

PLAN FOR  
**CHANGE**

MAS Holdings  
Impact Report 2023

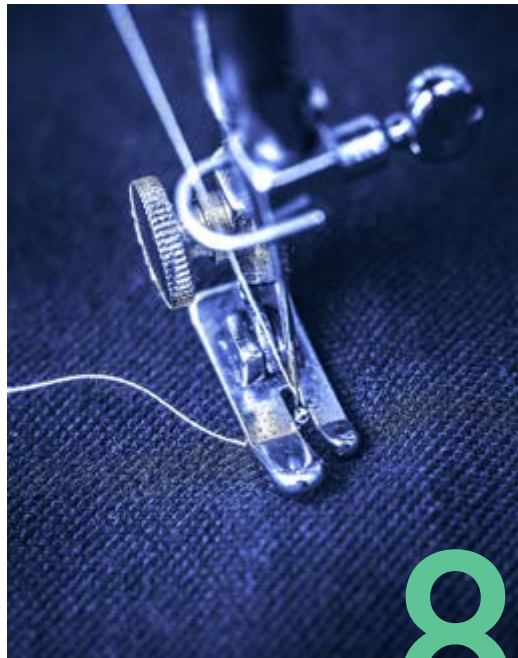
# Content



3

## Year in Review

Message from Our Group CEO  
Progressing Our Plan for Change in 2023  
2023 Highlights



8

## Introduction

The MAS Story  
Our Plan for Change  
Background to the Report



28

## Impact Review

Products Changed for Good  
Lives Changed for Good  
Our Planet Changed for Good  
MAS Foundation for Change



117

## Annexures

Stakeholder Engagement  
Workforce Profile  
GRI Content Index (and statement of use)  
External Assurance Statement

### INTERACTIVE NAVIGATION TOOLBAR

Explore the interactive features within this PDF for a more engaging experience.

- Contents
- Previous view
- Previous page
- Next page
- Cover page
- Print
- Cross reference
- More info

masholdings.com





# Year in Review

## Message from Our Group CEO

GRI 2-22

The year 2023, while undeniably challenging for the world and Sri Lanka, saw MAS maintain momentum towards making notable progress against our ambitious sustainability goals, as laid out in the Plan for Change.

The year brought escalating geopolitical, social, and environmental challenges, many exacerbated by climate change. Global economic volatility and aftershocks of Sri Lanka's own economic crisis presented a cluster of factors that greatly impacted the apparel industry. Some of our key markets, like the United States and the European Union, were faced with inflationary pressures affecting consumer spending, while regulators were tasked with restoring economic stability amidst mounting environmental concerns. These factors had a significant impact on our operations.

We also recognise the responsibility that comes with being one of the largest employers in our areas of operation, and a leading manufacturer and innovator in the apparel value chain. Regardless of external realities, our core values are foundational to every decision ensuring that sustainability continues to be a strategic priority, aligned to our commitment to the principles of the UN Global Compact.

The well-being of our global workforce, including MAS' large operational team in Sri Lanka, remained a priority during the year. In the face of mounting financial and social pressures, we continued to support our teams as we upheld our commitment to empowered teams, meaningful employment, and world-class workplaces. We are encouraged by the results of our efforts, which have not only increased engagement and retention, but also created a positive impact on the lives of our employees and their communities. 2023 was a momentous year for our signature programme for women's empowerment – Women Go Beyond, which celebrates two decades of championing diversity and equity across all levels of our Group, and the wider community.

In 2023, thanks to new partnerships alongside continuous research and development, we saw an increasing share of our apparel revenue come from sustainable products. We made a strategic investment in HeiQ AeonIQ™ – a revolutionary new sustainable material, becoming the first apparel manufacturer to invest in this space. This investment strengthens our supply chain verticality and equips us to compete equitably with other players. Leveraging our extensive technical expertise, we are also collaborating with partner brands to accelerate adoption of sustainable solutions across the industry.

MAS received recognition once again for efforts to strengthen the economies in which we operate. In Sri Lanka alone, we were acknowledged at the Presidential Export Awards, with a collective total of 16 awards across the Company.

This Annual Report on progress attempts to capture the transformative impact of a decades-long dedication to sustainability that have not only transformed our operations, but also seen MAS inspire change for the industry, community, and environment. Our 2023 Report expands the conversation around our Plan for Change, incorporates greater transparency by alignment with the Global Reporting Initiative (GRI) framework, details efforts for long-term structural change and decarbonisation, and discusses some of the most pressing sustainability-related risks and opportunities specific to our industry. While the immediate focus is on achieving our ambitious goals for 2025, we have already begun laying the groundwork to expand and advance our strategy towards 2030.

As we move forward into a new year, we do so with a resolute spirit, inspired by the changemakers in our midst, and the potential we are seeing for transformation in our industry.

The year 2023, while undeniably challenging for the world and Sri Lanka, saw MAS maintain momentum towards making notable progress against our ambitious sustainability goals.

### Suren Fernando

Group Chief Executive Officer  
MAS Holdings



## Progressing Our Plan for Change in 2023



### **Nemanthie Kooragamage**

Director – Group Sustainable Business  
MAS Holdings

2023 marked a pivotal year for MAS, as we reached the halfway point on our 2025 sustainability goals.

2023 marked a pivotal year for MAS, as we reached the halfway point on our 2025 sustainability goals. Unrelenting global volatility caused a drop in order volumes throughout the fashion industry, impacting both manufacturers and retailers. Sri Lanka's own challenges added further complexity to achieving our annual targets. Despite these challenges, we remained resolute in our mission to be a strong voice within the industry to drive change that creates positive impact for both people and the planet.

#### **UNLOCKING CIRCULARITY**

The European Union's regulations are growing more stringent with each passing year and the United States is expected to quickly follow suit. As the concept of a circular economy gains traction worldwide, the industry is feeling the pressure to close the loop. For

MAS, this industry shift presents a perfect opportunity to take action collectively across the value chain while achieving our product sustainability goals.

This year we made steady progress towards the goals set out in the products changed for good pillar, which includes achieving circularity at scale. We were able to build on the investments and partnerships made in 2022 that expand our capabilities in textile-to-textile recycling, circular yarn sourcing, and recycling both pre- and post-consumer waste. Our investment in HeiQ AeonIQ™, an innovative yarn, exemplifies our commitment. Occupying an influential position within the value chain allows MAS to have a tangible effect both upstream and downstream – collaborating with startups and tech companies to develop circular materials and integrating them into products for our brand partners.

## CHANGING LIVES AND TRANSFORMING COMMUNITIES

At MAS, we believe the success of our people and our communities is fundamental to our own business success. This is why we constantly endeavour to create world-class workplaces and empower communities to thrive. In 2023, we amplified our efforts to support factory floor employees by providing awareness programmes and skills development that would help them weather Sri Lanka's current economic climate. Staying true to our culture of continuous learning, training, and development was made a priority at every level, while also offering programmes to help promote physical health and mental well-being.

It was a proud moment for gender equality with our flagship women's empowerment programme, Women Go Beyond, celebrating its 20-year milestone in 2023. MAS also came together with a Sri Lankan telecommunications provider, Dialog Axiata PLC, to launch the Dialog MAS Enabler Programme in June 2023, an initiative to support university students with disabilities gain experience in corporate settings.

During the year, we also expanded our work in local communities through the MAS Eco Go Beyond and MAS Girls in STEM programmes. In addition, each division of the Company continued their efforts to uplift disadvantaged

communities, with initiatives ranging from providing access to clean water and better nutrition to improving healthcare facilities and promoting community wellness.

## CHANGING OUR PLANET FOR GOOD

The urgency for climate action is undeniable. The big picture of sustainability is evolving, with the goalpost shifting constantly. With global efforts are failing to maintain the 1.5°C climate threshold, we are at a critical juncture for planetary health.

As a leading manufacturer, MAS feels the weight of this responsibility deeply. As business slowdown contributed towards our emissions reduction target, positively exceeding our planned trajectory in 2023, we continued to lay the groundwork that ensures we achieve our SBTi goal of a 25.2% carbon emission reduction by 2025; from our 2019 baseline.

Reaching our target requires collaboration, and we are working with customers, supply chain partners, and other key stakeholders to achieve this crucial milestone. Additionally, we are actively transitioning towards renewable energy sources to further solidify our commitment to a sustainable future.

Our "Journey to 25,000 Acres" gathered momentum in 2023; we were able to restore biodiversity over 3,000 acres within the year.

We also surpassed the 12,000-acre milestone, bringing us closer to the halfway point of our journey.

Our impactful collaboration with The Wildlife Foundation, Kenya (TWF), which began in 2022, is due to continue until 2025. This partnership goes beyond offering environmental benefits, it fosters community development by improving access to education and safeguarding the indigenous heritage of inhabitants within the Nairobi National Park Wildlife Dispersal Area.

## ONE TEAM FOR A SUSTAINABLE FUTURE

At MAS, our approach to governance is inextricably linked to our sustainability strategy. The 12 commitments outlined in the MAS Plan for Change have been made publicly available, offering greater transparency to our customers and the industry.

The Company's dedication and drive to achieve these targets has a cascading effect from the CEO, down to the operational levels. While investments and funding are essential, accountability is paramount. Every member of our workforce understands they have an integral part to play. We are not merely setting ambitious sustainability targets, we live them every day. It is a shared passion that unites us as one team with a powerful sense of purpose and value.



## 2023 Highlights



### Sustainable Products

**34%** revenue generated through sustainable products



### Closing the Loop

**25%** of our primary products included recycled input materials



### Circular Innovation

Launched the world's first fully-recyclable bra cup, made from a mono-material composite



### Women in Management

**24%** of management positions held by women



### Community Investment

**2.6 million** opportunities created and **LKR 490 Mn.** invested in community initiatives



### Decarbonising Apparels

**23.72%** decrease in absolute emissions (Scope 1 and Scope 2), against our 2019 baseline  
**50%** of suppliers by spend committed to science-based targets for emission reduction



### Safeguarding Water

**43.07%** reduction in water intensity for our textile operations, against the 2011 baseline

**167 million litres** of water recycled, reducing freshwater demand by an estimated 8%



### Waste Diversion

**99%** of all waste diverted from landfills



### Recycling, Reusing, and Upcycling

**70.5%** of all waste value enhanced by recycling, reusing, upcycling or turned to new resources



### Safer Chemicals

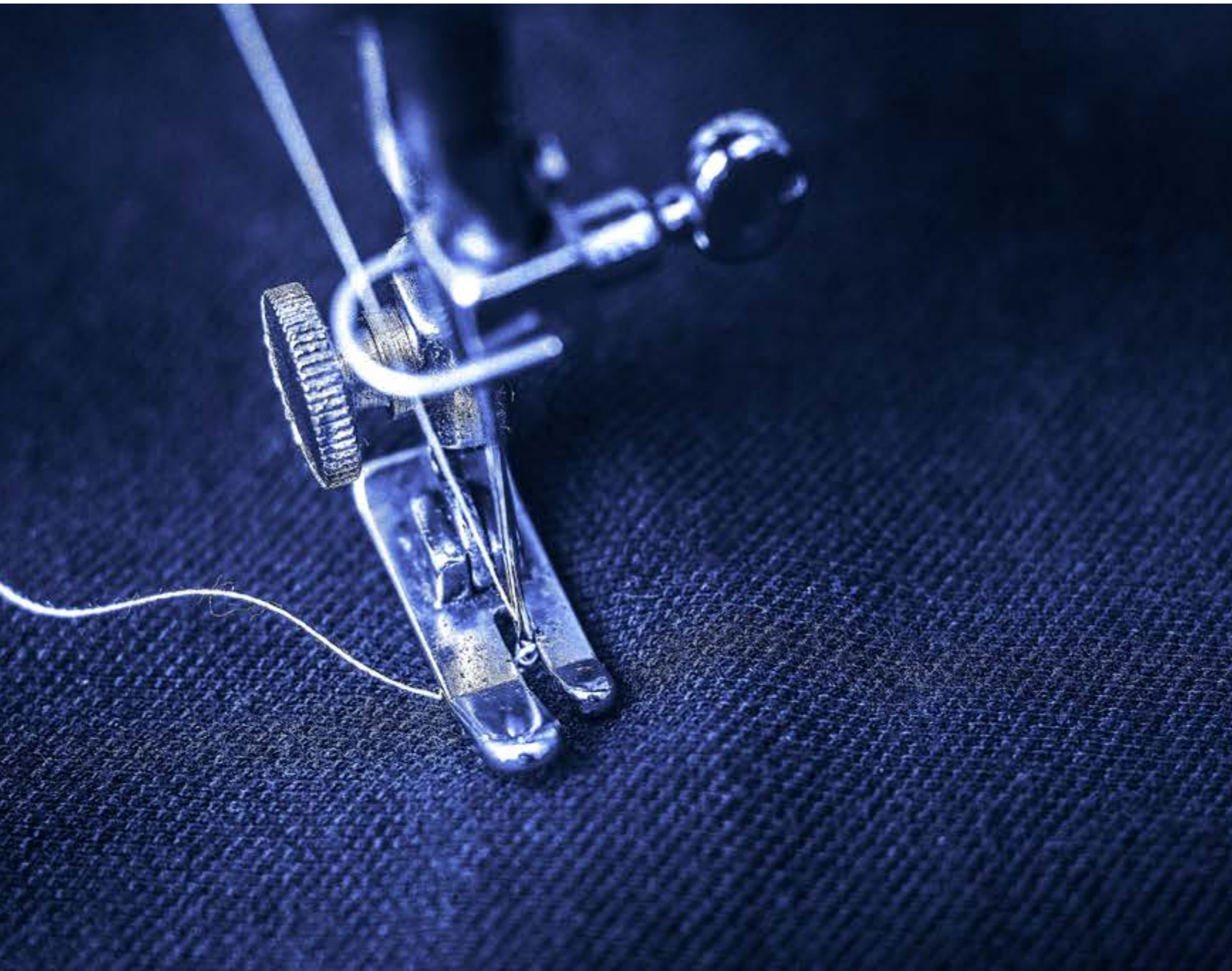
**88%** of MAS Chemicals at ZDHC MRSL Version 3.1 Level 1 or above accepted status

**94%** Bluesign approved chemicals used in our dye facilities



### Restoring Biodiversity

**12,705** cumulative acres restored or under conservation



# Introduction



## The MAS Story

### VISIONARY ROOTS, GLOBAL REACH

From a spark of ingenuity, on a seemingly ordinary January day in 1987, a powerhouse in apparel manufacturing was born. This home-grown conglomerate, built on the foundation laid by Mahesh Amalean, a true industry pioneer, and his brothers Sharad and Ajay, illustrates the transformative potential of design, innovation, and visionary thinking. Today, MAS has grown into a two billion dollar entity, pushing the boundaries of manufacturing and innovation to earn international acclaim.

Fuelled by a desire to create value and forge mutually beneficial partnerships with customers who share our values, MAS pursues continuous exploration in innovation, technology, and sustainable solutions. Our dedication has translated into a worldwide integrated supply chain that grows with each new venture. Headquartered in Sri Lanka, MAS has become a global force, employing over 100,000 individuals across 15 countries, including India, Bangladesh, Hong Kong, Vietnam, Indonesia, Sri Lanka, Haiti, Singapore, China, Jordan, Canada, UK, the USA, Kenya and the Dominican Republic. Our expansive supply chain encompasses over 50 state-of-the-art manufacturing facilities in ten nations, alongside strategically located design houses in five countries. MAS also fosters an ecosystem that expands our worldwide reach beyond apparel manufacturing, encompassing industrial parks, innovative brands, and logistics and warehousing solutions.

### OUR OPERATIONS & KEY MARKETS

GRI 2-6



We are not just apparel manufacturers; we are a hub for innovation, crafting solutions to real-world challenges faced by people with diverse needs. With a focus on sustainability and continuous improvement, MAS has become one of the largest apparel manufacturers supplying the world's best-loved brands.

From Nike, PVH, lululemon and Victoria's Secret, to Calvin Klein, Gap, Patagonia, Marks and Spencer, and many more; we partner with a range of companies, from global leaders to innovative startups, who are at the forefront of fashion, technology, and sustainability. We also founded our own market-leading brands, including Become and GT Nexus, which are making waves on the international stage.



MAS's apparel manufacturing prowess spans ten distinct divisions: Intimates, Leisure and Athleisure, Training and Performance, Swimwear, FemTech, Wearable Technology, Adaptive Apparel, and Shapewear.

**PRODUCT CATEGORIES**



Intimates



Training and Performance



FemTech (Femography)



Adaptive Apparel (Lable by MAS)



Leisure and Athleisure



Swimwear



Wearable Technology (Softmatter)



Shapewear

Going beyond individual divisions, we are constantly working to evolve and expand our supply chain, with production capabilities – from fabric to printing, elastics to lace, and even the most intricate embellishments. It is a comprehensive approach that is achieved through acquisitions and strategic partnerships with industry leaders like Stretchline, Prym Intimates, Textprint, and Trischel.

2023 marked a significant step forward for MAS Holdings' Sri Lankan operations with the acquisition of a leading fabric knitting and finishing facility. Now proudly rechristened TEXO (Pvt.) Ltd., it sits in the Thulhiriya Industrial Park. TEXO is a cotton fabric processing mill and a strategic cornerstone that strengthens our local presence; where we already source 50% of our raw materials. This acquisition expands our dyeing, finishing, and printing capabilities, further contributing to our vertically integrated supply chain and allowing us to source and process materials with even greater efficiency and sustainability.

## SUPPLY CHAIN SPREAD



## INNOVATION AT OUR HEART

Twinery, the innovation arm of MAS, is dedicated to creating the technology platforms of the future for our core business, while identifying and incubating the next adjacent businesses for the Group. Our initiatives extend beyond traditional manufacturing, focusing on extending the life cycle of garments post-consumer use, thereby driving the apparel industry towards a more circular and sustainable ecosystem.

Through Twinery's groundbreaking work, MAS has emerged as a global leader in integrating electronics into apparel. Twinery has also developed apparel-based Fem Tech solutions that cater to women's needs throughout all stages of their lives. Both of these are established, fully-fledged adjacencies within MAS which were born out of Twinery.

Twinery's commitment to innovation and excellence has been recognised globally; including honours from ISPO, CES, and Clarivate. Most notably, Twinery was recently named one of Fast Company's Best Workplaces for Innovators. This recognition is a testament to the pioneering work and collaborative culture that exists at Twinery.

## SUSTAINABILITY AS OUR FOCUS

Born from a visionary seed over 35 years ago, MAS has redefined what it means to be an apparel manufacturer. From the very beginning of our journey, we have consistently embodied a commitment to ethical practices and building best-in-class workplaces. Our greatest strength lies in the collective capability of our MAS family. In partnership with our people, we strive to empower our local communities, enrich our natural environment and contribute to the development of our nation.

With sustainability at our core, we have aligned our strategy with the UN's Sustainable Development Goals (SDGs) and the 10 Principles of the United Nations Global Compact (UNGC). This focus steers our pursuit of both profitable and sustainable business growth, as we champion long-term positive change across our industry, for our customers, our people, and the planet.



## **A GLOBAL BUSINESS FOR GOOD**

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.

## IN OUR DNA

GRI 2-23, 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 create a workplace that is safe and empowering for our diverse workforce.

### 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

MAS' Code of Conduct, corporate policies, and system of core values, applies to all employees – from our Directors to our operational teams. They 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](#).

The section on Lives Changed for Good – World-class Workplaces (pages 69 to 80), details our grievance redress and remediation processes, and the channels and mechanisms in place for stakeholders to raise concerns. It also describes how the MAS DNA goes beyond a code of conduct, to create a culture of ethical behaviour, responsibility, and trust.



## CHANGEMAKERS AT THE HELM

GRI 2-11

MAS' remarkable journey of over three decades, to become the largest apparel and textile manufacturer in South Asia, is testament to the vision and direction of our leadership. They are believers 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 [i](#) on the corporate website.

## ROBUST FRAMEWORK FOR GOVERNANCE

GRI 2-9, 2-13

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.

Our sincerity in 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.

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.

Through a structured and systematic approach, our Audit Committee guides the Board and Management by providing independent and objective advice on the adequacy of the Organisation's processes for:

1. Organisational governance
2. Values and ethics
3. Control
4. Financial reporting
5. Compliance with laws and regulations
6. Risk management
7. Oversight of internal audit activity, External Auditors and other providers of assurance



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. The governance framework systematically delegates and cascades management and oversight of operations to a number of functions and divisions at Group, Strategic Business Unit (SBU), and facility-level. These functions are supported by a well-defined and routinely reviewed policy framework that addresses MAS' material risks and impacts. Together with processes in place for sustainability governance, which propel our Plan for Change (as described on page 17), this constitutes a comprehensive framework of people and processes that shape our impact on the wider economy, environment, and community.

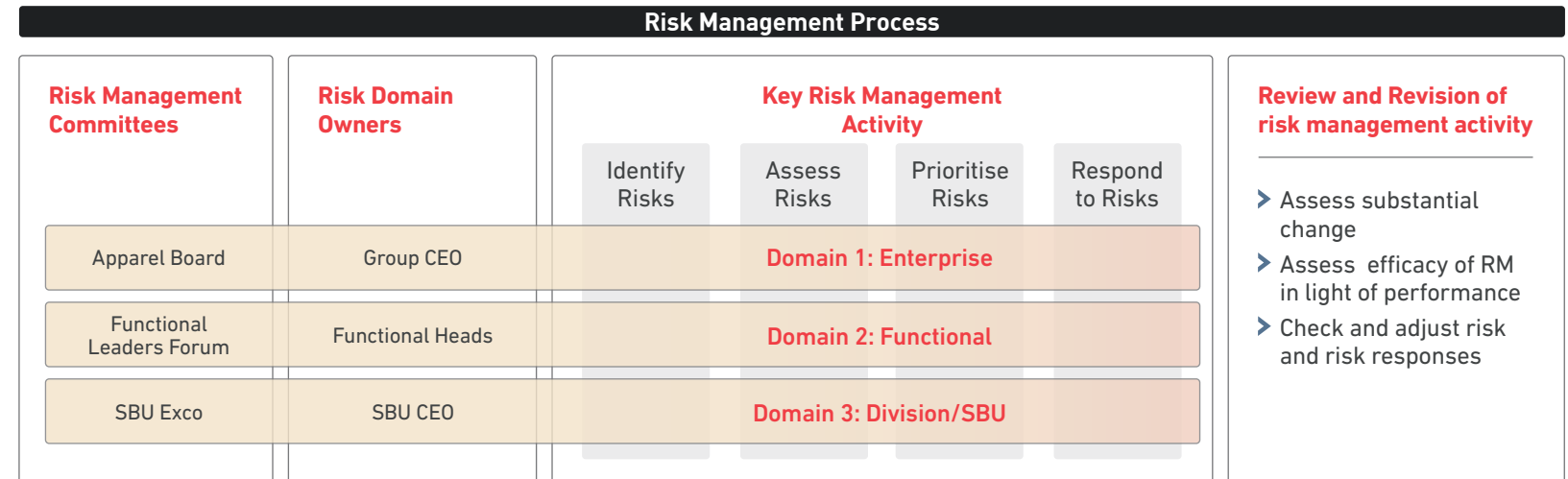
### MAS ENTERPRISE RISK MANAGEMENT (ERM)

MAS takes a proactive approach to risk management using a comprehensive Enterprise Risk Management structure, which is based on the COSO framework. Our framework acts as our roadmap for identifying, prioritising, and effectively managing risks across the entire Organisation. It 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. This comprehensive approach is further strengthened by clear lines of oversight within our governance structures, setting the tone for a risk-aware organisation.

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.

## OUR ENTERPRISE-WIDE RISK MANAGEMENT FRAMEWORK





## Our Plan for Change

# Our commitment to inspire sustainable change for 2025

The MAS Plan for Change is an ambitious roadmap to inspire sustainable change within our business, amongst our customers, people and communities, and within our planet at large.

Launched in 2020, with a five-year horizon leading to 2025, this comprehensive plan outlines three pillars of focus and specific commitments for 2025. Achieving our ambitious targets requires collaboration, innovation, and strong alignment between our internal teams, partners, and supply chain.

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.

While our immediate focus is realising the ambitious goals outlined in our current Plan for Change by 2025, we have already begun laying the groundwork to expand and advance this strategy to 2030.

### 50% revenue generated through sustainable products by 2025

#### Innovate & 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

### Empowering Women

- Empower 100% of women at the factory floor
- 30% women in management

### Meaningful Employment

- Accelerate employee well-being 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

### 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

We envision a future with net-zero emissions, minimised waste, and maximised resource efficiency achieved through the integration of circular economic principles into our products, sourcing, and manufacturing. Innovation and collaboration will continue to be cornerstones of our efforts, coupled with strong advocacy for policy reforms that support responsible business practices and human rights protections within our sector.

### REDEFINING OUR WORK IN SUSTAINABILITY

GRI 3-1

MAS' journey over almost four decades in business has always involved driving change. Throughout our journey, we have been guided by the question – how and what can we do better. This process of continuous learning and improvement has informed our identification of priority areas of focus.

Building on early-adoption of the 10 Principles of the United Nations Global Compact (UNGC), and our Communication on Progress since the early 2000s; MAS' efforts to identify issues that were material to both our business and our stakeholders, took form as early as 2014. We began by asking the big questions – how was MAS creating value, and what change would the Group like to see in ten years? Initial mapping by sustainability practitioners and MAS decision-makers was validated with leadership, and presented to the Board. In

2016, our work with external consultants to identify stakeholder expectations expanded this discussion: Bringing in the voice of our employees, and vital inputs from suppliers, local communities, and regulatory bodies. This exercise drilled down on SBU-specific or facility-level issues, and identified broader material issues for the business with regard to social and environmental sustainability.

In 2020, when we launched the MAS Plan for Change, the world was facing a plethora of challenges, from climate disasters, ecosystem degradation, poverty, inequality, wars, and pandemics, or incidents from the apparel industry itself that revealed glaring social and environmental issues within the supply chain.

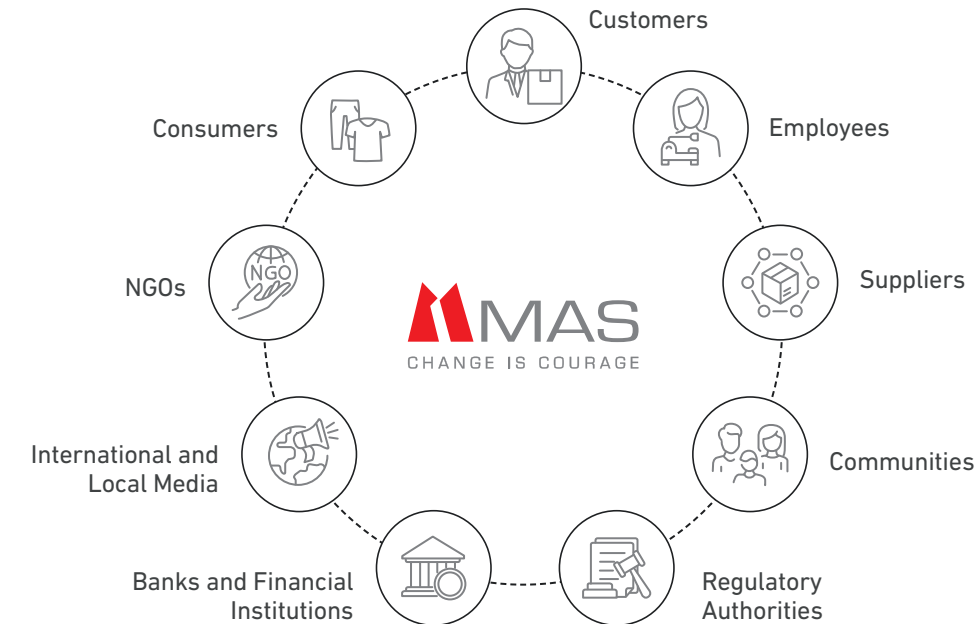
As we developed a new sustainability strategy, the MAS Plan for Change, we drew from the comprehensive, involved, and organic process that had always enabled us to determine and prioritise the issues that matter most for our partners, people, and planet.

Monitoring of the regulatory environment, study of consumer trends, and consultation with our customers, business partners, and peers, enabled MAS to take into account a variety of different insights and inputs in deciding our areas of focus. These insights included global and industry trends, the types of commitments our customers were making, guidance of the Science Based Targets initiative, regulations and frameworks coming into effect across the geographies in which we operate, and analysis from sustainability experts, among others. Based

on these insights and feedback received from stakeholders exposed to our strategies, we prioritised the focus areas in Our Plan for Change. Since then, continuous feedback from our internal and external stakeholders has helped refine our focus, and inspired us to redouble our efforts to achieve these ambitious targets.

### STAKEHOLDERS AS PARTNERS

GRI 2-29



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 begins 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.

**AREAS OF FOCUS**



In 2023, we have expanded the conversation around Our Plan for Change; mapping the spirit and focus of our sustainability commitments against topics for responsible business conduct and industry-specific disclosures recommended by leading international bodies. The section on Background to the Report (pages 27 to 28) details reporting standards we have adopted, and describes the evolution of MAS' sustainability disclosure.

MAS Plan for Change	Material topics	GRI/SASB alignment
1.0 Products Changed for Good 	Innovate and Disrupt	Product and Process Innovation
	Source Sustainably	Responsible and Ethical Sourcing Supply Chain Management Sustainable Materials GRI 204: Procurement Practices GRI 308: Supplier Environmental Assessment GRI 414: Supplier Social Assessment 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	

MAS Plan for Change	Material topics	GRI/SASB alignment
2.0 Lives Changed for Good 	Empowering Women	Empowering Women GRI 405: Diversity and Equal Opportunity
	Meaningful Employment	Sustainable Compensation Diversity, Equity, and Inclusion Learning and Development GRI 401: Employment GRI 404: Training and Education GRI 406: Non-Discrimination
	World-class Workplaces	Health, Safety, and Well-being Engaging and Purposeful Culture GRI 402: Labour Management Relations GRI 403: Occupational Health and Safety GRI 407: Freedom of Association and Collective Bargaining
Thriving Communities	Community Development	GRI 413: Local Communities
3.0 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 Product Stewardship GRI 303: Water and Effluents 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

The highest governing bodies at MAS, our Boards of Directors, 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.

MAS established the Sustainability Advisory Council (SAC), which 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.

CEOs personally review key reports, including MAS' Communication on Progress (CoP) to the UN Global Compact (UNGC), and the 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.

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. 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.



## AMBITIOUS TARGETS, REAL CHANGE

At MAS, 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.

These standards and commitments extend to our suppliers in the apparel value chain, an area discussed in detail under Products Changed for Good – Source Sustainably (pages 38 to 40).

## 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

- Sustainable Development Goals (SDGs)
- UN Global Compact (UNGC) Principles
- UN Women's Empowerment Principles
- Business for Peace Platform
- Better Work Principles
- Caring for Climate Initiative
- Science-Based Targets initiative (SBTi)

### Products Changed for Good



Industry, Innovation and Infrastructure



Responsible Consumption and Production

### MAS Foundation for Change



Clean Water and Sanitation, Life on Land and Life Below Water

### 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 on Land



Life Below Water

UN Global Compact (UNGC) Principles	From strategies, to policies and procedures, we uphold ethical business practices, respect human rights, labour standards, environmental protection, and anti-corruption measures; in line with the 10 principles of the UN Global Compact (UNGC).
UN Women’s Empowerment Principles	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 Our 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 towards 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.

## MEMBERSHIPS

GRI 2-28

Sustainable Apparel Coalition	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, Gender Equality)	Local network contact point for the United Nations Global Compact (UNGC), which is working to mainstream sustainable business practices in Sri Lanka.

## TOOLS FOR TRANSPARENCY

SLCP Gateway and Converged Assessment Framework (CAF)

Sedex Members Ethical Trade Audit (SMETA)

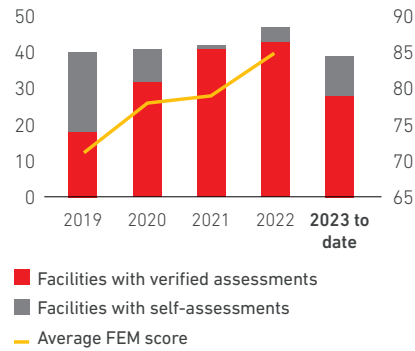
Carbon Disclosure Project  
Overall climate action rating – C  
Supply chain engagement rating – C

### 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 Scores – 2019 to 2023



	Higg FEM					2023 – To date
	2019	2020	2021	2022	2023	
Number of facilities with verified assessments	18	32	41	41	43	28
Number of facilities with self-assessments	22	9	1	1	4	11
Average FEM score	71	78	79	85	Score sharing is prohibited due to partial verification in 2023	

### INTERNATIONAL CERTIFICATIONS & ACCREDITATIONS

Certification/Accreditation	Percentage of facilities compliant/certified in 2023*
<b>Sustainable Operations</b>	
ISO 14001 Environmental Management	42 / 85%
ISO 450001 Occupational Health and Safety	22 / 45%
ISO 9001 Quality Management	
ISO 14064 GHG Emissions Measurement and Reporting	49 / 100%
ISO 50001 Energy Management	2 / 4%
<b>Ethical Manufacturing</b>	
Worldwide Responsible Accredited Production (WRAP)	An independent global body promoting ethical manufacturing in the apparel sector, through internationally recognised audits and certification.
OEKO-Tex	Independent certification body providing certification on a variety of indicators including product safety, chemical compliance, and environmental and social conditions in the supply chain. 13 facilities
<b>Safer Chemicals and Products</b>	
Bluesign	1
Zero Discharge of Hazardous Chemicals (ZDHC)	All MAS wet operations follow the ZDHC programme. There are several certificates as per different programme within the programme

	Number of Facilities that have got this certification on passed this audit in 2023 (if they have a continuing certification this counts as well)							Total
	Intimates	Kreeda	Active	Bodyline	Matrix	Noyon	Linea Aqua	
BSCI				1				1
Carbon Conscious							3	3
C-TPAT	6	10	6	1			3	26
Hazardous Waste Licence	9	10		3	1	1		24
ISO 45001	1	10				1	1	13
ISO 14001	5	10	7	3	1	1	4	31
ISO 50001		1	1					2
SCOPE – GOTS	13	Yes			1			14
SMETA [ETI (SEDEX)]	15			3				18
Water Neutral							1	1
FSLM (SLCP)	15	7	2	3	1		4	32
WRAP	15		7	3			4	29
ETI	15			3			No	18

	Number of Facilities that have got this certification on passed this audit in 2023 (if they have a continuing certification this counts as well)							Total
	Intimates	Kreeda	Active	Bodyline	Matrix	Noyon	Linea Aqua	
Zero waste to landfill	15			3	1			19
Oeko-tex	15		1	3	1	1	3	24
ZDHC waste water	15	1		3	1	1		21
GRS	8		6	3	1	1	4	23
ISO 14064	15	10	7	3	1		3	39
OSH Transformational Leadership- IOSH, UK		10						10
Global Responsible Care Certification		6						6
ILO Better Work Program		3					1	4
OCS	13		6	1			1	21
Fair Trade			4				1	5
GSV – Global Security Verification			1				1	2



## AWARDS & RECOGNITION

### Products Changed for Good: Innovation

#### Clarivate South Asia Innovation Award

MAS received the prestigious award for the third consecutive year, recognising consistent excellence in innovation.

