 31 of December 2024.

In 2024, we adopted the TEXO facility as a cotton mill falling within the Group's operational and reporting boundary. Thus, moving forward, it will also be included in the intensity reduction calculations. In 2024, the resulting addition to our water intensity calculations was 155.98 litres per kilogram.

Textile Production accounted for approximately 48% of the Group's water use, while Apparel Manufacturing accounted for roughly 52%. This distribution is largely unchanged year-on-year, while volume of water-demand is directly associated with production volumes and scale of our operations.

	2019	2020	2021	2022	2023	2024
Groundwater (ml)	334.9	246.91	293.21	297.87	258.26	271.81
Third-party water (ml)	1,629.33	1,446.86	1,810.68	2,238.42	1,574.29	2,318.24
<b>Total water withdrawal (ml)</b>	<b>1,964.28</b>	<b>1,693.77</b>	<b>2,103.89</b>	<b>2,536.30</b>	<b>1,832.55</b>	<b>2,590.04</b>
Rainwater (ml)					2.17	11.57
Recycled water (ml)					94.90	197.76
Gross water-demand/water footprint (ml)					1,929.62	2,799.38

**SUSTAINABLE WATER MANAGEMENT AT MAS**

We continued efforts to reduce reliance on freshwater sources by scaling up use rainwater harvesting and wastewater recycling. The volume of water recycled more than doubled, year-on-year, reaching 197.76 ml. Recycled water now meets 7% of our total water demand for the year.

Rainwater harvesting yielded 11.57 ml in 2024; with the effects of seasonal and climatic variance, this water-source currently meets less than 0.41% of our water-demand for the year. Water recycling at our Sewage Treatment Plants (STPs) amounted to 197.76 ml, for the year. This recycled water is used for gardening and landscaping at the majority of our facilities. One of our facilities carries out further multi-stage treatment for wastewater, including Reverse-Osmosis (RO), enabling recycled water at the facility to be used as input water for flushing and in cooling towers.

Working to reduce water intensity of our industrial processes, we implemented a variety of mini-projects across our dye houses, including measures to optimise material-to-liquor ratio and processes for reuse of hot water drained from the dyeing operations.



### Protecting Catchment Areas and Aquatic Ecosystems

Kalu Ganga and Karasnagala watershed, Sri Lanka

Bodyline launched a landmark sustainability initiative in collaboration with the Government of Sri Lanka and the Ministry of Environment; planted over 2,000 trees along the Banks of the Kalu Ganga.

The project also united over 250 Bodyline volunteers, who contributed more than 1,000 volunteer-hours, as they worked alongside local communities to set up and ensure long-term care of the newly planted trees. Additionally, we partnered with MAS Eco Go Beyond (EGB) project students, instilling in them a lasting sense of responsibility toward environmental conservation. This structured care and maintenance plan ensures the long-term survival of the trees through dedicated support from responsible stakeholders.

Sri Lanka’s Kalu Ganga directly supports over 800,000 local residents, including a large number of MAS

employees from the Thalaitiya-Yatawara area - which was chosen for the project implementation. While the project sought to enhance their and preserve the region’s rich ecosystem, an intentional additional benefit of the project was to strengthen the natural buffer along the riverbank; effectively mitigating flooding risks and improving the resilience of both our employees and the broader community.

MAS KREEDA Campus completed a similar project during the year, working to enhance the ecosystem quality of water catchment areas at the Karasnagala watershed region; planting 400 Kumbuk (*Terminalia arjuna*) and Mee trees (*Madhuca longifolia*), in collaboration with Sri Lanka’s Water and Drainage Board, local communities, and school children from the area.

The local Kumbuk tree species was selected for these projects due to its significant environmental benefits. It plays a crucial role in water purification and flood risk mitigation. With its deep root system, Kumbuk stabilises riverbanks, preventing soil erosion and reducing sedimentation in waterways. Acting as a natural filter, it also helps absorb

pollutants and improve water quality. Additionally, Kumbuk trees regulate water flow by absorbing excess rainwater, reducing surface runoff, and minimising the risk of floods.

### Community-Focused Water Initiatives

Kalpitiya and Anuradhapura Districts, Sri Lanka

Anuradhapura Pooja Bhoomiya is one of Sri Lanka’s most significant religious and cultural sites, drawing hundreds of thousands of pilgrims and tourists each day. On average, between 200,000 to 250,000 people visit the site, with numbers surging during special religious events and holidays.

However, despite the site’s importance, there was a significant challenge: a shortage of clean drinking water for many visitors. Local raw-water resources had particularly high levels of hardness, making it unsuitable for safe consumption without suitable purification.

Existing water supply systems included a Reverse-Osmosis (RO) water purification plant, capable of processing 10,000 litres of water per day. The plant was installed and maintained by the Sri Lanka Navy, but even with this facility, the demand for clean water far exceeded its capacity.

Recognising the urgent need for safe drinking water, Bodyline stepped in to install an additional RO plant capable of processing 15,000 liters of water per day. Once commissioned, this would more supplement the existing system, effectively doubling the capacity and provide adequate purified water to meet the demands of visitors. To further improve accessibility, drinking water tap-basins were also set up at high-traffic areas between the road leading to Jaya Sri Maha Bodhiya and Ruwanwelisaya – a path used by nearly all the visitors to the area.

A similar Community Water Project in Kalpitiya was implemented through a collaborative effort between the Sri Lanka Air Force, MAS Capital, and Bodyline. Since completion, the project has significantly improved access to clean drinking water for isolated communities in the

Kalpitiya region. Prior to the project completion, 350 local families and approximately 100 Sri Lanka Air Force and Civil Security Force personnel relied on a tube well with high salinity, forcing villagers to travel 5km for water or buy bottled supplies, with the Air Force required to transport water from 50km away, on a weekly basis. The project created access to safe, accessible water; drastically reducing the burden on residents and civil security staff.



## MAS Fabric Park

MAS Fabric Park (MFP) is an MAS-owned manufacturing zone housing a number of apparel and textile facilities. MFP provides utility services for each of its facilities:

In-House Water Treatment and Distribution, with a capacity of up to 9,000 Cu.m/day. MFP treats and distributes the water as per the SLS 614 and WHO standards. This system generates around 62% of the Group's total water requirement.

In-House Wastewater Management and Disposal, with an installed capacity of up to 8,500 Cu.m/day. MFP treats and discharges wastewater according to national standards and globally accepted ZDHC protocols. MFP CETP manages and treats up to 60% of the total wastewater generated by the Group.

An in-house water and wastewater quality testing lab, accredited by the Sri Lanka Accreditation Board (SLAB),

maintains operations compliant with the ISO IEC 17025 Laboratory Management System. The Lab is registered with Sri Lanka's Central Environment Authority (CEA), and maintains compliant testing while providing faster feedback, and conducting R&D for all the above process.

Textile production effluent (wet sludge management and in-house co-incinerations) – MFP handles almost 100% of the Group's textile sludge volume. Sludge is dewatered from 75% M.C. to 25% M.C. using a Solar Drier (at Biyagama) and Biomass Driers (at MFP). In-House Co-Incinerations are carried out at a newly commissioned 17 Ton customised multifuelled boiler (Biomass + Dried textile sludge). Of the final output, heavy ash and slag are used for the production of cement blocks (ECO Bricks).

MFP operates Sri Lanka's very first industrial composting project implemented for Organic Waste

generated at the Industrial Processing Zone. The composting system has the capacity to produce 2,000 tons of Compost per annum. The massive impact of the project was recognised at the MAS Changemaker Awards 2023, under the Planet category.

Photon Phase I and II, are housed within MFP, with an installed capacity of 22.84 MW across MAS facilities and estimated annual generation of 29 GWh. The estimated carbon footprint reduction from the Photon project amounts to around 17,800 TCO<sub>2</sub>e per year.





# MAS Foundation for Change



Our Unique Strength:  
The MAS Foundation  
for Change (MAS FFC)  
dedicates 100% of donor  
funds to field projects, with  
MAS Holdings covering all  
operational costs

**THE OCEAN STRAINERS ANNUALLY  
CAPTURE FLOATING WASTE  
AMOUNTING TO APPROXIMATELY**

**2.6**  
Million Kilogrammes



Committed to sustainability since inception, MAS Holdings furthered this dedication with the establishment of the MAS Foundation for Change in 2022. As an independent non-profit organisation, MAS FFC is dedicated to innovating and accelerating solutions to pressing environmental and social challenges .

To focus our efforts, we have identified three key pillars: Cleaner Oceans, Life on Our Planet and Access to Water. Through these pillars, we strive to create a lasting impact in our communities. Our aim is to lead by example, creating a ripple effect of positive change in the face of these global challenges.

**Our Collaborative Approach: Connecting Changemakers**

The MAS Foundation for Change operates on the principle of collaboration, connecting a powerful ecosystem of changemakers innovators, implementers, and investors to address both global and local challenges.

**Innovators**, the architects of groundbreaking technologies and practices, gain access to communities in need and secure funding to pilot or scale their solutions through our partnership network.

**Implementers**, the on-the-ground experts with deep local knowledge, understand the challenges faced by communities and possess the expertise to implement and maintain solutions. Through our partnerships, they gain access to innovative tools and resources.

**Investors**, the drivers of positive change, can be from the private or public sector, or non-profits seeking to fund proven, scalable solutions. Partnering with MAS FFC allows them to directly target impactful projects and maximise the reach of their contributions.

We actively engage with international organisations like USAID, Parley for the Oceans, SACEP, UNOPS, and IUCN; local authorities such as the CEA, SLLDC, WMA, the Forest Department, and the Irrigation Department; and local corporations and non-governmental institutions working on the ground. These partnerships directly support SDG 17: Partnerships for the Goals, enabling us to amplify our impact and accelerate systemic change.



**CLEANER OCEANS**

Eradicating the ongoing pollution of oceans and inland waterways



**LIFE ON OUR PLANET**

Protecting and restoring terrestrial and marine ecosystems



**ACCESS TO WATER**

Improving access to fresh water in disadvantaged communities



Action



Education



Research



Advocacy

**CLEANER OCEANS**

**Our Aim: Reducing the ongoing pollution of oceans and inland waterways**

The waters surrounding Sri Lanka, rich in biodiversity, face a significant threat from plastic pollution. To safeguard these vital marine ecosystems, immediate action is crucial. MAS FFC, through innovative initiatives and enduring partnerships, is at the forefront of combatting floating waste including plastics, directly aligning with UN SDG 14: Life Below Water.

**THE OCEAN STRAINERS INITIATIVE**

Launched in 2020, our flagship project, employs a technology owned and developed by the MAS Holdings. These “Ocean Strainers” are large-scale floating waste traps that span the width of canals, intercepting floating waste before it reaches the ocean.

Building on the success of our canal deployments, the ocean strainers have been adapted for use in highland and sensitive upstream ecosystems. Our location selection strategy prioritises both highly populated areas, especially in the Western and Southern provinces, and these vulnerable ecosystems.

Our efforts extend beyond waste capture. Collected waste is diverted to sustainable, non-landfill solutions, including resource recovery and recycling by community groups and authorities, and energy recovery from non-recyclable waste. Additionally, we are developing a standardised monitoring and evaluation system to create a comprehensive database on floating waste in waterways.

**Impact to Date  
(31 December 2024)**

- 68 – Ocean strainers installed
- 45 – Colombo District
- 8 – Gampaha District
- 8 – Galle District
- 6 – Kalutara District
- 1 – Nuwara Eliya District

We have nine ongoing targeted interventions for restoring sensitive ecosystems: encompassing 8,000 square metres of mangroves, 5,500 square metres of lake ecosystems, and 10,000 square metres of lagoon habitats.

Current data indicates, our 68 Ocean Strainers capture approximately 2.6 million kilogrammes of floating waste annually. Of this, roughly 40% consists of PET and other plastics. This intervention intercepts nearly 11% of the estimated 9 million kilogrammes of plastic emissions that enter the Indian Ocean from Sri Lankan waterways each year. In 2024, our ecosystem restoration and community awareness initiatives benefited from the contribution of 150 volunteers, who dedicated a total of 570 hours.

Our 2026 goal involves expanding our network to 150 units by installing an additional 84 strainers within the next 24 months. This expansion requires LKR 85 Mn. in funding (approximately 285,000 USD). By achieving our target, we will increase our interception rate to approximately 20% to 30% of the total 9 million kilogrammes of plastic emissions.

**LIFE ON OUR PLANET**

**Our Aim: Protecting and restoring terrestrial and marine ecosystems**

To further the Group’s work in enhancing biodiversity and ecosystem services across 25,000 acres a footprint 100 times larger than our facilities the MAS Foundation for Change takes the lead on large-scale conservation projects that restore habitats and champion biodiversity.

In alignment with SDGs 13: Climate Action and 15: Life on Land, we collaborate with partners to conserve ecosystems. Our Foundation’s flagship reforestation project in Trincomalee, which successfully restored six acres of endangered mangroves, represents a significant initial step in this vital undertaking.

**ACCESS TO WATER**

**Our Aim: Improving access to fresh water in disadvantaged communities**

Recognising clean water as a fundamental human right essential for public health, community development, and economic prosperity, our pilot project in the Anuradhapura District directly aims to support UN SDG 6: Clean Water and Sanitation.

**COMMUNITY-DRIVEN SUSTAINABILITY**

Community engagement is central to our sustainability philosophy. Through five recycling community centres and a government resource recovery centre, we actively promote resource recovery using innovative “waste to wealth” models. These centres serve as more than waste management hubs; they are dynamic community spaces. By generating additional revenue from recycling, we empower local communities economically, fostering ownership and pride in building a cleaner future. This aligns with UN SDG 12: Responsible Consumption and Production, as we encourage our stakeholder communities to embrace the circular economy.

Additionally, we partnered with the Waste Management Authority, Western Province, to train 26 preschool teachers on programmes promoting early childhood behavioural change in waste management. This initiative directly supports UN SDGs 4: Quality Education and 11: Sustainable Cities and Communities.





# Disclosure of Management of Material Topics (DMMT)

# Introduction

**GRI** 3-3

This section of the Impact report outlines MAS Holdings' approach to managing Material Topics, with a particular focus on mitigating Environmental, Social, and Governance (ESG) risks. It details the company's policies, strategies, and actions aimed at minimising the impact of these Material Topics, while upholding responsible and sustainable business practices. The Disclosures of Management of Material Topics under GRI 3-3 are an essential part of the Impact Review Report of MAS Holdings, following the guidelines set by the Global Reporting Initiative (GRI) Standards. To guarantee the accuracy of the information, the sustainability data presented in the report is verified by an independent third-party assurer.

In alignment with the Global Reporting Initiative (GRI) Standards, this disclosure demonstrates the commitment of MAS Holdings to transparency, accountability, and continuous improvement in sustainability efforts.

## Objectives

The objectives of this document are to:

- Clearly define the policies, strategies, and management approaches employed by MAS Holdings to address ESG risks and manage Material Topics effectively.
- Provide transparency regarding the Company's sustainability efforts and their alignment with globally recognised standards.
- Demonstrate MAS Holdings' commitment to fostering long-term sustainable growth and value creation through responsible business practices.

- Ensure stakeholders receive reliable, verified information to support informed decision-making and build trust in the company's ESG management approach.

## Sustainability at MAS Holdings

MAS Holdings, headquartered in Sri Lanka, is a global leader in innovation, technology, and sustainable solutions, with over 100,000 employees across 14 countries including India, Bangladesh, Hong Kong, Vietnam, Indonesia, Sri Lanka, Singapore, China, Jordan, Canada, UK, the USA, Kenya and the Dominican Republic. Our integrated supply chain includes 50+ manufacturing facilities and design houses across multiple nations. We partner with world-renowned brands like Nike, lululemon, and Calvin Klein, while also creating our own market-leading brands such as Become and GT Nexus. Beyond apparel manufacturing, MAS is a hub for innovation, addressing diverse needs through sustainable solutions. With ten specialised divisions, we lead in Intimates, Athleisure, Wearable Technology, Adaptive Apparel and more, shaping the future of fashion and sustainability.

MAS Holdings' journey of nearly four decades in business has been driven by a relentless pursuit of change and continuous improvement. From the early adoption of the UN Global Compact's 10 Principles in the 2000s to the establishment of material issues in

2014, MAS has consistently prioritised sustainability. This process evolved further in 2016 with external consultants and input from employees, suppliers, and local communities, broadening our focus on social and environmental sustainability.

In 2020, we launched the MAS Plan for Change, rooted in three pillars: Products Changed for Good, Lives Changed for Good, and Planet Changed for Good. These pillars guide our approach to making a lasting positive impact on the world, from sustainable products to improving lives and protecting the environment. The plan was informed by regulatory monitoring, consumer trends, and insights from our customers and partners, helping us prioritize issues that impact our people, partners, and planet. We are committed to championing change and advocating for transformation, particularly where collective effort is needed. As a company, the MAS Plan for Change extends our commitment to stakeholders beyond responsible business conduct to embrace the prospect of positive change that is ingrained in our DNA.

The Boards of Directors and senior executives actively shaped Our Plan for Change, with guidance from the Sustainability Advisory Council (SAC). This process prioritises critical environmental and social issues through ongoing materiality assessments. Clear sustainability goals are communicated across the company, supported by Hoshin

and Foundational KPIs, and regularly reviewed alongside broader business KPIs.

The SAC, including the CEO, advises on sustainability strategy, meeting quarterly and providing consultation as needed. CEOs review key reports, such as the UN Global Compact Communication on Progress and Impact Review Report that provides stakeholders with a comprehensive picture of how the Group is managing impacts, responding to sustainability-related risks and opportunities, and progressing against sustainability commitments as well as, ensuring transparency and accountability. Senior leadership receives regular training on sustainability, while feedback from internal and external stakeholders is escalated through designated channels. Additionally, we periodically review applicable legal requirements and ensure internal monitoring processes are in place to evaluate compliance with the same outcomes of compliance evaluations being presented to the Board. Moreover, the Group's governance process is empowered with adequate resources, robust policies, standardised procedures, and integrated KPIs that are cascaded across operations.

MAS is dedicated to driving sustainable, systemic change through collaboration across its ecosystem. Employees, customers, suppliers, and communities play pivotal roles in the MAS Plan for Change. Stakeholder engagement begins with thorough mapping and the use of an Impact-Influence Matrix to identify

and prioritise those most impacted by or influential to operations, enabling effective communication and partnerships throughout the organisation. MAS fosters strong relationships with regulatory bodies, civil society, and institutions, working together to transform systems and create collective impact. The Company provides regular updates on initiatives, compliance, risks, and performance, advocating for positive change where collaboration is vital. With nearly four decades of expertise, MAS has developed a vertically integrated, innovative ecosystem that partners with leading global brands. By maintaining stringent quality standards, MAS ensures consumer safety while championing sustainability.

Sustainability at MAS is more than a commitment; it is a core principle driving our innovation and growth. By embedding responsible practices across our operations, fostering collaboration with stakeholders, and aligning with global standards, we strive to create lasting positive impact for our people, communities, and the planet ensuring a better future for generations to come.



# Our Approach to Products Changed for Good

Our sustainable product strategy is motivated by the urgency of environmental challenges, evolution of the industry – including increased consumer awareness and customer acceptance, and our vision to be changemakers and disruptors driving positive impact in the apparel sector.

At the heart of the strategy is our definition of sustainable products – as those that are good for the wearer, good for the planet, and good for business. We have set ourselves a goal – to generate 50% of apparel revenue from sustainable products by 2025.

Our sustainable product commitments reflect MAS’ scale and capacity. With a revenue-based target to guide us, we are working to ensure business growth is directly linked to, and does not mitigate any advances in, the sustainable product space.

We follow a comprehensive approach to achieve this ambitious commitment, with concerted work across three areas of focus, all of which contribute to achieving this overarching target.

Innovate and disrupt	Source sustainably	Pioneer circularity at scale
Innovating the way products are made so they can last longer, be good for the wearer, use less resources, and be recycled after use.	Partnering across the supply chain to responsibly source and develop organic, regenerative, natural, and recycled raw materials.	Closing the loop by using post-consumer waste to make new products.

### Material Topics

1. Product and Process Innovation
2. Sustainable Materials
3. Responsible and Ethical Sourcing
4. Supply Chain Management
5. Circularity

### Aligned GRI Topical Disclosures

1. GRI 204: Procurement Practices
2. GRI 308: Supplier Environmental Assessment
3. GRI 414: Supplier Social Assessment
4. GRI 301: Materials
5. GRI 408: Child Labour
6. GRI 409: Forced or Compulsory Labour



## INNOVATE AND DISRUPT

Sustainability and innovation in the apparel sector are inextricably linked. They are vital to mitigating environmental and social impacts at scale, and embracing the transition towards a circular, green, and more responsible future. They are also essential to meeting changing consumer demands and evolving regulatory requirements; fostering growth opportunities and opening up new avenues for business expansion. MAS recognises this imperative and has embedded these principles in our Plan for Change strategy and the core of our approach to sustainable products.

### WHY INNOVATION AND SUSTAINABLE MATERIALS MATTER

**Responding to environmental challenges:** The apparel industry is seeing a shift away from traditional and non-renewable materials; toward responsibly sourced, renewable, recycled, or sustainable materials that minimise negative social and environmental impacts. Addressing the sustainability of materials is essential to minimise the environmental footprint of fashion, and address pressing concerns around resource depletion, water consumption, and pollution respond. Escalating environmental challenges, exacerbated by climate change, result

in an undeniable urgency for action. The global scale and reach of the fashion industry necessitate a rethinking of how the industry can answer the climate challenge, while protecting and preserving natural resources.

**Meeting consumer needs and regulatory demands:** Growing consumers awareness on what clothing is made of and how it is manufactured, is driving an increased focus on sustainable fashion and demanding more sustainable alternatives. At the same time, regulations, such as those in the European Union, are growing more stringent; demanding greater transparency, traceability, and consciousness in line with the push toward a more circular economy.

