

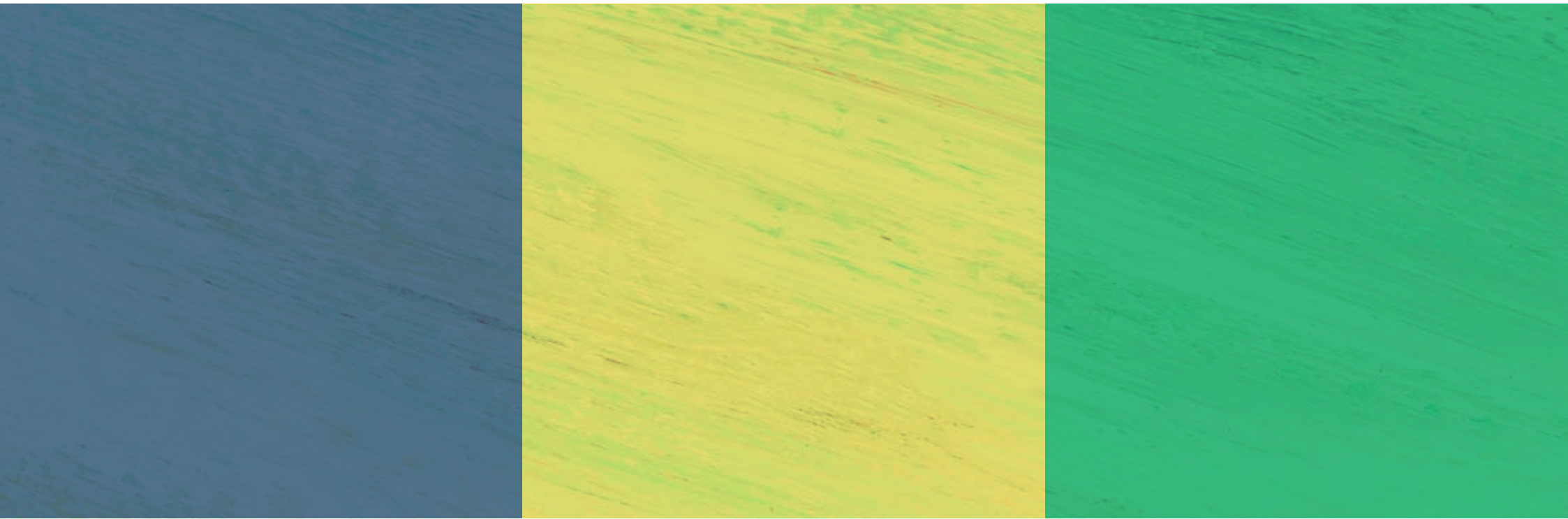
**MAS**  
proposes

# A PLAN FOR CHANGE

**Our plan to create  
change that will  
last for good**



This report outlines our progress against the MAS 'Plan for Change', encompassing our efforts in product, social, and environmental sustainability, during the calendar year 2020. This report fulfils the requirements of the United Nations Global Compact Communication on Progress for the year 2020.





PLAN FOR  
**CHANGE**

**The only constant in life is CHANGE.  
That's why we believe we should try  
to stay a step ahead by  
planning for change.**

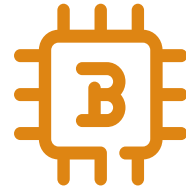


**“Through our own work and through collaborations with likeminded partners, we will strive to build a truly sustainable business, creating changemakers, and committing to transform our world for good.”**

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**Message of Continued Support**

**Suren Fernando**



**“Today, our business looks to go beyond the traditional role of an apparel manufacturer, adding value to our customers through explorations in innovation, technology, and sustainable product offerings.”**

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**The MAS Story**



**“...this is just the beginning of the journey. If 2020 has taught us anything, it is that nothing is certain; and only change is permanent. We know that the road is long, and will challenge us, but just as our founders were, we are committed to staying the course to do the right thing.”**

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**Our Plan for Change**

**Sid Amalean**



**“The products we manufacture are at the heart of what we deliver as a business. That’s why we want to make products that are good for the wearer, good for the planet, and good for our business.”**

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**Products Changed for Good**



**“Our business was built on the ethos of doing the right thing. Our founders believed that we could succeed as a business, only if we did the right thing by our customers, by our partners stakeholders, and most importantly by our employees and the communities in which we operate.”**

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**Lives Changed for Good**



**“Considering the impact that we make within our own value chain, and the impact we can make outside of it, we want to make sure that we leave our planet better than we found it.”**

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**Our Planet Changed for Good**





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# UNGC Principles

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

## Human Rights

### Principle 1:

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

### Principle 2:

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

## Labour

### Principle 3:

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

### Principle 4:

the elimination of all forms of forced and compulsory labour;

### Principle 5:

the effective abolition of child labour; and

### Principle 6:

the elimination of discrimination in respect of employment and occupation.

## Environment

### Principle 7:

Businesses should support a precautionary approach to environmental challenges;

### Principle 8:

undertake initiatives to promote greater environmental responsibility; and

### Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

## Anti-Corruption

### Principle 10:

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



## Other UN Initiatives

Caring for Climate



### Caring for Climate

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



### Women's Empowerment Principles

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

The seven principles are as follows:

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



### Business for Peace

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



**“AT MAS, THE HEALTH AND SAFETY OF OUR EMPLOYEES ACROSS THE WORLD WAS CONSIDERED UTMOST PRIORITY.”**

## Message of Continued Support

MAS is happy to have the opportunity to present its 17th Communication on Progress to the United Nations Global Compact, encompassing our efforts in what has been a year like no other.

The year 2020 began on a high note, as we ended a successful year of our turnaround journey in 2019, making significant progress in strengthening our core business and building financial resilience. We had also taken the critical step of aligning our sustainability efforts to the MAS 2025 strategy, which had uniquely positioned us to drive sustainable business growth in 2020 and beyond. Our Sustainable Business team was centralized as part of this effort, consolidating our efforts in product, social and environmental sustainability into one cohesive strategy.

However, 2020 took the most unexpected of turns as the COVID-19 pandemic set out on a rampage across the world. Overworked healthcare workers and systems crumbled under the pressure of a threat of previously unpredicted magnitude. Cities came to a standstill, jobs were lost, businesses closed, borders shut, and economies collapsed as the virus spread mercilessly and claimed lives by the millions. The apparel industry took an immense hit, as the year was marked by declining sales figures, disruptions in supply chains, and changes in consumer behaviour.

At MAS, the health and safety of our employees across the world was considered utmost priority. Teams came together to support colleagues through the extended lockdowns and set up stringent protocols to mitigate COVID-19 risks as we returned to work. As the devastating second wave in Sri Lanka impacted the apparel industry particularly severely, we worked in close collaboration with the government and health authorities, facilitating testing for employees and setting up our own COVID care centers. The care centers, which were set up with the input of the local health authorities, had supported over 320 people by the end of 2020, including employees, families, and members of the general public.

Despite its many challenges, the pandemic created a significant increase in customer and consumer interest in sustainability, which has led to teams across the Group working with our customers to develop a pipeline of sustainable products and collaborate on sustainability initiatives.

Together with our divisional network of champions, the Women Go Beyond team continued their work in empowering women on the factory floor, as well as strengthening women in management, against the challenging backdrop of the COVID-19 pandemic. Amid these unprecedented challenges, our teams also continued to go above and beyond to support our communities and the country at large. Whether it be manufacturing and donating PPE to the government or supporting micro-entrepreneurs in our communities to build back better, MAS has strived to create positive change within our many ecosystems.

Knowing that we could not afford to lose sight of the overarching challenges of our time, we renewed our commitment towards climate action by signing up for the Science Based Targets initiative (SBTi), and also continued our advocacy efforts through our associations with bodies such as the Sustainable Apparel Council (SAC) and the Zero Discharge of Hazardous Chemicals (ZDHC) initiative.

We extended our work in changing our planet for good with the establishment of the 'Ocean Strainer' floating trash trap pilot in Dehiwala, which succeeded in keeping over 30,000 kg of waste from reaching the ocean in five months since its installation. We also completed our third aerial reforestation effort in partnership with the Forest Department and the Sri Lanka Air Force, reforesting over 65 acres of deforested land in the Ampara district.

Even in a challenging year, we are happy to have had the opportunity to develop and introduce our new sustainability strategy, the MAS Plan for Change, which outlines our commitments in the areas of Product, Lives and Planet.

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**Through our own work and through collaborations with likeminded partners, we will strive to build a truly sustainable business, creating changemakers, and committing to transform our world for good.**

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MAS remains committed to the United Nations Global Compact and its guiding principles and continues our support to the Local Network through the roles we play on its Board and Steering Committee.

Through our own work and through collaborations with likeminded partners, we will strive to build a truly sustainable business, creating changemakers, and committing to transform our world for good.

**Suren Fernando**

Group Chief Executive Officer  
MAS Holdings



## The MAS Story

On a gloomy, overcast day in January 1987, three brothers, Mahesh, Ajay and Sharad Amalean, stood outside a warehouse, waiting for the first bulk order of fabric for their newly formed business, the company that we know today as MAS Holdings. What started off on that fateful January morning, has now grown into a business that is considered a leading force in ethical manufacturing within the apparel world.

Today, our business looks to go beyond the traditional role of an apparel manufacturer, adding value to our customers through explorations in innovation, technology, and sustainable product offerings. With business ventures in private industrial parks, innovative brands, logistics and warehousing, MAS is continuously evolving both as a global business, and as a significant contributor to Sri Lanka's export economy and national development.

Our efforts in pursuing mutually beneficial partnerships with likeminded customers has ensured a worldwide integrated supply chain that is growing continuously. While headquartered in our island home of Sri Lanka, MAS is now home to over 95,000 employees working in 16 countries, including India, Bangladesh, Hong Kong, Vietnam, Indonesia, Australia, Jordan, Italy, Germany, United Kingdom, USA, Haiti, Honduras and Mexico. Our supply chain includes 53 state-of-the-art manufacturing facilities in 9 countries and design houses in 4 countries, in

addition to an IT industry presence in 9 and brand presence in 4 countries.



**We are home to 95,000 employees working in 16 countries, 53 state-of-the-art manufacturing facilities in 9 countries and design houses in 4 countries.**



Our apparel business is broadly categorized into three divisions: Intimate wear, Sports & Activewear and Swimwear. The Intimate wear business is our largest and is renowned for its partnerships with global fashion labels including Victoria's Secret, VSX, Pink, La Senza, Calvin Klein, and GAP, among others.



The Activewear division specializes in products engineered for high performance and improved results. A subsidiary of the division, MAS Kreeda is the company's dedicated arm to produce high-performance sportswear for Nike. Our Swimwear division is responsible for catering to a wide range of clients, including the production of competitive swimwear for Speedo at the 2004 Olympics, with over 80% of medals won and 13 out of 15 world records smashed by athletes wearing suits manufactured by Linea Aqua.

Adding to its value proposition for clients, MAS has continued to expand its supply chain over the years, with manufacturing operations ranging from fabric to printing, from elastics to lace, from hooks to other accessories and embellishments through joint ventures with global industry leaders such as Stretchline, Noyon and Prym Intimates, Textprint and Trischel.



Several of our brands also enjoy market leadership positions around the world, including Amanté, Become and GT Nexus. In 2013, we set up a strategic business unit, Twinery (Innovations by MAS) to innovate and re-engineer garments that provide solutions to their wearers through technological unlocks.

Through our work at Twinery, MAS has introduced several revolutionary products to the local and global markets, such as Spryng and Firefly, and adjacencies like FemTech, a pillar that continuously

pushes the boundaries of what our products can do for women.

Built on a strong ethos of doing the right thing, right from inception, MAS is an equal opportunity employer, with a strong focus on creating an ethical and inclusive work environment, and contributing to the communities in which it operates. In partnership with its people, MAS strives to create change, driving economic and social growth, empowering individuals and contributing towards a more sustainable future for the next generation.

This is why sustainability is at the core of how we do business at MAS, with a clear commitment to drive sustainable change for our industry, our customers, our people, and our planet. With our efforts aligned to the UN's Sustainability Development Goals and the UNGC principles, our teams are focused on driving profitable and sustainable growth and impactful, long-term change for our business, our customers, partners, and all stakeholders in our ecosystem.

## Our Plan for Change

Over 30 years ago, when our founders Mahesh, Ajay and Sharad Amalean took the first steps to create the business that we know today as MAS Holdings, they were driven by the desire to do the right thing. They knew that they were venturing into an industry known for being associated with sweatshops and many labour and human rights issues, and they wanted to change the perceptions that were associated with the apparel industry.

The brothers brought with them a strong set of values that had been an integral part of their family and upbringing and wanted to integrate these values into the people and culture at MAS. Long before doing the right thing was considered the popular thing to do, they were setting up factories with air conditioning, and providing our team members with benefits such as meals, lodging, transport, and training – giving them, particularly the women, every opportunity to do more and do better in their personal and professional lives. It is these roots that eventually led to the formalization of our flagship women’s empowerment programme ‘Women Go Beyond’, which even today, is a best-in-class example for the industry.

Over the last 34 years, the MAS journey has been one of growth, innovation, and transformation, with a common thread linking our story – that we have always been drivers of change. Our identity as a company has long since been linked to change; it

is a condition that we are familiar with, and one in which we have been known to thrive. Throughout our journey, we have always questioned how and what we can do better—and this has been our greatest motivation to keep pushing forward and keep challenging the status quo.

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**Our identity as a company has long since been linked to change; it is a condition that we are familiar with, and one in which we have been known to thrive.**




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As we moved forward from a year of transition and transformation in 2019, we were suddenly faced with the most challenging year of our existence, both as a business and as individuals. The year 2020 redefined humanity. Over the last couple of decades, we’ve been living in a world full of challenges. Whether it be climate disasters, ecosystem degradation, poverty, inequality, wars, and pandemics, or incidents within the apparel industry such as the Rana Plaza tragedy or Uighur forced labour claims; we have witnessed how prolonged, unchecked human activity has had

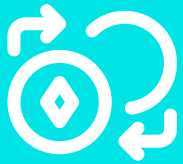
a catastrophic impact within our industry and our world. While the planet and people have always shown resilience in the face of adversity, it is increasingly clear that real systemic change is the only thing that can help humanity overcome these kinds of crises. This must be long term, sustainable change – the kind that will last for good.

This, coupled with our innate drive as changemakers, led us to redefine our work in sustainability in 2020. We recognized that to have the kind of impact that we want to see in the world, everything that we do needs to create positive, long-term change. When we as a team put together our sustainability goals for the next 5 years, we realized we were essentially developing a plan to create that change – which was the simple inspiration behind our new sustainability strategy for 2025: the MAS Plan for Change.

The MAS Plan for Change is our commitment to inspire sustainable change within our business, amongst our customers, people and communities, and within our planet at large. The Plan outlines three areas of focus and twelve commitments for 2025 which we will concentrate our efforts on, as we move forward on our journey towards sustainable systemic change.

This Plan is one that excites and energizes us. As we start rolling this out to our internal and external stakeholders, we are encouraged by their positive response, and inspired by the stretch that is in these goals that we have set for ourselves. Most of





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these goals are ambitious; some, even audacious. Achieving them will require unprecedented levels of innovation, collaboration, and alignment among our businesses, partners, and supply chain. We have consolidated our efforts across product, social and environmental sustainability into this one overarching Plan, combining the strengths of our teams and aligning our goals to achieve greater consistency and impact.

But this is just the beginning of the journey. If 2020 has taught us anything, it is that nothing is certain; and only change is permanent. We are excited to embrace this and will always strive to anticipate,

plan for, and create lasting change. We know that the road is long, and will challenge us, but just as our founders were, we are committed to staying the course to do the right thing.

As we kick off our journey of change, this report examines the work we have done in 2020, in creating sustainable products while contributing positively to our people, communities and environment.

**Sid Amalean**  
Head of Sustainable Business  
MAS Holdings



# PLAN FOR CHANGE

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

The Plan outlines three areas of focus and twelve commitments for 2025 which we will work towards as we move forward on our journey to sustainable systemic change.

**PRODUCTS  
CHANGED  
FOR GOOD**



**OUR PLANET  
CHANGED  
FOR GOOD**



**LIVES  
CHANGED  
FOR GOOD**





## PRODUCTS CHANGED FOR GOOD

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

### Innovate and disrupt

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

### Source sustainably

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

### Pioneer circularity at scale

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

## LIVES CHANGED FOR GOOD

### Empowering women

Empower 100% of women on the factory floor

Achieve 1:1 gender parity in management

### Meaningful employment

Accelerate employee well-being & work-life balance

Ensure & elevate sustainable compensation for all employees

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

### World-class workplaces

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

### Thriving communities

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

## OUR PLANET CHANGED FOR GOOD

### Limit emissions

Reduce our emissions footprint to achieve 25% absolute reduction

### Transform waste

Value enhance 100% of non-hazardous waste

### Responsible chemical use

Be zero toxic in all products and processes

### Safeguard water

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

### Champion biodiversity

Restore biodiversity in 100x the space we occupy



# Products Changed for Good

We want to make products that are good for the wearer, good for the planet, and good for our business, generating 50% of MAS' revenue from sustainable product by 2025



## How we will do it

### Pioneer circularity at scale

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

### Innovate and disrupt

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

### Source sustainably

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

**The products** we manufacture are at the heart of what we deliver as a business. This is why we want to make products that are good for the wearer, good for the planet and good for our business. MAS has taken on the goal to generate 50% of our apparel revenue through sustainable products by 2025.

Achieving this goal will require influence, collaboration and participation from our supply chain partners to develop sustainable materials, as well as from our brand partners to select and commercialize sustainable styles, product solutions and platforms.

MAS has taken on the goal to generate

**50%**   

of our apparel revenue through sustainable products by 2025.

These are our commitments in changing products for good:

## 1. Innovate and Disrupt

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

## 2. Source Sustainably

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

## 3. Pioneer Circularity at Scale

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

## Our Journey of Changing Products for Good

As a company, MAS has always stood for doing the right thing, in the right way. Over the past decade, we have witnessed the intensification of issues such as waste, pollution, and climate change, and we recognize the apparel industry's contribution to these problems.

Through our work in addressing many of the challenges that the planet faces, we know that one of the most effective ways of minimizing the impact our industry has on the environment is to ensure that the products we manufacture are designed and developed as sustainably as possible, while always improving the quality and efficiency, and keeping in mind the potential for waste-to-value transformation at end of life.

With this intention, we formalized our Sustainable Product pillar within the Sustainable Business team in 2020, bringing together much of the work that was already afoot at various levels and business units, and tapping into some of the key talent who were passionately driving sustainable product and innovation throughout the company.

While being pragmatic in our target setting process, we were aware that problems of the scale that we are currently facing, such as pollution, waste and the climate crisis, would require equally significant ambitions to solve them. It is with this in mind that

we have taken on the ambitious target to generate 50% of our revenue through sustainable products.

During this process, we took into account a variety of different insights and inputs, including global and industry trends, the types of commitments our customers are making, insights from 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 we received from stakeholders exposed to our strategy, we feel that achieving these goals would contribute towards the journey of making the apparel industry more sustainable.

Given MAS' footprint and scale in terms of production capacity and number of products manufactured daily, it was important that any kind of sustainable product-related goal was formulated to directly correlate with our scale and capacity. Therefore, we adopted a revenue-based percentage target as our overarching goal on sustainable product. This also ensures that business growth is directly linked to, and does not mitigate any advances in, the sustainable product space.



## Measuring Progress

With group-wide targets set for sustainable product, we wanted to ensure that every product that we consider as sustainable is truly so. Therefore, the Sustainable Product team embarked on the task of formulating our very own sustainability criteria, through which all products manufactured at MAS will be assessed.

## HOW ITS MEASURED

### RAW MATERIALS

#### COTTON

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

#### NATURAL MATERIAL ALTERNATIVES

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

#### SYNTHETICS

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

#### RECYCLED NATURAL ALTERNATIVES

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

#### WOOLS

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

#### OCEAN PLASTICS

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

#### BIODEGRADABLE

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

#### BIO-BASED

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

### DESIGN/MERCHANDISING

#### RAW MATERIAL SOURCING

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

#### MONOMATERIALS

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

#### ENGINEERED KNIT

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

#### DESIGN FOR LONG LIFE

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

#### COMPOSTABLE PACKAGING

- POLYBAGS USED FOR GARMENT PACKAGING IS COMPOSTABLE. – L1

#### RECYCLED PACKAGING

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

#### SHIPMENT AIR FREIGHTED

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

#### PAPER-BASED

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

#### DESIGN FOR REUSE

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

### MANUFACTURING PROCESS

#### DYEING & FINISHING

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

### CIRCULARITY

#### POST-CONSUMER WASTE

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

#### DESIGN FOR POST-CONSUMER

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

#### PRE-CONSUMER

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

### SOCIAL

#### SOCIAL WELLBEING

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

#### EMPOWERMENT

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

During this process, the team studied countless brands and the different ways in which they assess the sustainability parameters of their products. They also leveraged the expertise of partners such as the Sustainable Apparel Coalition, conducted hundreds of hours of research, and studied global trends and forecasts. All of this work culminated in MAS' Sustainable Product Criteria, a group-wide standard through which sustainable products are now measured. We are encouraged to see that our criteria are among some of the most stringent standards among peers and partners. However, this is a dynamic space, with new information constantly changing what we classify and measure as sustainable. We will keep evaluating these criteria against best practices, and keep pushing for continuous improvement.

### Product and the Year of the Pandemic

With the COVID-19 pandemic ravaging the world, 2020 was a year full of challenges for MAS and the apparel industry as a whole. The pandemic had far reaching impacts for the industry, including factory closures across the globe and order cancellations. However, although far from being a conducive business environment, 2020 provided us the time and space we needed to put in place both organizational and systems-based infrastructure required for the effective roll-out and operationalization of the sustainable product strategy.

This included setting up the relevant governance mechanisms across the strategic business units (SBUs), aligning the commitments of each SBU with the broader groupwide goals, establishing a reporting cadence and system infrastructure necessary to capture progress towards the set goals, setting up databases of partners and solution providers who are key stakeholders in the MAS Plan for Change and sustainable product strategy, and onboarding not just suppliers but also customer brands to the MAS sustainable product strategy and ethos.

Training of key personnel in lifecycle thinking and lifecycle analysis (LCA) also happened during the year, which enabled us to understand the true impact of products from cradle to grave. The insight and knowledge we now have through LCA enable us to design and merchandize products in a far more sustainable manner, while providing our customers and the end consumer with accurate data to help them make better choices to offer more sustainable products to their consumers.



In 2020, MAS was also able to certify several of its manufacturing facilities to the Global Recycled Standard (GRS) and Organic Cotton Standard, while maintaining those with water neutral and Fair-Trade certifications. This allows products manufactured out of these facilities to enjoy more advanced sustainability credentials.

This year was also a great year for communication and collaboration within MAS, as well as with external stakeholders. Through engagements such as the Sustainable Product Forum, Knit Forum, Product Forum and Packaging Forum, we used 2020 to become more streamlined and aligned than ever before. All of this groundwork has poised MAS ideally towards implementing the sustainable product commitments that we have outlined in our Plan for Change.

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## Impact of COVID-19

The COVID-19 pandemic impacted the apparel industry in an unprecedented and mostly negative manner. There was, however, a silver lining as rates of consumption and their associated environmental impacts fell sharply, while emphasis and sentiment towards sustainability grew to unprecedented levels.

This meant that, although there were downturns in revenue in line with industry performance, the portion of our revenue associated with sustainable product performed the same, or better, across all SBUs.

We also saw many of our strategic customers increase their portfolio of sustainable products, some of whom launched completely new brands centered entirely around sustainability, with these groundbreaking efforts being enabled by the enhanced offerings that MAS had brought to the table in the sustainable product space.

The disruption to global trade and logistics due to the pandemic enabled the mindset change required for customer brands to shift to 3D prototyping and digital fitting; platforms MAS had invested in early on to leverage digital technologies to convert the design and development process to be more sustainable. Physical sample rounds were reduced to a fraction of that of past years, while emissions generally associated with the airfreight of multiple rounds of physical samples were also reduced.

## Innovate and Disrupt

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

Our main focus is on developing new technologies that will enable products to be more sustainable. Innovations that enable products to be coloured and finished without the use of water, technologies that eliminate waste during the manufacturing process, recycling of blended fabrics, natural dyestuffs, and business model innovations that will reduce environmental impact are some areas where we have begun working on, to innovate and disrupt in our journey of changing products for good.

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**Our main focus is on developing new technologies that will enable products to be more sustainable.**

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Our whole-garment coloration platform Prompt.ly is a prime example of a technological unlock that is creating a significant reduction in impact within the manufacturing process.



Prompt.ly is a coloration technology that adds colours and patterns to whole garments. This technology colorizes whole finished garments, while applying wrap-around or placement prints. While this may seem like a relatively simple process, the impact from a value chain perspective is immense.



Colour and print are one of the first processes during manufacturing; however, from a consumer's point of view, it is one of the final decisions made. This misalignment means that brands have to undertake a significant amount of conjecture when selecting colours and prints, especially on replenishment orders. This results in the generation of a considerable amount of deadstock due to unsold products where the colour and print are not aligned with the consumer ask in the market. Since the Prompt.ly technology allows prints to be placed on finished garments, this allows the colour and print to be completed at the very end of the manufacturing process.

This, along with the speed enabled by the technology, allows brands the flexibility of observing the market, assessing which designs and prints are selling well, and make data-based decisions in placing replenishment orders on those particular designs and prints. This eliminates the conjecture associated with market performance of styles—which means that brands are better equipped, with relevant data, to make decisions about ordering designs and prints that are already performing better in the market. This results in better sales and reduces the potential of unsold inventory, and thereby creates less deadstock.

This business model unlock, along with the water-free nature of digital printing, makes Prompt.ly a disruptive innovation that is beginning to reshape the apparel manufacturing value chain.



## Source Sustainably

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

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

Many brands are interested in starting their own sustainable product journey, and generally start off their explorations by launching capsule collections focusing on specific aspects such as recycled

material, biodegradability or recyclability. However, for such collections to be integrated into the brand's main offerings, the quality, design, style choices and affordability must be the same, or better, as any other product.

The availability and affordability of raw materials is often a factor that is considered when scaling up these efforts, and sometimes the lack of such materials could lead to sustainable offerings being limited for capsule collections. Our longstanding relationships and close engagement with our suppliers allow us to be able to source the best raw materials at affordable price points, so that sustainable products are available for full ranges and styles. MAS believes that the most effective way to change our industry is by enabling affordable and practical solutions across all product categories.

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## Thrive – Sustainable Bra Collection

MAS Ayathi functions as our center of bra excellence, managed by teams with decades of experience in designing and developing for prominent global intimate wear brands. In 2020, when the Ayathi team returned to work after the first lockdown, they extended the ongoing conversation with their customers to tap into consumer sentiment and behaviour, and how it was evolving in the face of the unprecedented challenge the world was facing.

The team understood that the pandemic had made consumers increasingly aware of the impact of human behaviour on our planet, and were seeking out more sustainable choices in their own purchases. During this time, the Sustainable Business team and the team at Ayathi came together to conceptualize and develop a full collection of sustainable bras, ranging from simple bralettes to complex constructed bras and sports bras.

The team worked to ensure that all elements of every bra had sustainable components, whether it was recycled underwires, biodegradable fabrics, or recycled cups, hooks and eyes. The materials used in this collection were independently tested and certified as sustainable through the Global Recycled Standard (GRS). This was the first time a full collection of sustainable bras, complete with independent testing and certifications, was made available to our customer brands as a plug-and-play solution.

The modularity and ease of adoption of this collection means that any brand can easily pick the styles they prefer from the collection and commercialize them. By taking initiatives of this nature, we can enable customer brands to switch to sustainable products with ease, while assisting their journey as a trusted partner. We believe that the easier we make it for brands to offer sustainable products to consumers, the sooner the industry, as a whole, can become more sustainable.



The initial successes of this effort as being seen, as styles from the Thrive collection will be available for purchase in 2021 through some of our most conscious partner brands. Although this is just the beginning of our journey, we are encouraged and motivated by the success of these efforts to enable consumers to purchase some of the most sustainable bras MAS has manufactured, and arguably, available in the market.

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## Pioneer Circularity at Scale

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

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

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**Circularity in apparel is a multi-faceted concept with a high degree of complexity, as it involves numerous levels of stakeholders, across different geographies, from yarn manufacturers to the end consumer.**



We have embarked on the work required to convert our business models into circular ones from the current linear model. We are doing so by engaging on several fronts: from sorting and recycling, to reverse logistics and traceability. Circularity in apparel is a multi-faceted concept with a high degree of complexity, as it involves numerous levels of stakeholders, across different geographies, from yarn manufacturers to the end consumer. In order to achieve our ambitions in this area, we have recognized the need to collaborate with different partners across the circular value chain.

At MAS, our efforts in circularity have been two-fold, considering both pre-consumer and post-consumer circularity.

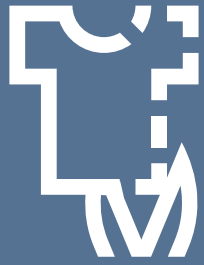
### Pre-Consumer Circularity

In the apparel industry, tackling pre-consumer waste involves addressing the issue in a number of ways, including innovating cut-and-sew techniques to reduce wastage, converting fabric waste back into yarn, recycling waste water and even generating energy through waste.

When considering how we can address pre-consumer circularity in changing our products for good, we worked with a number of partners to understand the opportunities and challenges we face in recycling the fabrics we use in our manufacturing process. In 2020, we partnered with a recycle service provider whose technology would help us to overcome a main hurdle we currently face in recycling, by being able to remove the elastane that is blended into almost every fabric we use.

The technology introduced by our recycling partner is able to remove the elastane and recycle the remaining polyester, nylon or cotton back into yarn, which we can then use to knit fabrics once again.





**During the initial exploration, our focus on recycling the waste generated at our cutting floors during pattern cutting.**

During the initial exploration, our focus on recycling the waste generated at our cutting floors during pattern cutting. Initial trials proved the feasibility of the technology, and bulk scale trials are currently underway. Once these trials are complete, we will be able to take a large step forward in our journey to achieving a circular economy in the pre-consumer space.

## **Post-Consumer Circularity**

Post-consumer circularity in the apparel industry involves garments that are discarded after consumer use being brought back into the apparel value chain to be recycled or repurposed as raw materials. This presents brands and manufacturers a complex task of navigating different geographies and regulations, as most often the products are manufactured, sold, used, and discarded in different countries. This requires going beyond the norms of collaboration and creating unlocks that allow consumers, brands, manufacturers, recyclers, and suppliers to work together in novel ways.

The year 2020 gave us the time required to conceptualize what post-consumer circularity might look like for MAS. A dedicated, cross-functional team was put in place to explore all avenues of post-consumer circularity, with the objective of having a practical and workable model to offer to our customer brands.

The work in this area has only just begun, and we are encouraged and excited by the tremendous progress we have made and the potential of what can be achieved!

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**Post consumer circularity requires us to go beyond the norms of collaboration and create unlocks that allow consumers, brands, manufacturers, recyclers, and suppliers to work together in novel ways.**

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## Stories of Change

### Likeminded Partners: Adore Me

Adore Me is a direct-to-consumer, online, women's wear brand launched in 2010 with the singular intention to help women purchase bras online. Buying a garment online may seem relatively simple, but considering that intimate wear are some of the most complex pieces of clothing to exist, giving the consumer a beautiful, high-quality product, along with a simple yet effective customer experience, can be a challenge.