#### ISPO Award 2023 – Men’s Customisable Boxer Briefs by Twinery

Boxer briefs that focus on functionality, aesthetics, comfort, and consumer-customisation. Supported by a manufacturing platform that offers digital integration for customisability and order management. Contributes to zero-waste production by reducing waste at both manufacturer and retailer level.

#### ISPO Award 2023 – Femography (Become) Absorbent Menopause Leggings

Built-for-purpose leggings for a new, previously untapped, segment of consumers: women experiencing menopause. A functional solution that directly addresses the number one symptom of menopause – hot flashes, and alleviates other side effects. Developed with user feedback and through a rigorous process of scientific testing and validation.

#### ISPO Textrends Award (Fall/Winter 2025/26) – Best Product – Male Absorbent Underwear

**Lululemon Vendor Awards: Changing the Game Award – Be Well, & Be Planet – Trischel Fabric (Pvt) Ltd.**

**Lululemon Vendor Awards: Innovation Award – MAS Amity Pte. Ltd.**

### Division Honours – Lives and Planet Changed for Good

**Bodyline secured four accolades at the Just Style Excellence Awards in the Diversity, Environmental and Social categories**

**MAS KREEDA secured two Gold awards in the Achievement Category of RoSPA (Royal Society for the Prevention of Accidents)**

**Linea Aqua shortlisted as Biodiversity Champion Finalist at Reuters Responsible Business Awards 2023**

**Bodyline – Gold Awards in Apparel Industries Category for their commitment to environmental sustainability – Presidential Environment Awards 2021/22**

#### Presidential Environment Awards, Sri Lanka (2021/22)

- Bodyline – Gold Award for commitment to environmental sustainability – Apparel Industries Category
- Noyon Lanka – Gold Award for contribution towards environment conservation – Textile and Textile Processing Industries Category
- MAS Active Contourline – Bronze Award for initiatives to minimise environmental impact and enhance communities – Apparel Industries Category
- MAS KREEDA Mihintale – Merit Award for contribution towards environment conservation – Apparel Industries Category

### A Global Business for Good

**MAS Al Safi recognised as a Top Exporter for Jordan in 2022, by the Amman Chamber of Industries**

**MAS Active (Active and MAS KREEDA Divisions) adjudged Exporter of The Year for 2021/22 and 2022/23 at Sri Lanka’s Presidential Export Awards. MAS’ divisions take home a total of 16 awards.**

**Recognition as one of the Top 10 Champions of Diversity, Women in Management and IFC**

*Mahesh Amalean, Co-founder and Chairman of MAS Holdings*

**Presentation at the UN Global Compact Academy Changemaker Series: Bringing more Women into the Boardroom**

*Dinali Peiris, Director – Group Human Resources*

**Representing Femography at the Women Deliver Conference 2023**

*Thanuja Jayawardene, Head of Women Go Beyond*

**Presentation at the Global Fashion Summit, Boston: The Global Approach to Circularity**

*Nemanthie Kooragamage, Director – Group Sustainable Business*

**Representing MAS Eco Go Beyond at COP 28 – UNESCO Greening Education Pavilion**

*Amanthi Perera, Head of Social Sustainability*

## Background to the Report

The MAS Holdings Impact Report for 2023 details progress we have made against the MAS Plan for Change, our commitment to inspire sustainable change for 2025, which is driving positive impact through our products, in the lives of our people and communities, and for the planet at large.

2023 marks the third year of performance against our 2025 targets. The report celebrates our progress while providing a transparent account of the challenges we face, and the areas in which we strive to improve. We believe in holding ourselves accountable, sharing successes and setbacks that reflect our commitment to continuous improvement. The reports shares our progress in numbers, but also weaves in case studies, examples of impact, and stories from our employees, partners, and beneficiaries; showcasing real change and the positive outcome of our collective effort.

### OUR PUBLIC REPORTING SUITE

GRI 2-3

Our Plan for Change report is the Group's primary sustainability report; highlighting MAS' commitment to sound governance, environmental sustainability, and social responsibility. It is published once a year, covering the period from 1 January 2023

to 31 December 2023, which aligns with the Organisation's financial reporting cycle.

Since 2020, the Plan for Change report also functions as MAS' Communication on Progress against the Ten Principles of the United Nations Global Compact (UNGC).

Apart from statutory reporting carried out by MAS and its subsidiaries across our countries of operation; we also present a report to the International Finance Corporation (IFC), outlining our compliance with IFC guidelines.

### ENSURING THE VERACITY OF OUR DISCLOSURES

GRI 2-4, 2-5

We have also considered sector-specific sustainability metrics recommended by the IFRS Foundation's Sustainability Accounting Standards Board (SASB), and initiated discussion on sustainability-related risks and opportunities specific to our business and industry.

There were no revisions or restatements of information in 2023. 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 Our Plan for Change report.

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.

Our internal audit function plays an ongoing and vital role in reviewing and vetting information presented in the report. In addition, we have actively engaged in a rigorous process for external assurance of our sustainability disclosures in 2023. For this purpose, we have contracted 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 124.



## REPORTING SCOPE AND BOUNDARY

GRI 2-2

For consistency and comparability, Our Plan for Change Report utilises a reporting boundary that is closely aligned with our operational boundary. As a baseline, we consider the sustainability performance of our wholly owned subsidiaries.

At the same time, in order to present an accurate reflection of the Group's sustainability performance, and consider the most significant environmental and social impacts of our operations; we attempt to provide accurate and verified sustainability information from partners in joint ventures where we exert operational control.

In a closely interconnected apparel ecosystem, we know our impact goes beyond our walls; which is why we endeavour to be transparent in setting a reporting boundary that considers the whole picture.

Category	Entity	Relationship to MAS Holdings (MHOLD)
Fabrics	Trischel Lanka (Private) Limited	Indirect jointly owned subsidiary of MHOLD
Flatbed Knit	MAS Fabrics Private Limited	Indirect wholly owned subsidiary of MHOLD
Seamless Knit	MAS Active Private Limited	Indirect wholly owned subsidiary of MHOLD
Lace/Natural Dyes	Noyon Lanka (Private) Limited	Indirect jointly owned subsidiary of MHOLD
Thermal Moulding	Silueta (Private) Limited	Indirect wholly owned subsidiary of MHOLD
Elastic	Stretchline (Private) Limited	Indirect jointly owned subsidiary of MHOLD
Trims	Prym Intimates Lanka (Private) Limited	Indirect jointly owned subsidiary of MHOLD
Industrial Parks	MAS Thulhiriya Industrial Park	Indirect wholly owned subsidiary of MHOLD
	MAS Giriulla Industrial Park	Indirect wholly owned subsidiary of MHOLD
Warehousing and Distribution	Hellman MAS Supply Chain (Private) Limited	Indirect jointly owned subsidiary of MHOLD
Holistic Design-to-Delivery Solutions	MAS US Holdings Inc.	Indirect wholly owned subsidiary of MHOLD
Innovation	MAS Innovation (Private) Limited	Direct wholly owned subsidiary of MHOLD

## FEEDBACK AND CLARIFICATIONS

GRI 2-3

This report is more than a communication on progress to our partners and stakeholders, it is an invitation to join the conversation; because true progress requires transparency and collaboration. We welcome your feedback, suggestions, and critiques.

**Amanthi Perera**  
 Head – Social Sustainability  
 MAS Holdings Pvt Ltd  
[amanthip@masholdings.com](mailto:amanthip@masholdings.com)

**Publication Date**  
 30 July 2024

GRI 2-1

**Corporate Information**  
**Legal name**  
 MAS Holdings (Private) Limited

**Nature of Ownership and Legal Form**  
 Held by a trust, and is a Private Limited Company

**Registered Address**  
 199, Kaduwela Road,  
 Battaramulla, Sri Lanka

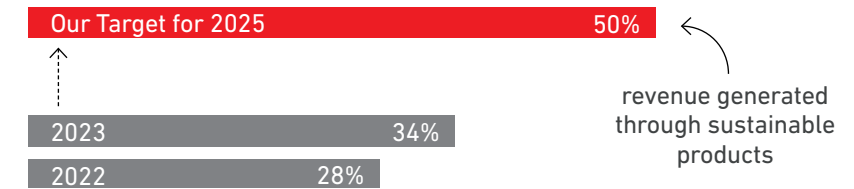


# Impact Review

## Products Changed for Good



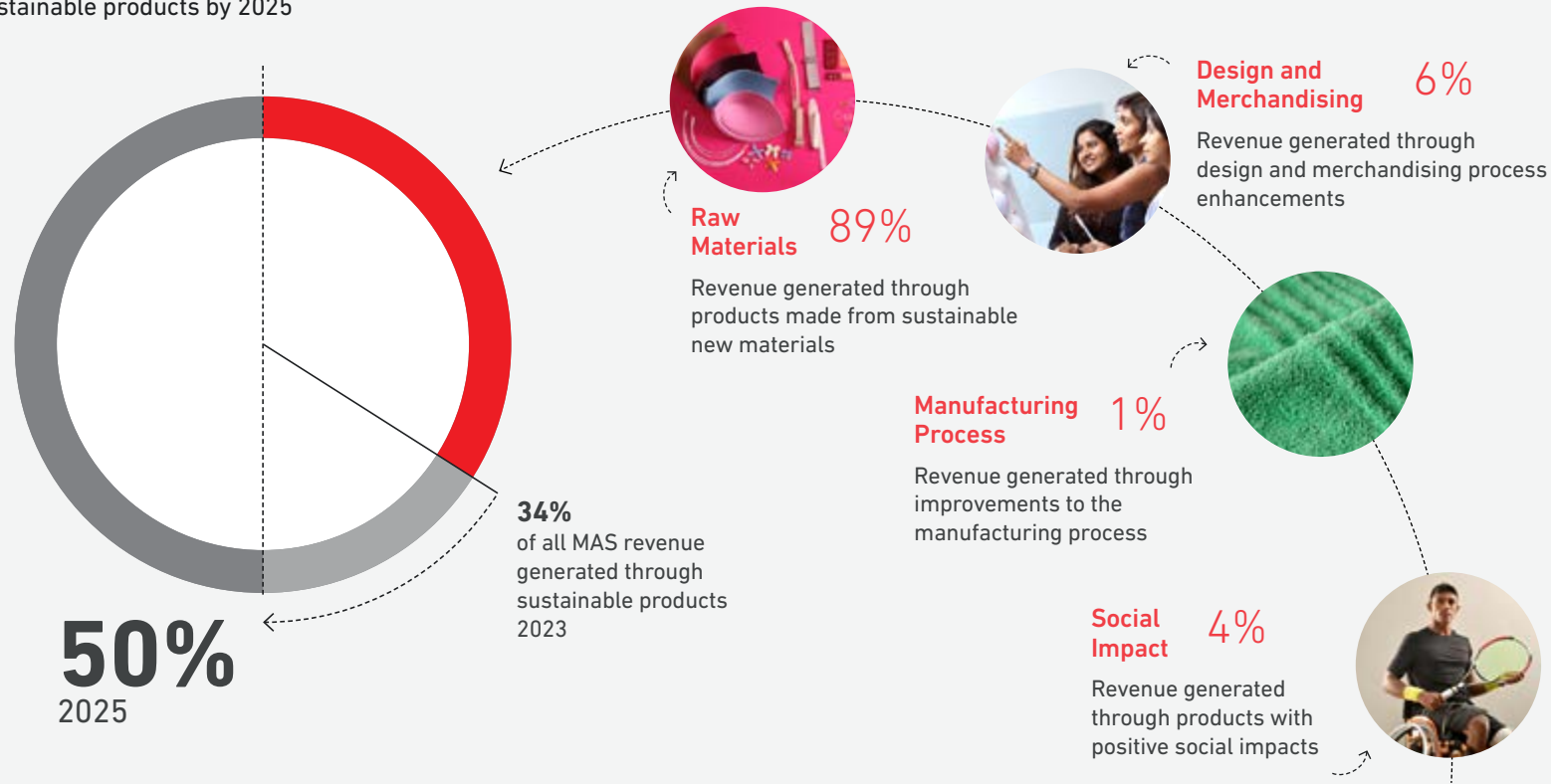
Creating products and solutions that are good for the wearer, the planet, and our business.



MAS is an apparel manufacturer putting sustainability at the heart of our business. Through Our Plan for Change we are on a mission to drive 50% of apparel revenue from sustainable products by 2025. We believe that sustainable products are those that are good for the wearer, good for the planet and good for our business. To achieve this ambitious goal, we partner with prominent brands and innovative enterprises that are at the forefront of sustainable fashion. Together, we are pioneering solutions that are revolutionising the way our industry operates.

## PROGRESS SNAPSHOT – PRODUCTS CHANGED FOR GOOD

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



## OUR APPROACH TO SUSTAINABLE PRODUCTS

As a leader in sustainable manufacturing, we recognise the importance of adopting a clear definition for sustainable products that is driving the industry forward, and aligned with the needs of our stakeholders, including customers and consumers.

In an industry where the definition of sustainable products and the boundaries of technology and innovation are constantly evolving; we have set objectively verifiable criteria to define sustainable products, set ambitious targets, and transparently measure our progress. The criteria are closely monitored, on a monthly basis by the central team, and cascaded to all product design and merchandising teams at divisional level. Furthermore, we continually review, refresh, and update these criteria to reflect the latest advancements and industry trends – new MAS defines sustainable products through a detailed criteria based on the 4 categories outlined on the right

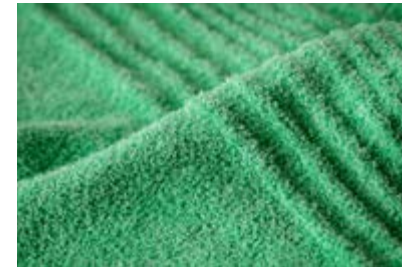
MAS defines sustainable product based on a detailed criteria designed to push the boundary & drive sustainability across the Company.



**> 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.



**> DESIGN & 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.



**> 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.



**> SOCIAL IMPACT:**  
Social contribution – Influences how products contribute to social well-being, empowerment, diversity, and inclusivity. Includes products in the FemTech and Adaptive Wear space, such as Femography and Lable by MAS.



**> SUSTAINABILITY/CIRCULARITY:**  
MAS aims to achieve both post-consumer and pre-consumer circularity within its ecosystem and product design, supporting commercial circularity initiatives. Scoping of different technologies and utilising boundary-pushing benchmarks keep us at the forefront of a fast-changing space.

Building on our commitment to sustainability, we established stringent criteria for 2023 with new standards to be implemented in 2024, considering areas such as regenerative cotton that are emerging as the next frontier in sustainable cotton production – regenerative cotton is set to positively benefit farmers, and most importantly the soil health. Criteria specifying utilisation of synthetics from recycled ocean plastic was removed, as we updated the scale to reflect evolution and discontinuation of different solutions. In light of the prevalence of recycled synthetic content in the industry, we assigned staggered tiers that better represent overall sustainability of the product and technological readiness of solutions.

A detailed breakdown of the MAS Sustainable Product Criteria is available below:

**RATING CONVENTION**

≥ One L3 = Gold	≥ Two L2 = Gold
One L2 = Silver	≥ Three L1 = Silver
≤ Two L1 = Bronze	

Silver and Gold are only considered for the KPI but Bronze will continue to be tracked.

**SUSTAINABLE PRODUCT CRITERIA**

**RAW MATERIALS**

**COTTON**

- > More than 50% of the cotton used is organically grown. **L2**
- > More than 30% of the cotton used is recycled cotton. **L2**
- > The cotton used is 100% REGEN and covers more than 75% of the garment. **L2**

**NATURAL MATERIAL ALTERNATIVES**

- > More than 30% of fabric materials used are made up of jute, bamboo, coir, modal, lyocell, etc., as an alternative to cotton. **L2**

**SYNTHETICS**

- > Over 75% recycled synthetic content used in the product. **L3**
- > Over 65% recycled synthetic content used in the product. **L2**

**RECYCLED/NATURAL ALTERNATIVES**

- > More than 30% of fabric is made of recycled natural alternatives. **L2**

**WOOLS**

- > Procurement aligns with Responsible Wool Standard (RWS) **L2**
- > Over 75% of the wool content is from recycled wool content used in the product. **L2**

**BIODEGRADABLE**

- > Product is marketed as a fully compostable/biodegradable product, with necessary data to support claims. **L2**

**BIO-BASED**

- > 30% of fabric used is from bio-based alternatives (corn starch, soy protein, castor oil, lab-grown, etc.). **L2**
- > 80% of trims and auxiliaries manufactured using natural alternatives sourced from waste of other industries. **L1**

**DESIGN/MERCHANDISING**

**RAW MATERIAL SOURCING**

- > 100% of raw materials on BOM sourced from within the same country. **L1**
- > Sustainable alternatives to cotton, polyester, and nylon generated from sustainable sources, with validation for the claims. **L3**
- > Monomaterials – single material usage per garment. 100% of fabric items in BOM made with exact same composition. **L2**

**ENGINEERED KNIT**

- > Product designed for engineered knit, which has the effect of eliminating fabric cut waste. **L3**

**DESIGN FOR LONG LIFE**

- > Product contains anti-stain, anti-snagging, and anti-odor finishes/techs to prolong lifetime of the product. **L1**
- \*Does not include bactericidal finishes/yarns\*
- > Product designed with increased durability and reparability to prolong lifetime of the product. **L1**

**COMPOSTABLE PACKAGING**

- > Polybags used for garment packaging is compostable. **L1**

**RECYCLED PACKAGING**

- > 100% of polybags used for garment packaging is 100% recycled. **L1**

**PAPER-BASED**

- > 100% paper-based packaging (includes corrugated carton boxes, dyes, and inks used in packaging to be natural/water-based/vegetable-based and naturally decomposing/recyclable). **L1**

**DESIGN FOR REUSE**

- > Product enables a shift over from single-use to reusable. **L3**

**MANUFACTURING PROCESS**

**DYEING AND FINISHING**

- > Body fabric and elastics are coloured using at least 80% natural colourants (e.g., tea staining). **L2**
- > Body fabric and elastics in the product have been re-dyed. **L3**
- > Product has been dyed/finished through Bluesign approved system partners. **L2**
- > Product uses only digital colouration for embellishments and base fabric colour. **L3**
- > Product uses 90% less water than traditional dyeing and finishing methods. **L3**
- > Product uses 90% less energy than traditional dyeing and finishing methods. **L3**
- > Completely undyed product. **L2**

**CIRCULARITY**

**POST-CONSUMER WASTE**

- > 50% of raw materials produced using post-consumer apparel waste. **L3**
- > 30% of raw materials produced using post-consumer apparel waste. **L2**

**DESIGN FOR POST-CONSUMER**

- > Product is designed to be 100% recycled, post-consumer use. **L2**

**PRE-CONSUMER**

- > 80% of product made using pre-consumer waste. **L2**
- > 30% of product made using pre-consumer waste. **L2**
- > Any products whose business model eliminates customers' product inventory waste. **L3**

**SOCIAL**

**SOCIAL WELL-BEING**

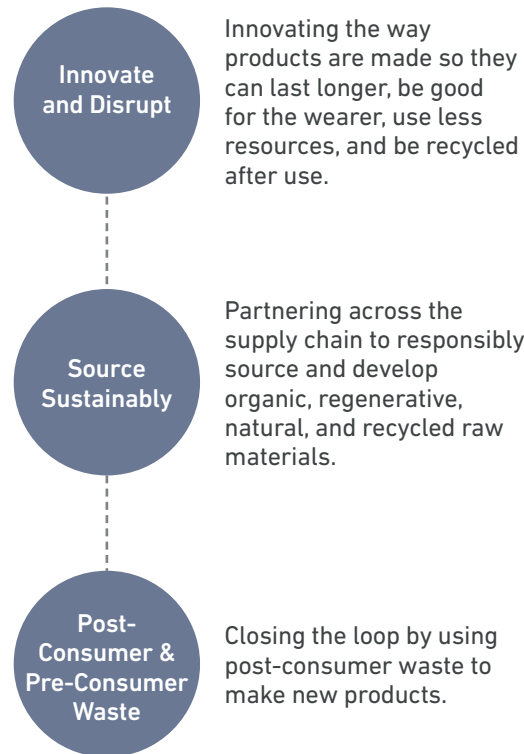
- > Percentage of product FOB/retail price goes directly to a social well-being initiative. **L2**

**EMPOWERMENT**

- > Product enables and empowers women (FemTech); persons with impairments (physical, mental, or situational) to lead more normal lives. **L3**



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. Our three areas of focus, all contribute to achieving this overarching target.



### WHY SUSTAINABLE FASHION IS CRITICAL

The consumer focus on sustainable fashion is greater than ever, as people are increasingly aware and concerned about what clothing is made of and how it is manufactured. At the same time, the global scale and reach of fashion necessitates a rethinking of how the industry can answer the climate challenge, protect and preserve natural resources, and contribute to building a stronger society.

Our customers represent some of the world's leading brands responding to the challenge and looking towards sustainable alternatives to transform the world of fashion.

### WHERE WE ARE TODAY

Since the launch of Our Plan for Change in 2020, MAS has made tremendous progress. For the past three years, our teams have been diligently building capabilities, processes, and optimal partnerships to deliver on our 2025 goal.

We track our progress through annual goals and interim targets. In 2023, we aimed to generate 32% of revenue from sustainable products, but surpassed this mark, achieving 34%. This progressive climb was driven primarily by the use of sustainable raw materials, followed by strong social indicators, manufacturing processes, and finally, innovative design and merchandising.

Our results not only reflect the impact of MAS' dedication to sustainability but also highlight the commitment of our brands in offering more sustainable options to their customers.

### WHAT WE ARE DOING FOR TOMORROW

Several factors give us confidence in achieving our 2025 goal and pursuing targets beyond. We continue to increase awareness and knowledge of sustainable products across our enterprise; from product design teams to customer-facing units, merchants, and partners. Our innovation and product sustainability teams are consistently pursuing new and improved solutions. Actions in 2023 focused on the cotton, polyester, and nylon spaces.

- Polyester: After extensive evaluation and collaboration with a number of partners, we are looking at working with Ambercycle, which is a Los Angeles-based start-up with a presence in the United States and Asia. We are currently finalising technical validation and onboarding the rest of our supply chain to pave the way for signing agreements in the coming year.
- Cotton: We are exploring partnerships that offer promising technologies to enable high-quality cotton waste recycling.
- Nylon: We are actively engaged in discussions and technical validations with potential partners.

Additionally, we are improving transparency across the supply chain with more suppliers, partners, and brands committing to sustainability goals and targets. 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.

However our journey to create sustainable products is not without challenges. Climate change, extreme weather events, political instability, and economic uncertainty are potent global forces that introduce volatility into our supply chain. Lead times for change are daunting and technologies required for new sustainable models are still evolving; demanding significant investment, planning, and foresight. While competition in the sustainability space intensifies, navigating changing regulations and cultural considerations adds further complexity and cost. Ultimately, the pressure to meet evolving consumer preferences while remaining cost-competitive requires constant scaling, adaptation, and rethinking of current supply chain economics.

## INNOVATE & DISRUPT

Innovating the way products are made so they can last longer, be good for the wearer, use less resources, and be recycled after use.

From sourcing, to design, merchandising, and manufacturing; innovations enable MAS to deliver on commitments to develop sustainable products and contribute to a circular economy.

This year has been a significant one for MAS in the arena of sustainable products. We have made groundbreaking achievements, including the first-ever investment in our region into HeiQ AeonIQ, a new-age yarn that presents a revolutionary solution – non-valourised feedstock ranging from wood pulp to recycled cotton to algae and other natural renewable waste sources. Additionally, The Infini Project is working towards the scaling and further commercialisation of an innovative engineered material bra cup. In the area of manufacturing innovation, the Planetones initiative is a pioneering natural dyeing solution for fabrics. During the year, our home-grown solution to adaptive design, craft, and finishing, LABEL, also supported Sri Lanka's national Paralympics team with a range of adaptive wear solutions.

### MAS & HEIQ: INVESTING IN A NEW & INNOVATIVE CIRCULOSIC YARN

**The Challenge:** Today, the apparel industry relies heavily on synthetic materials like polyester, polyamide (nylon), acrylic, and elastane. They account for approximately 64% of global textiles – with around 61 million tons produced annually, and the number expected to more than double by 2030. Derived from fossil fuels, they are virtually non-recyclable, take between 350 to 1,000 years to degrade in nature, and shed microfibres during their life cycle contributing to 35% of microplastics found in our oceans today.

**A Potential Solution:** Switzerland based materials innovator, HeiQ, developed AeonIQ™ – a climate-positive cellulosic yarn. HeiQ's proprietary manufacturing process utilises a wide range of non-valourised feedstock (such as algae, sugar cane, straw, hemp, nutshells, cigarette butts, and even coffee grounds). It delivers a yarn with performance characteristics similar to polyester, with potential for reduced chemical use in processing and dyeing, and biodegradability in around 12 weeks.

**Roadmap for Scale:** Our pursuit of new materials of the future, which are sustainably sourced and technically able to perform like synthetics, led to MAS investing in AeonIQ, in 2023. We have also committed to purchasing around 23,000 tons of the yarn during a 5-year offtake period.

As the first manufacturer to partner with HeiQ AeonIQ, our commitment valued at over USD 100 Mn. provides crucial backing to scale production and commercialise this revolutionary new material.

**The Big Picture:** MAS's investment in AeonIQ is a bold move, and one that is sustainability-led. Brands are planning their product evolution for the next 5-10 years, and setting ambitious sustainability goals, as the industry comes under increased scrutiny for its environmental impact. In this climate, AeonIQ has immense potential for impact reduction. By locking down volumes, we can confidently approach giant global brands, support their emissions targets, and collaborate for greater sustainability in the apparel industry.



### PLANETONES: NATURE'S SOLUTIONS FOR THE ENVIRONMENT

📍 **The Challenge:** The apparel industry has a significant environmental footprint, with traditional dyeing and treatment processes contributing heavily to water consumption and wastewater generation. Estimates indicate this currently makes up around 20% of wastewater worldwide. Chemicals related to the dyeing process; predominantly fossil fuel based synthetic dyes that make up more than 90% of usage in the industry, present additional environmental challenges to control. Synthetic dyes are highly stable by design, which results in very low biodegradability, thereby necessitating energy and emission-intensive dye wastewater treatment.

💡 **The Innovation:** Noyon Lanka, a leading lace manufacturer and MAS subsidiary, introduced Planetones – a revolutionary natural dye solution that presents a truly viable alternative to synthetic dyes; boasting vibrant colours, high colour repeatability and fastness, and versatility for application on a variety of materials.

When introduced in 2022, this breakthrough technology was the first in the world to be certified with an Eco Dye Standard by the Control Union. In addition, it promised to reduce water usage by an estimated 30%, and energy consumption by 15%. Today, having unlocked Planetones for synthetics, we are developing solutions for cellulosic fabrics and pioneering innovations for low water dyeing.

🤝 **Collaboration for Scale:** Noyon Lanka is working toward the idea of the world's first entirely naturally dyed garment, at workable commercial scale and cost. While Planetones uses Noyon's proprietary technology, they are collaborating with industry leaders in MAS' supply chain to also offer elastics, accessories, and fabric with certified eco dye. By revisiting nature's own solutions, and re-engineering production to be more sustainable, this high-performing natural dye solution holds immense potential for brands and consumers looking to reduce their environmental footprint.





**LABLE BY MAS: INCLUSIVITY THROUGH COLLABORATION & INNOVATION**

**The Challenge:** Over a billion people with disabilities around the globe, face daily challenges with something considered fundamental: clothing. The act of wearing everyday clothing is difficult. Having to rely on assistance, or lacking appropriate options altogether, they encounter challenges that impact their independence, confidence, and ability to participate fully in daily activities.

**Vision for Adaptive Clothing:** Our answer, a dedicated brand – Lable (easy on-off), focused on essential categories of clothing where people with disabilities often lack appropriate options. Building

on years of work in this space, we built out an Adaptive Centre of Excellence (CoE) and formally launched Lable in 2022; developing products and solutions for essential categories like intimates, activewear, and swimwear. Lable incorporates universal design principles, specialised garment construction, and strategic fastener placements. The extensive MAS ecosystem allowed us to create adaptive clothing from concept to store, at commercial scale; offering a comprehensive solution for brands looking to explore clothing that is inclusive and accessible.

From extensive research behind the scenes, to partnerships with para-athletes, extensive wearer-testing,

and active engagement with advocates and the disability community; our vision for adaptive clothing is collaborative and innovation-driven.

**Co-creating the Future:** While adaptive clothing has enormous commercial potential, MAS is also working towards a larger vision for the segment: celebrating the ability of clothing to make a transformative impact in the lives of people with disabilities. Our solutions are user-centred and functional; co-created with the disability community to ensure products meet real-world needs. Worn and tested by a select group of persons with disabilities employed at MAS, consumers in our target markets, and the Sri Lankan Paralympic Team; Lable is tuned to meet both every-day requirements and the rigorous demands of peak-performance.

In 2023, we built on MAS' long-standing partnership with Sri Lanka National Paralympic Committee (NPC) to felicitate the achievements of Sri Lanka's Paralympians and roll out a range of innovative adaptive sportswear: addressing needs like wider leg openings for athletes with leg braces, special designs for wheelchair tennis athletes, and personalisation required to accommodate variation in leg sizes due to muscle atrophy.



**INFINI: CIRCULARITY THROUGH MONO-MATERIALS**

**The Challenge:** Traditional padded bras often rely on polyurethane (PU) foam cups. While offering comfort and shape, PU takes years to degrade and can release toxic substances if burned, creating a significant waste problem.

**Our Solution:** MAS' Project Infini utilises a knitted mono-material composite that replicates the functionality of PU cups while being fully recyclable. The project brought together several MAS teams: Twinery, Silueta, MAS Matrix, MAS Intimates, and MAS Ayathi, in a

collaborative effort to develop the world's first recyclable bra cup. A breakthrough innovation that has the potential to disrupt the padded bra market.

**The Future:** Infini began a foray into the intimate-wear market with the first commercial delivery to a key customer in February 2023. Continued cross-functional and cross-divisional collaboration by MAS teams and further partnerships with the intention of scaling Infini, have the potential to drive widespread adoption and create a significant positive impact on the environment.

## SOURCE SUSTAINABLY

GRI 204, 301-2, 308, 414, 407, 408, 409

Partnering across the supply chain to responsibly source and develop organic, natural, and recycled raw materials.

We recognise that sustainable sourcing is a crucial element that enables us to deliver on our promise of Products Changed for Good. 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.

### RAW MATERIALS (RM) SOURCING

While MAS vertical integration enables some sourcing from subsidiaries and internal operations, the largest share of RM spend relates to materials sourced from external suppliers. The majority of fabric and lace are obtained from external suppliers, as are almost all our packaging and labelling materials associated with upstream delivery. Chemicals and dyes that are a vital component of the production process are also sourced externally.

These primary input materials, production chemicals, and packaging elements are fundamental to our sustainable offering; contributing to the criticality of sourcing practices, supplier management, and compliance across the supply chain. This necessitates our constant engage and diligent monitoring of an extensive supply chain spread throughout the globe. The section on our supply chain commitment (page 41) details our efforts to manage, empower, and ensure compliance amongst our supplier network.

Continuous collaboration with customers, coordination with suppliers, and partnership with innovative raw material producers has enabled MAS to continually increase the share of renewable materials in production processes.



## PRIORITY RAW MATERIALS

SASB CG-AA-440a.3

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 man-made 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

## SHIFTING TO SUSTAINABLE MATERIALS

GRI 301-2

The apparel industry is seeing a shift away from traditional and non-renewable materials; towards responsibly sourced, renewable, recycled, or sustainable materials that minimise negative social and environmental impacts. At MAS, we recognise this urgency and are working with our stakeholders to embrace sustainable materials throughout our operations.

Based on the MAS product sustainability criteria, recycled input materials constituted slightly more than 25% of our primary products in 2023. Reliable third-party certification of sourced raw materials is part of our compliance efforts, and integral to pursuing our goal of producing sustainable products.

Initiatives during 2023, such as our collaboration with Renewcell and joining the CIRCULOSE Supplier Network (CSN), are part of MAS’ efforts to ensure a consistent supply of sustainable raw materials and scale our delivery of sustainable products. We are also actively exploring alternatives to traditional synthetics, with one approach involving plant-based polyesters that enable apparels to move beyond recycled polyethylene terephthalate (PET) and away from fossil-fuel based sources to explore renewable resources like wood pulp.

## CRITICALITY OF CERTIFICATION FOR SUSTAINABLE MATERIALS

Consumers and regulators alike are demanding accountability and traceability from the fashion industry, with greater emphasis placed on identifying and mitigating the environmental and social impact of apparels. In the face of increased scrutiny, independently verifiable certifications and accreditations for sustainable materials play a crucial role in building trust and upholding the transparency of sustainability efforts.

MAS has systems and networks in place to offer products and solutions that adhere to globally accepted sustainability and traceability standards, based on brand requirements. These certifications are widely used across the industry, address environmental and social factors, and employ stringent thresholds for traceability.



Priority raw material (Name)	Share of input RM purchased (%)	Amount certified, by standard	
		Certification/Standard	Amount certified (%)
Cotton	49%	<ul style="list-style-type: none"> <li>➤ Standard virgin cotton verified by the supply chain</li> <li>➤ BCI certified standard cotton</li> <li>➤ GOTS and OCS certified organic cotton</li> <li>➤ Regenagri certified cotton</li> </ul>	Significant portion of purchased raw materials are certified. A variety of standards are utilised in order to meet customer and product-specific requirements.
Polyester	31%	➤ GRS	Significant portion of purchased raw- materials are certified
Nylon	20%	➤ GRS	

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.



## OUR SUPPLY CHAIN COMMITMENT

GRI 403-7

With an extensive supply chain spread across the globe, we depend on a large number of suppliers to deliver on our overall sustainable product strategy. Supplier best practices also plays a vital role in achieving environmental and social objectives for manufacturers and retailers alike.

At the same time, regulators and consumers are pushing for increased accountability, transparency, and traceability; leading to greater scrutiny on the supply chain. Environmental compliance and efficiency improvements across the apparel supply chain can result in significant reduction in waste generation, chemical discharge, energy use, and emissions. We believe that developing a sustainable and ethical supply chain is a robust and viable way to drive adoption of sustainable products.

MAS is committed to building a strong and transparent supply chain that prioritises sustainability. 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 commitment to empowering the textile and apparel supply chain continues to deliver positive outcomes for individuals, communities, and the planet, while minimising the risk of negative impacts.

### Ethical sourcing

Including human rights and trade compliance

### Ethical business practice

Including anti-bribery, anti-corruption, and fair competition

### Intellectual property and product stewardship

Including data protection and product safety


### Environmental compliance

Including environmental protection and performance

### Social compliance

Including labour practices and health and safety standards

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.

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 and Tier 3 suppliers.

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 & CONNECTIVITY

SASB CG-AA-430b.1

During the year 2023, we onboarded a number of new Raw Material (RM) suppliers and service suppliers. The top 80% of new MAS vendors by spend had signed our Vendor Code of Conduct, by the end of the year.