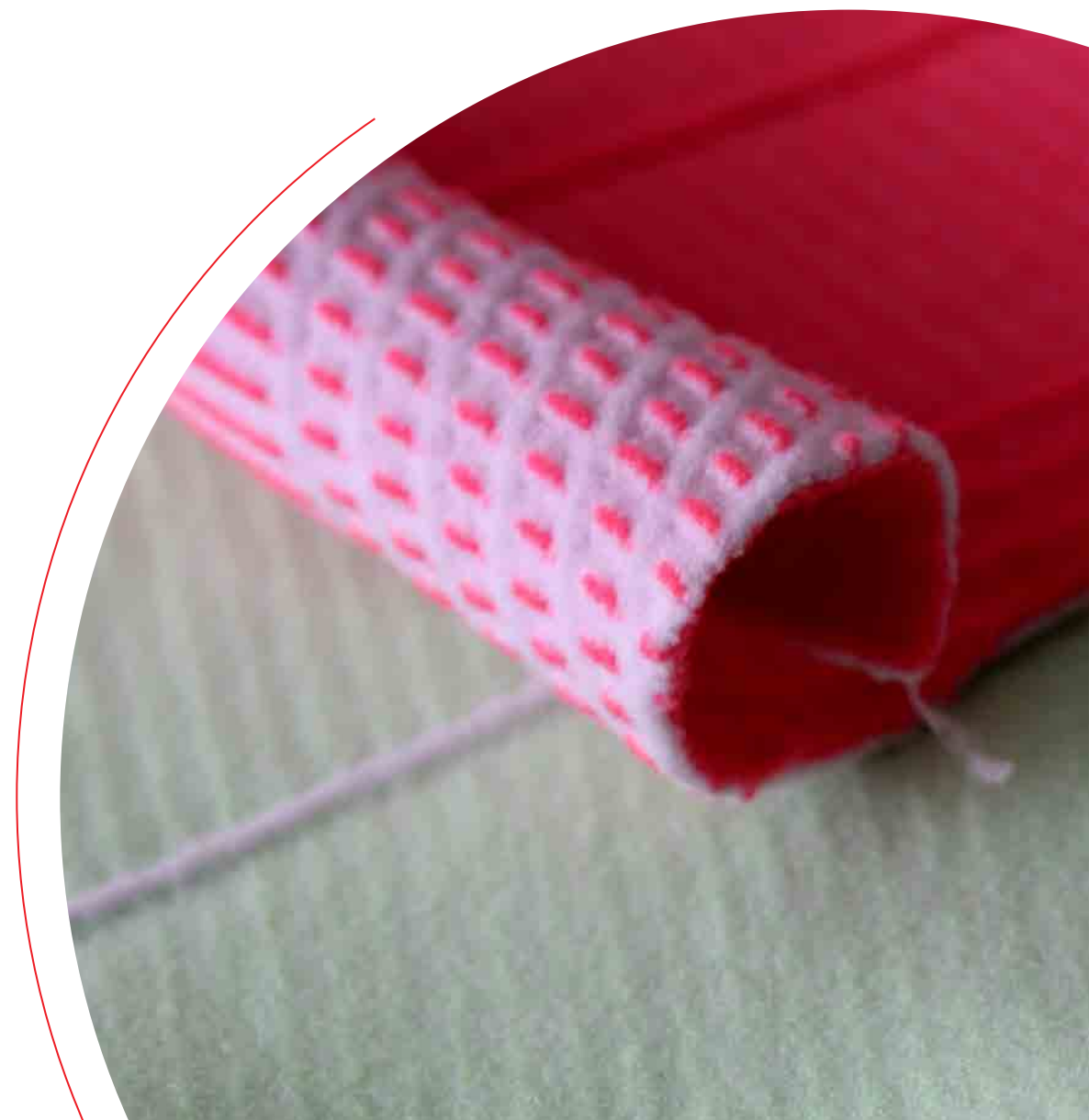
**Business and growth opportunities:** Our pursuit of Products Changed for Good consider what is good for the wearer, good for the planet, and good for our business; this shift towards sustainable products presents the perfect opportunity for positive change that is also good for business. Responding to these business demands, through effective, transparent, traceable, and independently verifiable efforts builds trust; reinforcing the business compact and securing sustainability of our enterprise. Innovation in this space can also spark the creation of products with positive social and business

impacts, while catering to previously underserved consumer segments. By being at the forefront of sustainable fashion, our disruptive work with industry pioneers can create new markets and attract new customer streams.

**Innovation to scale sustainable solutions:** Innovation to manufacture millions of products with fewer resources, while making them longer-lasting and more recyclable; can result in massive sustainability gains. As such, our innovation and product sustainability teams actively pursue new and improved solutions that are industry disruptors. Incorporation of innovative materials also presents revolutionary solutions with the potential for exponential scale – accelerating the industry's shift away from fossil fuel-based materials, and toward reduced chemical-use, improved biodegradability, and greater recyclability.

### WHAT WE ARE DOING TODAY. HOW WE ARE SHAPING TOMORROW.

As a leader in sustainable manufacturing, we recognise the importance of adopting a clear definition for sustainable products. One that is aligned with the needs of our stakeholders, and is ambitious enough to inspire our efforts, our supply chains, and our customers.






MAS SUSTAINABLE PRODUCT CRITERIA

<div>RAW MATERIALS</div> <div>COTTON<ul style="list-style-type: none"><li>More than 50% of the cotton used is organically grown. L2</li><li>More than 30% of the cotton used is recycled cotton. L2</li><li>The cotton used is 100% REGEN and covers more than 75% of the garment. L2</li></ul></div> <div>NATURAL MATERIAL ALTERNATIVES<ul style="list-style-type: none"><li>More than 30% of fabric materials used are made up of jute, bamboo, coir, modal, lyocell, etc., as an alternative to cotton. L2</li></ul></div> <div>SYNTHETICS<ul style="list-style-type: none"><li>Over 75% recycled synthetic content used in the product. L3</li><li>Over 65% recycled synthetic content used in the product. L2</li></ul></div> <div>RECYCLED/NATURAL ALTERNATIVES<ul style="list-style-type: none"><li>More than 30% of fabric is made of recycled natural alternatives. L2</li></ul></div> <div>WOOLS<ul style="list-style-type: none"><li>Procurement aligns with Responsible Wool Standard (RWS) L2</li><li>Over 75% of the wool content is from recycled wool content used in the product. L2</li></ul></div> <div>BIODEGRADABLE<ul style="list-style-type: none"><li>Product is marketed as a fully compostable/biodegradable product, with necessary data to support claims. L2</li></ul></div> <div>BIO-BASED<ul style="list-style-type: none"><li>30% of fabric used is from bio-based alternatives (corn starch, soy protein, castor oil, lab-grown, etc.). L2</li><li>80% of trims and auxiliaries manufactured using natural alternatives sourced from waste of other industries. L1</li></ul></div>	<div>DESIGN/MERCHANDISING</div> <div>RAW MATERIAL SOURCING<ul style="list-style-type: none"><li>100% of raw materials on BOM sourced from within the same country. L1</li><li>Sustainable alternatives to cotton, polyester, and nylon generated from sustainable sources, with validation for the claims. L3</li><li>Monomaterials – single material usage per garment. 100% of fabric items in BOM made with exact same composition. L2</li></ul></div> <div>ENGINEERED KNIT<ul style="list-style-type: none"><li>Product designed for engineered knit, which has the effect of eliminating fabric cut waste. L3</li></ul></div> <div>DESIGN FOR LONG LIFE<ul style="list-style-type: none"><li>Product contains anti-stain, anti-snagging, and anti-odor finishes/techs to prolong lifetime of the product. L1</li></ul><div>*Does not include bactericidal finishes/yarns*</div><ul style="list-style-type: none"><li>Product designed with increased durability and reparability to prolong lifetime of the product. L1</li></ul></div> <div>COMPOSTABLE PACKAGING<ul style="list-style-type: none"><li>Polybags used for garment packaging is compostable. L1</li></ul></div> <div>RECYCLED PACKAGING<ul style="list-style-type: none"><li>100% of polybags used for garment packaging is 100% recycled. L1</li></ul></div> <div>PAPER-BASED<ul style="list-style-type: none"><li>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</li></ul></div> <div>DESIGN FOR REUSE<ul style="list-style-type: none"><li>Product enables a shift over from single-use to reusable. L3</li></ul></div>	<div>MANUFACTURING PROCESS</div> <div>DYEING AND FINISHING<ul style="list-style-type: none"><li>Body fabric and elastics are coloured using at least 80% natural colourants (e.g., tea staining). L2</li><li>Body fabric and elastics in the product have been re-dyed. L3</li><li>Product has been dyed/finished through Bluesign approved system partners. L2</li><li>Product uses only digital colouration for embellishments and base fabric colour. L3</li><li>Product uses 90% less water than traditional dyeing and finishing methods. L3</li><li>Product uses 90% less energy than traditional dyeing and finishing methods. L3</li><li>Completely undyed product. L2</li></ul></div> <div>CIRCULARITY</div> <div>POST-CONSUMER WASTE<ul style="list-style-type: none"><li>50% of raw materials produced using post-consumer apparel waste. L3</li><li>30% of raw materials produced using post-consumer apparel waste. L2</li></ul></div> <div>DESIGN FOR POST-CONSUMER<ul style="list-style-type: none"><li>Product is designed to be 100% recycled, post-consumer use. L2</li></ul></div> <div>PRE-CONSUMER<ul style="list-style-type: none"><li>80% of product made using pre-consumer waste. L2</li><li>30% of product made using pre-consumer waste. L2</li><li>Any products whose business model eliminates customers' product inventory waste. L3</li></ul></div>	<div>SOCIAL</div> <div>SOCIAL WELLBEING<ul style="list-style-type: none"><li>Percentage of product FOB/retail price goes directly to a social wellbeing initiative. L2</li></ul></div> <div>EMPOWERMENT<ul style="list-style-type: none"><li>Product enables and empowers women (FemTech); persons with impairments (physical, mental, or situational) to lead more normal lives. L3</li></ul></div> <div><div>≥ One L3 = Gold</div><div>≥ Two L2 = Gold</div><div>One L2 = Silver</div><div>≥ Three L1 = Silver</div><div>≤ Two L1 = Bronze</div></div> <div>Silver and Gold are only considered for the KPI but Bronze will continue to be tracked.</div>
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Since launch of the MAS Plan for Change in 2020, we have made tremendous progress. We have been diligently building capabilities, processes, and optimal partnerships to deliver on our 2025 goal. We continue to increase awareness and knowledge of sustainable products across our enterprise; from product design teams to customer-facing units, merchants, and partners.

Additionally, we are improving transparency across the supply chain – working with even more suppliers, partners, and brands to verify achievements, pursue certification, and  improve traceability and transparency across the apparel value chain.



• **RAW MATERIALS:**

Origin and raw material composition of products – Directly impacts what products are made from. MAS prioritises traceable material sources and implements controls aimed at increasing recycled or regenerative raw material content, exploring natural material alternatives, and introducing bio-based and biodegradable materials.



• **MANUFACTURING PROCESS:**

Material and energy use in manufacturing – Process controls promote concepts and techniques such as natural and waterless dye technologies, undyed finishes, and Bluesign chemistries.



• **DESIGN AND MERCHANDISING:**

Material-use efficiency and product longevity through design and merchandising – Processes aim to increase utilisation of monomaterials (improving recyclability) and innovative technologies such as engineered knit. Products are designed for reuse, recycling, and longevity, with sustainable packaging incorporated at the design stage.



• **SOCIAL IMPACT:**

Social contribution – Influences how products contribute to social wellbeing, empowerment, diversity, and inclusivity. Includes products in the FemTech and Adaptive Wear space, such as Femography and Lable by MAS.

### Setting an ambitious course and tracking our progress

Our approach to sustainable products places sustainability at the heart of our core business; by setting stringent criteria to define and rate sustainable products, and by setting an ambitious goal – to generate 50% of apparel revenue from sustainable products by 2025. In an industry where the boundaries of technology and innovation are constantly evolving; we have set objectively verifiable criteria to define sustainable products.

Sustainable product criteria are monitored monthly, assessed by a central team and cascaded to all product design and merchandising teams across our divisions. Furthermore, we continually review, refresh, and update these criteria to reflect the latest advancements and industry trends – new criteria are added, and those no longer relevant are removed.

We track our progress through annual goals and interim targets. In 2023, we surpassed our internal revenue target, achieving 34% of revenue from sustainable products. By the end of 2024, this figure increased to 40% – within striking distance of our goal of 50%. The success of our achievements was made possible by adoption of sustainable raw materials, pursuit of positive social impact, improvements in manufacturing processes, and innovative design and merchandising.

Review our efforts in 2024, including an innovative partnership with  **Ambercycle**.

Progress made and successes achieved are not just our own, they are the outcome of engagement with industry innovators, the ongoing efforts of vendors and partners across the supply chain – including Tier-3 suppliers, and the commitment of our partner-brands in offering more sustainable options to their customers.

### Engaging stakeholders in developing and delivering sustainable products

Our definition for sustainable products is aligned with the needs of our stakeholders, including customers and consumers. To stay ahead of the curve in a rapidly evolving industry, we are listening to the voice of our stakeholders: partners, regulators, customers, and consumers who are at the heart of growing demand for sustainable apparel.

We recognise the urgency to shift toward sustainable materials, and are working with our stakeholders to embrace sustainable materials throughout our operations. Read about our  **supply chain commitment** and  **supplier engagement** actions.



## SOURCE SUSTAINABLY

The global apparel supply chain is characterised by its extensive and interconnected nature, spanning numerous countries and involving a multitude of stakeholders. Sustainable sourcing, within this ever-expanding value chain, is of paramount importance to business success and a crucial means to address the significant environmental and social impacts of the industry.

As consumers and brands increasingly prioritise sustainability, circularity, functionality, adaptability, and traceability; we take up the challenge of exploring new solutions and alternatives by expanding our reach and empowering our suppliers across the textile and apparel value-chain. This ongoing effort has translated into the expansion of sustainable, recycled, and Environmentally Preferred Materials (EPM) across our product lines; including organic and regenerative cotton, recycled polyester, and eco-friendly dyes.

## SUSTAINABLE SOURCING AND THE GLOBAL APPAREL INDUSTRY

**Addressing environmental impact:** From raw material production or extraction; to textile and garment dyeing, treatment, and manufacture; and eventually consumer-use and end-of-life; the apparel industry's

environmental footprint is significant and spread wide across the apparel value chain. From the perspective of a manufacturer, the upstream supply chain includes energy-intensive processes, emissions, chemical-use, and water-consumption – across every stage of the production process. And as the sector grows, it can contribute to resource depletion, pollution, and climate change on a global scale. Manufacturers occupy a niche where their initiatives and investments can inspire change and create tangible impact both upstream and downstream; driving wider adoption of sustainable practices across the apparel value chain.

**Social and ethical responsibility:** The apparel supply chain spans multiple continents, includes diverse communities, and employs large workforces across the globe. Guaranteeing fair and safe labor conditions, upholding respect for human rights, and ensuring compliance with ethical best-practices throughout the supply chain is an enormous and continuous challenge. Social and labour compliance across this expansive network is an urgent priority with entire regions, sectors, suppliers, and eventually brands – facing increased risks associated with poor labour conditions and non-compliance in the supply chain. Aside from sustainability-related risks, regulators and consumers are pushing for greater accountability, transparency, and

traceability; leading to intensified scrutiny on the supply chain. With these demands in the fashion industry, ethical sourcing practices – including independent verification, certification, and accreditation – are rapidly becoming prerequisites for effective supply chain management.

**Mitigating business risks and seizing opportunities:** Beyond an ethical imperative, effective management of an expansive supply chain is also essential for management of business risks associated with the availability and pricing of raw materials. Geopolitical shifts, climate change, and other disruptions only exacerbate risks. Diversifying material sources, investing in sustainable alternatives, and supporting suppliers can help build a more resilient supply chain; which in turn can contribute to business success. While managing and monitoring suppliers across continents can present challenges, following demand-signals and maximising opportunities can also unlock competitive advantages and a multitude of strategic benefits. Rethinking of supply chain economics to mitigate risk and address future needs can be crucial for long-term competitiveness.

**Facilitating the transition to a circular economy:** As the apparel industry takes on the challenge of shifting towards a circular economy, strategic supply chain management and sustainable sourcing

are crucial to minimising waste, designing for circularity, and reintroducing recycled input materials into the production process through closed-loop solutions.

## RAW MATERIALS (RM) SOURCING

We approach sustainable sourcing of raw materials through a comprehensive strategy that prioritises partnership across the supply chain to responsibly source and develop organic, regenerative, natural, and recycled raw materials – which help mitigate the sector's negative environmental impacts.

We are promoting the switch to more sustainable and traceable cotton, working to purchase and use man-made cellulosic fibers from closed-loop sources, and have been carrying out extensive groundwork to source and integrate regenerative cotton into our product-mix. We prioritise sourcing environmentally preferred materials with adequate traceability and certification, while continually investing in future materials and seeking natural alternatives to synthetics.

Bringing the use of sustainable raw materials to a commercial scale is a long-term effort, with impediments due to premium pricing, price fluctuations, ethical considerations, climate change impacts, sociopolitical instability, regulatory developments, and the gap between consumer aspiration and action.

Despite these challenges, we hold that sustainable sourcing is a critical lever in delivering on our promise of Products Changed for Good; and we are determined to continue efforts to collaborate with industry partners and improve transparency and traceability measures across the apparel value chain – to improve acceptance, availability, and use of sustainable raw materials.

### Traceability and certification for the materials we source

MAS employs stringent environmental and social thresholds, and leverages well-established systems, standardised processes, and robust networks; in order to offer products and solutions that adhere to globally accepted sustainability and traceability standards, and brand-specific requirements.

We offer our customers a diverse portfolio of ethically sourced, sustainable, certified, and verified products, bearing industry-accepted certifications, and meeting traceability best-practices. Our sustainable product offering is a direct result of continuous engagement and enhanced transparency across our supply chain, and incorporation of environmentally preferred materials such as organic or regenerative cotton, recycled cotton, recycled synthetics, and manmade cellulosic fibers (MMCF).



In a competitive industry, certifications and sustainability standards have grown to become a business necessity for retailers, apparel manufacturers, and raw-material processors and producers alike.

- Our efforts to source certified raw materials contribute to management and mitigation of business risks. Since certified materials often come with assurances of quality, safety, and compliance with environmental and social standards, ensuring certification can mitigate risks associated with potentially negative environmental or social impacts. It also supports compliance

with regulatory requirements and reputation management by mitigating non-compliance risk, reputational risk, and related fines and legal disputes.

- Certifications often involve traceability and transparency mechanisms that allow MAS to track the origin and journey of materials throughout the supply chain. This transparency helps identify and address any issues or risks related to raw material sourcing, such as environmental degradation, deforestation, or human rights violations.
- Our sustainable products and solutions utilising certified raw materials serve as a differentiator: setting MAS products apart and creating access to new markets and customers that prioritise sustainability.

Recognising the increasing criticality of transparency and traceability prompted by emerging regulations, client guidelines, and consumer expectations; we are proactively

implementing and enhancing traceability measures across our apparel value chain.

This involves active collaboration with industry partners to improve compliance, adoption certifications, and maintain requisite documentation; thereby increasing visibility upstream and broadening the availability of sustainable raw materials for our customers. By prioritising transparency and traceability, we aim to build resilient strategies adaptable to potential disruptions and ensure the integrity of our sustainable sourcing efforts.

Explore the advancements we achieved this year in our journey toward  **Improving digital traceability** across the supply chain.



**MANAGING OUR PRIORITY  
RAW MATERIALS (PRM)**

MAS utilises the Textile Exchange’s Materials Terminology Guide to define Priority Raw Materials (PRM) that make up a significant share of the raw materials in our products. Sustainable sourcing of some of these raw materials, such as cotton, also pose material risks to our business and the value chain through their potential impact on ecosystems and communities. In order to sustainably manage such impacts and business risks, we have management strategies in place for each PRM.

Priority raw material	Environmental or social factors	Business risks or opportunities	Management strategy
Cotton/Cellulosic materials	Climate change, water usage, land use, land degradation, material sourcing from places of conflict	Impact to the availability of cotton, volatility in pricing	Source regenerative cotton, switch to more sustainable and traceable cotton, purchase manmade cellulosic fibres (MMCF) from closed-loop sources, source natural materials with traceability and certification
Synthetic materials	Climate change, emissions, and environmental impact of non-renewable fossil fuels, potential for micro-plastic pollution	Change in the product mix and orders from customer due to change in customer demands  Increase use of sustainable natural materials  Changes in regulations with regard to the fossil fuel industry and with regard to synthetics due to micro-plastics  Higher prices of synthetics, which are now some of the lowest cost fibres for textile manufacture	Invest in materials of the future, seek out natural alternatives to synthetics, explore partnerships to access to recycled synthetics



OUR SUPPLY CHAIN  
COMMITMENT

MAS operates in 14 countries, with manufacturing facilities in ten countries and design houses in five. Working with a number of leading partner-brands, we depend on a large number of external vendors and suppliers for raw materials like fabric and lace, as well as packaging, labeling, chemicals, and dyes. Our engagement with suppliers extends beyond direct suppliers (Tier 1) to include Tier 2 and Tier 3 suppliers in key sectors and regions. Our supply chain commitment extends to building a resilient and transparent supply chain that prioritises sustainability. We believe that developing a sustainable and ethical supply chain is a robust and viable way to drive adoption of sustainable products.

Our commitment exceeds initial due diligence and screening of suppliers to a deep engagement across the value chain; fostering a stronger commitment to ethical business practices that align with our procurement standards, including anti-bribery, anti-corruption, and non-solicitation.

We actively engage with our suppliers to pursue sourcing of sustainable raw materials; ensure environmental compliance, including the phasing out hazardous chemicals and restricted substances; encourage energy efficiency and emissions reduction; and promote social compliance and ethical business practices. Our pursuit of environmental compliance and efficiency improvements across the apparel supply chain can contribute to significant reductions in waste generation, chemical discharge, energy-use, and emissions.

With an extensive supply chain spread across the globe, successful supply chain management and effective monitoring and enables us to deliver on our broader sustainable product strategy. Supplier best practices also play a vital role in achieving the environmental and social objectives of our customers, and the wider expectations of end-consumers.

