

UNITED NATIONS GLOBAL COMPACT
**COMMUNICATION
ON PROGRESS
2017**

UNGC Principles

The United Nations Global Compact (UNGC) asks companies to embrace, support and enact, within their sphere of influence, the following set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Human Rights

Principle 1:

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

Principle 2:

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

Labour

Principle 3:

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

Principle 4:

the elimination of all forms of forced and compulsory labour;

Principle 5:

the effective abolition of child labour; and

Principle 6:

the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7:

Businesses should support a precautionary approach to environmental challenges;

Principle 8:

undertake initiatives to promote greater environmental responsibility; and

Principle 9:

encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10:

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

OTHER UN INITIATIVES

Caring for Climate

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

Women's Empowerment Principles

The Women's Empowerment Principles are the end result of a 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.

MAS was involved in the consultation process when the seven principles were formulated. In November 2011, Chairman of MAS Mahesh Amalean signed the CEO Statement of Support for the Women's Empowerment Principles. MAS Holdings (Sri Lanka) and Mahesh Amalean were awarded the Women's Empowerment Principles Leadership Award - Cultural Change for Empowerment Award 2013 for the MAS Women Go Beyond initiative, a distinctive program established in 2003 that challenges the accepted norms of garment industry employment for women in Sri Lanka and the South Asian region.

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.

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MESSAGE OF CONTINUED SUPPORT

For the 14th consecutive year, MAS is happy to present the Communication on Progress to the UN Global Compact.

At MAS we believe sustainability is a core pillar of our commitment to excellence and how we operate. When we started this journey over 30 years ago we believed in listening to our own natural compass for good. This meant we were putting deep and meaningful thought into our work for the environment and our people, long before the age of strategy driven sustainability.

As one of the largest manufacturers in South Asia we realise we have an equally large responsibility towards both the eco-system we have created and the natural world we thrive in. Our values, core strengths and culture, drive all what we do, and we know our size and strength puts us in the best position to make a real difference in whatever we initiate.

I am proud of what we have achieved as an organization in 2017.

Our community investment for 2017 was over USD 400,000 (64 Million LKR) with the participation of 7,736 volunteers from MAS. These were achieved through 521 individual projects with beneficiaries exceeding 159,000 people.

We continue to drive what is right by our people. Establishing the MAS DNA - the MAS Code of Conduct across the organization was a clear step in that direction. We developed a single platform through which employees can access the policies and all information related to the code. Further the development of the Helpdesk and online incident reporting and management platform operated by a globally renown, independent and confidential service provider reiterates our commitment to encourage all to do the right thing.

Making good on our promise to give opportunity to all we see, the technical upskilling of our team leaders with 41 completing the certificate level in Technical training, opening the pathway to join the executive tier.

We have aggressively launched into our climate action goals with one of the largest multi-site solar rooftop projects in South Asia and we are celebrating the start of habitat restoration projects across 600 acres as part of a larger biodiversity goal to replace habitats in 100 times the space we occupy by 2025.

We remain committed to the principles of the UN Global Compact. As a growing organization with a global footprint we aim to influence all we can in our journey to create a self-sustained eco-system and embrace our challenges in the spirit of innovation and collaboration as we have always done. I firmly hope and believe that we as an organization can help shape a better future for all through our existence.

Shakthi Ranatunga

Director Group Human Resources
MAS Holdings (Pvt.) Ltd

A BRIEF HISTORY

- 2003** **Launch of MAS WOMEN GO BEYOND programme**
MAS joins the UN Global Compact
- 2006** **Launch of Eco Go Beyond sustainable education model in Sri Lankan schools**
- 2007** Women Go Beyond features in International Finance Corporation's Market Movers Report
Launch of "Garments Without Guilt" campaign in Europe
- 2008** MAS Fabric Park opens in Thulhiriya as World's first clean fabric manufacturing zone
World's 1st LEED Platinum Factory "Thurulie" starts operations in Thulhiriya
MAS & M&S launch 1st Carbon Neutral Bra made inside Thurulie
- 2010** **Environmental Sustainability Steering Team (ESST) is established**
Environmental team begins setting baselines for data measurement
Eco Go Beyond completes its of across 28 schools in 9 MAS communities
- 2011** Launch of Energy Management System (EMS) connecting all MAS locations within Sri Lanka.
ISO 14001 Certification for all facilities
- 2012** Launch of Group wide Eco Tracker measurement system
- 2013** **Development of MAS ES Calibration Tool**
ISO 14064:2006 audits begin for all facilities as an annual exercise
MAS introduces the first Eco Bricks made from industrial ETP sludge
MAS Chemical Workstream established
MAS Fabric Park develops 1st privately owned Analog Forest within the zone
Scoping begins for MAS Sustainability Strategy
- 2014** **MAS Calibration Tool Ver 1.0 is deployed across all Sri Lankan facilities**
Implementation Planning begins for the MAS Integrated Sustainability Strategy.
- 2015** **Sri Lanka's largest roof mounted solar solution of 1 MW unveiled at MAS FABRICS Matrix.**
Refreshed and relaunched all MAS policies on Waste, Chemicals and Water management
MAS opens large scale state-of-the-art Solar Sludge Drying facility inside Biyagama Export Processing zone to handle ETP sludge for all its facilities.
- 2016** Launched a holistic Sustainability Strategy with a focus on sustainable manufacturing and ensuring better lives for our people and communities
MAS becomes 1st manufacturer to become value chain affiliates of the ZDHC Foundation (Zero Discharge of Hazardous Chemicals)
MAS invests in Clean Chain chemical inventory system to ramp up transparent and efficient management of chemicals across the group
Invested in a Sustainability Performance Management System
- 2017** 40 facilities achieve ISO 14064:2006 certification
MAS Eco Brick and Solar Sludge drying process shared with industry
600 acres of habitat restoration across Sri Lanka
Launch of MAS Photon to install 30 MW of Solar PV on all viable rooftops
Began tracking 19 performance measures in Social Sustainability through the performance management system across our Sri Lankan footprint

INTRODUCTION

MAS Holdings (Private) LTD is South Asia's largest manufacturer of lingerie. The company was founded in 1987 by Mahesh, Sharad and Ajay Amalean, deriving its name from the initials of the three brothers. MAS Holdings began as an intimate apparel manufacturer and later diversified into sportswear, performance wear and swimwear.

CORPORATE OFFICE ADDRESS

10th Floor, Aitken Spence Tower II, 315, Vauxhall Street, Colombo 02, Sri Lanka.



MAS Holdings manages a portfolio of businesses with a revenue of USD 1.8bn and is positioned as one of the world's most recognized design to delivery solution providers in the realm of apparel and textile manufacturing.

It is also the largest apparel and textile manufacturer in South Asia. The organization is headquartered in Sri Lanka with 53 manufacturing facilities placed across 16 countries, with design locations placed in key style centres across the globe and over 95,000 people involved in its operation.

Our global footprint spans across Sri Lanka, India, Bangladesh, Vietnam, Indonesia, China, Hong Kong, Australia, United Kingdom, Italy, Germany, Jordan, USA, Mexico, Honduras and Haiti.

Our design, innovation and manufacturing expertise has inspired the world's leading fashion and retail brands including Victoria's Secret, Nike, Marks & Spencer, DBA, lululemon athletica, Soma, H&M, Gap, Calvin Klein, Columbia Sportswear and Ralph Lauren to partner with us.

Our products and services are enhanced by vertically integrated supply chains, and are supported by a full-scale lean enterprise platform.

MAS owns Sri Lanka's first international lingerie brand, amanté, and has diversified through design and manufacturing to encompass lifestyle and fashion solutions.

With a unique blend of manufacturing capability, inspiring people, world class products and ethical processes MAS have continued to attract premium brands and retailers to partner with us.

MAS' investments into THINX, within the feminine hygiene space producing innovative reusable underwear for periods and urinary incontinence.

'Become', an undergarment with cooling technology, designed to manage the most common menopausal symptoms.

In Wearable Technology - The Firefly illuminated running jacket under the name 'Nova' - which is revolutionizing the future of clothing using active illumination technology.

VISION & APPROACH

We made 15 promises for 2025 as part of a vision to radically change how business should intervene and innovate to tackle the environmental and social challenges of our time. We committed to managing our own footprint to radical action in climate action and biodiversity. True to our values we will vowed to remain people-centric and continue helping our communities to thrive.

PRODUCTS MADE BETTER



CHAMPION CLIMATE ACTION
ENERGY EMISSIONS



MANAGE OUR FOOTPRINT
WATER CHEMICALS
WASTE MATERIALS



SUPPORT A THRIVING PLANET
BIODIVERSITY
SUSTAINABLE LIFESTYLES

LIVES MADE BETTER



BUILD DIVERSITY IN THE WORKPLACE
WOMEN IN MANAGEMENT
PERSONS WITH DISABILITIES



BE A GLOBAL EMPLOYER OF CHOICE
WORK LIFE BALANCE
SUSTAINABLE COMPENSATION



GO BEYOND COMPLIANCE & STANDARDS
BUSINESS CONTINUITY MGMT
HEALTH & SAFETY



BUILD THRIVING COMMUNITIES
EDUCATION HEALTH
NATION-MINDED
LOCAL CONNECT
ENVIRONMENT

MAS mapped its sustainability goals in 2016 and made several clear commitments in our quest to drive sustainable manufacturing in Sri Lanka.

As the largest apparel and textile manufacturer in South Asia we have pledged to take radical climate action in the renewable energy space, to continuously manage the footprint of our business and to directly support biodiversity by creating habitats in 100 times the area we occupy. Within these goals we made 15 promises that will help us make a real difference between now and 2025.

As one of the largest employers in Sri Lanka we also want to build greater diversity in the workplace, become a global employer of choice and help all our communities to thrive. These are goals we created after a two-year conversation that involved multiple stakeholders. It is also a vision we will continue to refresh and work on as we evolve into a global organisation. Throughout the last 3 years, additional studies were carried out to understand both employee and community perceptions on both the industry and the organisation.

This report is an opportunity for MAS to map, evaluate and manage our targets against the promises we have made for 2025. It is also a chance to share our stories, our inspiration and innovations from within our facilities and our people.

We have committed to a future that is driven by innovation and excellence with sustainability integrated across all our functions. We know this is a moving target with increasing challenges with each passing day which is why our ethos of continuous improvement and our precautionary approach plays a key role in how we tackle these issues head on.

SUSTAINABILITY GOVERNANCE

We have a driving force within MAS that is spearheaded by the Board and our Central team that help us activate bold decisions in areas that demand such action. In 2017 we focused on driving these actions in energy, chemicals, waste and biodiversity. At the same time, we continue to strengthen our resolve and our resources to tackle the challenges in our supply chain, materials and water.

The overarching responsibility of driving sustainability within MAS sits with the MAS Capital Apparel Board, whose two key members oversee the main pillars of the group's strategy.

The chairman of MAS, the Apparel Board; and heads of each division, business unit and manufacturing facility, supported by departmental heads, are responsible to ensure that the group's policy and strategy are respected and implemented across the organization.

Operational Structure

Chairman/Apparel Board – The responsibility and vision for the overall strategy lies with the chairman and the Apparel Board.

Sustainability Advisory Board – This includes decision makers from the Board and from each business function, as well as key sustainability heads who will help steer the strategy in the right direction.

Group Sustainability Team – This is a combined team of those who facilitate work at divisional level, drive strategy and coordinate core processes. The team is also the key reporting liaison between the advisory board and divisional heads.

The Divisional Heads Council – This is a team of divisional sustainability heads, and includes both environmental and social sustainability leaders who decide how to implement the group-level strategy within their own divisions and SBUs.

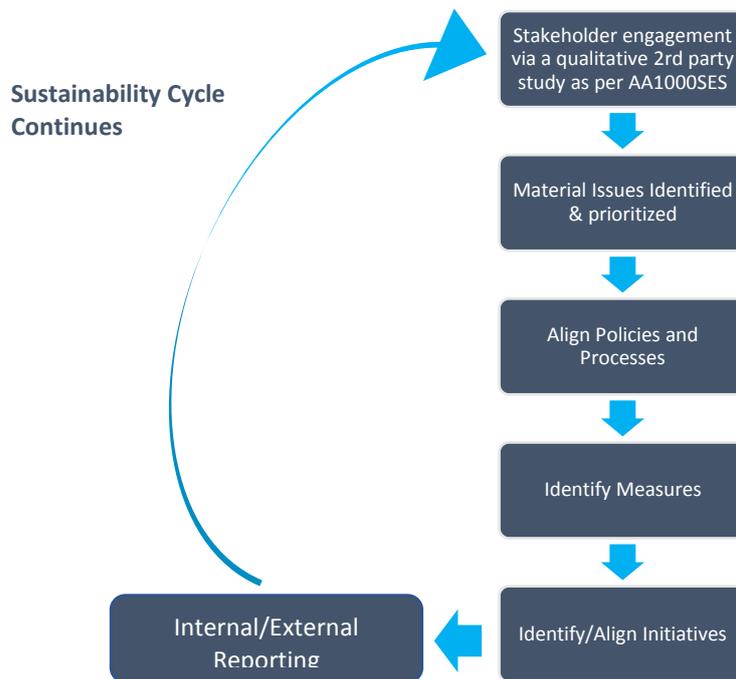
Divisional Operational Teams – These include divisional activators and their implementing teams, including technical leaders and engineers who help the divisions implement the work.

SBU Teams – These include SBU-level management and champions who implement the work at local facility level.

MATERIALITY & PROCESS

MAS continues with the materiality assessment done previously, which was developed according to the AA1000AS. The Key measures that are mapped and monitored are an output of this materiality exercise. At MAS, Sustainability is a key driver of its business. The organisation considering its social and environmental impacts, places great importance on sustainable development and strongly believes that its economic impact and reputation are aligned to its ethos and initiatives. As an organisation into manufacturing with over 95,000 staff, the Group focuses on maintaining a highly motivated and productive workforce while being a socially responsible corporate citizen that contributes effectively to the country's economy. MAS continues to work towards minimising its operational impacts through the entrenchment of responsible business practices and the monitoring of key sustainability performance indicators.

Sustainability process



The Sustainability process for MAS was further refined after the results of an internal materiality assessment and external independent stakeholder engagement exercise conducted by a verified third party under the AA1000SES standard.

This led to the identification of material issues that aligns best with our work and values. We established our own unique measures on top of the GRI indicators. There is continuous review of existing policies that may align with these issues and gaps identified for future amendments and development.

We have strategically categorised our key Sustainability initiatives as ‘Products made better’ to tackle our environmental agenda and ‘Lives made better’ for our social impact. The monitoring of indicators would further validate and identify relevant initiatives that need to be implemented. By this MAS has in place a comprehensive Sustainability Management Framework as part of its commitment to integrate sustainability into its business strategy.

TRACKING OUR PROGRESS

Every year we set Key Performance Indicators for sustainability targets which cascade down to the divisions and the facilities through a formal goal-setting structure known as “Hoshin Kanri”. Each facility is given a long-term target and an annual reduction target to align their activities with the overarching goal.

Our Sustainability Management Framework enables us to embed our strategy into corporate practice by providing a systematic, step-by-step guidance. This is further supported by a Sustainability performance system which is a cloud based ERP managed by an outsourced supplier. A dedicated team of Sustainability Champions representing each Division is in charge of the relevant business units, who in turn manage data entry on a quarterly, semi-annually and annual basis, of the Group’s sustainability performance.

Our process involves the establishment of benchmarks and targets for identified sustainability indicators. Over the years we will continue to measure and assess performance of previous years and establish targets and benchmarks which align with the overall global targets set by MAS. These efforts are also directly linked to the reward and recognition structure of the organization.

Since 2010 MAS environmental teams have used an internally built data collection tool called the Eco tracker to collect environmental data. In 2017 we introduced a single system to collect both our social and environmental data. A new combined database has been created for the purposes of calculating energy, water and waste usage, which is connected to a Power BI dashboard for monitoring our footprint.

With the launch of the new system the data fields we focused on has also increased. In 2017, MAS decided to change our environmental data collection method from consumption based to purchase based to increase accuracy, consistency and to provide verification documents.

The new system has helped us to streamline and collate our social indicators such as attrition, diversity, training hours, and health and safety incidents. We have learnt through these analytics that we need to do a lot more work in building gender equality in our senior leadership and to encourage more women to want careers in governance. Information derived from this system is published in our quarterly reports which are reviewed by the Executive Committees of each SBU, Division and the MAS Apparel board. The Group’s Sustainability divisions then operationalize relevant policies and processes based on the identified gaps and opportunities.

PARTNERSHIPS TO TRANSFORM

MAS is always open to collaboration on every front and in 2017 we actively embraced partnerships that have given rise to massive shifts in culture, new systems and processes and new ways to tackle seemingly overwhelming challenges. Transformation across our industry will require a massive shift in how we work together towards common challenges and MAS is proud of the peers and partners who have been part of this quest to find answers to some of the biggest challenges of our time.



GLOBAL INDUSTRY CHANGE We actively continued our collaboration with the Sustainable Apparel Coalition (SAC) of which MAS became a founding circle member in 2011. We contributed to the SAC's agenda to create a global benchmark for sustainable apparel manufacture.

NON-TOXIC BY NATURE MAS became the first manufacturer to join the ZDHC (Zero Discharge of Hazardous Chemicals) as value chain affiliates in 2016. The partnership has grown with our Chemical Team being invited to become members of the MRSL Committee which influences the global standards for ZDHC members.

ZONAL LANDFILL TACKLE In 2017 MAS signed on with the Board of Investment and INSEE Ecocycle for the construction of a Material Recovery Centre in the Biyagama Export Processing Zone that will tackle the issue of waste that goes to landfill from other industries in Sri Lanka.

BIODIVERSITY BATTLE In 2017 MAS partnered with the Forest Department and Wildlife Department for a nation-wide MOU to restore habitats across Sri Lanka. The collaboration has seen our teams work closely with forestry officials to achieve habitat restoration across 600 acres in 2017.