Over the last decade, Adore Me has been on a mission to offer consumers a wide range of affordable and sustainable clothing choices that best represent and include everyone. MAS, recognizing a likeminded partner in Adore Me, wanted to ensure that we leveraged our collective strength to improve the brand's sustainable offering for their consumers.

### Earth Republic

Adore Me joined the work we have been doing in the sustainable product space through its satellite brand Earth Republic. Earth Republic is a nascent brand, committed to creating sustainable collections in sportswear, intimate wear and swimwear.

This also meant that the manufacturing for the brand occurred at a number of different divisions and facilities across our business, which was a first for MAS. The consolidation of order volume in this instance meant that MAS was able to use a central approach towards sourcing auxiliary items such as sustainable packaging and labels.

Through this central sourcing approach, and leveraging the scale it provided, price neutrality was achieved in acquiring the sustainable items mentioned above, enabling sustainable packaging and labeling for the collection with no impact to the cost equation.

Since price can be an important factor for brands, when switching to sustainable alternatives, this was a significant achievement for us as a manufacturer. For MAS to be able to provide price neutrality to our customer brands brings us that much closer to being able to provide them with sustainable products as a mainstream offering for their consumers.



**The consolidation of order volume in this instance meant that MAS was able to use a central approach towards sourcing auxiliary items such as sustainable packaging and labels.**

## Analyzing Life Cycles

Our engagement with Adore Me has been multi-modal. Another first for MAS in our engagement with the brand was the product lifecycle analysis work that we conducted for the Earth Republic collection.

MAS invested considerable time and effort in 2020 towards setting up the resources necessary to analyze and understand the true environmental impact of the products we manufacture. The Higg Product Module was used to analyze each style in the Earth Republic collection, in order to arrive at the product’s cradle-to-gate environmental impact. The results of the analysis were represented under five environmental impact metrics as follows:

1. Global warming potential
2. Water scarcity
3. Eutrophication
4. Resource depletion
5. Chemistry

Information related to these topics were represented in a ‘sustainability tag’ that the brand included with each product in their collection.

We believe that efforts such as this will help brands make better choices in terms of design, materials and processes, and allow them to communicate the environmental impact to consumers in an effective way, so they too can make informed decisions about their purchase behaviour.

**earth republic**

Global Recycled Standard

CERTIFIED WATER NEUTRAL FACTORY

- ✓ Recycled nylon
- ✓ Recycled labels and packaging
- ✓ Manufactured in a water neutral facility

A+  
A  
B  
C

**A+**

This product scores an A+ rating for sustainability under earth republics' internal evaluation method.

**Life cycle impact assessment\***

Global warming potential	Water scarcity	Eutrophication	Resource depletion	Chemistry
XX kg CO <sub>2</sub> e	XX m <sup>3</sup>	XX kg PO <sub>4</sub> e	XX MJ	XX units

**earth republic**

**Mission**  
Embrace Life, Disrupt Fashion to save the planet

**Materials**  
This product is made from recycled nylon.

**Manufacturing facility**  
This product was manufactured at a water neutral facility in Sri Lanka.

**Packaging & Labels**  
All packaging and labels are of recycled plastic. Additionally, all paper-based labels are from FSC certified raw materials.

\*This information was calculated using the Higg Product Module 1.0 at Higg.org. They were calculated by MAS and are not verified. They include cradle-to-gate impacts only

[\\*www.earthrepublic.com](http://www.earthrepublic.com)



## Venturing into New Spaces: Adaptive Apparel

One of MAS' newest product categories, and one that gained a lot of ground during 2020, is Adaptive Apparel. Adaptive apparel is defined as any type of apparel that adapts to a wearers' condition, whether physical or situational.

Our strategic business unit, Linea Aqua has been working towards furthering the adaptive space through easy on-and-off enabled apparel solutions for persons with physical disabilities. Having identified that conventional clothing available in the market requires the use of both limbs, this range is specifically designed to offer easy on-and-off ability, thus offering independence, empowerment, and an inclusive lifestyle.

The teams have conducted a vast amount of research in this space, taking a consumer-centric approach to understand the pain points and unmet consumer needs, who in this case are the elderly or disabled. As with all innovation projects at MAS, starting from the consumer meant that all requirements from the end-user were understood, allowing for an effective design and co-development process.

In this context, co-development means the development of the product together with the consumer. Our teams spent numerous hours together with the elderly and persons with disabilities, conducting multiple user trials and design iterations to perfect the products. This extensive research helped the Linea Aqua team to understand different pain points faced by the end users and to better support the development of a range of styles and products within the swim, intimates, and active categories. This led to universal design thinking and fastener placement, where each design was customized with different types of fasteners, constructions, and placements to address mobility and emotional pain points. These products are now able to make it easier for the individuals that wear them, while empowering them to do more and be more independent.

This new product category is uniquely positioned to be considered under MAS' sustainable product criteria for both the environmental sustainability

attributes through the use of sustainable material and processes, as well as for their positive societal impact. MAS' vision through this product category is to empower and enable everyone to lead normal and independent lives.



**This extensive research helped the Linea Aqua team to understand different pain points faced by the end users and to better support the development of a range of styles and products within the swim, intimates, and active categories.**



## No Holding Back: FemTech

MAS is an organization sustained by women, from our majority female workforce to the consumers who buy the products we manufacture. For this reason, we have constantly pushed the boundaries of what our products can do for women. This is the thinking and inspiration that led to the establishment of our latest adjacency, FemTech.

However, MAS' engagement with the FemTech pillar started much earlier, with our first investment of the feminine hygiene company Thinx. Founded in 2014 and based out of New York, Thinx is a company that makes feminine hygiene products in line with its mission to create "a healthier world through sustainable solutions to menstruation and incontinence".

Thinx was identified as a route to market for a urinary incontinence solution that the MAS Innovation team was working on at the time. The team believed that investing in Thinx, which already had traction in the market, was the most effective way of getting our solution to the consumer. This was the beginning of our first steps in venturing into the FemTech pillar.

Over the years, MAS has developed a multitude of solutions in the FemTech space, from underwear that helps manage urinary incontinence, nursing bras that eliminate the pain points of products currently available in the market, reusable menstrual underwear, and solutions that aid the management of hot flashes during the difficult period of menopause. Our reusable solutions that replace one-time use products such as tampons, sanitary napkins and disposable nursing pads have drastically reduced users' environmental impact, while performing better than conventional products.

Thanks to the technologies and talent at MAS, we are able to provide solutions for all women, starting from their first period all the way up to the end of menopause. Through these solutions, women are able to live, work and play without being held back due to a function of their gender. To us, this is true empowerment.



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**MAS is an organization sustained by women, from our majority female workforce to the consumers who buy the products we manufacture.**

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# Lives Changed for Good

Our people and community are our most valuable assets. We want to make sure our impact helps them change for good.



## How we will do it

### Empowering women

Empower 100% of women at the factory floor

Achieve 1:1 gender parity in management

### Thriving communities

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

### World-class workplaces

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

### Meaningful employment

Accelerate employee well-being & work-life balance

Ensure & elevate sustainable compensation for all employees

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

**Our business** was built on the ethos of doing the right thing. Our founders believed that we could succeed as a business, only if we did right by our customers, our partners, stakeholders, and most importantly our employees and the communities in which we operate.

MAS is home to over 95,000 people who have grown with the company and helped grow our business to where it is today. Our people are our greatest strength, and the communities surrounding us have been our support system since day one. This is why it is vital that we sustain them, just as they sustain us, and help change their lives for good.

**Our people are our greatest strength, and the communities surrounding us have been our support system since day one.**



### 1. Empowering Women

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

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

- a. We will give 100% of female team members the opportunity to enhance their careers, well-being, and safety.
- b. We will have an equal number of women and men in management by 2025.

### 2. Meaningful Employment

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

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

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

### 3. World-class Workplaces

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

### 4. Thriving Communities

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

## Our Journey of Changing Lives for Good **Measuring Progress**

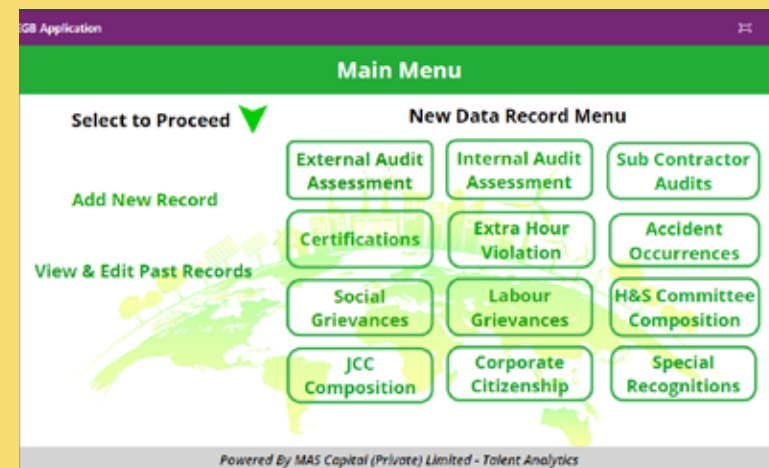
Long before sustainability was a buzzword and before corporate social responsibility became a key tenet of organizational culture, MAS was already on the path of changing the lives of the women and men who work within our plants. Early leaders recall the inspirational stories of young women and men who were building their homes, families and lives through the personal and professional development they achieved through their time at MAS.

As the years went by, these efforts, particularly those for the women in our workforce, were formalized as the Women Go Beyond women's empowerment programme, which has been synonymous with the change that MAS created for women in the apparel industry. Launched in 2003, the Women Go Beyond (WGB) programme has been shared as a best-in-class example by our industry. Since then, we have looked at how we can change not only the lives of our women, but the lives of all individuals who work within our business and call MAS home.

Our efforts have since expanded to formalize the standards of organizational health and safety and working conditions, elevating our workplace standards year on year to make sure that our facilities are among the best in the world. We work to provide all our employees sustainable compensation and benefits and help them balance their responsibilities to be able to be fully present both at work and at home. We also work to create a culture of diversity and inclusion, where all employees are treated equally. MAS has also long since been a critical stakeholder among our communities, working together as partners to ensure that the communities around us thrive and flourish.

In 2020, we consolidated and aligned these efforts under our newly introduced 'Plan for Change', acknowledging over three decades of work that have resulted in changing lives for good.

In order to ensure that our efforts across the Group align with our Plan for Change and allow us to monitor the impact that we create, we measure our progress through data received from the various teams responsible for implementing our programmes across MAS, as well as through the Social Sustainability data management system.



This data management system was developed in 2018 and has been periodically enhanced and recalibrated to measure the progress of our journey of changing lives for good. The 2020 version comprised 12 data categories, including external audit details, internal audit details, subcontractor audit details, extra worker violations, accidents occurrences, social grievances, labour grievances, health and safety committee composition, Joint Consultative Committee composition, corporate citizenship activities, special recognitions and certifications data.

The data management system is managed by, and is accessible to, 163 champions who input data and 81 approvers. Once the data is fed into the system, they are automatically redirected to the approval process with notifications being autogenerated for the relevant approvers. All data is aligned to the Microsoft





## Intensifying Inequalities

We were acutely aware that that, while the COVID-19 virus did not discriminate, the repercussions of the pandemic shows no regard for national or transnational borders and disproportionately affects the most vulnerable people around the world. The pandemic has been a glaring reminder of the systemic inequalities in our societies, as the virus widens the gap between the haves and the have-nots.

The United Nations Development Programme (UNDP) estimates that, without direct intervention, we risk massive reversal of the progress we have made in sustainable development over the last two decades, with negative impacts on those who are already marginalized, including women and children, persons with disabilities, refugees and the displaced, and those depending on informal economies for their livelihoods. Last year, the International Labour Organization estimated that, in India alone, 400 million people were at risk of sliding below the poverty line due to their reliance on informal work, and a further 100 million people worldwide would be pushed to extreme poverty as they could not afford healthcare.

Women, in particular, are at risk, with a bulk of frontline health caregivers being women. In low human development countries, the lack of education and inequality in terms of jobs and wages mean that women are more vulnerable to such health crises

as they are unable to afford healthcare. Across the world, women are also likely to shoulder the greater part of the responsibility for housework, child and dependent care, and children's education, while working full time and often from home. Increased time spent at home during lockdowns has shown that women are also at greater risk of partner abuse, with domestic violence reports surging across the world.

### Our COVID Response

Therefore, we gave special emphasis to our COVID-19 response initiatives that assisted women, children, persons with disabilities, and those who depend on informal or daily work for their livelihoods. Internally, these efforts included the Group-wide mobilization of Work from Home and Flexible Work initiatives, which were being rolled out in phases at the time. Teams across the Group initiated efforts to provide families in need of essential goods and services during the extended lockdown period.

Our in-house counsellors were also upskilled to better support the mental well-being of our employees, while HR teams hosted various sessions to engage employees, families and children, leveraging on virtual platforms, to provide not only support, but also opportunities for learning, wellness and entertainment. While physical distancing proved to be a challenge, many interventions were transferred onto digital platforms, even with a steep learning curve for many audiences.

As a responsible corporate, we also responded to the request of the Government of Sri Lanka to manufacture and provide personal protective equipment for frontline workers at the helm of battling the pandemic. As the second wave of the pandemic hit us with a particular blow to the apparel industry, we worked closely with the relevant local health authorities to carry out testing and operating with stringent COVID-19 prevention protocols in place. All decisions related to the operations of our plants were, and are being, taken based on given directives and in adherence to the relevant health authorities, with the protection of our employees remaining the priority.

MAS also provided extensive financial and logistical support to Government health authorities by enhancing the current Intermediate Care Centre capacity and expanding medical care facilities required for COVID-19 patients in multiple localities and hospitals. Dedicated care centers were set up to support asymptomatic employees and their families, as well as members of the general public. At the end of 2020, 320 individuals in total had received treatment, recovered and been discharged from our care centres.

## Rebuilding Livelihoods

Recognizing the devastating impact that COVID-19 had on informal workers and micro- and small business owners, we also initiated a grant scheme for micro-entrepreneurs in the localities we operate. We chose four districts – Colombo, Gampaha, Kalutara and Kilinochchi – that experienced extended lockdowns, and partnered with Sarvodaya to initiate a project to support entrepreneurs whose businesses and livelihoods were severely impacted by the pandemic. The programme, named ‘Rise Up with MAS’, offered funding and training to a group of deserving entrepreneurs. The grants were fully funded through the donations of MAS employees who came together to support our communities at their time of need.

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**The grants were fully funded through the donations of MAS employees who came together to support our communities at their time of need.**

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## Empowering Women

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

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

The Women Go Beyond programme has expanded and adapted to the needs of the company and its employees over its 17-year journey since 2003. Today, approximately 70% of MAS’ workforce is women, and WGB has permeated the very DNA of the organization.

The WGB programme promotes knowledge, awareness, leadership, attitudinal changes, and the ability to balance work and personal life. While the focus for many years was on gender sensitization, women’s health, gender-based violence prevention and skill development, all mainly at a factory floor

level, since 2017, MAS has set itself an ambitious goal to increase women in management and is actively working to address the gender gap in decision-making roles.

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

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

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

- Goal 3 – Ensure healthy lives and promote well-being for all at all ages
- Goal 4 – Ensure inclusive and equitable



quality education and promote lifelong learning opportunities for all

- Goal 5 – Achieve gender equality and empower all women and girls
- Goal 8 – Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- Goal 10 – Reduce inequality within and among countries
- Goal 16 – Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- Goal 17 – Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

The year 2020 has been an extraordinary year. It tested our adaptability and patience, and made us question our purpose of existence and re-think our strategies. However, amid all these challenges and obstacles, we were able to push forward and ensure lives made better for all our employees, keeping true to our MAS Values.

This pillar will showcase the policies and practices related to supporting women’s empowerment and advancing gender equality in the workplace, marketplace and community, supported by sex-

disaggregated data where available. It will also demonstrate how the company pushed its women’s empowerment agenda this year more than ever through innovative ways, despite the challenges.

Under MAS’ 2025 Social Sustainability Strategy, “Empowering Women” was recognized as a standalone pillar in recognition of its importance to the company. In line with this strategy, the Women Go Beyond initiative carried out work under our two main focus areas in 2020:

- Women on the Factory Floor
- Women in Management



Today,  
approximately  
**70%** of MAS’  
workforce is  
women, and WGB  
has permeated  
the very DNA of  
the organization.



## Women on the Factory Floor

### Our commitment:

#### Empower 100% of women at the factory floor

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

Despite social distancing, lockdowns and strong financial, emotional and physical challenges posed especially for our courageous women on the factory floor due to the pandemic, we were inspired to see their resilience and dedication as we stayed connected to understand their needs to the best of our ability as a Group.

In 2020, the WGB initiative offered training and development opportunities for 218,924 employees, of which 177,284 opportunities were created especially for women on the factory floor. These opportunities were offered through 732 programmes conducted group-wide, primarily online as we adapted to the new normal. Figure 1 shows a snapshot of the programmes conducted under WGB in the 5 main focus areas for factory floor employees.



Figure 1: Snapshot of WGB work on the factory floor in 2020

## Career Advancement for Women

With the aim of promoting education, training and professional development for women (WEP - 4) and to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all (SDG Goal 4), MAS provided a wide range of education and training opportunities for female workers through professional trainers and subject specialists during 2020.

These programmes included the following:

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

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

The English Language Skills Development



Programme organized by the corporate WGB team for 55 identified female factory floor employees who were recognized as Empowered Women at the Abhimani Awards in 2019 was a key highlight among these. This programme was conducted in collaboration with the Rainbow Institute as a series of pre-recorded video tutorials and a once-a-month, online session where the students got to meet the teacher, practice what they had learned and clarify any doubts. In addition, 23 similar programmes were conducted across the Group in 2020, providing a total of 1,419 opportunities to our employees.



The usual activity-based leadership development programme offered to winners of Abhimani Empowered Woman of the Year was challenged by the prevailing pandemic situation in the country, due to social distancing and limitations on movement and gathering. However, the corporate WGB team managed to get Darshana B. Ratnayake, MOS Manager at MAS Al Safi – Jordan and former NIKE lean coach, to conduct an online programme on

leadership development so the winners did not miss out on what was promised. A total of 75 winners and runners-up from across the Group including Intimates, Active, Kreedaa, Linea Aqua, Bodyline, Brands and Matrix participated in these once-a-month, online interactive leadership development sessions. The programmes addressed key areas essential for personal and professional development such as goal setting, leadership skills to be a better supervisor and developing an exceptional team. In addition to this, several leadership development programmes were conducted across the Group providing over 2,500 learning opportunities for our female employees.



Before the pandemic erupted, however, we conducted many such in-person programmes across the Group, ensuring the maximum effectiveness at the beginning of 2020. For example, MAS Intimates Casualline collaborated with Kapila Rasnayake, a global activist, artist, motivational speaker and director of Voices of Humans, to

conduct an experiential leadership development programme with a difference for team and group leaders. Around 58 female members and 12 male members reaped the benefits of this session.



MAS Intimates Rapid also conducted a coaching session for team leaders and group leaders on important soft skills such as leadership, team collaboration, thinking out-of-the-box, and placing themselves at a higher level in life and career. This was conducted in small batches covering an overall of 22 females and 5 males at the beginning of 2020.





MAS Intimates Sumbiri, in Indonesia, conducted a similar programme on career guidance to create awareness for identified team members in the team leader pipeline. Around 85 female team members participated in this session, which aimed to attract qualified candidates to a strengthened pipeline and support them in reaching their desired goals.



MAS also launched a mentorship programme for female team members who won the Abhimani Empowered Woman of the Year competition in 2019, connecting them with mentors from the same workplace as an additional point of support for personal growth. MAS Intimates, MAS Kreeda and MAS Brands launched these Abhimani mentorship programmes, followed by a series of mentee one-on-ones, mentor conversations and conversations with the

facilitation staff to ensure consistency in the message.

Our Personal Advancement and Career Enhancement (P.A.C.E.) life-skills development programme to enhance the professional and personal capabilities of female team members is a key initiative carried out by MAS Intimates Division under this pillar. P.A.C.E. is an innovative and educational learning programme that positively impacts women in the workplace and in community settings by providing them the foundational skills and support to advance in their work and personal lives.

While the programme was initiated by Gap Inc. in 2020, PVH Corp. also decided to come onboard and extended the same to their vendors, which again MAS Intimates was a part of. MAS Intimates commenced the P.A.C.E. programme at Slimtex in 2015 and, by 2020, the programme had expanded across 12 plants in Sri Lanka: Slimtex, Casualline, Unichela Panadura, Thurulie, Unichela Biyagama, Silueta, Linea Clothing, Linea Intimates, Slimline, Unichela Koggala and Vidiyal. By the end of 2020, 2,900 female team members and team leaders were trained and given competencies through 10 modules over a period of 6 months per cycle.

We have always been at the forefront of breaking gender stereotypes. Throughout the years, MAS has been keen on promoting non-traditional job roles for females such as mechanics, cutters, printers, technicians, etc. Each division has been training and encouraging women to take up these job roles that are traditionally male dominated through different initiatives amid the challenges posed by the pandemic. For example, MAS Active and MAS Kreeda offered 149 training opportunities for female cutters, mechanics and technicians provided through 14 special training programmes in 2020. Additionally, we provided 172 training opportunities across the Group.

Table 1 shows the types of training conducted in 2020, a breakdown of beneficiaries by gender and the hours of training involved.

**Table 1: Career Advancement – 2020**

Programme Name	No. of Programmes	Participation Hours	Opportunities for Females	Opportunities for Males
Abhimani training and coaching sessions	4	6.5	67	5
Career guidance programme	28	193.3	732	62
Communication/Public speaking/ Presentation skills	24	40	2,848	199
Computer/IT/ Microsoft Office	16	55.75	937	817
English language skills development	23	58.5	1,236	183
English language development programme for empowered women by corporate	5	10	55	
Education fair	1	8	2,146	678
Female cutters training	1	8	1	0
Female mechanical training	5	20	76	0
Female technician training	8	46	72	0
Finance management	9	19.3	2,559	250
Leadership development training	23	58.5	2,561	0
Leadership development programme for empowered women by corporate	5	5	75	0
Outbound/Leadership/Team building	5	64	194	0
PACE programmes	8	41	423	0
Time management	6	6	105	60
Positive thinking	39	520.5	16,839	4,841
Motivational speech by an external facilitator	7	15.5	3,067	381
Motivational speech by an internal facilitator	5	3	2,560	835
Multi-skilled/Jumper	2	4.5	7	0
Non-traditional female roles	5	15	172	0
Soft skills development	5	35	39	0
<b>TOTAL</b>	<b>251</b>	<b>782.78</b>	<b>76,761</b>	<b>16,691</b>

## Skills Development Outside the Job Role

In 2019, the corporate WGB team launched the 'Entrepreneurship Acceleration Program' with the aim of supporting female business owners and women entrepreneurs for the winners of the Abhimani Empowered Woman of the Year, which continued in 2020. Due to the restrictions posed by the COVID-19 pandemic, an innovative new model was proposed for this programme, where 5 learning modules were crafted capturing the essentials of becoming a successful and sustainable entrepreneur. We created short, sharable video tutorials for each module, with specific deliverables at the end of each segment. These inter-connected tutorials were shared with the group of 155 potential and existing female entrepreneurs, following which we organized a series of virtual meet-the-trainer sessions. This gave the participants the opportunity to connect with trainers virtually to discuss issues and concerns regarding their businesses and business ideas. Lonali Rodrigo, Founder/Creative Director of House of Lonali, was the main facilitator of this endeavour, accompanied by Vikum Rajapaksha, Founder of the Kantala Brand, to talk more about finance management and book-keeping. It was encouraging to see employees under self-quarantine joining these sessions virtually amid the challenges. A separate session was also conducted for Tamil-speaking employees at our plants in Kilinochchi, MAS Vaanavil and MAS Vidiyal,

to enable an equal learning platform for potential entrepreneurs.

In support of female business owners and women entrepreneurs, all divisions across the Group organized workshops, knowledge sharing sessions and training programmes in collaboration with industry experts and successful entrepreneurs to promote entrepreneurship among our female associates, as well as to promote the generation of a secondary income. Across the Group, we provided 589 opportunities for our female employees through 18 entrepreneurship development programmes.

Amid the pandemic, MAS Intimates Ayathi conducted a hands-on workshop on curtain making, which was in high demand, while strictly adhering to COVID-19 health and safety regulations. The workshop was conducted by an industry expert, Nalani Renuka Suwaris, with the participation of 23 females and 5 males, which were conducted in small batches.



Before the pandemic erupted, the divisions had been exerting a continued effort to upskill our employees in non-work related areas to further empower them financially. MAS Intimates Slimline offered a certificate course on dress making, which consisted of 16 sessions, for 85 female team members. The programme covered a series of subjects such as basic pattern making, basic sewing patterns and basic dress making of simple garments, and was conducted by industry specialist Champika Ranathunga.



Similarly, MAS Intimates Slimline conducted a programme on organic home gardening, where 225 female employees and 26 male employees were taught the basics of soiling, composting, seeding and planting, these employees were also given an opportunity to attend to Slimline's organic garden. During the lockdown period, this knowledge had been of immense use according to feedback from the participants.



At MAS, we always share and replicate best practices among different locations. Thus, a similar programme on organic home gardening was conducted at MAS Intimates Unichela Koggala, with the participation of 25 female and 10 male employees. After the training, they were given the opportunity to visit the Koggala organic garden.



MAS Intimates Silueta conducted a series of sessions on financial empowerment to create awareness about the basic concepts of personal money management, utilization of a monthly salary, and personal budgeting and handling money. The session also discussed negotiation techniques and ways of being assertive with financial demands in terms of managing the salary, credit cards, loans, etc. The session was conducted by a corporate trainer, Kanishka Rathnayake, with the participation of 12 females and 13 males. The same session was conducted at MAS Intimates Ayathi for a group of 30 females and 22 males.



Many MAS locations provide a platform for female entrepreneurs to exhibit and sell their products at the factory premises. "Diriya Pola" is one such example. MAS Active has supported over 300 female employees create an idea and start growing their business in a multitude of areas such as agriculture, sewing, salons, food and gardening.

MAS Kreeda Methliya facilitated a similar initiative by not only providing a space to showcase the products, but also educating and supporting them on financial independence. MAS Intimates Unichela Panadura also offered such an opportunity to 10 of its female entrepreneurs by organizing an exhibition to encourage creativity and support aspiring entrepreneurs within the business.

With the aim of developing life skills among our associates and encouraging holistic development, different SBUs continued to provide various education and training opportunities for female workers. MAS

Active Asialine conducted programmes that enable its female workforce to be independent, including driving lessons in partnership with a renowned driving school in this vicinity, which was offered to 170 female employees.



We believe these efforts will not only help them strike a balance between their work and personal lives, but also infuse creativity and innovative thinking into their day-to-day work and problem solving.

Table 2 shows the types of training conducted in 2020, a breakdown of beneficiaries by gender and the hours of training involved.

**Table 2: Skills Development – 2020**

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Arts & Craft training	1	8	1,200	100
Batik/Tie & dye workshop	1	2.5	56	3
Training programme - Compeering	1	0.5	3	1
First aid training	1	6	50	5
Dress making/Sewing course	10	27.5	354	0
Beauty culture training	18	80.7	3,727	605
Cookery/Culinary classes	4	7.5	2,227	712
Curtain stitching	6	19.5	169	8
Dancing class/Music and singing	12	29.5	1,324	13
Handwork	4	6.5	98	0
Entrepreneurship programme	18	69.5	589	227
Entrepreneurship skills development programme by corporate	2	3	155	0
Gardening courses	5	16	460	207
Sewing classes/Tailoring training	19	57.5	579	2
Driving lessons	7	34	452	237
<b>TOTAL</b>	<b>109</b>	<b>368.2</b>	<b>11,443</b>	<b>2,120</b>



## Women's Health

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

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

In line with our commitment made to the United Nations Foundation to reach 10,000 associates by 2021 in terms of awareness and education on sexual and reproductive health and rights and gender-

based violence, the corporate WGB team partnered with International Planned Parenthood Federation's (IPPF) Family Planning Association of Sri Lanka (FPASL) to develop a specially crafted curriculum including in-depth awareness on sexual and reproductive health, life skills, and the prevention and control of Non-Communicable Diseases.

We conducted a knowledge sharing sessions for nominated trainers from across the Group through residential train-the-trainer workshops facilitated by Dr. Harischandra Yakandawala, Medical Director at FPASL, followed by a discussion on divisional trainers' roll-out and a practice session. Trainers from different MAS locations such as Active, Kreeda, Intimates, Linea Aqua, Brands, Matrix and Noyon got the opportunity to attend these two-day TOT workshops before the pandemic broke out.



However, due to the crisis situation, the original plan to roll out these education and awareness sessions was challenged. Therefore, we had to collectively re-examine and refine the syllabus;

thereafter Dr. Yakandawala conducted a series of refresher sessions virtually for the trainers from each division.

The objective of these online programmes was to refresh the minds of the trainers on important subject areas, including sexual issues, unwanted pregnancies/family planning, sexual and gender-based violence and sexually transmitted diseases such as HIV, while educating them on the impact of COVID-19 on individual and family well-being. It also aimed to provide useful life skills to support effective handling of challenges and issues faced by the new way of life owing to the crisis. Through all these efforts, a pool of 87 trainers including counsellors, ER members and past empowered women were fully trained and upskilled to commence trainings after the lockdown. Each trainer was given a target, and monitored in terms of training schedules and peer leader education to review their progress on information dissemination to team and staff members, while influencing their behaviour and attitudes for betterment.





In line with this agenda, Linea Aqua launched a special life skills development programme covering a multitude of topics such as reproductive health and rights, family planning, NCDs, and life skills development, led by the plant counsellor and a set of trainers.

With these combined efforts, we are thrilled to have surpassed our commitment made to UNF Women Deliver programme to reach a target of 10,000 beneficiaries within half the timeline as originally agreed, and we have decided to double this commitment to reach 20,000 beneficiaries by the original 2021 timeline. In 2020, with the UNF progress review report, MAS decided to renew this commitment to empower more of our female employees by extending our original undertaking to provide health and well-being education and services focusing on sexual and reproductive health and awareness on gender-based violence to our employees and the communities adjacent to our manufacturing locations. We were excited to have Thanuja Jayawardene, Deputy General Manager of Women's Empowerment, Advocacy & Code of Conduct at MAS, represent us at the virtual parallel event of the 75th session of the UN General Assembly co-hosted by the World Benchmarking Alliance (WBA) and the Universal Access Project of the UN Foundation (UNF) on the 29<sup>th</sup> of September where the new commitment was announced and formalized.

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

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

advocacy, and work towards embedding a sustainable approach to engaging with this audience on health and lifestyle issues, and the dissemination of information and advice.

Throughout 2020, awareness sessions at all MAS Intimates locations were conducted together with public health officers facilitated by the Sri Lanka Cancer Society. The sessions were integrated into the induction programme, conducted by nurses at the in-house medical centers at all facilities, while internal PA systems were sometimes used to conduct awareness programmes and interviews with doctors and technical experts on breast cancer and diagnosis. Through 342 inductions conducted within MAS Intimates, 7,463 employees were covered in 2020 and a total of 108,007 beneficiaries have been covered through the awareness programmes conducted using the PA system. This benefit was also extended to 1,229 beneficiaries in the community through 12 community programmes.