The MAS Vendor Code of Conduct (VCC) serves as a binding agreement between MAS and its suppliers, going hand-in-hand

with a supplier agreement. All onboarded suppliers are required to sign and agree to comply with the Code. Beyond requiring suppliers to comply with all applicable national laws and regulations, the Code outlines a number of requirements, standards, and best practices, and sets out a guideline for greater transparency and traceability across the supply chain. These standards guide engagement between MAS and suppliers, and the interactions of suppliers with their own stakeholders. Our complete Vendor Code of Conduct is available online [Corporate website](#)

Meeting traceability and transparency requirements, we exercise due diligence in screening and onboarding new suppliers, while continuing to monitor and empower existing suppliers through a variety of assessments, audits, and other activities. Vendor onboarding includes standard Mill Evaluation visits and signing of MAS' Vendor Code of Conduct.

SUPPLIER ENGAGEMENT  
AND CONNECTIVITY

While selection, onboarding, and allocation of suppliers is closely tied to the needs and standards of customers and particulars of specific products, we employ a comprehensive sourcing and procurement strategy that ensures fair, equitable, and sustainable supply chain management. The strategy prioritises the needs of our business and customers, aligns with our growth strategies, provides suppliers with essential and streamlined management support, and delivers outstanding value to cultivate a best-in-class supplier base. Digitalisation is a key tool in our arsenal for increased efficiency, integration, and data analysis that supports decision-making.

Our expanding supplier ecosystem requires diligent management to ensure procurement competitiveness, security of supply, and sourcing agility; all while upholding the highest environmental, social, and ethical standards. This is achieved through proactive supplier relationship management complemented by ironclad due diligence, continuous assessment, and stringent controls.

MAS' supplier management strategy and cascaded sectoral action-plans provide a clear roadmap for our teams to follow. The strategy prioritises strategic sourcing, aligns with national imperatives, and emphasises proximity sourcing to foster strong local relationships. This commitment to local suppliers has yielded multiple benefits, including increased operational efficiency, stronger relationships, and positive impact on local communities, industries, and value chains.

Ethical sourcing	Ethical business practice	Intellectual Property and product stewardship	Environmental compliance	Social compliance
Including human rights and trade compliance	Including anti-bribery, anti-corruption, and fair competition	Including data protection and product safety	Including environmental protection and performance	Including labour practices and health and safety standards



## Inspiring climate action and environmental progress

Leading the way beyond regulatory requirements, we work with our suppliers to improve their environmental performance – through energy efficiency, emissions reduction, and other improvements that benefit their own operations, improve competitiveness, and result in positive outcomes for the environment.

Our commitment to the Science-Based Targets initiative (SBTi), and the ambitious target of reducing emissions by 25% by 2025 serves as a catalyst for our efforts to advance climate action across the supply chain. We work with our key suppliers to adopt the SBTi methodology and establish clear and measurable targets for emissions reduction. These efforts are in line with our commitment to ensure 85% of our suppliers by spend and 100% of joint ventures in Scope 3 investments will have science-based targets by 2025.

### SUPPLY CHAIN COMPLIANCE AND PERFORMANCE

Our commitment to sourcing sustainably and empowering the apparel sector involves a multi-pronged approach to managing environmental and social impacts across the supply chain.

### ENVIRONMENTAL STANDARDS AND COMPLIANCE

MAS sets stringent requirements including minimum standards and controls in line with national regulations, customer requirements, and industry best-practices.

We utilise the Higg Facility Environmental Module (FEM) tool from the Sustainable Apparel Coalition (now Cascale) to assess environmental management standards, ensure national and industry regulations are met, and facilities are in compliance with industry standards. A significant portion of our RM spend-base have adopted the Higg FEM platform for self-assessments, with many also seeking out independent third-party on-site assessments and verification.

For chemical management and water stewardship, we ensure suppliers comply with Zero Discharge of Hazardous Chemicals (ZDHC) standards and guidelines. Assessments and inventory checks through the ZDHC gateway ensure ongoing compliance of suppliers. We

monitor subcontracting wet operations against local discharge regulations and ZDHC Wastewater Guidelines (WWG) through annual testing, and extend our oversight to cover Tier 2 suppliers supplying wet raw materials. The ZDHC Gateway is an important tool that enables suppliers to provide timely, standardised reports, and maintain compliance against guidelines.

## Sustainable sourcing: Ensuring product safety and stewardship

MAS' commitment to eliminating hazardous chemicals and restricted substances extends to the supply chain. Our processes to ensure produce safety and stewardship through responsible chemical use, and the performance of our supplier facilities, is detailed in the section Our Planet Changed for Good – Responsible Chemical Use (page 146).

To ensure product commitments are met, we closely track several operational metrics impacting quality, reliability, and efficiency. Some of the KPIs measured include First Time Through (FTT) and On-Time Delivery (OTD).

### SOCIAL STANDARDS AND COMPLIANCE

The MAS VCC includes highly detailed standards for social and labour compliance that encompass fair treatment; recruitment and employment contracts; working hours, leave, and wages; benefits and compensation; health and safety; and effective grievance-handling. The Code also upholds freedom of association and collective bargaining to ensure worker voices are heard and involvement is ensured.

We encourage suppliers to adopt compliance tools such as the Higg Facility Social and Labour Module (FSLM), which utilises assessment tools and processes outlined by the Social and Labour Convergence Programme (SLCP). In addition to suppliers onboarded to Higg FSLM, some MAS divisions also conduct audits of labour practices.

### PIONEER CIRCULARITY AT SCALE

Consumers, retailers, manufacturers, and regulators around the world have come to realise that the apparel industry's traditionally linear model – manufacture, sell, discard – is unsustainable. Recognising this shift towards circularity, where materials are kept in use and waste is minimised, we actively prioritise circular thinking in our operations, partnerships, and products.

### THE CIRCULAR ECONOMY AND SUSTAINABLE FASHION

**Upstream environmental impact:** Circularity prioritises using recycled, renewable, or upcycled materials, lessening the demand for virgin natural resources with a significant environmental footprint, or fossil fuel-derived synthetics that can contribute to greenhouse gas emissions. Circular thinking in raw material sourcing encourages adoption of environmentally preferred materials with lower environmental footprints, promotes more sustainable or regenerative agricultural practices, and incorporates innovative new closed-loop materials made from waste streams.

**Design, merchandising, and production:** System-change, aligned with circularity, at the design-level can result in higher-quality, greater-durability garments that can withstand prolonged use; thereby indirectly reducing material consumption. In addition, designing for recyclability, through the use of mono-materials or other means, can facilitate easier recycling at end-of-life – improving the uptake of waste diversion initiatives. Other changes at manufacturing, such as efficient cutting techniques, utilisation of surplus materials, and waste-minimisation systems can directly reduce or waste during manufacture. Circular

thinking, by responsible brands, can encourage design and marketing concepts such as repair-reuse-resale, which can maximise value and extend the lifespan of products; thereby reducing the demand for new production.

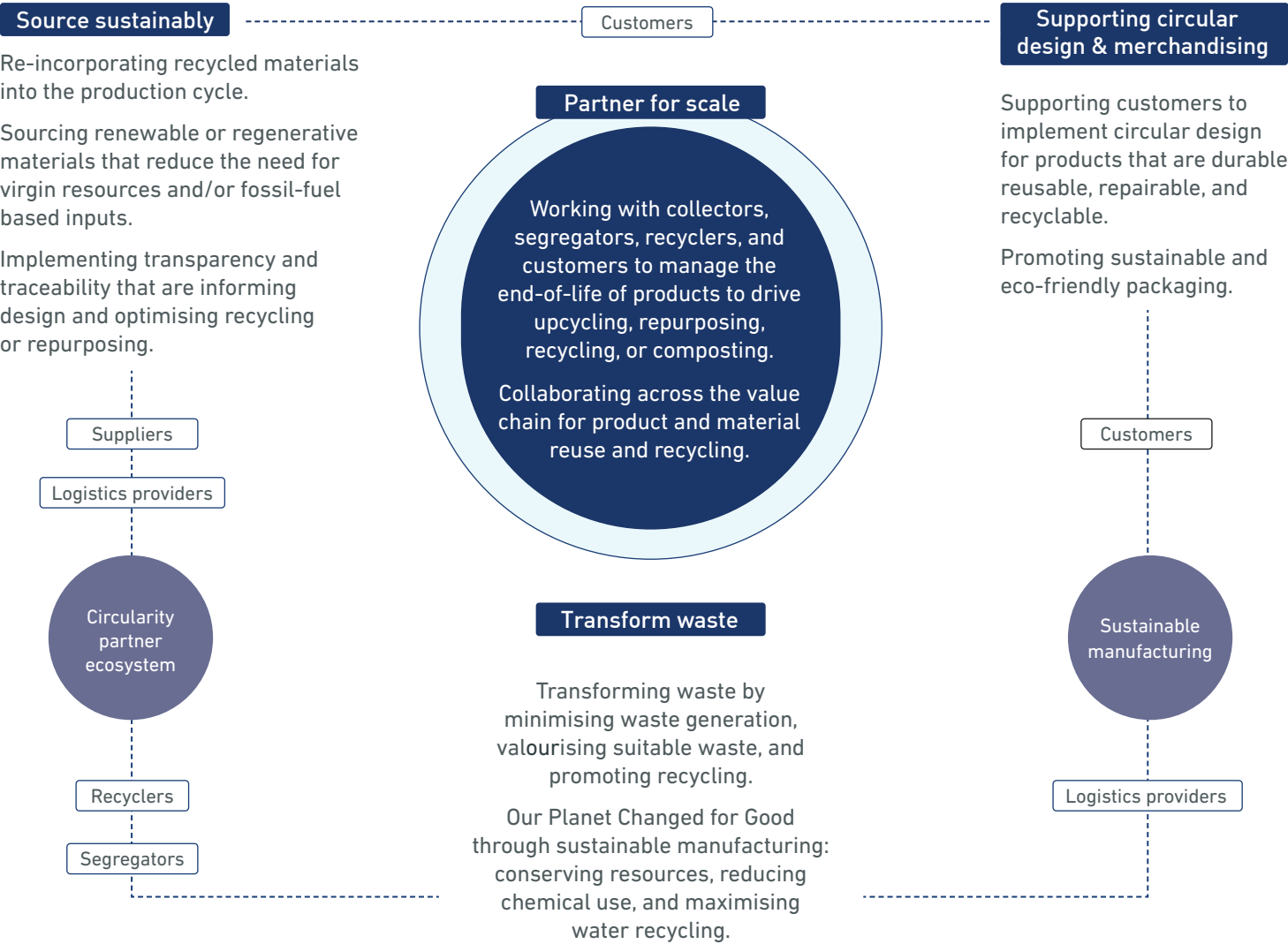
**Downstream environmental impact:** Innovations related to durability and the incorporation of biodegradable natural fibers, can help reduce the downstream use-phase impact of microplastic-shedding - a significant environmental concern. End-of-life apparel waste is a major downstream environmental impact, but one that can be addressed by circularity as creative re-use and recycling can result in diversion of apparel waste from landfills and incineration. In addition, incorporation of natural raw materials, designed for safe biodegradation, can also minimise waste-related impacts. As circular principles evolve, scale, and find increased adoption; textile-to-textile recycling and other innovative technologies are improving the volume of products at end-of-life that can be recycled; resulting in closing the loop and reducing extraction of further virgin resources.

**OUR APPROACH TO CIRCULARITY**

We actively explore avenues to advance circularity in our operations through a dedicated team and collaborative approach across the entire value chain; including material sourcing – re-incorporating recycled materials and sourcing renewable/regenerative materials, product design – designing for re-use and recycling, and manufacturing advancements and waste management innovations across our own operations.



The MAS Circularity Team comprises specialists in fabric technology, waste management, partnerships, and business development, and achieving circularity at scale is enshrined in our Plan for Change. Our circularity network spans a number of geographies and includes multiple supply chain stakeholders: recyclers, sorters, solutions providers, innovators, reverse-logistics partners and more. Connecting across national borders and industries, we are making progress in mapping networks and partners to promote circularity, and are extending our engagement beyond immediate (Tier 1 suppliers) to include Tier 2 suppliers.

In addition, the MAS Sustainable Product Criteria and rating system are also informed by circularity principles – ensuring our efforts for sustainability through circularity are integrated in the core line-of-business.





## **SOURCING SUSTAINABLY**

We work with suppliers, partners, and innovators to responsibly source and develop recycled and regenerative raw materials. This includes adopting and investing in initiatives such as circular or regenerative yarns like  HeiQ's AeonIQ™ and  Ambercycle's cycora® – to expedite their reach, scale, and commercial adoption.

## **SUPPORTING CIRCULAR DESIGN AND MERCHANDISING**

We work with partner-brands to innovate the way products are made, and implementing circular design principles for durability, reusability, repairability, and recyclability in products. This means wherever possible, we produce apparels that can last longer, use fewer resources, and be recycled after use. Our active innovations include the utilisation of mono-materials to improve recyclability and employing innovative technologies like engineered knit (E-knit).

With a global production footprint and almost all packaging materials sourced externally, our experienced merchandisers and customer-facing teams play a key role in ensuring packaging is sustainable. While customer-nomination is the primary driver behind selection of packaging


materials, the majority of our packaging products come from sustainable certified sources and we work with customers and suppliers to source reclaimed and/or recycled materials wherever possible.

## **TRANSFORMING WASTE**

As part of our commitment to the environment outlined in the Plan for Change: Our Planet Changed for Good pillar, we focus on minimising waste generation, valorising suitable waste, and promoting recycling. Our efforts include partnering and establishing networks to convert RM waste into new yarn and developing projects to separate and recover materials from garment waste. Our initiatives extend to addressing waste outside our operations – exploring avenues to scale synthetic and natural-fibre recycling and reincorporation of post-consumer waste into the production process. Innovative partnerships and projects such as Cellucycle, are delivering impressive results through closed-loop recycling of cotton-polyester fleece waste.

## **PARTNERING FOR SCALE**

A fundamental component of our efforts to circularity across the value chain is engagement with a circularity partner network. This network serves as the foundation for a robust reverse supply chain for efficient movement of materials back into the production cycle.

Recent collaborations, such as our work with  CIRCULOSE, an award-winning Swedish textile-to-textile recycling initiative, are scaling access to high-quality recycled materials.



# Our Approach to Lives Changed for Good

## Material Topics

1. Empowering Women
2. Sustainable Compensation
3. Diversity, Equity, and Inclusion
4. Learning and Development
5. Health, Safety, and Wellbeing
6. Engaging and Purposeful Culture
7. Community Development

## Aligned GRI Topical Disclosures

1. GRI 405: Diversity and Equal Opportunity
2. GRI 401: Employment
3. GRI 404: Training and Education
4. GRI 406: Non-Discrimination
5. GRI 402: Labour Management Relations
6. GRI 403: Occupational Health and Safety
7. GRI 407: Freedom of Association and Collective Bargaining
8. GRI 413: Local Communities

At the centre of our ability to be a potent force for good is an evolving social compact with our employees and communities; a partnership built on shared values and mutual benefit that is shaping industry norms.

As a global apparel manufacturer with a significant presence in South Asia, we understand the scrutiny our industry faces regarding labour practices. We are committed to demonstrating a departure from those norms, investing in training, development, and equitable compensation. We aim to provide careers, not just jobs, by implementing these principles across our diverse operations.

Beyond our factories, we are committed to community development, acknowledging the intrinsic link between our success and the prosperity of the regions in which we operate. This involves partnerships and local initiatives aimed at long-term sustainable growth. We are acutely aware that the efficacy of these programmes and their ability to address complex socio-economic realities requires ongoing assessment.

## HOW WE DRIVE SOCIAL SUSTAINABILITY

To ensure our social responsibility translates to tangible impact, we employ a robust tracking system aligned with the social pillar of our Plan for Change.

Introduced in 2020, the MAS Social Sustainability Scoring Tool (SS Tool) integrates key social sustainability KPIs into our group strategy deployment, Hoshin Kanri.

This tool effectively cascades our social impact ambitions throughout the Organisation, from leadership to employees. Individual facility scores, calculated monthly, quarterly, and biannually, are tied to CEO performance. Collated data is rigorously validated by pillar and divisional leads and shared with senior management. Finalised scores are shared with the CEO's office and other Senior Management personnel.

## EMPOWERING WOMEN

Given that women constitute a significant majority of our global workforce, women's empowerment is not just an ethical imperative; it is a core business strategy. Our work in this regard involves directly addressing gender gaps specific to the apparel sector, and persistent structural inequalities existing in the various countries we operate in.

Recognising this pivotal role women play in the social sustainability of our enterprise, we prioritise diversity, equal opportunity, and women's development across our operations. We believe true

women's empowerment is not achieved through a single programme, but through a holistic ecosystem.

To this end, we employ a framework for women's empowerment that integrates economic, social, and political dimensions, and considers ten broad areas that we feel are crucial to creating workplaces where our women can thrive.

- Career advancement
- Skill development
- Women's health and SRHR
- Preventing gender-based violence
- Creating role models
- Unconscious bias training
- Childcare and maternity support
- Mentoring and sponsorship for women
- Recruitment, retention, and promotion strategies
- Flexible work and family friendly policies

Career advancement and skill development not only allow our women to excel at their jobs, they also provide fundamental tools for economic independence. Programmes that address women's health and SRHR, alongside those preventing and addressing gender-based violence are working to safeguard women's physical and psychological safety.

Childcare facilities and flexible work arrangements are crucial enablers that address practical realities and alleviate the significant burden of caregiving that often disproportionately falls on women. These proactive policies and investments in infrastructure allow our women to pursue and maintain employment as they balance professional ambitions with family obligations. In turn, these structural elements in our workplaces enhance overall work-life integration, and reduce the need for women to choose between career and care.

Creating and uplifting role models is a means to inspire even more women, while unconscious bias training helps recognise and reduce internalised systemic biases, while challenging systemic norms and disparities. Mentoring and sponsorship create pathways for inspired and empowered women to take up leadership positions, strategic recruitment, retention, and promotion policies solidify these gains – ensuring our workplaces suitably respect, and retain the women who empower our global operations.

Women's empowerment programmes integrate targeted interventions with broader system-change; wrought through policy support, infrastructural investments, affirmative action, and addressing of unconscious bias. This reflects the understanding that individual



empowerment requires systemic change that tackles the root causes of gender inequality, including gaps in resources, skills, and rights. These efforts are nurturing an enabling environment that can attract, retain, and empower our female talent to excel.

We are also proud signatories of the UN Women’s Empowerment Principles since 2011, members of the UN Global Compact since 2003, and one of the first Sri Lankan signatories to the UNGC’s Target Gender Equality programme.

To ensure these commitments and conversations translate into lasting impact, we continuously engage with the women across our operations, regulators and policy-makers in government, schools and universities that are inspiring young minds, and other stakeholders who are committed to empowering women and shifting mindsets towards diversity and inclusion. We also work with government and non-government bodies, international organisations and subject-experts to understand gaps and needs, and to identify the best ways to go about addressing these.

Having leadership buy-in is a crucial part of this journey. The efforts in this space are therefore governed and strategically driven by the Board of Directors, with the commitments and KPIs embedded into

the performance management process, starting from the Group CEO, to all CEOs of Strategic Business Units (SBUs), as well as the entire HR fraternity across the business. Progress is measured along with all business KPIs in our main strategy process.

Our targets for representation of women in management and in manufacturing leadership are set as strategic reward-based goals for leadership. Over the years, we have worked on many interventions to support and develop more women into the leadership pipelines, leading to incremental changes in this indicator. There are also bi-annual checks and quarterly progress reports sent to the Group CEOs office, which help business teams to check and adjust interventions along the way.

In addition to the priority focus areas outlined below, our policies, process, and initiatives for talent acquisition and retention, learning and development, employee wellbeing, DEI, health and safety, culture and purpose, and employee engagement; all apply to, and benefit, the women in our organisation.

**WOMEN IN MANAGEMENT**

At MAS, we are actively paving the way for more women to lead. This commitment is demonstrated through strong leadership support, accountability, and a focus on

cultivating a supportive and inclusive work environment. We further amplify this commitment through internal and external media campaigns that spotlight inspirational women.

MAS has consistently celebrated women who surpass limitations and reach new heights, recognising them as an inspiration to the organisation and beyond. Elevating them as role models and sharing their success stories is a core strategy for promoting gender equality across our operations.

**ENABLING ENVIRONMENT AND AFFIRMATIVE ACTION**

At MAS, we believe in prioritising our employees while extending support to their families and communities. We champion policies and infrastructure that enable women to achieve their full potential in the workplace. This includes advocating for and implementing childcare facilities, lactation rooms, flexible work arrangements, and comprehensive parental leave policies, which attract and retain female talent while fostering their wellbeing and career advancement.

Going beyond basic support, our ‘Dignity of Motherhood’ programme, carried out by MAS Intimates provides holistic pre and post-natal care for mothers and babies. Similar division-driven programmes are

implemented and independently managed across all our SBUs. Additionally, MAS has standardised maternity and paternity leave policies across the Group. Maternity leave is a mandatory provision that we make available to all pregnant mothers across our operations, in line with legal requirements.

Similarly, all fathers are entitled to paternity leave. Wherever possible, we attempt to provide benefits that surpass regulatory requirements in order to better support our workforce. For example, since January 2023, MAS KREEDA pioneered additional childcare and dependent care leave for all employees.

**Addressing Women’s Health, Sexual and Reproductive Health and Rights (SHRH), and Gender Based Violence**

Over the last few years, we have significantly deepened our focus on crucial areas such as Sexual and Reproductive Health and Rights (SRHR) and Gender-based and Intimate Partner Violence (GBV/IPV). This underscores our recognition, aligned with the World Health

Organisation’s (WHO) work on SRHR as fundamental human rights and the International Labour Organisation’s (ILO) findings on the detrimental impact of GBV on workplace productivity and women’s wellbeing. By preventing and addressing these issues, we aim to safeguard our female workforce and contribute to broader societal progress.

**MEANINGFUL EMPLOYMENT**

**GRI** 401, 404, 405

Our operations extend across fourteen countries, including customer-facing and support functions in North America and Singapore. The diverse MAS workforce, rich in unique perspectives, skills, and abilities, fuels our impact through the Plan for Change.