OCEAN OPPORTUNITIES 2016 -MAS partnered with the Sri Lanka Navy to collaborate on finding a nation-wide solution for the problem of plastic waste. The partnership paves the way for the Navy to begin recycling and collecting coastal plastic while commandeering and supporting MAS engineered coastal clean-up operations.



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PRODUCTS MADE BETTER

TOOLS OF CHANGE

As with all initiatives the challenge for MAS is to sustain the progress and success we have achieved. To this end we have developed a series of systems and tools which have helped us standardize and improve our environmental performance with consistency over the years.

As we grow our operation, these tools have become primary weapons in our battle to instill best practices as habits and opportunities across MAS. We are now evolving these same tools to a standard that we can openly share with the rest of the industry.

THE MAS CALIBRATION TOOL

We shared our internal MAS Calibration Tool V 1.2 with the Sustainable Apparel Coalition as a guide for any manufacturing facility to assess, benchmark rate and improve their operations by implementing minimum requirements and additional recommended actions.

Within MAS we developed Version 2.0 of the Calibration Tool into an opportunity assessment of best practices that would drive innovation inside our facilities and support key improvements inside their operations.

New changes in Ver 2.0 include:

Indoor Air Quality

We improved on the measurement of particulate matter and Volatile organic compounds (VOCs).

Emissions Management

We included Scope 3 emissions, streamlined recording of biomass, and included emissions reduction projects.

Waste Management

Introduced industry partnerships and symbiosis as well as closed loop waste generation and paperless processing and digital signage at all facilities.

Building Site & Envelope

We introduced heat island reduction and thermography surveys for all buildings with a focus on reducing heat absorbed from solar radiation

MAS ENVIRONMENTAL RISK ASSESSMENT TOOL

In 2017 the ERA became a mandatory tool for MAS. We started the community perception surveys and developing a fact-based indicator list to map the progress over the years.

Community related indicators included employment and business opportunities, educational opportunities. We also added indicators on the following.

Availability of Common amenities and facilities - Hospitals and other medical facilities, road quality, public transport, water and electricity connections

Nature and environment - (waste management, Noise and water pollution, flood and drought impacts, biodiversity, epidemics and malnutrition, human animal conflict)

Political environment
Law and order (crime rates)

Other community prosperity indicators - support of special needs children, employment status, vehicle ownership, home improvements

For many years, we have measured the impact of our processes internally and constantly sought to improve on them. In 2016, we decided to look outward with a proactive tool called the Environmental Risk Assessment tool (ERA) to understand potential risks our presence and operations could cause to the environment, surrounding communities and our people.

The ERA tool is a proactive approach that goes beyond our boundaries and is unique in Sri Lanka. It was created to identify and characterize adverse risks to the immediate environment from the presence and/or operations of MAS' manufacturing facilities in Sri Lanka.

The toolkit comprises two modules. The environmental module monitors solid/liquid waste, wastewater, incoming water, emissions, storage of gases and liquids, and noise.

The socio-economic module identifies risks by surveying community perception by means of quantitative surveys and key informant interviews under the categories of employment opportunities, business opportunities, educational opportunities, people and community, common amenities and facilities, nature and environment, law and order, and the political environment.

The results of the ERA will enable the management of each manufacturing facility to identify the source, magnitude and urgency of adverse risks specific to each facility.

HIGG INDEX

The Higg Index is an apparel and footwear industry self-assessment standard introduced by the Sustainable Apparel Coalition for assessing environmental and social sustainability throughout the supply chain.

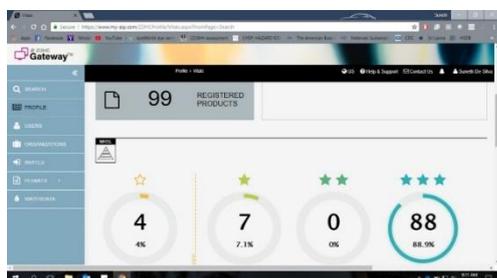
Over 40% of MAS facilities were reporting on the Facilities Environmental Module 2.0 of the Higg Index as of end 2017.



As a strategic member of the Sustainable Apparel Coalition we supported the Index Development Council in the development of the FEM 3.0 and Social and Labour Module.

Our engagement with the SAC has continued since 2011, and in 2017 we supported the SAC in its work to help converge to a single tool to alleviate audit fatigue across the industry while driving it towards a more ethical sustainable future.

THE ZDHC GATEWAY



The Zero Discharge of Hazardous Chemicals (ZDHC) gateway is an advanced online search engine to find ZDHC conformant chemicals from suppliers across the world registered as members of the Zero Discharge of Hazardous Chemicals Foundation.

The Gateway is open to everyone in the textile and leather industry - including chemicals suppliers and manufacturers and brands.

As one of the first manufacturers in the world to become value chain affiliates of ZDHC, MAS has already used the opportunity to push ZDHC standards to our chemical suppliers across the supply chain.

CleanChain™ Chemical Management System

In 2016 MAS signed on with ADEC Innovations Solutions for a chemical management software in a first of its kind collaboration. CleanChain™ was designed to support chemical management and zero toxic activities by letting brands, suppliers and chemical companies share and report on chemical information.

As well as giving MAS easy access to this data from their own operations and supply chain, CleanChain™ allows us to share data with other stakeholders and access data that other users of the platform share, increasing transparency. Rather than having to produce individual reports for every customer that requests their chemical management data, MAS can link with them directly in CleanChain™ to share their information and data, saving time and resources.

Since adopting CleanChain™, we have realized significant advances in the efficiency, efficacy and scope of durability to manage chemical information across the supply chain.

- ***CleanChain™ has been implemented at 20 chemical-intensive manufacturing facilities inside MAS.***
- ***Visibility into all chemical use throughout operations***
- ***Development of clear targets to reduce use of hazardous chemicals in the supply chain***
- ***Reduced time, cost and administrative burden***

CHAMPION CLIMATE ACTION

As we grow our operational footprint globally we remain conscious of our energy usage across the business. Across our operation we are continuously working to improve the efficiency of the energy we use for our manufacturing processes. Simultaneously we have begun working on sourcing sustainable renewable resources that meet our climate action goals and to ensure our operational growth stays in line with our energy strategy. MAS Photon was created in 2017 to meet one such goal - to generate more renewable energy than we use.

CRITICAL CARBON

By 2025 we want to be generating more renewable energy than we consume in our operations.

In 2017 our target was to achieve 30% renewable energy for operations

ON TRACK
47% of MAS currently runs on renewable energy

In 2017 we launched Project Photon to cover our rooftops with 20 MW of Solar PV.

MAS GHG Policies

As part of Championing climate action MAS has committed to generating more renewable energy that we consume and a 50% reduction of energy intensity by 2025 with respect to a base year of 2010. On the target for renewable energy, MAS took the first step in 2017 by starting a Solar project (MAS Photon) to install panels on all viable factory roofs in Sri Lanka. All new panels will be supplying electricity to the Sri Lankan Grid under the new government program "Soorya Bala Sangramaya". Phase 1 of the project is expected to be completed by the end of 2018 and to produce approximately 21,000 MWh of electricity annually.

MEASURING OUR PROGRESS

While we stopped measuring our emissions intensity in 2015 we continue to closely monitor our energy intensity as a more efficient and accurate measurement of our emissions performance and roadmap. We continued our group wide 3rd party verification against ISO14064 standard for measurement and monitoring of our footprint - a journey we began in 2013.

In 2016 we generated 2.2 Million kWh of energy from our Solar Projects & avoided the release of 1003 Tonnes CO2e of Carbon Emissions

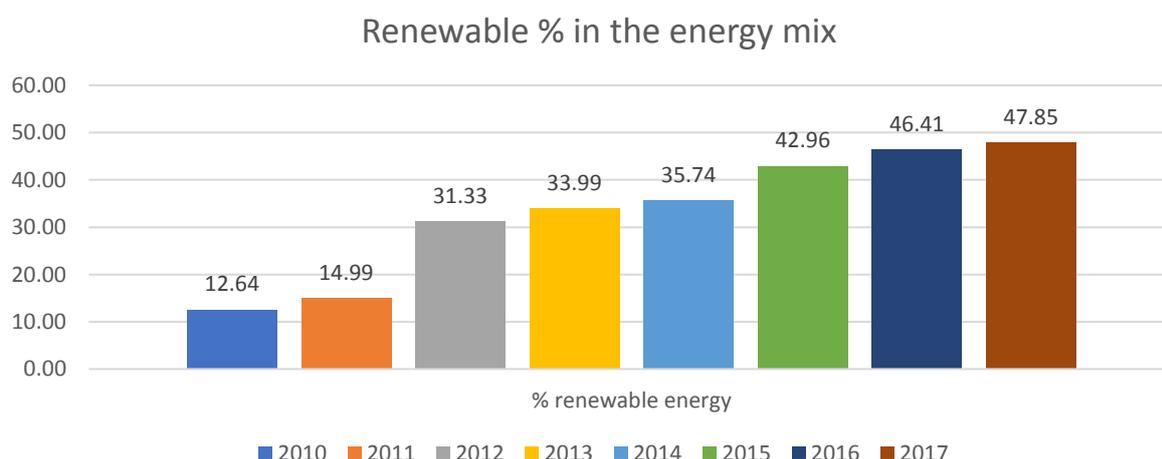


MAS continued to measure its emissions footprint for 2016 with total avoided emissions of 1003 CO2e.

Our greenhouse gas emissions were independently verified by TÜV Nord as per the ISO 14064-3 standard. The company boundary encompasses Scope 1 and 2 of MAS Capital business operations in Sri Lanka but excludes all Scope 3 emissions.

40 of our facilities in Sri Lanka received ISO 14064-3:2006 certification with a 'Reasonable' level of assurance for 2016.

In its verification report TUV Nord says MAS Capital has carried out a substantial number of projects to date and have further projects in the pipeline which considerably reduce their GHG emissions.



2017 GHG Improvement Initiatives

GHG emissions reductions for MAS Capital is a result of continuous cleaner energy projects (ex: bio mass conversions, solar thermal and solar PV) and energy efficiency improvements. They also involved the introduction and conversion of bio mass based steam generation as well as heat generation. Energy efficiency improvements focus on use of electricity in terms of lighting, air conditioning, compressed air systems and drivers.

The first fuel switching project at MAS was concluded as far back as 2008 at Stretchline. Following this, two more large steam boilers switched from furnace oil use to biomass in 2011 and 2012. Over the years Prym Intimates, Vaanavil and Synergy also shifted from fossil fuels to biomass for steam generation resulting positive impacts towards the carbon footprints of the facilities and the products they manufacture. Currently Trischel Fabrics and Noyon Lanka is using heat generated through biomass for their operations.

BIOGAS ADOPTION



Despite the low exposure for biogas technology in the country, similar waste to energy projects are becoming increasingly popular among MAS facilities. Biogas generation from canteen food waste has been initiated at MAS Active Asialine since 2012. Unichela Koggala facility uses a different technology than the initial unit but thanks to an inhouse innovation reduces emissions from LPG usage in the kitchen. During 2016 Unichela Panadura installed a biogas plant.

Solar PV technology was introduced to MAS prior to 2008 when MAS intimates Thurulie installed solar panels on their roof. While the sustainability initiative was gaining momentum within the group several facilities have installed new solar PV units.

Existing projects at MAS have the following capacities:

Linea Aqua 1 - 250 KW
 Linea Aqua 2 - 5 KW
 MAS Fabrics Matrix- 995 KW
 Linea Clothing – 100 KW
 MDS – 328 KW
 Thurulie – 25 KW

Giving a total solar capacity of 1.703 MW.

Annually the panels produce over 2000 Mwh with more than 1000 MTCO2e saving. All electricity produced from listed Solar projects are under the Net metering contract with the Sri Lankan Grid in which Solar is internally used by the facility and any excess is sold to the grid.

EFFICIENCY PROJECTS

Energy efficiency in lighting systems is improved though the use of T5 fluorescent lights, CFL and LED lighting. Use of skylights further reduces the requirement for artificial lighting and the use of intelligent switching mechanisms has allowed MAS to reduce energy demand while maintaining the desired lighting levels on the factory floor and in offices.

Replacing and optimizing air conditioning systems to make sure that specific indoor conditions are met has yielded considerable savings in terms of energy demand and cost. Implementation of building management systems has led to a better appreciation of system inputs, outputs and processes which have yielded further

energy savings. This has also led to standardization of AC designing and has created a technical resource pool available for consultation on similar projects within the group.

By minimizing leaks and optimizing load patterns on the compressors we have been able to reduce energy use related to compressed air generation and distribution. Periodic checks to prevent leakage and minimize have allowed our manufacturing facilities to utilize systems to their full potential.

Use of energy efficient motors for sewing machines has significantly contributed to our energy savings throughout the year. Use of Variable Speed Drives (VSD) and servo motors were carried as large-scale projects throughout the group

Despite not being captured under the banners of scope 1 and 2, the launch of the transport management system will lead to significant emission reductions savings related to employee travel and goods transportation. The project is being rolled out across the group and will provide an insight on to tracking employee commute and will provide a basis for scope 3 transport emissions disclosure at a later stage.

ENERGY SPOTLIGHT: INVASIVES TO BIOFUEL



Since 2007 Linea Aqua has been removing the aggressive invasive tree Mesquite (*Prosopis juliflora*) from over 700 acres of the Bundala National Park which has been overrun by the species. Locally known as Kalapu andara the tree is native to central & south America & the Caribbean region. In 1880 it was introduced to Sri Lanka as a shade & erosion control tree in the dry zone. Due to its ability to withstand harsh environmental conditions, and prolific growth rate, is ranked as one of the worst invasive species in the world.

In 2017 MAS Kreedha Synergy piloted the first attempt to switch from regular biomass to Mesquite cut offs from the invasive removal project.

BIODIVERSITY IMPACT - The Mesquite canopy suppresses undergrowth, affecting plant diversity as native species simply cannot compete. The trees have spread rapidly in protected areas such as Bundala and it is estimated that mesquite already covers one third of the Park, which is vital wetland for migratory birds and Ramsar site.

ENERGY IMPACT - As mesquite wood contains high calorific value, it is an ideal source of fuel. Synergy has now shared their learnings with other MAS divisions who currently use regular biomass while the Central Sustainability Team has begun working on a groupwide strategy to consider more invasive species in the group's biomass mix while also eventually reducing overall dependence on the resource which although renewable can indirectly cause deforestation due to the scale of demand by industries.

ENERGY SPOTLIGHT: THE START OF A ROOFTOP REVOLUTION

“MAS plans to have a Net Positive impact in our energy space by 2025. It’s time we move beyond the simple cost benefit lens of switching to solar. We need to invest because the cost of doing nothing is far greater. Energy is no longer a right it is a responsibility. Photon is an investment that will help us reach that goal and also send a clear message that this is the new norm for industry now. And as one of the largest manufacturers in Sri Lanka, it is simply right that we commence the movement to renewable energy with an initiative that really make a difference.”



Shirendra Lawrence, Apparel Board Member & Chief Operating Officer of MAS Holdings

In 2017 MAS launched a new business unit ‘MAS Photon’, exclusively to manage a massive renewable energy drive to mount 27 MW of Solar PV on our rooftops across Sri Lanka. As the largest rooftop solar drive to be launched in Sri Lanka MAS Photon will see the installation of 24 rooftop Solar PV Systems covering an extensive 2 million square feet, spanning from Kilinochchi in the North to southern tip of Koggala.

Photon will serve as a business unit to channel renewable energy income towards one source, thereby garnering a stable fund to support future renewable energy opportunities. Staying abreast of global environmental trends while meeting the local sustainable environmental goals, Team Photon is also preparing to venture into next generation solutions for battery storage.

RESPONSIBLE ENERGY

By 2025 we will strive to achieve the highest level in energy efficiency by reducing our intensities by 50%

In 2017 Identify energy reduction pathways and build efficiency roadmap

ON TRACK

Throughout 2017 we continued to actively install energy efficient technologies and innovations across MAS in 2017. Our energy efficiency investments included several projects from large scale compressor modifications to smaller projects such as LED lighting and engineering initiatives that resulted in significant energy and cost savings.

HOW WE MEASURE PROGRESS

Function	Energy Intensity measurement	
	Numerator	Denominator
Sri Lanka Apparel	Total energy purchased (MJ)	Standard hours
Fabric Processing	Total energy purchased (MJ)	KG produced
Apparel Component	Total energy purchased (MJ)	Standard hours
Seamless knitted Garments	Total energy purchased (MJ)	KG produced
Garment Accessories	Total energy purchased (MJ)	Turnover (USD)
Knitting	Under fabric production	
Overseas Apparel	Total energy purchased (MJ)	Standard hours

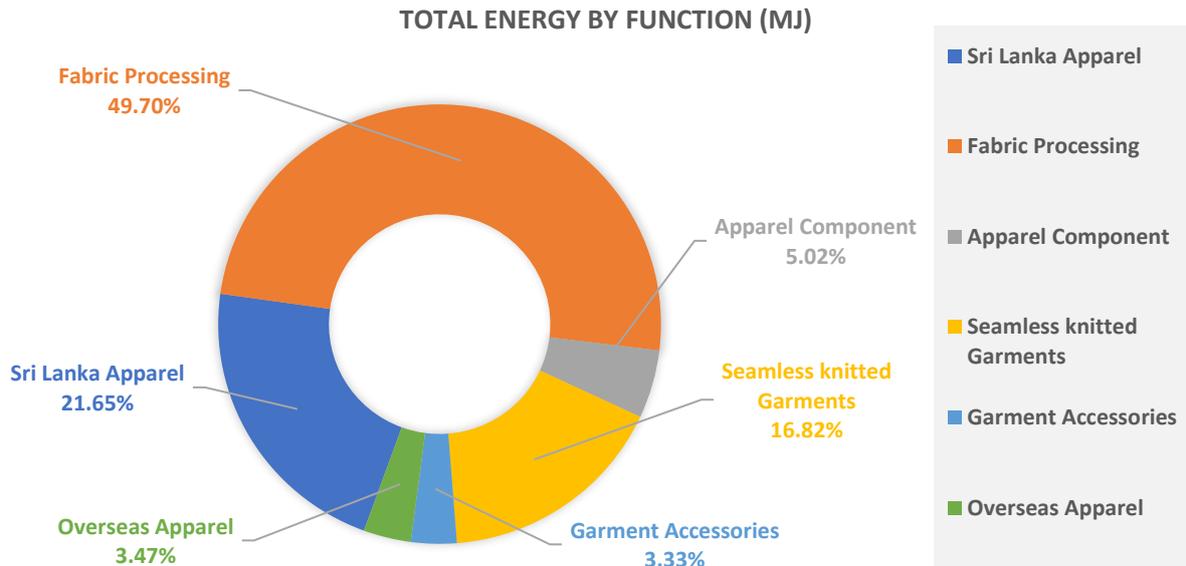
While we continue to grow the business and our energy use most of our business functions have reduced their energy intensity since 2010 with Garment Accessories achieving a reduction of 87% and Apparel Components achieving a 47% reduction.