Keeping true to our One MAS concept, this initiative was also rolled out to most of the other divisions in the Group. The Aloka team at MAS Intimates conducted 8 such programmes in other locations, creating over 4,787 sensitization opportunities. For example, the Aloka team facilitated a special breast cancer awareness programme at MAS Linea Aqua Naiwala, conducted by Mr. D.W.S. Jayaratne, a public education officer working for the Sri Lanka Cancer Society. This session was conducted through the

company PA system and was followed-up with other awareness material. A similar programme was conducted at MAS Linea Aqua Hanwella targeting breast cancer awareness month, facilitated by the same resource person.



Similarly, MAS Active Asialine rolled out the Aloka programme to all their employees in an attempt to raise awareness on Non-Communicable Diseases, breast cancer and other types of cancer. This programme impacted 1,600 employees at Asialine.

MAS Bodyline launched a multi-faceted programme titled 'NobodyFightsAlone' across the Bodyline division earlier this year for 4,000 female beneficiaries with the objective of informing and reaching out to those in need for help, and thereby saving lives through early detection and ultimately making Bodyline "Breast Cancer and Cervical Cancer Free Zone". Employees benefitted from a series of programmes launched under this initiative, including a poster campaign and exhibition titled "Be Aware of Breast Cancer and Cervical Cancer", a session that addressed myths associated with breast cancer conducted through

the PA system, and a general awareness session on breast cancer and cervical cancer with the support of the Horana Base hospital, Maharagama Apeksha hospital, Cancer Early Detection Center and National Cancer Control programme.



**MAS Bodyline launched a multi-faceted programme titled 'Nobody Fights Alone' across the Bodyline division earlier this year for 4,000 female beneficiaries.**

MAS Active was also very active towards driving this agenda. Different locations of MAS Active such as Nirmaana, Asialine, Contourline, Linea Intimo, Shadowline and Sleekline conducted 97 programmes covering sexual and reproductive health, NCDs, breast cancer, cervical cancer, and general health and nutrition, providing 27,942 learning opportunities for factory floor employees. Of these, a key highlight was the medical clinic conducted by MAS Active Nirmaana, which provided PAP smear tests, and a programme on NCDs conducted in partnership with the MOH Hospital at the Katunayake BOI zone. To ensure female beneficiaries of community programmes, while maintaining community stakeholder engagement, this programme was open to all employees and their family members as well.



Another important initiative conducted across MAS is providing support for pregnant women. MAS Active conducted sessions for pregnant mothers on reproductive health and family planning, as these women had limited access to clinics due to pandemic-related restrictions. Across the Active division, over 130 pregnant mothers were educated through these sessions. Similar sessions have been conducted at MAS Linea Aqua with the help of the plant counsellor and medical center staff throughout the year, even before the pandemic erupted.

Table 3 shows the types of training conducted in 2020, a breakdown of beneficiaries by gender and the hours of training involved.

**Table 3: Women's Health – 2020**

<b>Programme Name</b>	<b>No. of Programmes</b>	<b>Participation Hours</b>	<b>Opportunities for Female</b>	<b>Opportunities for Male</b>
Breast cancer and cervical cancer awareness	47	121.88	50,705	10,310
Aloka breast cancer awareness by Intimates – (small group awareness sessions)	22	72.5	9,331	1,354
Reproductive health-related education	110	271	8,274	0
SRH - (Train the Trainer) programme by corporate	4	51	135	508
Anaemic Clinic	2	12	240	0
Awareness on personal hygiene and how to dispose the sanitary items (new recruits)	26	26	190	0
Personal health, grooming and female hygiene	16	135.25	7,212	4,512
Dignity of motherhood programme	24	93.15	674	7
<b>TOTAL</b>	<b>251</b>	<b>782.78</b>	<b>76,761</b>	<b>16,691</b>



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

Violence and harassment have always been considered and handled with utmost seriousness at MAS. With the intention of raising awareness and minimizing incidents of gender-based violence including domestic violence and workplace harassment, we continued to engage in many initiatives within the organization and with community stakeholders. Divisions and individual SBUs across the country connected with regional hospitals, police stations and government agent offices to get the support and expertise of trained professionals and subject specialists.

The programmes aimed at creating awareness among MAS employees and the communities in a broad way, creating awareness and educating people on stereotypes and inequalities surrounding gender; addressing myths and misconceptions regarding gender-based violence and harassment; and preventing and responding to such instances of gender-based violence while promoting mutual respect in a family. MAS Intimates Slimtex hosted a session conducted by Mrs. Sanjeewa Lama Hewa, Former Head of Women and Child Affairs of the Sri Lanka Police - Pannala branch, on gender equality, gender-based violence and domestic violence, and the services offered for females by local authorities. The entire factory of over 1,400 female employees and 380 male employees participated in this session.

MAS also worked with lawyers, support organizations and the Legal Aid Commission of Sri Lanka to create awareness on legal provisions relating to gender-based violence and sexual harassment. MAS Intimates Linea Clothing and Linea Intimates conducted an open forum on legal aid for all employees covering areas of domestic violence, sexual harassment and child protection conducted by Ms. Janaki Seneviratne, ASP of the Children's and Women's Bureau in Kandy, Ms. C. K. Wickramaratna and Ms. N. S. Jayasinghe of Legal Aid in Kandy. The session was also facilitated by the plant counsellor Ms. Swarna Ekanayake. This awareness session reached 2,000 females and 750 males at both locations.

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**The programmes aimed at creating awareness among MAS employees and the communities in a broad way, creating awareness and educating people on stereotypes and inequalities surrounding gender.**

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SBUs across MAS promote and highlight both the rights and responsibilities of women and men through a series of programmes that address difficult and taboo topics around gender-based violence. This information can be difficult to digest, but we constantly look for innovative ways to get the message across. For example, MAS Active Nirmaana conducted an art competition to create awareness on gender-based violence, and employees showcased their notions on GBV through pictures. This stimulated a conversation and curiosity, which helped our employees feel understood and cared for.



Against this backdrop, MAS Intimates launched a series of workshops with Kapila Rasnayake, a Global Activist, to address issues related to gender-based discrimination through an art-based approach using a “self-development plan” for factory floor employees. The session initiated a dialogue and mutual understanding about gender and development, masculinity, femininity and gender myths among both female and male employees who participated. These programmes provided a platform for females to address their development barriers, while across Intimates’ local SBUs (Thurulie, Casualline, MDS, Unichela, Ayathi, Slimtex), 320 female and male employees were given the opportunity to take part in these one-day workshops.



A similar session was organized by the corporate WGB team at our annual get together of all “Go Beyond Champions” from across the Group at the beginning of 2020. The forum theatre session conducted by Kapila Rasanayake focused on respect, love and freedom.



With incidents of domestic violence rising globally, due to the pandemic, we identified very early into the lockdown that we needed to equip our HR and other employees who are the first point of contact at factories with tools to handle instances of domestic and gender-based violence when reported. While

we have counsellors and HR people already trained in these aspects, special online sessions were organized and conducted in collaboration with Udeni Thewarapperuma, senior lawyer, gender specialists and a consultant for UNFPA, to provide more knowledge and understanding on how to support victims of abuse considering the sensitive times. The objective of these programmes was to educate and sensitize internal points of contact such as SBU counsellors, internal trainers and HR personnel to better prepare them with the tools and expertise to support employees who experience issues related to domestic and gender-based violence. From across the Group, 63 participants including counsellors, HR and ER representatives, and medical center staff were sensitized through these programmes.

Following the successful completion of these sessions on the prevention of GBV, we also identified a serious need for more awareness about the country’s legal system. Thus, the corporate WGB Team organized a second session in collaboration with the same resource person on effective law and policy regarding GBV. The session saw the participation of 28 counsellors, which provided them with useful information and an opportunity to clarify many concerns in terms of dealing with these issues. A similar online session was conducted by a Tamil trainer in collaboration with Udeni Thewarapperuma for the Vaanavil and Vidiyal plants, which was very well received by the

counsellors, ER members, HR teams, EWY, and a few TL/GL members who attended the session.



The Happy Family Life programme played a key role in this regard too, as it addresses common underlying causes of domestic and gender-based violence such as abuse of alcohol and drugs.

With the aim of increasing community stakeholder engagements and ensuring female beneficiaries of community programmes, 11 identified married couples attended a session at MAS Kreedha Mihinthale conducted by Dr. Manoj Fernando, a medical professional and senior lecturer in health promotion. The objective of the session was to enhance an enriched and healthy relationship within the family and community of our employees. To meet this objective, areas such as marital relationships, gender, domestic violence, poor money management, sexual well-being, alcohol and other substance abuse, child well-being, family well-being, stress and psychological well-being, and TV and mobile dependency were discussed at the session.

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

Our efforts in this regard were not limited to local boundaries, as Women Go Beyond has been launched in many of our foreign locations including India, Bangladesh, Indonesia and Jordan. It was very encouraging to see communities in these foreign locations coming onboard to follow the same curriculum and material developed by the Group on sexual and reproductive health and rights, as well as addressing gender-based violence using their local resource personnel.

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

Table 4 shows the types of training conducted in 2020, a breakdown of beneficiaries by gender and the hours of training involved.



**Table 4: Preventing and Addressing Gender-based Violence – 2020**

Programme Name	No. of Programsmes	Participation Hours	Opportunities for Female	Opportunities for Male
Alcohol, drugs and tobacco prevention	2	5	1,500	620
Awareness on legal aid/Legal requirements	14	33.5	11,442	2,336
Child abuse/Care and development/ Parenting skills/Family values	7	5.5	3,000	2,270
Domestic violence awareness programmes	64	161	18,501	6,588
Post-COVID impact on GBV	5	10	63	0
Early marriages and its consequences	1	1	2,150	0
Happy family programme by corporate	4	14	59	400
Prevention of harassment	10	18	2,286	16
Social media – Cyber bullying and crime	3	5	3,567	472
<b>TOTAL</b>	<b>110</b>	<b>253</b>	<b>42,568</b>	<b>12,702</b>

## Creating Role Models

In line with the main UNSDG for Women Go Beyond, achieving gender equality and empowering all women and girls, MAS has always understood the importance and gravity of profiling, creating inspirational role models and sharing success stories of women who have broken stereotypes and achieved the supposedly “impossible”.

Promoting women in sports was one way we wanted to engage in this area, as it creates community stakeholder engagement and ensures female beneficiaries of community programmes. Therefore, with the objective of promoting women’s sport and strong female role models, as the clothing sponsor for Sri Lanka Cricket, MAS wanted to promote Sri Lanka’s women’s cricket team in the lead up to the 2020 World Cup. Through this initiative, we hoped to create interest in women’s cricket and engage with the team to empower and motivate our workforce.





**MAS has always understood the importance and gravity of profiling, creating inspirational role models and sharing success stories of women who have broken stereotypes and achieved the supposedly “impossible”.**

The first session of this series was held at the beginning of 2020 at MAS Bodyline Horana, which welcomed and hosted the women’s cricket team led by Chamari Attapattu. The team took part in a motivational session facilitated by Bhathiya Arthanayaka, a renowned sports mentor and life coach, where they discussed topics such as team spirit, motivation, etiquette, winning image and women’s empowerment. The team was then given a quick factory tour, where they engaged with our empowered women, and was presented with an MAS flag covered with signatures of our employees as a special token to wish them good luck and courage for the upcoming matches.

The second session was conducted shortly after, at MAS Active Nirmaana, where the jersey was manufactured from ocean plastics. The team engaged in a more hands-on session focused on team building, trust and synergy, followed by a motivational session focusing on a mindset change. The team was then given an opportunity to engage with our employees and taken through the process of manufacturing their jersey. MAS Active leadership and the designers then symbolically handed over the jersey to the team captain Chamari Attapattu.

MAS’ Corporate Communication team joined hands with us on this as we launched an inspirational ‘Diriya Denna’ campaign – rallying the nation around the women’s team and elevating their sense of pride as representatives of Sri Lanka on the global stage.



Every year, individual SBUs ensure that their female workforce engages with inspirational role models who would show them the way and give them reassurance to excel in avenues that might seem too difficult. International Women’s Day and International Mothers’ Day are two key instances when these initiatives take place. In 2020 too, most SBUs hosted “women’s week”, throughout which they promoted inspirational role models and their engagement with the workforce.

For example, the corporate WGB team in partnership with the corporate communications team launched an online promotional campaign sharing inspirational stories of MAS Women via internal email throughout March in celebration of International Women’s Day under the themes #eachForEqual and #TrulyEqual. While this campaign reached over 8,000 of our employees, we also launched a parallel Facebook campaign to promote women in sports internally and externally – especially regarding our partnership with Sri Lanka’s Women’s Cricket team, women driving innovations, women uplifting rural communities, women breaking stereotypes and women in leadership, while sharing their stories of success and inspiration.



MAS Active also conducted a stimulating panel discussion in celebration of the same, with the esteemed participation of the Ambassador of the British High Commission Madam Sarah Hulton. Also on the panel were brilliant speakers and influential leaders in their relevant fields such as Stephanie Siriwardena, Chevaan Daniel and Heshari Palihawadana. Another initiative at MAS Active that is recognized and appreciated is the Godmother rewarding system, which celebrated leaders who uplift the lives of their colleagues and make contributions beyond their work.

Table 5 shows the types of training conducted in 2020, a breakdown of beneficiaries by gender and the hours of training involved.

**Table 5: Creating Role Models – 2020**

Programme Name	No. of Programmes	Participation Hours	Opportunities for Female	Opportunities for Male
Recognition at 'Diriya Pola' entrepreneurship platform	17	106	1,588	485
Abhimani - Empowered Woman of the Year - Awards/recognition	1	1	1,800	0
Employee recognition	2	3	1,326	380
Completions and awarding ceremonies	8	22	5,027	951
<b>TOTAL</b>	<b>28</b>	<b>132</b>	<b>9,741</b>	<b>1,816</b>



## Women in Management

### **Our commitment: Achieve 1:1 gender parity in management**

In line with SDG 5.5.2 and the UN Women's Empowerment Principle of establishing high-level corporate leadership commitments for gender equality, MAS has been focusing on increasing the representation of women in management through a synergized effort across the Group. The leadership has committed to a social sustainability goal of 1:1 gender representation in management by 2025. While this is an aspirational goal, we are working on many interventions to support and develop more women into the leadership pipeline. These efforts essentially focus on achieving and maintaining gender equality in the organization's middle management and above cadre.

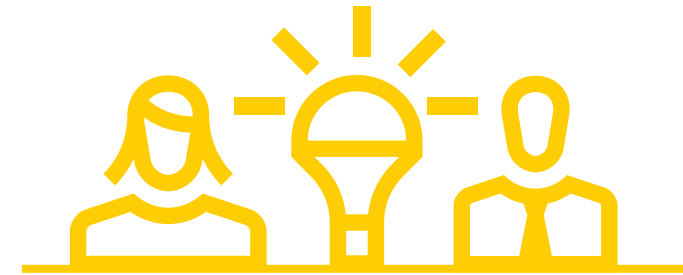
### **Creating and Maintaining Workplace Awareness of Gender Equality, and the Inclusion and Non-discrimination for All Workers**

To ensure that senior and middle management understood the business case for diversity and were on board with accessibility innovations, the corporate WGB team launched Diversity, Accessibility and Respect (DAR) Sensitization workshops in 2019, which were continued in 2020 across the Group as well.

The DAR workshops focus on developing an understanding of the link between diversity and innovation in business, how to structure a team environment so that everyone has a voice, and how to manage a healthy and respectful workplace. It also deals with unconscious bias and innovation in relation to how we work in order to develop more women to take on management and leadership roles. As a Group, we were keen on creating awareness and conversations around these topics, in order to create an environment that is more conducive to increasing overall diversity and the proportion of women in management at MAS.

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**The DAR workshops focus on developing an understanding of the link between diversity and innovation in business.**

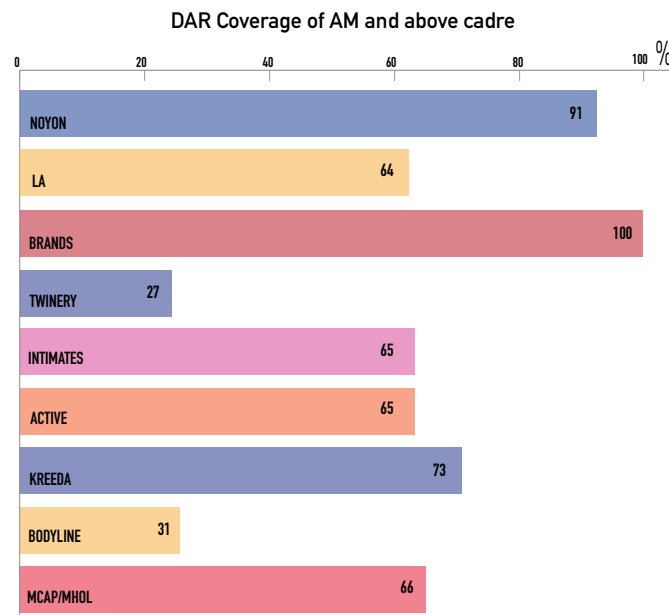


With the eruption of the pandemic, although there was a serious challenge to conduct these workshops as previously done in small groups in a classroom setup, we were able to develop an online alternative. The online DAR sessions were planned and launched via Microsoft Teams to familiarize present and future decision makers with the business case for diversity in leadership and how to support more women to take on leadership roles while combatting their own unconscious biases.



Through an interactive process, the team kept making changes to the content, structure and time, finding innovative solutions to replace physical group discussions and other activities. The internal capacity that was built through trained in-house trainers in different divisions was of much use in this endeavour, as we learned from one another and shared best practices in terms of conducting workshops online. Different versions were conducted for middle management and executives separately, with the aim of breaking stereotypes and addressing gender biases. The programme not only continued in locations that had already initiated DAR work in previous years such as MAS Kreeda and MAS Intimates, but was also launched in several new locations such as MAS Linea Aqua, MAS Brands, Noyon and Twinery by MAS despite the challenges. We also included some foreign locations such as MAS Kreeda Al Safi - Jordan and MAS Linea Aqua Vietnam, keeping true to our One MAS concept. By the end of 2020, across MAS Group, over 1,600

employees had been sensitized, while training 55 internal trainers to carry out these sensitization workshops. There was also a significant increase in the number of managers covered in most of the divisions in 2020, which was a clear indication of the unified effort of all our champions across the Group.



Further adapting to the new normal of social distancing and distance learning, the corporate WGB team started developing e-learning content on the topics discussed at the DAR sensitization sessions. The final product was several e-learning modules that are interactive, informative and equipped with audio visuals to make the learning experience more interesting for learners. The first module was on

Unconscious Bias, and went on to discuss what it is, what it looks like in a work context, and took the readers through the most common types of unconscious biases that will help them recognize the biases within them. The module also discusses the golden rules of reducing biases, which is the ultimate goal we want to achieve.



The second module was on Diversity and Innovation, and discussed how diversity drives innovation and the different dimensions of diversity, including the LGBT+. The module went on to discuss ways of enabling people to express themselves authentically and managing teams with diversity. Both modules have been incorporated to the online Management Development Programme developed by the corporate L&D team.



The last module, on A Respectful Workplace, largely talks about understanding and handling bullying and sexual harassment. As this content was heavy and

complex, we have tried to keep it as simple and easy to digest as possible, while making it an enjoyable experience for learners with many interactions, scenario playing with avatars and videos, and audio visuals.



We identified that creating inspirational role models for female employees at the executive level is crucial for them to be inspired and push themselves towards managerial positions, to achieve 1:1 gender representation by 2025 as we envisioned. Therefore, throughout 2020, we conducted a number of initiatives aimed at sharing experiences of successful women and discussing common challenges faced and how they were overcome, while motivating and inspiring our young female talent to climb up the career ladder all the way to the top.

The social media campaign titled “Challenging the Challenges” was one such initiative launched throughout by the corporate WGB team with the help of our corporate communications team. The campaign shared short videos of our senior leadership emphasizing the importance of the business case for diversity and accessibility innovations, with the hope of reaching a larger

community and holding leaders accountable to promote diversity. By sharing the success stories of women and how they overcame the challenges that were thrown their way, and by highlighting these reputed men and women at MAS as champions of change, we were able to create a mindset change on what is accepted and promoted in the company.

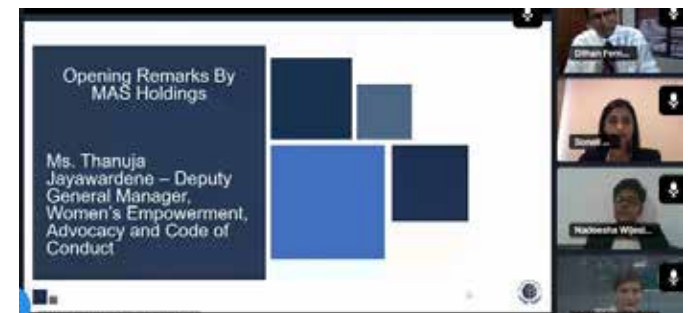
Another interesting session supporting this cause was organized by MAS Intimates Operations Center (MDS) with the hope of moving beyond gender barriers. The session titled “Equal opportunity = Equal Possibility” was conducted by Hans Bilimoria, Director of The Grassrooted Trust, looking at the opportunities of an equal world, and men who support and champion this agenda. The session also discussed topics around sex and sexuality, male privilege and Sri Lanka’s patriarchal culture, with the hope of shedding some light on the need to drive for gender equity and inclusion. The session saw the participation of 20 female and 10 male employees.



During 2020, MAS’ group-wide AM and above recruitment of females had increased to 51.43% from previous year’s 44.44%. We believe this was a

result of all our conscious efforts across teams to create a more diverse and inclusive workforce, especially in decision-making positions.

All these efforts were also recognized on a global platform when MAS was invited to take part in UN Global Compact Virtual Leaders’ Summit Best Foot Forward in 2020. With the objective of sharing longstanding initiatives led by the country’s private sector on climate and gender, a breakout session was conducted as a part of the UN Global Compact Virtual Leaders’ Summit 2020. The session titled ‘Best Foot Forward: Global Solutions for Two Major Roadblocks: Climate and Gender’ was held virtually on the 16<sup>th</sup> of June.





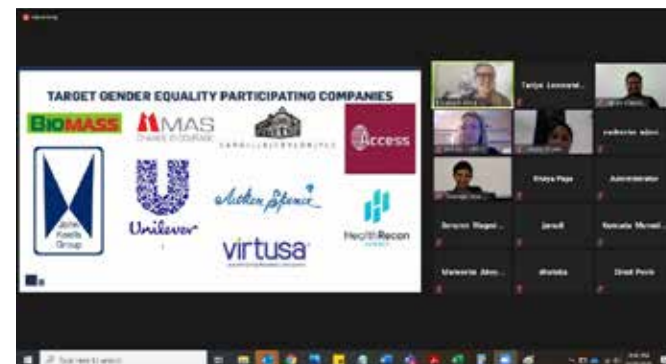
## Leadership Commitment Towards Increasing Women in Management

As at 2020, MAS had 21% of women in first line management (AM and M), 20% in middle management (DGM and GM) and 21% in senior management (divisional and functional directors).

It is encouraging to note that female representation across the Executive Committees also saw an increase to 19% in 2020, from last year's 16%, and amid all challenges, MAS was able to increase its overall women in management carder to 21.5% from 21% in 2019.

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

Another initiative taken up by MAS to ensure leadership commitment was signing up for the UNGC Target Gender Equality (TGE) programme. Target Gender Equality is an accelerator programme that drives business success, sustainability and contribution to Goal 5.5. Through facilitated performance analysis, capacity building workshops, peer-to-peer learning and multi-stakeholder dialogue at the country-level, Target Gender Equality calls for bold action in setting and reaching ambitious corporate targets for women's representation and leadership. This was launched with its virtual onboarding of members on the 29<sup>th</sup> of September 2020 with a focus on increasing the representation of women at the board and executive management levels. MAS was among the 9 companies who signed up for this initiative to deepen our implementation of the Women's Empowerment Principles and to strengthen our contribution to Goal 5.5 of the 2030 Agenda for Sustainable Development supporting women's equal representation and leadership across the business at all levels. Dinali Peiris, Director of Group Human Resources for MAS Group, signed up as the C-Suite Ambassador for this endeavour, while representing the shareholders, Siddharth Amalean, Head of Sustainable Business, and Thanuja Jayawardene, Head of Women's Empowerment, Advocacy & Code of Conduct, were nominated as the two Target Gender Equality representatives.



All TGE participants were invited to a virtual session organized by Gender & Diversity Working Group, which MAS is a part of, on The Need for Affirmative Action on the 8<sup>th</sup> of December 2020. The panel discussion saw the participation of many locally and internationally renowned panellists, moderated by Thanuja Jayawardene. The session shared many national and international value-adding examples, while discussing timely topics on the need for affirmative action towards gender equality in the workplace:

- Policies that are necessary at the outset for a company just embarking on this journey
- A roadmap as to how policies, workplace support and infrastructure evolves
- Setting targets in this journey
- Success stories and best practices

Following the onboarding, MAS undertook the UNWEPs Tool, which is a business-driven tool comprising 18 multiple choice questions that

draw from good practices from around the world, covering gender equality in leadership, workplace, marketplace, and community. This was offered as a self-evaluation to help companies assess their current gender equality performance across these 4 areas by giving them a score. The tool helped us identify our strengths, gaps and opportunities to improve our overall performance on gender equality.



### **Mentoring and Sponsorship Opportunities for Female Associates**

We launched 2 structured programmes on mentorship and sponsorship at multiple divisions across the Group to provide support and encouragement for high potential women. The mentorship programmes connect high-performing women at executive and senior executive level with female mentors from higher management, while the sponsorship programmes connect female managers with sponsors from their EXCO.

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

MAS Active was the first division to roll out our sponsorship programme for women, which was launched in 2019 and continued as a long-term commitment in 2020 as well. The programme staff and the corporate WGB team continued to check-in with the 8 sponsors from Active EXCO and their 10 female protégés in the manager and above carder to understand the progress made, and received positive feedback. However, with the eruption of the pandemic, since the senior leadership and the business leaders' time, effort and focus on the business was a priority, we did not pursue new sponsorship programme launches during the year.

The mentorship programme, however, was launched in several locations in 2020 amid challenges. For example, MAS Kreedaa successfully completed the first cycle of its own mentorship programme for female executive development, "EMERGE", and launched the second cycle in 2020 with a batch of 25 high-potential mentees. This programme was crafted especially to cater to women's unique needs related to career advancement, which are not discussed in 'the usual' leadership programmes. However, for this new cycle, adapting to the new normal, all the steps of the usual mentorship programme were converted to apply

virtually. The corporate WGB team conducted the mentors' training online by connecting with them through Microsoft Teams, where they took part in an experience sharing session that gave them a better understanding of the programme and its requirement.

**MAS was among the 9 companies who signed up for this initiative to deepen our implementation of the Women's Empowerment Principles and to strengthen our contribution to Goal 5.5 of the 2030 Agenda for Sustainable Development supporting women's equal representation and leadership across the business at all levels.**

This was followed by a series of one-on-one conversations with the 23 mentees, once again facilitated by the corporate WGB team, to set their expectations right and explain their role in the programme. The programme was officially launched after the mentor-mentee pairing and a series of tri-partite meetings with the mentee, mentor and the mentee's supervisor. In addition to being a part of the mentorship programme, all 23 female emerging leaders got the opportunity to complete a community action project, classroom learning sessions on a multitude of skills and competencies, and on-the-job training with the hope of building a stronger talent pipeline.

We also initiated a special mentorship programme in 2020 for the 11 Frontier Lead Executives from MAS Kreeda, Bodyline, Linea Aqua, Intimates and Fabrics Matrix, who were selected as winners at the 2019 'Abhimani Empowered Woman of the Year' award ceremony.



Additionally, the mentorship programme that was launched at MAS Active and MAS Bodyline at the end of 2019 continued in 2020. It was encouraging to see that all pairs of mentors and mentees had connected well even during the lockdown, and it was a source of additional support for the mentees.

### **Flexible Working**

The centralized Group policy on flexible working was piloted in several divisions from January 2020. The policy included multiple flexible working options such as work from home, work from a different MAS location and flexible time, and aimed to promote striking a better balance between career and personal lives of its associates. MAS' Kreeda was the first division to pilot flexible work in 2018, and continued to successfully use the policy in 2020.

We were in fact fortunate to have the policy and the structure to facilitate flexi-work in place well before the pandemic-induced lockdown, as working from home was not an out-of-the-norm practice for managers and employees. However, there was a lot of communication and sensitization that was carried out across the Group to help managers and teams understand the mutual responsibility of working with flexibility, and to see flexibility as a spectrum that must be tailor-made to the job type and nature of work. During the lockdown, we also conducted surveys to understand employee preference for working from home and to implement guidelines

and measures to ensure healthy boundaries and respect for the employees' personal and work lives.

### **Access to Child and Dependent Care**

MAS provides on-site and off-site child-care facilities and crèches to over 200 children in 20 local and foreign locations such as India, Bangladesh, and Jordan. These facilities are conducted in collaboration with authorized and trained institutions and staff. Due to the many benefits of these facilities for team members and the executive cadre, we are currently looking at how we can improve and grow these facilities.

In 2020, MAS Active partnered with one of MAS' leading customers, Lululemon, on a project called "Maathru" (Motherhood) to provide a space for lactation and rest for new and feeding mothers, while expecting mothers were also allowed to use this facility for respite. This was a necessary and an evolutionary addition to our facilities, and MAS Active has been one of the first divisions to introduce this project. Currently, MAS Active has dedicated spaces with the necessary amenities at multiple locations: Linea Intimo, Nirmaana, Operations Center, Shadowline and Sleekline. Maathru epitomizes the tenderness of maternal love, and we are grateful for Lululemon for coming onboard with us on this project.



## Meaningful Employment

### Our commitments:

Accelerate employee well-being & work-life balance

Ensure & elevate sustainable compensation for all employees

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

At MAS, our employees are the lifeblood and pulse of the organization; and so we constantly challenge ourselves to give them the best possible employee experience by supporting them to find meaning at work, so they are motivated to do more and achieve more during their time with us.

To this end, our Meaningful Employment pillar covers the work we do to compensate them fairly, help improve their well-being and maintain a work-life balance, while maintaining an environment of inclusivity where everyone can feel included and accepted to thrive and grow.

Stemming from flexible working as mentioned in the Empowering Women section, this pillar will showcase the work we do in organizational development, compensation and benefits, supporting persons with disabilities, mental well-being and encouraging sports.

## Headcount Information

Our headcount as at 31<sup>st</sup> December 2020 for all entities governed by MAS was 96,708.

### Geographic location

Country	Headcount
Sri Lanka	77,688
India	4702
Bangladesh	5159
Indonesia	4002
Jordan	2083
Haiti	1239
Vietnam	994
Kenya	687
USA	154
<b>Total</b>	<b>96,708</b>

### Gender

Female	67,855
Male	28,852
Non-binary	1
<b>Total</b>	<b>96,708</b>

### Grade

Team member & staff	88,756
Executive & above	7,952
<b>Total</b>	<b>96,708</b>

### Permanent/non-permanent

Permanent	88,890
Non-permanent	7,818
<b>Total</b>	<b>96,708</b>

## Governance of the HR Function

The Director Group Human Resources is accountable for all HR-related policies and processes for MAS Group. The Director Group HR reports to the Group CEO and is a member of the MAS Capital Board (known as the MAS Apparel Board). The HR leaders of each Division/Strategic Business Unit (SBU) report to the Director Group HR, as well as their respective CEOs.

There is a central body called 'Group Human Resources' (GHR) who is responsible to establish standard policies and procedures, and provide holistic solutions that can be deployed group-wide to ensure consistency in how we address people matters as 'One MAS'. The HR leaders at the divisions/SBUs are responsible to deploy and adopt, while the central team will support and ensure compliance.