To support our workforce our greatest strength we leverage advanced technology and talent analytics, ensuring seamless integration, compliance, and optimisation of our HR systems.

In line with our commitment to Meaningful Employment, all our staff including factory-floor teams across our global operations, are classified as full-time

employees. The majority of our workforce are employed on a permanent basis, with employment status confirmed after a probationary period. A smaller portion are employed on fixed-term contracts, based on operational needs and in compliance with local labour laws. However, a significant proportion of employees in Jordan, Kenya, and Vietnam are engaged on fixed-term contracts.

**TALENT ACQUISITION  
AND RETENTION**

**GRI** 401

With approximately 75% of our workforce based in Sri Lanka, MAS operations and employees were significantly impacted by the country's economic challenges, affecting both hiring and turnover rates.

**OUR CORE VALUES  
IN RECRUITMENT**

At MAS, talent acquisition extends beyond filling vacancies; we seek individuals who resonate with our core values and purpose. We aim for candidates to understand our organisation's ethos, driven by purpose and shared values. Our employer value proposition embodies this commitment, with diversity, equity, and inclusion as fundamental principles. As an equal opportunity employer, we ensure these principles are reflected in all

internal and external branding materials. Recruitment decisions are based solely on merit, guaranteeing a fair and inclusive hiring process. We continuously improve our recruitment strategies, measuring success through KPIs such as internal mobility, first-year performance, first-year retention, and recruitment lead times.

**STRENGTHENING LOCAL  
TALENT PIPELINES**

To strengthen ties with future talent, MAS actively participates in career fairs, including dedicated recruitment events at key state and private universities. We offer personalised guidance to students, providing insights into our business roles and expectations. These engagements maintain our brand presence among future job seekers and contribute to workforce capability development. We also facilitate skill development programmes to prepare graduates for the evolving world of work, and cultivate strategic partnerships with universities and professional bodies.

**BUILDING GLOBAL  
PARTNERSHIPS FOR TALENT**

MAS extends its talent acquisition efforts globally by participating in international events that offer students from around the world the opportunity to experience our facilities, gain business insights,

participate in workshops, and immerse themselves in Sri Lankan culture. These events also enable us to establish valuable connections with international universities for future programmes.

**LEARNING AND  
DEVELOPMENT**

**GRI** 404-2

A robust Learning and Development (L&D) strategy is no longer a mere benefit, but a necessity. We believe a culture of continuous learning creates a resilient and innovative workforce. Through upskilling and multiskilling, our employees receive tailored learning opportunities, enabling them to excel in their roles and advance their careers. Through their success, we ensure MAS remains competitive, agile, and primed to navigate a dynamic business landscape.

We continuously evaluate our training programmes and actively seek feedback from our employees to stay ahead of industry trends, adapt to evolving market needs, and ensure that our skill development initiatives remain relevant. As the future of work evolves, so do we. By staying informed on the latest talent trends and best practices in capability building, we ensure that we remain at the forefront of our industry.

Transparency and accountability are fundamental to our L&D strategy. We uphold compliance with international standards and integrate anti-corruption policies into our training programmes, reinforcing our reputation as a responsible and ethical corporate citizen.

**GRI** 404-1

Through MAS Education, our central learning hub, all employees from team members to executives have access to technical and leadership training, strategic and cross-functional learning initiatives, and self-learning opportunities that drive career growth.

**The MAS 70:20:10  
Philosophy**

Our multifaceted approach ensures employees feel empowered in their roles and contribution to the organisation's strategic goals.

**Experiential Learning (70%):** We prioritise experiential, encouraging employees to gain insights through real-world application.

**Social Learning (20%):** Social learning fosters knowledge sharing through peer interaction and mentorship.

**Formal Learning (10%):** Formal training programmes aim to bridge skill gaps and provide up-to-date knowledge.



**LEADERSHIP SKILL DEVELOPMENT  
AT SHOP FLOOR LEVEL:**

- A structured framework has been developed to enhance core competencies among Group Leaders (GLs).
- The Shilpi programme equips GLs with instructor skills, enabling them to effectively deliver training to their teams.
- Certification and diploma programmes focus on refining soft skills and enhancing technical knowledge for GLs.

**TRAINING AND DEVELOPMENT  
AT EXECUTIVE LEVEL AND ABOVE:**

- A standardised learning and development (L&D) Policy ensures a streamlined learning experience across all divisions.
- A template is used to track the 70% experiential learning component, facilitating improved evaluation and feedback.
- Development programmes incorporating essential technical competencies are provided for senior staff.
- Quarterly forums for divisional L&D champions foster communication, collaboration, and the sharing of best practices, ensuring synchronised learning and development efforts across MAS.

**LEARNING AND  
DEVELOPMENT CYCLE**

MAS employs a comprehensive learning cycle that comprises six components, which drive the organisation's learning and development initiatives each year. The components of the L&D cycle are interconnected and interdependent, and therefore all essential for successful implementation of the L&D strategy.

- 1 Competency Assessment** – Evaluates the expertise of the job-holder against levels of competence required to perform the job-role.
- 2 IDP Formulation** – Identifies skill-gaps based on the skills and levels required for the role. This also sets out competencies to be developed, thereby guiding learning interventions required to close or minimise the skill gap.
- 3 HRD sign off on IDP** – The process of vetting prepared IDPs from a human resources perspective to match skill gaps with training resources, in order to best align and plan competency development.
- 4 Budgeting** – Following signoff, a Learning Menu is developed and circulated along with the Learning Catalogue. Budgeting guidelines align with the business context and future

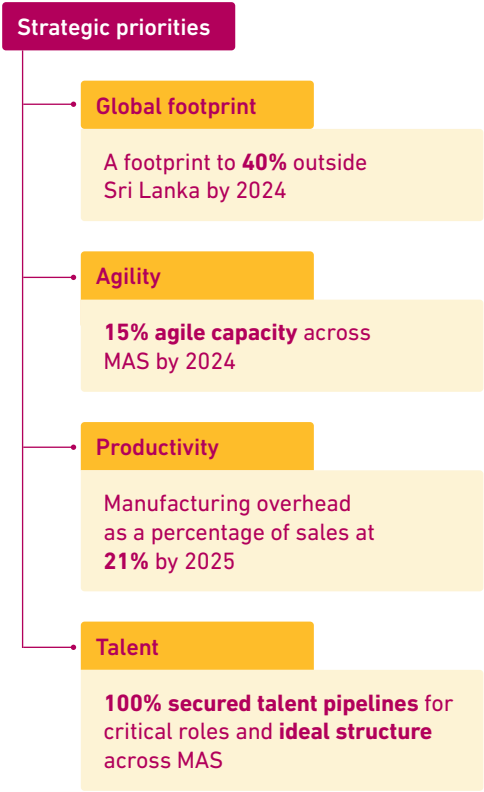
direction. Divisions prepare their budgets against IDP requirements, taking into account the above considerations.

- 5 Nominations call out** – The process of calling out nominations for the signature programmes offered by the COE. Divisions are required to indicate their budgeted headcount for each signature programme and IDPs are prioritised during this process.
- 6 Execution of L&D Interventions** – Implementation of COE-led learning programmes according to the pre-determined programme calendar. Divisions can run their own programmes as required, at divisional level.

**BUILD BACK  
BETTER**

We continuously evaluate our training programmes and actively seek feedback from employees to stay ahead of industry trends, adapt to evolving market needs, and ensure that skill development initiatives remain relevant. As the future of work evolves, so do we. By staying informed on the latest talent trends and best practices in capability building, we ensure that we remain at the forefront of our industry. The MAS Build Back Better initiative exemplifies this approach.





The Build Back Better initiative was implemented across MAS from 2022 onward, with a focus on expanding the Group's global footprint, enhance agility by increasing capacity spread, improving productivity by controlling manufacturing

overheads, strengthening talent through 100% secured talent pipelines for critical roles, and establishing an ideal structure across MAS.

TALENT

The Talent Pillar was specifically aimed at developing talent and strengthening capabilities to support long-term organisational goals with a special focus on manufacturing. The initiative focuses on attracting and retaining global technical talent, cultivating a strong leadership pipeline, and enhancing skills to ensure adaptability in the evolving manufacturing environment.

- **Optimising Resource Utilisation (Manning):** Ensuring that resources are effectively allocated to meet evolving business needs.
- **Building Globally Ready Leaders (Leadership):** Developing leaders who can sustain manufacturing excellence and drive organisational growth across global markets.
- **Enhancing Technical Skills (Technical Talent):** Strengthening technical expertise to augment standards of quality and innovation in manufacturing processes.

What?	Why?	Sub levers	Sub lever scope
To ensure that the required talent and capability is available to support the 3 pillars (agility, productivity and GFP) and drive MAS' long-term manufacturing and operations strategy	Attract and retain global technical talent to support growth	Manning	To move towards optimum utilisation of resources while maintaining ideal material flow which would support in enhancing productivity
	Securing the global leadership pipeline to drive MAS long-term manufacturing strategy	Leadership	
	Right skill set to support the manufacturing and operations strategy	Technical Talent	Build and sustain globally ready, inspirational leaders who drive manufacturing excellence in MAS's aggressive growth plans
	Optimising manning and the structure		Enhancing the right technical skill set to support manufacturing and operations strategy
	Changing nature of global manufacturing landscape		



**TECHNICAL  
TALENT**

The Technical Talent sub-pillar of the Build Back Better initiative focused on enhancing technical skills across job families and roles within the manufacturing community. This initiative spans the Group's key legal entities and includes positions ranging from Executive to General Manager, across 16 job families in the manufacturing scope. Developing technical talent within the Group was identified as a key factor to drive efficiency and productivity, facilitate multidisciplinary rotations, and deliver innovative solutions aligned with market trends and customer demands.

The initiative also provides a platform for employees to acquire the product-related technical expertise necessary to excel in their roles while addressing technical skill gaps and developing the training programmes to build capability. It also fosters retention through opportunities for career progression, continuous learning, and talent rotation within manufacturing.

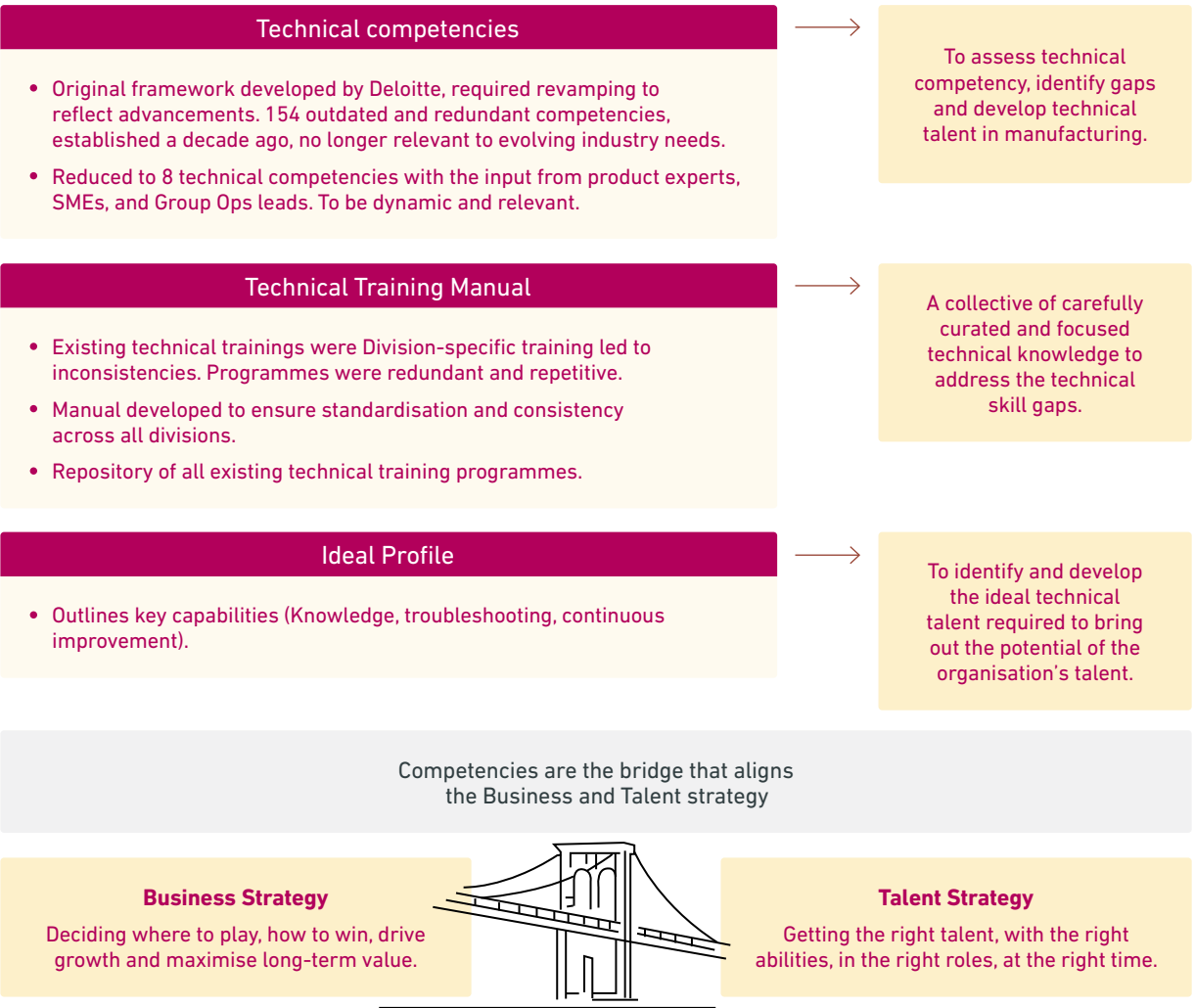
Setting and standardising technical competencies was an element of our approach that defined the set of technical skill required to effectively perform specific job roles. Our journey began in

early 2023 with a comprehensive review of existing technical competencies, which needed updating, seemed outdated, or was misaligned with evolving demands of the industry and the organisation. Guided by product technical experts, we evaluated and refined these competencies to ensure relevance and adaptability to the current business landscape.

**KEY STEPS OF THIS PROCESS INCLUDED:**

**Competency Refinement:** From an initial list of 154 technical competencies, the programmed focused on 20 core areas that aligned with the Group's strategic priorities. This framework also built a foundation for technical competency development of other job families across the business.

**Dynamic Framework:** Competencies were redefined to reflect current industry standards, technological advancements, and organisational needs.



**CREATING IDEAL PROFILES**

**1. Ideal Profile Overview**

- Defines the essential technical skills and expertise required for a specific job role.
- Outlines expectations for troubleshooting abilities, technical capabilities, and contributions to innovation.
- Designed with input from the Group Operations Core Team and SMEs to ensure accuracy and standardisation.

**2. Impact of the Ideal Profile**

- Enhances Performance – Provides clear competency guidelines to improve job effectiveness.
- Drives Innovation – Encourages new ideas and solutions for operational excellence.
- Supports Career Progression – Helps employees identify skill gaps and grow professionally.
- Ensures Consistency – Establishes standardised technical competencies across teams.

**3. Check and Adjust Approach**

- Regular Assessments – Periodic reviews to keep competencies aligned with evolving needs.
- Stakeholder Feedback – Engages SMEs, managers, and employees for real-world validation.
- Performance Tracking – Monitors the impact of competencies on employee effectiveness.
- Continuous Improvement – Updates based on industry trends and operational feedback.

Ethical business practices are deeply embedded in our learning initiatives. Whether through the MAS DNA E-learning modules, virtual, or in-person training sessions; we provide our employees with the knowledge and tools to navigate the complexities of the business world with integrity.

At MAS, we take a data-driven approach to capability building, identifying skill gaps through a structured competency assessment process and deploying targeted training programmes to address them.

**STEPS IN COMPETENCY ASSESSMENT**

The IDP deployment of technical competencies, as with the Technical Competency Framework, follows the same process.



**Self-Assessment** – An employee assesses him/herself with the required levels of proficiencies under each competency while giving examples of demonstrating the required behavior.

**Agreed Assessment** – The Line Manager assesses the employee with required levels of proficiency to perform the job and the actual levels of proficiency possessed by the employee and identify the skill gaps together. This is a One-on-One conversation between the Line Manager and the Employee.

**Mark Developmental Requirements** – Identify the skill gaps and marking off the current proficiency levels of the job holder.

**Manager Submission** – The Line Manager submits the rating for employee acknowledgement.

**Employee Acknowledgement** – Final agreement between Line Manager and Employee on the given ratings for each competency.



**COMPETENCY  
FRAMEWORK**

MAS follows a competency-based learning approach that cascades to creation of individualised learning plans for employees based on their current level of competence. This approach helps employees gain the specific knowledge, skills and abilities they need to excel in their current role; or to progress to another role as could be defined by a Succession Development Plan (SDP).

Competencies create a link between the abilities of the job holder and the expected level of expertise for the job-role, which enable the organisation to clearly define skill-gaps.

The MAS Competency Framework has established two main streams of competence – leadership and technical. These are further sub-divided to ascertain 14 criteria for leadership competence, and specific technical competence defined by the nature and job-specific subject matter expertise required.

**INVESTING IN  
GROWTH**

In a constantly evolving work landscape, MAS is at the forefront of talent development by staying informed on the latest global L&D trends and best practices. We conduct regular assessments of our L&D programmes and encourage employee feedback, ensuring our skill development initiatives are aligned with changing market demands.

Ethical business practices are integrated into all learning initiatives, from MAS DNA E-learning modules to virtual and in-person training, equipping employees to navigate business complexities with integrity. We have adopted a data-driven approach to L&D, identifying skill gaps through structured competency assessments and deploying targeted training programmes. The Group's L&D function tracks training hours and conducts assessments to measure effectiveness and optimise our investment. This translates into specialised skill enhancement programmes such as MDP, EDP, BCE, MCL, Elevate for senior leadership, and mechanic training and self-employment skills programmes for team members and staff.

Regular performance reviews and career development discussions are integral to our strategy. We provide constructive feedback and foster accountability, empowering employees to achieve their full potential and career aspirations. All executive and senior employees undergo annual performance reviews, while team members and other staff are evaluated during probationary periods and career transitions.

**TEAM LEADER AND GROUP  
LEADER DEVELOPMENT**

MAS provides a Technical Skills Development programme specifically designed for Team Leaders (TLs) and Group Leaders (GLs). This programme develops both technical expertise and essential soft skills, enabling participants to excel in their leadership roles and adapt to evolving industry demands.

The programme offers a structured learning pathway with certificate, diploma, and degree levels, catering to diverse learning needs and career aspirations. To ensure relevance, both the certificate and diploma programmes are periodically revised to reflect updated industry requirements.

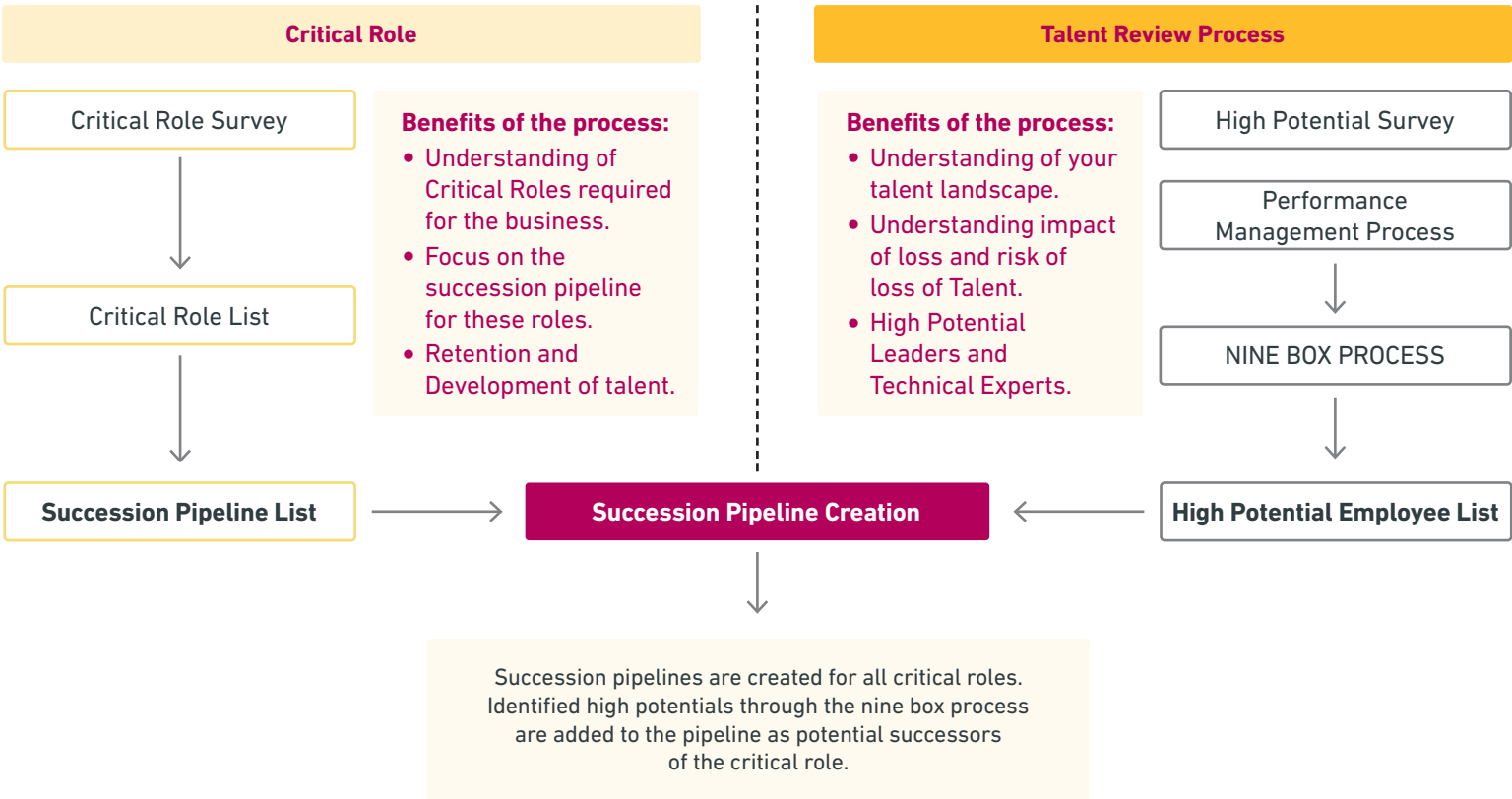
**PERFORMANCE  
MANAGEMENT**

The MAS Performance Management (PM) system provides a continuous process designed to empower our workforce in the dynamic apparel industry. It focuses on identifying, measuring, and developing individual and team performance, directly aligning efforts with our overarching organisational objectives. This comprehensive approach includes clear goal setting, mid-year reviews for progress tracking, values assessments to reinforce our core principles, and year-end evaluations for overall performance and future development planning.