Energy KPI Function	Energy Intensity			% reduction		Measurement
	Intensity 2010	Intensity 2016	Intensity 2017	2017/2010*	2017/2016*	
Sri Lanka Apparel	9.84	7.90	7.36	-25.14%	-6.79%	MJ/SDH
Fabric Processing	109.31	85.41	83.86	-23.28%	-1.81%	MJ/KG
Apparel Component	81.42	36.73	45.23	-44.44%	23.15%	MJ/SDH
Seamless knitted Garments	145.44	144.51	139.41	-4.15%	-3.53%	MJ/KG
Garment Accessories	18.03	2.54	2.33	-87.11%	-8.46%	MJ/USD
Overseas Apparel**		7.04	5.92		-15.91%	MJ/SDH

**A negative value denotes an intensity reduction.

ENERGY MANAGEMENT SYSTEM

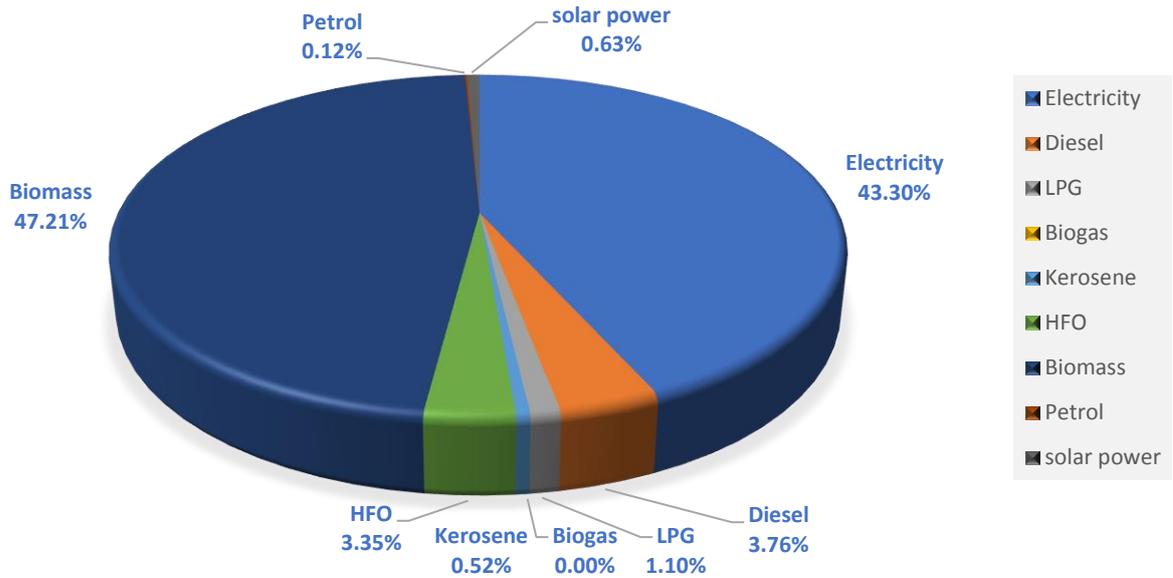
Since 2011 we have been deploying the Schneider Ion 6.0 across MAS as our overall energy management system. The system helps us monitor and record energy variations across the day in multiple locations of each facility. In 2017 we upgraded it to Schneider's Power Monitoring Expert to monitor 650 energy meters across 59 sites. The upgrade allows plant engineers to monitor usage in real time and generate trends based on the data.



Biomass powers a majority of our renewable energy which is why we have set up a plan to standardise its sourcing as part of ensuring our usage does not cause deforestation or supply chain issues. We have sought out a standard to ensure our biomass is sourced responsibly and that we as a business will steadily lower our usage of this resource and seek other renewable alternatives in the future.

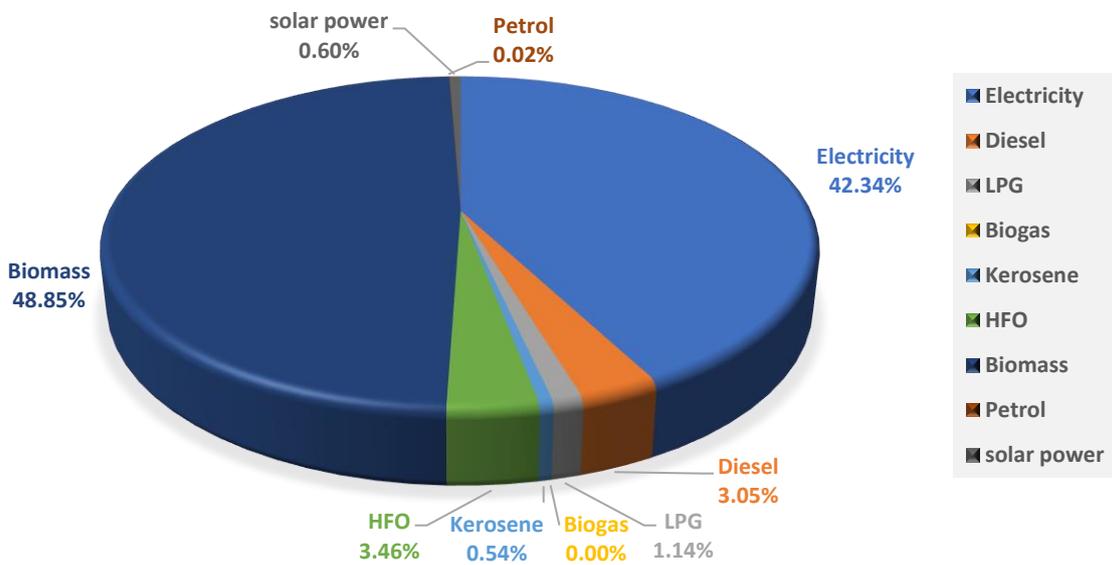
MAS TOTAL ENERGY MIX

ENERGY MIX (MJ) 2017

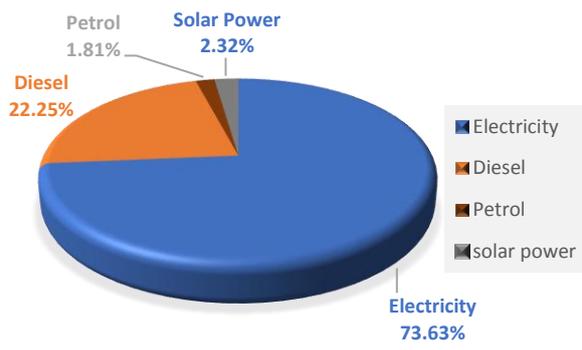


COUNTRY-WISE BREAKDOWN

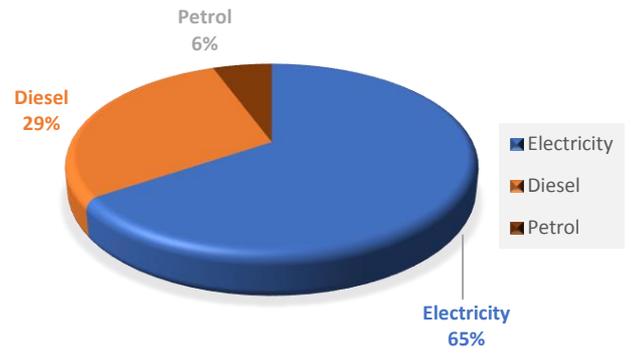
ENERGY MIX (MJ) 2017 - SRI LANKA



ENERGY MIX (MJ) 2017 INDIA



ENERGY MIX (MJ) 2017 - BANGLADESH



MANAGE OUR FOOTPRINT

While being headquartered in Sri Lanka, MAS has evolved into a global company with 53 manufacturing facilities placed across 16 countries, with design locations placed in key style centers across the globe, and over 95,000 people involved in its operation.

This growing footprint demands us to be even more vigilant about our impact on the environment we operate in. It is also an opportunity for us to evolve the ethos of responsible manufacturing we have been practicing all along. While our current environmental practices and policies only apply to Sri Lanka in 2017 we have expanded the reporting system to 3 facilities in India and 1 in Bangladesh as of 2015.

WATER VIGILANCE

By 2025 we seek to reduce our water intensities by 75%	In 2017 we achieved a 30% reduction in liters per Kg of product since 2011 3.7% reduction in liters per person per 10-hour shift since 2013.	ON TRACK We intend to introduce more sustainable systems to treat our waste water and to build long term solutions through our innovation pipeline
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The Fashion industry depends on water and we know it. Therefore, we are focused on the quality of our water and how we use and treat it at MAS.

Almost all MAS business functions achieved intensity reductions from their baseline year thanks to efficiency targets and innovations introduced throughout the year.

While our usage continues to grow we have continued our efficiency and recycling measures throughout 2017 and are developing innovations to drastically reduce this footprint and find ways to lessen our usage as well as pioneer new treatment methods that will transform how we treat water.

MAS currently owns and runs a state-of-the-art in-house water treatment plant at the MAS Fabric Park in Thulhiriya which provides about 20% of the group's total water needs.

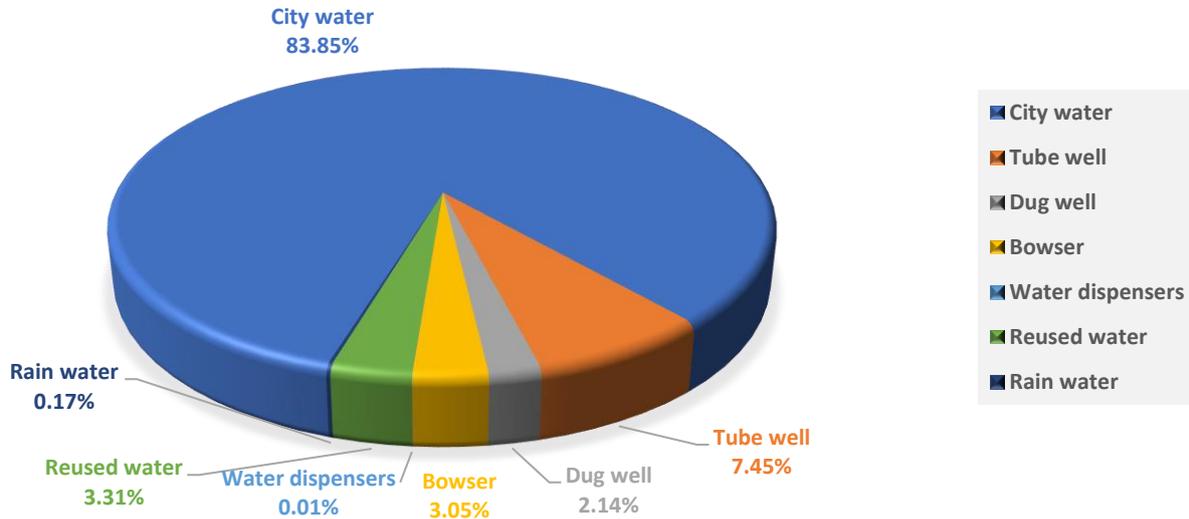
MAS also revises its strategies annually to meet its Water KPIs to achieve a 50% Water Intensity Reduction by 2020, while enhancing our final discharge qualities.

Function	Water Intensity Measurement	
	Numerator	Denominator
Sri Lanka Apparel	Total water withdrawn (L)	per 10-hour shift per person
Fabric Processing	Total water withdrawn (L)	KG produced
Apparel Component	Total water withdrawn (L)	per 10-hour shift per person
Seamless knitted Garments	Total water withdrawn (L)	KG produced
Garment Accessories	Total water withdrawn (L)	KG produced
Knitting	Total water withdrawn (L)	per 10-hour shift per person
Overseas Apparel	Total water withdrawn (L)	per 10-hour shift per person

Function	Water Intensity				% reduction	
	2011	2013	2016	2017	2017/Base year	2017/2016
Sri Lanka Apparel		59.71	55.39	55.63	-6.83%	0.44%
Apparel Component		135.31	80.90	85.65	-36.70%	5.86%
Knitting **			138.10	139.55		1.05%
Overseas Apparel			59.43	64.42		8.40%
Fabric Processing	259.07	251.86	190.28	184.53	-28.77%	-3.02%
Seamless knitted Garments	475.93	403.93	303.32	320.75	-32.60%	5.75%
Garment Accessories	384.29	334.7	241.26	158.21	-58.83%	-34.42%

****A negative value denotes an intensity reduction while a positive value means an increase in intensity.**

TOTAL WATER WITHDRAWN (M3) 2017

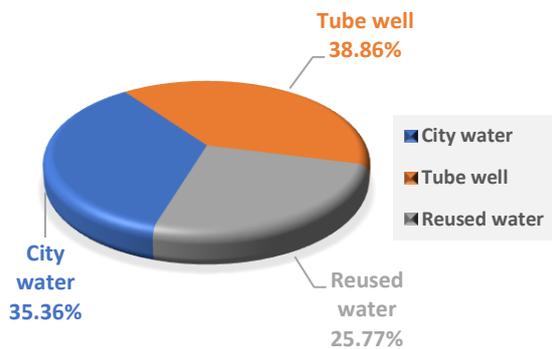


We increased our percentage of recycled water as a first strategy towards reducing usage in our Fabrics division. In 2017 our total recycled and reused water reached 90,867 M3. Our largest water users which are the Fabrics plants also became the largest water saver thanks to this recycling and reuse strategy. Fabrics achieved a 28% intensity reduction since 2011.

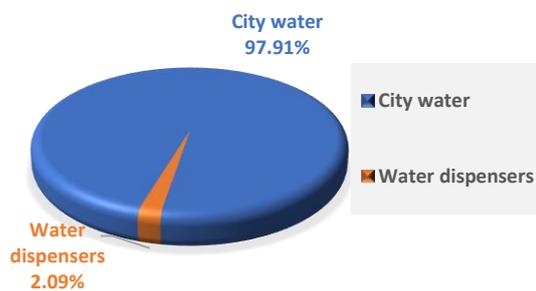
While we continued to harvest the rain to the effect of 4,690 M3 annually we also intend to recharge groundwater at our facilities as part of our water conscious approach to groundwater replenishment. The strategy will depend on specific rainwater recharging technology and will be rolled out in 2018.

WATER BY SOURCE OUTSIDE SRI LANKA

WATER BY SOURCE: INDIA 2017



WATER BY SOURCE: BANGLADESH 2017



Function	Way forward
MAS Apparel Plants / Hostels etc. where normal Sewerage is generated	All existing Sewage Treatment Plants to be operationally optimized to above national discharge standards with greater focus on quality enhancement. All future expansions to be done via NBS technology. (for re-cycling back to cooling towers – toilet flushing & landscaping). If any SBU does not have enough land space, they are recommended to re-cycle treated wastewater using ultrafiltration (UF) and reverse osmosis (RO).
MAS Fabrics and Apparel-other	Optimize the process water use via dye cycle optimizations Re-use the heat exchanger hot water streams Re-cycle the treated wastewater portion back to the process use / washing.
Any SBU which has unused land above 1 acre	Rainwater groundwater recharge technology to retain rainwater within the complex and use their own premises to enhance water retention.

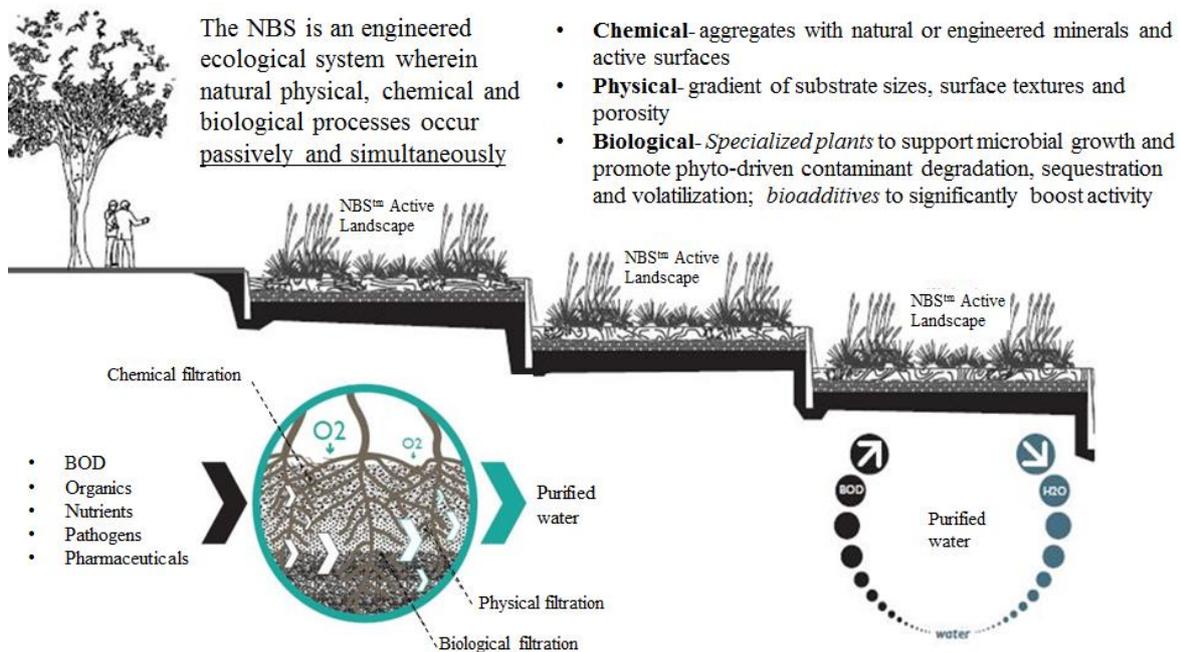
WATER SPOTLIGHT: USING PLANTS TO TREAT WASTE WATER



Picture credits to Ayala Water & Ecology & MAS Fabric Park Thulhiriya

We constantly ask ourselves the question “How can we make our non-textile wastewater treatment more sustainable?” MAS currently has 30 non-textile Wastewater Treatment Plants across the Group within its apparel facilities also known as Sewerage Treatment Plants or STPs all of which use the regular industrial treatment method with special infrastructure and chemicals.