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 operations in 15 countries interact with a robust and rapidly expanding supplier ecosystem, which 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 & TRACEABILITY

Through continuous engagement with our supply chain and improvements to transparency and traceability, MAS offers customers a wide range of ethically sourced, sustainable, certified and verified products. These include organic or regenerative cotton, recycled cotton, recycled synthetics, and man-made cellulosic fibres (MMCF). We retain our focus on collaborating with suppliers to source or develop new products and sustainable alternatives to traditional materials. The following section on efforts to Pioneer Circularity at Scale (page 45) details metrics pertaining to raw materials used.

The landscape of sustainable raw materials has several potential solutions but many remain in early development stages, which limits their application to capsule collections. To truly make an impact, we need to transform our core programmes. However, bringing the use of these raw materials to a commercial scale is a long-term effort that can take multiple years.

Other factors such as premium pricing and price fluctuations can affect consistency in supply. Ethical considerations like respecting indigenous rights and cultural heritage also growing in prominence when ensuring responsible sourcing practices. The severity of climate change, sociopolitical instability on a global scale, and developments in the regulatory regime have necessitated building resilient strategies that are adaptable to potential disruptions in agricultural practices, production, and raw material availability.

From a market perspective, while consumer interest in sustainable apparel is growing, there is still a gap between aspiration and action. Limited awareness or misconceptions about sustainability can hinder widespread adoption, making companies hesitant to invest heavily in sustainable sourcing efforts.

Transparency and traceability are expected to become critical factors in the coming years, driven by emerging regulations and legislation. Recognising this trend, we are proactively implementing and

improving transparency and traceability measures across the apparel value chain. Active collaboration with industry partners to improve compliance and adoption of certification are increasing upstream supply chain visibility while broadening the base of sustainable raw materials available to our customers.





### ETHICAL BUSINESS PRACTICE

Going beyond initial due diligence and screening of suppliers, we engage with suppliers across the value chain to enhance their commitment to ethical business practices. These include anti-bribery and anti-corruption practices, non-solicitation, and other standards for business dealings that align with our procurement practices.

### ENVIRONMENTAL COMPLIANCE & PERFORMANCE

GRI 308-1, 308-2 SASB CG-AA-430a, CG-AA-430b.3

Our commitment to sourcing sustainably and empowering the apparel sector involves a multipronged approach to manage environmental impacts across the supply chain.

### MINIMUM STANDARDS & 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. Suppliers representing 75% of our RM spend-base adopted the Higg FEM platform and carried out self-assessments during the year, with the majority verified by independent third-parties and on-site assessments.

For chemical management, 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.

100% of our subcontracting wet operations are compliant with local discharge regulations and the ZDHC Wastewater Guidelines (WWG) through annual testing. Extending our efforts to Tier 2 suppliers supplying wet raw materials, we monitored vendors comprising the top 80% of our spend-base and in terms of wet operations we screened 43% of our spend-base who had generated ClearStream reports through the ZDHC Gateway. Our Planet Changed for Good – Responsible Chemical Use (pages 100 to 104) presents further information on supplier compliance with ZDHC guidelines.

## ENVIRONMENTAL PERFORMANCE

Going a step further, we work with our suppliers to improve their environmental performance – through energy efficiency, emissions reduction, and other improvements that benefit suppliers and the environment.

## CLIMATE RESPONSE

Taking the lead in driving climate ambitions, 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 climate response across the supply chain. We work with our key suppliers to adopt SBTi 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.

In 2023, suppliers comprising 50% of our RM spend-base have made SBTi commitments for absolute emissions reduction within the next 5 to 7 years. This builds on the success of the previous year, which saw 36% committing to science-based targets.

	Percentage of spend represented
Higg FEM	75%
ZDHC (input and output compliance)	42%
SBTi	50%

## SOCIAL COMPLIANCE

GRI 407-1, 408-1, 409-1 SASB CG-AA-430b.3

MAS' Vendor Code of Conduct sets out 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.

Social and labour compliance across the textile and apparel supply chain is a topic that has seen renewed interest in the recent years. Well-known brands and regional supply chains have faced growing risk from poor labour conditions and non-compliance in the supply chain, as calls have grown for increased transparency and greater disclosure of sustainability-related risks.

Suppliers were encouraged 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 of MAS' divisions also conduct audits of labour practices.

Our diligent efforts to assess and engage with suppliers has enabled MAS to uphold an outstanding record with regard to prohibiting underage or child labour and forced or compulsory labour. These essential elements of sustainable sourcing are also further upheld through a Vendor Code of Conduct where more than 80% of our Direct Raw Material Vendor base is signed up to deliver through the overarching MAS Supply Chain ESG strategy.

## PRODUCT SAFETY & STEWARDSHIP

MAS' commitment to eliminating hazardous chemicals and restricted substances extends to the supply chain. Our processes to ensure product 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 (pages 100 to 104).

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).



## PIONEER CIRCULARITY AT SCALE

# Closing the loop by using post-consumer waste to make new products.

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 have actively explored circularity in our operations since launching the MAS Plan for Change.

Wherever possible, we work with customers and design products to be reused and/or recyclable. Our circularity network spans a number of geographies and includes multiple supply chain stakeholders: recyclers, sorters, solutions providers, innovators, reverse-logistics partners and more.

### OUR APPROACH TO CIRCULARITY

Our approach to circularity is driven by a dedicated Circularity Team consisting of specialists in fabric technology, waste management, partnerships, and business development. From sourcing to design, merchandising, manufacturing, and transforming waste; we mainstream circular concepts and principles across our operations. Partnering and collaboration is an integral component of ensuring scalability. MAS works with partners across the entire value chain, as well as start-ups around the globe, to develop and scale circular solutions. Our circularity partner network spans different geographies and establishes a strong logistical pathway to structure the reverse supply chain.



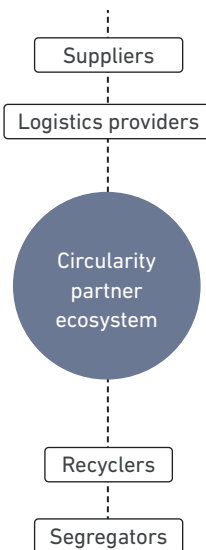
**Source sustainably**

(page 38)

Re-incorporating recycled materials into the production cycle.

Sourcing renewable or regenerative materials that reduce the need for virgin resources and/or fossil-fuel based inputs.

Implementing transparency and traceability that are informing design and optimising recycling or repurposing.



Customers

**Partner for scale**

Working with collectors, segregators, recyclers, and customers to manage the end-of-life of products to drive upcycling, repurposing, recycling, or composting.

Collaborating across the value chain for product and material reuse and recycling.

**Transform waste**

(page 95)

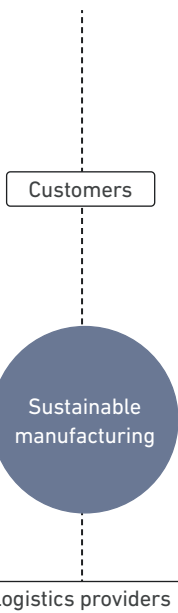
Transforming waste by minimising waste generation, valourising suitable waste, and promoting recycling.

Our Planet Changed for Good (pages 85 to 113) through sustainable manufacturing: conserving resources, reducing chemical use, and maximising water recycling.

**Supporting circular design & merchandising**

Supporting customers to implement circular design for products that are durable, reusable, repairable, and recyclable.

Promoting sustainable and eco-friendly packaging.



**SUPPORTING CIRCULAR DESIGN & MERCHANDISING**

We work with customers who are leading the charge for circularity in fashion. Wherever possible, we incorporate circularity considerations at every stage of product manufacturing. Refer our approach to sustainable products (page 32) for more details.

1. Sourcing of recycled and regenerative input material for products
2. Supporting design of products that are made to last, adapt, reuse, and recycle
3. Selecting sustainable packaging

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.

**PARTNERING FOR SCALE**

A fundamental component of our efforts to circularity across the value chain is the establishing of a circularity partner network in 2022. This network serves as the foundation for a robust reverse supply chain for efficient movement of materials back into the production cycle.

In 2023, we continued to explore scalability and maturity of ongoing efforts while launching a number of new circularity initiatives. Our teams are adopting to new ways of thinking and internal systems and processes are becoming more robust to operate in a circular model. Similarly, our criteria and rating convention for sustainable products is informed by circularity principles.

New collaborations like the one with CIRCULOSE, an award-winning Swedish textile-to-textile recycling initiative, are scaling access to high-quality recycled materials. Through innovative partnerships and projects such as Cellucycle, we have launched circular material initiatives for specific outerwear categories.

### MAS KREEDA Cellucycle: Recycling Fleece for Circularity

With strong support from innovative customers and close partnerships with valued partners within our regional supply chain, MAS launched the Cellucycle project in 2023 – focused on closed-loop recycling of cotton-polyester fleece waste.

Through source separation, the project efficiently captured fleece trimmings at the cutting stage, diverting them from landfills. These recovered materials were then successfully directed to a recycling process, through which it was converted back into yarn. The resulting recycled yarn served as the backing material for knitting new fleece fabric, effectively creating new products from waste.

The project presented an innovative and closed-loop answer to the large amounts of waste generated from cutting fleece materials made of cotton and polyester.

We have begun cotton recycling trials for high-quality yarn production in intimate apparels, establishing networks to convert garment waste into new yarn, and are developing projects to separate and recover Nylon materials for the production of high-performance Nylon 66 yarn. In addition, we are exploring options in the fibre-to-fibre recycling space, across several materials.

Our main focus in the coming years is to continue incorporating sustainable, reusable, and recyclable materials for suitable products and explore circular life cycles for products from all material types.



## Lives Changed for Good

Empowering our employees, creating world-class workplaces, upholding our commitment to women at the heart of our workforce, and supporting the communities around us.

At MAS, we see our people, over 100,000 strong, as our greatest asset. Their dedication and growth have been instrumental in our success. We believe this success is intrinsically linked to the well-being of all our stakeholders: customers, partners, and the communities to which we belong. Our communities have been our support system since the beginning, and we strive to nurture mutually beneficial relationships, where we not only sustain and support them but change lives for the better.

### HIGHLIGHTS

**24%**  
women in  
Management

**37**  
locations with  
employer-supported  
childcare

**2.6 million**  
opportunities created  
through corporate citizenship  
activities



**5.1 million**  
opportunities created for  
women since inception

**453**  
persons with  
disabilities employed  
within the Group



## HOW WE DRIVE SOCIAL SUSTAINABILITY

As an enterprise committed to social responsibility, we utilise a robust and regularised system to track progress against the Social pillar of Our Plan for Change, and ensure our social sustainability efforts translate to real-world impact.

The MAS Social Sustainability Scoring Tool (SS Tool), introduced in 2020, integrates a set of clearly defined Key Performance Indicators (KPIs) on social sustainability parameters into our Group strategy deployment process, Hoshin Kanri.

The tool allows us to cascade MAS' social impact ambitions and targets down through management personnel, to our facilities, teams, and employees. The scoring tool calculates an aggregated score for each facility, and CEO performance is tied to the scores of facilities under their purview.

During 2023, we leveraged the tool to measure 54 facilities. Taking a carefully tailored approach that is customised to our operations, we evaluated manufacturing units using 33 indicators, and non-manufacturing units using 25 indicators.

Data collection is carried out on a monthly, quarterly, and biannual basis, and data is then validated by respective pillar and divisional leads. Finalised scores are Shared with the CEO's office and other senior Management personnel.

## EMPOWERING WOMEN

GRI 405



### Our Commitment:

**100%**

Empowerment of women at the factory floor

### Our Achievements in 2023:

**5.1 million**

Opportunities created for women since inception

**37**

locations with on or off-site Company-supported childcare facilities

**4,506**

maternity instances provided

**65.11%**

maternity return rate

### Our Target for 2025:

**30%**

Women in management

2023: 23.7%

2022: 11.5%

We believe that a commitment to women across our operations is crucial to the social sustainability of MAS, and fundamental to strengthening our foundation of an empowered workforce. With a focus on diversity, equal opportunity, and empowerment of women, we have set ourselves two ambitious goals: To address the gender gap at management level, and to invest in empowering women on the factory floor. We continue to hold that our success is directly tied to their development, well-being, and happiness. By investing in, and unlocking, the potential of our women: we are investing in the future of MAS.





## OUR FRAMEWORK OF EMPOWERMENT



### Career Advancement

**733** Programmes | **57,184** Opportunities



### Career Role Models

**60** Programmes | **3,289** Opportunities



### Mentoring and Sponsorship for Women

Mentorship launched in **11 divisions**

Sponsorship launched in **6 divisions**



### Skill Development

**35** Programmes | **11,428** Opportunities



### Unconscious Bias Training

**3,300+** Employees | **60+** Trainers



### Recruitment, Retention Promotion Strategies



### Women's Health and SRHR

**946** Programmes | **244,200** Opportunities



### Childcare Facilities

**37** Company-supported childcare facilities



### Flexible Work



### Preventing Gender Based Violence

**729** Programmes | **129,440** Opportunities

**44** Wellness spaces

### EMPOWERING WOMEN, TRANSFORMING COMMUNITIES: CELEBRATING 20 YEARS OF WOMEN GO BEYOND (WGB)

2023 marks a momentous milestone: 20 years of Women Go Beyond, the signature programme for women's empowerment at MAS.

Over the past two decades, WGB has delivered over 12,915 programmes, creating more than 5.1 million opportunities for our women and their communities around the globe. This commitment extends beyond numbers. In 2023 alone, the programme has created over 445,541 opportunities through over 2,463 interventions, carried out across the globe. This is a 37% increase from the previous year, demonstrating our continuous commitment.

The platform has grown significantly, adapting to meet the evolving needs of women. We have broadened our scope beyond initial interventions, embracing a holistic approach. Today, WGB delves deeper into core areas like sexual and reproductive health rights, and gender-based violence. Additionally, we are actively addressing resource gaps, skill development, and the rights of marginalised groups through policy and infrastructure interventions.

The female empowerment agenda is deeply woven into MAS' organisational culture. WGB drives the work on gender equality throughout the Company, creating positive change within the workplace and in surrounding communities.

Since its inception, WGB has prioritised career advancement for women on the factory floor. In 2023, our career advancement work continued with a range of initiatives across all divisions, including leadership and personality development, technical skills training, and communication workshops.

Furthermore, we reviewed and adjusted promotion and hiring policies to further ensure gender equality. We also leverage our comprehensive flexi-work policy to enable women to pursue leadership aspirations without compromising on their different needs and responsibilities.

WGB's multifaceted approach tackles challenges women face at work, home, and within society. We offer tailored solutions addressing diverse needs, demonstrably shifting entire communities and positively impacting countless lives.

Speaking in fluent English has always been something I wanted to learn and I wanted my daughter to learn good English too, but I have been too shy and feeling embarrassed. The opportunity given to me by WGB team in the plant helped me overcome that fear. I may not be 100% good at speaking or writing but I understand better and I am more confident in the work I do now.

**Dinushika Hasarangi**  
Asialine QA team



I always knew that that being a leader was in my nature, but being the best leader having good leadership qualities, using the proper tone when speaking, communicating better, having empathy and keeping the team spirit up were a few qualities I wanted to learn and improve on, and the programmes offered by WGB supported me immensely.

**Kaushalya Nishamani**  
Sleekline GL Sewing



## WOMEN IN MANAGEMENT



Since 2019, annual performance metrics for HR Leaders and CEOs have included gender representation targets, as a step towards driving accountability. Amid all challenges, this has helped MAS to increase its overall Women in Management representation to 24% in 2023 from the previous year's 12%; We are also progressing towards our goal of achieving a better gender balance on MAS Capital and MAS Holdings Boards, with women's representation at Board-level reaching 23% in 2023, up from 21% the previous year.

MAS is committed to fostering diverse and inclusive workplaces. We achieve this through: mentorship, sponsorship programmes, and unconscious bias reduction workshops. Additionally, we raise awareness about diversity, accessibility, and respect through targeted campaigns. These ongoing efforts have noticeably helped break down stereotypes and cultural barriers, transforming the work environment across the countries where the Group operates. This in turn has led to an increase in the female percentage of external executive and above recruitment from 42.29% in 2022 to 47.45% in 2023. We are positive all the internal and external media campaigns we engage in, profiling inspirational women have immensely contributed to this increase as well.

Throughout 2023, MAS continued job-family-based interventions across all divisions, with the shared goal of promoting women's advancement in traditionally male-dominated job families. One example is MAS KREEDA's flagship programme, "Ignite - Women in Manufacturing Leadership," developed in

collaboration with SandBox Consultancy. This year, the programme proudly celebrated the graduation of 15 talented female leaders in the manufacturing space. This initiative aligns with our overall objective of increasing women in management to 30% or more by 2025.





The year-on-year increase in our women in management figures is directly linked to the strong leadership support, commitment, and accountability we receive. This leadership drives progress not only in terms of numbers, but also in fostering a more supportive and inclusive work environment for women.

The sponsorship programme offered a different way of getting feedback and direction on how to be the best in whatever we do. Professionally and personally. My sponsor was flexible and available to conduct all my sessions in-person, which was a great opportunity to connect and have a real time conversation. Not only did I learn a few new tools of coaching that I tried to practice in my day to day, I also learned a lot about networking and building relationships.

**Taniya Perera**  
 Manager – Merchandising (Lululemon)



In 2023, women’s networks were launched to offer all divisions across the Group the opportunity to connect, share experiences, and support each other’s professional development. Two group-level gatherings were held during the year and nearly 200 women joined the network, which received overwhelmingly positive feedback.

Witnessing the enthusiasm and potential of these dedicated women was incredibly rewarding. The energy in the room during our sessions was electric, and I could sense the genuine desire for growth and empowerment among the participants. It’s moments like these that reaffirm the importance of investing in programmes that uplift and support women in our Organisation. I’m honoured to have been a part of such a meaningful endeavour, and I look forward to seeing the positive impact it continues to have on MAS.

**Pabasari Wijesinha**  
 Deputy General Manager –  
 Talent Management



MAS has been a signatory to the UN Women’s Empowerment Principles since 2011, and a member of the UN Global Compact since 2003, we actively collaborated with the International Finance Corporation (IFC) and others. We are proud to be one of the first Sri Lankan signatories to the UNGC’s Target Gender Equality programme.

To ensure these conversations have lasting impact, we continuously engage with government and private universities, youth groups and other stakeholders, fostering a nationwide shift in mindsets towards diversity and inclusion.

## WOMEN'S HEALTH: SUPPORTING NEW PARENTS

GRI 401-3

MAS champions policies and infrastructure changes that empower women to reach their full potential in the workplace. We actively advocate for and support initiatives such as childcare facilities, lactation rooms, flexible work arrangements, and parental leave policies (including paternity and adoption leave). These measures not only attract and retain female talent but also create a work environment that fosters their well-being and career advancement.

Regulatory requirements in our major areas of operation mandate that mothers are entitled to maternity leave. As such, we track the number of women taking maternity leave (maternity instances) as equivalent to number of female employees entitled to maternity leave. Conversely, paternity leave is not mandated and eligibility criteria may vary – therefore this figure is currently not reported.

As of 2023, MAS offers employer-supported childcare options – internal or external crèches, or childcare allowances – at 37 locations, catering to the specific needs of each location. Additionally, 44 locations provide designated lactation rooms for nursing mothers.

	Maternity leave (Female)	Paternity leave (Male)
Employees utilising parental leave	4,506	999
Employees who returned to work after parental leave ended	2,934	970
Return-to-work rate	65%	97%
Those still employed 12 months after their return to work	886	333

It was very supportive to have this leave because we can have a time to adjust to our new life. Also, we can support the new mother and baby and make them more comfortable.

**Pulasthi Ariyaratna**  
Team Leader



I am happy to say I was able to use my paternity leave last year for the birth of my first child. It's really worth it. To face the occasion and fulfil my duties. Thank you very much for this opportunity given by MAS. I encourage everyone to make use of this opportunity to embrace fatherhood.

**Sameera Rathnasena**  
Assistant Manager – Technical



The Company goes beyond basic support. Our “Dignity of Motherhood by Intimates” programme takes a holistic approach, addressing the pre and post-natal well-being of both mothers and babies. In 2023, 1,378 mothers in Intimates benefited from this programme, receiving knowledge, practical tips, music therapy, and essential baby supplies through 57 workshops.

MAS demonstrates a commitment to exceeding legal requirements to support our workforce. While maternity and paternity leave policies are standard across the Group, MAS KREEDA introduced additional childcare and dependent care leave for all employees in January 2023. This initiative exemplifies our dedication to supporting our workforce in managing their personal and professional lives.

Additionally, we address other crucial areas through various initiatives, including skill development, sexual and reproductive health and rights (SRHR), and prevention of gender-based violence (GBV) including cyber violence.

We believe in holistic empowerment that goes beyond our employees; it extends to their families and the communities in which they live. In 2023, we delivered on this commitment through 113 programmes, impacting over 7,900 community beneficiaries. Linea Aqua conducted an educational programme covering domestic and cyber violence and exploitation, in collaboration with the AG Office – Dompe. Bodyline launched a campaign with biannual events to spread awareness on domestic violence and child abuse, partnering with the Sri Lanka Police and Department of Labour to ensure maximum reach and impact. The full extent of our community initiatives is described in the Thriving Communities section, on page 81.

Sometimes we make decisions in life without thinking of our future and we tend to get stuck not knowing how to get away from the mess we created. I have been in a very bad marriage; I didn't know how to get out of it and there were a few times that I thought of putting an end to it all. Then, one day at a training session they discussed about domestic violence which related to me very directly; later I heard an announcement that mentioned you can allocate time to discuss issues with your lawyer. I walked in, spoke to a female lawyer who patiently listened to me and then gave me options I could legally follow to get out of the mess I was in. This brought me so much joy and peace of mind because I didn't know even the basics of what a legal marriage or a divorce was and how to get the support of the law before.

Anonymous Team Member from MFI



In response to the economic crisis, MAS prioritised female entrepreneurs in 2023. Through skill development training and dedicated entrepreneurship development programmes, we supported women in their small-scale ventures and self-employment efforts.

“The Sewing and pattern making class helped me turn my hobby into a profitable venture. Now I earn an additional income from selling different types of curtains and bed linen; not only within Sri Lanka, I have the opportunity to send them abroad as well”

**Kumari**  
Nirmaana Development Team



MAS KREEDA's Magnate+ offered a 2-day entrepreneurial training programme to 24 changemakers from five production facilities. It focused on developing their knowledge and business acumen.



## CREATING ROLE MODELS

MAS has always recognised women who have broken stereotypes, achieved the impossible, and thus become inspirational role models. Sharing their success stories has been a big part of promoting gender equality across our operations.

MAS has recognised and rewarded the successes of our women at the Group-wide “*Abhimani Awards*” since 2004. Through this endeavour, a number of our empowered women have been promoted as role models, to be an inspiration to others at MAS and beyond. In 2023, we held the *Abhimani* – Empowered Woman of the Year Competition, for the 15th consecutive year, under the theme *Flagbearers of Our Nation*. The competition was run parallel to celebrations for the 20th Anniversary of Women Go Beyond.

The programme aimed at recognising, rewarding and profiling successful women in management, on the factory floor, and in the community; while also promoting female entrepreneurs, and women in sustainability and innovation from across the Group. MAS works closely with these women, equipping them with additional skills to face an internal and external panels of judges, before they take part in the competition. These efforts continue into the years beyond the competition; aiming to further develop, support, and enable these inspirational women. Thereby empowering them to add value to the wider communities as well.

## SEXUAL ORIENTATION, GENDER IDENTITY, GENDER EXPRESSION, & SEX CHARACTERISTICS (SOGIESCS)

Throughout 2023, we partnered with The Grassrooted Trust to develop a comprehensive training programme on sexual orientation, gender identity, gender expression and sex characteristics (SOGIESCs). This included two Train-the-Trainer programmes, equipping 40 internal trainers to lead sensitisation conversations on SOGIESCs in small groups across all levels of the Organisation.

We believe collaboration is key to driving progress. In the area of SOGIESCs, we also partnered with organisations like, the National Transgender Network Sri Lanka, and EQUITE Sri Lanka to identify gaps in support systems, develop processes for accessing support, raise awareness, and train internal trainers to sustain and continue the conversations.



## MEANINGFUL EMPLOYMENT

GRI 2-7, 2-8, 202, 401, 404, 405-1



### Our Commitment:

Accelerate employee well-being and work-life balance

Ensure and elevate sustainable compensation for all employees

Foster diversity and inclusion with freedom of expression and identity for all

### Our Achievements in 2023:

**453**

persons with disabilities employed within the Group

**1,000+**

knowledge-sharing sessions impacting over 100,000 employees.

**432**

staff to executive movements

**27 avg.**

training hours per employee

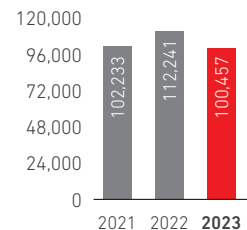
## THE STRENGTH OF OUR PEOPLE

GRI 2-7, 401

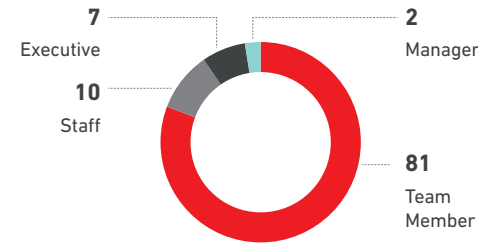
At MAS, our manufacturing operations span ten countries, with additional customer-facing and support functions in North America and Singapore. We are home to a diverse workforce, with unique perspectives, skills and abilities. This rich tapestry of ideas and ambitions fuel our impact through the Plan for Change.

MAS utilises sophisticated HR technology and talent analytics. We consider the seamless integration, compliance, and optimisation of our HR systems vital to support the Organisation's greatest strength: its workforce.

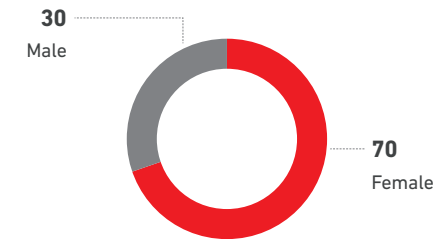
### Total Employees (Nos.)



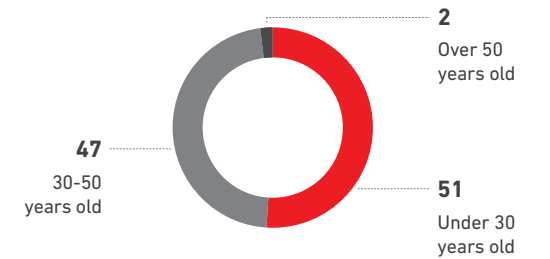
### Employees by Designation (%)



### Gender Representation (%)



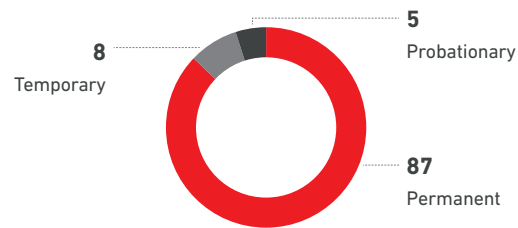
### Age Split (%)



As part of our commitment to meaningful employment, the entirety of our staff are considered full-time employees. This includes all teams working on the factory-floor across our operations. The vast majority of our team, approximately 87%, are 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.

However, a significant portion of the total workforce in Jordan, Kenya, and Vietnam, 67%, 99%, and 97% respectively, are employed on fixed-term contracts.

**Employees by Status (%)**

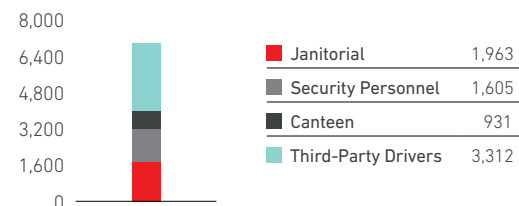


GRI 2-8

Considering the nature, scale, and global footprint of our operations, we work with partners and on-site service providers who fulfil specific ancillary functions for the Group on a contractual basis; such as workplace janitorial, workplace security, staff canteen, and driving. These partners and service providers are considered suppliers and suitably vetted as part of our due diligence processes. They are also expected to align with MAS' stringent supplier code of conduct for ethical business practices.

While not employed by MAS, our partner and service-provider cadre often work in or around our operations, and benefit from many of the facilities that make up our world-class workplaces. The section on Occupational Health and Safety (OHS) (pages 70 to 71) describes how our OHS standards include engagement with and protections for our service-providers and their cadre.

**Partner & Service-provider Personnel (Nos.)**







## ATTRACTING & RETAINING TALENT

GRI 401-1

With approximately 75% of MAS' workforce based in Sri Lanka, our operations and employees were significantly affected by the Country's economic crisis and resultant shrinking of the economy in 2022 and 2023. Concerted pressures, which contributed to increased turnover rate (36.8%) and hiring rate (34.9%) in 2022, receded toward the end of 2023 as gradual economic recovery set a positive trajectory in the fourth quarter of the year.

During the year 2023, we maintained a stable workforce of 100,457 in average headcount; as attrition and hiring rates normalised. Our team was strengthened by 12,981 new hires during the year, at a rate of 12.9%. Employee turnover during the year amounted to 26,928, or 26.8% of the workforce.

### DIVERSITY, MERIT & SHARED VALUES

Attracting talent at MAS is not just about filling positions, it is about finding individuals who share our core values and passion. We want candidates to understand the heart of our Organisation – the purpose, drive, and values that define who we are. We seek individuals who are motivated to become part of MAS' greater purpose.

Our commitment to these values is embodied in everything we do. In 2023, we revamped our employer branding materials and careers site to better align with our employer value proposition. Diversity, equity, and inclusion are core principles at MAS. As an equal opportunity employer, this commitment is evident in all our employer branding materials, both internally and externally. Recruitment decisions are based solely on merit, ensuring a fair and inclusive hiring process.

We are dedicated to continuous improvement and measure our success through key performance indicators (KPIs) that track internal mobility, first-year performance, first-year retention rates, and recruitment lead times.

### STRENGTHENING OUR TIES: ENGAGEMENTS WITH UNIVERSITIES IN SRI LANKA

In the space of university engagements, MAS participated in over 35 career fairs, including dedicated MAS recruitment events at four priority state and private universities. We provided one-on-one attention and advice to students, helping them understand our business roles and the expectations. These efforts keeps us top-of-mind among future job-seekers and helps establish a strong brand presence.

Another intention is building the capability of the future workforce. MAS facilitates skill development programmes to prepare young graduates from all disciplines for the ever-evolving world of work. In 2023, over 130 students were upskilled through these programmes. Additionally, MAS facilitated 37 guest lectures and participated in workshops, reaching over 2,600 students. We have also built and improved our strategic partnerships with universities and professional bodies, strengthening our relationships with key stakeholders in the process.

### GOING GLOBAL

In 2023, we partnered with NSBM Green University's Global Youth Camp. This event brought together students from across the globe, offering them a unique opportunity to visit our facilities, gain insights into our business, participate in workshops, and experience Sri Lankan culture. Additionally, this collaboration allowed us to connect with international universities, establishing valuable connections for future programmes.

We were able to curate talent a pool of over 200 potential candidates from Sri Lanka, India, Bangladesh, Vietnam, and Indonesia across various job families. This diverse pool positions us well to meet our global talent needs as we expand our reach in 2024.

2023 also marked the launch of MAS' first-ever Global Internship Programme, a collaboration with the University of Oregon, USA. This programme, specifically designed for Master's students in Sports Product Management, provided an in-depth look at MAS' business, processes, and capabilities. Two interns participated in the programme, spending six weeks working with our teams and immersing themselves in Sri Lankan culture through travel and exploration.

#### CULTIVATING FUTURE LEADERS: THE MAS, DIALOG & HEMAS SUMMER INTERNSHIP PROGRAMME

MAS has a long-standing commitment to nurturing Sri Lanka's future talent. One key initiative is the MAS, Dialog and Hemas Summer Internship Programme, designed for Sri Lankan students, both those studying locally and abroad.

This programme offers students a unique opportunity to experience the dynamic nature of Sri Lanka's leading conglomerates. Over six weeks, interns gain exposure to all three companies through workshops, knowledge-sharing sessions, and interactions with industry leaders and subject matter experts.

Through first-hand experience, interns get a glimpse into the inner workings of these organisations, allowing them to build

a strong foundation of knowledge and practical experience as they embark on their careers. In 2023, 11 interns participated in the programme, gaining valuable insights and connections that will serve them well in the future.

#### MAS ALUMNI NETWORK: REDEFINING THE EMPLOYEE EXPERIENCE

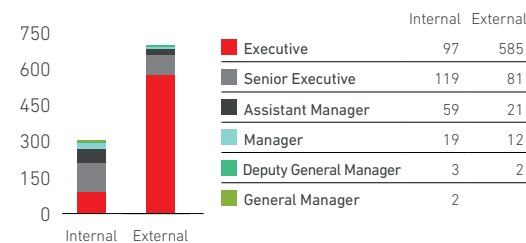
MAS is redefining the employee experience by extending it beyond the traditional boundaries of employment. We launched the MAS Alumni Network, a private LinkedIn group and database, to foster ongoing relationships with former employees. The initiative allows us to reconnect with talented alumni and consider them for potential vacancies within the Company, whilst building a platform for talent referrals and knowledge sharing. With 44 alumni currently connected and a growing database, MAS is building a strong and lasting community that transcends employment status.

#### ANALYSIS OF RECRUITMENT IN 2023 (EXECUTIVE AND ABOVE)

While recruitment of talent to executive, middle management, and senior management positions accounted for a small portion (7.8%) of total recruitment during the year, this comprised a vital pipeline of both fresh perspectives and proven performance that enriched our operations.

In 2023, 432 staff to executive movements took place, through promotions and inter/intra divisional recruitments, constituting more than 60% of all new executives recruited. This strong channel of talent adds to our reservoir of tacit knowledge. As employees grow with the Group, they retain institutional memory and bring valuable shop-floor experience to inform and influence operations organically. It is also testament to the effectiveness of MAS' inclusive L&D strategy and up-skilling programmes. For senior executive and above grades, we maintained a healthy 60:40 balance of promoting extraordinary talent from within, and carefully selecting external expertise and experience.

#### Analysis of Recruitment in 2023 (Executive and Above) (Nos.)



#### FUTURE-READY UPSKILLING: OUR LEARNING & DEVELOPMENT STRATEGY

GRI 404-2

In today's fast-paced business world, agility is crucial for organisational resilience and overall success. At MAS, we understand that a future-proof workforce is the key to weathering any storm. We have upgraded our Learning and Development (L&D) strategy to prioritise upskilling and multiskilling our employees to thrive in any situation.

Our strategic focus is about building a workforce that can adapt, innovate, and conquer challenges, even in the toughest of times.

#### A LEARNING THAT LASTS: THE 70:20:10 APPROACH

We believe in fostering a culture of continuous learning by leveraging the power of the 70:20:10 principle.

- **70% Experiential Learning:** We encourage employees to learn by doing, gaining valuable insights through real-world experiences.
- **20% Social Learning:** We foster a culture of knowledge sharing through peer interactions and mentorship.
- **10% Formal Learning:** We offer targeted training programmes to bridge skill gaps and equip employees with the latest knowledge.

This multipronged approach ensures our employees not only understand their roles within the organisation but also feel empowered to contribute to MAS' strategic goals.