Through targeted opportunities, we enable employee growth and skill enhancement. While all Executive levels and above undergo annual reviews, Staff and Team Member evaluations are tailored to specific roles and skill requirements.

**BUILDING FUTURE LEADERS:  
SUCCESSION MANAGEMENT AT MAS**

A strong pipeline of capable talent is critical for filling key leadership roles. Our robust Succession Management (SM) process ensures this through structured identification and development. This process is continuously refined, to allow enhancements and adapt to evolving talent needs. Critical areas requiring talent safeguarding are regularly identified, and the process is adjusted accordingly. Leadership KPIs measure the process's effectiveness and ensure accountability. Our SM process is integrated with other talent management functions. We leverage our performance management system and surveys to identify high-potential talent and critical leadership roles, providing a clear overview of our talent landscape.



**TALENT GOVERNANCE AND REVIEW**

The Talent Board, comprising members from MAS Holdings, Apparel, and Innovations Boards, drives the Group-wide talent review process which is held bi-annually. These reviews assess critical role pipelines, high-potential talent, development interventions, and leadership mobility plans. This process supports a culture of continuous learning and growth. Global plant talent reviews complement this process, ensuring we address talent challenges across all locations.

To complement these initiatives, Centre of Excellence Talent Reviews are conducted to assess and enhance talent within specialised functions. These reviews help build functional bench strength, identify subject matter experts, and support talent rotation. By ensuring the right individuals are placed in critical roles, MAS secures both immediate operational needs and long-term business continuity.

**SUCCESSION DEVELOPMENT AND PLANNING**

Customised Succession Development Plans (SDPs), aligned with target roles, are created for individuals in talent pipelines. These plans are developed using MAS's 70:20:10 learning philosophy.

**CAREER MAPPING AND TALENT ROTATION**

A phased approach is taken to introduce Career Mapping within MAS, as a strategic tool to help employees align their career aspirations with organisational goals. This process and framework aims to provide a clear pathway for growth through meaningful experiences and skill development; by supporting internal mobility, preparing employees for diverse roles, and fostering personal and business growth.

In addition, the Company's talent rotation process promotes internal mobility; encouraging employees to explore new opportunities across divisions and areas of expertise. Together, these programmes foster robust talent-growth and support the Company's intention to cultivate an agile, future-ready workforce.

**TALENT RETENTION**

We employ a structured approach to identify and monitor critical talent movement monthly. A comprehensive suite of retention strategies, including competitive compensation and benefits, growth opportunities, a positive organisational culture, employee well-being initiatives, and talent conversations, is implemented across the MAS Group to nurture and retain this vital talent pool.



**EMPLOYEE WELLBEING  
AND WORK-LIFE BALANCE**

A positive work environment is built upon the fundamental wellbeing of our employees. We recognise that wellbeing drives growth, satisfaction, and resilience, and therefore champion a holistic four-pronged approach encompassing mental, physical, emotional, and financial wellbeing. In addition to these core areas, MAS extends further support to employees, including legal assistance and guidance.

Ensuring employee wellbeing and work-life balance is a core commitment within our Meaningful Employment sub-pillar. To achieve this, we implement a diverse range of health promotion programmes focused on both physical and mental wellbeing. Much of the infrastructure and policy support we have in place creates an enabling environment not only for women, but for all our staff.

Acknowledging the diverse requirements of each division within the international context, MAS grants each division the autonomy to implement customised wellness programmes. To support the health of our workforce, we ensure every Strategic Business Unit (SBU) has access to in-house healthcare professionals and well-equipped treatment facilities.

**INVESTING IN OUR  
MENTAL WELLNESS**

We recognise that mental health, substance abuse prevention, domestic abuse assistance, and suicide prevention are vital to fostering a healthy and productive global workforce. Our commitment to these concerns aligns with our foundational values of inclusivity, compassion, and support for our team, transcending typical business goals.

**MEASURING IMPACT AND  
DRIVING IMPROVEMENT**

We utilise regular surveys and feedback mechanisms to assess the effectiveness of our wellbeing initiatives and identify areas for enhancement. Continuous needs assessments further inform the customisation of our programmes to meet the diverse requirements of our team.

Recognising the sensitive nature of well-being topics, MAS designs all programmes to ensure confidentiality and provide safe spaces for employees seeking support. Information on accessing these services is readily available to all employees.

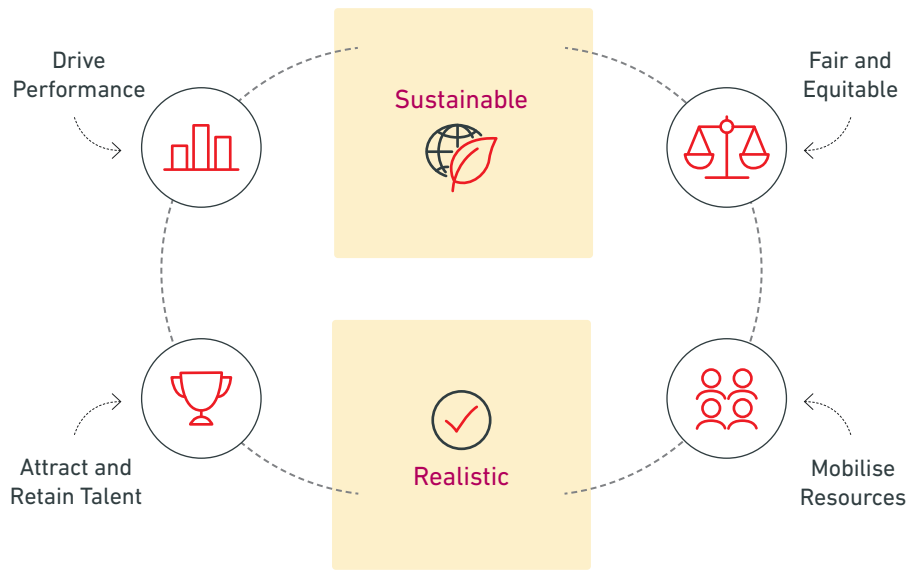
**BEYOND WELLBEING:  
ADDITIONAL SUPPORT**

Many of our programmes go beyond core wellbeing dimensions, offering additional elements such as legal guidance and support. Additionally, to further assist our employees, most of our SBUs have appropriately included creche and day care services, as described in the sections detailing our programmes that are empowering women.

**COMPENSATION AND  
BENEFITS**

**GRI** 401-2, 2-19, 2-20

Our commitment is to guarantee fairness and equity for all within our workplace. This commitment is evident in our competitive compensation packages, which consistently exceed minimum wage standards. We categorically reject discrimination in our compensation and benefits practices. We firmly believe that recognition and reward at MAS should be based exclusively on an individual's contributions to the Company's success, irrespective of social factors.



**STANDARDISED REMUNERATION  
POLICIES AND PROCESSES**

We employ a standardised and accountable approach to ensure sustainable compensation for employees across the Group. The Compensation Committee, comprising key members of our apex governing body, Group-level senior leadership, HR, Finance, and the Compensation and Benefits (C&B) Team, oversees all compensation decisions, including increments and bonuses.

Guided by an internal charter that outlines processes, authority, and scope of oversight, the Compensation Committee endorses annual increments and makes, vets, or approves key C&B decisions based on their business impact. A compensation subcommittee supports routine and internal C&B matters. We adhere to best practices and fairness protocols outlined in the Group's Compensation and Benefits Centre of Excellence (CoE) guidelines.

**COMPREHENSIVE AND EQUITABLE  
COMPENSATION AND BENEFITS**

Our compensation and benefits strategy is designed to be comprehensive and equitable. We provide fair and competitive remuneration, aligned with market standards, industry benchmarks, and individual performance. Our benefits surpass national mandates, prioritising

employee wellbeing, engagement, retention, and empowerment to meet organisational needs.

The Group's compensation practices include an annual increment process that adjusts salaries, aligning with our rewards framework, considering employee categories, addressing organisational needs, and adhering to global best practices.

MAS provides employees with benefits such as medical, illness, and accident insurance, communication and transport allowances, and support for professional development and wellbeing. These benefits are delivered equitably, while also considering specific job roles and designations.

**Recognising Long-service**

MAS values employee loyalty, demonstrated through our 'Experience and Recharge' long-service leave. Senior Executives, after five years of continuous service, are entitled to a 5-day break, while Assistant Managers and above enjoy a 10-day break. This benefit recognises the dedication of our long-serving team members and is granted every five years.

**Propelling Professional  
Growth**

MAS encourages continuous professional development by reimbursing pre-approved annual professional membership fees, up to a specified limit, for Executive-level and above employees in Sri Lankan SBUs. This benefit, effective from their start date, empowers employees to remain current with industry trends and refine their skills, benefiting both individual growth and organisational expertise.

**CULTIVATING AN INCLUSIVE  
AND RESPECTFUL WORKPLACE**

MAS actively maintains an inclusive work environment that champions diversity, inclusion, and freedom of expression and identity. We strictly prohibit discrimination and harassment. All individual-related decisions are made fairly, considering business needs, job requirements, and merit. We expect everyone to contribute to this environment by treating each other with dignity and respect.

Our Equal Opportunity and Anti-Harassment Policy applies comprehensively to all stakeholders employees, candidates, advisors, clients, vendors, partners, and visitors guaranteeing a safe and respectful experience across all interactions with MAS, both inside and outside our premises.

To establish a uniform Freedom of Association (FOA) Policy across all MAS divisions, we conducted a comprehensive review of existing policies, consulted with internal and external experts, and studied relevant ILO conventions to align with global best practices. Based on these insights, an FOA Policy was drafted and translated into three languages for accessibility, reaffirming MAS employees' fundamental right to freely associate and express themselves. Following leadership alignment, the policy is scheduled for formal rollout across the organisation by the first quarter of 2025.

**INCLUSIVE EMPLOYMENT FOR  
PERSONS WITH DISABILITIES (PWDS)**

MAS adopts a rights-based approach to disability, aligning with the International Labour Organisation (ILO) and the United Nations Convention on the Rights of Persons with Disabilities (2006). This shifts the focus from a medical model to a social model, recognising the rights and potential of individuals with disabilities.

Our Supported Employment Process provides personalised assistance and accommodations to facilitate successful workforce integration for employees with disabilities. Supported Employment Officers work directly with these employees, ensuring they receive the necessary support to thrive and contribute meaningfully to the Company.

Our strategy for creating an inclusive workplace for PWDs focuses on four key investments:

- **Employ:** We value the unique talents and perspectives each employee brings. True inclusivity is realised by fostering an environment where all individuals can excel and contribute their best, irrespective of challenges.
- **Enable:** We empower employees with disabilities through essential support systems, including a buddy system, sign language training, and accessible technology.



- **Engage:** To build a sense of community and belonging among employees with disabilities, we organise annual engagement events, like outings and gatherings. We also partner with disability networks for community initiatives, offer accessible JCC minutes, and provide sign language and emergency training for families and friends of persons with disabilities.
- **Empower:** We promote autonomy by providing PWDs new job opportunities or cross-functional roles, enabling them to achieve their full potential. Additionally, we offer specialised counselling, mentoring, and avenues for leadership and soft skills development.

**SEXUAL ORIENTATION, GENDER IDENTITY, GENDER EXPRESSION, AND SEX CHARACTERISTICS (SOGIESCS)**

In 2022, MAS began a programme for sensitisation regarding People of Diverse Sexual Orientation, Gender Identity, Gender Expression, and Sex Characteristics. This was a need mandated through our Equal Opportunity and Anti-Harassment Policy as well as our Meaningful Employment pillar under the Company's 2025 Plan for Change strategy;

wherein we have made a pledge to uphold non-discrimination and to foster diversity and inclusion with freedom of expression and identity for all.

The need for sensitisation was also identified through feedback received through internal surveys. Reflecting on this need, we partnered with the Grassrooted Trust due to their wealth of experience and expertise in this space. Having begun with Focus Group Discussions (FGDs) to understand current levels of awareness in this space, sensitisation workshops were developed, and roll-out was initiated in small but steady steps across the Group.

With the understanding that collaboration is essential for SOGIESC progress, MAS continues to partner with organisations such as The Grassrooted Trust, the National Transgender Network Sri Lanka, and EQUITE Sri Lanka. Together, we develop comprehensive training programmes, identify support system gaps, establish access processes, raise awareness, and train internal facilitators to lead SOGIESCS sensitisation across all organisational levels.

**WORLD-CLASS WORKPLACES**

**GRI** 402, 403

**Our Commitment:**

**Be first-in-class for working conditions in our industry**

MAS is dedicated to establishing world-class workplaces that prioritise safety, security, and employee engagement. We aim to cultivate a rich and purposeful culture that fosters productivity and a sense of belonging, ensuring our facilities provide an ideal, comfortable, and secure environment for our teams to excel.

We aspire to global leadership in sustainable, ethical, and people-centric business practices. We go beyond industry or regional standards by actively listening to employee needs and benchmarking our performance against global best practices.

**OUR COMMITMENT TO WORKPLACE HEALTH AND SAFETY**

**GRI** 403-9, 403-10

Employee safety and wellbeing are a fundamental responsibility at MAS. We foster a proactive and interdependent safety culture, driven by a shared commitment to eliminate accidents, incidents, and diseases throughout our operations.

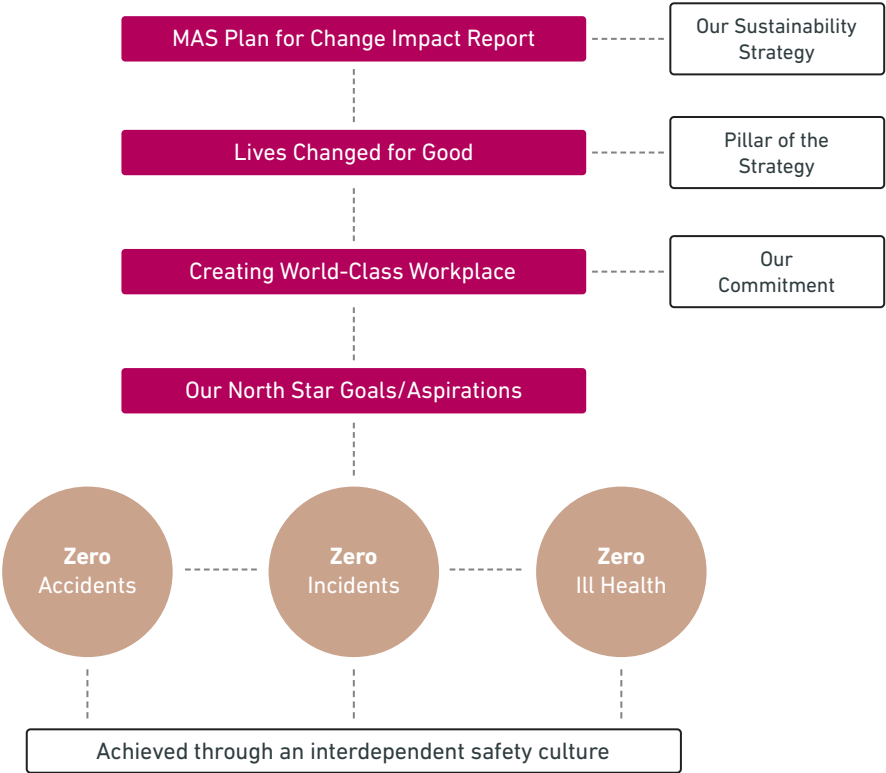
We are establishing annual targets for incident frequency and severity rates across all operational levels, while maintaining our long-term aspiration.

A healthy workforce is essential for our long-term business success. To this end, we have implemented diverse programmes focusing on physical and mental health. These initiatives include programmes for non-communicable disease prevention, eye protection, nutrition promotion, breast cancer awareness, reproductive health

enhancement, mental health support, and stress management resources. Potential work-related ill-health from exposure to hazards such as noise, chemicals, and vibration are also monitored. To support our long-term aspiration for zero accidents, incidents and diseases, we are establishing annual targets for incident frequency and severity rates across all operational levels. Our efforts aim to improve overall employee wellbeing, contributing to productivity, satisfaction, and sustained engagement with MAS.

OUR OCCUPATIONAL HEALTH AND SAFETY (OHS) FRAMEWORK

GRI 403-1, 403-4, 403-5, 403-7, 403-8



MAS implements a robust Occupational Health and Safety (OHS) management system across our global operations, covering all employees and contract workers across the Group. This system surpasses legal requirements and aligns with international standards such as ISO 45001, ILO standards, industry-specific frameworks like the Social and Labour Convergence Project (SLCP), and globally recognised standards for responsible business, such as SMETA.

Our OHS commitment extends to on-site service providers, partners, and stakeholders. To manage and mitigate business interruptions and impacts associated with OHS issues, emergencies, and disasters, we employ an overarching framework. This framework includes developing and periodically reviewing SBU-level, Divisional, and Group-level disaster management plans. We also conduct mock drills, internal, and external audits to ensure all relevant stakeholders are informed and aware of disaster and crisis management plans and protocols.

A strong safety culture requires active participation from all stakeholders, particularly our teams. Employee awareness and engagement are vital for adhering to safety protocols, maintaining compliance with standards, and upholding a safe and healthy work environment.

Employee representatives across our Strategic Business Units (SBUs) serve on active Health and Safety (H&S) committees, acting as changemakers to influence leadership and peers.

Training, knowledge development, and competency development in OHS are crucial for effective H&S management. We methodically identify required competencies and knowledge for each job role and individual, as part of our hazard identification and risk assessment framework. This enables us to establish a comprehensive training schedule covering general safety standards and job-specific safety information and protocols. Our H&S training covers a wide range of areas, including fire safety, electrical safety, chemical management, confined-space entry, fall protection, laser and radiation safety, machine safety, lockout and tag-out procedures, ergonomics, and contractor safety.

To facilitate reporting and engagement, MAS offers various channels for employees to report near-misses, safety suggestions, and Kaizen improvements (continuous improvement initiatives), including mobile apps, QR codes, WhatsApp groups, paper forms, and Fuguai tags (F-tags) placed on machinery. We reinforce employee participation in OHS through safety inductions, awareness

campaigns, promotional competitions, and systems that recognise and reward responsible actions. H&S is also integrated into departmental KPIs.

HAZARD AND RISK MANAGEMENT SYSTEMS

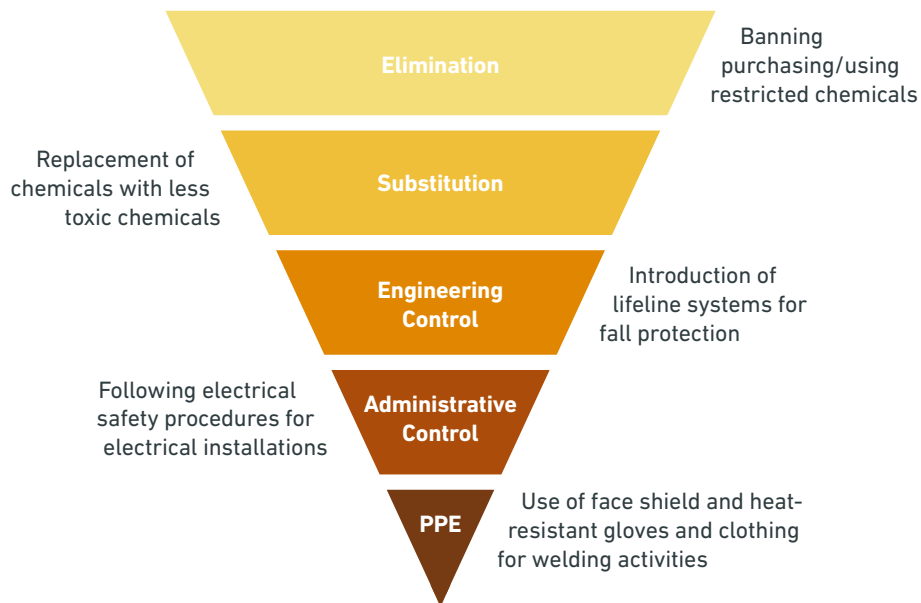
GRI 403-2

Through our OHS framework and management system, we proactively identify potential hazards and risks at all operational sites. A dedicated, skilled team performs regular hazard assessments, prioritising control measures based on a risk management hierarchy that includes elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE).

Our hazard identification process incorporates internal procedures for accident and incident investigation to determine systemic root causes and prevent recurrence. We rigorously analyse incidents using methodologies such as 5-Why Analysis, Fishbone Diagrams, and 8-Step Problem Solving. We also disseminate learnings from all incidents and analyses across our operations, driving a proactive safety culture. We continuously invest in improving problem-solving skills through the MAS Operating System (MOS), which cultivates a sense of safety ownership.



We take a comprehensive approach to hazard identification, including evaluating the potential impact of occupational exposure to chemicals, heat, noise, vibrations, and other factors on employee health and wellbeing.



**OPERATIONAL  
CONNECT**

**GRI** 402-1, 407-1

MAS prioritises a people-first approach, upholding the principle of freedom of association as outlined in ILO Convention 135, which concerns worker representatives. This is implemented through functioning workers' councils: the Joint Consultative Committee (JCC) and the Employee Representative Body (ERB). Representatives are democratically elected annually by employees. JCC/ERB meetings require a recommended quorum of 75% of employee representatives. Management ensures fair elections, efficient issue collation, and timely grievance responses. Representatives advocate for shop floor employee interests, addressing a range of issues and ensuring all departmental voices are heard.