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

## Organizational Health Index (OHI)

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

To achieve this, McKinsey & Company conducted an Organizational Health

Index (OHI) survey for the Executive and above cadre across the Group. Their findings measured 9 Outcomes and 37 Behavioural Practices that indicate the health of the organization.

The results of the survey gave us insights into areas that could be further strengthened to take us to the future we envision. We selected 4 'outcomes' to focus on: Leadership, Accountability, Motivation and Capabilities at an enterprise level.

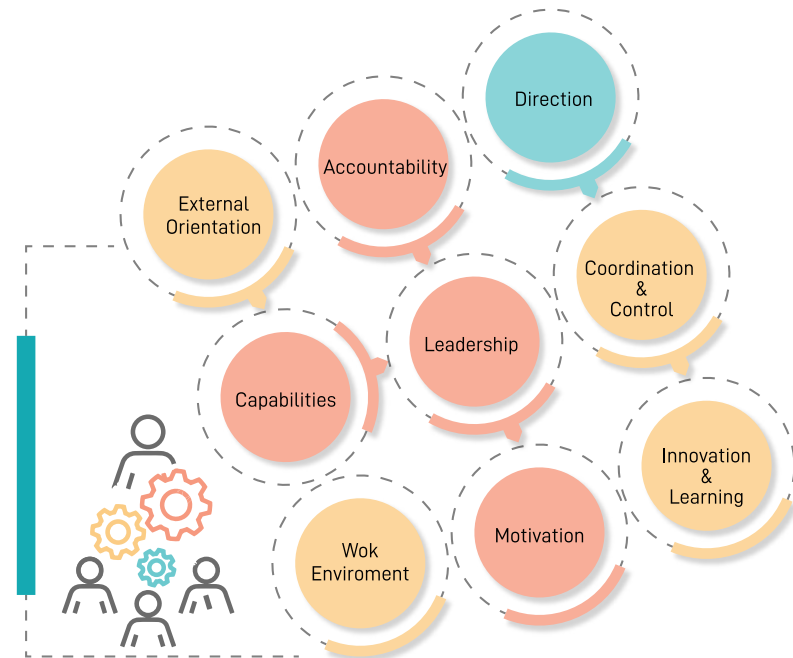


Figure 2: The 9 outcomes that indicate organizational health

We then formed a Group OHI team who formulated a roadmap that details the interventions to be taken to strengthen each 'focus outcome', many of which are key initiatives undertaken within each of our functional pillars.

Our Organization Development pillar, through the many talent management

processes and initiatives, works on addressing some outcomes as follows:

- **Leadership and capability** – through structured leadership development programmes, competency-based development and various talent acquisition and retention strategies
- **Accountability** – through the performance management processes
- **Motivation** – through mechanisms to recognize and reward employees via the Compensation and Benefits pillar, flexible work options, and the work we are doing to inculcate the MAS DNA (core values) into everything we do

In addition to enterprise level initiatives, each division/SBU received an OHI Score as well, which allowed them to identify specific areas of focus, based on which they devised their own roadmaps driven by their divisional teams/champs and monitored by the Group OHI team.

In 2020, with the onset of the pandemic, organizational health was given even more importance when working on COVID-19 crisis management. With an added focus on providing direction, we continued to work on our culture and health, adjusting our roadmaps to align to the requirements of the “new normal”.

The progress of the OHI initiatives is monitored on a monthly basis by a transformation council, a key leadership forum driving and monitoring the progress of our transformation journey.

To assess our progress, MAS will be conducting a “Health Check” by carrying out the OHI survey again via McKinsey and Company in 2021.

## Organizational Development

As an organization with a vision for the future, MAS embarked on a transformation journey with a strategy clearly defined to take us to 2025. A key part of this strategy and one that MAS has always believed in is attracting and retaining

the right talent, developing them, and providing opportunities for them to reach their full potential.

Until end-2019, our focus was on establishing the processes and platform – becoming ‘One MAS’ globally. Achieving a significant milestone in 2020 with the completion of the Oracle System implementation, which provides the central digital platform for all people-related data and talent processes, the focus moved to ensuring consistent deployment, adoption and quality of processes across the Group.

## Attracting and Acquiring Talent

MAS is committed to be an equal opportunity employer and strongly believes in the value of diversity in our workforce. These principles are also built into our recruitment policy. However, due to the pandemic in 2020, our focus shifted to utilizing our internal talent pool as far as possible, while external recruitments were limited to critical talent that could not be sourced internally.



**WHERE YOUR ASPIRATION MEETS OUR OPPORTUNITY**

**EXECUTIVE INFORMATION SECURITY SPECIALIST**

We are on the look-out for a qualified individual who proactively identifies ways to support the planning, development, and implementation of information security solutions at MAS. The role will require the chosen candidate to safeguard information system assets by identifying and solving potential and actual security problems in the organization.

To apply please keep your line manager and respective HR department informed and send your CV to [Careers.MASCapital@masholdings.com](mailto:Careers.MASCapital@masholdings.com) before the **20<sup>th</sup> June 2020**

CLICK FOR MORE INFO

We are an equal opportunity employer and welcome all qualifying candidates to join our team of MAS Professionals.

**MAS**



#### Example of an internal advertisement

Over the years, MAS has conducted many initiatives in collaboration with key state and non-state universities across Sri Lanka to provide employment, training opportunities and upskill undergraduates to enhance their professional capabilities. The threefold purpose and benefits are as follows:

- To provide an opportunity to develop skills that will make them more employable, and provide employment or internship opportunities for organizations.
- To develop the talent needed for the industry.
- To enable us to build the MAS brand and attract the best talent from universities.

Our focus in 2020 has been on Sri Lanka, considering this is where the bulk of our operations exist. Some of the ongoing initiatives are as follows:

**Participation in “career days”** – MAS participated in several such events organized by universities, including;

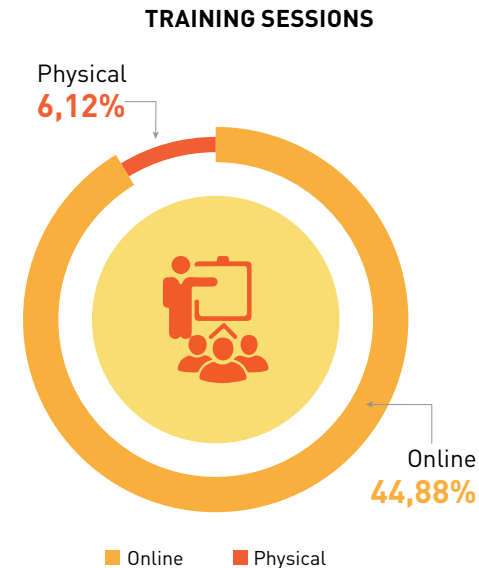
- University of Peradeniya – Engineering and Science faculties
- University of Sri Jayewardenepura – Management and Science faculties
- University of Moratuwa

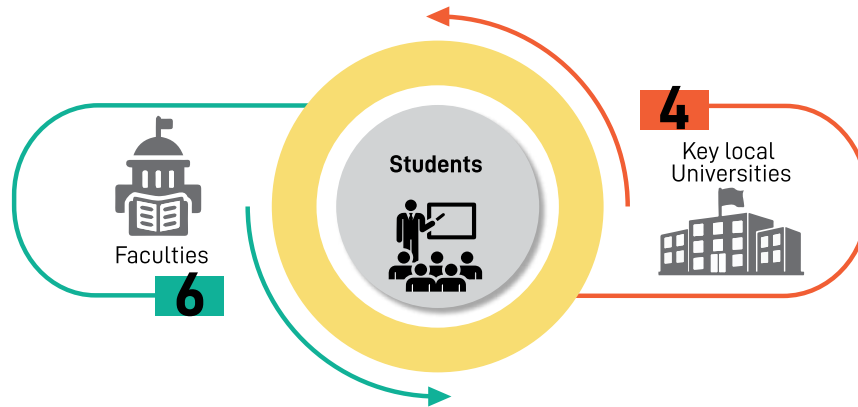
**Providing internship opportunities** – A number of interviews were conducted at several universities, which led to employment and internship opportunities for several students at MAS’ business units.

#### Skills for Work

The “Skills for Work” programme, which was designed by MAS to bridge the skills gaps of undergraduates, has been running for 3 years since 2016. The COVID-19 pandemic did not hold us back in 2020, as we conducted training sessions virtually for students of;

- University of Moratuwa – Fashion Designing and Textile departments,
- University of Colombo – Science and Management faculties,
- University of Sri Jayewardenepura – Science faculty, and
- University of Kelaniya – MIT and Human Resource departments.





### Training in CV writing and maximizing internship opportunities

Our internal trainers conducted sessions at the following universities:

- University of Moratuwa – Fashion Designing and Textile departments
- University of Colombo – Science and Management faculties
- University of Sri Jayewardenepura – Science faculty
- University of Kelaniya – Human Resource department

In 2020, MAS partnered with the Sri Lanka Institute of Information Technology (SLIIT) to do guest lectures, using our in-house expertise in the areas of:

- Green Supply Chain Management – introduction to corporate sustainability and Environmental Management Systems ISO 14001; and
- Real Life Data Science – the role of business analytics.

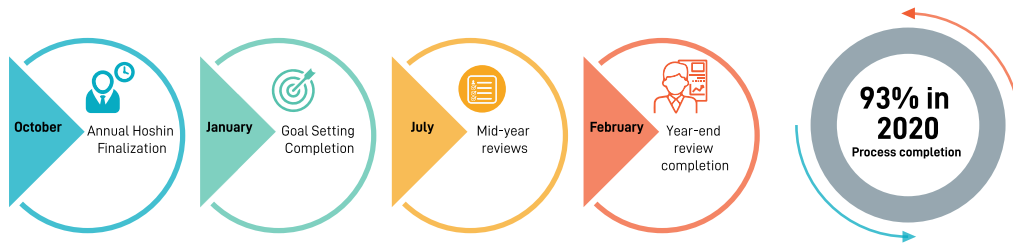
## Managing Performance

Performance management continues to be a crucial part of MAS' Organization Development processes. We hope to enable and ensure the following through this process:

- Clarity of individual goals and how they contribute towards the organization's end goals
- Quality of goals – The way they are defined and measured
- Fairness and consistency across the board when defining the expectations of a 'level 3' on a scale of 1-5 through goal moderations
- To drive accountability of individuals and teams to recognize and reward
- Effective conversations between line managers and teams about expectations, support required to achieve targets, improvements required, and thereby performance improvement and development plans.

MAS' performance management cycle starts with the annual 'Hoshin' or policy deployment process. The second step is the goal setting process, followed by the mid-year review to check/adjust targets, plans for achievement and support mechanisms, and the final year-end review of performance against targets. The Oracle platform now facilitates this process and fosters open communication between employees and their line managers at each step of the process, to discuss performance and areas for improvement, establish future goals, define expectations and accomplishments, and share feedback.

### PERFORMANCE MANAGEMENT PROCESS TIMELINE



This process ensures that employees are appraised based on their performance in a fair and objective manner and rewarded accordingly.

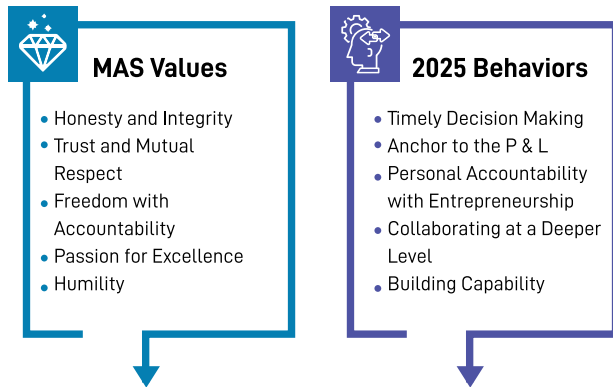


Figure 3: MAS Values and 2025 Behaviours grid

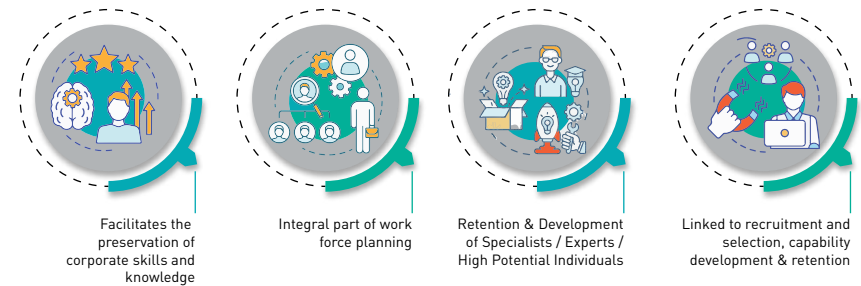
As much as we are a performance-driven organization, ensuring that HOW we achieve the desired outcome is fully aligned with the MAS values is of utmost importance.

Therefore, the 'Values and 2025 Behaviors' evaluation in the form of a 180-degree employee assessment was introduced in 2019 for the General Manager and above cadre, and extended to the Manager and above cadre in 2020.

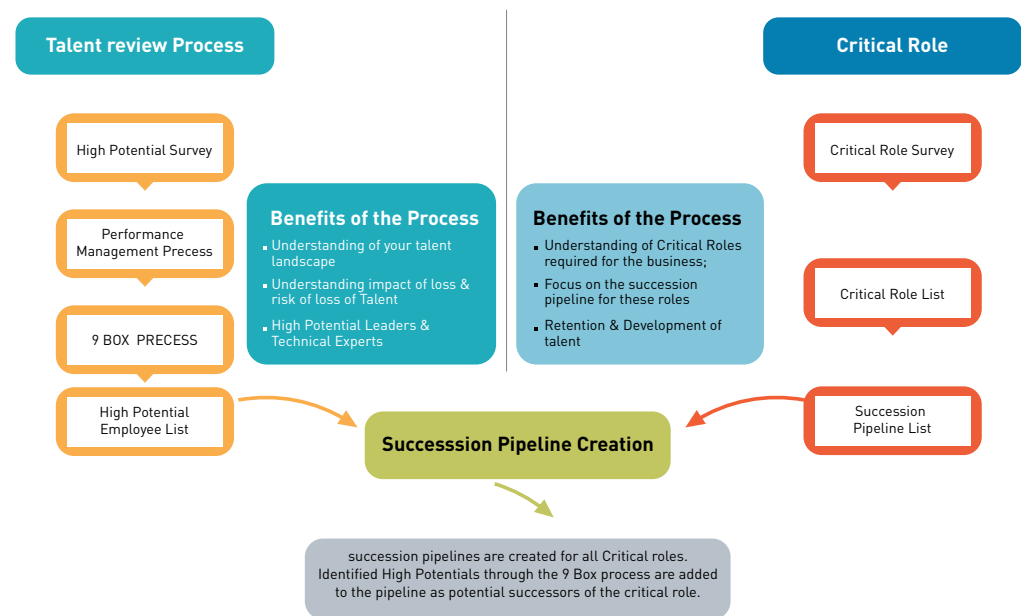
The overall rating was also linked to the rewards of the General Manager and above cadre in 2020.

### Building Healthy Succession Pipelines

Succession management is an integral part of our Organization Development processes, to ensure a continuous flow of competent and capable employees to fill critical roles through a structured process of identification and development.



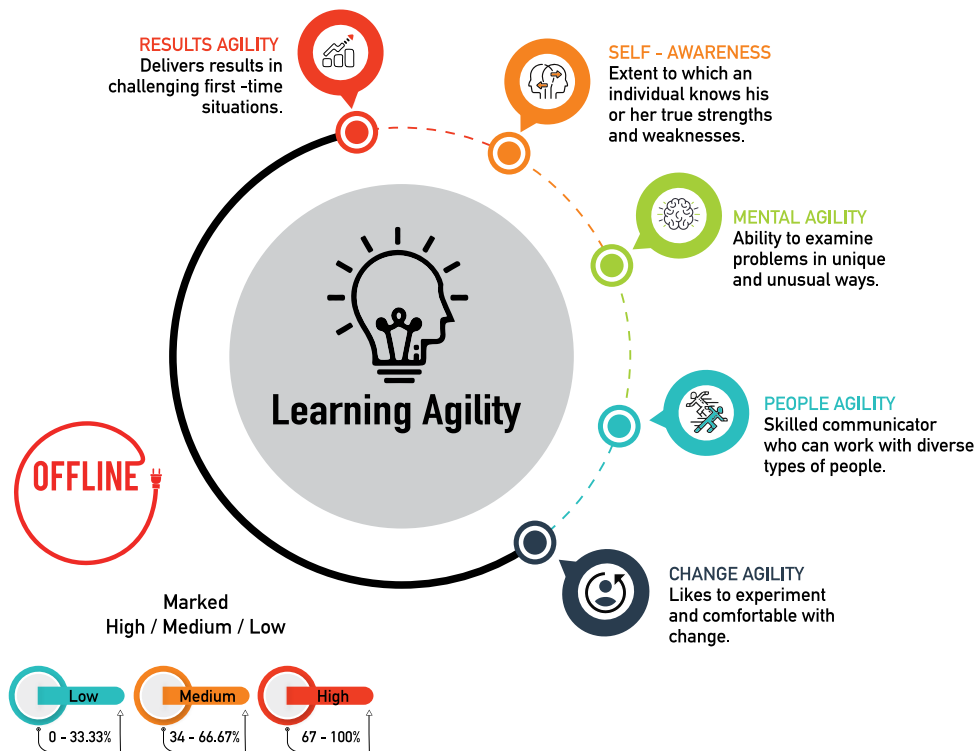
### Succession Management Process at MAS





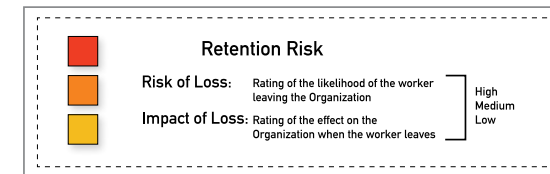
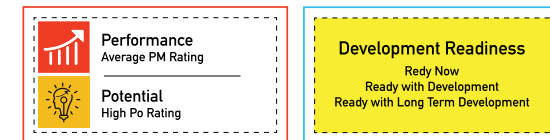
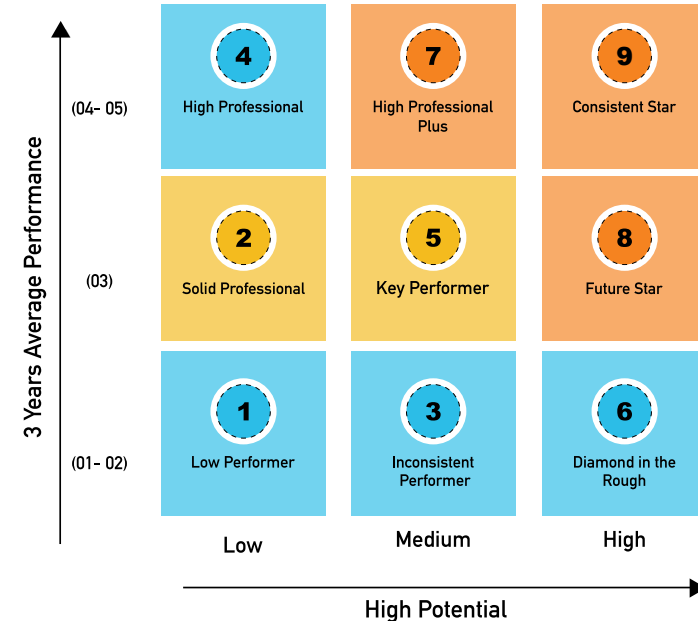
The talent review process we have put in place at MAS has evolved and progressed over the years, reaping significant benefits by enabling us to identify critical roles and potential talent, carry out focused development interventions, and move leaders across our businesses to take on wider and varied roles, which allows for personal growth as well as that of the organization.

We use 'high-po' surveys and our performance management process to identify key talent and understand where in the '9-box' they are placed, which gives insight into how ready they are to fill critical roles and what development is needed.

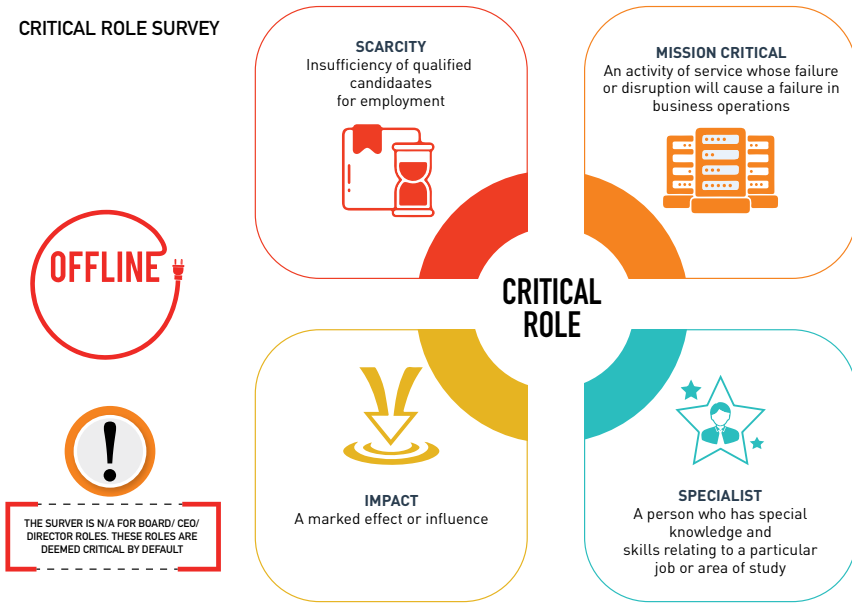


**9 BOX PROCESS**

**Performance / Potential Matrix**



**CRITICAL ROLES ARE IDENTIFIED THROUGH A 'CRITICAL ROLE SURVEY'.**



This process enables us to build succession pipelines through the creation of 'succession plans' and 'succession development plans (SDP)' to ensure that the organization has a strong and healthy pipeline to sustain it for the future.

**Learning & Development**

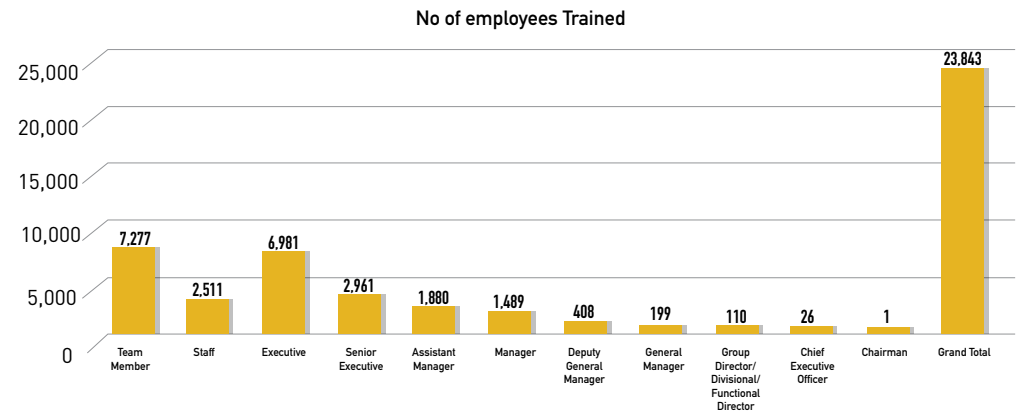
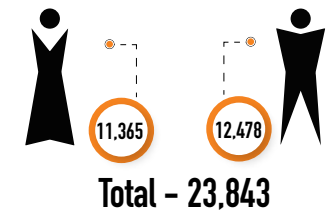
We at MAS believe that the secret to our organization's success is our people and that lifelong learning is a necessity for each individual to achieve their personal and professional aspirations. Therefore, we have invested significantly in providing learning and development opportunities for all our people.

Due to the COVID-19 pandemic in 2020, overnight, the world had to learn to live a life of social distancing. However, this only strengthened our resolve in help people find new ways of learning, remotely and using alternate methods, enabling our organization to build a sustainable and competitive advantage.

This is also embedded in our values and building blocks of who we are, and was reflected in the way our teams embraced the "new normal".

Owing to this resilience, we were able to continue providing all our employees means/modes to learn and grow during this trying time. This was the bedrock of the foundation we had laid to ensure that all our employees from needle point on the factory floor, to those sitting in boardrooms can access training opportunities to further their skills and careers, creating a robust talent pipeline to drive business performance.

**TOTAL NUMBER OF EMPLOYEES TRAINED IN 2020**



## Skills Development – Factory Floor Level

### New recruits to the team member cadre

In addition to the leadership, professional and specific technical training reported in the numbers mentioned, MAS’ training schools provided, on average, 3 days of induction and 10 days of introducing basic skills to all new recruits at the factory floor level. The mandatory training and development continued in 2020 with heavy emphasis on health, safety and social distancing given the pandemic situation.

**1,120,000 HOURS** Training received by new recruits to the training school – approximately 10,000 employees over 14 days – Sewing functions

**48,000 HOURS** Onboarding and basic training received by new recruits across MAS – approximately 2,000 employees over 3 days – Non-sewing functions

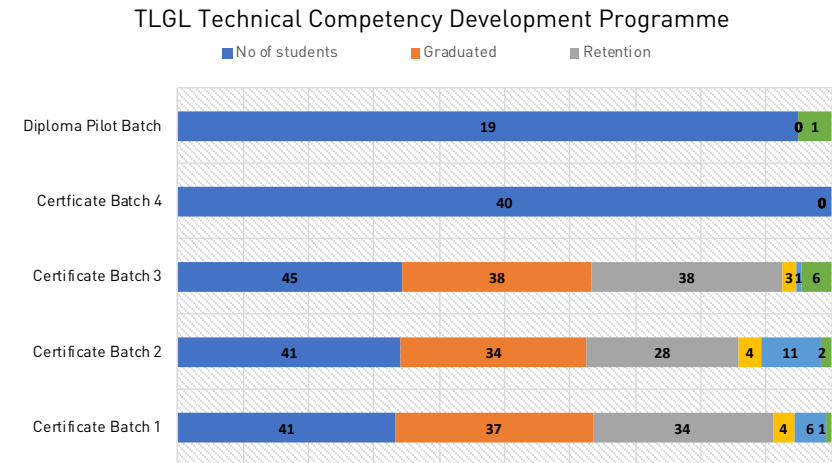
### Technical training for the team member cadre

Aside from the new recruits, approximately 2,800 programmes were held to deliver technical training for factory floor employees across MAS on job-related skills and behaviour.

**1,850 DAYS** Technical training programmes for factory floor employees on job-related skills and behaviour

## TL (Team Leader) & GL (Group Leader) technical competency development programme

We also conducted a TL/GL technical competency development programme focusing on enhancing the technical expertise and confidence of team leaders and group leaders across the Group in textile and clothing technology. The purpose of this programme is to provide a professional qualification to support career progression, while developing key areas of technical competence currently needed in the industry in Sri Lanka, and building professionally trained technical and managerial personnel for the future.



The programme consists of a certificate level and a diploma level.

Three batches of certificate level programmes were completed by end-2020, with the fourth batch temporarily put on hold due to the COVID-19 pandemic, to be continued in 2021. Courses we began prior to 2020 also had to be put on hold, as physical sessions were not possible.

We were also able to commence the pilot batch of the diploma level programme in 2020, as the initial modules of the programme were developed to be conducted online.



Our certificate level programme was awarded NVQ Level 4 Status under the Tertiary & Vocational Education Commission, which is a significant achievement in this journey. We are also working on obtaining the NVQ Level 5 Status for the diploma programme.



### Skills Development – Executive and Above

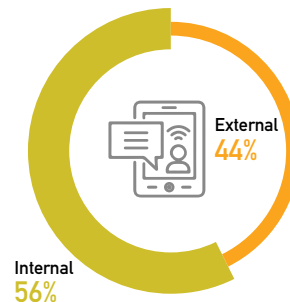
In 2020, MAS achieved a significant milestone in our journey to establish a single platform for our human capital processes globally, by completing the implementation of the Oracle System.

Learning & Development (L&D) champions from across MAS leveraged this platform to identify, plan and address the training and development needs of the executive cadre in alignment with the learning philosophy of 70:20:10.

During what turned out to be a unique year, in 2020, we were compelled to re-think and re-create existing physical workshop/trainings into more scalable, virtual options. With this, the L&D team began re-designing, re-creating and re-skilling resources to conduct trainings virtually.

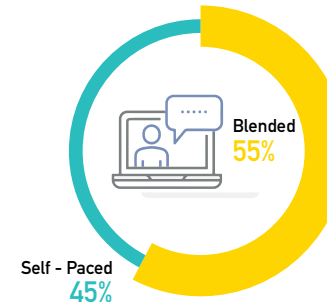
#### ONLINE TRAINING - BY TYPE OF FACILITATOR

**TOTAL # OF EMPLOYEES TRAINED - 4,051**



#### ONLINE TRAINING - BY TYPE OF OFFERING

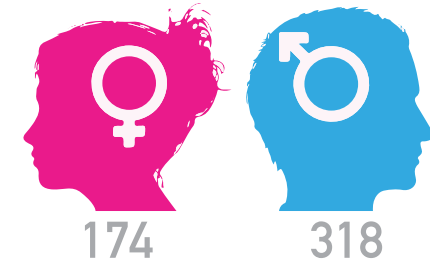
**TOTAL # OF EMPLOYEES TRAINED - 4,051**



### MAS Onboarding

A basic need for any recruit is to feel that they belong to the company they have joined. This remains the focus for MAS no matter the circumstances; and with the support of the Oracle e-learning platform, we were able to reach a larger population of our new recruits and onboard them even during the lockdown.

#### MAS ONBOARDING



This kept our new 492 employees motivated and inspired throughout their first year in the organization.

### Leadership development

Considering that the organization was in crisis management mode in 2020, it was necessary for us to review our training budgets and prioritize the most essential skills. We decided to focus our investments on and develop much-needed leadership behaviours for the future through MAS'

leadership programme, “Mastering the Craft of Leadership”, designed in partnership with the Center of Creative Leadership, Singapore.



In 2020, 13 MAS employees were upskilled to form an internal faculty to conduct this training for all our leaders. Then, we launched a pilot programme in February 2020, where 20 leaders were given a deep dive into the “States of Being” and the tools needed to become future leaders of MAS.



**Conversation Roadmap**

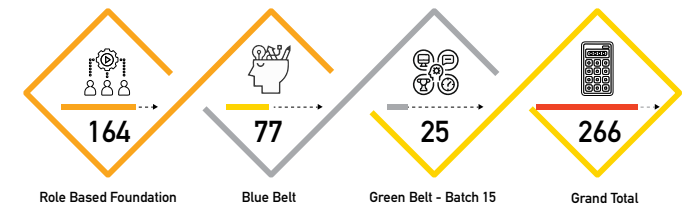
While focusing on leadership development, we continued to upskill our employees on effective communication through “Feedback that Works” and “Better Conversations Everyday”. Taking time in Q2-Q3 to review and reflect on how these programmes can be conducted virtually, by Q4 2020, both programmes were successfully back on track with trainings conducted across the business, and even reaching our global operations in Indonesia, India and the western hemisphere via virtual training.

**Technical Skills Development – Lean Knowledge**

A regularly required development need is to upskill employees on the MAS Operating System (MOS) and tools. In collaboration with the MAS Lean Enterprise Team, the L&D team devised a self-paced e-learning curriculum for all employees to be upskilled on the lead tool based on what supports their respective job family and roles.

This programme was launched in 2020, and we upskilled 164 employees, with a planned target to upskill a further 400 in 2021.