#### LEARNING FOR ALL

GRI 404-1

Our L&D strategy is built on inclusivity. From team members to executives, everyone has access to a diverse range of technical and leadership training programmes. MAS Education serves as the central hub, offering strategic and cross-functional learning initiatives. Signature programmes and self-learning opportunities put the power of growth directly in the hands of our employees. Due to the success of this strategy, in 2023, we were able to deliver an average 27 hours of learning and development, per employee.

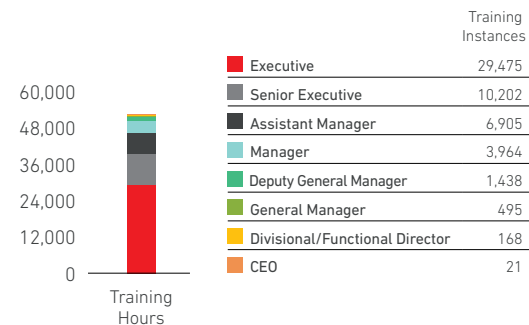
Team Member and Staff Training Hours	2,731,070
Executive and Above Training Hours	7,727
Total Training Hours	2,738,796
Total Headcount 2023	100,457
Training Hours per head	27



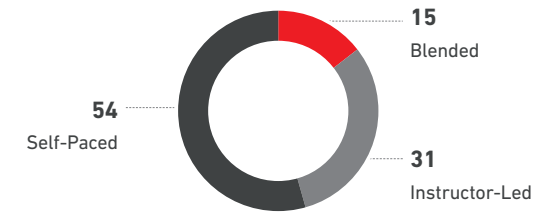
**UNLOCKING POTENTIAL WITH MAS EDUCATION IN 2023**

We incorporated an efficient mix of training methods and channels during the year; prioritising hands-on instructor-led training and blended learnings specially for Team Member and Staff levels, as well as for executive levels where required, and specially self-paced trainings for our executive and above level employees. This ensured our teams had the most appropriate learning opportunities to meet the demands of their job-roles and the necessities of career progression. The majority of training programmes focused on our executive cadre, consisting of young talent, where training was required to introduce our ways of working, improve technical know-how, inculcate broader operational and industry knowledge, and enhance leadership skills.

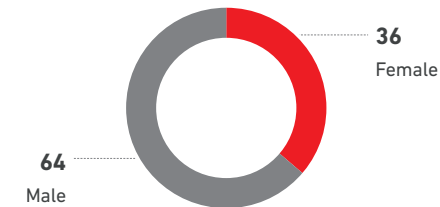
**Training by Grade (Executive & Above Grades) (Hrs.)**



**Training Channels (Executive & Above Grades) (%)**



**Training by Gender (Executive & Above Grades) (%)**



**LEADERSHIP SKILL DEVELOPMENT AT THE SHOP FLOOR**

- We have completed the development of 13 core competencies for the Group Leader (GL) cadre, ensuring a clear framework for their growth.
- The *Shilpi* programme, designed to impart instructor skills for GLs, is complete, equipping them to effectively deliver training to their teams.

- Revamped curriculum for both certificate and diploma programmes, is underway, focusing on refining soft skills and technical knowledge.
- Work is ongoing to develop a degree programme specifically for GLs, offering them a pathway for further career advancement.

**TRAINING & DEVELOPMENT AT EXECUTIVE LEVEL & ABOVE**

- To streamline the learning experience, the Learning and Development (L&D) policy is being deployed across all divisions.
- A template has been developed for tracking the crucial 70% experiential learning component, allowing for better evaluation and feedback.
- An initiative is underway to ensure training aligns with specific leadership and technical competencies required at the executive and above levels.

- Recognising the evolving skill needs, work has begun on identifying and incorporating essential technical competencies into the development programmes for senior staff.
- To foster communication and collaboration, quarterly L&D forums have been initiated for all divisional L&D champions. These forums will allow for sharing best practices and ensure synchronised learning and development efforts across MAS.

### **BUILDING A STRONG FOUNDATION**

Transparency and accountability are cornerstones of our L&D strategy. We ensure compliance with international standards and integrate anti-corruption policies into our training programmes. This commitment to ethical conduct reinforces our reputation as a responsible corporate citizen.

### **CONTINUOUS IMPROVEMENT**

GRI 404-3

We regularly assess our L&D programmes and solicit feedback from our employees. This allows us to stay ahead of the curve, adapt to changing market demands, and ensure our skill development initiatives are always on point.

The future of work is constantly evolving, and so are we. We stay informed about the latest talent trends and best practices in L&D, ensuring we remain leaders in our space. Ethical business practices are also deeply woven into our learning initiatives. From MAS DNA E-learning modules to virtual and in-person training sessions, we equip our employees with the knowledge to navigate the complexities of the business world with integrity.

MAS takes a data-driven approach to L&D by identifying skill-gaps through a structured competency assessment process, and deploying training programmes as required. The Group's L&D function also tracks training hours and carries out suitable assessments to measure training effectiveness and optimise investments in employee development. This translates into targeted skill enhancement programmes like 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 also crucial aspects of our strategy. By providing constructive feedback and fostering accountability, we empower all our employees to reach their full potential and achieve their career aspirations. All executive and above employees undergo performance reviews, annually, as a part of the performance management process. Additionally, team members and others are evaluated during the probationary period and at points of career movement.





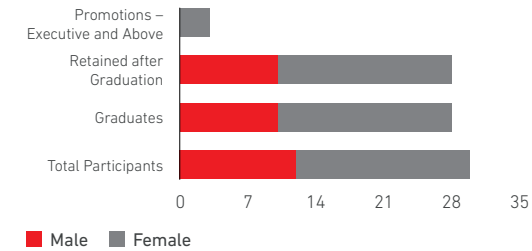
### DEVELOPING TEAM LEADERS AND GROUP LEADERS

MAS 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 and navigate the evolving demands of the industry.

The programme offers a structured learning pathway with certificate, diploma, and degree levels, catering to various learning needs and career aspirations. Both the certificate and diploma programmes have recently undergone revisions to ensure the curriculum incorporates the latest industry requirements.

In 2023, we reached two significant milestones. The 5th batch of 28 participants successfully completed the Certificate programme, with all receiving NVQ Level 4 certification. Furthermore, the Diploma programme had a remarkable success rate, with 95% of participants achieving NVQ Level 5 certification by the end of December 2023. To support this achievement, MAS developed a Quality Manual and Procedures Manual for the Quality Management System (QMS), ensuring compliance with NVQ Level 5 requirements. The 2nd batch of the Diploma programme was launched in November 2023, welcoming 28 new participants from 14 SBUs (Strategic Business Units).

### Training Data 2023 (Nos.)



Looking towards future expansion, MAS is actively engaged in discussions to establish a Degree programme. Collaboration with relevant institutions and the development of a curriculum aligned with industry standards are key priorities for this next step.

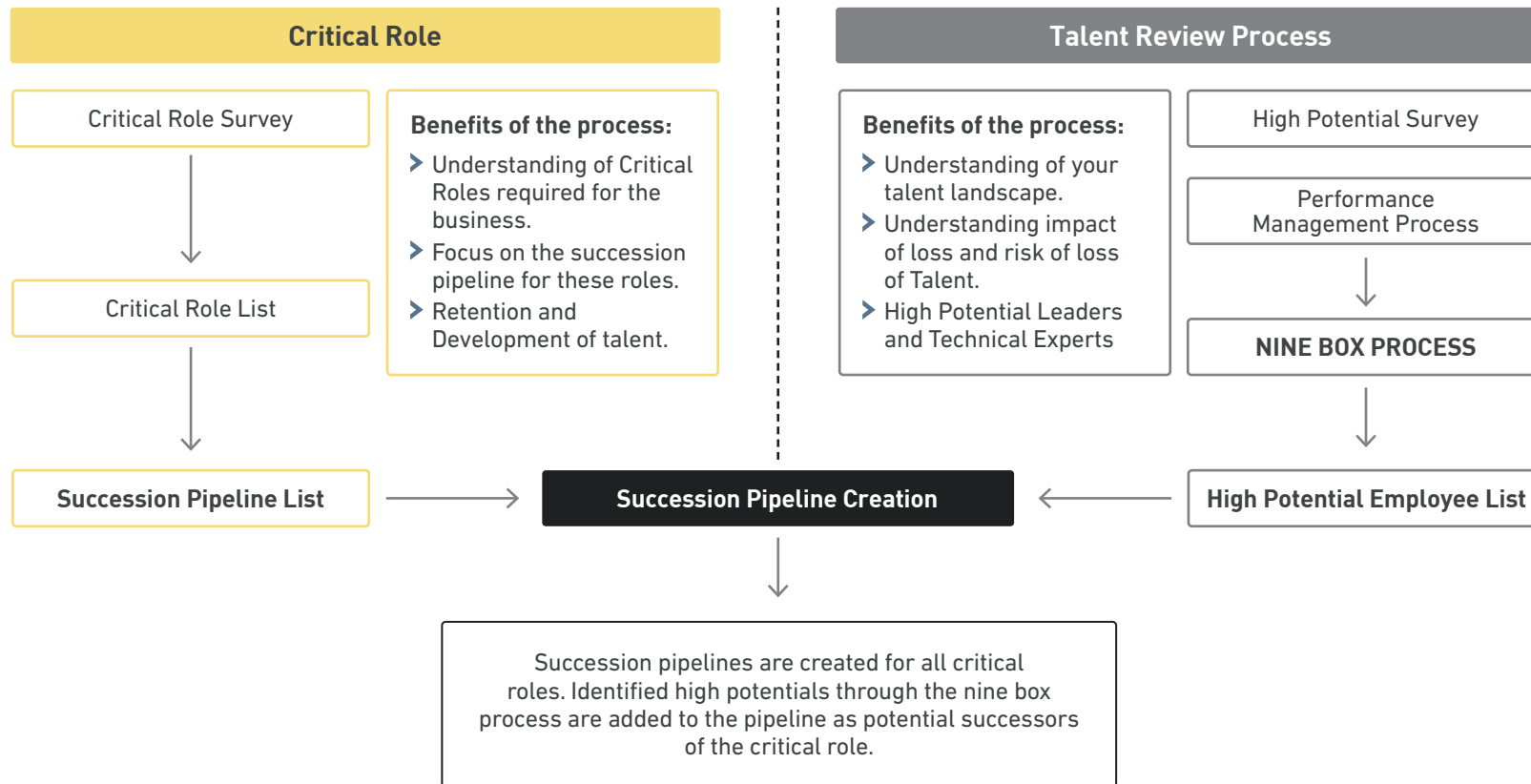
### BUILDING A WINNING TEAM

MAS' comprehensive L&D strategy, with its innovative philosophies, robust competency framework, and inclusive training programmes, fosters an agile and adaptable workforce. Our commitment to continuous evaluation, ethical standards, and a focus on performance and career development demonstrates our dedication to driving organisational excellence and supporting the success of our most valuable asset – our employees. As MAS evolves, our unwavering commitment to future-ready upskilling will remain at the heart of our long-term success and sustainability.

### NURTURING HEALTHY SUCCESSION PIPELINES: SUCCESSION MANAGEMENT AT MAS

MAS prioritises nurturing a steady flow of capable talent to fill critical leadership roles. Our robust Succession Management (SM) process ensures this through a structured approach to identification and development. It is a process which has steadily matured, becoming more agile to accommodate enhancements. We continuously identify critical areas that require talent safeguarding and adapt the process accordingly. The success of this process is regularly measured through Leadership KPIs, ensuring both accountability and the process's ongoing effectiveness.

The SM process is intricately linked with other talent management functions. We leverage our existing performance management system and surveys to identify high-potential talent and critical leadership roles. This combined data clearly defines our talent landscape.



**GUIDING THE JOURNEY**

The Talent Board, a governing body consisting of members from MAS' Holdings, Apparel, and Innovations Boards, oversees Group-wide talent management. During biannual talent reviews, the Board reviews critical roles, high-potential talent, development interventions, and leadership mobility plans. These reviews, conducted in September with a follow-up adjustment in March, support MAS' commitment to a culture of continuous learning and growth. Complementing these reviews are talent reviews conducted with our global plants. This collaborative approach ensures we're connected to and can address any talent challenges they face.

Succession Development Plans (SDPs) are crafted for individuals placed in pipelines. These customised learning interventions are aligned with the target roles for which they have been identified as successors. MAS' 70:20:10 learning philosophy serves as the guiding principle for developing these individual growth plans.

**TALENT ROTATION**

MAS' talent rotation process encourages employees to explore new opportunities – in a different division or an area of expertise. We believe that by promoting internal mobility, we foster the growth of robust talent.

**RETENTION**

MAS employs a structured approach to identifying critical talent, and the movement of these talent are monitored on a monthly basis. Across the MAS Group, a comprehensive suite of retention strategies is implemented to nurture and retain this vital talent pool. These strategies encompass various aspects including compensation and benefits, opportunities for growth, fostering a positive organisational culture, promoting employee well-being, and driving talent conversations.

**ACCELERATING EMPLOYEE WELL-BEING AND WORK-LIFE BALANCE**

GRI 403-3, 403-6

Employee well-being is a foundational element of our work environment. Recognising that well-being fuels growth, satisfaction, and resilience, MAS champions a four-pronged approach. This approach addresses mental, physical, emotional, and financial well-being.

Accelerating employee well-being and work-life balance is a commitment enshrined in our Meaningful Employment sub-pillar. As part of our efforts in this regard, we implement a range of diverse health promotion programmes focusing on physical and mental well-being.



Understanding the unique needs of each division and the global landscape, MAS empowers its divisions to implement tailored initiatives. In 2023 alone, over 1,000 knowledge-sharing sessions were delivered across the MAS global footprint, positively impacting over 100,000 employees.

MAS prioritises employee health and has ensured all SBUs have access to onsite healthcare professionals, medical rooms. We have invested in securing competent healthcare resources, nurses and medical officers, to support our workforce.

### PRIORITISING MENTAL WELL-BEING

At MAS, we understand that mental health, drug prevention, domestic violence support, and suicide prevention are essential components of overall well-being and workplace productivity on a global scale. Our commitment to enhancing mental health, combating drug misuse and preventing suicide, embodies our core values of inclusivity, compassion, and support for every employee; extending well beyond conventional business objectives. Some of the initiatives conducted at MAS are:

- **BLOOM Project:** Empowers employees with stress management techniques, counselling services, and resources to build resilience and enhance overall well-being.
- **Nirmitha Programme:** Delves deeper, promoting holistic mental health through workshops on work-life balance, emotional wellness, and fostering healthy relationships.
- **Drug and Suicide Prevention Awareness programme:** With unprecedented challenges arising from the current economic climate and their potential to impact mental health, this programme gives employees the tools to recognise warning signs, seek help and promote a supportive work environment.

- **Sri Lanka Sumithrayo MAS Hotline:** MAS demonstrates its dedication to mental health through counsellor availability at each business unit across its global plants. In Sri Lanka, MAS has taken this commitment a step further by piloting the Sri Lanka Sumithrayo MAS Hotline – a dedicated mental health resource for all Sri Lankan employees. This vital service operates from Monday to Saturday, offering over 70,000 employees access to phone consultations with mental health professionals. It also facilitates face-to-face meetings at 10 island-wide centres, ensuring employees can receive support both during and outside of work hours.

### FOCUS ON PHYSICAL HEALTH

Ensuring the physical health and well-being of our workforce is paramount at MAS. Through a number of initiatives and programmes, we strive to promote healthy lifestyles and preventive healthcare practices, fostering a culture of well-being and vitality among our employees, some of which are:

- **Project HEAL:** Focuses on self-care and preventative measures, leading to a documented 15% reduction in healthcare-related absenteeism in the participating division.

- **Road Safety Awareness:** Factoring in the prevalence of motorcycles and three-wheelers in employee transportation among team members, programmes have been implemented to educate employees about safety rules and regulations, helping to mitigate accidents and legal issues.
- **Happy Hour:** Demonstrates the importance of disconnecting. For an hour each week employees engage in stress-reducing activities like jogging, socialising or cycling. During this time, phones and work are off-limits, allowing employees to truly recharge.
- **Free Check-ups:** Annual medical camps are held to offer free physical check-ups by qualified medical personnel, emphasising early detection of potential health issues. By prioritising preventive healthcare, MAS proactively safeguards the health of its workforce.

### SUPPORTING FINANCIAL WELLNESS

The importance of financial well-being cannot be overstated, especially in challenging economic times. Throughout 2023, MAS implemented impactful initiatives to equip employees with personal financial management skills, empowering them to navigate the rising cost of living in Sri Lanka.

- **Practical Money-Saving Strategies:** Simple yet practical measures such as home gardening were promoted through engaging contests, together with useful tips like consolidated shopping trips to reduce fuel costs.
- **Project Akura:** Understanding the financial strain parents experience at the beginning of the school year, MAS launched Project Akura. This programme provides essential items for employees' children entering Grade 1, alleviating financial stress during this time.
- **Banking Day:** An annual initiative organised to improve financial literacy and stability for employees, carried out in partnership with banks to offer personalised banking services.
- **The Financial Literacy Programme:** Equips individuals with essential financial skills in budgeting, saving, investing, and debt management, promoting long-term financial health and independence.

### NURTURING EMOTIONAL WELL-BEING

We prioritise the mental health and emotional resilience of our employees through targeted programmes that foster open dialogue, provide support, and promote self-care. Our goal is to create a work culture that prioritises emotional well-being, contributing to overall employee satisfaction and success.

- **Emotional Impact of Verbal Harassment Seminars:** Conducted by external counsellors, these sessions raise awareness about respectful communication and promote a positive work environment.
- **Soft Skills Workshop for Leaders:** Equipping shop floor leaders with essential counselling and communication skills is the key to heading cohesive teams. This workshop focuses on active listening, constructive feedback and conflict resolution.
- **The Praana Programme:** Addresses multiple aspects of emotional well-being, includes personal grooming workshops, training on grievance management, and sessions promoting positivity among team members. Additionally, the programme offers psychological training for executives and above, ensuring holistic well-being across all levels of the Organisation.

### BUILDING ON OUR STRENGTHS

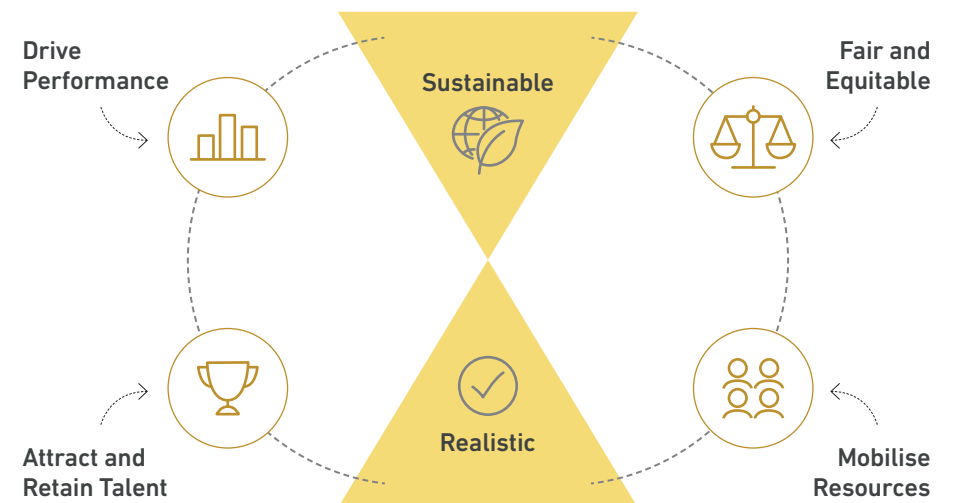
Building on the success of existing initiatives, MAS remains committed to continuously improving the well-being of our employees. We hope to achieve this by investing in expanding and refining our wellness programmes, ensuring they stay relevant and address evolving employee needs. Regular surveys and feedback mechanisms allow us to measure the effectiveness of our initiatives and identify areas for improvement. Ongoing needs assessments further guide us in tailoring programmes to the unique requirements of our diverse team.

MAS understands the sensitive nature of well-being topics. All programmes are designed to ensure confidentiality and provide safe spaces for employees to seek help. Information on accessing these support services is readily available to all employees. Beyond the core dimensions, MAS goes a step further by offering additional services such as legal help and guidance. We will continue to encourage open communication and a culture of support.

### ENSURING SUSTAINABLE COMPENSATION FOR OUR PEOPLE

GRI 401-2, 2-20

We are dedicated to strengthening a workplace environment built on fairness and equity for all. This commitment is reflected in our competitive compensation packages, which consistently surpass the minimum wage. We firmly reject any form of discrimination in our compensation and benefits practices. At MAS, a core principle guides our approach: every individual deserves recognition and reward based solely on their contributions to the Company's success, irrespective of social factors.





## STANDARDISED POLICIES & PROCESSES FOR REMUNERATION

We follow a standardised and accountable approach to ensure sustainable compensation for employees across the Group. Compensation decisions, including those regarding increments and bonuses, are overseen by a Compensation Committee – comprised key members of our apex governing body, our highest Group-level leadership personnel, related functions such as HR and Finance, and the responsible Compensation and Benefits (C&B) Team.

Guided by an internal charter that delineates processes, authority, and scope of oversight, the Compensation Committee endorses annual increments and makes, vets, or approves key C&B decisions based on their impact to the business. A compensation subcommittee supports with routine and other internal matters related to C&B. Best-practices and protocols that ensure fairness are enshrined in the Group's Compensation and Benefits Centre of Excellence (CoE) guidelines.

## COMPREHENSIVE & EQUITABLE COMPENSATION & BENEFITS

Our comprehensive employee remuneration package includes fair and competitive compensation in line with market standards for designations and roles, industry benchmarks, and individual performance; and a series of benefits that go above and beyond national requirements to prioritise employee well-being, engagement, retention, and empowerment to meet organisational needs.

The Group's fair and equitable compensation practices provide for an annual increment process that ensures employees receive appropriate salary adjustments based on their performance. The process aligns with the overall rewards framework, accounts for different employee categories, considers organisational needs, and follows global best-practices.

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 well-being. Delivery of benefits to employees prioritises equity, while also taking into account job requirements specific to different roles and designations.

## MAS SALUTES LOYALTY WITH "EXPERIENCE & RECHARGE" LEAVE

At MAS, we believe in celebrating loyalty. We are proud to offer "Experience and Recharge," a long-service leave benefit designed to show our appreciation for the dedication of our employees. After five years of continuous service completed by 31 December 2022, our Senior Executives become eligible for a well-deserved 5-day break, while Assistant Managers and above receive a rejuvenating 10-day leave. This benefit can be accessed every five years, allowing our long-serving team members to enjoy valuable time off for personal pursuits.

## INVESTING IN EMPLOYEE GROWTH: MAS REIMBURSES PROFESSIONAL MEMBERSHIPS

The Professional Membership Reimbursement Benefit fosters a culture of continuous learning and development for our valued Executive-level and above employees across all Sri Lankan MAS SBUs. Effective from their first day at MAS, this programme empowers them to invest in their professional growth by reimbursing a pre-approved professional membership fee annually, up to a specified limit. This strategic initiative not only encourages our employees to stay at the forefront of industry trends and refine their skillsets, but also cultivates a highly qualified and knowledgeable workforce – a win-win for both our team member and the Company.



## DIVERSITY, INCLUSION, & FREEDOM OF EXPRESSION & IDENTITY FOR ALL

MAS fosters a work environment free of discrimination and harassment. All decisions affecting individuals are made fairly, considering business needs, job requirements, and individual merit. We expect everyone to uphold this commitment by treating each other with dignity and respect.

Our Equal Opportunity and Anti-harassment Policy applies to all stakeholders, including employees, job applicants, advisors, customers, suppliers, strategic partners, and visitors. It ensures a safe and respectful environment for everyone interacting with MAS, both within and outside of our Company premises.

## SUPPORTING PERSONS WITH DISABILITIES



Total number of employees with disabilities:

**453**

Visually impaired:

**24**

Hearing impaired:

**308**

Physically impaired:

**114**

Cognitive/intellectual/learning disabilities:

**10**

The Company embraces a rights-based approach to disability, aligning with the International Labour Organization (ILO) and the United Nations Convention on the Rights of Persons with Disabilities of 2006. This approach shifts the focus from a medical perspective to a social model, recognising the rights and potential of individuals with disabilities.

Furthermore, our Supported Employment Process provides personalised assistance and accommodations to help employees with disabilities successfully integrate into the workforce. This ensures they receive the necessary support to thrive in their roles and contribute meaningfully to the Organisation. Currently, 14 dedicated Supported Employment Officers work directly with employees with disabilities.

Our approach for creating an inclusive workplace for persons with disabilities focuses on four strategic investments:

➤ **Employ:** *Providing persons with disabilities with equal opportunity for meaningful work within an organisation.*

We believe that every individual employed in the Company brings unique talents and perspectives. We recognise that true inclusivity is about creating an environment where everyone can thrive and contribute their best, regardless of any challenges they may face.

➤ **Enable:** *Providing reasonable accommodations, resources, and support to ensure that employees with disabilities can perform their tasks effectively.*

We provide necessary support systems to empower employees with disabilities. This includes implementing a buddy system, sign language training for persons with disabilities (PWDs) and

facilitating accessible tools and technology. Additionally, MAS is on a journey to enhance accessibility at all our locations by providing reasonable accommodation for individuals with disabilities to ensure both physical and digital environments are inclusive for everyone, this includes providing tools and technology specifically designed for accessibility.

➤ **Engage:** *Fostering an inclusive and supportive work environment where employees with disabilities feel valued, respected, and included in company culture.*

Annual engagement events, such as trips and get-togethers, are organised to foster a sense of belonging and community among employees with disabilities. Additionally, MAS collaborates with disability networks for community engagement activities, JCC minutes communication to persons with disabilities (PWDs) in the SBU, and provides sign language and emergency training for families and friends of Persons with Disabilities.

➤ **Empower:** *Giving employees with disabilities autonomy and opportunities to grow, develop their skills, and advance in their careers.*

We encourage autonomy by offering PWDs new job opportunities or cross-functional roles; empowering them to reach their full potential. Additionally, the Company offers specialised counselling, mentoring as well as opportunities to hone leadership and soft skills.

### **INTERNATIONAL DAY OF PERSONS WITH DISABILITIES (IDPWD) 2023**

Responding to the requests of our employees with disabilities for a community gathering, MAS celebrated IDPWD in 2023 by organising an event to fostered networking and engagement among colleagues. We teamed up with the Department of Social Services in Sri Lanka, the governing body for empowering marginalised communities, to include an informative panel discussion, a session on physical and mental well-being, and entertainment. MAS' dedicated adaptive clothing team, Lable by MAS, also participated by setting up a stall to engage with the internal community and understand their clothing-related challenges so that we can better assist them.

### **DIALOG MAS ENABLER PROGRAMME**

Sri Lanka's leading connectivity provider, Dialog Axiata PLC, joined forces with MAS Holdings to launch the Dialog MAS Enabler Programme on 30 June 2023. With this initiative, our aim is to support university students with disabilities gain experience in corporate settings.

Nine students with visual, hearing, and physical impairments, were hosted at the two companies for a two-week pilot programme. They were undergraduates and new graduates from the universities of Colombo, Peradeniya, and Sri Jayewardenepura.

Recognising the vast potential within the disabled community, the programme goes beyond just student development. It serves as a learning experience for organisations to understand how workplaces can be better equipped to foster inclusion and empower employees with disabilities.

The programme provided students with immersive sessions across different business units. At Dialog, they experienced the customer-facing service centres first-hand. At MAS, they gained insights into the product creation and manufacturing processes. They also had the opportunity to visit the MAS Adaptive Centre of Excellence, home to the recently launched adaptive apparel brand, Lable by MAS. The programme culminated with the students sharing their learnings and experiences.

The Dialog MAS Enabler Programme marks a significant step towards building a more inclusive workplaces in Sri Lanka. It not only fosters economic empowerment for PWDs but also aims to shift the national conversation surrounding disability inclusion.

### **LABLE BY MAS**

#### **LAUNCH OF LABLE BY MAS – APRIL**

On 26 April 2023, Lable by MAS held its official launch, titled "Lost, Hidden and Unheard: Stories that Inform Narratives." The event was a celebration of the often-unheard stories of people with disabilities. Through poetry and performances, the event gave voice to these experiences, showcasing the very ethos that birthed Lable by MAS: a passion to be a changemaker.

The evening unfolded with an open mic night, followed by a thought-provoking panel discussion. Moderated by Niluka Gunawardena, the panel featured Manishka Gunasekara, Dr Maureen Earnest, and Kasun Satnarachchi – prominent figures in education, advocacy, and disability rights.

These powerful stories fuel Lable by MAS' inspiration to become a global leader in adaptive clothing and a thought leader dedicated to reshaping the conversation around disability locally.

#### **IFC TOGETHER WE CAN PLUS (TWC+) EVENT – JUNE**

Strengthening our long-standing partnership with TWA+, Lable by MAS was selected to showcase their commitment to inclusivity at the IFC TWA+ event. Suleik Mushin, Lead for Lable, advocated for the importance of disability inclusion during a panel discussion.

#### **DISABILITY: IN CONFERENCE AND EXHIBITION IN ORLANDO – JULY**

Lable by MAS was present at the Disability: IN conference in Florida, an annual event known to be one of the largest and most impactful surrounding disability in the US. They showcased our innovative offerings to a global audience. The event drew over 4,500 attendees from 40+ countries, with 88 participating stalls. We had the opportunity to personally connect with over 300 visitors.

#### **NATIONAL PARALYMPIC COMMITTEE PARTNERSHIP AND FELICITATION CEREMONY – NOVEMBER**

To honour the Sri Lankan para athletes' incredible achievements at the Hangzhou 2022 Asian Para Games, Lable hosted a special felicitation ceremony to award special tokens

of appreciation to 10 medal winners as well as the full contingent of 26 athletes. This celebratory event also served as a moment to extend our ongoing partnership with the National Paralympic Committee, which began in 2021.

#### **9 NINE කවය ඉනිපත්‍ර EXHIBITION – DECEMBER**

In honour of International Day of Persons with Disabilities, Lable by MAS hosted an immersive and educational public experience at One Galle Face Mall. Over 200 visitors were invited to experience the world through the lens of the Sri Lankan disabled community. The exhibition focused on key disability categories – physical, sensory (sight and hearing), and developmental – fostering empathy and understanding.

The overwhelming positive feedback inspired us to build on this success. Lable by MAS aims to take the exhibition across all nine provinces of Sri Lanka, collaborating with other corporations and organisations across the nation.

This event served as a powerful catalyst for crucial conversations about disability inclusion. It propelled a movement towards actionable change, paving the way for a more inclusive society for all.

## WORLD-CLASS WORKPLACES

GRI 402, 403



### Our Commitment:

Be first-in-class for working conditions in our industry

### Our Achievements in 2023:

**600+**

H&S committee meetings

**747**

H&S trainings reaching 90,000+ employees

**90%**

completion rate on the Organisational Health Index (OHI)

**900+**

participants in mercantile sporting events

At MAS, we are committed to creating world-class workplaces that are safe and secure; with engaged, active, and informed employees who have their voice heard; replete with a rich and purposeful culture that fosters productivity and a sense of belonging. This is why we design and operate our facilities to be safe, secure, and comfortable; providing the ideal environment for our teams to excel.

When it comes to our business, we strive for global leadership in sustainable, ethical, and people-first business practices. Instead of merely meeting industry or regional standards, we listen to our employees, strive to meet their needs, and benchmark our performance against the world's best.



## ENSURING THE HEALTH AND SAFETY OF OUR PEOPLE

GRI 2-27, 403-9, 403-10

We believe that employee safety and well-being are paramount, which is why we foster a proactive and interdependent safety culture built on a shared commitment to achieving zero accidents, incidents, and diseases across our operations.

In 2023, we recorded a Lost-Time Incident Frequency rate of 2.93 (non-road accidents) resulting in a severity rate of 13.48 for every one million man hours completed. We are developing annualised targets for incident frequency and severity rates at all levels of our operations, and continue to aspire toward zero accidents, incidents, and diseases in the long-term. While we do monitor potential for work-related ill-health due to exposure to hazards such as noise, chemicals, vibration, etc., these have not resulted in any work-related lost time.

Lost Time Accident Frequency Rate (Non-road accidents)	2.93
Lost Time Accident Severity Rate (Non-road accidents)	13.48
Lost Time Accident Frequency Rate (Road accidents)	0.27
Lost Time Accident Severity Rate (Road accidents)	3.76
Work related fatalities	0
Work related non-fatal injuries due to accidents	377
Lost man-days resulting from work-related non-fatal injuries due to accidents	1,733
Injuries due to road accidents that are work-related	35
Lost man-days resulting from work-related injuries due to road accidents	483

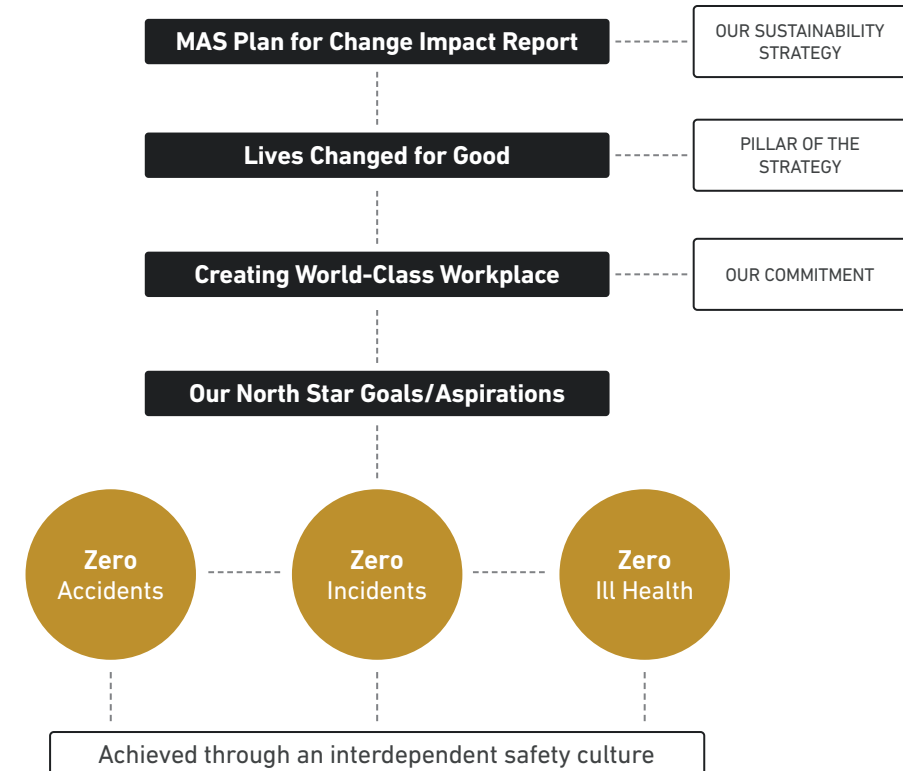
Our robust compliance management framework and incorporation of Health and Safety best-practices resulted in no significant compliance violations or fines incurred in 2023. Instead, MAS' OHS programme and achievements have been recognised with a number of awards in 2023.

- **ROSPA Gold Awards (UK):** Two of our Sri Lankan factories received Gold in the prestigious ROSPA Health and Safety Awards, which recognise excellence in accident prevention, health initiatives, and safety management systems.
- **National Recognition:** We received numerous awards at the highest level in various countries where we operate, including a Gold Award and category wins in Sri Lanka, Jordan, and Indonesia.