**EFFECTIVE EMPLOYEE REPRESENTATION  
AND COMMUNICATION**

Monthly JCC/ERB meetings serve as a problem-solving platform, where representatives and management collaborate on remuneration and working conditions to achieve mutually beneficial solutions. Transparency is ensured through certified minutes, shared for clear communication. The JCC/ERB also plays a crucial role in dispute resolution, involving senior leadership when necessary. This

demonstrates MAS' commitment to fair grievance processes and responsible corporate practices.

Operational Connect unites HR operations leaders from each division. This platform facilitates the resolution of potential shop floor issues and drives a unified HR Operations strategy – "One MAS". The Connect also enables the sharing of best practices for the broader group and community, creating a comprehensive understanding of the operational landscape.

To empower representatives, HR Operations has digitised operational data and implemented robust data capture mechanisms, enabling actionable insights and data-driven decisions. HR Operations, in collaboration with GHR Talent Analytics, facilitates knowledge sharing on best practices and develops HR operational dashboards (e.g., ERB/JCC, H&S Accident, TM and Staff Recruitment). These dashboards allow MAS to analyse shop floor sentiment, health and safety statistics, and internal recruitment trends, ensuring compliance with international labour standards and fostering a culture of inclusivity, transparency, and continuous improvement.

Senior Management plant visits and an open-door policy provide employees direct access to leadership, ensuring their concerns are heard and addressed.

**STAKEHOLDER ENGAGEMENT  
AND TRANSPARENCY**

Our commitment extends to fostering strong relationships with all stakeholders, including law enforcement, regulatory authorities, schools, hospitals, and the wider community. A dedicated community grievance mechanism enables local residents to voice concerns related to MAS operations, which are reviewed and addressed appropriately.

**BUSINESS STRATEGY  
COMMUNICATION**

MAS prioritises open communication through a multi-layered stakeholder engagement approach. Annual and biannual town hall meetings provide employees with insights into the business landscape, customer trends, and strategic direction. While the specific notice period for operational changes may vary depending on the complexity of the change, plant and divisional leaders conduct regular briefings, fostering a shared understanding of organisational goals and strategies. Transparency is paramount during operational changes, with employees informed in advance to allow for review, feedback, and revisions, building trust and strengthening engagement.

**LEADING INDUSTRY  
CHANGE**

Driven by the HR Operations function, MAS seeks to shape industry standards and practices, guided by our core values of fairness and equity, thereby establishing MAS as a leading force within both industry and national spheres.

Through strategic relationships with key governmental and industry stakeholder: specifically, by partnering with organisations such as the Department of Labour and Foreign Employment, the Board of Investments Sri Lanka, the Joint Apparel Association Forum (JAAF Sri Lanka), and the Sri Lanka Apparel Exporters' Association (SLAEA), HR Operations contributes to critical industry dialogues and policy formulation.

**PROACTIVE CRISIS MANAGEMENT  
AND LEGAL COMPLIANCE**

In HR Operations, our disaster and crisis management efforts during adverse weather and natural disasters, in collaboration with the Asia-Pacific Alliance for Disaster Management (APAD), include scenario identification, proactive dissemination of relevant data on adverse weather conditions to better prepare our plants for potential operational disruptions and safety risks, and the establishment of communication guidelines for the

shop floor. This further extends to ensure employees' general wellbeing issues such as relocation facilities, food, compensation for property damages etc. are promptly addressed during adverse climatic conditions.

HR Operations also provides legal advice for manufacturing consolidation efforts and addresses potential complications with the relevant internal and external stakeholders, playing a vital role in supporting effective problem-solving and legal adherence. This proactive approach safeguards MAS and our employees during challenging times

**EXPERT HR ADVISORY AND  
POLICY DEVELOPMENT**

The HR Advisory function serves as a central hub for expert advice on employment and labour law at the Group level. Its focus is on developing and implementing policies that standardise and simplify existing labour practices across the Company's divisions. This includes providing support in areas such as Employee Lifecycle Management (ELM) and social, labour, and health and safety compliance, by considering local and international labour standards to ensure adherence to labour law.

**A PURPOSEFUL  
CULTURE**

In 2021, a powerful movement was launched to ignite a deeper understanding of our Company's purpose. One hundred senior leaders, including our CEOs, took on the mission of weaving MAS's core purpose into the very fabric of their leadership approach and daily operations. While their efforts sparked a ripple effect, divisional and SBU Purpose Ambassadors lead dynamic workshops across our entire workforce. Through these interactive sessions, our employees have begun discovering their own purpose, aligning professional aspirations with personal fulfilment. Our success has inspired us to progressively expand our network of Purpose Ambassadors to connect with our global team in their native languages. Through focus groups, employees expressed a desire for a stronger connection between their daily work and MAS's overarching purpose. In response, we are implementing employee-driven strategies to bridge this gap. By fostering a shared sense of purpose, MAS is building communication, empowerment, belonging, and ultimately, productivity and organisational success.

By the end of 2024, completion rates for the purpose workshop rollout reached 92% of the Executive and above cadre, and 90% for Staff and Team Members.

**MAS Changemakers:  
Forging a Brighter Future**

To truly celebrate our purpose-driven strides, MAS unveiled the inaugural MAS Changemaker Awards in 2023. This was a powerful moment to spotlight and reward individuals who live and breathe MAS's purpose, affecting a tangible impact on people, processes, products, and our planet. We also commended teams and departments who made significant progress toward their Plan for Change milestones.

The response was overwhelmingly positive. The dedication of our "Changemakers" inspired us to launch an ongoing programme to share their stories through internal flyer campaigns across the MAS Group. To maintain consistency and fairness, we established clear recognition criteria and shared them with our HR teams, enabling recognition at both divisional and group levels. We take immense pride in our employees who embody the spirit of changemaking, and we are committed to celebrating their contributions to positive global change.

To further empower our team to engage in meaningful projects, we introduced a global "Leave for Volunteerism" programme for executive and above cadre in 2023. It was heartening to observe that the Leave for Volunteerism saw elevated acceptance and utilisation in 2024 to either partake in MAS-driven CSR projects or engage in other activities focused on community upliftment and environmental conservation.

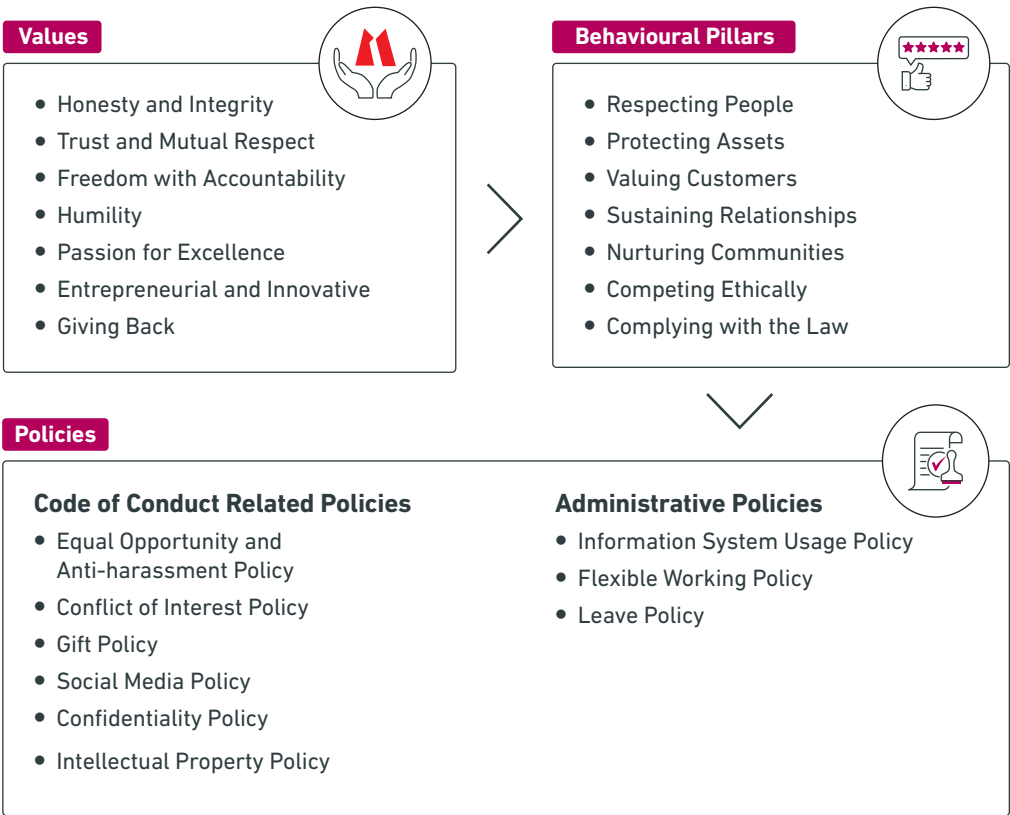
**OUR DNA: MAS CODE  
OF CONDUCT**

2016 marked the launch of our official Code of Conduct. Beginning with senior leadership, it was then rolled out to all managerial levels in 2017. This marked a pivotal moment: the start of a structured approach to ethical standards and professional conduct. Understanding that leadership sets the tone, we made it a priority to embed the MAS DNA among our executives and above. Their role in shaping our organisational culture and demonstrating ethical behaviour was, and is, essential.

We are taking a phased approach to instill integrity, accountability, and transparency at every level of MAS. Through targeted initiatives and ongoing engagement, we are building a shared commitment to upholding the Code of Conduct across our diverse workforce.



Our ultimate goal is to cultivate a culture of responsibility and trust, a workplace built on strong ethical principles and professional excellence. And importantly, our Code of Conduct, including our grievance handling mechanism, was designed with input from our internal stakeholders and key groups throughout the apparel value chain.



**AN INFORMED AND ENGAGED WORKFORCE**

The Social Sustainability Scoring Tool tracks completion and comprehension, while separate reports are submitted to the Audit Committee for continuous programme improvement.

The MAS DNA comprehensively promotes ethical conduct, equality, confidentiality, data protection, and regulatory compliance within our workplace, aligning with the core principles of our Code of Conduct. To ensure ongoing awareness and engagement, we employ a multifaceted approach with: focused groups, flyers, posters, and educational videos and regular refresher training sessions.

Refresher training utilises practical examples, discussions, and case studies to illustrate policy application in real-life scenarios, engage employees at all levels and foster dialogue, clarification, and a deeper understanding of our Company values. Employees also receive guidance on equal opportunity, anti-harassment and diversity awareness. The Social Sustainability Scoring Tool tracks completion and comprehension, while separate reports are submitted to the Audit Committee for continuous programme improvement.

**• Equal Opportunity and Anti-Harassment**

Our Equal Opportunity and Anti-harassment Policy prohibits discrimination, harassment and retaliation based on factors such as race, gender, age, religion, sexual orientation, disability, or any other protected characteristic unrelated to job performance. We expect employees to treat each other with dignity and respect, fostering an inclusive culture where diversity is celebrated, and differences are valued. The policy includes procedures for reporting incidents to ensure complaints are promptly and thoroughly investigated, and appropriate corrective action is taken.

**• Conflict of Interest and Transparency**

To prevent situations where personal interests might conflict with the Company's interests, our Conflict of Interest Policy requires employees to disclose situations where personal interests, relationships, or political and financial interests could potentially influence their decision-making or actions within the Company.

Our Gift Policy provides a clear framework for giving and accepting gifts from third parties, requiring approval for all gifts, including training, entertainment, or any other form of benefit. A comprehensive gift registry tracks all gifts received or given, regardless of value. The Gift Policy

emphasises the importance of avoiding the exchange of anything, tangible or intangible, that could create bias in an employee's performance of their role at MAS. These measures promote transparency and mitigate the occurrence of corruption and potential conflicts between employees' external activities and their responsibilities within the Organisation.

**• Vendor Code of Conduct**

Our Vendor Code of Conduct outlines expectations for our external partners regarding business practices, ethical behaviour and compliance. It aims to cultivate a network of trusted partners who share our commitment to ethical conduct, contributing to the overall integrity of our supply chain ecosystem.

**• Confidentiality, Data Protection, and Intellectual Property**

Confidentiality, data protection, and intellectual property (IP) policies are integral to the MAS DNA. Refresher trainings cover safeguarding confidential information, respecting copyrights, and handling intellectual property responsibly. The importance of responsible social media usage is also emphasised in the MAS Social Media Policy, educating employees on maintaining professionalism and protecting the Company's reputation online.

**OUR REMEDIATION  
PROCESS**

Our approach to investigations, consequence management and centralised data recording and reporting demonstrates our commitment to fairness, accountability, transparency, and upholding organisational integrity.

When a concern is raised, we initiate a thorough investigation guided by standardised protocols to ensure fairness, objectivity, and consistency. This process begins with gathering evidence, interviewing relevant parties, and documenting findings, leading to a comprehensive analysis for effective resolution.

To determine appropriate actions in response to employee wrongdoing, we employ a structured Consequence Management Framework. This framework considers both the intent behind the misconduct and its impact on the Organisation. We evaluate the severity of the offense across impacted areas, including finances, service delivery, employee morale, reputation, and the environment. Based on these measures, we take proportional and fair disciplinary action, reinforcing a culture of accountability and ethical conduct at all levels.

All reported cases are recorded on a central platform, providing a real-time overview of investigations, actions taken, and outcomes. This dynamic tool allows us to identify trends, patterns, and recurring

issues across departments or locations, enabling targeted interventions to address underlying causes. Maintaining this centralised platform fosters trust among employees and stakeholders by ensuring access to consistent and up-to-date information. It also streamlines reporting processes, reduces administrative burdens, and facilitates compliance with regulations and internal standards, providing a clear audit trail.

**CHAMPIONING EMPLOYEE  
WELLNESS THROUGH SPORT**

Beyond manufacturing performance sportswear for renowned brands, MAS champions employee wellness through active engagement in sports. To this end, we actively encourage our employees to pursue a healthy work-life balance and enhance their physical and mental wellbeing through sports. MAS provides a platform for sports enthusiasts to compete, showcase their talents, gain recognition for achievements, and pursue their athletic aspirations.

Competing in Sri Lanka's mercantile sports arena fosters strong teamwork, a competitive spirit, and a drive for excellence – qualities that translate seamlessly into a professional environment. This boosts morale and instills a sense of purpose-driven support and strategic thinking within our corporate culture. We also serve as a clothing

sponsor for national and international games, forging strategic partnerships with athletes and creating performance-engineered garments to support their diverse athletic pursuits.

**THRIVING  
COMMUNITIES**

**GRI** 413, 203

**Our Commitment:**

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

**OUR COMMITMENT TO  
POSITIVE IMPACT**

At MAS, our priority is supporting vulnerable groups, including people with disabilities, the elderly, women, and children.

**MAS'S COMMUNITY ENGAGEMENT  
MODEL (CEM)**

**GRI** 413-1

To build and strengthen relationships with the communities in which we operate, we employ the MAS Community Engagement Model (CEM), a strategic approach that ensures all stakeholders are considered. This model provides transparency regarding activity implementation and reporting mechanisms.

The CEM uses a dedicated Community Engagement Team (CEM Team) responsible for analysing community needs, public requests, and employee suggestions. This ensures that all our operations include local community engagement, allowing us to plan annual activities tailored to the specific needs and interests of each stakeholder group.

Our CEM benefits from a thorough stakeholder mapping system. Utilising a data-driven approach, we list all stakeholders in a central document and plot them on Google Maps, facilitating easy identification of relevant individuals or groups when organising activities in specific locations.

**CORPORATE  
CITIZENSHIP**

We have structured clear guidelines and methodologies, focusing on six key categories for our corporate citizenship activities: Education, Environmental Initiatives, Health, Local Connect, Nation Minded, and Sports. These categories are further divided into six subcategories: Capacity Building, Wellness, Donations, State-Run Programmes, Disaster Relief, and Infrastructure Development.

To ensure transparency and track progress, we maintain a centralised corporate citizenship dashboard, "Panthera." To empower localised action, each division controls its own Corporate Social

Responsibility (CSR) budget and activity planning, and is required to conduct a minimum of one corporate citizenship activity per month at phase three level.

**COMMUNITY GRIEVANCE  
HANDLING**

MAS Holdings has established structured process in which the company receives, addresses, and resolves concerns or complaints raised by individuals, groups, or organizations within the communities where MAS operates. This mechanism ensures open communication, accountability, and transparency, fostering trust and strong relationships between MAS and its surrounding communities.

Each Strategic Business Unit (SBU) is essential in clearly displaying or effectively communicating the available methods for community members to raise grievances. This ensures that communities are aware of how to voice their concerns and feel confident that their issues will be taken seriously.

MAS has also established a reporting and monitoring system to track community grievances received and addressed. This allows for timely follow-up, accountability, and continuous improvement in how community concerns are managed.



# Our Approach to Our Planet Changed for Good

## Material Topics

1. Energy and Emissions Management
2. Waste Management
3. Chemicals Management
4. Product Stewardship
5. Water Stewardship
6. Biodiversity Conservation

## Aligned GRI Topical Disclosures

1. GRI 302: Energy
2. GRI 305: Emissions
3. GRI 306: Waste
4. GRI 303: Water and Effluents
5. GRI 416: Customer Health and Safety
6. GRI 303: Water and Effluents
7. GRI 304: Biodiversity

We consider environmental sustainability a non-negotiable mandate integrated in how we do business, and deeply ingrained our organisational DNA and strategy. A core pillar of the MAS Plan for Change – Our Planet Changed for Good – sets ambitious targets for our business: to manage and minimise the environmental footprint of our operations, extend our influence to the apparel supply chain, and champion positive and transformative change at a local, national, and global scale.

Our projects and programmes are proactive, collaborative, target-driven, science-based, and aligned with national priorities and international standards. They prioritise compliance and across our own operations, and wherever possible – leverage our influence to catalyse better environmental practices across the supply chain and community.

MAS also integrates environmental considerations into the Company’s approach to sustainable products; by prioritising and incorporating sustainable raw materials in products, designing for longevity and recyclability, and working with partners to address environmental impacts of apparels across their lifecycle.

Complementary to these initiatives, the MAS Foundation for Change focuses on scalable projects, partnerships, and community-initiatives that are working toward cleaner oceans; protecting and restoring ecosystems that are critical to life on our planet; and improving access to water.

## LIMIT EMISSIONS

Climate change stands as a defining challenge of our era, and MAS is committed to being part of the solution. Our actions to address emissions in manufacturing, and across the supply chain, include adopting cleaner energy and driving decarbonisation through a variety of means.

We have aligned our climate ambitions with the Science Based Targets initiative (SBTi) as part of the Group’s environmental strategy and Plan for Change. This commitment translates to ambitious emission-reduction goals of our own operations: aiming for a total 25.2% absolute emission reduction, against our 2019 baseline. And an inspirational target for our suppliers – 85% of our suppliers by spend and 100% of joint ventures in Scope 3 investments, having science-based targets by 2025.

## ENERGY, EMISSIONS, AND THE APPAREL SECTOR

Energy and emission intensity of production: Manufacturing of apparels – from raw material cultivation or extraction and processing; to fabric manufacture, and ultimately garment production and finishing – involves multiple stages of energy-intensive processes. While apparel manufacturers are seeking out sustainable sources of energy, many regions involved in material production and apparel manufacture are still heavily reliant on fossil fuels to power their industries. This reliance directly translates to an additionally large emission-footprint associated with energy generation for apparel production.

Complexity in materials, supply chains, and lifecycle: A significant portion of the apparel industry’s carbon footprint falls under Scope 3 emissions – indirect emissions occurring throughout the value chain; from raw material extraction to the end-of-life of apparels. This includes emissions from transportation of goods across the globe, and the energy-cost or emissions that result from disposal of apparel waste.

Even fabric-types can have a significant influence on net energy consumption and emission. While natural farmed-fibres may contribute to emissions through land-use change and ecosystem destruction, synthetic fibres derived from fossil fuels can have an even higher carbon footprint than some natural fibers. In addition, the issue is complicated by the changes in customer-demand and the advent of fast-fashion, which has exacerbated the issue through rapid production of large volumes of apparels with shorter lifespans – demanding more energy and resources.

## OUR EMISSIONS IN CONTEXT

Managing emissions in the textile and apparel value chain is complex; with factors like product design and composition, sourcing strategies, intrinsic energy-needs of processes, structural and technological limitations in production, and systemic challenges associated with energy sources of different countries and geographies; all affecting emissions and emission-intensity.

	Scope 1	Scope 2	Scope 3
What it entails	Direct emissions from use of biomass and on-site fossil fuels in our equipment, machinery, and fleet.	Indirect emissions as a result of purchased electricity, heat, and steam that power manufacturing operations and ancillary functions.	Emissions across the value chain: Primarily as a result of extraction, processing, and transport of purchased raw materials upstream; waste generation in operations; and downstream distribution, use, and end-of-life treatment/disposal of apparel we manufacture.
The challenge	Cleaner sources like bioenergy come from a largely unregulated and informal biomass industry, which poses sustainability risks surrounding feedstock production and availability.	Energy-intensive processes, and systemic/structural limitations of energy-providers who rely on fossil fuels for energy-generation.	Quantifying emissions and identifying hotspots across a broad supply chain, remains challenging. This is compounded by varying and evolving methods for assessment, data collection, and verification.  Achieving concrete emission reductions requires concerted, collaborative efforts from both upstream and downstream entities, and relies heavily on market forces, global regulation, and technological advancement.
Our response	Responsible sourcing and use of biomass is ensured through the Group’s Sustainable Biomass Standard; developed in line with international best-practices and local adaptations  Prioritising fast-growing, sustainable fuelwood – such as Gliricidia, presents an innovative solution to GHG reduction.	MAS continues to scale-up renewable energy generation and consumption – through investments in solar, initiation of PPAs, and purchase of RECs and iRECs.  We are in the process of claiming iRECs for the Group’s large solar generation footprint in Sri Lanka, which would unlock further reductions.  Stringent energy management and ongoing energy efficiency gains are also driving emission reduction.	Our Plan for Change includes an ongoing commitment to waste transformation, innovation, circularity, and sustainable sourcing.  These hold great potential for decarbonisation across a range of areas, including elimination of waste; innovation and design for product longevity and closed-loop solutions at end-of-life; and groundbreaking partnerships sourcing alternatives to fossil-fuel based or virgin raw materials.