In 2017 our engineers discovered and studied a successful system being implemented in India and Israel that uses Natural Biological Systems or wetland plants as the core method to treat waste water.



Infographic credits to Ayala Water & Ecology & MAS Fabric Park

The methodology uses minimal electricity, zero chemicals and purifies air and sewage at the same time with zero waste. MAS is currently testing a solution that can achieve the following impacts.

- Can treat large amounts of industrial Waste water and sewage
- Uses zero Chemicals and leaves no residual sludge
- Minimal use of manpower & energy to maintain
- A system that can be easily adopted by anyone be it industrial or residential
- Poses no health hazard to people or has no adverse biodiversity impact

The model developed in 2017 is currently being developed for MAS Vaanavil in Kilinochchi, the new MAS Fabric Park in Giriulla and a staff dormitory in Kandy.

EFFICIENCY IMPACT

With a collection tank, various strategically chosen and placed flower beds and one gardener the system can be used to treat 4,000 m³ a day. An industrial plant, hotel, or residence can cut-down about 30-40% of the monthly water bill through this system.

BIODIVERSITY & HEALTH IMPACT

In keeping with its biodiversity commitments MAS has selected local plant species endemic to the area of the treatment facility. The teams have also been careful not to include either invasive or imported seeds for the process. No wastewater can be seen from above removing the threat of bad odour or the breeding of disease carrying pests such as mosquitoes.

WASTE WATCH

By 2025 we want to value enhance all our waste

In 2017 we diverted 89% of our waste from landfill through energy recovery, recycling and reuse.

We invested in our first Material Recovery Center to tackle landfills at both SBU and Zonal levels.

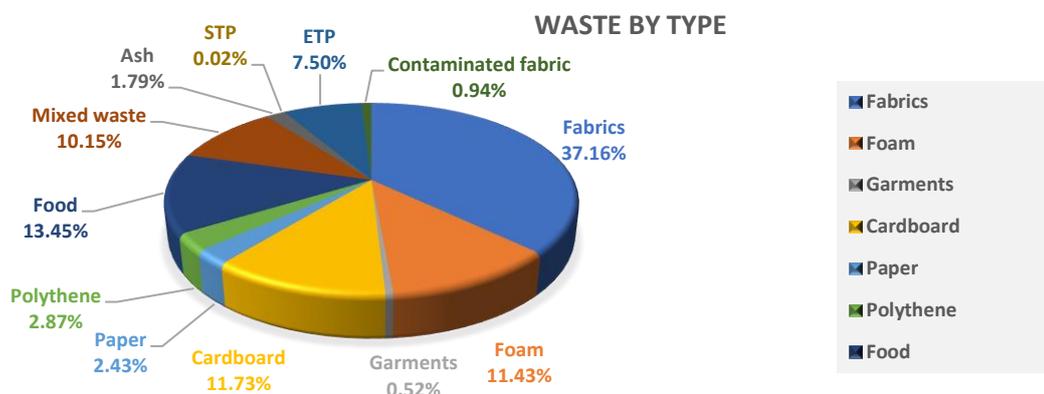
ON TRACK

We also began testing a Waste-to-Energy boiler as a scalable solution for Sludge, Polythene and Fabric waste.

As one of the largest manufacturers our responsibility to manage and dispose our waste is as great as our impact.

In 2017 our waste strategy prioritized generation, prevention and the 3R concepts in order to reduce the environmental impacts of waste generated by MAS. We are always seeking to exceed local and international environmental regulations, and to achieve zero waste to landfill by 2020.

We also introduced several material innovations that sought to reuse our waste as a raw material and others which revolutionised how clothes are made.



While we know and segregate all types of waste at MAS we also believe creating a culture of waste consciousness is key to achieving real behavioral change. Across 2017 all our SBUs conducted several initiatives on waste that impacted our employees and our communities. We engineered innovative solutions within each facility that helped us reduce our waste footprint.

WASTE PROJECTS & INNOVATIONS 2017

MAS Intimates Waste solutions

Fabric off cuts recycling project was successfully implemented at following plants with HY Vital recyclers.

- UPL, Biyagama & Koggala, Casualline
- Linea Clothing, Linea Intimates, Slimtex, Vidiyal

Innovated solutions to dispose hazardous waste at Silueta was collaborated with INSEE & Intimates R&D team.

These waste categories are as follows:

- CNC fiber off cuts - >100 Kg
- CCP Glass beads – 100 Kg
- CNC eco oil – 4000 L
- MDI (methylene diphenyl diisocyanate)

MAS Eco Brick



We improved our Eco Brick operation which converts our industrial sludge to bricks and tiles and gained momentum with the addition of new machinery. We made over 220,000 bricks in 2017 and processed over 1,800 MT of sludge in our state-of-the-art Solar Drying facility in Biyagama. We also sought to scale the operation to a national level with the collaboration of other industrial partners. In 2018 we will seek partners to expand this innovation across Sri Lanka.

WASTE SPOTLIGHT: ZERO LANDFILL CERTIFICATION

Throughout 2017 MAS Fabrics MATRIX worked towards the globally acclaimed 'Zero Waste to Landfill' certification by Intertek Canada. By marking this milestone, MAS Fabrics – MATRIX becomes the first to earn the prestigious certification in the sphere of textile, footwear and apparel sectors across the globe.

Once a company applies for the ZWL certification, a stringent assessment methodology follows, where waste disposal records as well as waste management service providers are all subjected to close scrutiny and inspection. Moreover, ZWL recognizes and rewards the efforts taken by an organization to improve positive impact on the environment, setting the relevant organization as an epitome for others to follow. The evaluation

and auditing period began on 1st January 2017 and upon completion of the assessment MAS Fabrics MATRIX received a diversion rate of 99.64%.

“We are extremely proud to have achieved this certification and more so to have set the benchmark. The goal is not simply to win awards or to be certified but to validate our work and to share our stories so that others can follow suit. This change in how we think about waste needs to happen yesterday.” Ivan Brown CEO MAS FABRICS Matrix



WASTE SPOTLIGHT: MAS OCEANS PROJECT



The Oceans Project began with the realization that Sri Lanka’s beaches are currently being swallowed by municipal and ocean waste. The Central Sustainability Team set out to discover the scope of this problem with the Navy in 2015. An island wide location scout was carried out to determine sources of waste, the biggest polluting factors and what solution MAS can work on as a responsible business.

We discovered to our surprise that the Navy was already engaged in weekly cleanups at every Naval base and was collecting 800 Kilos of waste a week. After months of studying the best solution we signed an MOU with the Sri Lanka Navy that would allow us to fund and bolster the Navy’s effort with some of our own technology and culture building expertise.

The MOU signed in 2016 focuses on finding a nation-wide solution for the problem of plastic waste. The collaboration has paved the way for the Navy to begin recycling and collecting coastal plastic while commandeering and supporting MAS engineered coastal cleanup operations. On our own MAS has begun innovating solutions with our own customers and partners towards the goal of finding closed loop solutions to this universal challenge of ocean plastic.

MAS has also partnered with the Beira group as a responsible recycling partner with the intention and capacity to provide a closed loop solution to plastic waste in Sri Lanka. Beira and MAS are now working with the SL Navy

to set up multiple collection centers for PET Plastic and will collaborate further toward innovating products from plastic.

ZERO TOXIC DIFFERENCE

By 2025 we want to be zero toxic in product, process and supply chain	In 2017 we got 80% of our chemical suppliers on the ZDHC Gateway All MAS facilities are ZDHC MRSL Phase 2 Compliant	ON TRACK
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The MAS Chemical Workstream was formed in 2013 to put the group on the path to responsible chemical management. Since then we have initiated groundbreaking changes in how we want the role of chemistry to evolve in and outside the industry.

Inside MAS we adopt a 3-prong approach to managing our chemicals.

Input Stream Management - where we consider chemicals which enter our manufacturing process

Process - where we implement policies conduct trainings audit and handle inventory management - storage etc.

Discharge – We focus on effluent generated from our facilities and remained compliant with ZDHC wastewater guidelines 2017 and MAS Calibration Tool to measure emissions inside chemical operation areas (Pad printing areas, etc.)

ZDHC Compliance

Since becoming one of the first manufacturers to join the global response to toxicity in the industry MAS remains a key member in deploying the standards given by the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation and approaching the requirements as per the roadmap. All MAS facilities are Phase 2 compliant while all our wet processing plants are compliant with ZDHC Wastewater guidelines.

As part of our Phase II compliance our products and processes are now free of APEOs, banned Azo dyes, Phthalates, Heavy metals, SCCPs, Chlorobenzenes and PFCs. We are also meeting our 2018 targets of eliminating Organotin, Chlorophenol, Flame retardants, Glycol and PAH.

Supply Chain

We are proud to have 80% of our process chemical suppliers registered in the ZDHC Gateway by the end of 2017. All remaining suppliers will be tested as per the ZDHC MRSL guidelines. While our final objective is to encourage our supply chain to register with the gateway we will also seek more “Level 3” products in the system as a long-term approach. We are moving aggressively on this front to get our supply chain on board ZDHC standards. All subcontractors will face detailed assessments that include quality checks of their input streams, audits of their processes to ensure storage handling and use of PPEs. By the end of 2018 all MAS subcontractors will complete the ZDHC WW testing as per ZDHC guidelines.

SPOTLIGHT: World's first APEO free Ghost Image Remover



Screen printing remains the most popular method of printing on fabric. But a key part of screen printing poses a chemical challenge. Even once all inks and designs are washed away there remains a 'ghost image' which can only be removed by a chemical.

All these years the industry has used a remover that is loaded with a toxic chemical ingredient called APEOs or Alkylphenol Ethoxylates which is among the 11 Priority Chemical groups banned by the ZDHC.

APEOs can impair human fertility and turn male fish into female fish in certain aquatic conditions. After approaching all its suppliers, the MAS Chemical Team developed a safer alternative through a vendor who would give them an APEO free product.

The solution meets all the performance standards and costs the same as its toxic equivalent.

ZDHC Foundation Annual Meeting



The MAS central chemical management team shared our Zero toxic journey at the annual meeting of The ZDHC Foundation in Amsterdam. We were one of two global players representing manufacturers in Amsterdam. As part of our contribution and input we have been invited to sit in the ZDHC MRSL Advisory Committee that recommends guidelines for the global industry.



"We used our time to share our work, our perspective and made a callout for a more collective effort towards ridding the industry of toxic chemicals. MAS is proud to be influencing the industry including our partners and supply chains. It's a role and responsibility we will continue to take seriously in the future"

Sharika Senanayake –
Director Environmental Sustainability
MAS Holdings

MATERIAL COUNT

Our usage of recycled and sustainable materials has increased over the years as more divisions increased their usage of recycled polyester and organic cotton. The work to include sustainability criteria in all our products is closely aligned with our Higg commitments as we work towards finding solutions that fit the different needs of our customers. In 2017 MAS Intimates alone achieved 59 Million US\$ in revenue from its sustainable materials product range.

Modal / Modal Blends		Organic /BCI Cotton Organic Cotton Standard		Recycled Polyester	
MAS Kreedaa 71,000 Yards	MAS Intimates 15,358,051 Products	MAS Kreedaa 592,000 Yards	MAS Intimates 18,367,346 Products	MAS Kreedaa 8,750,000 Yards	MAS Fabrics 478,000 Kg of Yarn

Fair Trade Certified
MAS Intimates 462,000 Products

Recycled Claim Standard
MAS Intimates 2,022 Products

SUPPORT A THRIVING PLANET

When we mapped our sustainability goals in 2016 we made three clear commitments in our quest to drive sustainable manufacturing in Sri Lanka. One key pledge was to directly support biodiversity by creating habitats in 100 times the area we operate. That’s a footprint of 250 acres which gave us a target of 25,000 acres of forest to grow, protect or conserve.

HABITAT RESTORATION

<p>By 2025 we want to restore habitats in 100 times the space we occupy. That’s over 25,000 acres.</p>	<p>In 2017 we set out to achieve 250 acres, equal to our current footprint. We overachieved our target to complete over 500 acres across Sri Lanka.</p>	<p>ON TRACK</p> <p>We intend to restore and protect 1,000 acres in 2018 as part of our 1:100 goal.</p>
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The idea to enter this space of biodiversity grew from a simple question we asked ourselves ‘How can we help restore the biodiversity we may have either displaced or destroyed by our physical presence?’ This simple question grew into a larger more ambitious vision – to attempt to restore and replace 100 times the physical space we occupy. The aim is not just to grow trees but to impact biodiversity and restore life.

“It’s critical that business intervene to turn the tide of deforestation. The time for action is not even now – it was day before yesterday. We are losing our forests faster than we can replant them. Conservative estimates say Sri Lanka is losing 8,000 hectares of forest cover each year and more critically we are losing our precious endemic species of flora and fauna at alarming rates. This is not just about growing trees and covering acres - it’s about restoring life.”



Sarinda Unamboowe,
Board Member overseeing environmental sustainability.

In 2017 MAS set out to reforest, protect or conserve 250 acres, equal to the space we occupy in Sri Lanka but thanks to the incredible passion and dedication by our teams and the continuing support from the Forest Department, Wildlife Department and other stakeholders we have achieved double the impact.

Throughout 2017 sustainability teams from all divisions of MAS collectively made an impact on over 500 acres with a 5 to 7 year commitment to maintain and ensure the projects keep growing.

FACTS FROM THE FRONT LINE

MAS chose 27 sites for their unique biodiversity challenges across Sri Lanka.

8.6 acres of Afforestation: Establishing forests in an area where there was no previous tree cover.

24.5 acres of Analog Forestry: An agroforestry model that has both ecosystem & human uses

149 acres of Restoration: Restore degraded land to forest level & restore biodiversity in other areas

384.2 acres of Invasive Removal & Enrichment: Remove exotic species that hinder natural forest succession

22.8 acres of Forest Gardens: Create forest habitat inside/near facilities to promote biodiversity-Butterfly, Herbal, Organic etc.

7 acres of Conservation: Protect existing climax forests from destruction



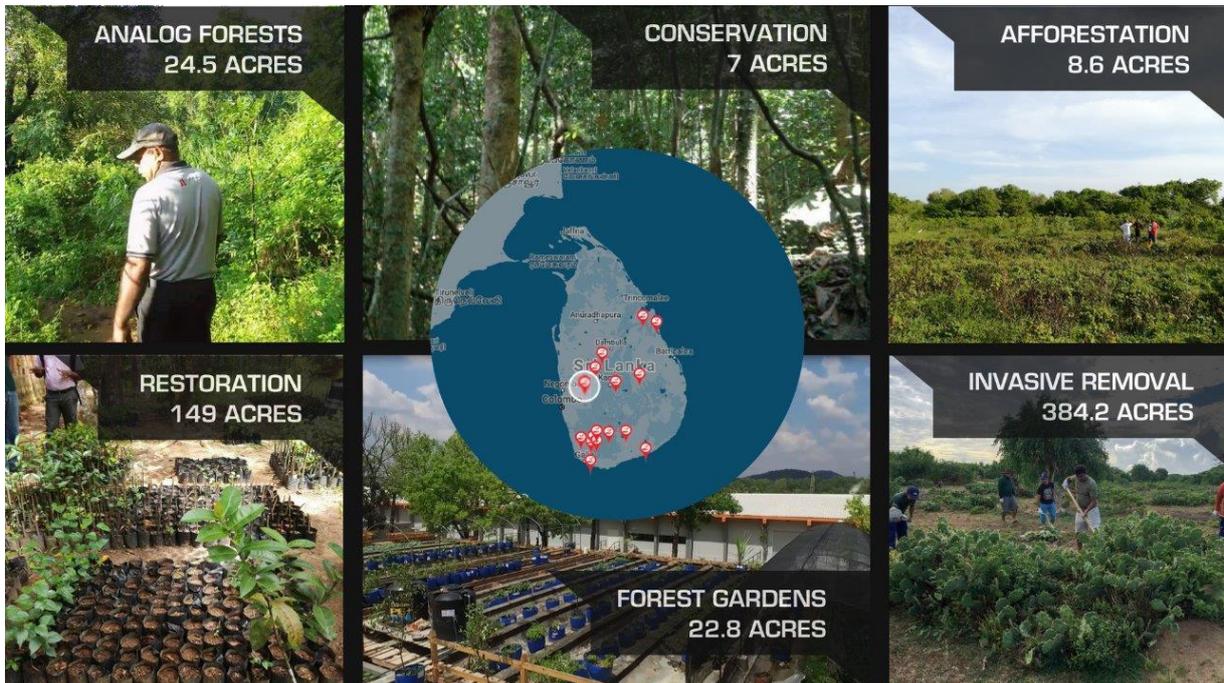
In 2017 sustainability teams from all division of MAS i.e. Active, Kreeda, Intimates, Linea Aqua, Fabrics, MFP, MAS Capital, Prym, Stretchline, BPU and Bodyline collectively made an impact on over 500 acres with a 5-7-year commitment to maintain and ensure the projects keep growing.