A fit and healthy workforce is integral to our long-term business success. To achieve this, we have implemented a range of diverse programmes focusing on both physical and mental health. These initiatives include programmes aimed at preventing non-communicable diseases, eye protection, promoting nutrition, raising awareness about breast cancer prevention, enhancing reproductive health, providing support for mental health and offering stress management resources. Our efforts aim to improve the overall well-being of our employees, contributing to their productivity, satisfaction and long-term engagement with the Organisation.

## OUR APPROACH TO OCCUPATIONAL HEALTH AND SAFETY (OHS)

GRI 403-1, 403-4, 403-5, 403-7, 403-8



We implement a robust Occupational Health and Safety (OHS) management system across our global operations that covers all employees. This system surpasses legal requirements and aligns with international standards like 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. In 2023, twenty of our SBUs are ISO 45001 certified.

Our commitment to ensuring OHS extends not only to our employees, but also to the on-site service providers, partners, and stakeholders who come under the ambit of our operations. Ensuring H&S of all these stakeholders entails employment of an overarching framework to manage and mitigate business interruption and impacts associated with OHS issues, emergencies, and disasters. As part of our framework, we develop SBU-level, Divisional, and Group-level disaster management plans, which are then reviewed periodically for adequacy. At the same time, we conduct a series of mock drills, internal and external audits to ensure all relevant stakeholders are informed and suitably aware of disaster and crisis management plans and protocol.

Our approach to fostering a strong safety culture requires active participation from all stakeholders involved, especially our

own teams. Awareness and engagement of our employees is vital in abiding by safety protocols, maintaining compliance with standards, and upholding a safe and healthy work environment at our facilities.

Over 2,670 employee representatives across our Strategic Business Units (SBUs) serve on active Health and Safety (H&S) committees. These committees act as changemakers, influencing leadership and peers to foster a positive safety culture. In 2023 alone, H&S committees held over 600 meetings globally.

MAS offers a variety of channels for employees to report near-misses, safety suggestions, and Kaizen improvements (continuous improvement initiatives). We facilitate reporting and engagement through mobile apps, QR codes, WhatsApp groups, paper-forms, and even Fuguai tags (F-tags) placed directly on machinery. These efforts to maximise engagement and participation resulted in a total of 11,057 near misses and OHS suggestions reported in 2023, with over 71% addressed and implemented within the same year.

As part of our commitment to fostering a safety culture with employee participation in OHS, we have safety inductions, and extensive awareness-raising for employees on reporting mechanisms. We also carry out promotional competitions and safety awareness campaigns, have systems in place

to recognise and reward responsible actions, and incorporate H&S into departmental KPIs.

Training, knowledge-development, and competency-development of our workforce in the area of OHS, is a crucial factor in the effectiveness of H&S management. To ensure this, we methodically identify required competencies and knowledge for each job-role and individual, as part of our hazard identification and risk assessment framework. This in turn enables establishment of a comprehensive training schedule that encompasses general safety standards and specialised or job-specific safety information and protocols.

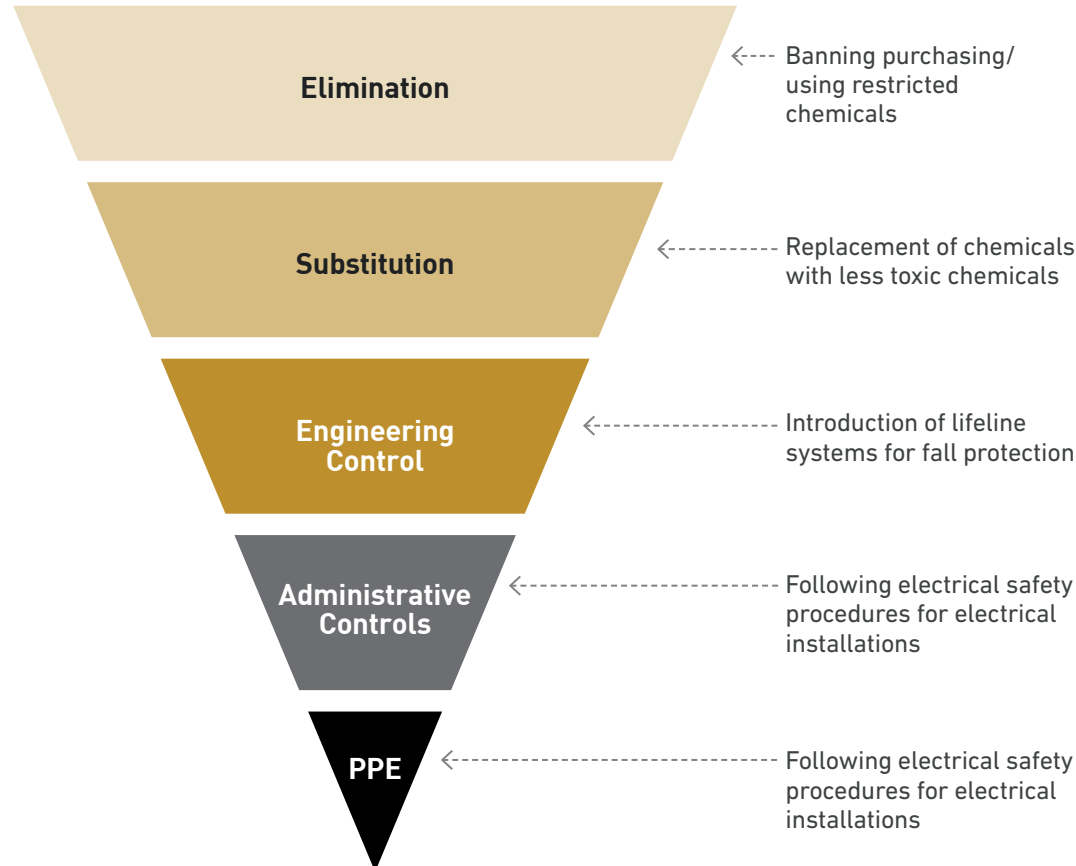
During 2023, we conducted 487 specialised H&S trainings covering a wide range of areas including fire safety, electrical safety, chemical management, confined-space entry, fall-protection, laser and radiation safety, machine safety, lockout and tag-out procedures, ergonomics, and contractor safety. These trainings spanned over 1,855 hours and engaged the participation of over 90,000 employees. We also conducted over 360 general H&S safety trainings, including annual refreshers and induction programmes. These trainings totalled over 5,134 training hours and reached 93,130 employees. These initiatives reflect our commitment to equipping our workforce with the necessary knowledge and skills to maintain a safe and healthy work environment.



**PROACTIVE HAZARD IDENTIFICATION AND RISK MANAGEMENT**

GRI 403-2

Our OHS framework and management system actively identifies potential hazards and significant risks at each of our operational locations and facilities. A dedicated, well-trained team conducts routine hazard assessments, prioritising control measures based on a risk management hierarchy. This approach emphasises elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE) as required.



Our hazard identification protocol includes internal capabilities and procedures for investigation of accidents and incidents to determine system root causes, so recurrence of incidents is minimised. Incidents are thoroughly investigated using problem-solving tools such as 5-Why Analyses, Fish-Bone Analyses, and 8-Step problem-solving. Additionally, learnings from all incidents and analysis are shared across our operations, ensuring everyone benefits from these experiences and fostering a proactive approach to safety. We are also continually investing in improving our problem-solving capabilities through the MAS Operating System (MOS), which promotes a culture of safety ownership.

A holistic focus on hazard-identification involves consideration for employee health and well-being by testing and identifying the potential impact of occupational exposure to chemicals, heat, noise, vibrations, and other factors.



## OPERATIONAL CONNECT

GRI 402-1, 407-1

Fostering harmonious employee and industrial relations and nurturing strong community engagement is critical for an organisation to run smoothly and seamlessly. At MAS, deliberate processes and functions have been put in place to ensure this.

### ENSURING UNINTERRUPTED OPERATIONS VIA EFFECTIVE OPERATIONAL CONNECT TO THE SHOP FLOOR

MAS is committed to a people-first approach, upholding the principle of freedom of association as outlined in ILO Convention 135, which pertains to worker representatives and is implemented through the establishment of functioning workers' councils – the Joint Consultative Committee (JCC) and Employee Representative Body (ERB). They ensure that representatives are democratically elected by employees annually. The JCC/ERB meetings have a recommended quorum of 75% of employee representatives. The Management is tasked with ensuring fair elections, efficient issue collation, and timely responses to grievances. Representatives advocate for the interests of shop floor employees, addressing a wide range of issues, including grievances and ensuring a voice for all departments on the shop floor.

JCC/ERB meetings, held monthly, function as a problem-solving mechanism. Representatives and Management discuss topics such as remuneration and working conditions, to reach mutually beneficial solutions. Transparency is key, with minutes certified by stakeholders and 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.

To further empower representatives, the HR Operations function has digitised operational data and established robust data-capturing mechanisms. This allows for actionable insights and data-driven decision-making. The HR Operations team serves as a conduit for sharing knowledge on best practices and expert advice, while also driving the development of HR operational dashboards in collaboration with the GHR Talent Analytics team. These dashboards, like the ERB/JCC Dashboard, H&S Accident Dashboard, and TM and Staff Recruitment Portal, enable MAS to analyse shop floor sentiment, health and safety statistics, and internal recruitment trends.

This structured approach ensures compliance with international labour standards, fosters a culture of inclusivity, transparency, and continuous improvement within MAS Holdings.

Group-wide plant visits by Senior Management ensure employees' concerns are heard and addressed. Additionally, an open-door policy allows employees direct access to leadership for any grievance.

MAS' commitment goes beyond internal measures. For external stakeholders, MAS fosters strong relationships with law enforcement, regulatory authorities, schools, hospitals, and the wider community. A dedicated community grievance mechanism allows locals to voice concerns related to MAS operations. We review and action these concerns in an appropriate manner.

MAS prioritises open communication through a multi-layered stakeholder engagement approach. Regular town hall meetings, hosted annually and biannually, provide a platform for employees to gain insights into the business landscape, customer trends, and strategic direction. Leaders from plant Strategic Business Units (SBUs) and divisional levels also conduct regular briefings, fostering a shared understanding of organisational goals and strategies. Transparency is key during operational changes. MAS keeps employees informed well in advance, allowing time for review, feedback, and revisions. This builds trust and strengthens employee engagement.



An HR Operational Connect forum brings together HR operation leaders from each division. This platform allows for addressing potential issues impacting the shop floor, driving the HR Operations strategy as “One MAS.” Best practices that are beneficial to the wider group and community are shared, and a broader understanding of the operational landscape is established.

#### SHAPING INDUSTRY AND THE NATIONAL LANDSCAPE: EXTERNAL CONNECT

The influence of HR Operations reaches beyond the internal. They play a key role in solidifying MAS’ position as a prominent leader at both industry and national level. This is achieved by maintaining strong ties with key government and industry bodies. Through collaboration with organisations like 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 industry-wide discussions and policymaking. This ensures MAS remains at the forefront of shaping industry standards and practices in alignment with our values of fairness and equity.

#### NAVIGATING CHALLENGES WITH FORESIGHT: CRISIS MANAGEMENT

MAS’ HR Operations is tasked with anticipating challenges and developing effective crisis management plans. This includes identifying potential scenarios, establishing clear communication protocols for both shop floor staff and external stakeholders, and drafting legal documents for situations like closures, mergers, or furloughs.

These measures ensure a structured and compliant approach during difficult periods, such as the industry downturn experienced in 2023. By providing legal advice for manufacturing consolidation efforts and addressing potential complications with the Board of Investments of Sri Lanka (BOI), HR Operations plays a vital role in supporting effective problem-solving and legal adherence. This proactive approach safeguards the Company and its employees during challenging times.

#### HR ADVISORY: EXPERT GUIDANCE AND SHAPING THE FUTURE LANDSCAPE

The HR Advisory function serves as a central hub for expert advice on employment and labour law at Group level. Their focus lies in developing and implementing policies that standardise and simplify existing labour practices throughout the Company’s divisions. This includes providing support in areas like Employee Lifecycle Management (ELM), in terms of labour law compliance.

To adapt to the evolving labour landscape in 2023, the Sri Lankan Government embarked on a project to unify, amend, and modernise labour laws. This initiative, led by the Ministry of Labour, aimed to establish Sri Lanka as a more attractive destination for investors and a leader in the export market. As a key player in the Sri Lankan economy, MAS was identified by the Joint Apparel Association Forum (JAAF) as a crucial influencer in this project.

Through workshops and discussions, MAS, along with the Ministry of Labour and JAAF, actively participated in proposing amendments to the existing and shaping the new labour laws. The focus was on promoting diversity, inclusion, and progressive labour practices that align with global standards. These ongoing conversations hold significant weight, with the potential to influence the future of work in Sri Lanka by 2024.



## A PURPOSEFUL CULTURE

Having already redefined MAS' purpose the previous year, our way forward in communicating, cultivating and celebrating our purpose was mapped out for 2023.

The journey began with over 100 of our senior leaders, including CEO's participating in one-on-one coaching sessions, focusing on weaving MAS' purpose into the fabric of their daily activities and leadership approach. This leadership focus cascaded down through designated divisional and SBU Purpose Ambassadors who facilitated interactive workshops across the entire workforce. Each year, we grow our efforts to upskill more purpose ambassadors, with the goal of reaching our global workforce in their respective languages.

These sessions not only deepened understanding of the Company's purpose but also empowered participants to discover their own personal purpose, in terms of professional and personal fulfilment. Through these efforts, a remarkable reach of 94.85% of the executive and above cadre and 82.28% of the staff and team member cadre was achieved in 2023.

Addressing the need for more flexibility, an engaging e-learning course was launched. The online platform, featuring videos and activities, allows employees to learn at

their own pace, seamlessly integrating the training into their busy schedules.

Compelling stories were carried using a variety of communication channels including social media platforms. A captivating "Purpose" film served to further solidify understanding and appreciation of the redefined purpose statement. The film emphasised that the articulated purpose reflects how MAS has always functioned, reinforcing its significance. Additionally, global leaders and employees shared personal testimonies, illustrating their experiences and perspectives related to each element of the purpose statement.

To measure the success of these efforts, employee surveys were conducted. In 2022, the focus was on the executive and above cadre, leading to the development of the aforementioned initiatives. This year, the attention shifted to the staff and team members. Through focus group discussions, valuable insights were gained. Employees expressed a need for deeper connections between their daily work and MAS' purpose. Taking these insights to heart, MAS is currently implementing several employee-suggested strategies to bridge the gap.

By bringing to life a shared purpose, MAS is strengthening communication, empowerment, belonging, and ultimately, productivity and overall success.

### "TO BE CHANGEMAKERS, ENABLING DREAMS AND ENRICHING THE FABRIC OF LIFE ON OUR PLANET."

In celebration of its purpose-driven initiatives, MAS launched the inaugural MAS Changemaker Awards in 2023. This event recognised and rewarded individuals who embody MAS' purpose by creating a tangible positive impact on people, processes or products, and the planet. Additionally, the awards honoured teams and departments for reaching significant milestones in their Plan for Change commitments. Applications poured in from across all MAS divisions, demonstrating the widespread commitment to living the Company's purpose.

Following a rigorous judging process, six teams that have excelled in their Plan for Change work, and six individuals who aligned with the MAS purpose were selected as winners. The Plan for Change awards were presented in respect to each of the pillars "Products Changed for good", "Lives Changed for Good" and "Planet Changed for Good", along with an "Overall Changemaker Team". In the individual category, awards were presented in two sub categories reflecting the key elements of MAS' Purpose Statement – the

"Enabler of Dreams" category rewarded individuals who empowered communities and developed creative solutions to social problems; and the "Enricher of Lives" category recognised employees protecting and regenerating the environment through innovative solutions. An overall MAS Changemaker was also chosen based on their exceptional contributions to both communities and the environment. This esteemed individual, from India, received a monetary donation from MAS to be directed to their chosen charity. In line with their changemaking spirit, the winner used the funds to improve infrastructure at a rural school in India, creating a better learning environment for the students.

Inspired by the dedication of these changemakers, MAS initiated an ongoing programme to recognise and share their stories through internal flyer campaigns distributed across the entire group. To ensure consistency, standardised recognition criteria were established and shared with HR teams, enabling recognition at both divisional and group levels. MAS takes immense pride in its employees who exemplify the spirit of changemaking, and remains committed to appreciating and celebrating their efforts to create a positive global impact.

Further empowering employees to engage in meaningful projects, MAS introduced a new global "Leave for Volunteerism" programme for the executive and above cadre. This leave can be taken as a full day or two half-days, allowing participation in volunteer activities or projects focused on community upliftment or environmental conservation, organised by MAS or recognised external organisations. While anticipating a positive ripple effect from this initiative, MAS also developed clear guidelines outlining eligibility and proper utilisation of this new leave type, ensuring its effectiveness.

## A GUIDING COMPASS: THE MAS CODE OF CONDUCT

GRI 2-15

The MAS DNA, the Company's official Code of Conduct, was first introduced to senior leadership in 2016, this foundational step was followed by a deliberate rollout in 2017, extending the principles to all managerial levels. It marked the beginning of a structured approach to ethical standards and professional conduct.

Recognising the importance of leadership by example, a dedicated effort was made to prioritise implementation of the MAS DNA among the executive and above. Their pivotal role in setting organisational culture and exemplifying ethical behaviour was crucial.

Our phased approach was carefully crafted to ensure the principles of integrity, accountability, and transparency permeate every level of the Organisation. Through targeted initiatives and ongoing engagement, MAS endeavours to cultivate a shared understanding and commitment to upholding the tenets of the Code of Conduct across its diverse workforce. Ultimately, our goal is to foster a culture of responsibility and trust, nurturing a work environment built on strong principles of ethical conduct and professional excellence. The Code of Conduct, which includes our mechanism for handling grievances, was designed with the input and involvement of internal stakeholders and key groups across the apparel value chain.

## FROM CODE TO CULTURE

By 2022, full implementation reached executive and higher cadre employees across all locations, both in Sri Lanka and overseas. To maintain alignment with the MAS DNA's principles, a minimum of one refresher training session was conducted in 2023 for existing staff, which is mandated to be conducted annually going forward. In order to inculcate the MAS DNA, it is also an essential component of the onboarding process for all new recruits.

Taking our commitment even further, comprehensive equal opportunity and anti-harassment training programmes were rolled out to all team members in Sri Lanka, with new hires receiving them during induction. Our diligence in fostering a culture of ethics, equality, and respect extends to the Company's global operations, with the awareness programmes reaching eight out of nine overseas plant locations.

Beyond training, MAS facilitates focused group discussions with team members. This platform encourages meaningful dialogue, allowing employees to share insights and raise questions regarding the Company's core values. It is an opportunity to reinforce the importance of ethics, equality, and respect within the MAS culture, deepening employee engagement and a commitment to upholding the Company's guiding principles.

## THE CONNECT

### 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



### KEEPING EMPLOYEES INFORMED & ENGAGED

The MAS DNA is more than policy, it is a comprehensive programme that actively promotes ethical conduct, equality, confidentiality, data protection, and regulatory compliance in the workplace.

The Company conducts regular refresher training sessions to keep employees informed and engaged with the MAS DNA. The sessions use practical examples, discussions, and case studies to help employees understand how to apply these policies in real-life situations, while the Social Sustainability Scoring Tool tracks completion and comprehension. Additionally, separate reports are submitted to the Audit Committee to ensure continuous improvement of the programme.

Refresher sessions also revisit the core principles of the Code of Conduct, emphasising ethical behaviour, integrity, and professionalism in daily work. Employees receive guidance on equal opportunity, anti-harassment, and diversity awareness.

The 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. Employees are expected to treat each other with dignity and

respect for one another, 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. The intention is to promote an inclusive and respectful workplace where everyone can succeed and thrive.

Guidelines to prevent situations where personal interests might conflict with the Company's interests are included in the Conflict of Interest policy. This policy requires employees to disclose situations where personal interests, relationships, political or financial interests could potentially influence their decision-making or actions within the Company.

Similarly, the Gift Policy provides a clear framework for accepting gifts from third parties. It requires approvals for gifts and applies to training, entertainment, or any form of benefit. A comprehensive gift registry tracks all gifts received or given, regardless of value.

In 2023, MAS took additional steps to reinforce awareness of these policies. Mandatory training sessions were held for executive and above [executive and assistants (E&A)] employees on conflict of interest and gift policies. Additionally, all assistant managers

and above roles are now required to disclose any outside engagements they may have. These measures promote transparency and mitigate potential conflicts between employees' external activities and their responsibilities within the Organisation.

The impact of the MAS DNA extends beyond internal operations. The Company is currently developing a Vendor Code of Conduct. This Code will outline expectations for MAS' external partners regarding business practices, ethical behaviour, and compliance. It aims to cultivate a network of trusted partners who share MAS' commitment to ethical conduct, contributing to the overall integrity of its supply chain ecosystem.

Confidentiality, data protection, and intellectual property (IP) policies are also part of 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. Employees are educated on maintaining professionalism and protecting the Company's reputation online.

The Company uses a multifaceted approach to create ongoing awareness of the MAS DNA. This includes focused group discussions, flyers, posters, and educational videos. These initiatives engage employees at all levels, promoting dialogue, clarification, and a deeper understanding of company values.

**THE GRIEVANCE REPORTING SYSTEM**

GRI 2-25, 2-26

MAS understands that a healthy work environment thrives on open communication. A robust reporting system has been implemented to empower employees to voice their concerns and offers multiple avenues to ensure all voices are heard.

Employees can choose the reporting method that best suits their comfort level. Open and confidential conversations are encouraged directly with HR personnel, who are trained to be supportive and address a wide range of concerns. Within groups, divisions, and SBUs, designated code officers act as trusted contacts for employees to discuss ethical conduct or policy compliance issues.

For those who prefer anonymity, we offer multiple channels. An anonymous hotline service allows employees to report concerns without revealing their identity. The DNA Helpdesk, accessible through the Company's website, provides another channel for seeking guidance or reporting potential violations. MAS is even exploring the option of opening the hotline to third parties, creating a wider safety net.

MAS goes the extra mile to encourage reporting. Strategically placed grievance boxes across facilities provide another layer of anonymity for voicing concerns. Additionally, trained Employee Relations (ER) representatives are available to listen, address concerns, and escalate grievances as needed.

**EMPOWERING VOICES FOR GROWING TRUST**

Over the past four years, MAS has seen an increase in employee confidence when it comes to speaking up about concerns. Our ongoing awareness and education programmes, actively encourage employees to voice their concerns whenever they experience discomfort or difficulty. It has led to a rise in reported cases from 2020 to 2023. Rather than being a negative trend, this increase signifies a growing trust in MAS' efforts to further transparency and accountability.

**UPHOLDING INTEGRITY IN THE REMEDIATION PROCESS**

MAS takes a zero-tolerance approach to misconduct. When a concern is raised, a thorough investigation begins. Standardised protocols guide the process from start to finish, ensuring fairness, objectivity, and consistency. Uncovering

the facts is the initial step. It involves gathering evidence, interviewing relevant parties, and documenting findings. A thorough analysis then facilitates an effective resolution to the reported issue.

Next, the Company employs a structured Consequence Management Framework which serves as a structured approach to determining the appropriate actions in response to employee wrongdoing. The framework considers both the intent behind the misconduct and the impact on the Organisation. the severity of the offense is evaluated across impacted areas including finances, service delivery, employee morale, reputation, environment and more. Based on these measures proportional and fair disciplinary action is taken. This balanced approach ensures consequences are proportional and fair, reinforcing a culture of accountability and ethical conduct at all levels.

All reported cases are recorded on a central platform, which provides a comprehensive overview of investigations, actions taken, and outcomes in real-time. It serves a dynamic tool that allows MAS to identify trends, patterns, and recurring issues across departments or locations. This proactive approach enables the Organisation to identify systemic issues and implement targeted interventions to address underlying causes.

Maintaining a centralised platform fosters trust among employees and stakeholders by ensuring everyone has access to consistent and up-to-date information. This demonstrates MASs commitment to addressing concerns openly and promptly. Additionally, the system streamlines reporting processes, reduces administrative burdens, and ensures accurate documentation. It also facilitates compliance with regulations and internal standards, providing a clear audit trail for both internal and external stakeholders.

In essence, MAS' approach to investigations, consequence management, and centralised data recording reflects a deep commitment to fairness, accountability, transparency and upholding our organisational integrity.



## EMPLOYEE ENGAGEMENT AND VOICE

At MAS, we believe a healthy organisation is a high-performing organisation. A healthy culture begins with resilience, employee satisfaction and talent retention, which translates to a more engaged workforce, driving productivity and long-term success. In line with this philosophy, we partnered with an external consultant to continuously improve MAS' health and ability to deliver on its strategic objectives.

A key element of this partnership is the Organisational Health Index (OHI) survey. This comprehensive assessment analyses nine key areas impacting an organisation's ability to align, execute, and renew itself.



### Motivation



### Capabilities



### Accountability



### Leadership



### Innovation and Learning



### Coordination and Control



### Direction



### Work Environment



### External Orientation

The survey also delves into 43 management practices that contribute to these outcomes, identifying areas where MAS can excel and unlock its full potential. To benchmark our performance, MAS' OHI scores are compared against leading Fortune 500 companies. This provides valuable insights and allows us to measure ourselves against the best.

The OHI survey was conducted among executives and above in 2018 and 2021. The results provided a clear picture of MAS' current state and enabled the development of targeted initiatives to improve the health of individual divisions and the Organisation as a whole. In 2023, we achieved a 90.40% completion rate on the Group OHI roadmap. Divisional OHI roadmaps were also monitored quarterly, with a final evaluation at year-end, ensuring consistent progress. To bring about collaborative problem solving and best practice sharing, the central team facilitated knowledge-sharing sessions between the Divisional Champions of Culture and the OHI.

While implementing targeted initiatives, we also launched a communication campaign. This campaign highlighted ongoing initiatives across MAS and explained the benefits these activities have for employees. Our goal is to ensure everyone understands the connection between individual well-being, organisational health, and overall success.

Looking forward, we are excited to repeat the OHI survey in 2024. The revised survey will include new areas of focus that reflect evolving workplace standards, such as the establishment of a common purpose, sustainability efforts, flexible work arrangements, and fostering inclusivity and belonging. Additionally, a new module will assess employee experience, providing valuable insights into how employees perceive the Organisation.

### SPORTS BEYOND APPAREL

MAS' dedication to sports goes beyond crafting high-performance sportswear for renowned brands. We understand the value of a holistic approach to employee well-being, where participation in sports plays a vital role in fostering a vibrant and healthy workforce. This translates into actively encouraging employees to pursue a healthy work-life balance and develop their skills, physical and mental well-being through sports.

MAS provides a platform for sports enthusiasts to excel, offering opportunities to compete, showcase their talents, be recognised for achievements, and chase their athletic aspirations. Competing in Sri Lanka's mercantile sports arena builds a strong sense of teamwork, competitive

spirit, and a drive for excellence – qualities that easily transfer into a professional context. This boosts morale and embeds a sense of purpose-driven support and strategy within our corporate culture.

This focus on sports participation transcends short-term trends, reflecting our long-term commitment to the good health and resilience of our workforce. MAS has also contributed as a clothing sponsor for national and international games, forming strategic partnerships with athletes and creating performance engineered garments to support our many athletes in the different sports they represent.

In 2023, MAS employees excelled in Sri Lanka's annual mercantile sports competitions, achieving multiple championships across various disciplines. With over 900 participants demonstrating their dedication to health and well-being through sports, this year was particularly impressive.

The swimming and table tennis teams' phenomenal 10th consecutive championship wins, the tennis team's 8th consecutive championship, and athletics team's 5th consecutive championship are remarkable standouts that testify to MAS' commitment to fostering a culture of physical activity and a competitive spirit.

#	Sport	Number of participants in 2023	Championships in 2023	Achievement in 2023	Remarks
1.	Swimming	140	Mercantile	Champions	10 <sup>th</sup> Consecutive Year as of 2023
2.	Table Tennis	40	Mercantile	Champions	10 <sup>th</sup> Consecutive Year as of 2023
3.	Tennis	40	Mercantile	Champions	8 <sup>th</sup> Consecutive Year as of 2023
4.	Athletics	510	Mercantile	Champions	5 <sup>th</sup> Consecutive Year as of 2023
5.	Hockey	24	Mercantile	Champions	2023 Champions
6.	Badminton	46	Mercantile	Champions	2023 Champions
7.	Rugby	25	Mercantile	Bowl Champions	-
8.	Basketball	25	Mercantile	Division B Champions	-
9.	Volleyball	70	Mercantile	Champions	<i>Won in different divisions</i> Super League Division Women's A Division – Women's Championship Category – Champions (Men's)
10.	Chess	10	Mercantile	Champions	-



## THRIVING COMMUNITIES

GRI 413,203



### Our Commitment:

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

### Our Achievements in 2023:

**LKR 490 Mn.**  
invested in community initiatives

**968**  
activities carried out

**16,332**  
volunteers engaged

**2,608,704**  
beneficiaries

Through a dedicated community engagement model, MAS focuses on supporting vulnerable groups such as people with disabilities, the elderly, women and children.

In 2023, a budget of LKR 489 Mn. was allocated to community initiatives across the organisation. To ensure transparency and track progress, the Company maintains a centralised corporate citizenship dashboard – *Panthera*. To empower localised action, divisions retain control of their own CSR budget and activity planning. Each division is required each division controls its own CSR budget and activity planning, and is required to conduct a minimum of one corporate citizenship activity per month at the phase three level.

The Company has structured a clear set of guidelines and methodologies, focusing on six key categories for corporate citizenship activities.

## OUR COMMUNITY ENGAGEMENT MODEL

GRI 413-1

We continuously seek to deepen relationships with the communities in which we operates. The MAS Community Engagement Model (CEM) is our strategic approach to ensure all stakeholders are taken into consideration. It also provides transparency in relation to the activity, its implementation and the reporting mechanisms.

The model features a dedicated Community Engagement Team (CEM Team) responsible for analysing community needs, public requests, and employee suggestions; thereby ensuring all (100%) our operations include local community engagement. This allows MAS to plan annual engagement activities tailored to the specific needs and interests of each stakeholder group.

A key strength of the model is the stakeholder mapping system. All stakeholders are listed in a central document and plotted on a Google Map, allowing for easy identification of relevant individuals or groups when organising activities in a particular location. This collaborative and data-driven approach has already seen 34 facilities successfully map their stakeholders and further their community engagement efforts.

Category of intervention	Activities
Education	280
Environmental initiatives	143
Health	211
Local Connect	258
Nation Minded	40
Sports	28

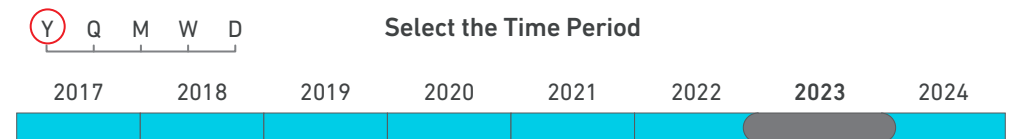
Additionally, there are six subcategories: capacity building, wellness, donation, state run programmes, disaster relief and infrastructure development.

MAS believes in building a more equitable and sustainable future by aligning its corporate citizenship activities with the UN Sustainable Development Goals (SDGs). In 2023, we placed a strong emphasis SDG 3 by increasing our efforts to further good health and well-being.

Through our ongoing initiatives, we continued working to enhance educational opportunities by taking a steadfast approach to SDG 4. We also endeavoured to empower individuals, and foster inclusive and resilient communities in alignment with SDG 11. MAS believes that by taking action in these critical areas, we can create a lasting positive impact. It is about building a better future, not just for ourselves, but for society as a whole – during challenging times and beyond.

## Corporate Citizenship Activities

Number of Activities	Number of Beneficiaries	Total Cost	Number of Volunteers
<b>968</b>	<b>2,608,704</b>	<b>LKR 489,843,639</b>	<b>16,332</b>



## Sustainable Development Goals





**MAS ECO GO BEYOND (EGB):  
SUSTAINABLE SCHOOLS PROGRAMME**

**17**  
years of dedication

**55**  
impactful projects

**149**  
schools involved

**177,491**  
students engaged

The MAS Eco Go Beyond Initiative (EGB) is a community outreach programme launched in 2006 by MAS Holdings in collaboration with Sri Lanka's Ministry of Education. This public-private partnership exemplifies the power of working together for positive change, through an initiative that goes beyond knowledge transfer to empower students to become agents of change within their communities.

Born from MAS employees' desire to empower children and protect the planet, the programme takes a student-centred approach. It cultivates essential skills like communication, leadership, and partnership building, while educating students on sustainable development.

Over 17 remarkable years, EGB has touched the lives of over 177,491 students across 149 rural schools in Sri Lanka.

**HOW THE PROJECT IS IMPLEMENTED**

Step 1 – Kick off with principal and teacher awareness on MAS Eco Go Beyond programme goals.

Step 2 – Schools nominate 4 students for 1 of 6 project topics, each with a project proposal.

Step 3 – Students and parents informed about programme and sustainability through awareness campaign.

Step 4 – Interview process selects 2 student leaders per school to champion sustainability.

Step 5 – Project grant awarded to each student to kick-start their projects.

Step 6 – Monthly meetings monitor progress, provide guidance, and foster collaboration.

Step 7 – Leadership and capacity building workshops equip students with project management, communication and problem-solving skills.

**PROJECT TOPICS**

- Biodiversity Conservation/Forest Restoration/Plant Nurseries
- Water Conservation and Management
- Energy Conservation and Management
- Waste Management (Disposal and Recycling)
- Adaptive Solutions for Persons with Disabilities
- Smart Agriculture

**MEASURING IMPACT**

After projects have been completed, a comprehensive evaluation assesses impact, effectiveness, and long-term viability. A key element of EGB's success is its continuous feedback loop. This ensures projects stay aligned with objectives and continue to improve. Outstanding students and projects are recognised, helping to motivate participants and create a broader shift towards sustainability.

In 2023, MAS Eco Go Beyond collaborated with 29 schools to implement 55 impactful projects. The MAS EGB Sustainable Schools Programme has demonstrably increased environmental awareness among students and communities. Through its innovative approach, strong partnerships, and commitment to impact, EGB continues to inspire a generation of environmentally conscious and socially responsible leaders in Sri Lanka.



**129,587**

New trees planted:

**137,134**

Green cover increased (sqm)

**26,041**

Compost generated (kg)

**2,044**

Plastic collected for recycling (kg)

**9,057**

Glass collected for recycling (kg)

**2,657**

Paper collected for recycling (kg)

**1,766**

Harvest from nutritious cultivation generated (kg)

**110**

Number of awareness programmes conducted

**72,898**

Number of trees distributed

**300**

Awareness campaigns on persons with disabilities (PWDs) conducted

**23,590**

Awareness campaigns for households conducted

**59**

Student-led projects initiated

**103,806**

Number of school students impacted

**29**

Number of schools involved

### MAS GIRLS IN STEM: BUILDING A BRIGHTER TOMORROW

Launched in 2022, MAS Girls in STEM ignites a passion for science, technology, engineering, and mathematics (STEM) careers in young women. This initiative empowers female students enrolled in the science stream for A Levels by providing hands-on learning experiences, valuable networking opportunities, and exposure to inspiring female role models in STEM fields. In 2023, we successfully engaged approximately 94 aspiring students.