**HOLISTIC APPROACH  
TO DECARBONISATION**

The MAS decarbonisation programme, in line with SBTi commitments, involves systemic and structural change across the Group’s entire operational footprint. Guided by Our Plan for Change, which functions as a forward-looking blueprint, we employ a holistic approach that amplifies synergies and maximises the impact of our environmental initiatives.

At a facility-level, we monitor energy and carbon intensity by division and activity. This empowers Senior Management, engineering, and sustainability teams to make informed, timely, and strategic decisions that keep our decarbonisation efforts on track. We calculate the carbon footprint of our operations monthly, and verify our emissions annually with an independent third-party – the Sri Lanka Climate Fund, operating under the ambit of Sri Lanka’s Ministry of Environment.

**ENERGY TRANSITION**

Industries across the globe are adopting a critical shift towards cleaner energy sources, and addressing dependence on fossil fuels. Our ethos of striving for change, and long-standing climate and sustainability initiatives tackle this head-on.

Green energy projects such as MAS Project Photon, the Group’s Solar PV footprint, generate clean energy, enhance

energy security, and reduce overall energy costs. Similarly, Power Purchase Agreements (PPAs) with energy-providers and purchase of International Renewable Energy Certificates (iRECs) enable our facilities to source renewable energy at scale while we continue to invest toward building in-house renewable energy generation capacity.

**CERTIFIED BIOMASS**

Bioenergy, obtained from biomass, comprises a renewable and clean energy source that powers a significant portion of our operations.

While combustion of biomass does contribute to emissions, the feedstock (source plants) for biomass can sequester almost as much CO<sub>2</sub> during their growth-phase, as they emit when combusted; making biomass a potentially carbon-neutral source.

We take a proactive and responsible approach to sourcing and utilising biomass in our operations, with stringent measures in place to record purchases and ensure traceability. In regions where the biomass industry lacks regulation, MAS has been at the forefront of promoting sustainable practices in the sector.

In Sri Lanka, we have consistently engaged with regulators and suppliers to drive sustainability in the industry. We support development of a sustainable fuel-wood standard for the country, which includes criteria for sustainably produced fuel-wood that prioritises environmental and social factors.

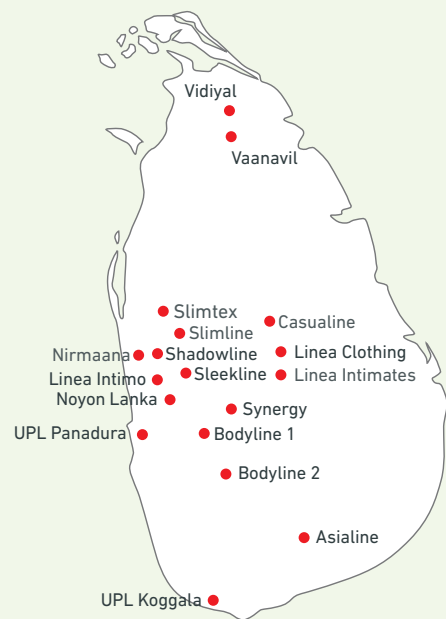
Our innovative approaches, including use of invasive plants as biomass, have resulted in lower energy intensity, while contributing to conservation of vulnerable ecosystems. The MAS Sustainable Biomass Standard specifies suitable climate-neutral feedstock, incorporates systems for sustainable sourcing, and ensures certification and verification that prevents deforestation and biodiversity loss.

Energy transition	Transforming waste	Innovation (product and process)	Circular thinking	Sustainable sourcing
		Products changed for good – Innovate and Disrupt (page 34)	Products changed for good – Pioneer circularity at scale (page 37)	Products changed for good – Source sustainably (page 34)
Sustainable sourcing and utilisation of biomass.	Valourisation of non-hazardous waste (recycling and resource-recovery, and energy recovery).	Product innovations unlocking increased resource efficiency; utilising climate-positive raw materials; and reducing waste.	Partnering across the value chain to support closed-loop solutions that address end-of-life impact of apparels.	Collaborating with suppliers to reduce emissions.
Scaling up renewable energy generation.				Sourcing renewable materials and alternatives to fossil fuel based inputs.
Practicing sound energy management: maximising energy efficiency and saving.	Responsible and proactive hazardous waste management (treatment, pre-treatment, repurposing, and energy recovery).	Process innovation that contributes to resource and energy optimisation.	Incorporating circular design for apparel longevity, durability, and recyclability.	Implementing traceability that is supporting recycling.

Despite the massive clean-energy potential of biomass, and associated increasing demand, there continues to be lack of awareness and reluctance of suppliers to align with the Sri Lanka Standard for sustainable fuelwood (SLS 1551:2016). This leads to persistent challenges with availability, sustainability, and pricing.

SCALING UP RENEWABLES: PROJECT PHOTON

Phase 1



- Total Capacity – **16 MW**
- Investment – **USD 12.7 Mn.**
- Grid Connection Scheme – **Net-plus**
- Estimated Annual Generation – **20 GWh**
- Annual Carbon Footprint Reduction – **12,200 Tons of CO<sub>2</sub>**

MAS SBUs	Capacity (MW)
Nirmaana	0.3
Asialine	0.39
UPL Panadura	1.56
Vidiyal	0.94
Synergy	0.69
Slimline	1.1
Slimtex	0.57
UPL Koggala	0.99
Bodyline 1	1.96
Vaanavil	1.85
Bodyline 2	0.35
Linea Clothing	0.51
Linea Intimates	0.37
Sleekline	0.35
Noyon Lanka	0.99
Shadowline	0.82
Casualine	1.07
Linea Intimo	0.93
<b>Total</b>	<b>15.84</b>

Phase 2



- Total Capacity – **7 MW**
- Investment – **USD 3.3 Mn.**
- Grid Connection Scheme – **Net Accounting**
- Estimated Annual Generation – **9 GWh**
- Annual Carbon Footprint Reduction – **5,600 Tons of CO<sub>2</sub>**
- Contribution to MFP Electricity Demand – **20%**
- Sri Lanka's largest roof mounted solar installation on a single roof – **4.3 MW (Matrix)**
- Sri Lanka's largest mounted solar installation in a single location – **7 MW**

Phase 1 and Phase 2

- Total Capacity – **23 MW**
- Estimated Annual Generation – **29 GWh**
- Number of Locations – **19**
- Annual Carbon Footprint Reduction – **17,800 tons of CO<sub>2</sub>**
- Contribution to MAS Group Electricity Demand – **12%**

MAS Project Photon, a multi-roof solar installation initiative, is the evolution of the Group's long-term commitment to invest in renewable energy generation. From our initial solar installation in 2008, at MAS Intimates Thurulie – the world's first purpose-built LEED Platinum Certified Apparel Factory, to South Asia's largest solar installation in 2015 – 1MW at MAS Matrix; we have been at the forefront of pursuing renewable energy with a legacy of early-adoption.

Today we have an installed capacity of 23 MW across 25 rooftops – in Sri Lanka. Project Photon comprises Sri Lanka's largest solar roof area, generating clean energy exported to the National Grid and providing additional supplementary income. Project Photon also serves as the first and largest comprehensive network of weather monitors providing real-time and historical data on solar irradiance (sunlight intensity). Contributing to research and informing future investments in renewable energy.

The Project contributes to reducing our annual carbon footprint, and together with other sources of renewable energy such as sustainable biomass, iRECs, RECs, and PPAs; results in a significant share of the Group's energy consumption coming from renewable sources.

**PARTNERING FOR  
RENEWABLE POWER**

Partnering with energy providers through Power Purchase Agreements (PPAs) and procuring clean energy through partners possessing verified Renewable Energy Certificates (RECs), helps mitigate our reliance on fossil fuels.

MAS Indonesia is an exemplar in this regard. A partnership in place with the state-owned electricity provider – PT Perusahaan Listrik Negara (PLN), sources 100% of the energy needs of our facilities from renewable sources such as the Kamojang Geothermal Power Plant. This agreement covers multiple MAS facilities in Indonesia: MAS Arya 1 and MAS Arya 2, and PT Silueta Indonesia.

**ENERGY  
MANAGEMENT**

Facility-level energy management is made possible through energy monitoring systems in place at our operational locations. These systems provide real-time data on electricity-use across our operations, and have been integrated to also measure water usage at some of our facilities.

Energy monitoring systems empower MAS energy managers and engineering teams to analyse historical data and monitor trends, identify areas for improvement, and make informed decisions about capacity utilisation, maintenance, and other elements essential to production. These system optimise energy use, improve process controls, and facilitate predictive maintenance – thereby reducing downtime and operational costs.

**TRANSFORM  
WASTE**

The global apparel industry grapples with a significant waste footprint, bearing far-reaching environmental impacts across the supply chain and product lifecycle. From pre-consumer waste generated at the factory floor, to post-consumer waste and resulting disposal; waste management at every stage of the value chain is critical to sustainable management of environmental impacts. As a responsible apparel manufacturer, we work to minimise our own waste footprint, partner with customers and innovators, and collaborate across the value chain to promote circularity in the apparel industry.

**RESPONDING TO  
THE WASTE CHALLENGE**

**PRE-CONSUMER WASTE**

Waste created throughout the apparel manufacturing process, before a garment is completed and shipped, is the extent of pre-consumer waste. This includes waste created during yarn and fabric production, offcuts at cutting during the manufacturing process, defective materials, and more. While these waste streams contribute a significant volume of the fashion industry's footprint, they also present easier-to-address opportunities for waste-reduction, through concerted efforts employed by raw material producers and apparel manufacturers alike.

**OUR RESPONSE**

Practices: Addressing the waste challenge from the ground-up, we employ the 7R principles; actively working to prevent and reduce waste at source. This begins with our plants, and the practices of our people. We have adopted innovative waste management practices across our operational footprint, through the Pirisidu Lanka (Clean Lanka) initiative that was piloted across our Sri Lankan operations in 2020. The waste management process employed at our facilities, informed by this initiative, sets out a series of guiding principles for our facilities; promotes innovative solutions to reduce, reuse, and recycle non-manufacturing waste; develops staff capabilities on waste value enhancement; improves waste management infrastructure at our facilities; and creates model plants that uphold zero landfilling. The programme, now rolled out across our global operations, directly addresses MSW generation by reducing generation at source. However, inevitably, a small portion of MSW ends up in landfills because of limitations to further segregation or value enhancement.



Group-wide and facility-level waste policies provide contextualised guidance while stipulating strict standards to be met. KPIs for SBUs and Divisions, which promote recycling, reuse, and value enhancement of waste, serve to instill best-practices and support operationalisation of policies.

Processes: Addressing waste directly related to our primary production processes, textile production/fabric processing and apparel operations (cutting, sewing, and finishing), we incorporate practices and processes for both waste reduction and waste value enhancement. From incorporating strategic lean manufacturing principles and maintaining oversight through the MAS Operating System (MOS) and ERP system; to Group-wide initiatives such as paperless processes, and optimisations rolled-out on the shop-floor; we keep waste to a minimum.

While maintaining a commitment to zero-landfilling, all hazardous waste is suitably treated and disposed responsibly – primarily through energy recovery. With regard to process chemicals with potential waste-related impacts, our waste

management processes include co-processing and safe measures for disposal or return.

At the same time, guided by the philosophy of waste transformation, MAS is constantly innovating and looking for new avenues to value enhance the waste that is generated. A significant portion of non-hazardous, non-RM waste, is either reused on the factory floor itself, or recycled. In line with customer guidelines and local regulations, suitable fabric waste is recycled, upcycled or downcycled. Where current technological and cost factors limit recycling at scale, such as with 95/5 polyester-spandex, we leverage MAS' robust community engagement programmes to repurpose, reuse, and recycle non-hazardous fabric waste. Many of these initiatives are creating jobs and strengthening the livelihoods of communities in the areas we operate. Where intellectual property, confidentiality, and brand protection guidelines dictate; fabric waste is directed to energy recovery through incineration.

As a Group, we uphold a commitment to reduce and eliminate landfilling across our operations. Success of our multi-layered strategy has

ensured that 100% of our RM waste is diverted from landfills. Similarly, non-manufacturing waste, including Municipal Solid Waste (MSW) generated at our facilities is also introduced to value enhancement wherever possible. We work to minimise, manage, and recycle or repurpose MSW; which primarily comes from canteen operations and other employee activities.

These waste enhancement initiatives are built around a rigorous process for monitoring and managing waste across all facilities. This system begins with point-of-origin segregation, where different waste types are separated at source. All waste is then stored in designated areas, with specific locations for both hazardous and non-hazardous materials.

To ensure accurate tracking, waste-handlers ensure weighing and documentation at each waste stream. Data is fed into an internal monitoring system, allowing for group-level waste analysis on a monthly basis. Finally, to guarantee integrity of the process, annual plant audits are conducted to verify standards for waste management and data collection are upheld.

Partnerships: Apart from Waste to Steam (W2S) initiatives for energy recovery, that are carried out on-site, all waste generated through manufacturing and other processes, once segregated and recorded, is collected and managed by third-party waste management suppliers. Therefore, exercising due diligence, ensuring close monitoring, and developing enduring partnerships with our suppliers, are key to the success of waste enhancement initiatives. Suppliers are selected based on annual evaluations, which account for environmental and waste management licenses, disposal methods, and best-practices. At all times, we strive to work with waste management partners who are innovative, responsible, and compliant with local and international regulatory requirements.

## POST-CONSUMER WASTE

Post-consumer waste refers to apparels discarded by consumers at end-of-life. The duration a product can be in use, before it is discarded, is significantly influenced raw material composition, product quality and design, and consumer and fashion trends. In addition, consumer awareness and access to alternatives such as repair for wear-and-tear, upcycling, or re-use, can also influence the period before a garment is considered waste. Thereafter, segregation, collection, and recycling options also impact the volume of apparel waste that actually ends up earmarked for disposal. Despite developments in technology and trends, the volume of post-consumer textile waste is staggering, with a significant percentage still being disposed.

### Our Response

We employ life cycle thinking and Life cycle Assessments (LCAs) in order to identify potential impacts of post-consumer waste, and map our role in driving solutions to the same. Taking a cradle-to-grave perspective, our analysis goes beyond manufacturing to study the use-phase and end-of-life waste-related impact of products we produce. With then devise and roll out strategies that ensure we are well placed to partner across the value chain and deliver innovative solutions that mitigate these impacts.

Over the last few years, we have invested in training key personnel on conducting LCAs; allowing us to design and merchandise products in a far more sustainable manner, with consideration for end-of-life of manufactured products. Guided by our **Approach to Sustainable Products**, and **Sustainable Product Criteria** and Rating System, we deploy an innovative multi-modal strategy to address post-consumer waste.

Assessing potential downstream waste-related impacts of our product outputs, we emphasise circular thinking and Priority Raw Material (PRM) management strategies that consider waste-related risks. Our systems for waste reduction, value enhancement of difficult-to-manage materials, innovations to substitute hazardous chemicals, and ethical sourcing of sustainable materials; all contribute to mitigating potential downstream impacts, while creating novel opportunities for closing the loop and promoting circularity in the industry.

Our new and long-standing partnerships with leading customers, raw material producers, collectors and segregators, recyclers, and logistics providers, are explored in the discussion on how we **Pioneer Circularity at Scale**, as defined by our Products Changed for Good commitments.

### OUR WASTE FOOTPRINT

We carry out waste-flow analyses to categorise and analyse waste streams based on their origin (production activity/ function in the value chain), composition, and classification. All percentages represented below are approximate values based on the latest figures. They are largely unchanged year-on-year, and representative of waste streams structurally inherent to our operations.

Origin	Composition	Classification	Waste management measures
Apparel manufacturing (cut and sew operations)	<p><b>Stream 1:</b> Categorised as Raw Material (RM) waste, makes up approximately 69% of non-hazardous total of total waste from our operations. Primarily consisting of (47%) raw material reuse and recycle of raw material total.</p> <p><b>Stream 2:</b> Non-RM waste, makes up around 27% of non-raw material non-hazardous total of total waste from our operations. Composed primarily of reusable or recyclable packaging components and materials and Municipal Solid Waste (MSW), which includes food waste.</p>	Non-hazardous (96% of waste that falls within our operational boundary)	<p>Majority of non-hazardous waste is value enhanced through a variety of means, including recycling; upcycling/downcycling; repurposing and reuse on the factory floor or via community engagement; and waste to steam (W2S) generation on-site – which constitutes a cleaner source of energy, compared to conventional incineration.</p> <ul style="list-style-type: none"><li>• Preparation for reuse or recycling (60.8%)</li><li>• Energy recovery through waste to steam (W2S) on-site (13.6%)</li><li>• Energy recovery through incineration off-site (24.8%)</li><li>• Landfilling or land application (0.8%)</li></ul>
Textile production	Largely consists of process chemicals and effluent sludge generated at facility level, and fabric and other materials contaminated by contact with chemicals.	Hazardous (4% of waste that falls within our operational boundary)	<p>Almost all hazardous waste generated, is directed to disposal for incineration with energy recovery. This is in line with industry best-practices and environmental regulations in our areas of operation.</p> <p>Energy recovery through incineration (93%)</p> <p>Preparation for reuse or recycling (7%)</p>

### INSPIRING BETTER WASTE MANAGEMENT BEYOND OUR WALLS

Wherever possible, we work with communities to implement or support division-led community-based waste management initiatives that are cleaning up community spaces, public areas, and vital ecosystems. Programmes implemented by the MAS Foundation, in partnership with government and

other corporations, are pursuing similar outcomes for better waste management practices in the wider community.

**RESPONSIBLE  
CHEMICAL USE**

**GRI** 416-1

Responsible chemical management and use involves conscious monitoring and stringent compliance not only within our operations, but also from our suppliers. and worker safety. Our begins with the procurement of raw materials, many of which require chemical inputs during production. Additionally, chemical-use is an essential component in the manufacturing processes, from dyeing and finishing to fabric treatment. Therefore, our actions for responsible chemical use safeguard our workers, and the end-consumers of our products. Our due-diligence and supplier compliance processes, coupled with continuing engagement with chemical and raw material suppliers are vital for effective management of any and all chemicals used in the production process.

**RISK-REDUCTION AND  
CHEMICAL MANAGEMENT**

**Environmental Impacts:** The apparel industry utilises a wide range of chemicals throughout its supply chain, from raw material production to the finishing of garments. While these chemicals can enhance product quality, durability, and aesthetics, their use also poses significant

risks to the environment. Aside from elimination of harmful chemicals, effluent from industrial processes requires suitable treatment and continuous monitoring to prevent pollution risks to water and soil.

**Social Impacts:** Stringent health and safety practices can ensure safety of employees involved in the handling, transport, storage, and use of potentially hazardous chemicals. Effective chemical management and wastewater treatment are essential processes that ecosystems and the communities that rely on them. Similarly, standardised testing for finished products assess and mitigate potential consumer safety risks associated with residual chemicals in finished products.

**OUR CHEMICAL  
MANAGEMENT PROCESS**

**Supply Chain**



Collaborating with RM suppliers and subcontracting partners, to ensure the chemically value added raw materials we source will comply with safe chemistry standards

Monitoring of input chemical compliance and ZDHC wastewater compliance for 55% of our spend base.

All embellishment subcontractors achieved minimum 81% compliance with ZDHC Chemical Gateway against MRSL Version 3.1.

All applicable embellishment subcontractors fully complied with the ZDHC WWG.

**Product Stewardship and  
Consumer Safety**



Testing, verifying, and certifying that our products conform to international standards, national/regional regulations in our consumer markets, and brand-defined requirements.

**Input**



**Process**



**Output**

Ensuring we purchase and use safer chemicals in our operations, with the end goal of creating safer products and mitigating negative environmental impacts.

Practices and processes within our facilities that identify hazards, guarantee safety of our teams, and ensure that chemicals are used in a correct way.

Infrastructure and systems in place to treat and monitor effluent, reduce and mitigate potential risks, and validate our chemical management practices.

96% ZDHC MRSL compliance for chemicals used in Textile Production facilities.

95.4% Bluesign approved chemicals utilised in Textile dyeing operations.

Compliance with local and national regulations for wastewater treatment (such as CEA limits, and BOI norms)

Alignment with international effluent treatment standards (such as ZDHC WWG and parameters), where applicable.

22 facilities meeting OEKO-Tex Standard

One dye facility delivering Bluesign certified articles




## Commitment to Safer Chemicals

We strive to maintain compliance with the latest ZDHC MRSL version, which is also addressed in our internally developed MAS Chemical Management (CM) Manual and MAS RSL Manual – for chemicals used in our facilities and products. This ongoing process to continually prioritise greener chemistry ensures our procurement and manufacturing processes are informed by the latest science and regulations and compliant with any restrictions as they are introduced.

Facilities utilising chemicals follow a stringent chemical management process with ZDHC/Bluesign compliant chemicals, prioritising Bluesign approved chemicals. The chemical management process at wet operations, is aligned with the ZDHC Chemical Management System, while dye houses focus on obtaining Bluesign System Partnerships – one of the most stringent global sustainable chemical certifications.

By maintaining compliance with ZDHC MRSL guidelines and achieving Bluesign certification for our articles,

we seek to minimise potential environmental impacts associated with chemical-use in manufacturing, and attempt to offer customers and consumers with safer, more environmentally conscious choices.

 International certifications, accreditations, and audits carried out for our facilities, including those covering the area of chemical-use and management, are listed in the Plan for Change section.

### INPUT

We strive not only to comply with current regulations for safe chemical use but also to proactively assess and anticipate upcoming restrictions. This involves ongoing engagement with customers and suppliers, diligent monitoring of the regulatory landscape, benchmarking against international standards, and strict procurement controls.

**Identification and elimination** of restricted materials is guided by hazard-based assessments and standardised benchmarks, including industry, brand, or product-specific Restricted Substance Lists (RSLs), the Zero Discharge of Hazardous Chemicals (ZDHC)

Manufacturing Restricted Substance List (MRSL), and the Bluesign System Substances List (BSSL).

**Sourcing safer alternatives** is a continuous process requiring collaboration with customers and chemical suppliers to identify, study, and assign alternatives for Chemicals of Concern that are likely to be replaced. To anticipate future restrictions, We scan international and regional regulations like California Proposition 65 and REACH SVHC.