**TECHNICAL SKILL DEVELOPMENT - LEAN KNOWLEDGE**



## Career Management

While MAS has processes to develop individuals and enable career progression, these are largely initiated and managed by the organization. With the implementation of the Oracle System in 2020, we established the foundation for a 'career management' process that will allow every employee to have control over their own career at MAS. This process will be launched in 2021.

## Compensation and Benefits

As an equal opportunity employer, MAS is committed to ensuring parity and fairness in pay and benefits to all employees across our global operations. Our initial priority in 2020 was to ensure that our benefits portfolio is aligned with the fast-changing and evolving global business environment, to ensure we attract and retain the best talent within our organization.

However, the COVID-19 pandemic caused us to somewhat change course, whereby the organization embarked on several initiatives to ensure business continuity, while safeguarding livelihoods.

## Organizational Rightsizing

Certain divisions of the organization that were significantly impacted by the pandemic had to be right-sized. Accordingly, we had to undergo a separation process that was applicable to a limited number of employees.

We gave utmost consideration to ensure minimum impact and provided compensation under the separation scheme that far exceeded statutory requirements, as well as other forms of support and benefits including the continuation of medical insurance for the duration of the year, introduction to headhunters and provision of laptops.

## Other Measures

The Government allowed employers to pay a reduced salary for employees who were unable to report to work due to COVID restrictions from April 2020 to June 2021, and this was applicable only to a limited number of employees at MAS.

The company also carried out pay-cuts primarily for the management cadre for a 6-month duration, with written consent from the respective employees.

We also had to put a temporary hold on promotions, increments, and payments of bonus and performance-related pay (PRP) for 2019 that were due in April 2020. However, we were able to make the PRP payments in October 2020.

All such measures taken were communicated to our associates via townhall meetings held by the organization's senior leadership, led by our chairman. We were transparent about what is possible and affordable as an organization, and although not completely out of the woods, we were able to meet the commitments made to employees during 2020, including making 2019 PRP payments, and recommencing increment and promotion processes.

We also looked at ways in which we could further support our teams to mitigate the impact of the pandemic:

### COVID-related absence

- We took steps to ensure employee salaries and attendance-related payments were not impacted due to COVID-related absences.

### Compensation for additional travel costs

- While most of our Executive cadre were working from home, several individuals were required to be physically present at work. Considering restrictions with regard to public transportation and based on MAS' COVID-19 Risk Policy, the internal travel benefit policy was revised to compensate employees for additional costs incurred for travel.



### **COVID-19 coverage in the insurance policy**

- Measures were taken to ensure hospitalization due to COVID-19 was covered in the medical insurance policy, to provide additional assurance and safety to our employees and their immediate families.

### **Assistance with external liability of employees**

- We negotiated with banks and financial institutions on behalf of our employees to offer loan assistance/moratoriums.

The situation also gave us the opportunity to broaden our scope and explore new ways of working:

### **Short work week policy**

- We introduced an interim short work week policy to provide flexibility for our business units to employ individuals on part-time basis or for a shorter time period, thereby securing jobs for our employees.

### **Sabbatical policy**

- In 2020, we conceptualized and finalized a sabbatical policy for Sri Lanka, which will be implemented in 2021, with the aim of rolling out the policy globally in 2022.

We further progressed in some initiatives initially planned for 2020:

### **Jordan salary survey**

- We expanded our scope to Jordan, the second MAS location outside of Sri Lanka (following India in 2019), with the objective of aligning their earnings and benefits with market practices. We partnered with Mercer Group and provided recommendations in terms of local and expatriate earnings for the Executive to General Manager work levels.

### **Introduction of electric vehicle benefit**

- With MAS' commitment to sustainability, we incorporated an electric vehicle benefit to the fuel benefit provided for employees in Assistant Manager and above work levels, where the fuel benefit can be converted to a cash payment for those using electric vehicles.

## **Flexible Work**

### **Policy Deployment**

As mentioned in the EMPOWERING WOMEN segment, by 2020, we activated the Flexible Working Policy across many companies within MAS Group, including the head office MAS Capital.

The policy introduced the following three types of flexi-work:

- **Flexi time** – An employee is able to start work later in the day or leave earlier, as long as they complete 9 hours of work per day and are present during the (predetermined) core hours.
- **Flexi location** – An employee is able to work from any MAS location convenient to them on a select number of days.
- **Work from home** – An employee is able to work from home on a select number of days.



While we were working to bring about a shift in the mindset to encourage flexi-work, the COVID-19 pandemic impacted the world. This was a definite turning point, and we saw a surge in interest towards alternate and flexible working solutions.

We recognized the importance of providing different methods of flexi-working for our employees, as well as laying down ground rules to navigate this “new normal”. To do this, we created “Guidelines for Working from Home”, which was shared with all Executive and above employees. We also conducted two surveys in April 2020 and the first week of January 2021 to obtain a pulse check on the efficiency of the new ways of working. The survey responses showed the effectiveness, connectivity and challenges faced

in the current working arrangements, and helped us to gauge preferred future work arrangements, further support required and other such feedback.

We also looked ahead to evaluate leave entitlements for 2020, amending and standardizing the leave policy for both the Executive and above cadre, and factory team members. We also introduced paternity leave and adoption leave (previously provided on a case-by-case basis) as formal leave entitlements for all employees in Sri Lanka. Exam leave and bereavement leave were also formalized in the latest leave policy.

## Persons with Disabilities

MAS strives to empower our employees with disabilities every day, while upholding our values of being a pioneering equal opportunity employer in the apparel manufacturing sector in Sri Lanka. As of today, MAS employs approximately 385 employees with disabilities, from vision, speech, hearing and cognitive impaired to physically impaired.

The year 2020 was a turning point for MAS in this area, as we implemented a supported employment process across the Group with the end objective of achieving our 2025 strategy of achieving impairment non-discriminatory employment. We made sure all our facilities are working towards this end objective, focusing more on streamlining the 4E

model (Employ, Enable, Engage and Empower) in supporting our employees with disabilities.

**233** Enabling activities

**328** Engaging activities

**196** Empowering activities

**956** Trained for the buddy system

**291** Benefited by workplace accessibility

**1,632** Benefited by sign language training

**44** Provided with innovative accessible tools & technology

Amid the COVID context, our supported employment officers who completed their training at the University of Kelaniya joined hands with the SBU champions to complete the COVID exposure surveys for our employees with disabilities even while the factories were closed. This team, along with our factory counsellors, kept constant communication with our employees with disabilities and their families to seek out and address their needs.

The supported employment officers formed a support network across all plants, especially during COVID-19, engaging different stakeholders to provide different levels of support, from

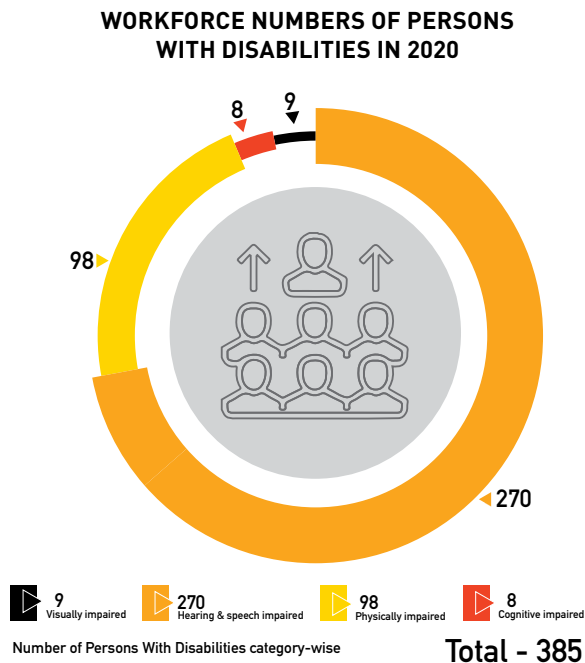
translating and interpreting key pandemic-related announcements to supplying emotional support to those in need. It was critical that we provided the necessary accommodations and established strong systems of support to ensure the well-being of our colleagues with disabilities and their families during these times of need.

**MAS Intimates** celebrated International Day for Persons with Disabilities with a video campaign sharing the personal and professional achievements, and success stories of their colleagues with disabilities. They spoke of the support they received when taking on new work opportunities, through career guidance and embracing the change.

**MAS KREEDA** facilitated an unconscious bias session for the recruitment and employee relation champions of all SBUs to raise awareness on the unconscious bias that may arise during recruitment and employee relations processes when working with a diverse workforce. The session had over 15 participants who discussed and shared experiences, and developed insights on supporting an accessible workplace. This was a pilot initiative that engaged the workforce on inclusion and accessibility for persons with disabilities.

**MAS Active** developed an innovative adaptation of facemasks to suit the new normal. At MAS Active, there are 58 employees with disabilities, with 52 out of them being hearing and speech impaired employees. The mask poses a challenge in terms of communication and interpretation for these individuals. This was an unfair and unnecessary challenge that Contourline quickly resolved. The team created an innovative facemask with a transparent area that allows for better communication, while guaranteeing safety. This was implemented across MAS Active, and given to team leaders and the buddies of hearing and speech impaired employees.

Furthermore, an awareness session on COVID-19 protocols was conducted through a video prepared in sign language. This innovation reflects the efforts of MAS employees to ensure an equal opportunity workplace for everyone.



Upholding the company's values, our SBUs took the lead in implementing their own initiatives to support the employment of persons with disabilities in 2020.

As of today,  
MAS employs  
approximately  
**385**  
employees with  
disabilities,  
from vision,  
speech, hearing  
and cognitive  
impaired to  
physically impaired.





### Supported Employment Officers' Success Stories

The 9 supported employment officers were trained in 2019 in partnership with the Centre for Disability Studies at the Faculty of Medicine of the University of Kelaniya in order to create a support system for our employees with disabilities. They concluded their training with a practical component of an individual-centered project. This was done across all our divisions at the nine selected business units, namely Linea Aqua Hanwella; MAS Kreeda Methliya, Thulhiriya; MAS Intimates Vidiyal, Kilinochchi; MAS Intimates Casualline, Mawathagama; MAS Intimates Slimtex, Kuliypitiya; MAS Capital, Colombo 02; Bodyline Horana; MAS Active Shadowline, Katunayake; and MAS Active Linea Intimo, Biyagama.

This training led to an inspirational outcome.

- At one of our facilities at Hanwella, we had the opportunity to facilitate a job transition for a team member with speech and hearing impairment in operations into the cutting department as per his preference and the ease of the job role.
- Another supported employment officer had the opportunity to develop a team member with partial visual and hearing impairment in the production department at a facility in Thulhiriya to become a technical jumper by facilitating the necessary training over 6 months, allowing her dream to become a technician a reality.
- A team member with a physical disability at MAS Intimates Vidiyal in Kilinochchi was given the opportunity to take up the job role of a skill master as a job promotion.
- At Mawathagama, a hearing impaired machine operator with a tenure of nearly 20 years was given the opportunity to become a skills master, by providing necessary training to get him trained to the expected level.

- A well-experienced skills master with a speech and hearing impairment, who aspired to go up his career ladder to become a certified customer auditor, was given that opportunity in Kuliypitiya.
- A manager at one of our corporate offices with a cognitive and speech impairment due to a stroke was aided in the process of job enhancement to work on his soft skills.
- Owing to a head injury from a road accident, an employee at another facility in Horana who experienced a cognitive impairment was given the opportunity to transition into a new job role as an auto cutter and CAD operator.
- An employee with a hearing and speech impairment at Katunayake was given the opportunity to enhance his skills grading with the end objective of training him as a mechanic as per his preference.
- A team member in the sewing department with a speech and hearing impairment at Biyagama, with the ambition and passion of becoming a sewing technician with machinery knowledge, was given the opportunity to train for the new job by facilitating the support of a professional sign language interpreter to coach him.

### Mental Health and Well-Being

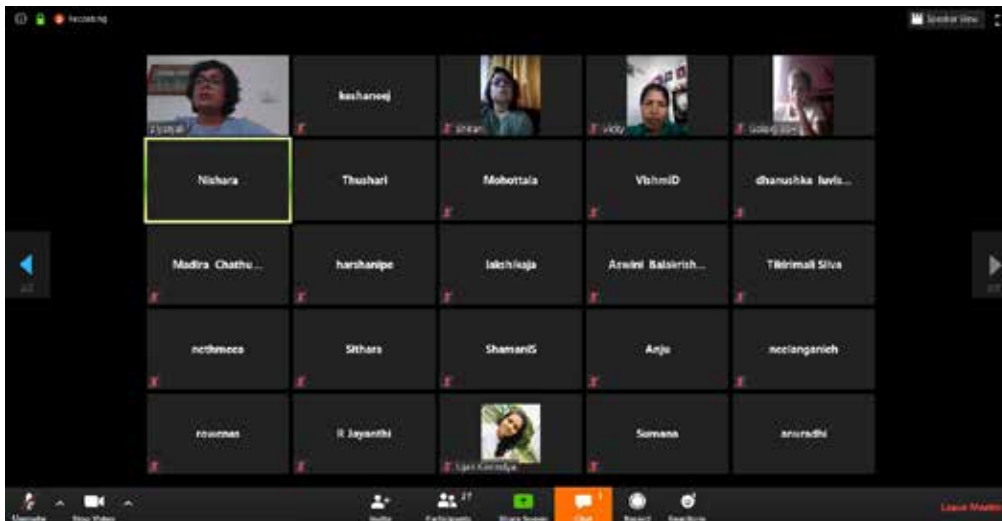
As an organization, we believe in the importance of mental-well-being for all our employees and are committed to providing the required support. All MAS facilities have an in-house counsellor available to employees via consultation. These consultations, supported by the business administration unit, are carried out in strict confidence.

With the onset of the COVID-19 pandemic and an increased need, MAS further strengthened the mechanisms already in place to provide more support in 2020.

### Connecting with Experts in the Field to Further Upskill In-House Counsellors

At the on-set of the lockdown, we contracted Professor Piyanjali De Zoysa, an eminent professor of Clinical Psychology at the Faculty of Medicine, University of Colombo, to conduct an upskilling session for the pool of qualified in-house counsellors at each location in Sri Lanka. It was vital that our counsellors were fully geared to support our employees during this time, as they are the main point of contact especially for our team members on the factory floor.

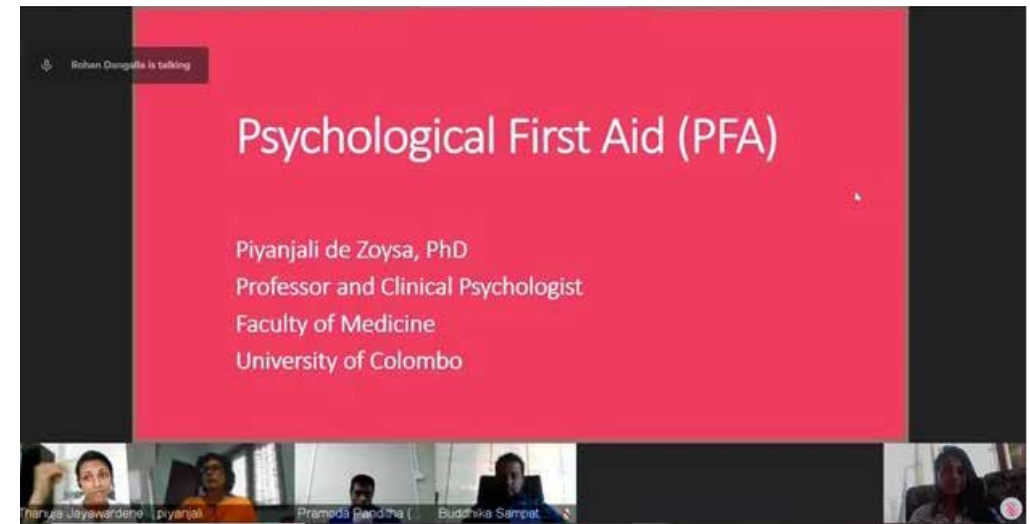
This session was held online with the participation of 22 counsellors and divisional representatives. Professor Piyanjali addressed prevailing issues and experiences faced by our employees and communities, and shared considerable knowledge and expert advice.



### Providing Psychological First-Aid Training for Our Frontline Employees

In addition to our professionally skilled counsellors, each location had another set of employees frequently sought after for help, especially by team members on the factory floor: ER members, HR representatives and medical center

representatives. Thus, we conducted an online programme on providing “Psychological First Aid” by Professor Piyanjali De Zoysa for 49 such personnel. During the session, key issues such as the psychological impact of a crisis and the scope of support these individuals can provide were covered, in addition to the necessary logistics, skills and principles to be followed.



Circulating material on health and well-being via email and social media platforms, and conducting webinars (primarily for Executive and above cadre)



We conducted a “Stress Management and Present Moment Awareness” session for employees of MAS Capital at the beginning of 2020, facilitated by Professor Piyanjali De Zoysa. The purpose of this programme was to develop an understanding or mindfulness of what individuals are going through, thinking and feeling especially during crisis situations such as the pandemic, in order to improve the emotional intelligence of our teams. The three-hour session included experience sharing and practical tips that helped the participants practice self-awareness, self-management, social awareness and relationship management both at work and home. Nearly 40 individuals participated in the session, including the senior management of MAS Capital, MAS Holdings and Twinery.

The Women Go Beyond team and the Group HR operations team organized a virtual awareness session titled “Breaking the taboo: Let’s talk about mental illness”. The session, which was facilitated by Professor Piyanjali De Zoysa, had over 90 participants from across MAS facilities and discussed timely topics such as indicators of an unhealthy mind, social stigma associated with suicide, and avenues for help and support. This session received many positive feedback from the participants.

Many of our business divisions conducted similar events promoting mental well-being prior to the pandemic.

MAS Intimates Thurulie conducted an interactive programme on inspiring change through women empowerment, spiritual mindfulness and balance through meditation, during the early part of 2020. Approximately 2,200 female employees and 300 male employees participated in this session, which was facilitated by veteran Sri Lankan actress, activist and motivational speaker Anoja Weerasinghe.



MAS Intimates Unichela Koggala conducted mindfulness programme for a better well-being, inner contentment and self-understanding. These programmes demonstrated that mindfulness improves focus at work, enables better mental ability and emotional resilience, and promotes tolerance and empathy of other employees.

These sessions were conducted in small groups by the ‘Sati Pasala’ Foundation for a total of 70 female employees.



### Other measures

- Sharing contact numbers of Government agencies and organizations that provide mental well-being support.
- Establishing hotlines for employees to call for any urgent information.
- Establishing protocols for Working from Home (WFH) to ensure that we respect personal time and to address challenges people have when WFH, which we identified via a survey conducted and through continuous engagement with our employees to understand their experiences and the support they require.

### Sports

Sports has always been an integral part of MAS. We believe sports promote a culture of unity and motivation through participation and victory, encouraging healthy lifestyles and acting as a strong talent attraction mechanism.

Throughout the years, our employees have been engaged in a multitude of sports in the mercantile sporting arena, including cricket, rugby, swimming, boxing, para-athletics, netball, basketball, fencing, badminton, squash, table tennis and triathlon.

In 2020, giving due consideration to the health and safety requirements related to the pandemic, MAS discontinued practice and participation in all sporting activities. The decision was taken at the onset of the pandemic-related lockdown in March 2020, and stood until the end of the year.



## World-Class Workplaces

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

In 2020, with the introduction of the MAS Plan for Change, this focus area, which was previously named 'A Workplace Beyond Compliance' was renamed as World-class Workplaces to better reflect our ideals and goals for this area.

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

We have also included the extensive and deliberate efforts we undertook in response to the COVID-19 pandemic in 2020.

## Operational Connect

### **Employee and Industrial Relations**

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

In 2019, we launched a dedicated function known as Group HR Operations to better achieve this. This function primarily provides assurance to shareholders on the pulse of the factory floor, to further develop and strengthen relationships with our employees, the industry, the government and other regulatory bodies, thereby expanding our network and scope of influence on matters that have a bearing on our people and operations. For 2020, we planned to expand the scope of this function to cover all countries/locations where we operate. However, due to the focus and effort put into COVID crisis management, our focus remained on Sri Lanka in 2020 as well.

Group HR Operations leads and governs all initiatives taken within the organization to strengthen employee and industrial relations, which includes providing guidelines to ensure consistency and uniformity among all business units, and monitoring and assessing their effectiveness.

Since inception, MAS has provided many forums for employees to engage with management and escalate any issues. The Joint Consultative Committees (JCC), also known as Employee Representative Boards (ERB), are key forums where they can voice their concerns and make suggestions for improvement, which result in collaborative solutions for all concerned.

The JCC/ERB committee comprises a president, secretary and membership including a representative from each operational function within the business unit, elected periodically by the employees themselves. These groups meet every month with the facility management where employee-related concerns are taken up for discussion. The representation within these committees and the frequency and structure of meetings are governed by the framework and guidelines issued by Group HR Operations.

The function also carries out regular visits to the units to meet the JCC/ERB committee, and the meeting minutes of these forums are shared with the team for monitoring purposes. Group HR Operations reviews these minutes monthly and discusses the concerns raised with the respective business units, as well as monitoring the actions to be taken and issue resolution.

Despite the COVID-19 pandemic and travel restrictions imposed for the better part of the year, Group HR Operations stayed well connected to the teams and physically visited all but 2 business units in Sri Lanka, covering 34 locations. In some instances, the JCC members met with business unit management more often than once a month to collectively navigate the challenges of the pandemic.

In 2020, Group HR Operations also actively engaged with key external stakeholders in Sri Lanka – such as the Sri Lanka Apparel Exporters' Association (SLAEA), which discusses and escalates common issues of the apparel sector to relevant authorities; the Employers Federation of Ceylon (EFC); and the National Labor Advisory Council (NLAC), which comprises the Ministry of Labor, employers and trade unions, and is the governing body for labor-related issues including labor law – to collectively address and navigate key challenges for the industry due to the pandemic.

## **Social Sustainability Scoring Tool**

The Social Sustainability Scoring Tool, a strictly internal measurement, was implemented in 2020. Through this, MAS introduced an approved KPI on Social Sustainability parameters to individual CEO Goal Sheets.

This tool is an aggregated score that is calculated for each facility, and each CEO is allocated an average based on the individual scores of the facilities under his/her purview.

In 2020, we measured 43 facilities using this tool, with 28 indicators applicable for manufacturing units and 25 indicators for non-manufacturing units. All 5 main divisional CEOs and one leader of a standalone entity received an individual scoring and reached the accepted standard.

For 2021, the tool is being further enhanced to include additional focus areas, as well as measuring more facilities.

## **MAS DNA – 2020 Update**

As we continue to grow beyond borders, our focus remains on conserving the unique culture of MAS across our company. While operating as 'One MAS', our standardized code of conduct named the 'MAS DNA' was launched to the senior leadership in 2016. We then followed this with the extended the roll-out to Executive and above employees in 2017.

### **Factory Roll-Out**

The Code of Conduct was rolled out among factory floor employees in February 2020 with the first-ever train-the-trainer session for our assigned "DNA Champs" – select individuals trained to create awareness and carry out workshops on the MAS DNA. The DNA Champs were specially selected from among several job families and work grades that work closely with factory floor team members to encourage them to speak comfortably to clarify and speak up about issues. In the session, they were given an in-depth understanding of the Code of Conduct, Equal Opportunity & Anti-Harassment Policy, its connect to MAS values, and the grievance handling mechanism and consequence management.



Image: Factory floor employees take a pledge to uphold the MAS Values and MAS DNA.

Following the training, we held a factory-wide launch to introduce the MAS DNA and Equal Opportunity & Anti-Harassment policy to factory floor employees, who then took a pledge to always uphold the MAS values and adhere by the MAS DNA. Going forward, the trained DNA Champs will provide a more in-depth understanding of the MAS DNA, with an emphasis on anti-harassment and non-discrimination, by hosting small group workshops to reach all team members.

Although the COVID-19 global pandemic challenged certain stages of the roll-out, all HR teams together with the central DNA team took suitable and alternative approaches to conduct training sessions virtually, via public announcement systems and/or other creative ways, to drive awareness. The company also provided other material like brochures, videos and posters to share information about the MAS DNA. The video and poster campaign featured

team members as actors and models, which helped with driving across the theme of right and wrong as a battle within oneself.



Image: Brochures with information on the MAS DNA and anti-harassment policy shared among factory floor employees

## Overseas Roll-Out

Another important step taken in 2020 was the overseas roll-out of the MAS DNA. This was done virtually due to the pandemic. The MAS DNA was first introduced by the Central DNA Team to the Executive and above cadre in our factories and offices in India, Bangladesh, Jordan and Indonesia.

The sessions covered the following topics:

- MAS values and its connection to the MAS DNA
- The importance of the MAS DNA
- Pillars of the MAS DNA
- Policy framework
- Resources available to understand the MAS DNA (related policies, investigation process, Consequence Management Framework, etc.)



Image: Virtual DNA awareness sessions conducted for employees based overseas

Prior to introducing the MAS DNA to our global locations, we aligned the policies and disciplinary procedures with the local laws of the respective country. We look forward to rolling out the MAS DNA to the rest of our Executive and above employees overseas, as well as to factory floor employees in these locations. We envision all MAS employees eventually living the Code of Conduct and upholding the company values as One MAS.

## Strengthening DNA Awareness

With the COVID-19 pandemic bringing about a new normal, we strived to achieve our new 2020 initiatives while continuing to strengthen awareness of the MAS DNA among employees to assure them that the focus on doing the right thing and prioritizing our people had not wavered.

Throughout the year, the central DNA team and HR teams across the Group created and strengthened awareness via training sessions and one-on-one conversations. Although a majority of employees were already aware of the Code of Conduct, we felt it was important that they participate in at least one DNA workshop in order to deep-dive into the MAS DNA, its auxiliary policies and especially the grievance handling mechanism.

In addition to the workshops, all related material was easily accessible on the MAS DNA website, which was also launched in Sinhala to improve accessibility.



## MAS DNA website usage - 2020

### Sessions – 27,278

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

Of the total number of sessions, it was noted that:

- 75.6% were sessions by New Visitors (first-time users during the year)
- 24.4% were sessions by Return Visitors (users who have initiated at least one session previously)

### Pageviews – 51,955

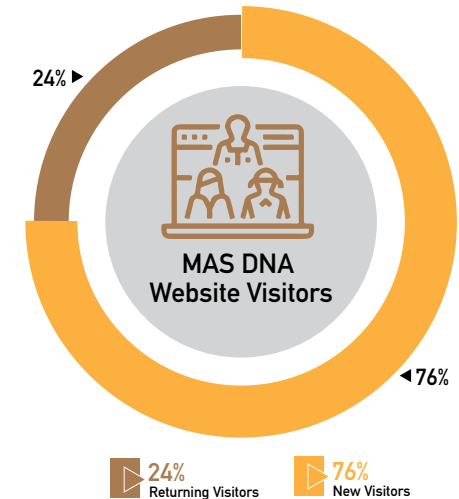
“Pageviews is the total number of pages viewed.”

Country	Sri Lanka	Bangladesh	United States	Indonesia	Jordan	India	Other
Percentage	94.6%	1.12%	1.08%	0.84%	0.69%	0.60%	0.74%

\*The MAS DNA was launched in overseas locations in 2020

A total of 479 cases of non-compliance was reported over 2017-2020. Of these, 25 were raised via the MAS DNA Helpdesk – the grievance intake platform hosted by Navex Global, a confidential service provider. The remaining cases were directly brought up to the relevant Divisional/SBU Code Officers and the HR team of the respective company.

## MAS DNA WEBSITE USAGE - 2020



We observed a gradual increase in the number of cases reported over 2017-2020. The willingness to come forward and speak up about situations of non-compliance indicates a level of confidence, trust and acceptance in the MAS DNA, the credibility of the investigation process and the manner in which the course of action is decided. Owing to this positive response, we continue to strengthen awareness and acceptance of the process.

## Health & Safety Compliance Data

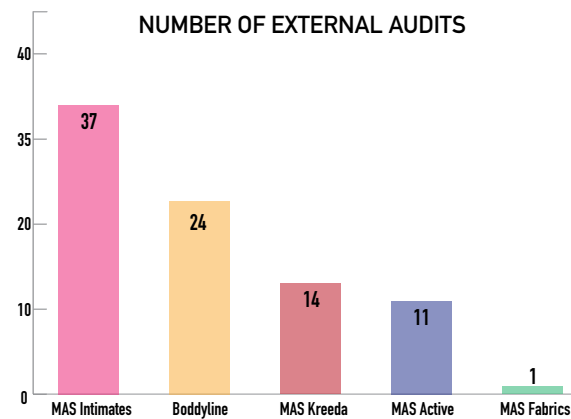
As in-person interventions were challenging in 2020, many brands opted for less audits and relied on their suppliers to be ethical and responsible in their operations.

The details of the audits held both externally and internally, as well as the certifications received, are given below.

## External Audit Information

Division	Number of External Audits
MAS Intimates	37
Bodyline	24
MAS Kreedaa	13
MAS Active	11
Fabrics	1
<b>TOTAL</b>	<b>86</b>

A total of 86 external audits have been conducted over January-December 2020.



Audit Name	Number of Audits
Nike NCAT - Labour	16
WRAP	11
Nike NCAT - HSE	8
SMETA [ETI (SEDEX)]	14
GAP Inc	5
Everlane	3
Limited Brands	3
SLCP Audit	3
Target	3
ASOS	2
Hanes	2
Amazon	1
ASCENA	1
BPU (Process Compliance)	1
ETI/SMETA (Social Compliance)	1
FSLM (SLCP Audit)- New Balance	1
Global Security Verification (GSV)	1
Hanes Follow Up	1
HBI (Hanes Brand Inc)	1
Lindex (Social Compliance)	1
M&S	1
Nike (CTPAT)	1
ODLO (FWF)	1
PVH	1
Ralph Lauren	1
SCAN	1
VS (Social Compliance)	1
<b>TOTAL</b>	<b>86</b>

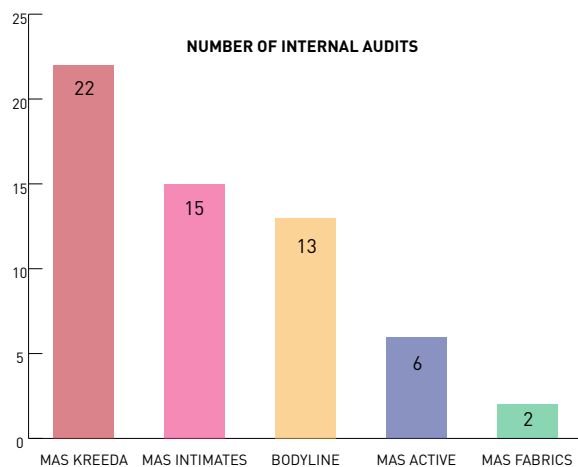
### External Audit Implementation - Area-wise

Areas	Labour	Health and Safety	Supply Chain	Security	Brand Protection	Trade
Number of Audits	51	51	17	29	6	8

### Internal Audit Information

Division	Number of Internal Audits
MAS Kreeda	22
MAS Intimates	15
Bodyline	13
MAS Active	6
MAS Fabrics	2
<b>TOTAL</b>	<b>58</b>

A total of 58 internal audits have been conducted over January-December 2020.