#### IN 2023, WE WELCOMED FEMALE STUDENTS FROM TEN SCHOOLS

- Bishop's College
- Holy Family Convent
- Ladies College
- Methodist College
- Musaeus College
- Muslim Ladies' College
- Saiva Mangaiyar Vidyalayam
- Sirimavo Bandaranaike Vidyalaya
- St. Bridget's Convent
- Visakha Vidyalaya

The traditional curriculum often overlooks fascinating corners of the scientific world. The MAS Girls in STEM programme delved into topics like FemTech, wearable technology, aeronautics, data analytics, biotechnology, and artificial intelligence. The programme integrated engaging activities like quizzes, presentations, and hands-on sessions to make the learning dynamic and interactive.

In a country where only 10% of schools offer STEM subjects at the higher education level, and opportunities for women in these fields are scarce, MAS is looking to change the reality. The initiative highlights the crucial role of STEM in a competitive job market where 75% of new opportunities demand these qualifications. However, we want to reach beyond skills, to shatter stereotypes and empower girls to break into traditionally male-dominated fields. We created a supportive network of mentors and like-minded peers, providing inspiring female role models to pave the way.

A main highlight was the Giveback Programme. Here, the young participants transformed into STEM superstars, sharing their newfound knowledge and experiences with younger students in their schools, fuelling a passion for science that will ripple outwards.

The MAS Girls in STEM programme for 2023 drew to an end with a day of experiential learning and inspiration. An immersive roadshow was hosted by MAS' innovation hub, Twinery. Students engaged directly with teams from FemTech, Softmatter, Machine Build, Gamer Tech, and Digital Excellence – all cutting-edge areas within Twinery. Here, the girls had the chance to apply what they learned in the programme's STEM modules through hands-on activities. A student-moderated panel discussion gave the girls an opportunity to seek solutions for their educational and career-related concerns directly from leading STEM figures of Twinery. A certificate ceremony, well-deserved recognition of the girls' dedication and achievements was the last order of the day.

## MAS COMMUNITY ENGAGEMENT INITIATIVES: A ROUND-UP

MAS actively engages with communities around its operations through various initiatives. Take a glimpse into some of our projects from 2023/24:

**MAS Intimates Meal Drive:** Through a year-long meal drive, MAS Intimates was able to feed over 4,150 children and 1,230 community members in Sri Lanka who struggle with limited access to nutritious meals. Hope was delivered across 30 schools, one plate at a time.

**MAS Sumantra OPD Renovation:** In Bangladesh, the BEPZA Hospital is staffed by over 70,000 employees. MAS Sumantra saw the need for a more modern and welcoming environment and initiated an ongoing project valued at LKR 1.7 Mn. The project is transforming the Outpatient Department (OPD) with better infrastructure, cutting-edge equipment, and a focus on patient comfort. A lush garden is also being created to introduce a sense of peace and well-being for patients, staff, and visitors.

**Asialine Clean Water Project:** Acknowledging the long-standing support from surrounding communities – home to many of its team members – Asialine consistently contributes to their progress in education, health, environment, and other areas.

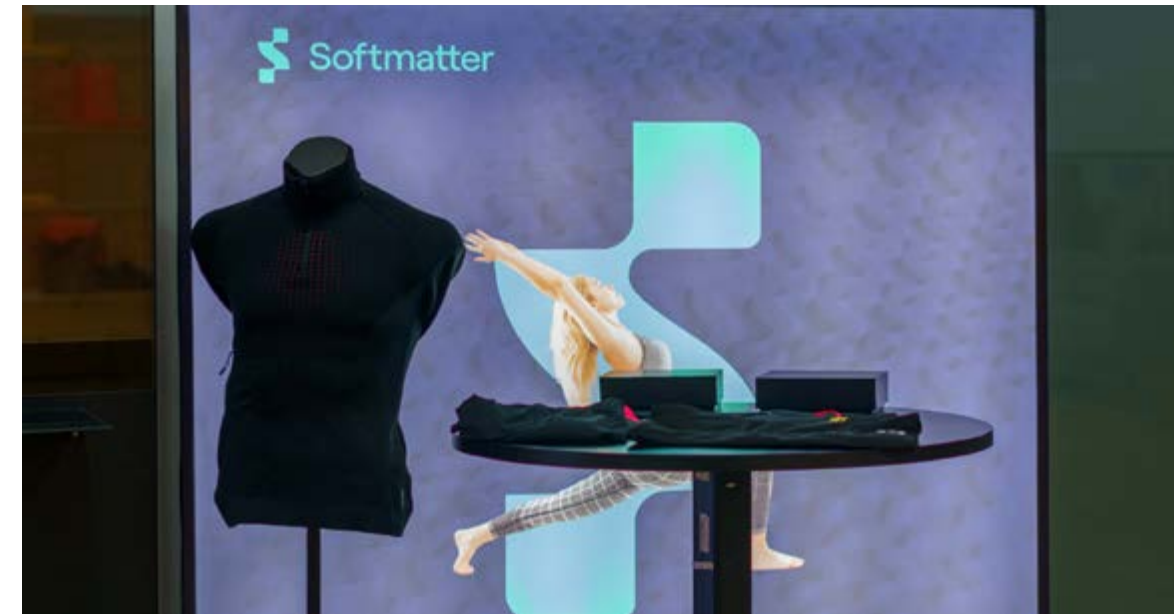
In 2023, the Asialine team identified a critical need for clean drinking water at Rathmalwala Primary School. The school's existing water source was contaminated, which had led to numerous health problems. To address the issue, Asialine installed a water filtration system, ensuring better health and access to clean water for nearly 300 students, staff, and parents.

**Suwa Diwiya – Contourline Mental Health Programme:** Mental health is a crucial aspect of our overall well-being, yet it is often shrouded in silence. Contourline partnered with the Madamahanuwara MOH office to reach 179 individuals in rural areas. The project focused on raising awareness and building a network of support, with the goal of creating a community where everyone understands the importance of mental health.

**Linea Intimo Udupila Hospital Refurbishment:** The Udupila Government Hospital serves over 63,000 residents across 27 Grama Niladhari Divisions in the Biyagama area, including many MAS employees. Linea Intimo recognised the need for crucial repairs and refurbishments to improve the quality of medical services.

The hospital was in need of a new storage facility; the morgue, being unfit for purpose, required urgent repairs to bring it up to an operational standard; the existing water

storage tank was unsuitable and a new tank was a much-needed upgrade; and further improvements were required across the facilities to improve access and safety. Volunteers from Linea Intimo worked hand-in-hand with the Sri Lankan Army SLLI camp-Delgoda and Regional Director of Health Services – Gampaha – Maintenance Section to bring this project to life.



## Our Planet Changed for Good

Leaving our planet better than we found it – through ambitious action on emissions, waste, chemicals, water, and biodiversity.

### Our Target for 2025:

**25.2%**

Reduction on Scope 1 and Scope 2 emissions\*

**100%**

Value enhancement of non-hazardous waste

**Zero**

Toxic in our products and processes

**65%<sup>^</sup>**

Reduction in water intensities

**100x**

Restoration of biodiversity in the space we occupy

\*Based on 2019 baseline

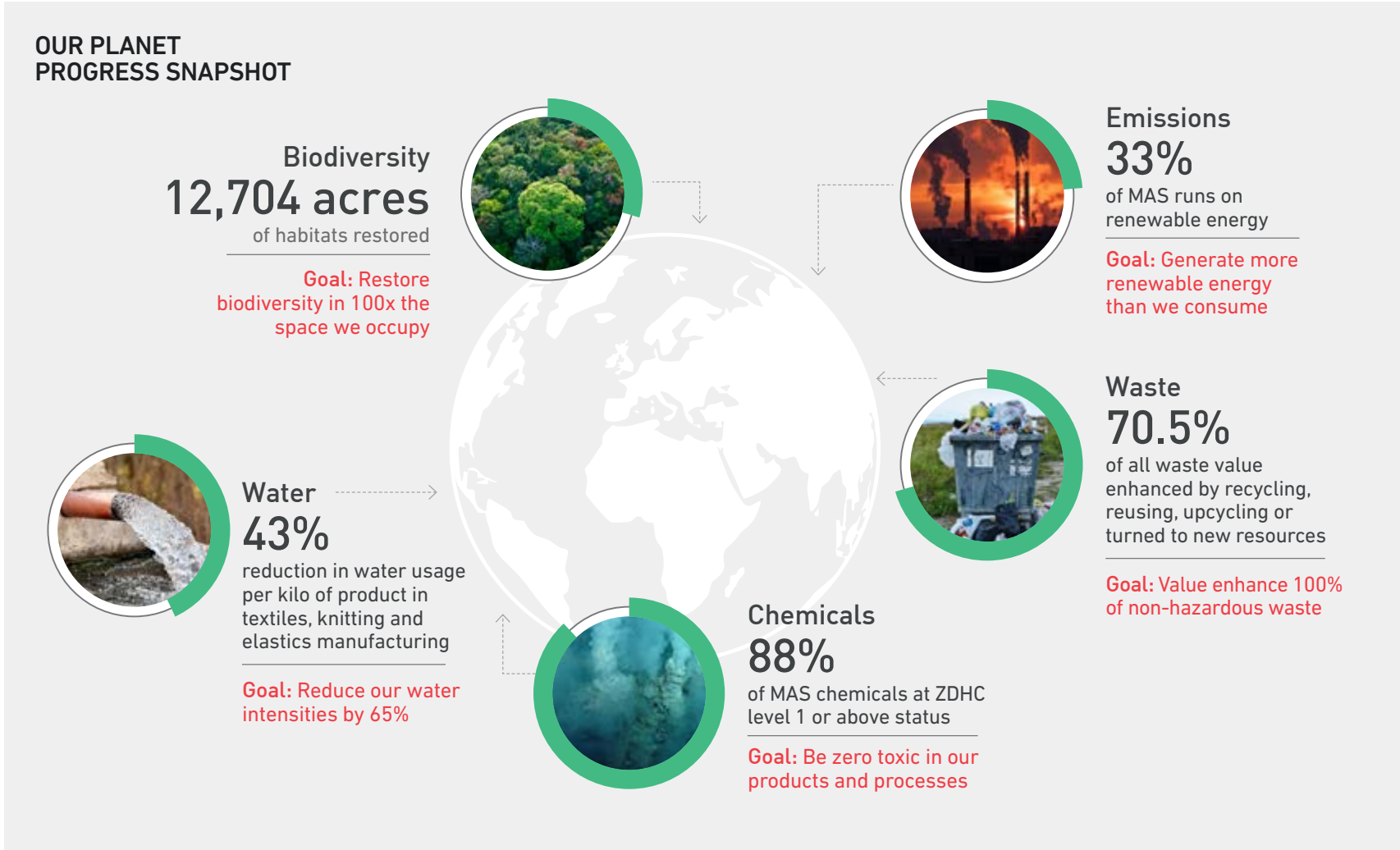
<sup>^</sup>Based on 2011 baseline

Since commencing formalised environmental sustainability efforts over a decade ago, we have been constantly working to identify, analyse, and mitigate the environmental impact of our operations. Spurred by a core principle: to leave our planet better than we found it, we have extended our focus to the wider environment and community in the regions we operate.

Our Plan for Change brings together MAS' efforts to mitigate and minimise our environmental footprint, push the boundaries of sustainability in the apparel industry, and champion ambitious and positive change at a local, national, and global scale.



**HIGHLIGHTS**



**LIMIT EMISSIONS**

GRI 302-3, 305



**Our Target for 2025:**

**25.2%**

Reduction on Scope 1 and Scope 2 emissions\*

2023: 20.27%  
2022: 11.48%

\*Based on 2019 baseline

**Our Commitment for 2025:**

**85%**

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

2023: 50%  
2022: 36%

Climate change is one of the defining challenges of our time. We are committed to being part of the solution. In 2019/20, alongside MAS' strategy refresh and launch of Our Plan for Change, we took a significant step forward by aligning our climate ambitions with the Science Based Targets initiative (SBTi). This translates to ambitious goals for our operations: 4.2% annual reductions in absolute emissions, toward achieving a total of 25.2% reduction against the 2019 baseline.

This was a herculean undertaking, considering MAS' growth projections at the time – of operations expected to almost double in the next 5-7 years. As we set out to grow sustainably, balancing expansion with climate-conscious innovation, zero-carbon technologies and concerted collaboration across the value chain were critical to meeting our goals. As leading brands and the entire industry look to tackling climate change, Scope 3 emissions – those generated throughout the apparel value chain – hold the key to significant emission reduction.

Recognising the interconnectedness of the value chain, and the need for a comprehensive approach, our commitment to science-based climate targets extends beyond our own operations. We are actively working with suppliers and partners to set their own science-based targets, improve environmental performance, and contribute to a collective push towards decarbonisation. Our ambitious goal, validated by the SBTi, commits to 85%

of our suppliers (by spend) and 100% of joint ventures in Scope 3 investments, committing alignment to science-based targets by 2025.

**PROGRESS TODAY, WITH A FOCUS ON TOMORROW**

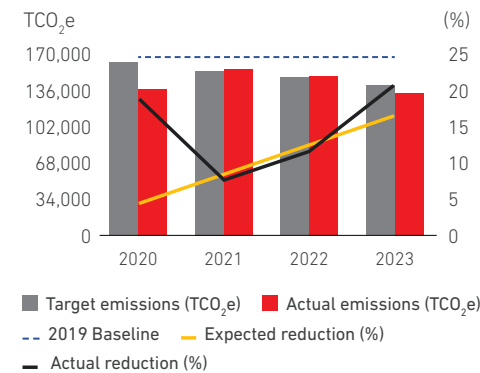
In 2023, we continued a positive trajectory towards meeting emission reduction goals; achieving a 20.27% decrease in absolute emissions (Scope 1 and Scope 2), against our 2019 baseline.

We saw significant progress in emission reduction, across all Scopes, during the year. Gains were made possible by renewable energy generation through Project Photon (rooftop solar that resulted in 12,269 MTCO<sub>2</sub>e annual emission reduction); sourcing and utilisation of sustainable and carbon-neutral biomass; and ongoing energy efficiency improvements across our operations. However, some of our emission-reduction in 2023 is also attributed to business scale-down; which may not continue into proceeding years.

We also made significant progress against our target for the supply chain and Scope 3 emissions: Supply chain engagement increased during the year, and approximately 50% of our suppliers by spend have now committed alignment to science-based targets for emission reduction.

In terms of energy and emissions-intensity, our Apparel Manufacturing operations recorded an energy intensity of 19.18 MJ/SH and emissions-intensity of 1.002 KgCO<sub>2</sub>e/SH. Our textile production operations maintained an energy intensity of 161.22 MJ/kg and emissions-intensity of 10.586 kgCO<sub>2</sub>e/kg, during the year.

**GHG Emissions – Progress against targets**

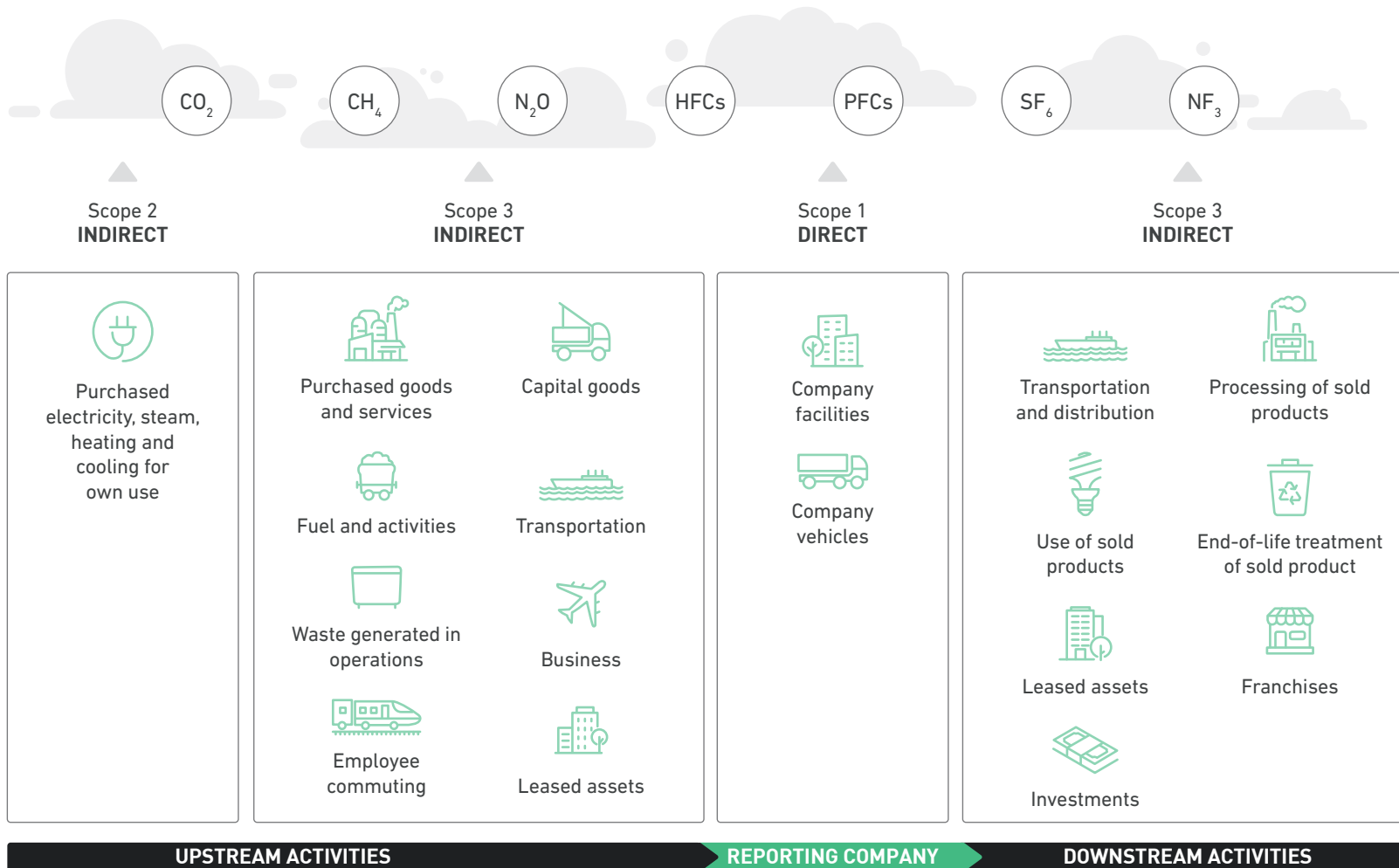


	2019	2020	2021	2022	2023
Target emissions (TCO <sub>2</sub> e)	168,832	161,741	154,650	147,559	140,468
Actual emissions (TCO <sub>2</sub> e)	168,832	137,382	156,420	149,446	134,604
Expected reduction (%)		4.20	8.40	12.60	16.80
Actual reduction (%)		19.00	7.40	11.48	20.27

## OUR EMISSIONS IN CONTEXT

GRI 305-1, 305-2

	<b>Scope 1</b>	<b>Scope 2</b>	<b>Scope 3</b>
<b>What it entails</b>	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.
<b>The challenge</b>	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.
<b>Our response</b>	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.
<b>Where we are today</b>	46,289.32 TCO <sub>2</sub> e 34% of Scope 1 + Scope 2 emissions	88,315.21 TCO <sub>2</sub> e 66% of Scope 1 + Scope 2 emissions	2,171,336.49 TCO <sub>2</sub> e



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

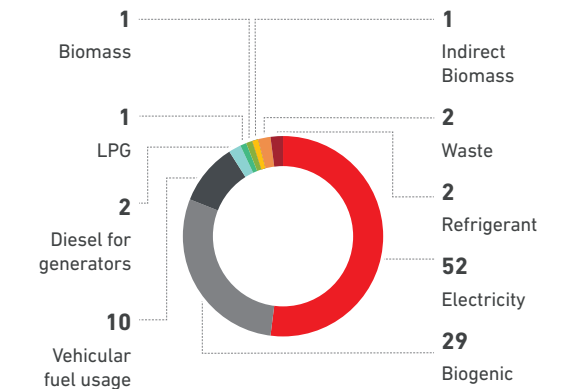
Scope 2 emissions account for the majority (approximately 66%) of MAS' total emissions from operations. This is an ongoing structural challenge for MAS and the wider industry since the high share of emissions is directly related to emission-intensive components of manufacture, such as wet processing, which require large amounts of energy and traditionally utilise fossil fuels onsite.

Purchased electricity represents a hard-to-abate component of our carbon footprint, as energy providers in our countries of operation are still largely dependent on fossil fuels for energy generation.

However, MAS' decarbonisation efforts through signing Power Purchase Agreements (PPAs) and obtaining Renewable Energy Certificates (RECs) from major energy-providers, such as Indonesia's state-owned energy provider – PT Perusahaan Listrik Negara (PLN), are boosting the share of clean energy purchased. Similarly, for heat and steam purchased from managed facilities, such as MAS Fabric Park, the shift to sustainable biomass continues to reduce Scope 2 emissions.

Biogenic CO<sub>2</sub> emissions, related to use of biomass, accounts for the second largest share (approximately 29%) of our total emissions. Biomass is a viable clean alternative to coal, when sourced and managed sustainably, and is an important element in our pursuit of carbon-neutral energy sources and scale-up of zero-carbon technologies. In 2023, sustainable biomass was introduced to our energy mix, as a GHG reduction initiative, through a project with Lanka Biofuel Solutions (LBS).

Scope 1 & Scope 2 Emissions by Source (%)





The following section, on our Holistic Approach to Decarbonisation, describes MAS' sustainable, transparent, and traceable strategy for sourcing and utilising biomass; and details our proactive partnerships and ventures to reduce both Scope 1 and Scope 2 emissions.

### SCOPE 3 – EMISSIONS ACROSS OUR VALUE CHAIN

GRI 305-3

Considering the critical importance of decarbonisation for the entire apparel industry, we have extended our assessment of Scope 3 emissions to cover the entire lifecycle of our products – from cradle to grave. This takes into account all 15 categories outlined in the GHG Protocol guidance on accounting for emissions across the value chain. We also undertake verification and validation of our GHG accounting methodology and disclosures; carrying out audits to meet the ISO 14064 standard.

Assessment and quantification of our Scope 3 emissions show that the downstream use-phase of our products constitutes the majority of our emissions (45%) along the value chain; while the end-of-life phase (including end-of-life treatment for apparels), contributes an additional 3%. Purchased goods and services account for the second largest share (35%). These are upstream emissions primarily related to the extraction, processing, and production of raw materials used in the apparels we manufacture. Additionally, transport and distribution of both raw materials and finished products; comprises about 12% of our total Scope 3 emissions.

Life cycle emissions across the value chain can vary significantly; according to the composition and design of products, channels of distribution, usage patterns of consumers, and disposal options. However, our assessments, and studies by independent bodies, manufacturers, and retailers alike; point to raw material production and use-phase of apparels as primary emission hotspots. This is where our product innovation and disruption, pioneering of circularity, and sustainable sourcing practices can all lead to transformative change in the long-term.

### OTHER SIGNIFICANT EMISSIONS

GRI 305-6, 305-7

As part of our environmental management protocols, we regulate and monitor the quality of all 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.

	2023
Ozone Depleting Substances (ODS) (TCO <sub>2</sub> e)	2,061
Carbon Monoxide (CO)	84%
Nitrogen Dioxide (NO <sub>x</sub> )	4%
Sulphur Dioxide (SO <sub>x</sub> )	5%
Volatile Organic Compounds (VOCs)	0.03%
Particulate Matter (PM)	7%

## HOLISTIC APPROACH TO DECARBONISATION

GRI 305-4

MAS' efforts to achieve an absolute reduction in carbon emissions, in line with SBTi commitments, necessitates systemic and structural change across the Group's entire operational footprint. Therefore, we take a holistic approach to decarbonisation guided by Our Plan for Change, which functions as a forward-looking blueprint that synergises our efforts.

At a micro-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 on an annual basis, and work with an independent third-party - the Sri Lanka Climate Fund, operating under the ambit of Sri Lanka's Ministry of Environment, for verification.

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 emission intensity. Despite these complexities, MAS has made significant progress by transforming systems, processes, and activities. Our stringent energy management, structural changes to energy-mix, and focus on operational excellence; all contribute to long-term emission reduction in carbon intensity of our production processes.

In 2023, the average carbon intensity of our Apparel Manufacturing operations, (cut and sew) was 1.002 kgCO<sub>2</sub>e/SH, and our Textile Production operations recorded a carbon intensity of 10.586 kgCO<sub>2</sub>e/kg.

Scope 1 and Scope 2	Scope 2 and Scope 3		Scope 3	
<b>Energy transition</b>	<b>Transforming waste</b>	<b>Innovation (product and process)</b>	<b>Circular thinking</b>	<b>Sustainable sourcing</b>
<p>Sustainable sourcing and utilisation of biomass.</p> <p>Scaling up renewable energy generation.</p> <p>Practicing sound energy management: maximising energy efficiency and saving.</p>	<p>Valourisation of non-hazardous waste (recycling and resource-recovery, and energy recovery).</p> <p>Responsible and proactive hazardous waste management (treatment, pre-treatment, repurposing, and energy recovery).</p>	<p>Products changed for good – Innovate and Disrupt (page 35)</p> <p>Product innovations unlocking increased resource efficiency; utilising climate-positive raw materials; and reducing waste.</p> <p>Process innovation that contributes to resource and energy optimisation.</p>	<p>Products changed for good – Pioneer circularity at scale (page 45)</p> <p>Partnering across the value chain to support closed-loop solutions that address end-of-life impact of apparels.</p> <p>Incorporating circular design for apparel longevity, durability, and recyclability.</p>	<p>Products changed for good – Source sustainably (page 38)</p> <p>Collaborating with suppliers to reduce emissions.</p> <p>Sourcing renewable materials and alternatives to fossil fuel based inputs.</p> <p>Implementing traceability that is supporting recycling.</p>

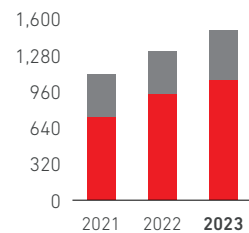
## ENERGY TRANSITION

GRI 302-1, 302-3, 302-4, 305-5

The apparel industry is undergoing a critical shift towards cleaner energy sources, and addressing dependence on fossil fuels throughout the production chain. Our ethos of striving for change, and long-standing climate and sustainability initiatives have tackled this head-on.

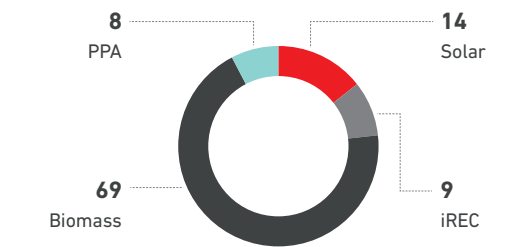
GHG reduction initiatives and projects, such as the Group's Solar PV footprint – which generates and sells electricity to the national grid; Power Purchase Agreements (PPAs) with energy-providers; and purchase of International Renewable Energy Certificates (iRECs); have contributed to an estimated emission reduction of 27,330.83 MTCO<sub>2</sub>e during the year.

### Share of Renewables in the Energy-Mix (GJ) ('000)



	2021	2022	2023
Non-renewable energy consumed ('000)	751	948	1,085
Renewable energy consumed ('000)	377	495	442

### Renewable Energy by Source (%)



Solar (GJ)	72,563.76	Biomass (GJ)	348,638.76
iREC (GJ)	44,892.00	PPA (GJ)	38,766.50

### SUSTAINABLE 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 it potentially carbon-neutral. 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 supported

development of a sustainable fuel-wood standard for the country, which included criteria for sustainably produced fuel-wood that prioritised both environmental and social factors. Our innovative approaches, including use of invasive plants as biomass, resulted in lower energy intensity, while contributing to conservation of vulnerable ecosystems. MAS' sustainable biomass standard for operations, specifies suitable climate-neutral feedstock, incorporates systems for sustainable sourcing, and ensures certification and verification that prevents deforestation and biodiversity loss.

### SCALING UP RENEWABLES: PROJECT PHOTON

MAS' emissions reduction and climate ambitions are powered by pioneering projects like Project Photon, a multi-roof solar installation initiative.

Project Photon is the evolution of MAS' long-term journey to expand the use of renewable energy. From our very first 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.

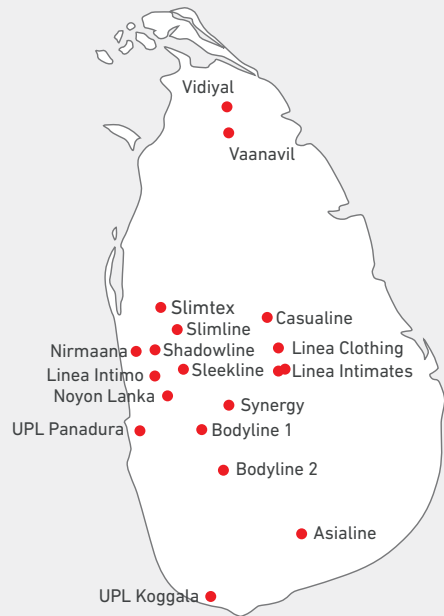
Today we have an installed capacity of 23 MW across 25 rooftops – in Sri Lanka. Project Photon comprises Sri Lanka's largest solar roof area, generating clean energy exported

to the National Grid and providing additional supplementary income. The Project reduces our annual carbon footprint by an estimated 12,269 tons of CO<sub>2</sub>e and together with other sources of renewable energy such as sustainable biomass, iRECs, RECs, and PPAs; contributes to around 33% of MAS' energy consumption coming from renewable sources.

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.



**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 MW</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 & 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%**



### **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 four MAS facilities in Indonesia: MAS Arya 1 and MAS Arya 2, PT Silueta Indonesia, and Pym Intimates Indonesia.

### **ENERGY MANAGEMENT**

Facility-wide energy management is made possible through the Schneider Energy Management System (EnMS), a powerful tool that provides real-time data on electricity and water usage across our operations. The system empowers 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. The system optimises energy use, improves process control, and facilitates predictive maintenance; reducing downtime and operational costs. Achieving the net effects of reduced energy consumption, lowered emissions, and improved regulatory compliance.

**TRANSFORM WASTE**

GRI 306



**Our Target for 2025:**

**100%**

Value enhance of non-hazardous waste

**70.5%**

of all waste value enhanced by recycling, reusing, upcycling or utilising in waste to steam conversion for internal process use in 2023

2022: 63.8%

As a leading apparel manufacturer, working with pioneering global brands, we are at the forefront of developing innovative, effective, and sustainable solutions to the apparel industry's waste footprint. Our vision is to transform waste into a valuable resource, giving it new life, creating value, and also minimising and mitigating environmental impact.

As part of the MAS Plan for Change, we have set ourselves an ambitious goal: to achieve 100% value enhancement for all non-hazardous waste generated through our manufacturing processes, by 2025. To achieve this goal, we employ Group-wide efforts for waste minimisation; engage with third-party waste management partners to ensure safe and responsible disposal; and devote resources to continuous innovation and collaboration – both imperative to address the impact of waste across the life cycle of our products.



**Waste Transformation through Continued Action**

Working towards 100% value enhancement of all non-hazardous waste by 2025; we made progress during 2023, achieving 70.5% of all non-hazardous waste value enhanced. Up from 63.8% the previous year. This progress is achieved by concerted and continuous action across our operations. In 2023, initiatives for process optimisation, innovation, collaboration, and capability development were the drivers of our success.

We continued to uphold an ongoing commitment to zero landfilling across our operations, achieving 99.3% of all waste diverted from landfills during the year. The remaining 0.7% was directed to government-authorised landfills and disposed responsibly. Our facilities in Sri Lanka, Bangladesh, India, Vietnam, and Jordan, have practised zero landfilling since 2021, and 100% of Raw Material (RM) waste from our global operations is diverted from landfills.

All hazardous waste was diverted from landfills and disposed responsibly, in line with environmental regulations, through energy recovery. A minimal portion of hazardous waste was value enhanced through preparation for reuse or recycling.

Addressing our non-hazardous waste footprint, actions focused on the processes and people involved in our operations. We took steps to increase cutting table efficiency on the shop-floor; continued to monitor progress against group-wise KPIs for waste recycling and reuse; carried out training for waste-handlers; and maintained engagement and collaboration with third-party waste management partners. Similarly, ongoing projects to adopt paperless processes and carry out waste segregation at department level, helped reduce our footprint and better manage the non-RM waste we generate.

Our innovation and circularity teams continued to pursue avenues for scaling of synthetic and natural fibre recycling, and reincorporation of post-consumer waste. Achievements in this arena are described in the Products Changed for Good section (pages 30 to 47). In 2023, we strengthened relationships with textile to textile recycling technology providers, and laid the groundwork for piloting of commercial-level initiatives around circularity from 2023 onward.

**OUR WASTE FOOTPRINT**

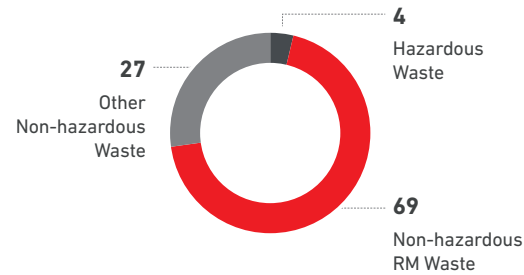
GRI 306-3, 306-4, 306-5

To gain a comprehensive understanding of 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 2022 figures, but are largely unchanged year-on-year, and representative of waste streams structurally inherent to our operations.

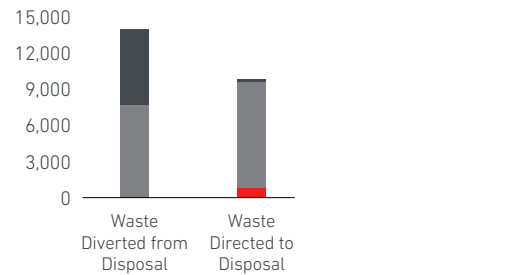
Origin	Composition	Classification	Waste management measures
Apparel manufacturing (cut and sew operations)	<p><b>Stream 1:</b> Categorised as Raw Material (RM) waste, makes up approximately 69% of non-hazardous total of total waste from our operations. Primarily consisting of (47%) raw material reuse 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> <ul style="list-style-type: none"> <li>➤ Energy recovery through incineration (93%)</li> <li>➤ Preparation for reuse or recycling (7%)</li> </ul>

**Waste Generated (%)**



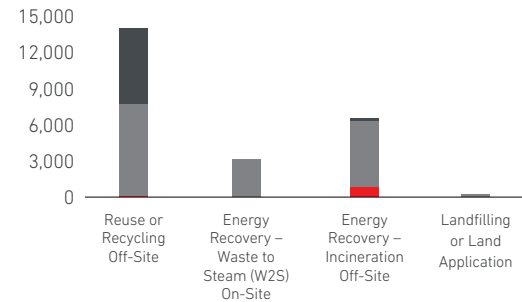
Hazardous Waste (MT)	899
Non-hazardous RM Waste (MT)	16,653
Other Non-hazardous Waste (MT)	6,557

**Waste Diverted from Disposal (MT)**



Waste Type	Waste Diverted from Disposal (MT)	Waste Directed to Disposal (MT)
Hazardous Waste	62	836
Non-hazardous RM Waste	7,791	8,965
Other Non-hazardous Waste	6,327	231

**Waste Value Enhancement (MT)**



■ Hazardous Waste 
 ■ Non-hazardous RM Waste 
 ■ Other Non-hazardous Waste

**APPROACH TO WASTE VALUE ENHANCEMENT**

GRI 306-1, 306-2

The issue of waste in the apparel industry is two-fold. While post-consumer waste is often the most visible; upstream pre-consumer waste, generated during production, also presents a substantial challenge that requires effective management to reduce environmental impact. As with most environmental challenges, the solution to waste is complex, interconnected, and requires a holistic approach. This is why our commitment to transforming waste extends to finding solutions for both these, with an ultimate focus on the entire apparel value chain.