“As the division with the largest physical footprint of 83 acres MAS Intimates teams worked with great effort and commitment throughout the year to achieve above and beyond our target and reached 146 acres of habitat restoration. We will continue the work we do to do our part in covering 8,300 acres by 2025.”

Vidhura Ralapanawe

General Manager Environmental Sustainability
MAS Intimates





Connect with MAS on sustainability@masholdings.com to find out more or join the reforestation effort. In 2018 MAS has targeted habitat replacement across 1,000 acres in the journey to 25,000 acres by 2025.

SUSTAINABLE LIFESTYLES

Building a culture inside MAS that encourages and rewards real action towards a better future is almost a daily practice within all our manufacturing facilities.

We believe behavioural change comes after repeated efforts that offer both education, opportunities to act and the right tools. In 2017 we gave our employees all these and more and witnessed incredible results. Across all divisions we conducted over 40 culture changing events across MAS impacting over 75,000 employees and community members from across Sri Lanka.

SPOTLIGHT: Sri Pada Summit Rescue

Every year over 2 million people make the 2,200-meter climb to the holy peak of Sri Pada for all kinds of reasons and every year they also leave behind a giant mountain of trash. For several years small environmental teams from MAS facilities across Sri Lanka have been making the same journey for a different kind of pilgrimage.



"Nature club members from MAS Contourline, Linea Aqua and Synergy have been cleaning up the garbage on Sri Pada since 2014 ... the teams climb all night and work their way down the mountain searching for the tiniest piece of trash stuck in trees, buried in soil or even sometimes floating in water. We have in individual teams collected over 500 kilos at every clean up"

Biodiversity workstream head
Lalith Herath from Linea Aqua



"In March 2017 MAS began a conversation with Rhythm World who invited us to a massive clean-up of Sri Pada as part of a drive to change attitudes about tossing garbage during pilgrimages at a sacred site like Sri Pada. We put a call out to all our facilities across Sri Lanka and we received an overwhelming response from them all – more than 2,000 people wanted to join even after they were told about 12-degree weather conditions and closed access to the peak" Shahan Amaratunge from the Central Sustainability Team.

In the end 750 people turned up from MAS for the job, fully understanding the task in front of them - to climb the mountain from midnight and reach all the designated parts of the mountain. Five teams climbed all night and cleaned all day to collectively gather 3 metric tonnes of garbage – 80% of it made up of plastic bottles, polythene bags and toffee wrappers.

AWARDS & RECOGNITION

Another Big Win

MAS TAKES 7 OF THE TOP AWARDS AT THE PRESIDENTIAL ENVIRONMENTAL AWARDS FOR THE SECOND CONSECUTIVE YEAR SIGNIFYING OUR CONTINUED COMMITMENT TO SUSTAINABILITY

MAS Lines Aqua
Gold
Apparel Sector

MAS KREEDA Intimo
Gold
Textile Sector

MAS KREEDA Nirmaana
Silver
Apparel Sector

MAS FABRICS Matrix
Silver
Textile Sector

MAS KREEDA Leisureline
Merit
Apparel Sector

MAS ACTIVE Asialine
Bronze
Apparel Sector

Noyon Lanka
Bronze
Textile and Textile Processing

MAS
CHANGE IS COURAGE

National Green awards - Bronze Award

Asialine has been recognized for the great efforts that they are continuously putting into the environmental sustainability and they have been awarded with bronze at National Green awards 2017

Contourline – JASTECA CSR/Sustainability Award

“Eco Club” at Contourline has been recognized as one of the great initiatives which actively participates employees at Contourline to reduce the environmental footprint within the organization and externally at the JASTECA Award Ceremony 2017 and has been awarded with Merit under the CSR/Sustainability category.

EARTH HOUR 2017

MAS Intimates Casualline once again impacted more than 20,000 people for Earth Hour and initiated a herbal garden competition among 32 local schools.

All MAS divisions have been able to successfully organize a set of various events related to Water Day and Earth Hour 2017, engaging the employees at the plants and the surrounding communities. Almost all divisions carried out the following events for Earth Hour and Water Day

- Water Day & Earth Hour awareness & Video Presentation
- Water Day & Earth Hour School art competition
- Environmental Poster distribution for Schools
- Leaflet distribution for parents at Kengalla school
- Poetry competition for employees
- Visual awareness on energy & water saving
- Water Day poster competition for employees' children
- Electricity bill reduction competitions
- Water bill reduction competitions
- Earth Hour e-mail campaign

COMMUNITY & STUDENT ENGAGEMENT

MAS FABRICS Matrix Green Schools



MAS FABRICS Matrix were recognized for their Green Schools project received a merit award for appreciation of our school programs – Young sustainability leaders building program from the Japan Sri Lanka Technical and Cultural Association (JASTECA). Started in Q3 of 2016 Matrix created an internal team lead by engineering and HR for this awareness building program. The team collaborated with both the University of Kelaniya and Center for Sustainability as part of the development and roll out plan. So far Matrix teams have worked with 10 local schools over the span of 2017 and have contacted and trained around 2,500 school children.

The team is now working on monthly school programs and have extended the sessions to nearby technical colleges and the community as well. In future Matrix is in negotiations with the Central Environment Authority and Ministry of Education to obtain accreditation for the program and add greater value for its participants.

Vihara Mahadevi School project

MAS Active conducted a day long workshop on “Sustainability Leadership” for students of the Vihara Mahadevi Girls’ School, Kiribathgoda, with lessons on E-waste collection, workshops for A/L students, an art competition for primary students that was in collaboration with the Kelaniya University.

Debate Competition for school children in Biyagama

Linea Intimo has been able to successfully conduct a debating competition for school children in Biyagama. Students from Vishaka Vidyalaya in Sapugaskanda, Mahamaya Balika Vidyalaya in Kadawatha, Bomiriya Central College in Bomiriya and Biyagama Central College in Biyagama participated in this program.

Waste bin donation to CEA and Tree planting at school,

As an Environment Day initiative, the MAS KREEDA Intimo team prepared waste bins out of cleaned chemical barrels and donated them to the CEA to implement waste segregation programmes.

Urban area cleanup with the “Parisara Mithuro” foundation

The sustainability team at Sleekline organized a cleanup campaign collaboratively with the "Parisara Mithuro" (Friends of the Environment) organization to clean the Nittambuwa bus stop and the urban area around it in the latter part of the year 2017. The cleanup team comprised of team members, staff & executives.

Shadowline – Negombo Lagoon Cleanup

MAS ACTIVE Shadowline engaged local communities and the Police to clean up the "Mora wala" which is part of the Negombo Lagoon in March 2017.

EMPLOYEE ENGAGEMENT

Tree Huggers Club & Biodiversity engagement

The divisional sustainability team conducted a tree distribution program for the employees at MAS Active center. This was done as part of the Nation Tree Planting Day to encourage home gardening among our employees. We distributed more than 70 saplings among employees.

The team also created the “Active Tree Huggers” official WhatsApp group for the employees who took part in this program to share their tree stories and to conduct other various environmental sustainability interactive and interesting activities.

A team from Asialine visited one of MAS Active’s flagship biodiversity sites and conducted a tree plantation program collaboratively with the divisional sustainability team. A set of team members, compliance and sustainability executives at Asialine and the field officers of the department of Wildlife Conservation participated for this event. MAS Intimates Rapid completed their ‘Arunella’ 1000 trees planting project with community schools

Inter SBU art competition

The MAS Active Divisional Team organized an art competition and exhibition for their employees’ children for Environmental day 2017. All SBUs participated and over 800 paintings were submitted by the kids. MAS Nirmaana hosted an exhibition of the work in their studio for a week and winners and all participants were rewarded.

Scavenger hunt

The MAS KREEDA and Active divisional sustainability teams organized a scavenger hunt for staff at its Operational Center in Nawala for Environment Day 2017. Teams of 4 participated from all departments and HR team emerged the winners of the game which covered all elements in the environment air, water, flora, fauna, waste, energy, chemicals etc.

Be Drastic Cut Plastic

More divisions adopted the campaign with the introduction of cloth bags and water bottles for their staff. The pioneers of the project MAS intimates MDS technical team introduced a cloth bag to replace 7,000 polythene packaging for cut kits per month.

Internal Team Forum at Roonakanda

MAS KREEDA conducted an environmental team forum at the Roonakanda conservation center for 2 days in May 2017 with the goal of allowing the teams to connect with nature more closely. The teams spent two days learning sustainable lifestyle practices, adaption to life in a forest and observation and appreciation of biodiversity in the area.

Good Market for Employees

The [Good Market](#) is a curated community of social enterprises and responsible businesses that are good for people and good for the planet. It functions as both a global site and a physical store that includes a community of vendors, artists and activists who seek to make a sustainable difference. Both MAS Active and MAS Kreedha held Good Market events where selected vendors were called in to share their products and services with employees. A Good Market promotion campaign was organized by the Linea Intimo team in the month of November to promote a sustainable home. The vendors promoted household items and fashion accessories made from recycled and up-cycled waste material.

NATIONAL & INDUSTRIAL EVENTS

Board of Investment Industrial Forum

For Environment Day Nirmaana and Leisureline teams conducted a forum for Katunayeka BOI zone on sustainable industries with key issues such as waste management and water quality as well as sustainable communities in focus.

Environmental Pioneer Programme 2017

MAS Kreedha sponsored and supported an offsite Environmental pioneer programme which was conducted by the Central Environmental Authority at the Kotagala teachers training school for 500 students for 4 days, these selected students are next examined for presidential gold Environmental Pioneer award after attending the camp. MAS KREEDA shared their learnings with the students and sponsored the national camp with t-shirts and sustainable bag for participants and participated the camp at Kotagala.

NCPC Debate

The National Cleaner Production Center (NCPC) organized a debate competition for several organizations. MAS KREEDA sent 5 teams from 5 separate SBUs and Nirmaana won 1st runner up in the event. The debate was held at the rubber research institute for Environment Day 2017. Participating SBUs included Leisureline, LAITC, Mihinthale, Nirmaana and Synergy.

LIFESTYLES SPOTLIGHT: THE FOREST GARDENS OF MAS

Linea Intimates leveraged their organic home gardening model to 30 community schools and implemented a long-term training programme.



Slimline implemented an organic home gardening project as an extension of their Green Smart City and started training the community.

UPL Koggala implemented an organic garden as a byproduct of their waste management system. Almost 80% of their wet/cooked food waste is being converted to biogas.

Vidiyal implemented the division's largest organic garden and partnered with Sarvodaya and Jaffna University to take the training to the community.

MAS Active employees visited the Dilmah Organic garden throughout the year to learn and successful gardens initiated at participants households.

Both MAS Active and MAS Kreedha created award winning herbal, organic and butterfly gardens inside their premises as part of creating forest gardens to encourage biodiversity in and around MAS facilities. The projects were initiated and completed purely with our own expertise in organic and butterfly garden systems and has been an inspirational success due to its location being inside the heavily industrial Biyagama Export Processing Zone.



The background consists of several overlapping geometric shapes in various shades of pink and red. A dark red trapezoidal shape is the most prominent, containing the text. Other shapes include lighter pink triangles and rectangles that create a layered, dynamic effect.

LIVES MADE BETTER

LIVES MADE BETTER

"Lives Made Better' is a vision that continues the work of over 30 years where we have considered our people our greatest asset and responsibility. We have grown to a family of over 95,000 today and we continue to thrive on the passion, discipline and dedication of each one of them. We will constantly push the boundaries of what we want from our people as well as what we want for them. In 2017 we evolved this insight, research and experience to understand how we must evolve in this space.



BUILD DIVERSITY IN THE WORKPLACE

Building diversity was always a part of our Women Go Beyond programme that has been a core driver of MAS over the last 15 years. In 2017 we put greater focus on Women in Management and persons with disabilities as part of our commitment to diversity.

WOMEN IN MANAGEMENT

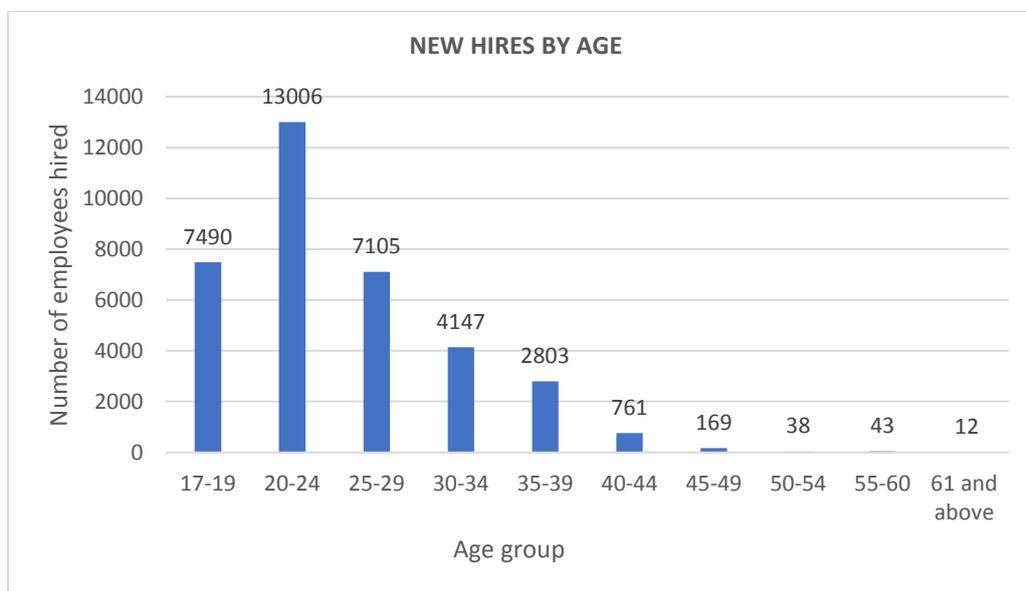
In our strategy launched in 2016 we set out to drastically raise the number of women in our middle and top management tiers than their current ratio.

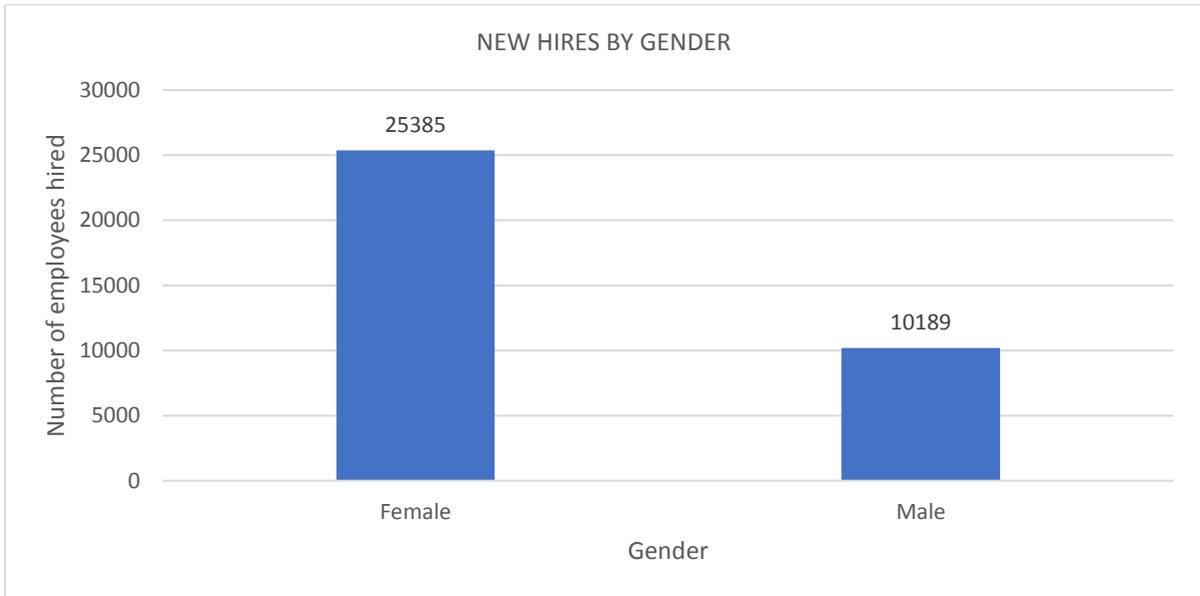
The challenge however remains that women continue to be attracted to support functions rather than core primary areas.

Background

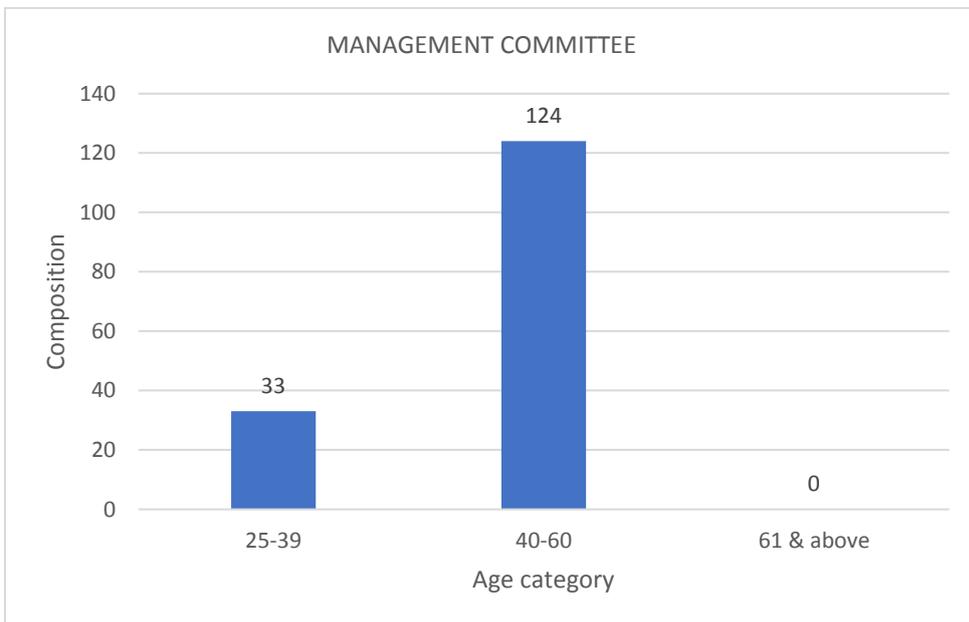
- In the early 2000's 90% of the company's total workforce in Sri Lanka were women
- Strategic Importance was placed in addressing issues related to women and the workplace.
- In 2003, MAS launched Women Go Beyond; an inclusive women's empowerment program as a benchmark initiative,
- The objective was to elevate and showcase standards of the apparel industry in Sri Lanka, envisioned to be a celebration of a variety of established best practices across MAS plants, under one single umbrella
- To make a difference in the lives of our female employees, their families, and communities by empowering those in the workplace and at home.