Audit Name	Number of Audits
Nike NCAT - Labour	8
Nike NCAT - HSE	11
Internal Assessment	1
Divisional Compliance and Sustainability Audit – Behavioral	6
DCAT Audit	15
Central Team Audit	11
BPU Audit	5
BPU (Process Compliance)	1
<b>TOTAL</b>	<b>58</b>

## Internal Audit Implementation - Area-wise

Areas	Labour	Health and Safety	Supply Chain	Security	Brand Protection
Number of Audits	18	11	16	11	8

## Accidents Information

Type of Accidents	Bodyline	MAS Active	MAS Intimates	MAS Kreedas	Linea Aqua
Fatal accidents	0	0	0	0	0
Permanent disability accidents	0	0	0	0	0
Partial disability / more than three lost working days	7	13	18	5	0

There were no fatal accidents or permanent disability accidents reported in 2020. There were 43 partial disability or accidents that caused more than three lost working days reported.

## Certifications

MAS facilities received 76 certifications in 2020.

Certification Name	Active	Intimates	Bodyline	Kreedas	Linea Aqua	Noyon Lanka
GMP	3		2	3		
ETI		3	1			
ISO 14001	3	6	3	9		1
ISO 45001	1	1		7		
ISO 50001				3		
ISO 9001:2015	1	3	1			
OHSAS 18001	1			8		1
RCS		1				
SCOPE - GOTS	3		1			
WRAP		6	2	2		



## Culture of Safety Maturity Assessment (COSMA)

MAS completed initial training on COSMA for all divisions, with comprehensive content developed by the expert team for COSMA led by MAS Kreedaa.

The training, which was conducted by Eranga Dilhan of MAS Kreedaa, took place from 28th July to 28th August 2020 through seven sessions covering leadership, people and processes.

Those who took part in the training represented job roles in compliance, MOS and HR, as a combined approach is needed to ensure a culture of safety. Altogether, 34 people nominated by the divisions successfully completed the training.

The next step in this process was for the chosen manufacturing units to complete their self-assessments with the help of the newly trained teams. Six self-assessments were completed by Thurulie and Vidiyal from the Intimates Division, Nirmaana and Sleekline from the Active Division, Linea Aqua Hanwell, and Bodyline Horana. The Divisions then shared their findings, which were evaluated with the experts and feedback provided to the divisional teams.

## COVID-19 Response

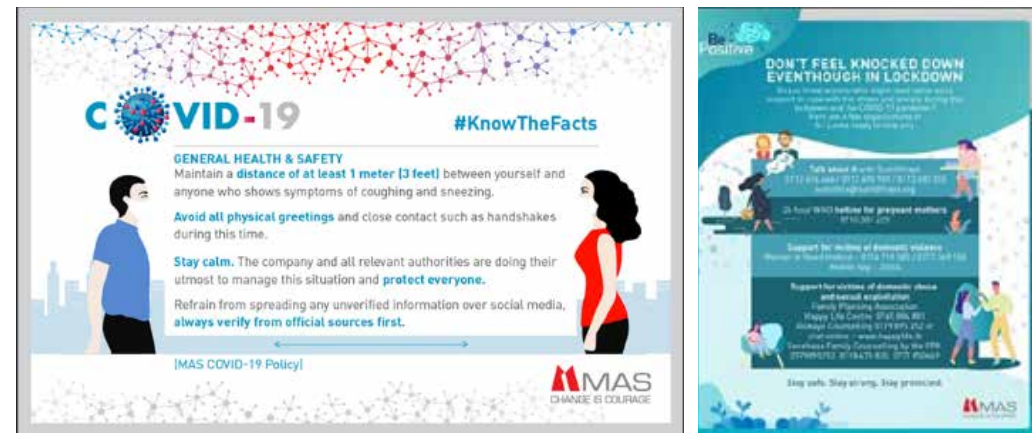
With the global onset of COVID-19 in 2020 and multiple countries where MAS operates going into varying states of lockdown, we took swift action to safeguard our employees and protect our operations. Like the rest of the world, we too had to learn on-the-go to operate during these unprecedented times and were proactive in our crisis management efforts. Our number one priority and primary focus of attention was always on the safety and well-being of all our teams globally.

We immediately formed a COVID Response Leadership team from across all our operations to determine the organization's response and take decisions during the crisis. Our response was multi-pronged.

A cross divisional team of HR and Compliance experts established a COVID-19 Risk Control Policy, which addressed Health & Safety at the workplace – including social distancing, sanitization, disinfection, travel, bio bubbles, zoning and personal protective equipment. The team also devised Standard Operating Procedures to be followed by all our facilities both local and overseas, which included the following:

- The lifecycle of an employee from recruitment, daily activities, transport, leaving of work
- Employee accommodation within MAS premises
- Management of third-party service providers

We connected with relevant stakeholders – local authorities, customers, suppliers, consultants, and our teams – to understand all perspectives, best practices, and formulate strategies/processes to safeguard our people and operations. These decisions were incorporated into all policy and operational documents.

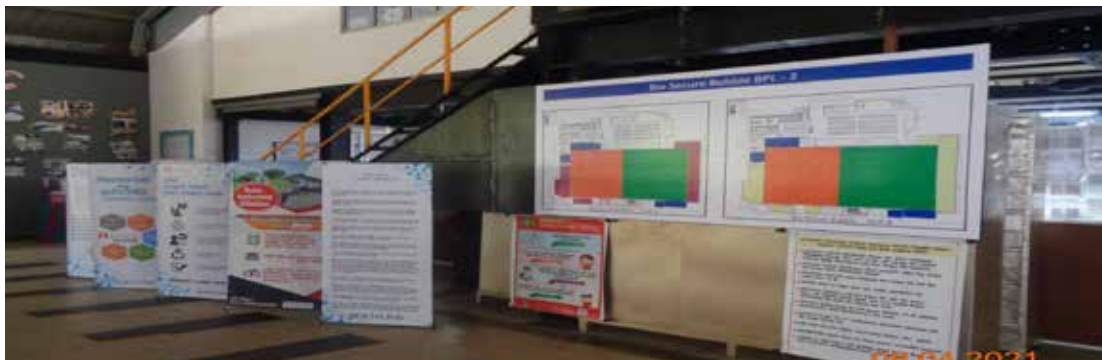


Regular communication on operating procedures were ongoing at our units and consistently shared virtually. Our HR teams ensured that the expected standards were diligently followed. The canteens at all our plants and offices were separated with shields to ensure social distancing, as were the factory floors and all transportation vehicles.

Due to the evolving nature of the pandemic and different countries being impacted to varying degrees, we instructed our global units to follow the guidelines and directives issued by the authorities of their respective countries.

When recommencing operations post lockdown, MAS authorized all health and safety protocols and policies in line with government/medical authorities and undertook a slow but gradual start up. To meet our responsibility to our global partners, this work was mainly focused on our Sri Lankan operations.

Regular, transparent communication on business status, virus-related information and the global pandemic was shared with all levels of employees – virtually and physically. We also issued ongoing reminders on maintaining health and safety guidelines, steps to be taken in the event of contracting the virus and alternate support mechanisms available, ensuring that they were fully aware of the care and support available to them.



Frequent audits of our instituted protocols were carried out to ensure strict adherence to the measures, as well as compliance of the same.

An MAS Hotline was established in Sri Lanka to give employees a central point of contact for any clarifications/concerns pertaining to the pandemic situation.

An internal Risk Assessment Survey was formulated as a collaborated effort between Group HR and Digital teams to assess the exposure risk of our employees. When bringing in our teams to the workplace, data from the app was analyzed to determine the least amount of risk and exposure.

To further support our employees in Sri Lanka, the Group Sustainability team put together online lists of essential items that were constantly updated based on evolving needs. The Group Compensation and Benefits team also negotiated moratoriums with banks to help MAS employees with loan repayment.

In our efforts to safeguard the health and safety of our people, while ensuring business continuity, we built policies and guidelines around bringing in employees to work. The teams put forward Work from Home guidelines to enhance our Flexible Working Policy and support employees using our WFH/ Flexible Working options. A Group-wide survey was conducted to understand the challenges and sentiments associated with remote working – a relatively new concept for MAS, following which the necessary support was provided.

As a part of the Apparel Manufacturing Industry, MAS supported the Sri Lankan Government by manufacturing and providing Personal Protective Equipment (PPE) to assist against COVID-19. We provided both re-usable and disposable PPE to over 50 hospitals and institutions around the country.



Image: Disposable PPE produced and shared

Image: Re-usable, water-repellent PPE produced and shared

As the COVID situation evolved, so did the measures taken by the organization in the new normal. During the first wave, a few positive cases were reported at our overseas units, while the Sri Lankan units had no positive cases. The second wave recorded MAS' first cases in Sri Lanka, with the largest impact being to our units in Jordan and Sri Lanka, overall.





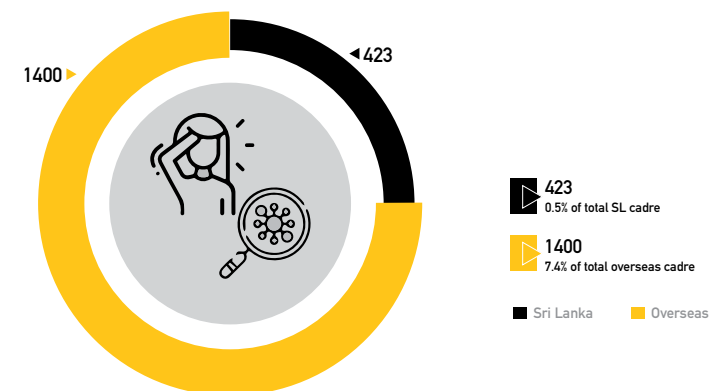
During the final quarter of the year, we devised the MAS COVID-19 Emergency Response Protocol, detailing the course of action to be followed in the event of detecting COVID cases within our facilities. The protocol clearly outlined what needs to be done from the point of detection, to isolation, contact tracing, reporting to relevant authorities, and return to work.

Due to a steady rise in positive cases, in consultation with Sri Lanka’s Ministry of Health, we set up “Care Centers” where our affected employees and their family members could be treated and recover. We established two COVID Care Centers with over 600 beds in total, fully equipped with all required medical staff. These Care Centers were partially open to treat other members of the general public as well.

The onset of the second wave in Sri Lanka also brought on a new challenge for MAS, as the initial cases were recorded and steadily rose amongst workers in the apparel industry. Together with the Joint Apparel Association Forum and Sri Lankan Government, MAS worked with other apparel organizations to combat the stigma associated with the virus and the industry via engagement and open communication with local communities and authorities.

Within all MAS units, as at the 3rd week of December 2020, we recorded a total of 1,823 positive cases. Many of the cases detected in our overseas units were from Jordan, most of whom successfully recovered by the end of the year. No COVID-19 related deaths were recorded for the year.

**COVID - 19 POSITIVE CASES AT MAS IN 2020**





## Thriving Communities

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

MAS has always been committed to meaningfully contributing to the communities in which it operates, and it has never been more relevant than in the context of the COVID-19 pandemic in 2020.

Sadly, the pandemic disproportionately affected the most vulnerable groups of the community, including low-income families, low-skilled workers, women, and children, due to their status and lack of resources and backing to face pandemic-induced problems.

Globally, over 1.6 billion, or 9 out of 10, learners were disrupted. Most primary and secondary school students suddenly found themselves at home, without the resources to study remotely.

Many women who were engaged in part-time work for additional income found themselves having to look after their children who were now home.

Low-skilled workers watched their means of earning an income waning, with many non-formal, contract and hourly waged jobs drastically reducing or completely disappearing.

At the peak of the pandemic, The World Bank estimated that global extreme poverty will rise in 2020 for the first time in over 20 years, with an additional 88-115 million people falling into this category and 8 out of 10 'new poor' being from middle-income countries like Sri Lanka.

All of the above-mentioned groups formed sizable parts of the communities in which MAS operates around the world. Therefore, while addressing its own operational challenges, we also prioritized ensuring the health and safety of its employees and keeping promises made to customers as our duty as a responsible corporate citizen.

Our impact in 2020 is as follows:



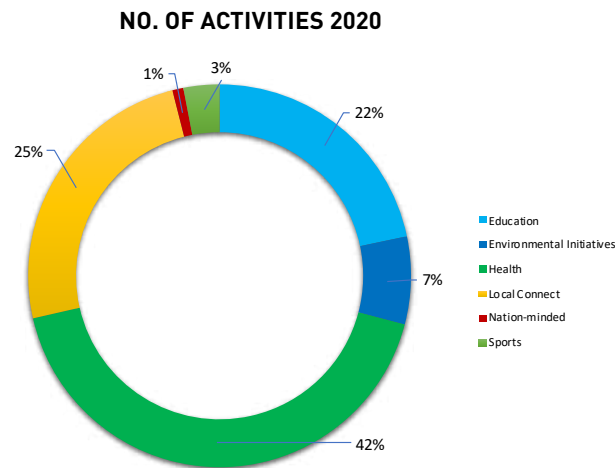
MAS allocated LKR32 million for its Corporate Citizenship Activities in 2020.

We saw a significant increase in the number of beneficiaries in 2020, despite the pandemic situation causing a reduction in volunteer participation to ensure social distancing and other safety guidelines.

	2019	2020	Increment
Number of activities	786	756	-4%
Number of beneficiaries	5,177,006	6,776,751	24%
Number of volunteers	17,201	11,009	-56%

When implementing its Corporate Citizenship Activities, MAS focused on good health and well-being (SDG 3), as it was an important social requirement within the pandemic situation. We also continued our activities in ensuring quality education (SDG 04) and sustainable cities and communities (SDG 11).

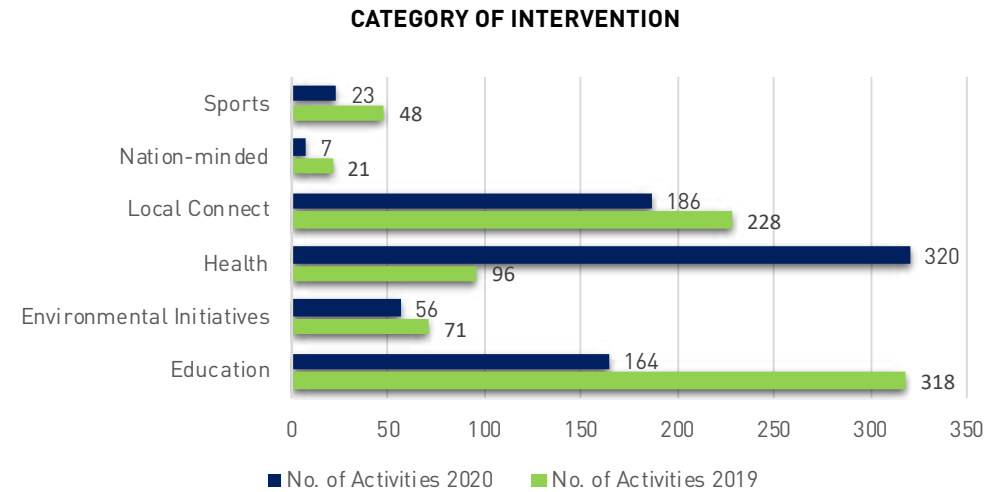
Category of Intervention	No. of Activities
Education	164
Environmental Initiatives	56
Health	320
Local Connect	186
Nation-minded	7
Sports	23



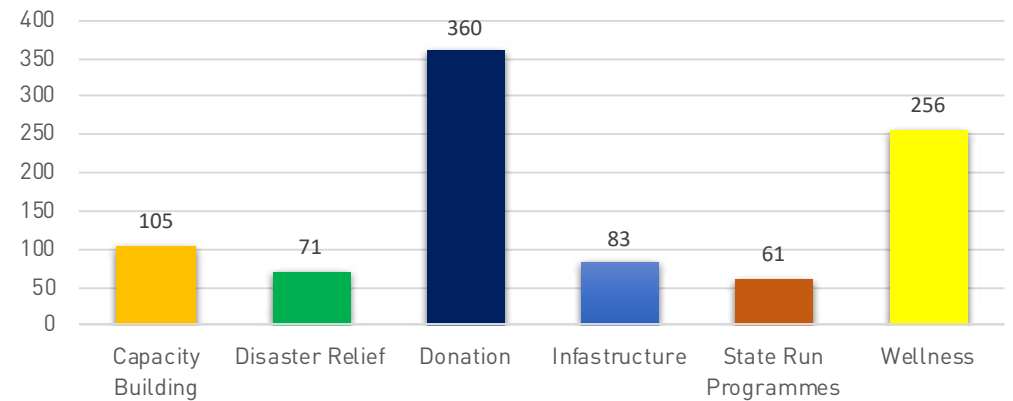
The graph below depicts how the categories of intervention changed over 2019-2020.

MAS conducted 178 COVID-19 related activities through the different categories.

Category of Intervention	No. of Activities
Education	5
Environmental Initiatives	4
Health	151
Local Connect	18
Total Activities	178



The chart below shows the activity distribution among the sub-categories.



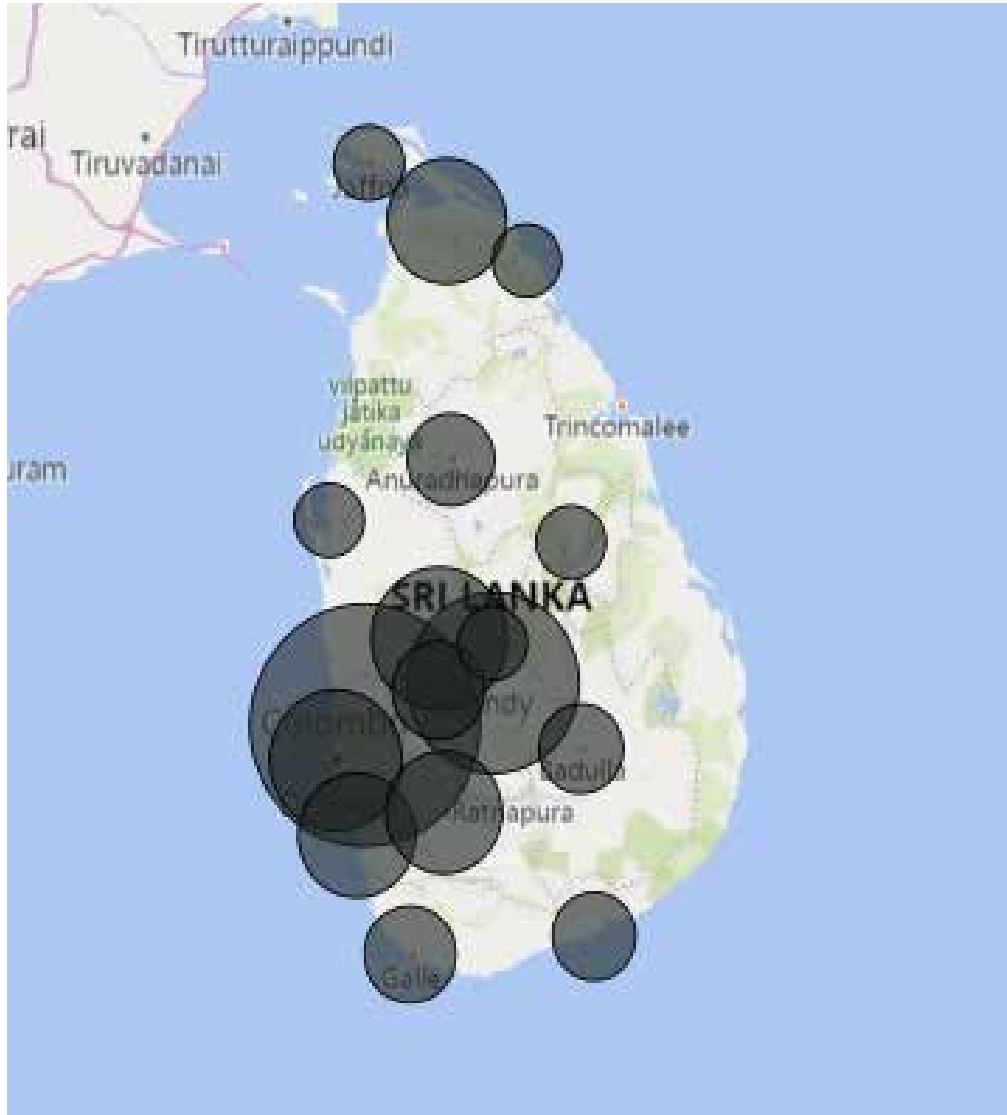


Image: MAS' activities are distributed among Sri Lanka's 18 districts, with the highest intervention in the Gampaha, Kandy, Kilinochchi and Kurunegala districts.

## Supporting the Government with Personal Protective Equipment (PPE)

A few weeks before Sri Lanka went into lockdown, MAS was approached by various Government authorities requesting assistance with the production of Personal Protective Equipment (PPE) for healthcare personnel working with those affected by the pandemic.

Working with the Ministry of Health and the National Institute of Infectious Diseases (IDH Hospital), we quickly set about purchasing the required raw material, as this was a new product for us, scanning our eco system of manufacturing facilities, and planning our production. Our innovation arm MAS Twinery also assisted with the design. (Some of the products mentioned below are MAS innovations)

An amazing part of this story was the sheer commitment and magnanimity of our team members who agreed to come into work during lockdown with special curfew passes to create these products. They were brave enough to face a pandemic and its associated risks.

Through this, we supported over 65 hospitals (general, base and rural), the Police, Ministry of Health, the Infectious Disease Hospital (the lead institution handling COVID cases), 1990 emergency services, Disaster Management Centres and many more organizations.

A summary of the PPE products we produced and supplied to institutions is as follows:

**Woven, cotton and re-usable overall PPE with water-repellent coating (4,500 kits)**

- Supplied to 50+ hospitals, including J'pura, Welisara, Mutur, Vavuniya, 1990 Mobile service, Panadura, Warakapola, Ragama, Horana, Negombo, Lady Ridgeway (LRH), Welikanda, Homagama, Karapitiya, Kuliypitiya, Bandaragama, Mulleriyawa, Hambanthota and Kilinochchi

**Non-woven and disposable overall PPE (11,000 kits)**

- Supplied 8,450 units to approx. 52 hospitals (including 4,650 to the Ministry of Health and IDH). These were manufactured in 6 MAS Intimates plants.
- A further 3,000 kits are to be manufactured and distributed in the future based on demand.

**Perpex boxes to administer respiratory treatment**

- MDS and Linea Intimates supplied 30+ units to Kandy Base Hospital, North Western Province, IDH, Dambulla, Kandy Base Hospital and Gampola.

**Polyuthelene and disposable overall PPE (800 kits)**

- Unichela manufactured and distributed 800 units to 10 hospitals.
- This was a joint project with 2 other apparel manufacturers Brandix and Hirdramani.

**Re-usable plastic overall PPE**

- 1,220 units manufactured at Asialine, Synergy and Shadeline.
- Distributed to 15+ hospitals, including Embilipitiya, Awissawella, Mahiyangana, Nuwara Eliya, Maha Oya, Badulla, Watupitiwala, Kahawatte, Beruwala, LRH, Eheliyagoda, Angoda and Kandy.

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**Through this, we supported over 65 hospitals (general, base and rural), the Police, Ministry of Health, the Infectious Disease Hospital (the lead institution handling COVID cases), 1990 emergency services, Disaster Management Centres and many more organizations.**

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## Rise Up with MAS

At the end of the first wave, MAS employees were very keen to assist in developing the economy in locations that had been under a long period of lockdown.

Fueled by employee enthusiasm, MAS launched 'Rise Up with MAS', which focused on providing financing to micro enterprises in the localities where MAS operates through an entrepreneurship grants programme to mitigate the adverse impact of the pandemic and allow entrepreneurs to restart/expand their businesses.

As an implementation partner on this project, MAS approached the Lanka Jathika Sarvodaya Shramadana Sangamaya (LJSSS), which has a long history and a high level of experience in development work.

Kalutara and Gampaha in the Western Province, Kilinochchi in the Northern Province, and high vulnerability areas of the Colombo district were chosen for this project. We identified entrepreneurs who had no access to finance and those who owned micro-level businesses. The applicant's age was not a deciding factor in the selection. Special consideration was also given to persons with disabilities, those with conflict-affected backgrounds, and female-headed households. The suitable candidates from the selected districts could apply for a grant scheme through the applications made available through MAS factories in these areas.

Of the 77 applications received, and after a stringent application evaluation and interview process, 28 were selected to receive the grant. Under this project, we were able to train 28 micro entrepreneurs in the areas of entrepreneurship and business development, giving them confidence to overcome the adverse effects of the pandemic. Following the training, MAS provided financial assistance of LKR50,000 in 2 installments for each entrepreneur to help re-start their businesses that had stalled due to the pandemic.

Inspiring stories of some of the micro entrepreneurs who benefitted from this project are as follows:

### M A D Koshila Swahashini

Her business is ornamental fish farming and the retail of related accessories such as tools, fish food, ornaments, air pumps, decorative bulbs and small water pumps for fish tanks.

Her stock of fish in the shop died during the lockdown as she was not allowed to travel to the business location, which is situated 12km away. She was compelled to close down the business.

She used the grant funds to purchase a new stock of fish and other material, as well as to complete the preparatory work for mud ponds at home to start fish breeding. She was able to restart her shop, and together with her husband is now concentrating on breeding fish stocks.



### A.C.W. Kumari Athukorala

Kumari's line of business was the production of ladies and children's footwear. The business was closed for months during the lockdown as demand for products dropped.

Previously, she could dry just one pair of shoes at a time in the small modified oven created by her husband. With the grant funds, she was able to purchase a compressor and large oven for the business, enabling her to work more efficiently and have greater productivity.

Now she is back in business selling to footwear shops in the area. She has also received intermittent bulk orders from buyers who sell the products to staff members of nearby factories.

### P. E. Dulanjaya Weerasooriya

Dulanjana was in the poultry business, specializing in the production of quail eggs. Business dropped due to the pandemic, as he had no way to buy feed for animals or sell eggs. He used the grant funding to purchase chicks, repair the poultry pen and fabricate two new egg hatcheries. Today, he has a daily sale of around 600 quail eggs. He has a ready market and no competitors at the moment.

### Selvarasa Pariporanam

Pariporanam runs a small stall at the Kilinochchi main bus stand. She was affected by the conflict in the North and East, and her son is a disabled individual. During the pandemic, her business was closed as there were no customers to buy grocery items. She had no income during the lockdown and no money for her son's medical expenses. Gradually, her stock of goods ran out and there was no way to replenish it. With the grant she received under the project, she was able to purchase stocks and restart her business. She is also able to afford medicine for her son who now helps her run the business. She hopes to scale up operations by purchasing a refrigerator to be able to sell cool drinks, milk and yoghurt, and to fix a name board to increase visibility.





# Our Planet Changed for Good

We want to make sure  
that we leave our planet  
better than we found it.



## How we will do it

### Limit emissions

Reduce our emissions footprint to achieve 25% absolute reduction

### Transform waste

Value enhance 100% of non-hazardous waste

### Responsible chemical use

Be zero toxic in all products and processes

### Safeguard water

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

### Champion biodiversity

Restore biodiversity in 100x the space we occupy

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

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**We want to ensure that we leave our planet better than we found it.**





### 1. Limit emissions

Climate change is a critical challenge faced by our planet. Reducing our emissions and energy is an important step in our efforts to champion climate action. In 2017, we set out a roadmap to reduce our carbon footprint by generating more renewable energy than our operations consume. In 2020, we took an additional step to formalize these commitments further, by signing up for the Science Based Targets initiative (SBTi). In keeping with these efforts, we are committed to reducing our emissions footprint to achieve an absolute reduction of 25% by 2025 (on a 2019 baseline), taking crucial steps to combat the climate challenges of the future.

### 2. Transform waste

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

### 3. Responsible chemical use

Managing chemical use within our manufacturing processes and supply chain in a responsible manner has been a priority for MAS since our journey started with the chemical management workstream in

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

### 4. Safeguard water

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

### 5. Champion biodiversity

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

## Our Journey of Changing Our Planet for Good

Since commencing our formalized environmental sustainability efforts over a decade ago, in 2010, MAS has been constantly pushing the boundaries on the work we do to ensure that we reduce our impact on the environment. In 2010, we also adopted the ISO 14001 certification as the Environmental Management System for MAS, while formalizing our energy management system in 2011. With the Chemical Management workstream coming into place in 2013, we faced an important refresh in 2015 with the launch of a new Sustainability Strategy for 2025, including the introduction of focus areas such as biodiversity and value-enhancing waste.

Efforts across the Group have ramped up since then, and our strategic business units have worked over the years to streamline our processes in order to allow us to operate efficiently, while minimizing our footprint across our operations. In 2020, we once again re-evaluated the strategy, taking time to check and adjust our targets to better align ourselves to MAS' overall 2025 strategy, and bringing all our efforts together under the newly formulated 'Plan for Change'.

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The Paris Agreement adopted by 195 nations at COP 21 focuses on holding the increase in the global average temperature to well below 2°C above pre-industrial levels, and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.

Since the Paris Climate Agreement in 2015, governments have taken steps to reduce emission to limit global emissions under 2°C from pre-industrial global mean temperature. While this is an essential step, governmental action alone will not be enough to reach the required levels of GHG reductions, and therefore, business has a critical role to play in combatting climate change. This has accelerated the transition to a low-carbon economy. Many businesses have the skills and expertise to reach this goal but need ambitious targets to ensure that the action they take is aligned with current climate science.

The Science Based Targets initiative (SBTi) is a voluntary mechanism for private companies to take climate action. During the strategy refresh in 2019, MAS decided to adopt ambitious climate targets to reduce absolute emissions by 4.2% annually from the baseline year of 2019 till 2025, amounting to a total 25.2% reduction. By reducing 4.2% annually, MAS has aligned itself with the business ambition for 1.5°C, the SBTi campaign to limit the global average temperature increase to 1.5°C above pre-industrial levels.

This is a mammoth task as MAS' growth projections estimate business operations to almost double over the next 5-7 years, which effectively means that MAS needs to use zero carbon technologies for 60-70% of their operations by 2025.

Since our adopted Science Based Targets count 2019 as the base year, our efforts to reduce energy efficiency from 2011 to 2019 cannot be considered in this reporting mechanism. However, considering our customers' alignment to the same targets and our intention to contribute towards a globally unified strategy towards decarbonization, we have set a target to reduce absolute scope 1 and 2 GHG emissions by 25.2% from 2019 base year by 2025.

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**By reducing 4.2% annually, MAS has aligned itself with the business ambition for 1.5°C, the SBTi campaign to limit the global average temperature increase to 1.5°C above pre-industrial levels.**

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## **The Business Ambition For 1.5° C**

Carbon exists in the atmosphere in many forms—in the air, dissolved in oceans, in the soil and in living beings. Carbon dioxide, the most significant greenhouse gas released through human activity, is released to the atmosphere by the burning of hydrocarbons like coal and oil. Humans have increased atmospheric CO<sub>2</sub> concentration by 47% since the Industrial Revolution, and today, business is responsible for 70% of global greenhouse gas (GHG) emissions.

## The Planet and the Pandemic

As with much of our other work in 2020, the COVID-19 pandemic that swept through the world, also created challenges in our journey of changing our planet for good. As governments started closing borders and locking down cities, following the advice of healthcare authorities to focus on saving lives first, businesses around the globe too moved into conservative financial positions, with the highest emphasis on employee health and safety.

At MAS, focusing on our employees was our immediate response; and as the business restarted once lockdowns and restrictions eased, health and safety were the utmost priority, with every measure being taken to ensure that we reduced the risk of infection as much as possible. This meant that practices such as sanitation of all surfaces, handwashing at regular intervals and the use of disposable material to prevent contamination were introduced as employees practiced strict physical distancing procedures.