As an apparel manufacturer, our waste management efforts focus on the production process, but they don't stop there. We are also committed to responsible management of indirect waste generated by our business, our people, and our communities.

When addressing waste management solutions, we adopt a lifestyle perspective. This approach considers upstream raw material extraction, and downstream circulatory opportunities, such as prioritising recycling and reuse, ensuring a comprehensive cradle-to-grave perspective.

**PRE-CONSUMER WASTE: PRACTICES, PROCESSES, AND PARTNERSHIPS**

Adopting the 7R principles, we actively work to prevent and reduce waste as a fundamental imperative. This begins with our plants, and the practices of our people.

**Practices:** With over 75,000 employees based in Sri Lanka, we recognised the potential for significant impact in adopting innovative waste management practices across our national footprint, which could be modelled and replicated across other regions. To this end, MAS launched the "Pirisidu Lanka" initiative (which translates to "Clean Lanka") in 2020. This waste management process 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 project also extends to initiatives within the community, as described in the section ahead on "Inspiring Change beyond our Walls".

Group-wide and facility-level waste policies provide further 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. The *Pirisidu Lanka* 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.

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: LIFE CYCLE THINKING FOR LONG-TERM SOLUTIONS

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. Taking a cradle-to-grave perspective, we analyse the use-phase and end-of-life waste-related impact of products we manufacture. With the MAS Plan for Change as a platform, we 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 product approach, described in Products Changed for Good (pages 30 to 47), and the MAS 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 Materials (PRM) management strategies that are cognisant of 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. The section on pages 45 to 47 describes how we are Pioneering Circularity at Scale; through a number of partnerships with innovative customers, raw material producers, collectors and segregators, recyclers, and logistics providers.

### INSPIRING CHANGE BEYOND OUR WALLS

MAS' vision for waste transformation extends beyond our operations. We are able to extend our waste management efforts to communities and the countries in which we operate, through division-led community-based initiatives, groundbreaking programmes driven by the MAS Foundation, and partnerships with leading technology innovators.

### Single Use Plastic Elimination Project at Mihintale Temple

MAS *Kreeda* spearheaded a project to make Mihintale Temple a single-use plastic-free zone in preparation for the Poson Poya celebration in 2023. This initiative brought together more than 25 stakeholders, including government officials, private sector entities, non-governmental organisations, educational institutions, community organisations, and the broader community, engaging over 5,000 participants.

The project kicked off with a major clean-up day involving all stakeholders to assess current waste management practices. During this initial clean-up, more than 1,000 PET bottles were collected from the *Meda Maluwa* and upper areas. The effort required over 20 semi-truck loads to haul away the waste. Following the Poson Poya celebration, only 20 PET bottles were found in the upper area of *Meda Maluwa* during a subsequent inspection, and just four semi-truck loads of waste were collected on the second clean-up day. A key component of the project was the establishment of a waste management plan for the Poson period. This plan included strategically placing waste bins, implementing a regular waste transport system, and eliminating the use of plastic items at the temple.



**RESPONSIBLE  
CHEMICAL USE**

GRI 303 SASB CG-AA-250



**Our Target for 2025:**

**Zero**

toxic in our products  
and processes

**88%**

of MAS Chemicals at ZDHC  
MRSL Version 3.1 Level 1 or  
above accepted status in 2023

2022: 99.8%

Our commitment to responsible chemical use considers potential environmental impact, employee health and safety, and consumer safety. The goal to be zero toxic by eliminating harmful chemicals from our products and processes is not a point-in-time destination; but an ongoing process.

As science continues to shed light on the environmental and human impact of anthropogenic processes and materials; regulations, industry practices, and consumer preferences are also evolving. Our efforts, to streamline chemical management within our facilities, collaborate with chemical suppliers, and uphold transparency through verification and certification; are building confidence for customers working to eliminate harmful chemicals from both their products and the wider apparel value chain.

MAS' robust chemical management process supports responsible use of chemicals not only at our facilities, but also across the supply chain. We benchmark our operations and supply chain facilities against internationally recognised standards such as the Zero Discharge of Hazardous Chemicals (ZDHC) initiative, Bluesign, and Higg FEM; covering the areas of Input, Process, and Output.

The section on Ambitious Targets, Real Change (page 21) has more details on what our certifications mean, where they align with international regulatory standards, and how they are making apparels safer and more sustainable.

**AN ONGOING COMMITMENT TO  
SAFE CHEMICAL USE**

In 2023, we achieved 88% ZDHC MRSL compliance for chemicals used in our Textile Production processes and facilities. This is a 12% decrement compared to the previous year, which reflects measurement against the updated MRSL Version 3.1, rolled out in late 2022, wherein several new restrictions were introduced. Our facilities are in the process of renewing certificates from 2.0 to 3.1, within the allocated transition period.

In 2022 we made a strategic decision to align the chemical management process of our Textile Production operations, including compliance of wet operations, with Bluesign; one of the most stringent global sustainable chemical certification. In 2023, our dye facilities have successfully transitioned to using 94% Bluesign approved chemicals within their operations.

Achieving Bluesign certification for our articles means we are not only minimising environmental impact at the manufacturing stage, but also enabling customers to expand their sustainable product portfolio and offer consumers with safer, more environmentally-conscious choices.

The capacity and awareness of our teams is an essential component in ensuring responsible chemical use across input, process, and output. In 2023, we continued to invest in employee capability, with over 15 trainings conducted for employees at different levels, covering topics like Safety Data Sheets (SDSs), safe handling practices and proper disposal methods, and emergency readiness, for direct handlers. Additionally, nine separate trainings were conducted for our executive teams, providing essential knowledge on industry standards like ZDHC MRSL, RSL, Bluesign, and the Group's chemical management tools in place.

Extending our oversight to the value chain, we monitor input chemical compliance and ZDHC Wastewater compliance for 42% of our spend base. Working with upstream chemicals suppliers and embellishment subcontractors continued to be a priority in 2023. We held forums for local chemical suppliers and subcontractors to communicate progress against our sustainability targets, Group expectations, evolving compliance requirements for 2023, and progress on certificate renewals.



## OUR CHEMICAL MANAGEMENT PROCESS

GRI 303-2 SASB CG-AA-250a.1, CG-AA-250a.2

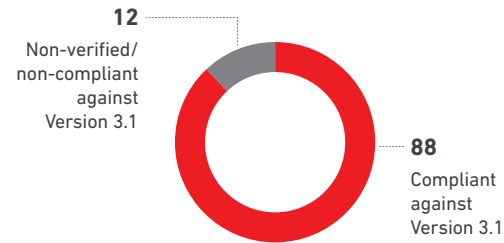
Our approach to chemical management focuses on three key areas: Input controls that ensure the chemicals we purchase and use, are safe; Process controls to enable safety in handling, transport, labelling, use, and storage of chemicals; Output controls and verification that guide how we treat and dispose of chemical waste and industrial effluent, ensure environmental compliance, and guarantee safety of the products we manufacture. Product Stewardship at MAS involves a commitment to safety and conformity of the apparels we produce. This is ensured through collaboration with customers, finished product testing, third-party audits, and certification against international standards.

The Group's Central Sustainability Team guides facilities toward achieving our goals for responsible chemical use, including chemical management; backed by a comprehensive Group-wide chemical management policy and manual. Within this framework, divisions and Strategic Business Units (SBUs) follow brand-specific chemical management guidelines, while ensuring they are in keeping with the Group's overarching chemical policy requirements.

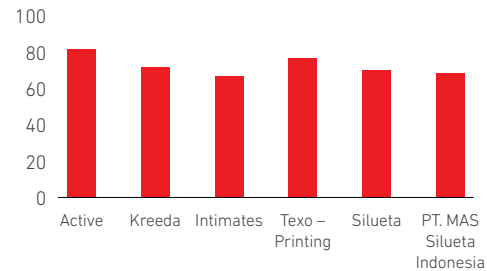


	Input	Process	Output	
<p><b>Supply Chain</b> </p> <p>Collaborating with RM suppliers and subcontracting partners, to ensure the chemically value added raw materials we source will comply with safe chemistry standards</p>	<p>Ensuring we purchase and use safer chemicals in our operations, with the end goal of creating safer products and mitigating negative environmental impacts.</p>	<p>Practices and processes within our facilities that identify hazards, guarantee safety of our teams, and ensure that chemicals are used in a correct way.</p>	<p>Infrastructure and systems in place to treat and monitor effluent, reduce and mitigate potential risks, and validate our chemical management practices.</p>	<p><b>Product Stewardship and Consumer Safety</b> </p> <p>Testing, verifying, and certifying that our products conform to international standards, national/regional regulations in our consumer markets, and brand-defined requirements.</p>
<p>Monitoring of input chemical compliance and ZDHC wastewater compliance for 42% of our spend base.</p> <p>All embellishment subcontractors achieved minimum 94% compliance with ZDHC Chemical Gateway against MRSL Version 2.0.</p> <p>All applicable embellishment subcontractors fully complied with the ZDHC WWG.</p>	<p>88% ZDHC MRSL compliance for chemicals used in Textile Production facilities.</p> <p>94% Bluesign approved chemicals utilised in Textile dyeing operations.</p>		<p>Compliance with local and national regulations for wastewater treatment (such as CEA limits, and BOI norms)</p> <p>Alignment with international effluent treatment standards (such as ZDHC WWG and parameters), where applicable.</p>	<p>18 facilities meeting OEKO-Tex Standard</p> <p>one dye facility delivering Bluesign certified articles</p>

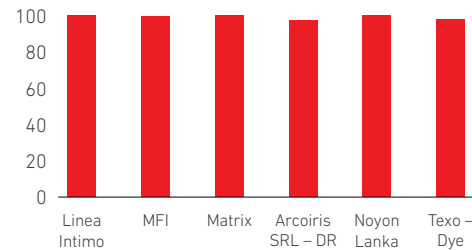
**MAS Overall Summary (%)**



**Input Compliance – Embellishments (%)**



**Input Compliance – Dye houses (%)**



**INPUT**

We strive to be compliant with existing regulations for safe chemical use, and proactive in assessing and anticipating upcoming chemical restrictions – through constant engagement with customers and suppliers, diligent monitoring of the regulatory environment, benchmarking against international standards, and exercising stringent controls at procurement.

- **Identification and elimination** of restricted materials, is driven by hazard-based assessments and standardised benchmarks. These include industry, brand, or product-specific Restricted Substance Lists (RSLs); Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substance List (MRSL); and the Bluesign System Substances List (BSSL).

- **Sourcing safer alternatives** is an ongoing process, where we work with customers and chemicals suppliers to find suitable alternatives for chemicals of concern that are likely to be replaced. Scanning of international benchmarks such as Bluesign Black Limits and OEKOTEX-standard 100, or regional regulations such as CA Prop 65 and Reach SVHC; help us anticipate upcoming restrictions.

ZDHC MRSL Version 3.1 has already set a precedent for restriction of PFAS in textile finishing, and our facilities are in compliance with the same. At the same time, we have identified Bisphenol S (BPS) as a substance that is seeing growing scientific and regulatory attention. As such, we are taking proactive steps to find alternatives and are already working on processes to make this transition.

- **Controls** and restrictions at procurement stage that ensure only Bluesign approved chemicals are newly introduced for dyeing; and for printing – only ZDHC Level 1 or above chemicals are newly introduced, while Level 3 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** against international standards, such as ZDHC, guides our approach, while continuous tracking, through tools like Higg FEM, informs our safety processes and mitigation plans. We identify and track any toxic properties through tools like Scivera LENS; monitoring the composition of our production chemicals in line with their SDSs, and carrying out standardised activity-wise risk assessments (based on hazard and exposure) to maximise worker safety. High-risk chemicals have clear action plans in place for risk mitigation, and wherever possible we prioritise sourcing of alternative Bluesign chemicals that present low-risk alternatives.

- **Controls and SOPs** are exercised within our facilities for chemical-related activities; providing clear guidance and instructions for teams working with chemicals. Appropriate Personal Protective Equipment (PPE) practices are also in place. Process controls relating to chemical dosages are also in place and monitored continuously.

- **Capability Development** through training and awareness, for both direct handlers and relevant management representatives, ensures our teams are up to date and well-informed of Standard Operating Procedures (SOPs), emergency response protocol, and developments to guidelines or regulations; in order to drive MAS chemical management work stream requirements.

**OUTPUT**

Our responsibility in chemical-use extends to wastewater treatment and discharge from our wet-processing facilities. Effluent Treatment Systems are in place to effectively remove contaminants from wastewater before discharge, and rigorous monitoring of effluent quality ensures we meet the standards set by national regulations and international benchmarks, such as ZDHC Wastewater Guidelines, the SAC's Higg Facility Environmental Module (FEM), and our own MAS scale (Environmental Calibration) Tool to verify effectiveness and successful implementation of Chemical Management Work Stream requirements.

With regard to our operations in Sri Lanka, all facilities within the MAS Fabric Park (MFP), directly discharge their wastewater to the MFP wastewater treatment plant. After undergoing secondary and tertiary treatment, wastewater from MFP is discharged into a surface water body.

All treated wastewater discharged strictly adhered to standard parameters set out by the Central Environmental Authority (CEA), and complied with norms set by the Board of Investment (BOI) or country applicable standard. Quarterly tests are conducted, and test reports are submitted to local authorities and other regulating bodies. Where applicable, they were also in alignment with international effluent treatment standards, such as ZDHC WWG and parameters. There were no incidents of non-compliance with ZDHC WWG discharge limits reported during the year 2023.

### PRODUCT STEWARDSHIP & CONSUMER SAFETY

GRI 416-1, 416-2

Ensuring the safety of our products has always been paramount. It is a fundamental component of our approach to product stewardship, which extends to responsible chemical use and our ambitious goal of creating sustainable products that are good for the wearer. This is why we take a long-term, strategic, and multifaceted approach to assessing and managing the health and safety impacts of our products and services.

With regard to chemical compliance at the output-level, we verify the safety of our products by adhering to brand and product-specific RSL requirements – which are cascaded to Tier 1 supply chain partners where applicable; and conducting rigorous finished-product testing through third-party laboratories (based on brand recommendations for sample selection, running bulks, and shades/styles).

As an apparel manufacturer, our role in supporting transparency and traceability across the value chain for raw materials, waste, and ethical business practices; empowers our customer brands to uphold their commitments and provide their consumers with accurate information to make informed decisions. We have adopted all necessary technical, chemical, and raw material related compliance factors in the sourcing and processing of our products.

This comprehensive management system, supported by robust policies and procedures, adequate resources, and routine monitoring, contributed to no reports of regulatory non-compliance, related to product safety, product labelling, or marketing communications, during the year.

### OUR SUPPLY CHAIN EFFORTS

GRI 403-7

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 currently monitor input chemicals for approximately 42% of our spend-base against the ZDHC MRSL. 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.

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.

The section on Our Products Changed for Good – Source Sustainably (pages 38 to 40) explores in detail, our commitment to working with suppliers to ensure compliance and promote sustainable practices.





**CHAMPION BIODIVERSITY**

GRI 304



**Our Target for 2025:**

**100x**

Restoration of biodiversity in the space we occupy (25,000 acres)

2023: 51x (12,705 acres)

2022: 39x (9,651 acres)

Biodiversity represents the foundation of our planet's health and well-being. This intricate tapestry, woven from countless species and their interconnected relationships, forms a myriad ecosystems on earth. Biodiversity plays a vital role in vital ecological processes, including air and water purification, nutrient cycling and climate regulation. Furthermore, it provides humanity with a wealth of resources, including food, medicine, and essential ecosystem services.

Acknowledging the impact of our operations on biodiversity through land-use change, we actively contribute to its conservation and restoration. Identifying this as a sustainability imperative, and initiating projects in 2016/17, biodiversity conservation is now an essential element of the MAS Plan for Change. Our commitment to Champion

Biodiversity involves proactive engagement – as we pledged to restore habitats and enhance ecosystem services in an area 100 times larger than our physical footprint; embarking on an ambitious “Journey to 25,000 acres.” This initiative primarily aligns with SDG 15: Life on Land, which aims to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and biodiversity loss. Our biodiversity initiatives have expanded to cover coastal ecosystems, with conservation projects for mangrove and sea turtle habitats, and future efforts looking at coral reef ecosystems. These directly relate to SDG 14: Life Below Water, and Target 14.5 in particular – focused on the conservation of coastal and marine areas.

**JOURNEY TO 25,000 ACRES**

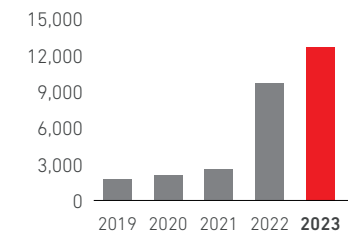
In 2023, we surpassed the 12,500-acre mid-way milestone, achieving 51% of our target for 2025, with an impressive 3,054 acres restored during the year, bringing the cumulative area impacted, to 12,705 acres.

Much of our impact is through direct and partnered conservation efforts (59%) and invasive species removal (24%) – both urgent priorities in our

countries of operation, where rapid urbanisation and population growth are driving land-use change and biodiversity loss, while invasive species are threatening the balance of natural ecosystems.

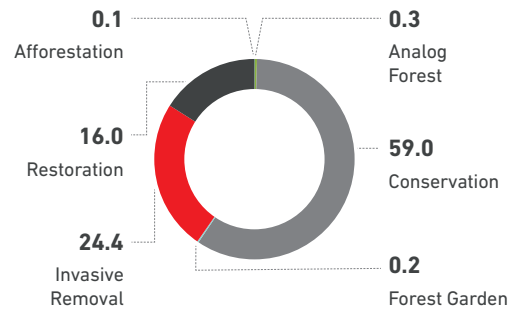
Global restoration projects are a new avenue for impact; where MAS is leveraging its global presence and reach, to address urgent needs for biodiversity conservation in even more ecoregions. The Kenya Conservation Project, a collaborative initiative that commenced in 2022, has now contributed to preserving about 7,345 acres of critical habitat, by the end of 2023. The Project directly benefits 70 conservation members and indirectly supports approximately 190 households.

**Biodiversity Conservation Progress**  
(Cumulative acres)

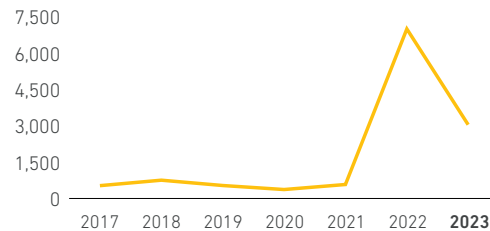




**Conservation Projects by Classification (%)**



**Biodiversity Conservation Annual Achievement (Acres)**



**AMBITIOUS APPROACH TO BIODIVERSITY CONSERVATION**



Our approach to biodiversity, initiated in 2017, began with a straightforward yet ambitious vision. Recognising that our facilities and built spaces across Sri Lanka and other countries occupy 251 acres of land, we acknowledged the need to compensate for the ecosystems we impacted. While none of our facilities operate in or adjacent to protected areas or areas of high biodiversity value, we committed to restoring and rehabilitating 100 times the area we occupy, amounting to a target of 25,000 acres.

To achieve this goal of restoring biodiversity in our countries or regions of operation, MAS has deployed six models to engage in habitat creation and conservation.



**Restoration**



**Afforestation**



**Invasive Removal and Habitat Enrichment**



**Analog Forestry/ Social Forestry**



**Forest Gardens**



**Conservation**

Selection of projects aligns with three key objectives.

- Objective A: Restore and enrich habitats to support a diverse range of species.
- Objective B: Conserve habitats and species within their natural environments.
- Objective C: Protect and monitor existing biodiverse landscapes.

Projects prioritise areas of high biodiversity value; home to a number of endemic, endangered, vulnerable, or threatened species. As our largest operational footprint is based in Sri Lanka, much of our work has focused on Sri Lanka’s biodiversity hotspots.

However, as our enterprise has expanded, so have our opportunities to make a positive change. Two of our most recent projects, are also our largest: A collaborative conservancy model implemented in Kenya’s Nairobi National Park Wildlife Dispersal Area – supporting wildlife migration in a region with the richest large-mammal biodiversity on Earth; and habitat restoration in Central Java, Indonesia – restoring ecosystems in one of the world’s largest rainforest areas.

None of our initiatives are carried out in isolation; instead, they often involve multiple stakeholders. Wherever possible, we actively engage in partnering with the people and organisations working on the ground. Their expertise, knowledge of the local context, and long-term involvement in the project area ensure the sustainability of our interventions.

We collaborate with partners, promote innovative techniques, and incorporate modern technologies or smart tools for scale, impact, efficiency, and reliability. Throughout project implementation, and after completion, we place significant value on monitoring and assessing impact. Our teams and partners carry out continuous monitoring to track progress during and after project completion, conduct impact evaluations, and work towards independent verification where possible.

In addition, local authorities and government bodies such as the Department of Forest Conservation and Department of Wildlife Conservation, are active stakeholders in most of our projects. Their involvement and oversight contribute to the effectiveness of our initiatives, and guarantee that all relevant regulations and standards are monitored and maintained.

**COLLABORATING FOR IMPACT AND SCALE**

Since 2017, MAS has engaged in and supported about 30 restoration projects with partners, resulting in the restoration of more than 2,000 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 Lanka 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.

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.

## CONSERVATION IN ACTION: OUR SUCCESS STORIES

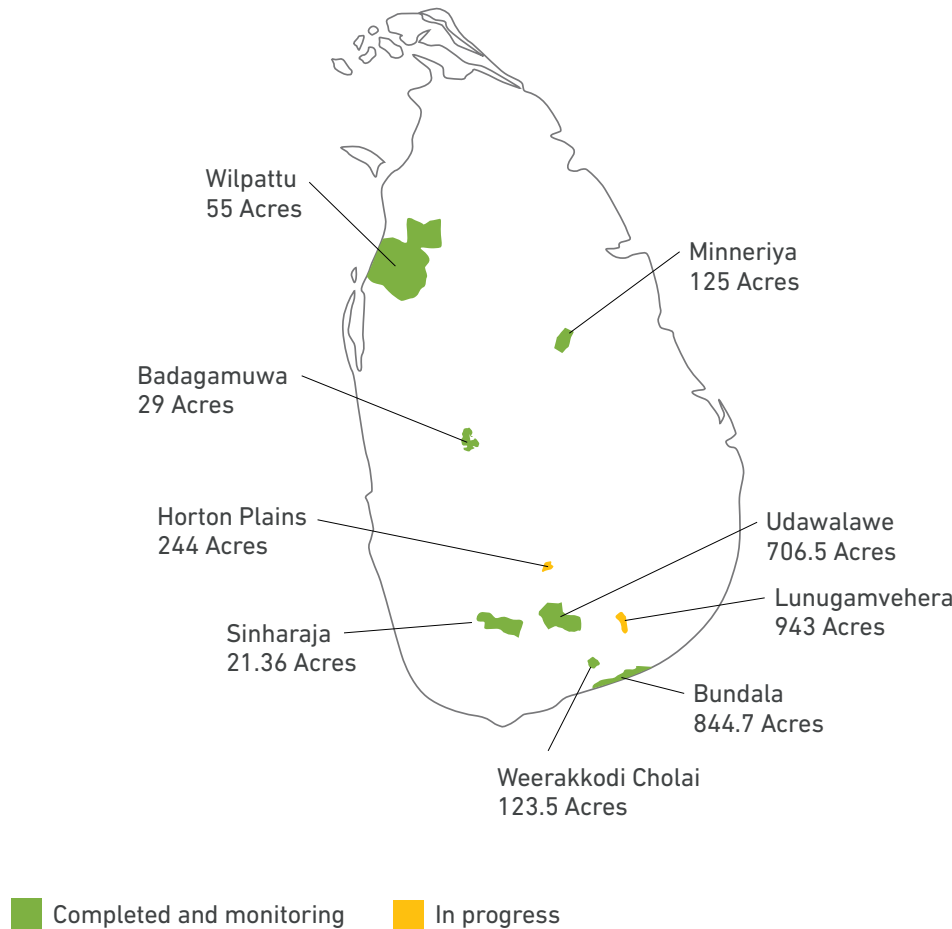
### INVASIVE REMOVAL AND HABITAT ENRICHMENT



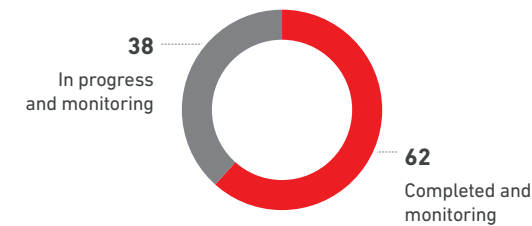
The Earth's ecosystems that are already contending with a variety of anthropogenic impacts, are further at risk due to invasive species; which are affecting biodiversity, disrupting the ecological balance of fragile and protected regions, and have the potential to threaten human food security.

Our projects focus on areas of high biodiversity value, 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 completed projects in 1,905 acres, across seven of Sri Lanka's protected conservation areas. As of 2023, we are implementing invasive removal projects covering 1,187 acres, in two additional national parks.



### Invasive Removal and Habitat Enrichment – Project Status (%)



#### THE ONGOING CHALLENGE OF INVASIVE SPECIES

Udawalawe National Park has a unique history representing the cascading impacts of human activity and both the adaptability and fragility of nature.

#### INTRODUCED SPECIES AND NATURE'S ADAPTATION

Historically a riverine ecosystem with floodplains, forest, and scrub typical of the Country's dry-zone; the area also comprised large swathes of grassland bearing testament to abandoned *chena* lands. Sri Lanka's oldest form of slash-and-burn agriculture (*chena* cultivation) had given way to acres of Guinea Grass – a species introduced in the 1800s, as forage and fodder for livestock, which had subsequently naturalised and spread across most of the country.

The grassland and floodplains presented ideal grazing and watering for herbivores, and attracted a sizable elephant population.

#### MOUNTING PRESSURES AND BIODIVERSITY LOSS

After construction of Udawalawe Reservoir, in the 1960s, a portion of the area was designated as a national park in 1972, to provide shelter and sanctuary for wildlife displaced by the dam and reservoir. Unfortunately, in the years that followed, much of the grassland came to be replaced by scrub as invasive alien species, such as *Lantana camara* and *Eupatorium odoratum*, took root. These fast-growing and highly-adaptable invasive species crowded out native vegetation, reduced forage for elephants and other fauna, and had a detrimental effect on native biodiversity.

#### CONCERTED INTERVENTION

In response, MAS, in collaboration with the Department of Wildlife Conservation and other stakeholders, launched a comprehensive invasive removal project in 2017. Since then, projects have cleared invasive *Lantana camara* from over 706 acres; paving the way for long-term health and resilience of the habitat.

An ongoing project with the Federation of Environmental Organisations (FEO), in the nearby Lunugamvehera National Park, is similarly working to clear invasive species from 943 acres, while supporting livelihoods of local communities.

#### RIGOROUS EVALUATION OF IMPACT

In 2023, to assess the project's effectiveness, we commissioned an independent study, covering the project's full extent (706 acres). The study was conducted by the Faculty of Science, University of Colombo, Sri Lanka.

- The study found that repeated clearing efforts significantly reduced invasive species density – with almost a 90% reduction after six to seven interventions.
- Removal of invasive species had a positive impact on native plant diversity and grass cover in particular, which is a vital component of the Park's ecosystem.

- Cleared areas showed a significant increase in both bird and butterfly species, compared to control areas; indicating a return of animal populations to their natural habitat.

The study commissioned by MAS, and ongoing research by other stakeholders, including the Department of Wildlife Conservation and local non-governmental bodies, are providing valuable information on how elephants and other large herbivores utilise these restored habitats; informing current and future conservation efforts.

## RESTORATION

Many of our planet's natural ecosystems have been disturbed by human activity and resulting environmental changes, leading to biodiversity loss on a global scale. Our restoration projects utilise a variety of proven scientific techniques, based on needs of different regions, and the capacity of institutions and communities working on the ground.

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 planning with local counterparts to develop and operationalise comprehensive conservation plans. Together, these projects aim to initiate, support, or accelerate recovery of disturbed ecosystems, and strengthen communities and institutions that function as environmental stewards.



### RESTORING MANGROVES FOR COASTAL RESILIENCE

Coastal mangrove ecosystems are proving to be a vital resource in mitigating and adapting to the effects of climate change – by not only sequestering carbon, but also building resilience of coasts and their communities.

#### MAS' MANGROVE RESTORATION ROADMAP

Mangroves are unique habitats that provide a multitude of benefits. Apart from protecting against coastal erosion, they also serve as nurseries for aquatic life; providing protected and nutrient-rich spawning and feeding grounds that boost biodiversity – this, in turn, enhances fish stocks that support local livelihoods. However, human activity has led to mangrove degradation, jeopardising these crucial benefits. This is why we have actively pursued mangrove restoration projects in Sri Lanka; restoring these biodiversity hotspots that are home to a large number of endemic species.

Having completed two projects spanning 56 acres, we are currently implementing partnered projects in 23.5 acres across three regions, and have plans in place to expand restoration efforts in 2024.

- 2017: Collaboration with *Thuruliya Arana* Monastery to restore 30 acres in Koggala, on Sri Lanka's southern coast.
- 2019: Partnership with the University of Jaffna, to restore 26 acres in Pooneryn's lagoon and coastline, on the northern tip of the island.
- 2023: Work with multiple partners; the Center for Sustainability – University of Sri Jayewardenepura, Wildlife Conservation Society – Galle (WCSG), Diesel and Motor Engineering PLC (DIMO), and the Department of Forest Conservation; to support restoration of 23.5 acres in Kalutara (Ittapane), Galle (Kepuela), and Trincomalee.

#### INNOVATIVE TECHNIQUES AND LOCALISED SOLUTIONS

Our ongoing projects in Galle and Trincomalee have incorporated partnership with local authorities, active community engagement, education and outreach, and plans for long-term area management. The two projects are not only restoring essential habitats, they are also providing learning for future restoration projects, and creating community-based models for sustainable ecosystem management.

In Galle, the use of region-specific mangrove species, mangrove nurseries, and specialised planting-adaptations to support sapling establishment, have resulted in a remarkable 80% survival rate. In addition, local engagement, school-level awareness, welfare programmes, and financial incentives have motivated communities to actively engage in conserving their mangrove habitat. While an impact study has been planned to study the effectiveness of the project, teams on the ground are already seeing positive effects of community efforts, with elimination of illegal garbage dumping at the site. Similarly, the Trincomalee project has achieved 70% survival rate due to utilisation of site-specific species, careful consideration for soil structure and hydrology, and planting adaptations that enabled propagules to deal with tidal variations.



**REFORESTATION OF GREEN CORRIDORS FOR ECOSYSTEM RESILIENCE**

A partnership with one of the oldest nature protection societies in the world, is unlocking innovative new avenues for habitat restoration and resilience.

**BRIDGING THE GAP THROUGH ENVIRONMENTAL CORRIDORS**

Continued commercialisation of land for agricultural use, has disrupted Minuwanella’s natural habitat and created isolated patches of forest, amidst stretches of tea and cinnamon plantations, which hinder the natural movement of species. Fragmentation of natural wilderness is an all too common occurrence in Sri Lanka that destabilises ecosystems and presents challenges for conservation efforts.

**CORPORATIONS AND COMMUNITIES DRIVING RESTORATION**

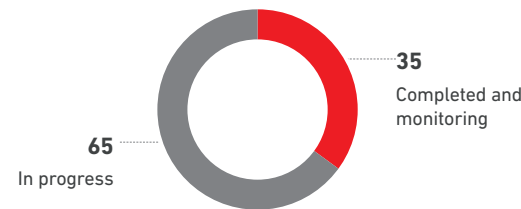
In response, MAS partnered with the Wildlife and Nature Protection Society (WNPS), through the WNPS Preserving Land and Nature (PLANT) project, in 2023. PLANT is an innovative and ambitious

project that is leveraging corporate citizenship, philanthropy, community involvement, and a scientific approach to restoration; to establish and preserve green corridors in some of Sri Lanka’s most biodiversity-rich regions.

The MAS-WNPS-PLANT Minuwanella Reforestation Initiative is currently focusing on restoring 3.75 acres of forestland adjacent to Sri Lanka’s cultural and biodiversity-rich Peak Wilderness Sanctuary. The project, set to restore an additional 7.5 acres by 2025, contributes to PLANT’s vision for green links between fragmented patches of natural forest.

In 2023, the reforestation initiative cleared invasive species that had overtaken natural flora, planted native species, and involved communities at every step – from site preparation to planting. While still early into Phase 1, the project is already seeing positives; with a notable increase in the Hump-nosed lizard population, and further signs of recovery among other vital species like butterflies and frogs.

Restoration – Project Status (%)



**CONSERVATION**

Our in-situ conservation projects are working to preserve biodiversity, safeguard natural ecosystems, and protect a number of species that are 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.

**COLLABORATIVE CONSERVANCY MODEL TO PROTECT WILDLIFE MIGRATION**

Community-based conservancy fostering coexistence between humans and wildlife around Kenya’s oldest national park.

**INCENTIVISING CONSERVATION**

The Kenya Conservation Project, a collaborative effort between MAS, The Wildlife Foundation (TWF),

and the Naretunoi Community Conservancy; is achieving remarkable results in both conservation and community development.

The five-year partnership, initiated in 2022, will expand TWF’s successful conservancy model within the Nairobi National Park Wildlife Dispersal Area. The unique initiative builds upon TWF’s existing approach, which utilises a combination of financial and non-financial incentives to sustain conservation efforts. The project aims to encourage landowners and local communities to maintain open land corridors to allow the free movement of wildlife and livestock in the park’s outskirts, aiding both wildlife conservation and improved land-use practices.

By the end of 2023, the project has successfully preserved 7,345 acres of critical habitat. It directly benefits 70 conservation members and indirectly impacts an additional 189 households, while contributing to MAS’ target of restoring 25,000 acres of habitat.

**EMPOWERING COMMUNITIES**

The project’s integrated approach goes beyond conservation to empower communities, particularly women-led households, by diversifying income

streams through sustainable use of natural resources. This reduces vulnerability and allows families to invest in education access for their children. The project’s emphasis on girls’ education is boosting secondary school completion rates, while the Conservation Education Centre nurtures young minds, building a future generation of environmental stewards and safeguarding indigenous heritage.

Collaboration between TWF and the Naretunoi Community Conservancy, fuelled by MAS’ support, is introducing a number of innovative approaches and contributing to real impact. The Biodiversity Conservation Lease Programme plays a vital role in strengthening conservation efforts and improving local well-being. By increasing household memberships in the lease programme, the project provides socio-economic benefits and educational opportunities within the Naretunoi Conservancy. Similarly, payments for ecosystem services and the establishment of biodiversity property rights are contributing to equitable benefits and sustainable cost-sharing models that would support conservation efforts in the long-term.