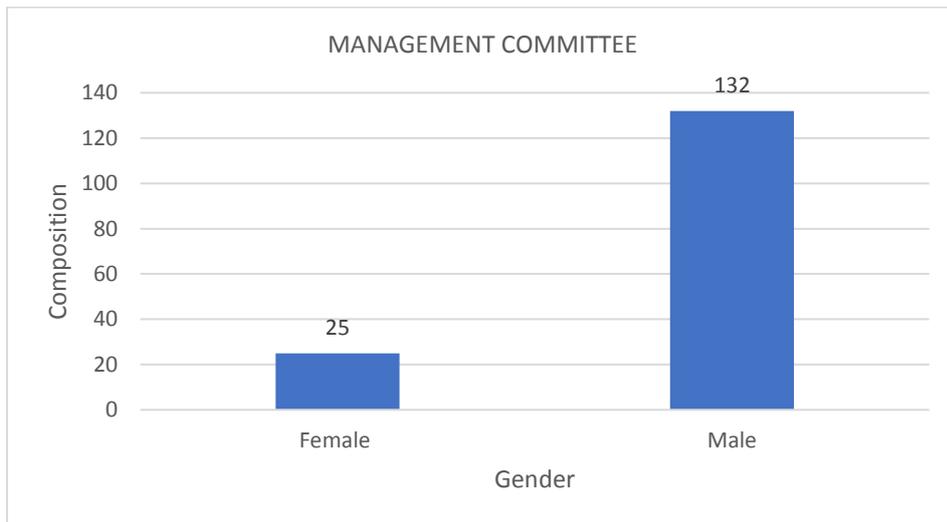
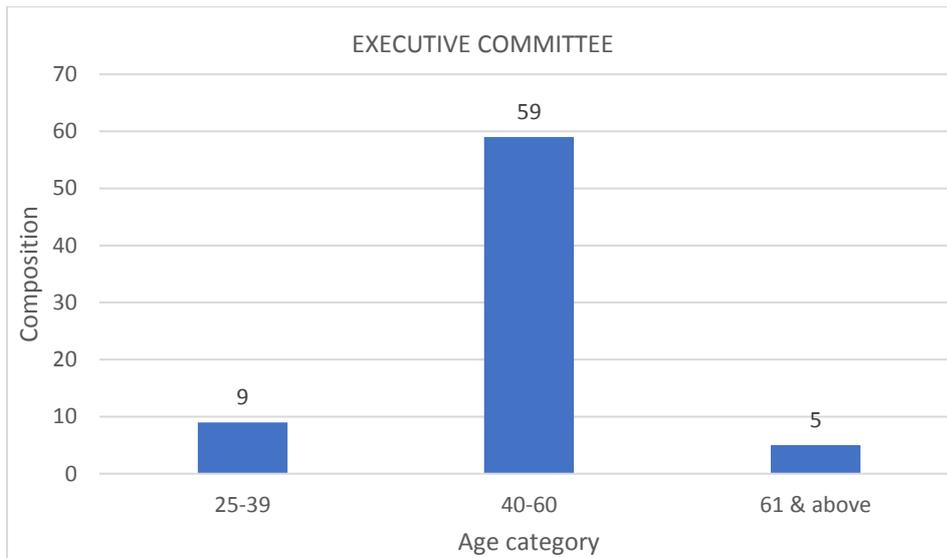
The diversity of our workforce based on age and gender as well as new hires and attrition, are continuously monitored through the sustainability performance management system. Continuous engagement with employees to understand and manage their aspirations is used as a proactive initiative to address attrition.

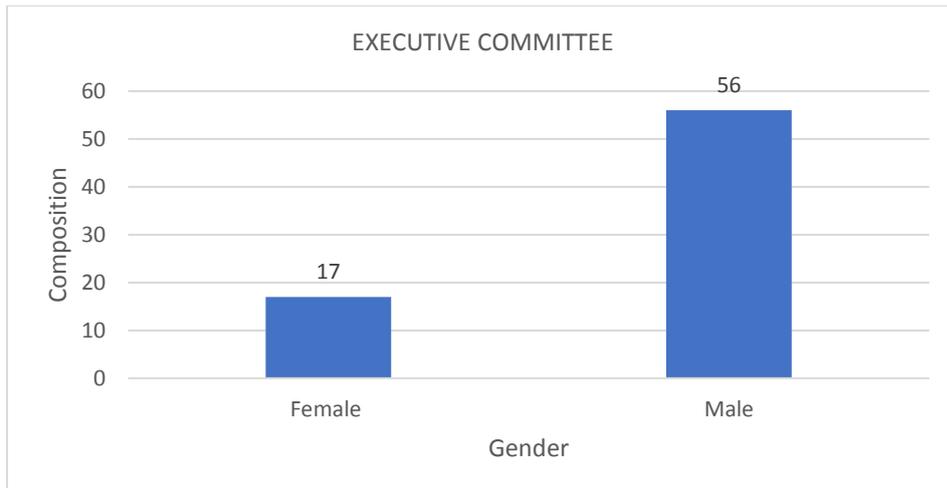




**Governance body composition by age and work level –
All staff above General Manager level**







Governance is still dominated by men at MAS with General Manager and above being considered as the senior governance body of the organisation. This has been further categorized as Management committee and Executive committee. A clear majority of these employees are between the ages of 40 and 60.

Although MAS has many initiatives to provide opportunity for our women to rise to the higher ranks of the organisation, the higher concentration of women in support functions rather than the core has led to such numbers.

Through our Women In Management programme we have begun changing these trends and mindsets by creating a steady shift in culture and introducing mentoring, empowerment and career advancement tools that truly make the women of MAS feel comfortable to advance to governance positions.

- Within 15 years Women Go Beyond has permeated the very DNA of the organization.
- Out of the MAS population of 96,170, approximately 70% of the apparel manufacturing arm are women.

Women Go Beyond - The Way Forward

- Put policies in place to support 1:1 gender replacement in all management categories by 2025
- Foster an organizational culture that deeply understands, encourages and includes diversity
- Build capacity at all levels to increase the ratio of women in management
- Endorse women with potential and bring them into the limelight, and actively promote women as role models.

Impact on the business

- Employee engagement and motivation. Reduced absenteeism
- Talent attraction. Employee retention
- Career progression and improved decision making
- A healthy and happy workforce. Improved morale leads to increased productivity
- A gender-sensitive and inclusive work environment

WGB Pillar	No of Programs	Impact No
Career Advancement	332	9432
Work-Life Balance	559	252020
Skills Development	203	16198
Rewarding Excellence	88	25036
Total	1172	302,686

CAREER DEVELOPMENT

We aim to promote career advancement through education and training female employees. We believe essential learnings in basic IT, computer skills, English language and other soft skills develop and enhance a total personality, and are vital to making a positive impact on the company and society as a whole. We focus on equipping our female associates with the knowledge and skills in work-related areas. This training reaches beyond the immediate requirements of each associate and prepares them for their next step in the organization. For example, equal opportunity will be given to a team member to obtain cohesive knowledge in English language, IT and leadership skills development, which serves as the core of the program. In addition, training is also provided to enhance their knowledge in soft skills, positive thinking, negotiation abilities, time management and presentation skills.

Main Programs

Program Name	No of programs	Impact No
Career Guidance Program	10	154
Computer/ IT	23	129
English Courses	48	700
Outbound / Leadership / Team building	28	2685
Soft Skills Development	8	87
Speech Craft Program	7	20

Technical Programs

Program Name	No of programs	Impact No
Female Mechanic Training	36	12
Female Cutters Training	10	9
Female End Line Printer Training	7	1
Female Technician Training	8	6
Female Electrician Training	4	1

"In" conclave – A Senior Women Leader's Network

The "In" conclave was launched as a Senior Women Leader's Network on 5 May 2017 at Active Operations Centre introducing the "In" platform to 75 females in senior roles at MAS. The "In" platform is an initiative to have a structured mechanism to increase the number of women leaders in the company. The network aims to drive policy and practice for a balanced, family-friendly workplace and work structures, leverage on social media platforms, create awareness, and share information and best practices across the Group to inspire other women leaders. This network will also work on providing an inspirational solution for more inclusion of women in leadership roles at MAS.



The “In” network of women leaders

SPOTLIGHT: Windows of Opportunity - MAS Intimates Slimline

Slimline offered its employees the opportunity to learn a certified computer application through IDM Computer Studies (Pvt.) Ltd. The course focused on navigating the Windows Operating System and Microsoft Office applications like Word, Excel and PowerPoint. The course duration was spread out over a month and totaled 24 hours of instruction. Approximately 35 employees completed the course in 2017. While the program initially targeted employees from team members, staff and executive categories, its success resulted in the inclusion of the employees’ children as well.



Technical training for women in stereotypically male-dominated roles

Year 2017				
Cutters	Mechanics	Printers	Technician	Electrician
No. of Females Trained				
9	12	1	6	1

MAS women are moving to traditional stereotypically male-dominated roles. Women are encouraged to take up work roles that are not traditionally managed by females in the apparel industry, thereby moving from socially assigned gender-specific work roles and giving emphasis to their individual skills, qualifications and interests. Women mechanics are not only given the opportunity to learn a new skill, but are empowered to maintain and fix their own machines.

During 2017, 9 female cutters, 12 mechanics, 2 electricians, 1 printer and 6 technicians out of over 60 were empowered at these training programs.



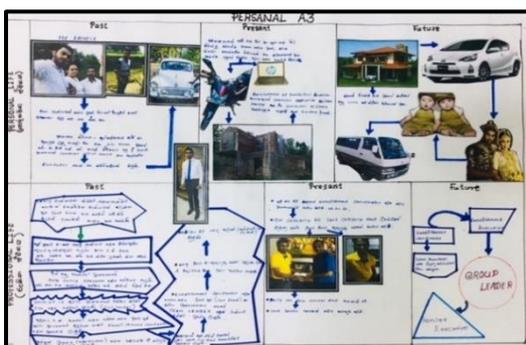
Female mechanics training at MAS Active Contourline

The Empowered Woman (Alumni) of MAS Active Asialine has initiated a project to train 6 female technicians of their plant to take up challenging male roles and to create gender equality. The course duration is 6 months.



DREAM BANK PROJECT: Pursing Future Goals - MAS KREEDA AITC

MAS KREEDA, AITC launched the Dream Bank project, where all employees were requested to voluntarily share their future personal and work-related goals. These documents are now being used to identify employee aspirations and link them with the appropriate learning and development activity. This initiative has helped the organization identify individual development plans and prioritize them, as well as encourage employees to aspire to and achieve their personal goals in life.



Building Capacity of the Go Beyond Champions



Our 'Go Beyond' champions continued their good work into 2017, and have been maintaining the momentum of their progress. The Annual Champions Retreat gathered all champions from across MAS to reward them. The two-day event was held on 3-4 April 2017 at Laya Leisure Resort, Kukuleganga, with the participation of 43 Go Beyond champions

The key areas of focus were to enhance leadership capabilities, personality development and to learn to tell stories with analytics. The session encouraged learning and sharing of best practices and knowledge, and the opportunity to expand their network across the country and with overseas business units.

Role Model Development Program for Empowered Women

The Role Model Development Program is designed to develop the life skills of the Empowered Women of the Year (EWY) "Abhimani" winners and runners-up, to further their potential as role models within the company and in society. The ability to demonstrate leadership capabilities and English language proficiency have become of immense use to them.

Basic English Language training

Twenty-eight Empowered Women took part in the Diploma in English course conducted for the 3rd successive year by the Rainbow Institute of Communication and English. Daily attendance shows a keen interest in learning among the staff, and those who regularly attended classes demonstrated significant improvement in language skills. Around 50% of the participants who had 100% attendance were recognized at the certificates ceremony for successful completion.

In addition, training sessions on “Life skills for personality development for leadership” and dining etiquette also supported their capability to build a well-rounded and confident personality.



Leadership Training for Empowered Women

Twenty-nine Empowered Women participated in the two-day residential Leadership Development Program facilitated by Darshana Rathnayake (Manager - Lean Systems, MOS) in Hanthana, Kandy.



2. WORK-LIFE BALANCE INITIATIVES

We wish to educate and create awareness through training and developing female employees to become more knowledgeable and capable, and thus build their ability to make informed decisions and overcome challenges successfully.

Main programs

Name	No of Programs	Total impacted
Anger / Stress / Mental health / Time Management	27	751
Awareness Program to Prevent Dengue	14	14831
Breast Cancer	9	3366
Breast Cancer ("Aloka" By Intimates Division)	14	7299
Counselling	53	987
Awareness and prevention of Domestic Violence	6	7629
Family Planning/ Reproductive Health	24	958
Finance Management	12	2604
Happy Family Life	11	2265
HIV & AIDS Awareness	10	260
Legal Requirements	30	5488
Non-Communicable Diseases	3	71
Personal Hygiene, Grooming & Etiquette	28	15368
Pregnant Mothers Clinics	42	1859
Medical Camps/ Clinics	44	26382
Non- work related other training – example Yoga, Legal clinics, Zumba classes	115	40000
Special events/entertainment/religious activities	38	29862

Special Events / Entertainment / Religious Activities

Bhakthi Geetha Program

Bodi Pooja / Bana Program

Christmas Day Celebrations

Family Day

International Children's Day Celebration

International Mother's Day Celebration

International Women's Day Celebration

New Year Celebrations

Thai Pongal Day Celebrations

World Environment Day

Vesak day Celebrations

Diriya Pola

Avurudu Pola

Gender-specific Health and Wellbeing Initiatives

Hope - Let's defeat Breast Cancer together

As part of a health and well-being initiative to improve the work-life balance and wellness of our employees, we partnered with AIESEC of the University of Sri Jayawardenapura to conduct a one-day awareness and free testing session for the early detection and prevention of breast cancer. The session was conducted by a female team of doctors from Nawaloka Hospital's Breast Cancer Unit, with the participation of 85+ employees representing several plants.

"I Respect You"

WGB sponsored the "I Respect You" project organized by AIESEC of the University of Moratuwa, which is a workshop focused on the theme 'Gender Equality & Women Empowerment'. The session targeted 160 students from the University of Moratuwa and the University of Peradeniya. The main aim of the project is to create awareness about gender-based violence and to educate the students on prevention.

Health and Nutrition Camp



Linea Aqua launched health and nutrition awareness sessions in partnership with Nestlé Lanka (Pvt) Ltd, which were held over three days within the factory premises, where over 1,600 employees, including executives, got the opportunity to check their Body Mass Index (BMI). In addition, other tests such as waist circumference, body fat, blood sugar and blood pressure were conducted done using high-tech equipment. All the reports were read by experienced dietitians who advised employees on how to manage and maintain their dietary habits. The sessions helped employees become more aware about their health and educated them on how to maintain a healthy lifestyle.

SPOTLIGHT STORY - BREAST CANCER AWARENESS – ALOKA

Breast cancer is the most common form of cancer among females in Sri Lanka, accounting for approximately 22% of all detected cases. It is often curable with early detection, but the levels of awareness among Sri Lankan women about the causes, symptoms, treatment options and available facilities are low. Many are diagnosed at the latter stages due to a lack of awareness and the absence of a formal screening program. There also remains a cultural taboo surrounding the open discussion of sensitive issues such as this. In 2014, MAS Intimates launched the Aloka Breast Cancer Awareness program through our WGB platform, in collaboration with the Sri Lanka Cancer Society and the National Cancer Control Program.

Slimline has been continuing the Aloka program by running public awareness activities and conducting large informational sessions on the early detection of breast cancer using several media platforms. “Breast cancer awareness” sessions during induction, providing information on self-examinations, encouragement and advice on getting regular checkups have paved the way for a more informed workforce at Slimline. In 2017, the Aloka program at Slimline, prompted eight employees to go for further screening and helped detect breast cancer early enough to save their lives.



Breast cancer induction for new team members

SPOTLIGHT STORY - WOMEN'S DAY WALK TO IMPACT SOCIETY – MAS ACTIVE - SLEEKLINE

A Women's Day walk was conducted by MAS ACTIVE Sleekline to promote the message of international women's day within the area and to empower our employees to carry the same message to their communities. Two empowered women of MAS impacted the community with their inspirational speeches.



Women's Day walk to create awareness among communities – MAS Active Sleekline



Self defense workshops for females – MAS Intimates – MDS

For eight hours a month over a period of two months, the employees of MDS joined an introduction to the 'Personal Safety in Action - KRAV MAGA' self-defense class. The class was targeted at female employees with the aim of empowering them to challenge stereotypical ideas about power and personal safety. The idea that a woman can protect herself and should not resign herself to the fate of being a victim was emphasized during this course. A key objective was to build self-confidence by encouraging women to see beyond what they are told and taught by society. The course also provided participants with general knowledge about personal safety and self-awareness, including how to defend oneself against an attack.

Counselling skills for leaders - MAS Intimates – Unichela – Koggala

The program addressed social, personal and professional problems faced by plant employees, while training better leaders and more supported, empowered associates who thrive both in their private and professional lives. The plant also provided this training to all Team Member level staff, which included the availability of an in-house counsellor who provided guidance when necessary.