**Controls** and restrictions at the procurement stage ensure that only Bluesign-approved chemicals are newly introduced for dyeing, and only ZDHC Level 1 or higher chemicals are introduced for printing. Wherever possible, in line with our sustainable product criteria, Bluesign-certified chemicals are encouraged.

### PROCESS

We employ a hazard and risk-based approach to managing chemicals across all processes that involve chemicals; with a focus on safety of our teams and compliance of facilities.

**Benchmarking** our in-plant chemical management against international standards like ZDHC, and use of tools such as Higg FEM for continuous tracking, informs our safety processes

and mitigation plans. Based on the composition details and hazard codes in Safety Data Sheets (SDSs), we identify and track the toxic properties of chemicals to facilitate mitigation plans. To maximise worker safety, we conduct standardised, activity-based risk assessments, considering both hazard and exposure. High-risk chemicals are managed with clear risk-mitigation action plans, and we prioritise the sourcing of lower-risk Bluesign alternatives whenever feasible. We also utilise the SAC's Higg Facility Environmental Module (FEM), and our own MAS SCaLE (Sustainability Calibration for Environment) Tool, to monitor and verify the effectiveness of work stream implementations.

**Controls and Standard Operating Procedures (SOPs)** for all chemical-related activities are in force within our facilities. These provide clear guidance and instructions for teams working with chemicals. This includes the use of appropriate Personal Protective Equipment (PPE) practices and process controls for chemical dosages, which are continuously monitored.

**Capability development**, through training and awareness programmes, ensures that our teams, including direct handlers and relevant management, are up-to-date on SOPs, emergency response protocols, and

any updates to guidelines or regulations. This supports adherence to our chemical management requirements.

### OUTPUT

Our commitment to responsible chemical use extends to the treatment and discharge of wastewater from our wet-processing facilities. We employ Effluent Treatment Systems to ensure effective removal of contaminants, and rigorously monitor effluent quality against national regulations and international benchmarks including ZDHC wastewater guidelines.

In Sri Lanka, all facilities within the MAS Fabric Park (MFP) discharge their wastewater to the MFP wastewater treatment plant. The wastewater undergoes secondary and tertiary treatment at MFP before being discharged into a surface water body. All treated wastewater is discharged in strict adherence to the standard parameters set by the Central Environmental Authority (CEA) and complies with the norms set by the Board of Investment (BOI) or other applicable country standards. We conduct quarterly tests and submit reports to local authorities and other regulatory bodies. Where applicable, our practices align with international effluent treatment standards, such as the ZDHC WWG.

**PRODUCT STEWARDSHIP  
AND CONSUMER SAFETY**

Product safety is a fundamental component of our approach to product stewardship. This approach enables MAS to deliver on its commitment to responsible chemical use and our vision for sustainable products that are safe for the wearer.

We take a long-term, strategic, and multifaceted approach to assessing and managing the health and safety impacts of our products and services. This includes the governance structures, management systems, policies and standards, and strategies in place to integrate technical, chemical, and raw material-related compliance factors into our sourcing and production processes.

We verify the safety of our products through routine monitoring and output testing that adheres to brand and product-specific RSL requirements. These standards are cascaded to Tier 1 supply chain partners where applicable. Rigorous finished-product testing is carried out through third-party laboratories, based on brand recommendations for sample selection, running bulks, and shades/styles.


In recognition of their commitment to responsible chemical management, Noyon Lanka (Pvt) Ltd was awarded the Chemical Management Excellence Award, for the third consecutive year, at the Victoria's Secret and Co. Partner Summit 2024.

**RESPONSIBLE CHEMICAL  
USE ACROSS THE SUPPLY CHAIN**

We engage and work with all major raw material suppliers and monitor input chemicals compliance against the ZDHC MRSL for a significant portion of our spend-base; which includes suppliers of fabrics, apparel embellishments, and chemicals.

We also carry out further RSL testing for products and materials, if mandated by customers. Wherever appropriate, such brand-specific RSL requirements are cascaded to vendors and supply chain partners, and their confirmations, acknowledgements, and self-assessments enable compliance with the same. Similarly, we ensure subcontractors are monitored against ZDHC MRSL in their production process, which serves to restrict most chemicals of concern and meet brand-specific requirements.

Annual subcontractor forums are a key tool in raising awareness, communicating expectations, and ensuring compliance; while interim meetings serve as a monitoring tool to evaluate compliance and progress toward targets. When failures are found, or chemicals of concern likely to be regulated are identified, we work collaboratively with subcontractors to find safer alternatives.

Our approach to sustainable sourcing, and the success of our supplier compliance programme is detailed in how we  **Source Sustainably**, as part of our commitment to Products Changed for Good.

**CHAMPION  
BIODIVERSITY**

From the smallest building blocks of life, to the largest ecosystems that sustain life, biodiversity is crucial for our planet, and our own survival. Rich biodiversity protects and promotes the essential ecosystem services upon which our industry depends. Conversely, biodiversity loss can disrupt supply chains, increase operational costs, and pose significant risks to business continuity.

**OUR APPROACH TO  
BIODIVERSITY CONSERVATION**

Our commitment to biodiversity conservation is founded on the mandate of sustainability, which involved addressing the physical impact of our facilities and built-spaces.

While none of our facilities are located in or adjacent to protected areas or areas of high biodiversity value, we set ourselves a proactive goal – to restore and rehabilitate an area 100 times the extent of our footprint, totaling 25,000 acres. To achieve this, we employ six primary models for habitat creation and conservation.

1. Restoration
2. Afforestation
3. Invasive Removal and Habitat Enrichment
4. Analog Forestry/Social Forestry
5. Forest Gardens
6. Conservation

Selection of projects aligns with three key objectives.

1. Restore and enrich habitats to support a diverse range of species.
2. Conserve habitats and species within their natural environments.
3. Protect and monitor existing biodiverse landscapes.

We prioritise partnerships and projects in areas of high biodiversity value; particularly those that are home to endemic, endangered, vulnerable, or threatened species. Given that our largest operational footprint is in Sri Lanka, much of our work has focused on the Island's biodiversity hotspots. However, as our enterprise has expanded, so have our opportunities for positive impact.

### Collaborating for Impact and Scale

Since 2017, MAS has engaged in and supported 41 restoration projects, and 71 partnered projects in total, resulting in the restoration of more than 19,927.47 acres.

Key long-term partners for ongoing projects, include the Department of Forest Conservation and the Department of Wildlife Conservation – apex national bodies in Sri Lankan tasked with conserving forests, preserving ecosystems, and protecting local flora and fauna; and the Sri Lanka Air Force – a pioneering partner that has supported the successful implementation of multiple aerial reforestation projects.

As of 2024, we have also forged strong new partnerships for ongoing projects in Kenya and Indonesia; with The Wildlife Foundation (TWF) and the Naretunoi Community Conservancy, in Nairobi – Kenya; and Pesona Indonesia Tours and Universitas Gadjah Mada in Indonesia.

MAS also engages with a wide variety of other partners, either at Group-level, or facility-level. These

include not-for-profit societies, foundations, and institutions, private-sector corporations, academic institutions, and other local authorities, community-based organisations, or grassroots initiatives working on the ground.

#### Governmental institutions



University of Sri Jayawardenepura, Sri Lanka



Sri Lanka Department of Forest Conservation



Sri Lanka Department of Wildlife Conservation



Sri Lanka Airforce



Universitas Gadjah Mada, Indonesia

#### Nonprofit organisations



Rainforest Protectors Sri Lanka

Thuruliya Arana Monastery, Koggala Sri Lanka



Centre for Sustainability, University of Sri Jayawardenepura, Sri Lanka



Centre for Integrated Indigenous Knowledge System, Sri Lanka



Community Development Centre (CDC), Sri Lanka



The Wildlife and Nature Protection Society, Sri Lanka



Preserving Land and Nature (Guarantee) Limited, Sri Lanka



Wild Life Conservation Society-Galle, Sri Lanka



PT. Pesona Indonesia Tours, Indonesia



The Wildlife Foundation, Kenya



Wildlife and Ocean Resource Conservation, Sri Lanka



Federation of Environmental Organisations, Sri Lanka

Our conservation initiatives are implemented through strong partnerships with local experts and organisations, ensuring the long-term sustainability of any interventions carried out.

We emphasise collaboration, innovative techniques, and the use of modern technologies and tools to enhance the scale, impact, efficiency, and reliability of our projects. We also place a high value on thorough monitoring and impact assessment, with our teams and partners continuously tracking progress and conducting evaluations to inform ongoing efforts.



## SAFEGUARD WATER

Water is an indispensable resource in any industry, but particularly so in the apparel sector; which is dependent on irrigation water for cultivation of raw materials, and process-water for production of textiles. However, this heavy reliance on water, coupled with industrial processes that produce wastewater, poses significant risks to the environment and human populations.


### THE IMPORTANCE OF WATER FOR OUR OPERATIONS, COMMUNITIES, AND ENVIRONMENT

**Raw Material Production:** Some of the most common raw materials used in everyday apparels are produced by agricultural production. As such, the industry relies on raw materials that require substantial water resources for cultivation. Beyond land-use change, unsustainable agricultural practices can exacerbate water scarcity and contribute to desertification or ecosystem degradation; especially in regions where water resources are already limited or facing increased pressure from anthropological shifts and resultant climate-change induced complexities.

### Textile Production and Processing:

Water is an essential element in various textile processing stages, including pre-treatment, dyeing, and finishing. These large-scale industrial processes can consume large volumes of water, and require dedicated wastewater treatment to remove excess dyes and chemicals that were introduced as part of the production process. Discharge of untreated wastewater, or unplanned discharge of effluent can result in dramatic consequences for the receiving waterbody, surrounding ecosystems, and the communities that depend on the same.

### OUR WATER FOOTPRINT

To better understand our  specific impact and dependency on this vital resource, we monitor water withdrawal across our operations and develop targeted strategies to improve water-efficiency, minimise waste, and ensure the long-term sustainability of our business, communities, and environment.

### SUSTAINABLE WATER MANAGEMENT AT MAS

At the group level, we establish annual normalised water targets, which are then implemented across our strategic business units (SBUs) and divisions.

We believe that employee engagement is crucial to achieving these targets and successfully implementing our water stewardship strategies, which include water reuse and recycling. We monitor our progress against operational water-intensity targets: litres per kg for textile production and litres per-head per-shift (SAH) for apparel manufacturing.

Our efforts to reduce our reliance on freshwater involve increasing our use of harvested rainwater (wastewater) and scaling up utilisation through advanced treatment, recycling, and reuse technologies. Some of our apparel facilities have on-site Sewage Treatment Plants (STPs) that treat wastewater for reuse in landscaping, sanitation systems, and other non-potable applications.

Recognising our responsibility to the communities in which we operate, particularly in water-stressed areas, we undertake various projects to improve water accessibility and quality. These community engagement initiatives strengthen relationships between our facilities and local stakeholders, contributing to broader sustainable water management efforts.





# Annexures

# Workforce Profile

Region (Country)	Employment status and gender						Total average workforce
	Permanent		Temporary		Probationary/Other		
	Male	Female	Male	Female	Male	Female	
Sri Lanka	22,006	43,744	331	266	–	–	72,104
Bangladesh	1,209	3,634	–	–	–	–	5,555
Indonesia	670	4,111	3	16	–	–	5,547
Jordan	288	639	771	1,911	–	–	3,936
Kenya	1	–	884	2,711	–	–	3,599
India	323	1,120	–	–	–	–	3,515
Vietnam	16	4	149	925	–	–	1,124
Haiti	169	496	27	30	–	–	722
Dominican Republic	121	104	–	–	–	–	226
USA	6	–	3	1	–	–	155
Singapore	1	3	–	1	–	–	5
<b>Total</b>	24,810	53,855	2,168	5,861	–	–	96,488



# GRI Content Index

Statement of use	MAS Holdings (Private) Limited has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard (s)	N/A

GRI standard	Disclosure	Location	Requirement(s) omitted	Reason	Omission Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1	Organisational details	Page 28		
	2-2	Entities included in the organisation's sustainability reporting	Page 28		
	2-3	Reporting period, frequency and contact point	Page 28		
	2-4	Restatements of information	Page 28		
	2-5	External assurance	Pages 28, 161		
	2-6	Activities, value chain and other business relationships	Pages 10, 11		
	2-7	Employees	Page 40		
	2-8	Workers who are not employees	Page 41		
	2-9	Governance structure and composition	Pages 12, 15		
	2-10	Nomination and selection of the highest governance body	–	Confidentiality Constraints	MAS Holdings is a privately held company
	2-11	Chair of the highest governance body	Page 12		
	2-12	Role of the highest governance body in overseeing the management of impacts	Page 19		
	2-13	Delegation of responsibility for managing impacts	Pages 15, 19		
	2-14	Role of the highest governance body in sustainability reporting	Page 19		
	2-15	Conflicts of interest	Pages 12, 14		
	2-16	Communication of critical concerns	Page 19		
	2-17	Collective knowledge of the highest governance body	Page 19		

GRI standard	Disclosure		Location	Omission		
				Requirement(s) omitted	Reason	Explanation
	2-18	Evaluation of the performance of the highest governance body	–		Confidentiality Constraints	MAS Holdings is a privately held company
	2-19	Remuneration policies	Pages 61, 131			
	2-20	Process to determine remuneration	Pages 61, 131			
	2-21	Annual total compensation ratio	Page 63			
	2-22	Statement on sustainable development strategy	Page 04			
	2-23	Policy commitments	Pages 12, 17, 24			
	2-24	Embedding policy commitments	Pages 17, 19			
	2-25	Processes to remediate negative impacts	Page 69			
	2-26	Mechanisms for seeking advice and raising concerns	Page 69			
	2-27	Compliance with laws and regulations	Page 19			
	2-28	Membership associations	Page 24			
	2-29	Approach to stakeholder engagement	Page 20			
	2-30	Collective bargaining agreements	–		Confidentiality Constraints	MAS Holdings is a privately held company
Material Topics						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Page 18			
	3-2	List of material topics	Page 18			
Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 118			
	204-1	Procurement practices			Confidentiality Constraints	MAS Holdings is a privately held company

GRI standard	Disclosure		Location	Omission		
				Requirement(s) omitted	Reason	Explanation
Materials						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 115			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Page 33			Values are represented as percentages
	301-2	Recycled input materials used	Page 33			Values are represented as percentages
Energy						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 139			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Page 83			
	302-2	Energy consumption outside of the organisation	Page 83			
	302-3	Energy intensity	Pages 82, 83			
	302-4	Reduction of energy consumption	Pages 83, 84			
	302-5	Reductions in energy requirements of products and services	Page 83			
Water and Effluents						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 150			
GRI 303: Water and effluents 2018	303-1	Interactions with water as a shared resource	Page 91			
	303-2	Management of water discharge-related impacts	Page 91			
	303-3	Water withdrawal	Page 102			
	303-4	Water discharge	Page 102			
	303-5	Water consumption	Page 103			



GRI standard	Disclosure		Location	Omission		
				Requirement(s) omitted	Reason	Explanation
Biodiversity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 148			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Page 94			
	304-2	Significant impacts of activities, products and services on biodiversity	Page 94			
	304-3	Habitats protected or restored	Page 94			
Emissions						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 139			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Page 82			
	305-2	Energy indirect (Scope 2) GHG emissions	Page 82			
	305-3	Other indirect (Scope 3) GHG emissions	Page 82			
	305-4	GHG emissions intensity	Page 82			
	305-5	Reduction of GHG emissions	Page 82			
	305-6	Emissions of ozone-depleting substances (ODS)	Page 83			
	305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Page 83			



GRI standard	Disclosure		Location			Omission
				Requirement(s) omitted	Reason	Explanation
Waste						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 143			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Page 86			
	306-2	Management of significant waste-related impacts	Page 86			
	306-3	Waste generated	Page 87			
	306-4	Waste diverted from disposal	Page 87			
	306-5	Waste directed to disposal	Page 87			
Supplier Environmental Assessment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 118			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 34			
Employment						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 123			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Page 52			
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 131			
	401-3	Parental leave	Page 48			
Labour/Management Relations						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 133			
GRI 402: Labour/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Page 135			

GRI standard	Disclosure		Location		Requirement(s) omitted	Reason	Omission	Explanation
Occupational Health and Safety								
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 133					
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Pages 66, 134					
	403-2	Hazard identification, risk assessment, and incident investigation	Pages 66, 134					
	403-3	Occupational health services	Pages 66, 134					
	403-4	Worker participation, consultation, and communication on occupational health and safety	Pages 66, 134					
	403-5	Worker training on occupational health and safety	Pages 66, 134					
	403-6	Promotion of worker health	Pages 48, 66					
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 66, 134					
	403-8	Workers covered by an occupational health and safety management system	Pages 66, 134					
	403-9	Work-related injuries	Pages 66, 133					
	403-10	Work-related ill health	Pages 66, 133					
Training and Education								
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 122					
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Pages 55, 124					
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 43, 55, 124					
	404-3	Percentage of employees receiving regular performance and career development reviews	Page 61					



GRI standard	Disclosure		Location	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>Diversity and Equal Opportunity</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 122			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Pages 13, 51, 62			
	405-2	Ratio of basic salary and remuneration of women to men	Page 63			
<b>Freedom of Association and Collective Bargaining</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 133			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Page 135			
<b>Child Labour</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 135			
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Page 20			
<b>Forced or Compulsory Labour</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 114			
GRI 409: Forced or Compulsory Labour 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Page 20			

GRI standard	Disclosure		Location	Omission		
				Requirement(s) omitted	Reason	Explanation
<b>Local Communities</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 138			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Pages 72, 138			
<b>Supplier Social Assessment</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 114			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Page 34			
	414-2	Negative social impacts in the supply chain and actions taken	Page 34			
<b>Customer Health and Safety</b>						
GRI 3: Material Topics 2021	3-3	Management of material topics	Page 145			
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	Page 146			

# External Assurance Statement



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**Independent practitioner’s assurance report to the Board of Directors MAS Capital (Private) Limited on the Sustainability reporting criteria presented in the Integrated Annual Report FY 2024**

**SCOPE**

We have been engaged by **MAS Capital (Private) Limited** to perform a ‘limited assurance engagement,’ as defined by Sri Lanka Standard on Assurance Engagements, here after referred to as the engagement, to report on **MAS Capital (Private) Limited’s Economic, Environment, Social and Governance (EESG) indicators** (the “Subject Matter”) contained in **MAS Capital (Private) Limited’s** (the “Entity’s”) **Integrated Annual Report for the year ended 31 December 2024** (the “Report”).

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express a conclusion on this information.

**CRITERIA APPLIED BY MAS CAPITAL (PRIVATE) LIMITED**

In preparing the Subject Matter, **MAS Capital (Private) Limited** applied the following criteria (“Criteria”):

- **The Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines, publicly available at <https://www.globalreporting.org>**

Such Criteria were specifically designed for **the purpose of assisting you in determining whether Entity’s Economic, Environment, Social and Governance (EESG) indicators contained in the Entity’s Report is presented in accordance with the relevant criteria**; As a result, the subject matter information may not be suitable for another purpose.

**MAS CAPITAL (PRIVATE) LIMITED’S RESPONSIBILITIES**

**MAS Capital (Private) Limited** management is responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal

controls, maintaining adequate records and making estimates that are relevant to the preparation of the subject matter, such that it is free from material misstatement, whether due to fraud or error.

**ERNST & YOUNG’S RESPONSIBILITIES**

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

We conducted our engagement in accordance with the **Sri Lanka Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (SLSAE 3000 (Revised))**, and

the terms of reference for this engagement as agreed with the **MAS Capital (Private) Limited on 14 May 2025**. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Partners: D K Hulangamuwa FCA FCMA LLB (London), A P A Gunasekera FCA FCMA, Ms. Y A De Silva FCA, Ms. G G S Manatunga FCA, W K B S P Fernando FCA FCMA FCCA, B E Wijesuriya FCA FCMA, RN de Saram ACA FCMA, Ms. N A De Silva FCA, N M Sulaiman FCA FCMA, Ms. L K H L Fonseka FCA, Ms. P V K N Sajeewani FCA, A A J R Perera FCA ACMA, N Y R L Fernando ACA, D N Gamage ACA ACMA, C A Yalagala ACA ACMA, Ms. P S Paranavitane ACA ACMA LLB (Colombo), B Vasanthan ACA ACMA, W D P L Perera ACA

Principals: T P M Ruberu FCMA FCCA MBA (USJ-SL), G B Goudian ACMA, D L B Karunathilaka ACMA, W S J De Silva Bsc (Hons) - MIS Msc - IT, V Shakhthivel B.Com (Sp)

A member firm of Ernst & Young Global Limited





OUR INDEPENDENCE AND  
QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the **Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka)** and have the required competencies and experience to conduct this assurance engagement.

EY also applies quality management standards, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DESCRIPTION OF  
PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management’s internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or

performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the subject matter and related information and applying analytical and other appropriate procedures.

Our procedures included:

- Validated the information presented and checked the calculations performed by the organisation through recalculation.
- Performed a comparison of the content given in the Report against the criteria given in the selected sustainability standards/frameworks.
- Conducted interviews with relevant organisation’s personnel to understand the process for collection, analysis, aggregation and presentation of data. Interviews included selected key management personnel and relevant staff.

- Read the content presented in the Report for consistency with our overall knowledge obtained during the course of our assurance engagement and requested changes wherever required.
- Provided guidance, recommendations and feedback on the improvement of the sustainability reporting indicators to improve the presentation standard.

We also performed such other procedures as we considered necessary in the circumstances.

EMPHASIS OF  
MATTER

Economic, Environment, Social management data/information are subject to inherent limitations given their nature and the methods used for determining, calculating and estimating such data. Such inherent limitations are common in Sri Lanka.

We also do not provide any assurance on the assumptions and achievability of prospective information presented in the Entity’s Report.

CONCLUSION

Based on our procedures and the evidence obtained, we are not aware of any material modifications that should be made to **the information on the Economic, Environment, Social and Governance (EESG) contained in the Integrated Annual Report of MAS Capital (Private) Limited for the year ended 31 December 2024,** in order for it to be in accordance with the Criteria.

19 June 2025  
Colombo