**SAFEGUARD WATER**

GRI 303



**Our Target for 2025:**

**65%<sup>^</sup>**

Reduction of our textile production water intensities

2023: 43% reduction

2022: 36% reduction

**Our Commitment:**

Achieve zero impact to MAS' operations and mitigate negative impact to the environment and community.

<sup>^</sup>based on 2011 baseline

The Earth's water resources face increasing pressure from population growth, the impacts of human development, and climate change induced drought, flood, and shifts in rainfall patterns. These factors are affecting water quality and contributing to water scarcity all across the globe.

For the apparel industry, water is a vital resource across the value chain – from raw material inputs, to manufacturing processes,

and the aesthetics and functionality of finished products. It is essential to the success of our business, but also vital for the well-being of our people and the sustainability of our planet.

This is why safeguarding water is much more than an environmental responsibility for MAS. It is a business imperative that involves collaborative efforts with customers, partners, suppliers, and communities; investment in the capabilities, awareness, and engagement of teams; and continuous improvement of technologies and processes. In 2015, we set ourselves an ambitious target of reducing, by half, the water footprint of our most water-intensive production processes. This envisioned a massive technological transformation to adopt waterless dyeing techniques at scale. However, a number of factors have affected feasibility and limited their adoption. Therefore, our teams made a collective decision in 2022, to recalibrate our targets – focusing on a goal that, while still ambitious, would also be achievable.

**SAFEGUARDING WATER FOR OUR OPERATIONS, COMMUNITIES, AND ENVIRONMENT**

In 2023, our overall water efficiency remained strong, reflecting a 43.07% water intensity reduction in textile operations (textile manufacture and knitting) against the 2011 baseline.

Despite lower production volumes and planned facility shutdowns for maintenance, we maintained a positive trajectory towards our 2025 goal. This significant achievement is testament to successful implementation of best-practices and process optimisation across our textile operations.

With regard to our apparel manufacturing operations in 2023; we achieved a 9.65% reduction in water intensity against the 2013 baseline, showing incremental year-on-year improvement. While this represents a much lower-impact segment of our operations, we continue to work towards internal operation-specific water-intensity targets. Ongoing initiatives for water-recycling, effective management and maintenance of HVAC infrastructure, and facility-level best-practices, are all contributing to long-term reduction in water intensity. Water recycling and reuse measures at our facilities continued to yield positive results, as we achieved a total water recycling amount of 94.9 ML during the year – up significantly from the previous year, and now equalling almost 5% of our total water withdrawal for the year.

## OUR WATER FOOTPRINT

GRI 303-3

Total water withdrawal for the year stood at 1,833 ML (megalitres), with majority of water coming from third-party sources: 57% from the National Water Resource Board through third-party purchases, and approximately 23% sourced from MAS Fabric Park (MFP) as an industrial park utility service provider. MFP's industrial support infrastructure provides centralised water, power, steam supply, and effluent treatment services to businesses functioning in the zone. This plug-and-play model empowers facilities set up at the park, such as Methliya, Matrix, Trischel, Textprint, Texo, MAS Fabric Intimo, Thurulie, and Linea AITC, to focus on their core competencies and optimise production processes.

About 13% of our water withdrawal in 2023 came from groundwater sources (4% from dug wells and 9% from tube wells); 5% from recycled water; and 2% from other resources such as bowser-water, water-dispensers, and rainwater. All water withdrawal was carried out with necessary permits from local authorities, and stringent limits and controls for extraction were exercised. While groundwater usage declined in

absolute terms during the year, there was a marginal increase from the previous year when considering share of the water-mix. Despite this, our ongoing efforts to reduce utilisation of groundwater have contributed to a steady year-on-year declines for the share of groundwater in our water-mix during the past five years.

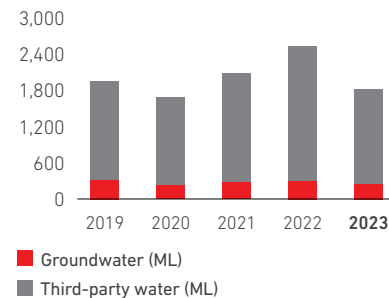
Our textile production operations account for 47% of water-use. This represents a high priority segment; as wet operations in the industry are heavily dependent on freshwater, involve the use of chemicals and other contaminants, and necessitate stringent and effective effluent treatment.

While our apparel manufacturing operations account for 53% of water-use; utilisation for HVAC cooling towers, sanitation, and other domestic purposes involves minimal water-loss due to evaporation and consumption. The majority of water withdrawn is released, after suitable treatment, and can be considered a recoverable return flow – maintaining water availability for ecosystems, industries, and communities downstream.

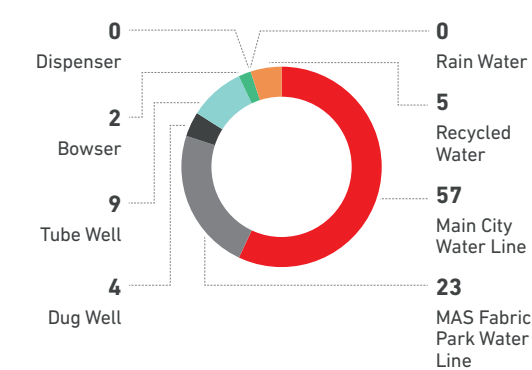
Metrics and percentages represented below are based on 2023 figures. Water source and share of water-use are largely unchanged year-on-year, while volume of water consumption is directly associated with production volumes and scale of our operations.

Scope	Water withdrawal (ML)	Primary uses	Conservation measures
Apparel manufacturing (cut and sew operations)	Third-party water (79%) Groundwater (13%) 978.66 (53%)	<b>Domestic:</b> Consumption, cooking, sanitation, landscaping. <b>Industrial: HVAC</b>	<ul style="list-style-type: none"> <li>▶ Technology adoption, infrastructure maintenance and management</li> <li>▶ Greywater recycling and reuse</li> <li>▶ Water-saving culture and practices</li> <li>▶ Rainwater harvesting</li> </ul>
Textile production (textile manufacture and knitting)	853.89 (47%)	<b>Industrial (wet processing):</b> Pre-treatment, dyeing, printing, rinsing and washing.	<ul style="list-style-type: none"> <li>▶ Product and process innovation for waterless dyeing.</li> <li>▶ Process optimisation</li> <li>▶ Technology adoption, infrastructure investment and modernisation</li> </ul>

Water Withdrawal at Facilities in SL (ML)



Water by Sources in SL Facilities in 2023 (%)



Main City Water Line	1,091,523.5
MAS Fabric Park Water Line	449,051.2
Dug Well	86,081.6
Tube Well	172,182.2
Bowser	33,662.5
Dispenser	50.2
Rain Water	2,167.0
Recycled Water	94,904.6

## SUSTAINABLE WATER MANAGEMENT AT MAS

GRI 303-1

To identify water risk in the areas we operate, we employ a standardised risk-based approach to assessing and managing water-related issues. Internally, we identify facility risks through a Water Risk Assessment, gathering inputs primarily from risk-filter tools made available by the World Wide Fund for Nature (WWF). These tools enable our teams to analyse and evaluate potential physical, regulatory, and reputational risks (related to water) for operations, at a facility-level. Risks are evaluated on an annual basis, and assessments have been carried out for the past two years.

At Group-level, we set annual normalised water targets that are cascaded to SBUs and individual divisions. This systematic approach is designed to efficiently reduce overall water intake while promoting sustainable utilisation practices. Employee engagement is a key factor in working toward our targets and successfully implementation of our strategies to safeguard water; including water reuse and recycling. We utilise water-intensity targets specific to our operations – for textile production (measured in litres per-kg) and apparel manufacturing (measured in litres per-head per-shift), and benchmark our progress against these targets.

Our efforts to reduce reliance on freshwater have involved use of greenwater (harvested rainwater) and scaling up MAS' greywater utilisation through innovative treatment, recycling, and reuse, where possible. Some apparel facilities incorporate on-site Sewage Treatment Plants (STPs) for wastewater treatment, with treated greywater being reused for landscaping, sanitation systems, and other purposes. A stand-out example is our Linea Aqua facility in Hanwella – Sri Lanka, where a two-step wastewater treatment process incorporates further water purification via Reverse Osmosis (RO). This recycled water is then used in cooling towers and for flushing toilets.

Recognising the importance of water resources to the communities around our operations, MAS implements a number of impactful water-related projects aimed at improving accessibility and enhancing the overall quality of water resources in our areas of operation. This proactive engagement, especially in water-risk zones, strengthens ties between facilities and the community and contributes to sustainable water management at a broader level.

Climate change, global warming, and resultant shifts in weather are having an unquestionable impact on the incidence of drought and flood across the globe. Our operations are partially affected during periods of drought or flooding – with the biggest impact on processes that are highly sensitive to water quality.





## MAS Foundation for Change: Creating a Better World Together

The MAS Foundation for Change was formed in 2022, as an independent non-profit organisation, to innovate, seek answers to pressing challenges and accelerate solutions. We do this by creating partnerships with innovators, implementers and sponsors who are changemakers in their fields.

Collaboration is pivotal to driving impactful change, which is why we engage with international organisations like USAID, Parley for the Ocean, 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 who are working on the ground. These partnerships directly support SDG 17: Partnerships for the Goals, allowing us to amplify our impact and accelerate systemic change.

Sustainability has been in our DNA since the inception of MAS. Our Plan for Change serves as a blueprint, guiding us to transform products, lives, and the planet for the better. This is a journey we are deeply committed to, but we recognise that the world's challenges require an immense, collective effort. The MAS Foundation for Change aspires to pave the way, leading by example and igniting a spark of change that ripples outward.

We have identified three pillars of focus to guide our efforts, as we endeavour to engage in impactful action, education, research and advocacy – to create a lasting positive impact in our communities.



### 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 around our breathtaking island nation, teeming with life, face a growing threat: plastic pollution. To safeguard vital marine ecosystems, immediate action is essential. Through innovative initiatives and enduring partnerships, the MAS Foundation for Change is at the forefront of the fight against riverine plastics. Our mission for Cleaner Oceans directly aligns with UN SDG 14: Life Below Water.

Launched in 2020 through collaboration with like-minded partners, our flagship project, the Ocean Strainers initiative, brings a large-scale floating trash trap concept to life. With 35 ocean strainers already installed and 192 additional locations identified for immediate deployment, we are taking significant strides in protecting marine ecosystems and maintaining biodiversity. Our latest data indicates that our ocean strainers currently intercept a staggering 1,600,000 kilogrammes of waste annually.

Plans to expand this initiative are underway. We are aiming to have 90 units in the water in 2024 to create a protective barrier around the country. This has the potential to prevent as much as 80% of floating plastic waste from reaching the wider ocean.

Our work does not stop there, we are forging partnerships to establish or connect Material Recovery Facilities (MRFs) with our ocean strainers, increasing plastic recycling rates and ensuring a more sustainable post-waste management approach. Furthermore, we are adapting and scaling the strainers for deployment in highland and sensitive upstream ecosystems. With a bold vision for cleaner seas, the Foundation aims to install 162 strainers by the end of 2025. These innovative Ocean Strainers will act as a vital shield, drastically reducing plastic flow through Sri Lanka's waterways and ultimately, its precious ocean ecosystems. Additionally, we are developing a standardised monitoring and evaluation system – the first of its kind – to create a national database on plastic pollutants in waterways.





## LIFE ON OUR PLANET

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

While our Group takes action to increase biodiversity and enhance ecosystem services across 25,000 acres – 100 times the footprint of our facilities; the MAS Foundation for Change complements these efforts by spearheading large-scale conservation projects that restore habitats and champion biodiversity.

We are working with partners to conserve ecosystems, aligning with SDGs 13: Climate Action, and 15: Life on Land. The Foundation's flagship reforestation project in Trincomalee, which restored six acres of endangered mangroves, marks a significant first step in this journey.

## ACCESS TO WATER

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

Access to clean water is a fundamental human right and the cornerstone of a healthy society. Clean, safe, and accessible water is vital for public health, community development, and a thriving economy.

We have completed initial scoping for projects that will help us achieve UN SDG 6 – Clean Water and Sanitation in disadvantaged communities. The first project is set to begin in Anuradhapura District.

## OTHER INITIATIVES IN 2023/24

At the heart of our sustainability philosophy beats the pulse of our community. Through five recycling community centres and one government resource recovery centre, we diligently pursue resource recovery through innovative “waste to wealth” models. These centres are more than just hubs for waste management; they are vibrant spaces where communities can come together to make a difference. By generating additional revenue from recycling, they empower local communities economically, fostering a sense of ownership and pride in creating a cleaner future. This directly supports UN SDG 12: Responsible Consumption and Production, as we encourage and empower stakeholder communities to embrace the circular economy.

We are investing in the generations of tomorrow by equipping preschool teachers with the knowledge and skills to instruct students on the social aspects of managing Municipal Solid Waste (MSW). Partnering with the Waste Management Authority and UNICEF, this programme empowers teachers to become sustainability champions. It directly aligns with UN SDGs 4: Quality Education and 11: Sustainable Cities and Communities, creating more inclusive and resilient communities.

Tackling plastic pollution is another core focus of the Foundation, and we drive progress through innovation. From national initiatives like the Plastic Innovation Challenge to developing sustainable alternatives for our Ocean Strainers using our own factory waste, we champion solutions that align with UN SDG 9: Industry, Innovation, and Infrastructure.

## HOW WE WORK

The MAS Foundation for Change thrives on collaboration. We connect a powerful ecosystem of changemakers: innovators, implementers, and investors, to tackle global and local challenges.



**Innovators** are the solution architects behind groundbreaking technologies and practices. By partnering with us, they gain access to the communities that need their solutions and secure funding to pilot or scale their innovations.



**Implementers** are the boots-on-the-ground heroes - organisations and individuals with deep local knowledge. They understand the communities facing challenges and possess the expertise to implement and maintain solutions. Through our partnerships, they gain access to innovative tools and resources to address these pressing issues.



**Investors** bring the fuel that drives positive change. They can be from the private or public sector, or non-profits seeking to provide funding for proven, scalable solutions. Partnering with us allows them to directly target impactful projects and maximise the reach of their contributions.

## A MODEL BUILT FOR IMPACT

The MAS Foundation for Change operates on a unique principle: 100% of donor funding goes directly to projects in the field. MAS Holdings itself covers all administrative costs. This commitment to transparency and efficiency has attracted a diverse range of global and local partners.

[More information on the MAS Foundation for Change can be found](#)











# Annexures




# Stakeholder Engagement

GRI 2-29

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 Touchbase 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 Well-being/ 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
 <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>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

Stakeholder category	Principal mechanisms to engage stakeholders	Topics of discussion and engagement	Frequency of engagement
 <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>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

## Workforce Profile

GRI 2-7, 401-1

Region (Country)	Employment status and gender			
	Permanent		Temporary	
	Female	Male	Female	Male
Sri Lanka	48,357	24,596	254	255
Indonesia	4,393	681	15	2
Bangladesh	3,576	1,154		
Jordan	553	283	2,087	747
India	1,799	438		
Kenya		1	2,563	718
Haiti	1,316	348	93	62
Vietnam	3	14	1,028	165
USA	1	5	1	1
Singapore		1		

## RECRUITMENT AND TURNOVER

	Total new hires	Total (Avg.) employees	Recruitment Rate %
<b>Recruitment by region</b>			
Sri Lanka	7,957	75,426	10.5
Indonesia	1,104	5,628	19.6
Bangladesh	672	4,897	13.7
Jordan	1,066	4,242	25.1
India	938	3,765	24.9
Kenya	531	3,283	16.2
Haiti	396	1,819	21.8
Vietnam	275	1,234	22.3
USA	41	162	25.3
Singapore	1	2	50.0
<b>Recruitment by gender</b>			
Female	10,755	70,012	15.4
Male	2,226	30,445	7.3
<b>Recruitment by age</b>			
Under 30 years old	9,942	51,221	19.4
30-50 years old	3,015	47,378	6.4
Over 50 years old	24	1,858	1.3
<b>Recruitment by grade</b>			
Team Member	11,535	81,141	14.2
Executive	810	7,110	11.4
Staff	547	9,659	5.7
Manager	89	2,547	3.5



	Total terminations	Total (Avg.) employees	Turnover Rate %
<b>Turnover by region</b>			
Sri Lanka	18,284	75,426	24.2
Indonesia	1,581	5,628	28.1
Bangladesh	1,122	4,897	22.9
Jordan	1,415	4,242	33.3
India	2,241	3,765	59.5
Kenya	504	3,283	15.4
Haiti	1,292	1,819	71.0
Vietnam	434	1,234	35.2
USA	54	162	34.0
Singapore	1	2	50.0
<b>Turnover by gender</b>			
Female	20,822	70,012	29.7
Male	6,106	30,445	20.1
<b>Turnover by age</b>			
Under 30 years old	17,044	51,221	33.3
30-50 years old	9,358	47,378	19.8
Over 50 years old	526	1,858	28.3
<b>Turnover by grade</b>			
Team Member	23,787	81,141	29.3
Executive	1,220	7,110	17.2
Staff	1,565	9,659	16.2
Manager	356	2,547	14.0

## LEARNING HOURS

GRI 404-1

Area	Programme	Number of sessions/ days	Number of hours per day	Total hours per employee	Number of employees trained	Man hours	Male	Female
TL/GL	Certificate – B5	48	7	336	30	10,080	3	27
	Diploma – B2	96	7	672	19	12,768	2	17
Mechatronics	SBI – Sinhala – E-learning	1	2	2	3,933	7,866	393	3,540
MOS Academy	<i>Shilpi</i> Sewing Trainers	26	8	210	25	5,250	2	23
WGB	Skill Development	35	1	35	11,428	399,980	1,143	10,285
TM Training/Skill Matrix	Newcomer Induction	10	7	73.3	13,786	1,010,514	1,379	12,407
	Newcomer OTJ	3	8	24	13,786	330,864	1,379	12,407
	Skill Matrix	12	1	12	79,479	953,748	7,948	71,531
Executive & Above	Self Paced	1	0.5	0.5	3,603	1,802	2,302	1,301
	Blended	1	1	1	1,143	1,143	599	544
	Instructor Lead	1	1	1	4,782	4,782	2,738	2,044
<b>Total</b>						2,738,796		
<b>Total average headcount 2023</b>						100,457		
<b>Learning hours per employee</b>						27		

## GRI Content Index (and statement of use)

Statement of use	MAS Holdings (Private) Limited has reported in accordance with the GRI Standards for the period 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	N/A

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>General disclosures</b>					
GRI 2: General Disclosures 2021	2-1 Organisational details	Background to the Report (Page 27)			
	2-2 Entities included in the organisation's sustainability reporting	Background to the Report (Page 27)			
	2-3 Reporting period, frequency and contact point	Background to the Report (Page 27)			
	2-4 Restatements of information	Background to the Report (Page 26)			
	2-5 External assurance	Background to the Report (Page 26); Annexures – External Assurance Statement (Page 123)			
	2-6 Activities, value chain and other business relationships	The MAS Story (Page 9)			
	2-7 Employees	Lives Changed for Good – Meaningful Employment (Page 55)			
	2-8 Workers who are not employees	Lives Changed for Good – Meaningful Employment (Page 56)			
	2-9 Governance structure and composition	The MAS Story (Page 15)			
	2-10 Nomination and selection of the highest governance body		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation
	2-11 Chair of the highest governance body	The MAS Story (Page 15); Corporate Website (www.masholdings.com)			
	2-12 Role of the highest governance body in overseeing the management of impacts	Our Plan for Change – Propelling Our Plan for Change (Page 20)			
	2-13 Delegation of responsibility for managing impacts	Our Plan for Change – Propelling Our Plan for Change (Page 20)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-14 Role of the highest governance body in sustainability reporting	Our Plan for Change – Propelling Our Plan for Change (Page 20)			
	2-15 Conflicts of interest	Our Plan for Change – A Global Business for Good (Page 14); Lives Changed for Good – World-Class Workplaces (Page 75 to 76)			
	2-16 Communication of critical concerns	Our Plan for Change – Propelling Our Plan for Change (Page 20)			
	2-17 Collective knowledge of the highest governance body	Our Plan for Change – Propelling Our Plan for Change (Page 20)			
	2-18 Evaluation of the performance of the highest governance body		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation
	2-19 Remuneration policies		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation
	2-20 Process to determine remuneration	Lives Changed for Good – Meaningful Employment (Page 64 to 65)			
	2-21 Annual total compensation ratio		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation
	2-22 Statement on sustainable development strategy	Message from Our Group CEO (Page 4)			
	2-23 Policy commitments	Our Plan for Change – A Global Business for Good (Page 14); Our Plan for Change – Ambitious Targets, Real Change (Page 21 to 22)			
	2-24 Embedding policy commitments	Our Plan for Change – Propelling Our Plan for Change (Page 20)			
	2-25 Processes to remediate negative impacts	Lives Changed for Good – World-Class Workplaces (Page 77)			
	2-26 Mechanisms for seeking advice and raising concerns	Lives Changed for Good – World-Class Workplaces (Page 77)			
	2-27 Compliance with laws and regulations	Our Plan for Change – Propelling Our Plan for Change (Page 20); Lives Changed for Good - World-Class Workplaces (Page 69)			
	2-28 Membership associations	Our Plan for Change – Ambitious Targets, Real Change (Page 22)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	2-29 Approach to stakeholder engagement	Our Plan for Change – Stakeholders as Partners (Page 18); Annexures – Stakeholder Engagement (Page 118)			
	2-30 Collective bargaining agreements		Omitted	Not applicable	Not applicable as per the regulatory framework in areas of operation. However, organisational policies and operational framework consider these factors in determining working conditions; as discussed on pages 68 to 72.
<b>Material topics</b>					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Our Plan for Change – Redefining our Work in Sustainability (Page 18)			
	3-2 List of material topics	Our Plan for Change – Areas of Focus (Page 19)			
<b>Procurement practices</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41)			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation
<b>Materials</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Source Sustainably (Page 37 to 39)			
GRI 301: Materials 2016	301-1 Materials used by weight or volume		Omitted	Confidentiality constraints	Competitively sensitive information, regarding material-use, disclosed in percentages due to confidentiality concerns.
	301-2 Recycled input materials used	Products Changed for Good – Source Sustainably (Page 37 and 38)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	301-3 Reclaimed products and their packaging materials		Omitted	Not applicable	As a manufacturing entity, with a minimal retail footprint, MAS does not currently report on reclaimed products and packaging.  Instead, the Group works with customers and other circularity partners to support and enable efforts that reclaim products and packaging.
<b>Energy</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Limit Emissions (Page 86 to 88 and 90 to 93)			
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Our Planet Changed for Good – Limit Emissions (Page 91)			
	302-2 Energy consumption outside of the organisation		Omitted	Information unavailable/incomplete	While the Group carries out a comprehensive GHG inventory to estimate Scope 3 emissions, the data has not been disaggregated to provide information on energy consumption in the value chain.
	302-3 Energy intensity	Our Planet Changed for Good – Limit Emissions (Page 86 and 91)			
	302-4 Reduction of energy consumption		Omitted	Information unavailable/incomplete	While the Group's Energy Transition plan results in reduction of energy consumption across operations, the extent of reduction has not been precisely quantified.
	302-5 Reductions in energy requirements of products and services		Omitted	Information unavailable/incomplete	While the Group's Energy Transition plan results in a net reduction of energy intensity and energy demand, the extent of reduction has not been precisely quantified.

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Water and Effluents</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Safeguard Water (Page 110); Our Planet Changed for Good – Responsible Chemical Use (Page 99 to 103)			
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Our Planet Changed for Good – Safeguard Water (Page 112)			
	303-2 Management of water discharge-related impacts	Our Planet Changed for Good – Responsible Chemical Use (Page 100)			
	303-3 Water withdrawal	Our Planet Changed for Good – Safeguard Water (Page 111)			
	303-4 Water discharge		Omitted	Information unavailable/incomplete	Covers only part of our operations and will be included in future reports.
	303-5 Water consumption		Omitted	Information unavailable/incomplete	Measurement and calculations related to water consumption are being refined for consistency and accuracy. This disclosure will be represented in future reports.
<b>Biodiversity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Champion Biodiversity (Page 104 to 105)			
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		Omitted	Not applicable	Operations and owned facilities are not located in or adjacent to protected areas or areas of high biodiversity value.
	304-2 Significant impacts of activities, products and services on biodiversity	Our Planet Changed for Good – Champion Biodiversity (Page 105)			
	304-3 Habitats protected or restored	Our Planet Changed for Good – Champion Biodiversity (Page 105 to 109)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Omitted	Not applicable	No such species have been identified as of reporting date.
<b>Emissions</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Limit Emissions (Page 86 to 93)			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Our Planet Changed for Good – Limit Emissions (Page 87)			
	305-2 Energy indirect (Scope 2) GHG emissions	Our Planet Changed for Good – Limit Emissions (Page 87)			
	305-3 Other indirect (Scope 3) GHG emissions	Our Planet Changed for Good – Limit Emissions (Page 89)			
	305-4 GHG emissions intensity	Our Planet Changed for Good – Limit Emissions (Page 90)			
	305-5 Reduction of GHG emissions	Our Planet Changed for Good – Limit Emissions (Page 91)			
	305-6 Emissions of ozone-depleting substances (ODS)	Our Planet Changed for Good – Limit Emissions (Page 89)			
	305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Our Planet Changed for Good – Limit Emissions (Page 89)			
<b>Waste</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Transform Waste (Page 94 to 98)			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Our Planet Changed for Good – Transform Waste (Page 95 to 98)			
	306-2 Management of significant waste-related impacts	Our Planet Changed for Good – Transform Waste (Page 94 to 98)			
	306-3 Waste generated	Our Planet Changed for Good – Transform Waste (Page 95)			
	306-4 Waste diverted from disposal	Our Planet Changed for Good – Transform Waste (Page 95)			
	306-5 Waste directed to disposal	Our Planet Changed for Good – Transform Waste (Page 95)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Supplier environmental assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 43)			
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Products Changed for Good – Our Supply Chain Commitment (Page 42)			
	308-2 Negative environmental impacts in the supply chain and actions taken	Products Changed for Good – Our Supply Chain Commitment (Page 42 to 43)			
<b>Employment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – Meaningful Employment (Page 55 to 58)			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Lives Changed for Good – Meaningful Employment (Page 57 to 58); Annexures – Workforce Profile (Page 120 to 121)			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Lives Changed for Good – Meaningful Employment (Page 64 to 65)			
	401-3 Parental leave	Lives Changed for Good – Empowering Women (Page 52)			
<b>Labour/ management relations</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – World Class Workplaces (Page 72 to 73)			
GRI 402: Labour/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Lives Changed for Good – World Class Workplaces (Page 72)			



Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Occupational health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – World Class Workplaces (Page 68 to 71)			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Lives Changed for Good – World Class Workplaces (Page 69 to 70)			
	403-2 Hazard identification, risk assessment, and incident investigation	Lives Changed for Good – World Class Workplaces (Page 71)			
	403-3 Occupational health services	Lives Changed for Good – Meaningful Employment (Page 62 to 64)			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Lives Changed for Good – World Class Workplaces (Page 69 to 70)			
	403-5 Worker training on occupational health and safety	Lives Changed for Good – World Class Workplaces (Page 69)			
	403-6 Promotion of worker health	Lives Changed for Good – Meaningful Employment (Page 62 to 64)			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Lives Changed for Good – World Class Workplaces (Page 69); Products Changed for Good – Our Supply Chain Commitment (Page 40); Our Planet Changed for Good – Responsible Chemical Use (Page 103)			
	403-8 Workers covered by an occupational health and safety management system	Lives Changed for Good – World Class Workplaces (Page 69 to 70)			
	403-9 Work-related injuries	Lives Changed for Good – World Class Workplaces (Page 69)			
	403-10 Work-related ill health	Lives Changed for Good – World Class Workplaces (Page 69)			
<b>Training and education</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – Meaningful Employment (Page 58 to 62)			
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Lives Changed for Good – Meaningful Employment (Page 58); Annexures – Workforce Profile (Page 121)			Partially reported

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	404-2 Programs for upgrading employee skills and transition assistance programs	Lives Changed for Good – Future-ready upskilling: Our Learning and Development Strategy (Page 58)	Omitted	Information unavailable/incomplete	While the Group implemented extensive L&D programmes to upgrade employee skills, including providing for external training, details on transition assistance are not quantifiable.
	404-3 Percentage of employees receiving regular performance and career development reviews	Lives Changed for Good – Meaningful Employment (Page 60)			
<b>Diversity and equal opportunity</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – Empowering Women (48 to 54)			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Lives Changed for Good – Empowering Women (Page 50); Meaningful Employment (Page 55)			
	405-2 Ratio of basic salary and remuneration of women to men		Omitted	Confidentiality constraints	Information withheld as MAS is a privately held corporation.
<b>Freedom of association and collective bargaining</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – World Class Workplaces (Page 72 to 73)			
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	Lives Changed for Good – World Class Workplaces (Page 72 to 73); Products Changed for Good – Our Supply Chain Commitment (Page 43)			
<b>Child labour</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour		Omitted	Confidentiality constraints	Competitively sensitive information, regarding suppliers, discussed qualitatively due to confidentiality concerns.

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Forced or compulsory labour</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		Omitted	Confidentiality constraints	Competitively sensitive information, regarding suppliers, discussed qualitatively due to confidentiality concerns.
<b>Local communities</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Lives Changed for Good – Thriving Communities (Page 80 to 83)			
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Lives Changed for Good – Thriving Communities (Page 80)			
	413-2 Operations with significant actual and potential negative impacts on local communities		Omitted	Not applicable	The Group's Community Engagement Model (CEM) and ERM framework institute controls that mitigate significant negative impacts on local communities.
<b>Supplier social assessment</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria		Omitted	Confidentiality constraints	Competitively sensitive information, regarding suppliers, not disclosed due to confidentiality concerns.
	414-2 Negative social impacts in the supply chain and actions taken		Omitted	Confidentiality constraints	Competitively sensitive information, regarding suppliers, disclosed in percentages due to confidentiality concerns.

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
<b>Customer health and safety</b>					
GRI 3: Material Topics 2021	3-3 Management of material topics	Our Planet Changed for Good – Responsible Chemical Use (Page 99 to 103)			
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Our Planet Changed for Good – Responsible Chemical Use (Page 103)			
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Our Planet Changed for Good – Responsible Chemical Use (Page 103)			
<b>SASB disclosures</b>					
<b>Management of Chemicals in Products</b>					
SASB CG-AA-250: Management of Chemicals in Products	CG-AA-250a.1 Discussion of processes to maintain compliance with restricted substances regulations	Our Planet Changed for Good – Responsible Chemical Use (Page 99 to 103)			
	CG-AA-250a.2 Discussion of processes to assess and manage risks or hazards associated with chemicals in products	Our Planet Changed for Good – Responsible Chemical Use (Page 99 to 103)			
<b>Environmental Impacts in the Supply Chain</b>					
SASB CG-AA-430a: Environmental Impacts in the Supply Chain	CG-AA-430a.1 Percentage of (1) Tier 1 supplier facilities in compliance with wastewater discharge permits or contractual agreements	Products Changed for Good – Our Supply Chain Commitment (Page 42); Our Planet Changed for Good – Responsible Chemical Use (Page 101)			
	CG-AA-430a.1 Percentage of (2) Supplier facilities beyond Tier 1 in compliance with wastewater discharge permits or contractual agreements	Products Changed for Good – Our Supply Chain Commitment (Page 42); Our Planet Changed for Good – Responsible Chemical Use (Page 101)			

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	CG-AA-430a.2 Percentage of (1) Tier 1 supplier facilities that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Products Changed for Good – Our Supply Chain Commitment (Page 42 to 43)			
	CG-AA-430a.2 Percentage of (2) Supplier facilities beyond Tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	Products Changed for Good – Our Supply Chain Commitment (Page 42 to 43)			
<b>Labour Conditions in the Supply Chain</b>					
SASB CG-AA-430b: Labour Conditions in the Supply Chain	CG-AA-430b.1 Percentage of (1) Tier 1 supplier facilities that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
	CG-AA-430b.1 Percentage of (2) Supplier facilities beyond Tier 1 that have been audited to a labour code of conduct, (3) percentage of total audits conducted by a third-party auditor	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
	CG-AA-430b.2 (1) Priority non-conformance rate and (2) associated corrective action rate for suppliers' labour code of conduct audits		Omitted	Confidentiality constraints	Standardised processes for corrective action and responses to compliance violations are in place, as described on Pages 40, 41, and 43; however quantitative figures are not disclosed due to confidentiality concerns.

Gri standard/Other source	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
	CG-AA-430b.3 Description of the greatest (1) labour and (2) environmental, health and safety risks in the supply chain	Products Changed for Good – Our Supply Chain Commitment (Page 40 to 41; 43)			
<b>Raw Materials Sourcing</b>					
SASB CG-AA-440a: Raw Materials Sourcing	CG-AA-440a.3 (1) List of priority raw materials	Products Changed for Good – Source Sustainably (Page 38)			
	CG-AA-440a.3 (2) Environmental or social factor(s) most likely to threaten sourcing, (3) Discussion on business risks or opportunities associated with environmental or social factors and (4) Management strategy for addressing business risks and opportunities	Products Changed for Good – Source Sustainably (Page 38)			
	CG-AA-440a.4 (1) Amount of priority raw materials purchased		Omitted	Confidentiality constraints	Competitively sensitive information, regarding material-use, disclosed in percentages due to confidentiality concerns.
	CG-AA-440a.4 (2) Amount of each priority raw material that is certified to a third-party environmental or social standard, by standard		Omitted	Confidentiality constraints	Competitively sensitive information, regarding material-use, disclosed in percentages due to confidentiality concerns.

## External Assurance Statement



Building a better  
working world

Ernst & Young  
Chartered Accountants  
Rotunda Towers  
No. 109, Galle Road  
P.O. Box 101  
Colombo 03, Sri Lanka

Tel : +94 11 246 3500  
Fax : +94 11 768 7869  
Email : eysl@lk.ey.com  
ey.com

**Independent practitioner's assurance report to the Board of Directors of MAS Capital (Pvt) Ltd on the Sustainability reporting criteria presented in the Sustainability Report FY 2023**

### SCOPE

We have been engaged by **MAS Capital (Pvt) Ltd name** 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 (Pvt) Ltd.'s Economic, Environment, Social and Governance (EESG) indicators** (the "Subject Matter") contained in **MAS Capital (Pvt) Ltd.'s (the "Entity's") Sustainability Report for the year ended 31 December 2023** (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 (PVT) LTD

In preparing the Subject Matter, **MAS Capital (Pvt) Ltd** 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 (PVT) LTD.'S RESPONSIBILITIES

MAS Capital (Pvt) Ltd 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 (Pvt) Ltd on 8 June 2024**. 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.

### 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 International Standard on *Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, 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.

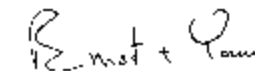
## EMPHASIS OF MATTER

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 Sustainability Report of MAS Capital (Pvt) Ltd for the year ended 31 December 2023**, in order for it to be in accordance with the Criteria.



30 July 2024  
Colombo





[www.masholdings.com](http://www.masholdings.com)