ACCESS TO CHILDCARE FACILITIES

MAS continues to support on-site childcare, as well as access to external childcare facilities (operational support) for employees and their families through crèche facilities at several production facilities, corporate offices and foreign plants. These facilities support and encourage women to come back to work after maternity leave.

Spotlight: “Chittukal” daycare facility in the north of Sri Lanka – MAS KREEDA Vaanavil

The MAS KREEDA Vaanavil daycare center “Chittukal” was opened on 16 October 2014 to provide the childcare facilities for employees. Around 30 children are currently enjoying the facility, which is located within the facility premises.

The benefits enjoyed by employees are as follows:

- Free food (4 meals: breakfast, morning tea/snacks, afternoon tea/snacks and dinner)
- Each child has an individual cup and plate.
- Sleeping facilities - Individual cribs, cots or mats (suitable to the child’s age and level of development)
- Free uniform are provided twice a year
- Three trained caregivers with a ratio of 1 caregiver to 10 children

Medical care and facilities

- Monthly check-up by a nurse, including records of weight and height
- An appointment with a doctor once a month for a check-up
- When a child is absent due to a communicable disease, staff must inform other parents of the nature of the illness
- Symptoms of illness must be reported immediately to parents
- Medication needs to be kept in the child's personal file
- Accidents at the crèche need to be reported to the mother and first-aid to be administered



SPOTLIGHT - Uni-Thotilla by MAS INTIMATES Unichela Panadura

The Unichela Panadura Crèche has resulted in a significant increase in the number of women returning to work after maternity leave. Opening a daycare center that is affordable and safe, with trained and certified staff, encourages employees to use these facilities without hesitation. Additionally, employees can visit and check up on their children during their breaks, as the crèche is located nearby the plant. The daycare hosts children between the ages of four months and 12 years. The center currently provides short- and long-term care for the children of 65 employees. A qualified group of childcare specialists, vetted by the company, operates the crèche.

MAS KREEDA childcare facilities

In the quest to be an employer of choice, MAS KREEDA teams have established 06 childcare facilities at their SBUs across Sri Lanka, India and Jordan:

1. MAS Active Operations Centre, Sri Lanka – Open only to employees
2. MAS KREEDA Vaanavil, Sri Lanka – Open only to employees
3. MAS KREEDA Madaba, Jordan – Open only to employees
4. MAS KREEDA Akshaya, India – Open only to employees
5. Indian Village, Kilinochchi Sri Lanka (with the operational support of MAS KREEDA Vaanavil) – Open to the community and employees at Vaanavil
6. MAS KREEDA Leisureline and Nirmaana – A common crèche for all plants at Katunayake EPZ with the operational support of MAS KREEDA Nirmaana and Leisureline

While 181 children benefit from these facilities in total, 137 of them are children of MAS employees, thereby supporting the work-life balance of our employees.

The crèche at MAS KREEDA Madaba, Jordan, was highlighted as a best practice case study in the report generated by the International Finance Corporation on “Tackling Childcare: The Business Case for Employer-Supported Childcare”.

https://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/gender+at+ifc/priorities/employment/tackling_childcare_the_business_case_for_employer_supported_childcare



SPOTLIGHT: MUSIC THERAPY – MAS INTIMATES – UNICHEL PANADURA

Music has been identified as a valuable yet underrated tool that helps reduce stress during pregnancy, enhance the bond between mother and child, and stimulate the prenatal development of the baby's brain. In a manufacturing setting, music is a factor often overlooked. Unichela Panadura launched a program that addressed this gap by developing a Music Therapy Program for pregnant women. The program emphasized the

importance of listening mindfully, relaxing and focusing on the mental health as much as the physical wellbeing during pregnancy. The session was conducted at Kethumathi Maternity Hospital with over 100 participants from MAS.

Prenatal classes – MAS Sumbiri – Mitra Bhakti Husada Award

Prenatal classes are held once a trimester at MAS Sumbiri for employees to help expectant mothers gain knowledge and address any concerns regarding a safe and supportive environment for themselves and their children.

Around 53 pregnant women had interactive discussions on pregnancy with experts, quizzes and knowledge sharing segments facilitated by a midwife from the Public Health Center of Mijen (Ibu Surti) and a pregnancy class instructor (Ibu Neni).

The programme earned MAS Sumbiri the "Mitra Bhakti Husada Award" for being a female-friendly workplace and for practicing supportive activities, representing the private and public sector in Indonesia. It represents the Gerakan Pekerja Perempuan Sehat dan Produktif (GP2SP), which speaks of the Action for Productive and Healthy Female Workers.

Support for pregnant women after their return from maternity leave

MAS continued to support all women throughout their pregnancy and after they returned to work after maternity leave. During the pregnancy, MAS provided mid-day meals, education and training on emotional and physical wellbeing, and access to medical care and clinics to support their family well-being.

Nursing hours

Nursing mothers can take a 2-hour break during the 9-hour work shift until the child is one year. They can choose to use 1 hour in the morning and 1 hour in the evening, as needed. Special transport facilities have been arranged to and from the business units, enabling them to leave early.

Breast feeding arrangements at the workplace

Lactation /breast feeding rooms

Spotlight story MAS Intimates - Sumbiri

MAS Sumbiri provides all its breast-feeding mothers a special place at the factory. This initiative also supports the government's efforts to encourage and implement breastfeeding facilities in the workplace. The Ibu Asi program was created to appreciate mothers who actively use the lactation room to fulfill breast-feeding needs for their babies up to 6 months. There are 20 participants, and this initiative is facilitated by the factory nurse.

Breast feeding awareness sessions

Ibu Asi – Breastfeeding mother champion



Breast feeding room in Sumbiri

Prevention of gender-based violence and harassment in the workplace

MAS promotes a gender-focused corporate culture in partnership with UNFPA

Marking International Women's Day in March 2017, the United Nations Population Fund (UNFPA) signed an MOU with MAS Holdings to deliver a one-year project to impact the corporate culture within the organization by increasing awareness among employees on gender-equitable structures.

The project was successfully completed in March 2018, reaching over 20,000 employees in five MAS garment factories: Leisureline, Slimline, Bodyline, Linea Aqua, and Silueta.

MAS recognizes the need to ensure its employees and their families live with respect and dignity, and fulfill their potential. Understanding their needs, the UNFPA designed a custom-made program for MAS in consultation with the MAS HR department and Women Go Beyond team. The program centered around developing resource material and preparing trainers to conduct awareness sessions on gender-based violence and on the principles of gender equality within the organization.

Programme stages:

- 1) Perception survey
- 2) Focus group discussions
- 3) TOT material developed
- 4) Training of Trainers
- 5) TOT sessions conducted by trained personnel

Key result: 22 trainers have been coached by the UNFPA (approx. 5 people in each of the 5 SBUs) to be in-house resource personnel that can conduct GBV awareness programs for MAS staff. These officers are now in-house resource personnel that have the knowledge, skills and tools to conduct sessions for other employees, thereby increasing awareness of gender-based violence and gender equality.

The program is designed through a sustainability model to ensure that, while UNFPA technical support phases out, the organization can continue to train its employees to ensure increased awareness and response to GBV. MAS will continue to train its employees through the in-house resource personnel, thereby scaling the program to reach all employees and promote equitable structures within the organization.

UNFPA trainers conducting the session



MAS trainers conducting the trainings for their employees



Happy Family Life program

“The Happy Family Life” awareness program has been developed to improve individual well-being and reduce stress, and conflicts at the workplace and at home. During last year, over 2,000 employees were impacted through 11 programs with an average 100 employees per session.

This program intends to address social factors that affect team members/staff level employees and their families (spouse), continuously making them aware and developing a process that would help them to develop the capacity (coping skills) to deal with those factors and situations effectively.



Gender sensitivity training for male executives and above

Gender sensitivity training for male executives at MAS have continued to enhance their understanding on the importance of promoting equality and respecting diversity to ensure family and workplace harmony, while encouraging a man’s active role in creating a safe space for men and women.

Key results: By the end of the workshops, most of the men admitted that they were guilty and needed to play a major role in creating harmony at home.

Creating awareness of health and well-being

An awareness session on sexual and reproductive health, sexual safety and family planning was held for all MAS Intimates female employees who are athletes. The target group for this program was employees who engage in sports, particularly those who represent the company and/or country at national and international events. Female athletes were targeted for this because their exposure to new people and new situations is significantly higher during competitions, both local and international. Their experiences, therefore, are different from those of other employees, and ensuring that they are informed and prepared increases their chances of staying safe. Around 30 women attended this half-day program facilitated by an SRH instructor from the Family Planning Association of Sri Lanka.

SKILLS DEVELOPMENT

The development of both technical and soft skills of employees not related to occupation, but to mentally stimulate and develop their intrinsic skills and talents, and enhance their entrepreneurial skills.

Activities	No of programs	Impact No
Non-work related skills	149	5043
Arts & crafts training	34	9955
Sports	20	1200

Non-work related skills trainings

Batik workshops, beauty culture training, culinary classes, curtain stitching, dancing classes, drama & theatre, dress making/sewing class, first aid training, saree dressing, self-defense, soft toy making class, tailoring course, driving license

MAS Matrix conducts a batik making class for employees



Sports activities

- Netball, volleyball, cricket, badminton, handball, kabadi, sports carnival, swimming.

Sports for women in technology fields - MAS Attune

Women in the field of technology consulting have been major contributors to shaping the digital world; at Attune, our ladies continue to push boundaries. The Attune women's rugby team was formed by 20 team members eager to contribute to the sporting arena and inspire their colleagues to challenge the status quo.

A sport traditionally dominated by men, the ladies expressed their intention to shatter glass ceilings and take on a physical sport new to all of them. With nothing short of passion, commitment and guts, the ladies at Attune successfully balanced their professional and personal lives to be represented as a formidable force in the women's rugby arena. They continue to challenge other corporates to friendly matches, and will be representing the company at the Sri Lanka Mercantile Rugby Sevens. Not only has this initiative been successful in building the health and fitness of our team members, but also creates a culture that restricts no one from stretching their limits and tapping into their potential.



Empowered Women Alumni Project – Helping the community



A Prison Visit
 The alumni of Chapter 5 took part in a joint initiative to visit the Welikada Prison female inmates. It was organised by the Bodyline 1 & 2, Unichela Koggala and Unichela Panadura plants. The purpose of this visit was to help prisoners' well-being by donating necessary items and renovating their washrooms by colour washing and tiling, a dire need

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REWARDING EXCELLENCE

Recognizing, harnessing, grooming, developing and rewarding non-work related talent of all MAS employees through Abhinandani and Abhimani.

Under this banner, we identify the contribution made by employees and recognise their successes and achievements in art, handicraft, music and debating, with special emphasis during Women’s Day Celebrations.

Pillar Name	No of programs	Impact No
Rewarding Excellence	88	25036

Abhimani – Selection of the “Empowered women of the year”



The Abhimani Awards recognize the “Empowered Women of the Year” of each plant through a competition held every two years. More importantly, they gain great recognition as local heroes and role models among their peers, becoming ambassadors of the program within their plants.

In 2017, we introduced two new categories to recognize “women in leadership” and “Frontier Lead Executives”.

Out of the 450 applications received for the “Abhimani” Empowered Woman of the Year awards, 40 winners were selected by an eminent panel of external judges who were professionals in their own sphere of expertise. The winners represented 34 business units and were recognized as “Empowered Women of the Year” at a ceremony held on 17 November 2017 in Colombo. Around 53 women were recognized as runners-up.

Special awards categories for exceptional women

Eight exceptional females were recognized for their capabilities in sports (The Contender), entrepreneurship (The Venturer), community service & sustainability initiatives (The Spirited) and innovation/continuous improvement & technology (The Game Changer) under the “Special Awards” category. Ten female executives were recognized as “MAS FRONTIER LEAD EXECUTIVES” for demonstrating self-authenticity, and being courageous and resilient. We also considered the MAS Professional framework in selecting these individuals.

Recognition for Senior Female Leaders

Twenty female leaders were recognized for upholding MAS values by championing the MAS DNA. Their nominations were endorsed by their respective senior leadership.

WGB’s global presence

Shanaaz Preena, a director of Women Go Beyond, was a panelist at a session on “Measuring Success, Making It Count: Business Empowering Women and Girls” at the 7th annual Women's Economic Empowerment Forum held at the UN headquarters in New York, jointly organized by the UN Global Compact, the US Chamber of Commerce Foundation, the United Nations Office for Partnerships and UN Women. Shanaaz was also invited to be a part of the panel discussion organized by United Nations Global Compact (UNGC) on “Business for inclusion” at their flagship event held in Mumbai, India. She also presented at the “Women Leadership Summit 2017”, jointly organized by the Women’s Chamber of Industry and Commerce (WCIC) Sri Lanka and the SAARC Chamber Women Entrepreneur Council (SCWEC), on “Imperatives for Sustainable Empowerment and Corporate Governance in Practice”.

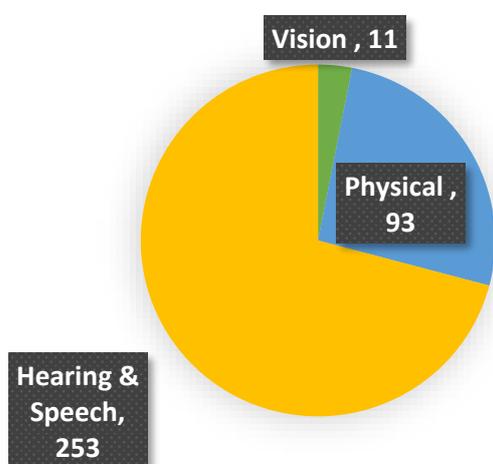
The ‘Women Go Beyond’ program was featured in the “**Private Sector Action for Women’s Health & Empowerment Brief**” (www.PrivateSectorActionForWomensHealth.com) for our investment in the health and rights of our workers in the supply chain.

PERSONS WITH DISABILITIES

In 2017 we created a working committee to understand how to define and support persons with disabilities with greater depth in the context of our industry and Sri Lanka. We initiated partnerships with the Employers Federation of Ceylon and University of Kelaniya as well as the state Committee to research and build a credible practical model for the industry to adopt.

In 2017 we began a deep dive to understand our own employees needs and challenges and then began creating a standard and model which could be replicated across the group.

Results of MAS wide survey of persons with disabilities in 2017



To make adoption of these learnings smoother at SBU level MAS created and trained over 22 divisional champions within all business divisions with help from industry experts such as the EFC. We also aligned all human value streams to the persons with disabilities programme.

We also identified which SBUs and what jobs people with different disabilities could take up safely and comfortably inside MAS. These findings will help us reaffirm a groupwide commitment and strategy for this key area in the future.

Hearing impaired was identified as an area of focus for MAS by the Board. MAS was invited to be the first company to volunteer efforts to the government of Sri Lanka as one of the sole representative from the private sector to support state-led initiatives that provide opportunities for people with disabilities across the country.

Vision Impaired	Physically Impaired	Hearing and Speech Impaired
Count Label	Announcing & Documentation	Announcing & Documentation
Helper	Assistant IE - Sport	Assistant IE - Sport
Laboratory Testing(chemical & physical parameters)	Bonding	Bonding
Maintaining Personal files	Bundling / Counting (Cutting department)	Bundling / Counting (Cutting department)
Molding	CAD Operator	CAD Operator
Monitoring and updating the L&D system on T2O	Check registers	Check registers
Scrap material disposal & polybag arrangement	Checking, Thread cutting, Packing	Checking, Thread cutting, Packing
Technician for the modules	Control Absenteeism	Control Absenteeism
Weft machine operator	Data entry	Data entry
Yarn loading and warping	Embellishment	Embellishment
	Ensure payment processing for assigned SBUs	Ensure payment processing for assigned SBUs
	Final Checking (Quality Assurance Auditor)	Final Checking (Quality Assurance Auditor)
	Helper training school (Para Athlete)	Helper training school (Para Athlete)
	Helping Production Assistant	Helping Production Assistant
	Inspect galloon lace into stripes	Inspect galloon lace into stripes
	Interviewing	Interviewing
	Laying and Bundling	Laying and Bundling
	Line out Packing	Line out Packing
	Maintain Drafts	Maintain Drafts
	Maintenance & Mechanical Engineering	Maintenance & Mechanical Engineering
	Merchandiser	Merchandiser
	Normal end line packer	Normal end line packer
	Operating Vacuum Pack	Operating Vacuum Pack
	Packing Operator	Packing Operator
	Personal file maintaining	Personal file maintaining
	Planning	Planning
	Printing	Printing
	Production - Loader	Production - Loader
	Production (Bar Tack / Side Seam / Input)	Production (Bar Tack / Side Seam / Input)
	SAP Project	
	Sewing Operator	
	Stain Removing	
	Stores Work	
	Strap making	
	Team Leader	
	Trim inspection	
	Wiring, Painting and Welding	

SPOTLIGHT - Personality development “Voice of our Own”



MAS has created an equal opportunity workplace for everyone. More than 350 Persons with Different Disabilities (PWD) are employed from hearing impaired to physically handicapped.

“Voice of our own: by MAS Active division, is a disability inclusion project to make the work place a more accessible environment to everybody

and for them to be gainfully employed. A workshop was held for them to understand the independent living skills, personal grooming, decision making and uplift their communication skills. A full-day program commenced at Citrus Waskaduwa, where 43 hearings and impaired employees participated.

Sign Language classes for Executives



MAS Intimates – Casualline conducted a sign language training for 25 Executive level employees those who are working with Persons with Disabilities (PWD). The need for a sign language training was identified as vital for executives to be able to communicate accurately with this segment of employees to overcome communication barriers and to be able to better communicate production requirements, handle problems, grievances, and any other issues that they may face.

The participants were from production floor and HR, it was held four days a month. Professional interpreters from the Sri Lanka Deaf Association Kurunegala facilitated the program.