This also meant that the use of water and single-use plastic was significantly higher in 2020, as well as higher energy use per unit of output due to policies concerning improved ventilation established to control the spread of COVID-19. This meant that teams across the business were severely challenged in meeting relevant impact reduction targets, and were forced to rethink strategies to stay on course without making any compromises on employee

safety. Compliance programmes also had to be pushed back due to the disruption of business that extended across the supply chain.

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**Practices such as sanitation of all surfaces, handwashing at regular intervals and the use of disposable material to prevent contamination were introduced as employees practiced strict physical distancing procedures.**



## Leveraging Opportunities Amid Challenges

While there were significant challenges in 2020, it also gave us the opportunity to tap into time that we ordinarily would not have had to pause, reflect, and take steps to strengthen our plans and processes.

Taking stock of how the pandemic and other risks could affect our business and value chain, our teams went back to the drawing board to redesign action plans to better implement our strategy. The Sustainable Business team also worked closely with the Strategic Business Units (SBUs) to set their science-based targets.

Our customers also engaged with us more closely during the pandemic to strengthen implementation plans. While we initially feared that the inevitable financial pressures brought on by COVID-19 would slow the rate of action on sustainability initiatives, our customers showed greater interest and alignment to our efforts. While COVID-19 was the critical event of the year, there were also significant external events that influenced consumer demand for holistic sustainable solutions.

The initial part of the lockdown, which kicked off in March 2020, also brought along increased emphasis on self-sufficiency and local sourcing, as delivery systems of essential items were being developed across the country. As a result, our teams conducted a home gardening campaign across the

business called 'Growing Together', encouraging existing growers and beginners to start building home gardens. The campaign created awareness on sustainable agriculture practices, as well as how to best utilize different types of space, tools and soil that employees had in their homes. We also encouraged them to enjoy the process with their families and share success stories with growers across the Group to inspire, encourage and pass on their learnings to others.

## Strengthening our Systems

We also used the year to work closely within our teams to strengthen internal processes and tap into our systems to understand what improvements and changes were needed. The Environmental Sustainability Calibration Tool, which was upgraded to its 4<sup>th</sup> version and rebranded as the 'SCaLE' tool, is an internal, facility standardizing framework developed by MAS teams based on various global standards.

The SCaLE tool was developed to assess, benchmark, rate and subsequently improve the existing infrastructure at all MAS Holdings facilities. This tool also aims to standardize and replicate best practices throughout the Group, while ensuring efficient operations to continuously improve the environmental sustainability baseline towards a net-zero impact facility. This allows MAS facilities to set its baseline performance well above that of its

competitors, and be prepared for future regulatory and customer requirements well in advance.

In its original form, the SCaLE tool comprised two sets of criteria: mandatory requirements (MR) and recommended actions (RA). In its upgraded version, the tool has an improved scoring mechanism that grades facilities based on various levels of achievement. All criteria that were previously considered as MR remain at level 0, and facilities can target for further actions across levels 1-3, which will give them high scores and thereby achieve a higher rating for their facilities.

The SCaLE tool is a detailed self-assessment that comes with a list of parameters to fulfil, as well as the required documentation to be submitted as part of the assessment process. It covers a wide range of indicators within our strategy and operations, including Sustainability Strategy (SS), Sustainability Culture (SC), Sewing Machines (SM), Lighting (LT), Electrical Systems (ELE), Compressors (CMP), Air Conditioning (AC), Boilers (BL), Indoor Air Quality (IEQ), Water Efficiency (WE), Waste Management (WM), Emissions (EM), Building Site & Envelop (STE), and Chemical Management (CM).

Due to COVID-19 restrictions, the 2020 calibration audits had to be conducted remotely. However, this allowed our teams to expand the audits to global facilities on an introductory basis, reviewing their current status compared to Sri Lankan facilities.

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**This tool also aims to standardize and replicate best practices throughout the Group, while ensuring efficient operations to continuously improve the environmental sustainability baseline towards a net-zero impact facility.**

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## Partnering with SAC

The Sustainable Apparel Coalition (SAC) is the largest industry body representing the apparel industry, with over 250 members of global apparel and textile businesses including brands, manufacturers, industry associations, service providers, academia, non-profits and retailers. SAC has a vision to “Transform business through collective collaboration” whilst working with its sister organizations: Higg, which caters to the industry’s need for data and software, and the Apparel Impact Institute, which focuses on collaborating for return on impact.

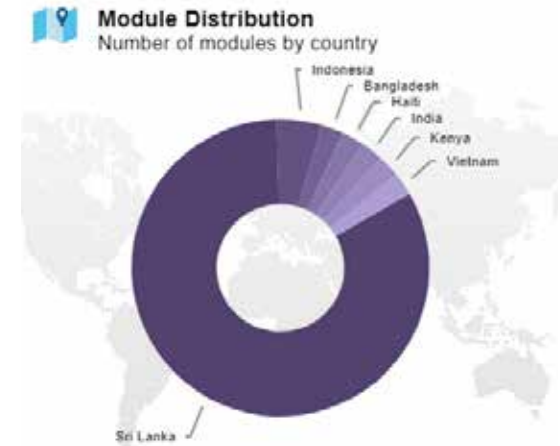
SAC has introduced the Higg Index, a set of tools to standardize the measurement of value chain sustainability. The Higg Index comprises three key facets including

- Higg Facility Tools
  - > Higg Facility Environmental Module (FEM)
  - > Higg Facility Social & Labour Module (FSLM)
- Higg Brand and Retail Tools
  - > Higg BRM
- Higg Product Tools
  - > Higg Materials Sustainability Index (MSI)
  - > Higg Product Module (PM)

MAS has been a founding member of SAC since 2011 and has been a key partner in developing the tools currently in use. In 2019 and 2020 MAS contributed to the development of the above tool through the key resources of MAS, through our involvement in the Facility Advisory Council, the Product Advisory Council and the Transparency Council.

MAS currently uses the Higg Facility Environmental Module (Higg FEM) and the Higg Facility Social & Labor Module (Higg FSLM). In 2019 and in 2020, we have reported the facility details of over 40 facilities through the Higg FEM, and have succeeded in maintaining scores above 70% on most facilities. MAS also uses the Higg Materials Sustainability Index (Higg MSI) and Higg Product Module (Higg PM) to evaluate impacts of the products we manufacture and make better choices, backed by data. In 2020, we reported on 13 Higg FSLM facilities, with 12 facilities receiving verification.

### COUNTRY DISTRIBUTION 2020



### VERIFICATION DISTRIBUTION IN 2020



### SCORE VARIATION BY SECTION FOR VERIFIED FACILITIES ONLY IN 2020

**Section Scores**  
Average score by section

Section	Average Score
Avg. Total Score	82
Air Score	54
Chemicals Score	82
EMS Score	95
Energy Score	93
Waste Score	76
Wastewater Score	80
Water Score	92

## Limit Emissions

**Our Commitment: Reduce our emissions footprint to achieve a 25% absolute reduction from the 2019 base year**

Over the past few years, MAS has been diligently monitoring and improving our energy efficiencies, and increasing the usage of renewable energy sources in our operations to minimize our carbon footprint across our operations. In 2020, we decided to take a step further and become a signatory for the Science Based Targets initiative (SBTi) to pledge our commitment towards absolute reduction in carbon emissions.

### Our Commitment to the Science Based Targets Initiative

The SBTi was introduced in partnership with the CDP, the United Nations Global Compact (UNGC), World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) as a platform for corporations to align with the commitments made through the Paris Agreement.

MAS joins over 1,300 companies across the world who have made this commitment globally. By signing the “Business ambition for 1.5°C”, MAS pledged to support the global movement to limit global warming to well-below 2°C above pre-industrial levels and pursue efforts to limit temperature increase to 1.5°C.

In line with this, MAS has set a target to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 25% by 2025 from the 2019 base year, and to reduce raw material-based scope 3 GHG emissions by 36% per product within the same timeframe. We are currently working on getting the above target validated by the SBTi.

Within the SBTi framework, Scope 1 emissions include direct emissions generated from within a company’s own sources of greenhouse gases. Scope 2 emissions include indirect emissions, which include energy sources that are not generated within but used by the company, such as purchased electricity, steam, heating and cooling. Scope 3 emissions include all other indirect emissions that occur in a company’s value chain, including suppliers and other partners.

To ensure that we take ambitious steps to address the challenge of climate change, MAS plans to implement a portfolio of initiatives to achieve scope 1 and 2 (direct and indirect emissions within MAS operations) emission reductions. These initiatives include further increasing energy efficiency, utilizing sustainable and climate-neutral biomass for our boilers, and supporting the national grid through renewable energy (mainly solar) inclusion.

Since scope 3 emission reduction must be done in collaboration with our supply chain, we have formulated the MAS Tiered Emissions MASTERS program with Reductions to support our most

prominent supply chain partners to set emission reduction targets in alignment with the SBTi.

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**MAS has set a target to reduce absolute Scope 1 and 2 greenhouse gas (GHG) emissions by**  
**25%**  
**by 2025 from the 2019 base year.**

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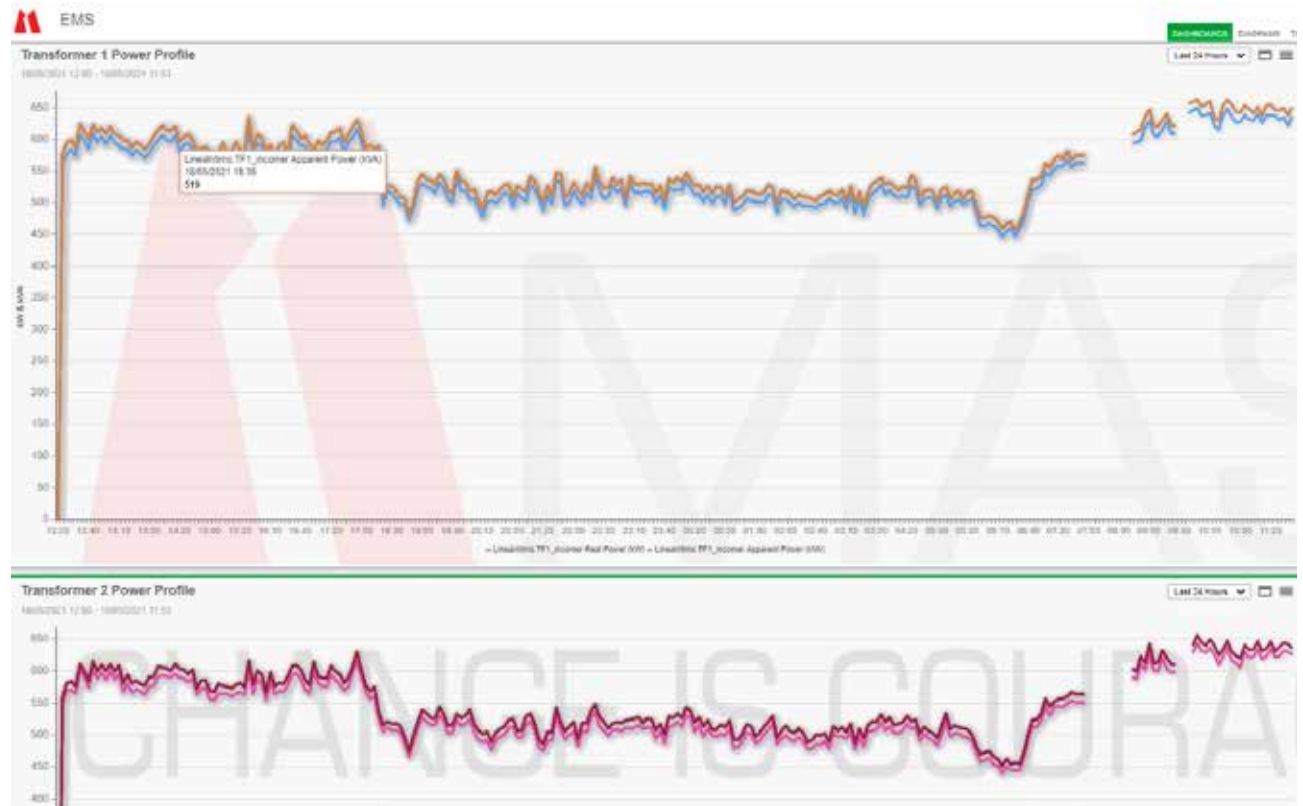
## Energy Management System

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

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

- Dashboards of comparative energy usage
- Logical meter view and instantaneous parameter view
- Logging of any trend parameters for a short time including power quality
- Energy statistics for the last 5 years at 5-min or 15-min intervals
- Custom reports on time of use, shift, cost, power usage, etc
- Alarm view

The system currently has the capability to measure electricity and water, and will be extended to steam measurement



The most useful aspect of the system is the subscribed reports, which allows users to generate reports at any given time and automatically receive them via email. An example of this use is to run the Cost Report on the first day of every month. MAS' energy managers also generate weekly reports, department-wise, to see if the departments operate within the budgeted costs.

As MAS has been investing in supply chain integration, we are currently measuring the energy intensity ratio based on production activity.

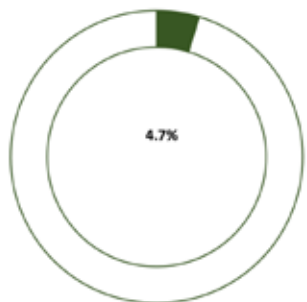
The following methodologies are used for each type of production:

Energy KPI by Activity				Reduction %		Measurement Method
Activity	2010	2019	2020	2010/2020	2019/2020	
Apparel	10.08	7.84	9.51	6%	-6%	Energy (MJ)/Standard hour
Fabric processing	111.54	78.89	98.82	11%	-24%	Energy (MJ)/kg produced
Apparel component	81.42	43.27	52.71	35%	-31%	Energy (MJ)/Standard hour
Apparel accessories		2.54	3.81		-32%	Energy (MJ)/Turnover
Seamless knitting	145.44	117.72	139.46	4%	-16%	Energy (MJ)/kg produced

Activity	Denominator	Description of Product
Apparel	Standard hours	Cutting and sewing of garments
Textile	kg produced	Fabric mills with a range of outputs: fabric, printed fabric, lace, elastic
Apparel accessories	Turnover	Fabric accessories such as hook and eye, bows, edging, underwire
Apparel components	Standard hours	Internal components of garments
Seamless garment knitting	kg produced	Yarn-to-knitted garment production



**Reduce our energy intensities by 50% in the textile and seamless knitting sector**

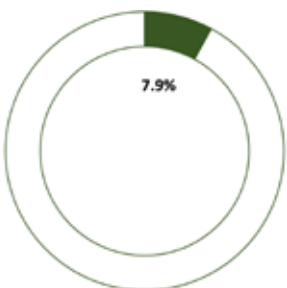


**Textile sector:**

Textile, knitting and elastic manufacturing made a combined reduction of 2.4% from the base year.

The textile divisions have reduced their usage to 112.7 MJ/kg from the base year energy intensity of 115 MJ used to produce a kilogram of product.

**Reduce our energy intensities by 50% in the Apparel sector**



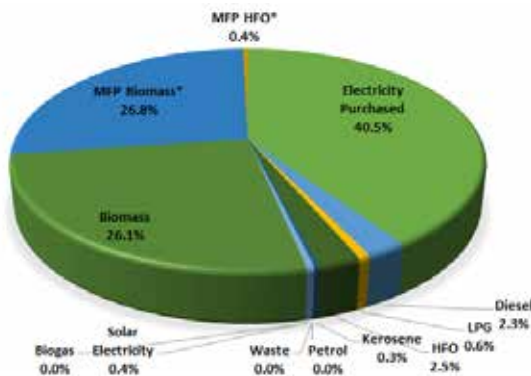
**Apparel sector:**

Apparel and apparel component manufacturing made a combined reduction of 3.6% from the base year.

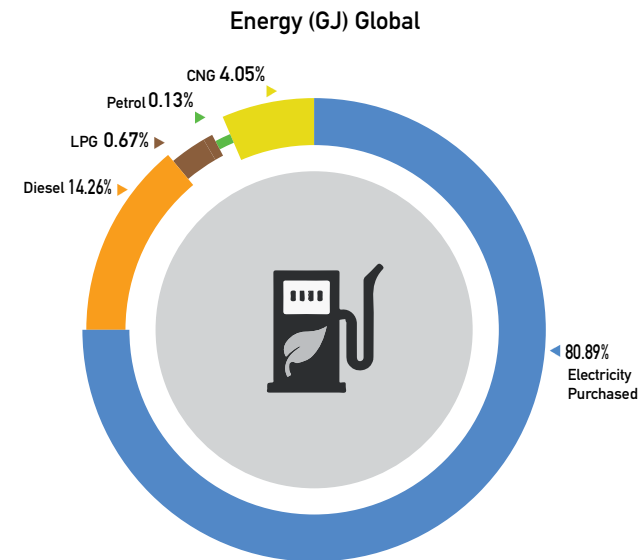
The Apparel divisions have reduced their usage from 11.4 MJ/Standard hours to 10.9 MJ/Standard hours from the base year.

In Sri Lanka, our purchased electricity accounted for 40.50% of our total energy mix. Purchased heat and steam are produced by MAS Fabric Park and are therefore accounted for under non-renewable and renewable fuel as MFP Biomass and MFP HFO.

**ENERGY PURCHASED (GJ): SRI LANKA**

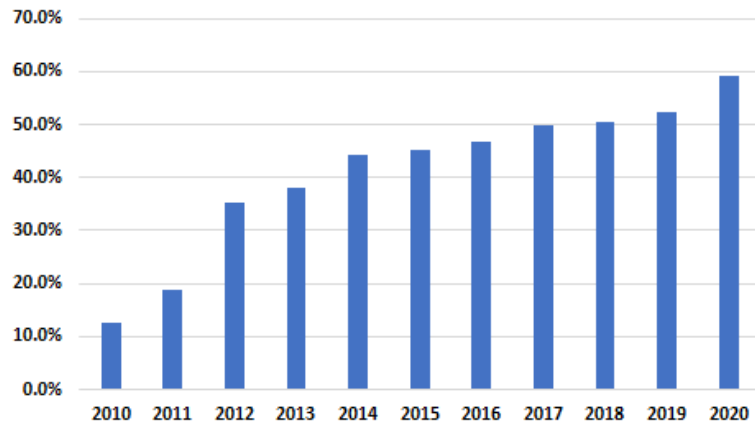
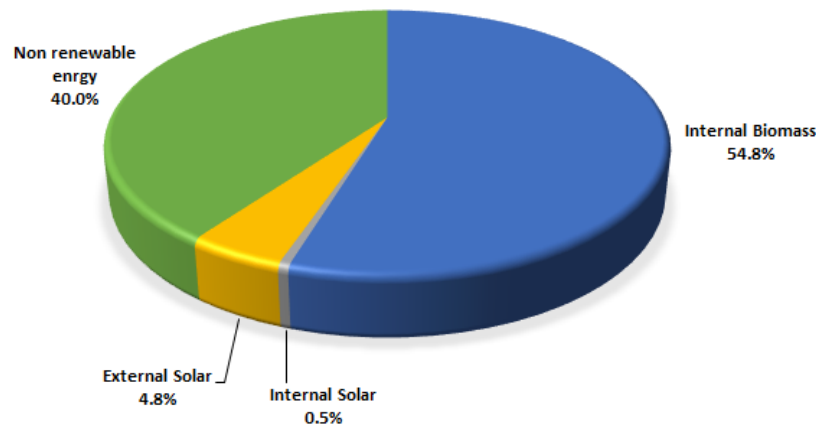


From our global energy footprint, 80.89% of this mix was purchased electricity from their respective national grids in 2020.



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

\*Source for conversion factors: <https://ghgprotocol.org/calculation-tools>

**ANNUAL % RENEWABLE ENERGY CONTRIBUTION IN MAS ENERGY MIX****GENERATING MORE RENEWABLE ENERGY THAN CONSUMED IN SRI LANAKAN OPERATIONS****Sustainable Biomass**

Biomass is a significant source of energy for MAS' textile facilities. Biomass is used in our boilers to generate energy and steam. It is a clean alternative to coal, which is used widely in the industry globally.

Sri Lanka's biomass industry has always been an informal sector with little regulation. In 2019, MAS was a key proponent of sustainable biomass and drove initiatives to actively engage with our suppliers to incorporate sustainability and transparency within our supply chain.

MAS was one of the industry stakeholders consulted by the Sri Lanka Standards Institute (SLSI), with the support of the Food and Agricultural Organization (FAO) and United Nations Development Plan (UNDP), to develop a sustainable fuel wood standard for the country. This was done in the hope that this standard may be adopted by all vendors. As a result, Sri Lanka's first-ever sustainable fuel wood standard "SLS 1551: 2016 Principle criteria and indicator for sustainably produced fuel wood" was formulated in 2016 and prioritized environmental sustainability, as well as the health and safety of workers in the fuel wood industry, in alignment with MAS policies. While establishing this voluntary standard is a first step in formalizing the fuel wood industry in Sri Lanka, to-date, this industry remains without any formal directive from the government.

In spite of this, MAS has taken a proactive initiative to record and measure biomass purchases based on wood type, which was used to determine the level of sustainability and traceability within our supply chain. Higher priority was given to utilize invasive fuel wood species, designated fuel wood species such as *Gliricidea*, and sustainably sourced rubberwood with replanting commitments from suppliers.

The use of invasive species as a fuel food was a particularly interesting initiative, as the invasive plants growing out of control in our national parks were causing a significant negative impact to the biodiversity, and careful removal of these plants ensured a safer habitat with food security for wildlife residing within these parks.

In previous years, our teams successfully introduced *Prosopis Juliflora* (locally known as “Kalapu Andara”), an invasive species that has spread across the southern coastline of Sri Lanka including in key national parks, to be used as a sustainable biomass source in Stretchline’s boilers. An unforeseen, but highly welcome benefit of lower energy intensities was also observed during this period. This was due to the lower moisture content of the wood type, which contributed to better energy efficiencies.

MAS is committed to increase the percentage of verified sustainable biomass sources and explore more environmentally friendly fuel wood alternatives in the immediate future.

MAS will continue to be a key stakeholder in government, non-governmental and private sector initiatives that strive towards formalizing and ensuring the sustainability of the local fuel wood industry.

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**MAS has taken a proactive initiative to record and measure biomass purchases based on wood type, which was used to determine the level of sustainability and traceability within our supply chain.**

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## Project Photon

While our commitments to the Science Based Targets initiative was initiated in 2020, our work in addressing climate change started many years ago with initiatives such as Project Photon, our multi-roof solar installation initiative. We recently successfully completed the first phase of this initiative, which now, along with other sources of renewable energy such as sustainable biomass, contributes to generating over 50% of our global operations through renewable energy.

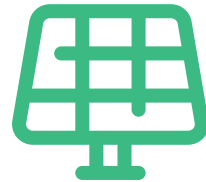
With an initial investment of USD 12.5 million, Project Photon currently covers rooftops of 18 MAS facilities across Sri Lanka. Photon’s largest rooftop – 1.95MW at Bodyline Horana – is also among the largest singular rooftop solar installations in the country. All electricity harvested from each site is exported to the National Grid, generating a supplementary income for our business. This initiative was implemented as part of the Sri Lankan Government’s renewable energy drive, which perfectly aligned with MAS’ long-term sustainability goals for 2025.



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**With an initial investment of USD 12.5 million, Project Photon currently covers rooftops of 18 MAS facilities across Sri Lanka.**

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### **A legacy of early adoption**

Renewable energy has been a key area of focus for MAS in addressing climate change, with our first solar installation dating back to 2008 at MAS Intimates Thurulie, the world's first purpose-built LEED Platinum Certified Apparel Factory. This culture of early adoption led us to transition to biomass in 2010, followed by a few small-scale installations with the advent of solar: 275kW at Linea Aqua Hanwella and a 300kW installation at Intimate Fashions India commissioned in 2014 – one of the two overseas solar installations to-date. The success of these projects led us to conduct the installation of 1MW at MAS Matrix in 2015, the largest such project in South Asia at the time.

As we launched our new sustainability strategy in 2016 with a strong commitment to source energy from renewables in an attempt to reduce our emissions footprint, the Sri Lankan Government also launched a feed-in-tariff scheme to encourage private sector investments in solar energy generation, opening up an avenue for MAS to realize our objective of generating and sourcing renewable energy. Project Photon was launched soon after in 2017.

### **Benchmarking an Energy-Independent Business Model**

The pioneering nature and mega scale of the multi-site project resulted in partnerships with domain experts, collaborations with public utility authorities, thorough structural and geographical evaluations, and in-depth research and analysis in rooftop solar systems, creating a new team of cross-functional talent at MAS with tactical knowledge within the energy domain. Project Photon's installations of 1MW across the country also enabled authorities to practically test newly developed national utility standards for connecting high-tension, roof-mounted systems across wider geographical areas.

With existing rooftop leases structured solely to address the installation of communication towers atop buildings, we engaged a team of professional property valuers to arrive at a market rate, standardizing and setting a national benchmark for rooftop rentals in Sri Lanka for solar installations. Photon rents the roof space of each of our facilities based on this standardized market rate for square feet utilized, creating a blueprint for other likeminded multi-site corporates to follow.

### **Added Benefits**

With weather monitors linked to all 18 locations across the island, Project Photon also makes MAS the first and only corporate entity with comprehensive real-time and historical solar irradiance measurements. Such previously unavailable data can now be utilized for effective research on solar energy yield and its utilization based on geographical location and climate conditions, which are crucial factors for future renewable investments.

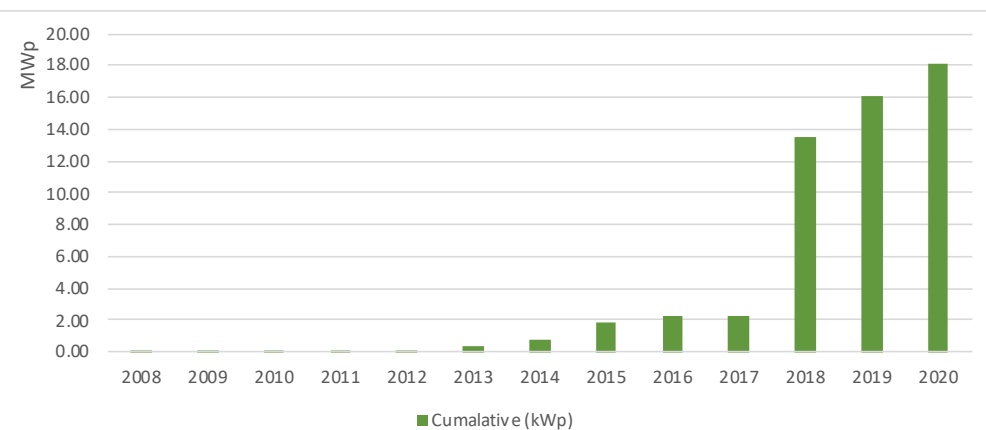
As we prepare to sign off on Phase II of Project Photon to increase the total capacity from its current 16MW to a staggering 23MW, a key milestone of the second phase entails a 3MW extension to the existing 1MW MAS Matrix installation, bringing its total capacity to 4MW and setting the record for the largest single rooftop solar installation in Sri Lanka.



Plant Name	Division	DC Capacity (kWp)	Country
Thurulie	Intimates	25.60	Sri Lanka
Linea Aqua - Hanwella	Aqua	375.00	Sri Lanka
Linea Aqua - Naiwala	Aqua	5.00	Sri Lanka
Matrix	Fabrics	994.50	Sri Lanka
MDS	Intimates	328.00	Sri Lanka
LIFI-1	Intimates	100.00	India
IFI-1	Bodyline	300.00	India
Bodyline I	Bodyline	1,956.50	Sri Lanka
Bodyline II	Bodyline	351.00	Sri Lanka
Asialine	Active	393.25	Sri Lanka
Nirmaana	Active	375.05	Sri Lanka
UPL Panadura	Intimates	1,582.10	Sri Lanka
Shadowline	Active	823.55	Sri Lanka
Slimline	Intimates	1,096.55	Sri Lanka
Slimtex	Intimates	574.93	Sri Lanka
Casualline	Intimates	1,069.90	Sri Lanka
Linea Clothing*	Intimates	606.03	Sri Lanka
Linea Intimates	Intimates	368.88	Sri Lanka
Linea Intimo	Active	933.08	Sri Lanka
Synergy	Kreeda	689.98	Sri Lanka
Vidiyal	Intimates	937.20	Sri Lanka
Vaanavil	Kreeda	1,847.04	Sri Lanka
UPL Koggala	Intimates	989.33	Sri Lanka
Noyon	Fabrics	990.60	Sri Lanka
Sleekline	Active	351.36	Sri Lanka
<b>TOTAL</b>		<b>18,064.43</b>	



Solar capacity expansion over the last decade at MAS is as follows:



## Transform Waste

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

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

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

Pushing beyond our own walls and processes, MAS worked with the Sri Lanka Navy to address the marine plastic waste issue that we have faced as a nation for decades. In 2020, MAS companies recycled over 21 million plastic bottles with the support of our partner Eco Spindles, value enhancing these into polyester fabrics or yarn. Our team took further steps to extend our work on the Oceans project by establishing an innovative solution to tackle the marine plastic issue at its source, by implementing a pilot floating trash trap called the 'Ocean Strainer' in the Dehiwala canal.

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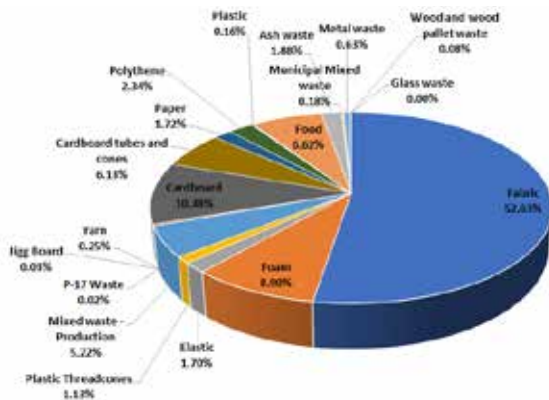
**The apparel industry is globally known to contribute approximately 4% of the world's waste and fast fashion has long since battled its waste problem.**

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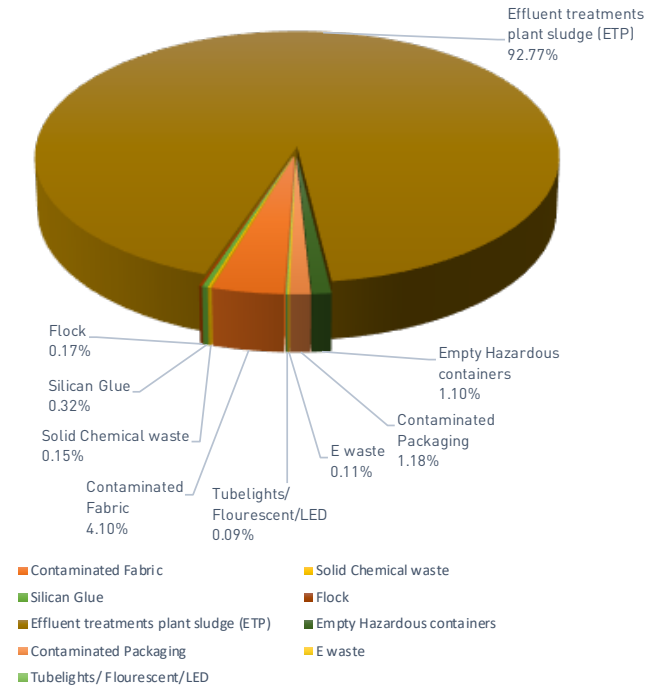
## Classifying Our Waste

In 2020, we diverted 99% of our overall waste away from landfills, and continued our efforts to reuse, repurpose or recycle the waste generated through our manufacturing and operations. While 2020 was a challenging year due to the COVID-19 pandemic causing a significant increase in disposable material such as masks, gloves and other protective equipment used to prevent the risk of contamination and infect, our efforts resulted in 45% of all waste being value enhanced by recycling, reusing, upcycling or being turned into a new resource.

**NON-HAZARDOUS WASTE PRODUCED BY MAS SRI LANKA OPERATIONS IN 2020**



**HAZARDOUS WASTE PRODUCED BY MAS SRI LANKA OPERATIONS IN 2020**



## Pirisidu Lanka

Sri Lanka has the potential to set itself apart by positioning ourselves as an end-to-end, waste-free manufacturing destination and adopting innovative, long-term solutions to upcycle waste. Inspired by this vision, a small team at MAS launched the ‘Pirisidu Lanka’ initiative (which translates to ‘Clean Lanka’) as a first step towards our ambition of being a zero-waste nation by 2030.

Pirisidu Lanka adopts a holistic, three-phase approach to create spheres of influence around our facilities to drive the concept of a waste-free nation, and encourage communities, businesses and other stakeholders to create their own spheres around their own operations and localities.

The first stage of the project examines our own facilities, by creating model plants that send zero waste to landfills, adopt the 7R principles and innovate new ways of value enhancing generated waste. To adopt Pirisidu Lanka principles, facilities must adhere to guidelines on eliminating single-use plastics and implement viable solutions to reduce, reuse and/or recycle process waste, food waste, construction waste, e-waste, paper and mixed waste. Facility staff are trained on managing and value enhancing waste, and must also implement waste infrastructure within the plants such as biogas and composting facilities.

The second stage of the project is to implement these principles within a 5km radius from the plant. Our focus is to create litter-free spaces and enable knowledge transfer within the communities by engaging community leaders who can help encourage behaviour changes within their own spheres of influence. At this stage, we also look to enable growth of industries and entrepreneurs who can use waste as a raw material, thereby creating networks of waste-to-value enhancers.

The third stage involves replicating the model within and outside our industry and stakeholders, particularly through other businesses who have immense potential to create change by following the model in their own operations, encouraging adoption among their communities and consumers. This will help increase our spheres of impact across the country, expanding the Pirisidu Lanka concept through collaboration and by advocating national legislation and policy change.

**Pirisidu  
Lanka adopts  
a holistic, three-  
phase approach  
to create spheres of  
influence around our  
facilities to drive the  
concept  
of a waste-free  
nation.**

### **Progressing Through the Pandemic**

In 2019, we started our journey with a pilot project in Kilinochchi within our facilities and extended to the community through schoolchildren, giving them the knowledge and tools necessary to adopt the practices at their schools and homes. To ensure the project's long-term sustainability, we developed a model that encourages community ownership, appointing champions from schools and community leaders who can collaborate to lead projects, connecting them with external partners and other networks to provide solutions for managing and value enhancing waste.



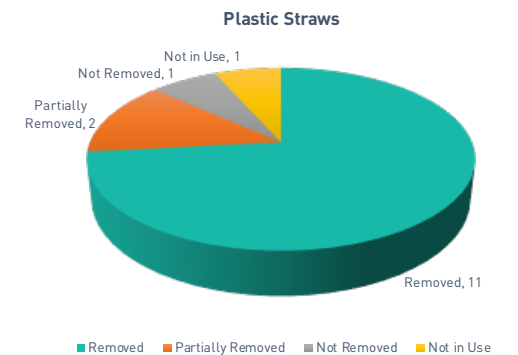
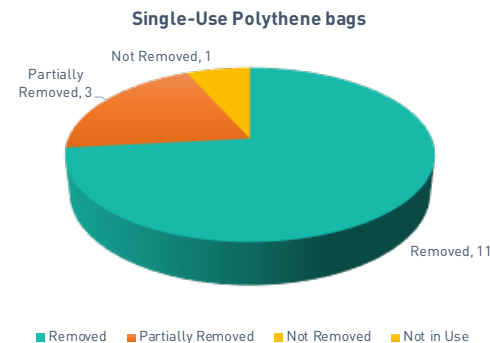
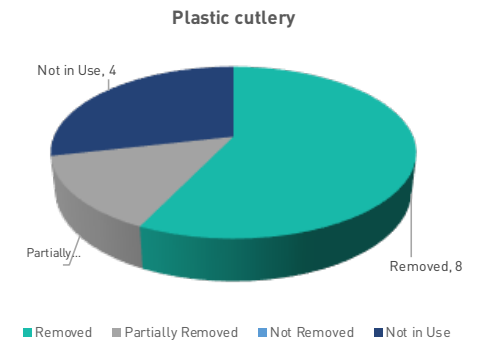
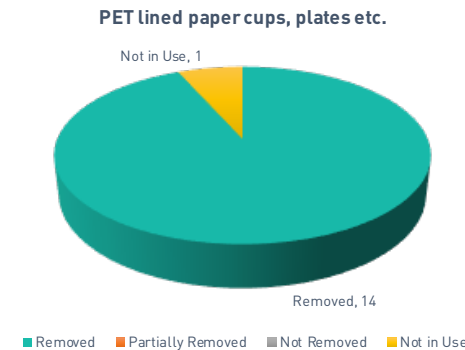
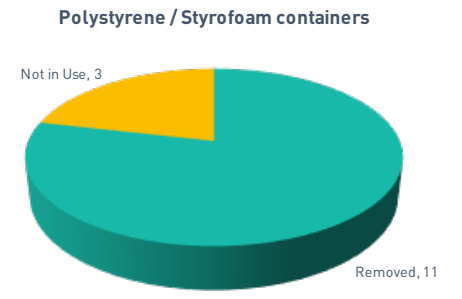
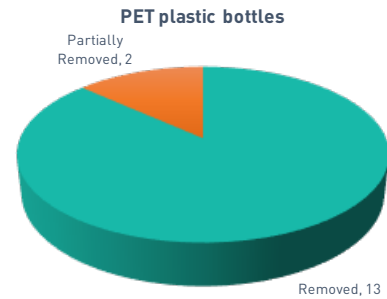


In 2020, with plans to carry out the next phase of implementation, our team continued to work on our own zero-waste goals to make good on our efforts to move towards a zero-waste island. To this end, in 2020, we mainly focused on Clean Cores, which was to activate the Single-use Plastic Policy (SUPP) within our facilities. Another 15 facilities joined us in this effort, and their progress in effectively managing plastics in phase one of the SUPP is as follows:



### Summary of Baseline Assessment

15 SBU's baseline assessment completed



## Reaching Out to Stakeholders

In order to roll out the Pirisidu Lanka initiative across our SBUs, our team developed a number of awareness campaigns with the key focus of communicating the single-use plastic policy and what it means to MAS, its values and its eco-system. These campaigns were created with the long-term aim of creating sustainable behaviour change, building community well-being and encouraging innovation for a zero-waste future.

The three main campaigns were focused on the following themes: 'Who We Are', 'Clean Forever' and 'No Waste Future'.

### A Call to Reflect: 'Who Are You?'

The 'Who Are You' campaign was designed as a teaser for Pirisidu Lanka, and was used to initiate the journey of self-reflection through the use of striking imagery and the direct line of questioning of individuals to reflect on their own identities and choices.

The campaign encouraged employees to reflect and identify what we, as individuals, waste to help everyone understand and minimize their personal impact. This was a clear call to action to bring out a positive behaviour change by refusing, reusing and recycling as much of our waste as possible.



### Inspire and Engage: 'Clean Forever'

The 'Clean Forever' campaign is being implemented to create a culture of pride and fulfilment about maintaining litter-free spaces with the correct segregation and recycling methods. This movement and culture building campaign is being driven by stories of how MAS business units and our employees are tackling waste creatively and efficiently, in the hope that these best practice sharing efforts will inspire and engage others to follow in their footsteps.

## Waste-to-Value: 'No Waste Future'

The No Waste Future campaign is designed to drive key projects that transform waste to value, by value enhancing them into resources. This campaign will be measured by the impact of each project, with both internal MAS efforts and external efforts involving our stakeholders and communities being combined into an innovation pipeline that fulfils our overall waste goal of value enhancement.

## Oceans Project

Sri Lanka is a biodiverse hotspot in the Indian ocean, with a rich marine ecosystem. But the beaches that were once our playgrounds are now covered by plastic that leaves our land, enters, and pollutes our surrounding ocean.

Hailing from a tropical island, for many of us, the issue of marine plastic waste is a personal one. That's why our teams at MAS have been leading the way in addressing this issue through long-term partnerships and first-of-its-kind initiatives.

In 2020, a year of exceptional circumstances, we continued to push the boundaries of our efforts in cleaning up our beaches and ocean.

Riding off our success in 2019 by creating the ICC World Cup cricket jersey using 100% recycled PET waste collected from Sri Lankan beaches to represent our country at the ICC World Cup 2019, we continued the same for the Sri Lankan women's cricket team who took part in the seventh ICC Women's T20 World Cup tournament held in Australia in early 2020. As an apparel manufacturer, these partnered engagements enable us to develop our platform of waste-to-wearables, while spreading awareness on the severity of the ocean plastic pollution problem.

Our manufacturing teams (from MAS KREEDA, Matrix and TRISCHEL) were able commercialize the products made from recycled PET waste among our customers, which resulted in MAS recycling over 21 million plastic bottles in 2020, amounting to almost one bottle per person in Sri Lanka.

### **Ocean Strainer**

The vision of repurposing PET plastic that pollutes miles and miles of our beaches went beyond just coastal clean-ups as we looked towards the root of the problem. Research shows that, out of all the waste that reaches the ocean, approximately only 30% comes back to shore, which means that 70% of this waste remains at sea and breaks down into microplastics that pollute the ocean and impact marine life. This means that preventing plastic waste from reaching the ocean is a very crucial step of marine environment protection.

One of the key observations of our work with oceans was that a significant amount of fugitive plastic waste flows to the ocean through our inland waterways such as rivers and canals. Capturing this waste before it enters the ocean could create a significant impact in addressing the marine plastic issue. With this inspiration, we designed our 'Ocean Strainer' floating trash trap, and launched our pilot project at the Dehiwala canal, Sri Lanka in August 2020.



Over a year, our teams worked to design a floating trash trap that suits our canal systems and marine environment, which could capture the litter flowing through these water bodies. We partnered with the Western Provincial Council, the Environmental Police, Sri Lanka's Marine Environment Protection Authority (MEPA) and the Sri Lanka Land Reclamation and Development Corporation (SLLRDC) to launch our pilot floating trash trap, which we named the 'Ocean Strainer'.

At Dehiwala, our Ocean Strainer traps plastic waste before it reaches the ocean through the canal mouth, and an individual from the Dehiwala community has been given the responsibility of collecting and removing the trash daily. The local municipality also supports the trash removal and disposal. Since our launch in August to the end of December 2020, just this one 'Ocean Strainer' has prevented over 30,000kg of waste from entering the ocean.

Furthermore, MAS made the Ocean Strainer design open source, in the hope that the successful expansion of this project will inspire other parties to join





the cause, to achieve further scale and impact in reducing the amount of plastic waste reaching the ocean through rivers and canals across Sri Lanka.

Following the first phase of this project, a group of companies have expressed interest in expanding this project to 10 further locations in other parts of the country.

As a responsible corporate citizen, MAS remains committed to the UN's Sustainable Development Goals (SDGs) as we work towards our own Plan for Change commitments. SDG number 14 focuses on conserving and sustainably using oceans, seas and marine resources, with indicator 14.1 looking to prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution. In line with this goal, MAS' Oceans Project is one that will positively impact coastlines, marine life and coastal communities by eliminating ocean plastic waste and will help retain the legacy of our island nation for years to come.

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**Since our launch in August to the end of December 2020, just this one 'Ocean Strainer' has prevented over**

**30,000** kg of

**waste from entering the ocean.**

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## Responsible Chemical Use

### Our commitment: Be zero toxic in all products and processes

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

### Lasting Partnerships: Zero Discharge of Hazardous Chemicals (ZDHC)

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

MAS also represents the ZDHC MRSL Advisory Council (MAC) and contributed to developing the ZDHC MRSL Version 2.0, which was released in November 2019. The ZDHC MRSL is key to sustainable chemical management, and MAS outlined practical challenges of implementation in the revision update, which will be beneficial for manufacturers. Our team was also proud to contribute to update the ZDHC Wastewater Guideline as a part of the ZDHC Sludge task team.

## Responsibility Amid a Global Pandemic

As it did to so many businesses across the world, the COVID-19 pandemic disrupted our operations for the first time in March 2020. Despite the disruption and many challenges, we decided to maintain our 2020 targets towards chemical use as per our original commitments prior to COVID-19. This led us to sustain our internal and external supply chain chemical management capabilities in 2020, despite the impacts of COVID-19.

In addition to managing our existing commitments in terms of chemical management, the pandemic created opportunities for our team to share their expertise to ensure the health and safety of our employees across the Group. With the risk of COVID-19 increasing, disinfection was a key priority at all our facilities to ensure the well-being of our people.

During the initial COVID-19 outbreak, we introduced many disinfection chemicals to our facilities. To ensure that substandard products were not being used, we implemented a compliance framework to ensure the safety of our people, especially focusing on hand sanitizers used in the disinfection process to ensure ZDHC MRSL compliance and adherence to local regulations. We also conduct random testing on hand sanitizers at our facilities to ensure that the alcohol percentage is up to the required standards, as this is a key factor in eliminating the virus.

## Our Chemical Management Processes

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

Through our Input stream management, we ensure safer chemicals are used in all our operations, with the aim of creating a safer product, while

enabling safe processes for our people and mitigating any negative impact on the environment. Our Process pillar makes the connection between Input and Output, where we ensure safer inputs are used in a correct way within our facilities. In the Output focus area, we measure our water and air quality to validate our input and process management practices. These processes are benchmarked by the globally recognised ZDHC Chemical Gateway, our own MAS SCALE (Environmental Calibration) Tool or the SAC's Higg Facility Environmental Module (FEM), and the ZDHC Wastewater Guideline.

Even during a challenging year, we continued to leverage our teams and conduct trainings and audits virtually, and physically where possible, to ensure that we maintained the high standards of chemical management that we set for ourselves.

### Input Stream Management

In 2020, we managed to achieve approximately 88% compliance of our process chemicals to the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substances List (MRSL), with 88% of our overall chemicals being registered in the ZDHC Chemical Gateway Level 1 or above. In addition to this, our dye houses achieved approximately 99% compliance to the ZDHC MRSL in 2020.



In November 2019, the ZDHC Foundation launched the ZDHC MRSL V 2.0, with the expectation that suppliers should fully implement version 2.0 of the MRSL by 31<sup>st</sup> March 2021. Therefore, while ensuring that we kept pushing for overall compliance to the MRSL, we also kept working with our supply chain to ensure that approximately 70% of our chemicals are compliant to the ZDHC MRSL V 2.0 by the end of 2020.

Commodity chemicals such as caustic soda and acetic acid are used in dyeing operations in the apparel value chain, and a number of studies show that commodity chemicals could include chemicals that are prohibited by the ZDHC MRSL. As an expansion of the work done in 2019, we extended the ZDHC MRSL compliance to all commodity chemicals used in dyeing operations, and have been able to meet the ZDHC Level 1 compliance for all commodity chemicals in 2020.

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**We also kept working with our supply chain to ensure that approximately**

**70% of our chemicals are compliant to the ZDHC MRSL V 2.0 by the end of 2020.**

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## Process

In 2020, we conducted chemical assessments at all local SBUs as per the MAS SCalE (Environmental Calibration) tool. In the face of the COVID-19 pandemic and restrictions, we conducted an e-verification for the first time, to ensure that we are equipped with the correct chemical management processes across the Group. We also conducted an awareness session for all our chemical suppliers, to update them on our chemical management strategy and best practices.

During 2020, some of our facilities completed Higg Index FEM assessment and achieved the 'Aspirational' limits in the Chemical Management section.

## Output

In 2020, we took steps to test wastewater as per the ZDHC Wastewater Guideline at our wet processing facilities. All our wet processing facilities are aligned to the ZDHC guidelines, validating that MAS facilities do not discharge any hazardous chemicals to the environment.

In 2020, some our facilities also started reporting our wastewater test results on the Detox Live Platform, which is hosted by the ZDHC Foundation and shows the efforts of manufacturers on the ZDHC journey.

## Working Together: Our Supply Chain Efforts

Working in partnership with our suppliers and partners is a critical step in our journey towards achieving zero toxicity. Our subcontractors are a vital partner in our supply chain as they meet market demands of many players. In 2020, our team focused on expanding on the work done in 2019 to further engage all our subcontractors to the ZDHC Gateway.

During 2020, we also implemented ZDHC Chemical Gateway for all our embellishment subcontractors to monitor their input stream management. Approximately 80% of our embellishment subcontractors' products are compliant with ZDHC Chemical Gateway Level 1. This is a 30% increment compared to 2019, and largely attributed to the continuous monitoring and evaluation of subcontractors even during the pandemic.

In 2020, we also implemented Higg Facility Environmental Module (FEM) for all embellishment subcontractors and completed on-site verifications internally. By the end of 2020, all our subcontractors have been fully aligned to the Level 1 score of the Chemical Management module in the Higg FEM, as well as completing ZDHC wastewater testing in 2019.

## ZDHC STATUS OF SUBCONTRACTORS



In 2020, we have expanded the coverage of the Higg FEM implementation to our raw material suppliers and covered 75% of suppliers based on our raw material purchases. In 2021, we plan to extend our efforts to monitor the chemical compliance status of our raw material suppliers using the ZDHC Chemical Gateway.

- Total of 146 RM suppliers
- Self-assessment: Higg platform and excel sharing
- 61% suppliers shared data and 38% pending as of Q4 2020

## Safeguard Water

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

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

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

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

## Adopting Ambitious Goals

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

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

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

Considering this, the teams have taken a collective decision to recalibrate our water goals for 2025 to accurately reflect our ambition, based on our current capabilities. Therefore, this goal has now been modified to 'reduce water intensities at our wet processing facilities by 65% from the base year 2011'. This will be done through process modifications, sustainable water sourcing, small and medium-scale water recycling, and innovative dyeing methodologies.

## Understanding our Risks: Water Risk Assessment

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

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

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

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



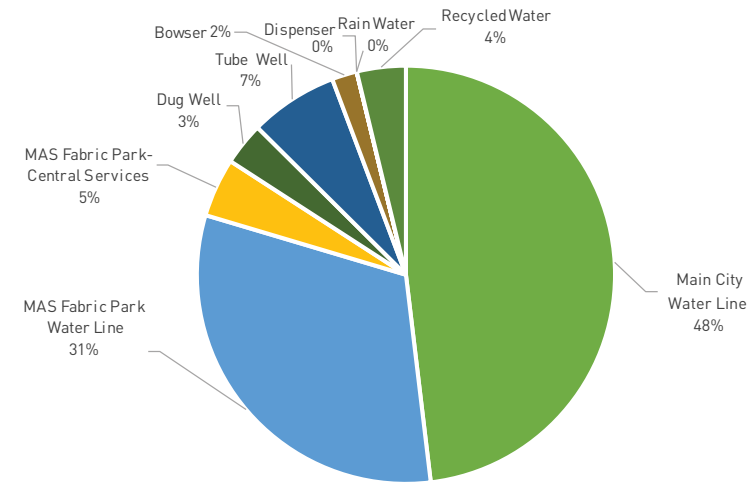
This gave us insight on risks faced by MAS facilities due to being in a certain geographical area (basin risk), as well as due to our manufacturing methods and requirements (operational risk). While we completed only a handful of mock assessments in 2020, we will be focusing on identifying and operationalizing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

### Our 2020 Performance

In 2020, due to COVID-19 safety guidelines, handwashing and sanitation were considered a high priority, with facilities being mandated to have hand-washing stations in proportion to the number of employees and regular sanitizing. This meant that domestic water usage at our facilities increased considerably during the year.

At our wet processing facilities, water intensity is depicted by liters per kilo of production. Due to significant variations in production (as a result of COVID-19 regulations) especially during the first two quarters of the year, the water intensity figures increased significantly. However, as production increased in the latter part of the year, water was used more efficiently. By the end of 2020, we observed a 38% reduction of water intensities from the base year.

**MAS SRI LANKAN FACILITIES WATER USAGE- 2020**



By the end of 2020,  
we observed a  
**38%** reduction  
of water intensities  
from the base year.

## Champion Biodiversity

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

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

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

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

In order to achieve this goal, MAS chose six models

to engage and deploy habitat creation across multiple fronts, including restoration, afforestation, invasive removal and enrichment, analog forestry/social forestry, forest gardens, and conservation.

### Restoration amid COVID-19

As the COVID-19 pandemic plunged the world into a series of lockdowns, Sri Lanka too, underwent the same, starting in March 2020. The pandemic severely limited our team's ability to travel as well as the potential to engage with partners such as the Sri Lanka Air Force and Forest Department, whose resources were either deployed in COVID-19 mitigation and crisis management, or were restricted due to the potential risk of infection.

As the pandemic impacted our work, our teams found new ways to engage during the year, working through various challenges, while also adhering to the health and safety protocols to not only protect our own employees, but our partners as well.

### Aerial Reforestation: Lahugala

Continuously committed to challenging the status quo to find ways to do things differently and efficiently, MAS explored the concept of aerial reforestation, or seed bombing, as a method of restoring forests in lands unreachable by foot. Seed balls are an ancient technique for propagating

plants from seeds without opening up the soil with cultivation tools. We integrated the seed balling project to our sustainability action plan in June 2018 backed by the expertise of the University of Peradeniya's agriculture faculty, which had been carrying out years of research in aerial reforestation, which drops hundreds of seeds wrapped in clay or soil across a defined land area to encourage growth of new saplings and vegetation.

We also found equally able and motivated partners in the Sri Lanka Air Force, who had also been researching on how to implement the seed bombing reforestation technique and agreed to provide essential aerial assistance for the project. The Sri Lanka Forest Department too was an integral stakeholder in identifying lands for the reforestation efforts, as well as sourcing seeds for the pilot project.

The first trial runs of seed ball composition were conducted within the plant nursery of MAS Fabric Park in Thulhiriya, and germination and growth rate were studied in-house. Following this, the Air Force conducted Sri Lanka's first-ever seed bombing effort in October 2018 with drop tests using a limited amount of seed balls.

### Scaling for Impact

The first attempt at seed bombing in 2018 was an experiment in aerial reforestation, and the first drop of 5,000 seed bombs in Nochchiyagama provided a good indication of the type of soil compositions that would be successful. The timing and soil composition of the balls were also critical in ensuring the success of the seed bombing effort. The initial pilot provided a limited 15% germination rate, due to poor rains.

In planning for the second wave of seed bombing, the team at MAS took the learnings from the pilot and ensured that they used different varieties of seeds that are most suited for the dry zone and would have the best chance of survival if rains continued as expected. The new locations, which were chosen with the help of the Sri Lanka Forest Department, were also selected considering softer soils that would retain the seed balls for longer.

MAS and the Sri Lanka Air Force launched the second wave of 67,000 seed balls over 60 acres inside the forests of Lahugala in Ampara in 2019. While we are continuously monitoring growth of this second wave of seed bombing, our initial observations show a germination rate of 30-40%, a considerable improvement from the pilot.

### Seed Bombing in 2020

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

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

Despite the many challenges, the team managed to create over 65,000 handmade seed bombs, which were dispersed over 65 acres of deforested land in the Lahugala area, helping MAS achieve the milestone of reforesting over 2020 acres by the end of 2020.





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## Managing Invasives: Removing Agada from Minneriya National Park

Minneriya National Park in Polonnaruwa, in the Central Province of Sri Lanka, was designated as a national park in 1997. This ecosystem, which covers an area of 8,889 hectares, is of the tropical monsoon climate, dominated by open grassland and old chena land vegetation patterns. Minneriya is known as one of the world's finest wildlife migration experiences, as it is known across the globe for the largest, recurring Asian elephant gathering in the world, widely known as the 'Minneriya Gathering'. The park is also home to leopards, sloth bears, two endemic monkey species, eight endemic reptile species and nearly 170 species of bird.

### The Introduction of Agada to Minneriya

Agada (*Xanthium Indicum*, Family Asteraceae) is an alien invasive plant known to thrive in man-made or disturbed habitats such as marshes, dunes, shores of rivers or lakes, and wetland margins. In 2016 and 2017, the natural cycle of the North East Monsoons shifted, which caused the annual flooding cycle to fail. This, coupled with the impacts of Moragahakanda Dam project, enabled this alien invasive species to establish and spread itself extensively around the Minneriya tank bed, which is the life source of the Minneriya National Park, covering an area of 8,890 hectares.

According to the estimations from the Park officials, approximately 500 acres of the tank bed has currently been taken over by Agada, and it was spreading along the flood plains and canal banks with each passing season.

### The Impact of Invasives

Growth of an invasive species such as Agada has the ability to disrupt the natural motions of life within a national park in a number of different ways. In Minneriya, growth of Agada was diminishing the availability of grasslands that are the primary feeding grounds for elephants and other herbivores that are dominant within the park.

Agoda also has a toxic effect to herbivores, and therefore is not a suitable alternative to the usual fodder for these animals. The nature of invasive species and rapid growth of this population in particular were causing long-term, irreversible changes to the biodiversity of the park ecosystem. Therefore, a quick response was needed to prevent seed dispersal to control the spread of Agada within Minneriya National Park, and to reverse its negative impact.

## Combining Our Efforts

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

The removal of Agada from the park was conducted manually under the supervision of the Department of Wildlife(DWC). Most of the hired labor were drawn from those who have lost their income sources due to the downturn in tourism in the area owing to the pandemic. The project enabled them to be productively employed, and contribute to the conservation of one of Sri Lanka's main tourist attractions.

Through the collaboration between the three SBUS, MAS was able to restore 125 acres of national park land, and has committed to keep this area free from invasives for the coming years.

- MAS Active: 32.4 acres
- MAS KREEDA : 46.3 acres
- MAS Intimates : 46.3 acres

## Changing Our Planet for Good

MAS' commitment to habitat restoration is based on the belief that protecting our natural ecosystem is our first line of defense from the imbalance caused by large-scale destruction of our natural biodiversity. While aerial reforestation is just one of the many ways that we can restore habitats, it is a solution that is efficient, cost-effective and can have a large-scale impact. It is also an innovative method that we hope can build a movement of reforestation in a way that is exciting for the younger generation, and inspires them to experiment and innovate their own ways of protecting our biodiversity and changing our planet for good.

## Leading Change

At MAS, we believe that our sustainability journey is one that is always evolving. The challenges that we face today do not remain the same; and therefore our response to these challenges must also adapt and evolve as we move forward and bring our Plan for Change to life.

While we are cognizant that we are only at the beginning of a long journey, we are grateful to have had a number of opportunities to share our knowledge with our wider stakeholders, as well as to be recognized for the work that we have done.

We strongly believe that sustainable systemic change can only be achieved through continued collaboration, learning, and sharing, which enables us to create collective impact with the support of all stakeholders within our ecosystem.

## Thought Leadership in 2020

While 2020 had its own set of challenges, it also presented a number of unique opportunities. With the proliferation of virtual working due to the COVID-19 pandemic, this presented us with the potential to connect to wide audiences through the power of digital networking tools. Even though the pandemic limited us in travel and physical interactions, we were able to cross borders and reach out to worldwide audiences while sitting in the

comfort of our homes, through virtual conferences, webinars, and panel discussions.

Our team participated in a number of thought leadership engagements hosted both by local and global partners, spanning the areas of product, lives and planet.

Director of Environmental Sustainability Sharika Senanayake joined panelists Robert Van De Kerkhof, CCO at Lenzing AG, Francois Souchet, Head of Sustainability at the Ellen McArthur Foundation, and Mads Twomey-Madsen, Vice President of Sustainability at Pandora, to share their view on the "Circular Economy in Fashion" at the Business Fashion Environment Summit, organized by Vogue Poland.

Sharika also joined the Sankalp Global Summit 2020, hosted by the Sankalp Forum, commenting on the roles that policy, innovation, investment, and affordability play in accelerating the transition towards circularity.

Deputy General Manager – Strategic Sustainability & Eco Go Beyond, Amanthi Perera, joined panelists from the Employers' Federation of Ceylon, Hayleys, Hemas and John Keells, to discuss best practices implemented and lessons at a discussion on 'Business in Times of Disruption', hosted by the United Nations Global Compact Sri Lanka and the United Nations Development Programme Sri Lanka.

We also initiated a series of thought leadership columns in partnership with the Daily FT newspaper; enabling our senior leadership to share the insights they have gained from years of experience driving sustainability both within and outside of MAS. These leaders included Sid Amalean, Head of Sustainable Business; Dinesh De Silva, Chief Executive Officer of Bodyline and Intimate Fashions India; Rajiv Dharmendra, Chief Executive Officer of MAS Intimates; Chelan Goonetilleke, Chief Executive Officer of MAS Active; Shirendra Lawrence, Executive Director; Amanthi Perera, DGM – Strategic Sustainability; and Sarinda Unamboowe, Managing Director/Chief Executive Officer of MAS Kreedaa.

## Impact and Recognition

Even in a challenging year, we are proud of the hard work of our divisional teams, and humbled to be recognized for the impact we have made in furthering our commitments to be a truly sustainable business. These recognitions motivate us to keep striving to do more and do better in our sustainability journey.



## MAS ACTIVE

### National Cleaner Production Awards

- MAS Active – Asialine                      Gold award in Apparel sector
- MAS Active – Nirmaana                      Gold award in Manufacturing



## MAS INTIMATES

### Best Corporate Citizen Sustainability Awards 2020

- 'Best Projects Sustainability' award for the MAS Mangroves Project.
- National Business Excellence awards in Manufacturing  
MAS Intimates - Sumbiri



## MAS KREEDA

### National Cleaner Production Awards

- MAS Kreeda – Synergy Gold award in Manufacturing
- MAS Kreeda – Shadeline Bronze award in Manufacturing
- MAS Kreeda – Methliya Bronze award in Manufacturing
- MAS Kreeda – Linea AITC Merit award in Manufacturing

### Japan-Sri Lanka Technical and Cultural Association (JASTECA) Awards

- MAS Kreeda won the Seven best CSR Sustainability award





## LINEA AQUA

### National Cleaner Production Awards

- Silver award in the Apparel Manufacturing sector

### Sri Lanka Health & Productivity Awards 2020

- Silver award – Extra Large Category

### Japan-Sri Lanka Technical and Cultural Association (JASTECA) awards

- Ten best CSR/Sustainability awards for 'Fashion of Sustainability'

### Certifications

- Fair Trade US certification for Linea Aqua
- GRS Certification for Linea Aqua Hanwella



## NOYON

### National Cleaner Production Awards

- Gold award
- Sponsored for the national event of World Environment Day
- National Business Excellence awards in Manufacturing MAS Intimates - Sumbiri

## Alignment to the 10 Principles

Initiatives Policies and Processes	UNGC Principle	Pages
Innovate and Disrupt	9	23-24
Source Sustainably	8	24-26
Pioneer Circularity at Scale	8	26-27
Adaptive Apparel and FemTech	6	30-31
Empowering Women	6	38-62
Meaningful Employment	1,2, 3,4,5,6	63-81
World-class Workplaces	1,2,3,4 ,5,6,10	82-93
Thriving Communities	1,2,8	94-99
Limit Emissions	7,8,9	107-114
Transform Waste	8,9	115-121
Responsible Chemical Use	7,8,9	122-124
Safeguard Water	8	125-126
Champion Biodiversity	8	127-131