SPOTLIGHT: FashionAble 2017



MAS pioneered the first ever fashion show in Sri Lanka for persons with disabilities in 2017 together with the Social Services Department of the Western Province. The result was a Fashion Show with 30 models with disabilities who broke all barriers to show off their true potential. Put together by the design teams of MAS “**Fashionable 2017**” was the first ever fashion show in Sri Lanka to put people with disabilities on the fashion ramp.

The event was opened to children and young people from both homes for disabled as well as low income families from across the Western Province. It was held on the 30th of November at the Sri Lanka Foundation Institute, in celebration of the International Day of Persons with Disabilities (which fell on the 3rd of Dec).

37 volunteers supported the show from across MAS. As preparatory work organisers held a half-day session where volunteers met the models to understand their style requirement and measurements. A full day of practice followed at the Ratmalana Blind School where they were trained how to walk on the ramp, engage the audience and even perform.

The project kicked off at MAS KREEDA but once the word spread, design teams from Active, Intimates, Bodyline, Linea Aqua and Intimo 1 joined hands and made it an MAS-wide Initiative.

Volunteer Thoughts

- Best fashion initiative MAS designers have taken part in. Can and will do this again!” – **Thishan Rambukwelle, Manager- Design & Development, MAS Active**
- “It was such an amazing opportunity that I had, and truly felt how happy and privileged we should be with the blessed lives we have. How fussy are we for small needs in life, and how happy they were with the very small initiative we did for them?” – **Kanchana Fernando, Assistant Manager – Merchandising, MAS KREEDA**
- “It was amazing to see those kids being positive and happy regardless their daily struggles and certain restrictions physically and mentally. And to see them being on the spotlight, being themselves and brave, was really rewarding and reminded us to stay grateful for what we have and to be positive and kind to one another.” – **Abiram Gunarajah, Intern - Design & Development, MAS Active**
- “It was indeed a great initiative and I enjoyed every moment - from organizing to the day of the show. It really brought tears to my eyes when I saw them proudly walking on the ramp.” **Samitha Senevirathna, Designer, Innovation - Bodyline**

BE A GLOBAL EMPLOYER OF CHOICE

In 2017 in order to be a better employer the focus was on how we developed our people. This included initiatives in upskilling people's capabilities while adequately compensating and rewarding them. With presence now in 17 countries MAS believes work done in this area is of paramount importance as we slowly but sure increase our global footprint

OUR PEOPLE

LEARNING & DEVELOPMENT

MAS believes that lifelong learning is necessary for individuals to achieve their personal and professional aspirations, whilst also enabling an organization to build a sustainable competitive advantage. This is why we have evolved our Learning and Development function to include all 95,000 + employees of the organisation.

Executive and above grades are provided with specific training to further their skills and career, whilst those at the Supervisory and Shop Floor are provided with an opportunity to bridge the elusive barrier and become leaders of the organisation.

Currently within MAS, the L&D process has been rolled out across the group. As a first step the employee assesses and identifies competencies that need to be developed and submits same to the manager. Then both the manager and the employee have a conversation and agree to certain competencies that need to be developed. The manager would also help to identify the way in which the development can be done and how the employee prefers to learn by using the 70 : 20 : 10 principle based interventions.

Our performance management process enables managers to structure training, map career paths and succession planning, thereby motivating employees to achieve their individual goals and contribute to the Group's business objectives. Further, career development opportunities such as mentoring programmes, sponsorships to obtain professional qualifications and linkages to universities and other technical colleges to gain industrial expertise are also conducted by the Group Human Resources Division.

The explosion of free content means that the learning organization should seamlessly integrate internal and external content into all its platforms. MAS continued to deploy the internal E-Learning Platform as part of its commitment to creating and further enhancing work environments and systems that allow employees to constantly learn and relearn.

70 : 20 : 10 principle

This learning philosophy explores how executives learn, grow and change over the course of their careers. This is a commonly used formula within the training profession to describe the optimal sources of learning by successful managers. It holds that individuals obtain 70% of their knowledge from job related experiences, 20% from interactions with others and 10% from formal educational events. 70% experiential learning is learning on the job. These include experiences such as on the job training, project assignments - local/international, special projects, taking on new and challenging experiences, out bound training, increasing scope or responsibility, onboarding a new team member, learning and using a new tool/technology, tackling a persistent/ unsolved problem, working on a cross functional project, participating in a special committee/work including a proxy board.

20% of learning comes through coaching and social learning which includes, coaching, social/peer /network learning, learning through feedback, one on one meetings, after action review meetings. 10% is all about formal learning, included internal and external classroom/workshop based learning, certification (including MOS belt training), e-learning, conferences and seminars, books and articles, self-study modules, action learning.

The initiatives carried out by the Group Learning & Development team can be broadly categorized to four areas:

- 1) Competency Based Development (Leadership, Professional and Technical)
- 2) Onboarding and MAS Values
- 3) Branding Initiatives (i.e. Summer Internship, MAS Awards, Ready to Unleash)
- 4) Process & System Implementation

Succession Management applies to critical or key positions where there is a reasonable risk of not having sufficiently skilled people to undertake these roles. Talent reviews are conducted twice a year in MAS with the objective of facilitating talent movement in MAS. Career Management is a process where every employee could strategically explore, plan and create their future paths within the company.

2017 PROGRESS

On average our employees received over 150 hours of training per person in 2017.

There has also been over a million hour of training conducted through over 12,000 training programs for the year.

Leadership Development Initiatives 2017:

- Creating a Culture of Coaching: Launched 5 Pilots across the business. Capturing 35 coaches and 87 coachees.
- Portraits of Purpose: A Tribute to Leadership- Leadership Exhibition by the MAS Accelerated Leadership Participants show casing their learning experience from the Center for Creative Leadership Development Program
- HR College: Conducted 2 workshops on “Feedback that Works”: One for the Green Belt community & the other at the Factory Managers Forum. 3 workshops on “Talent Conversations and Feedback that Works” impacting over 100 leaders at MAS.
- LIME for ALP & Senior Leaders: Curriculum Crafting has begun with the initiative scheduled to be launched in 2018

Branding Initiatives 2017:

- MAS, Dialog & Hemas conduct the **Summer Internship Programme 2017**: 14th year of existence. 20 interns. New partner Hemas Holdings.
- MAS Awards: 05 shortlisted students (30 students in total) from each of the following universities compete to be the **MAS Best Overall Student 2017**.
 - University of Moratuwa - Faculty of Textile Engineering
 - University of Moratuwa - National Diploma in Technology
 - University of Moratuwa - Fashion Design & Product Development
 - University of Peradeniya - Faculty of Industrial Engineering
 - University of Kelaniya - Management and Information Technology
- **MAS Onboarding** – 11 programme, over 750 participants in total.
- **Ready to Unleash** – 02 programmes and 250 participants in total.

Technical Development Initiatives 2017

These initiatives develop the Technical confidence in Textile & Clothing Technology in Manufacturing across Team Leaders & Group Leaders across the group. Key initiatives are: -

The Technical Skills Development Program - Certificate Level - 1st batch of students successfully completed the same with 41 individuals graduating with the Certificate Level. On demand training for entire Group – covering Raw material, knitting technology, fabric technology and dyeing & finishing area – target group – technical category in Linea NXT, Trischel, Noyon Lanka, Linea Aqua Program on technical for non-technical – basics of textile and clothing technology - Fabric cluster

RECRUITMENT

University Relationships

A proper recruitment process is imperative to attract the appropriate people to an organisation. Successful recruitment is a direct reflection of the validity and professionalism of a business. MAS has established a recruitment process which attracts the best talent within the shortest lead time, and standardised it across the whole group. Maintaining university relationships is a crucial aspect of this recruitment process and we are mainly involved in numerous strategies in order to ensure that MAS stays ahead of the competition and gets the best possible talent straight out of the university.

From sponsoring careers days to conducting career workshops, in 2017 we ensured the engagement with the university staff and most importantly fresh graduates to assist them in shaping their careers as well as to guide them on how to handle challenges after graduation. The team also conducted internship interviews in order to allow those approaching graduation to get exposure to the opportunities within MAS. MAS was involved in careers day events at both state and nonstate universities such as University of Jayawardenapura, University of Moratuwa, SLIIT, University of Wayamba, University of Colombo, BMS, University of Kelaniya, University of Peradeniya, NSBM, AOD, ANC and CINEC.

Skills For Work

The Skills for Work program is aimed at bridging the gap between university students and the industry by improving the students' soft skills capabilities. It targets university students of both state and nonstate universities that includes 7 Universities & 10 Departments. Skills for Work involves the facilitation of sessions at the universities, which were delivered by internal and external trainers on the topics such as CV writing, Preparing and Facing Interviews, Presentation Skills, Maximising Internship Opportunities, Grooming Business Etiquette. Furthermore, the students are given exposure into the industry in the form of a visit to one of our many plants.

These programs were done and considered as a CSR initiative to help better and strengthen the talent pipeline which is coming through the universities. The universities which were involved in the Skills for Work initiative include University of Colombo, University of Kelaniya, University of Moratuwa, University of Sri Jayawardenapura, University of Peradeniya, CINEC and NSBM.

PERFORMANCE APPRAISAL

Our recruitment is based on the MAS recruitment policy, which is complemented by the policy on equal opportunity, and employee career development and training requirements that are identified through an annual performance appraisal carried out for all staff.

The Group further strives to build a culture that enables and rewards performance and hence uses a performance appraisal process to enhance employee performance management. This creates an open platform for employees and their supervisors to discuss performance and area of improvement, establish future goals, discuss expectations and accomplishments and obtain overall employee feedback. One of the key contributors to MAS' success over the years has been its skillful & talented workforce. With its global expansion and the investments made in the verticals of IT and Brands which were uncharted territories for MAS at the time, necessitated MAS to develop a mechanism to manage the performance of its talent base. Performance management branded as 'Luminary' is the process through which employees are recognized and rewarded for their performance. Performance management, continues to be a crucial step within the entire talent management process, as its outcome becoming key inputs for the other human resources functions such as Learning & Development, Career Management & Succession Management and in Internal Recruitment activities.

The performance management cycle commences with the annual goal setting process whilst the mid-year review facilitates the employees to have a conversation with their appraisers to assess the progress made on the achievement of goals and to see if any course correction is required. The year-end review ensures that the employees are appraised on their performance and rewarded in a fair and objective manner.

COMPENSATION AND BENEFITS

During the year, MAS made significant progress in ensuring parity in pay & benefits, through the harmonization of the group wide medical insurance scheme. The company went a step further, by entering into partnerships with key hospitals and medical service providers across Sri Lanka to provide discounted products and services exclusively for MAS employees.

WORK-LIFE BALANCE

SPOTLIGHT– Catalyst cowork

At 'CATALYST' we realize that the way we work is changing, equipped with laptops and smart phone we have become more mobile and we can take work wherever we want. In the rapid changing work environment, the use of artificial intelligence, robotics and cognitive tools are creating an augmented workforce who are domain



experts but also requires us to collaborate and connect with others to innovate, disrupt and to create new ways of thinking.

We need the individual with 30yrs of industry experience working with the tech-savvy millennial process-challenger to create new ventures, improve our processes, create new products. We also need the creative and entrepreneurial types

to venture into uncharted territories, with the support of the operations and technical teams. **How do we create a culture that encourage this?** 'CATALYST' believes that our **environment** has an impact on our **behavior** and our **collective behavior shapes our culture**. As a result, 'CATALYST' (a shared workspace for all at MAS) was launched on 29 September 2017 to **transform the way we work and to promote work-life integration**.

The purpose of 'CATALYST' is to revolutionize 'work' and 'work-life' of our MAS employees. 'CATALYST' last year helped many internal teams to work productively and collaboratively by reducing travel time between offices, becoming the temporary host of new teams/ initiatives and nurturing them till they scale up, and being the neutral space for different teams to encourage working together.

When we launched 'CATALYST' we were thinking more about revolutionizing 'work culture'. With our pilot project 'CATALYST' we understood that 'work' is closely integrated with 'life'. Our community was using the CATALYST space to enhance their 'work-life' by choosing to work from CATALYST as this was a shared work location closer to home. We recognize that it is important to encourage employees to lead a balanced life so that they will not burn out, and become more engaged at work. We want to engage the parent who is pre-occupied by a child left at home or boost the morale of the individuals who are keen to feel more energized at work. We were curious to explore more. We did a survey across 1000 people to understand how people work and live and received responses from 532. Amongst other questions we asked people what they would do if they had an extra hour after work. 54% responded that they would play a sport or engage in a fitness activity and 38% responded that they would spend time with the family. As opposed to physically building all these amenities, 'CATALYST' identified that partnering with third party service providers will have a large impact and provide great value for money on our community.

We have piloted three pillars of partnerships under 'Knowledge share', 'Childcare' and 'Fit-life'. For knowledge-share CATALYST will be partnering with in-house MAS Education amongst the others to promote bite sized training within our community and other third party service providers in Childcare and Fitness near CATALYST locations. In future, we intend to expand our foot print of the share work space and identify key partners who we can collaborate with to promote a positive work culture and 'work-life integration' at MAS and beyond and **become the entity that revolutionize 'work' and 'work-life'**.



MAS SPORTS

MAS considers sports as part of our culture of enabling teamwork and competitiveness. One of the fundamental values of MAS is our passion for excellence which is enhanced further by the multitude of sports disciplines that are supported by the organisation.

2017 could be termed as another year in which teams of various disciplines were able to emerge victorious thanks to the drive and commitment of both team and individual performances.

MAS Sports recorded the first ever clean sweep by winning 11 Mercantile Championships in 2017. There was 100% team member participation in volleyball and 85% in athletics. Sports such as swimming, boxing and fencing also had team member representation.

MAS took part in 10 sports out of 14, as one MAS, whilst earlier sports were played as divisions and SBUs. Volleyball is played plant based for strategic reasons. Cricket, boxing and shooting are taken part as MAS Intimates.

The milestones below were achieved because of the exceptional commitment by all divisional sports coordinators, managers and captains who supported the MAS Sports committee to support all the teams.

The presence of the senior leadership was a remarkable experience for all sportsmen and women who along with our employees felt the commitment, belief and support of the leadership first hand.

Team Achievements

- In rugby, we were crowned as the A division champions
- In badminton, the team emerged as the A division mercantile doubles champions and emerged 3rd place in the A division overall championships
- The hockey team emerged as triple champions in 2017 by emerging victorious in the B division in the mercantile league, the 7's and the knockouts
- The table tennis team secured a victory in the A division mercantile open championships while managing to emerge as runners up in the A division mercantile team championships
- The men's team in basketball were victorious in the B division mercantile championships while the women's team emerged as runners up in the B division women's championships
- The volleyball teams managed to emerge victorious in the both the Men's and Women's Super League Championships, the women's team then fell short and emerged as runners up in both the Women's Championships and in the A Division Championships
- The chess team was victorious in the Mercantile and Government services championships and emerged as runners up in the Rapid Championships.
- After falling one short of the championships in 2016, the athletics team were crowned as the champions in the Mercantile Annual Athletic Championships 2017.
- The swimming team emerged victorious in the Mercantile Swimming Championships for the 7th consecutive year
- In cricket, MAS Intimates emerged champions in both the Mercantile League and Mercantile T20 Championships.

Individual Achievements

- In **cricket**, T.M Dilshan and Duvindu Thilakaratne of MAS Intimates won the player of the tournament and the best bowler awards of the Mercantile League tournament

Boxing (Men's)

Layton Cup

- U.G. Nuwan Karunasinghe Amarawansa -56kg - Gold
- M. Malith Prabashwara - 52kg – Silver
- Asanka Rajapaksha – 69kg – Gold
- Jayaweera – 60kg - Gold

Boxing (Women's)

National Festival

- Kosala Nilmini – 48kg – Gold
- Anuradha Jayasinghe – 51kg – Gold
- Ayoma Dharmathilake – 60kg – Bronze
- Keshani Hansika – 57kg – Gold
- Lakmali Udayangani – 64kg – Gold
- Hansika Jayadewa – 81kg – Silver
- Wasana Thalgaspitiya – 54kg – Silver
- Nadeeka Pushpakumari – 48kg – Gold

Layton Cup

- Kosala Nilmini – 48kg - Gold
- Anuradha Jayasingha – 51kg - Gold
- Ayoma Dharmathilaka – 60kg – Gold
- Keshani Hansika – 57kg - Gold
- Lakmali Udayangani – 64kg - Gold
- Dinishi Mendis – 57kg - Silver
- Shashikala Chandrasekara – 75kg - Silver
- Hansika Jayadewa – 81kg - Silver
- Wasana Thalgaspitiya – 54kg - Silver
- Kaushalya – 51kg - Bronze
- Nadeeka Pushpakumari – 48kg - Bronze
- Athapaththu – 69kg – Bronze

Para Athletics

- L.P.G. Amara Indumathi –
 - Gold – 400m – National Meet
 - Gold – 100m – Mercantile Para Athletic Championships
 - Gold – 200m – Mercantile Para Athletic Championships
 - Gold – 400m – Mercantile Para Athletic Championships
- Presidential Award – Best Para Athlete
- Sirasa special award
- D.M. Kumudu Priyantha -
 - Silver – 100m – Mercantile Para Athletic Championships
 - Silver – 200m – Mercantile Para Athletic Championships
 - Silver – Long Jump – Mercantile Para Athletic Championships
- Dumeera Maduranga Alwis –
 - Gold – 100m – Mercantile Para Athletic Championships
 - Silver – Long Jump – Mercantile Para Athletic Championships

Shooting (Men's)

- Suranga Fernando –
 - Navy Open – Gold in 10m air pistol, 50m free pistol, 25m standard pistol
 - NFFS Open – Gold in 10 air pistol, 50m free pistol, 25m standard pistol

Shooting (Women's)

- Ruwini Abeymanna –
 - Navy Open – Gold in 10m air pistol and 25m sports pistol
 - NFFS Open – Gold in 10m air pistol and 25m sports pistol

Representation and achievements on the international stage

Boxing - the following represented and brought glory to Sri Lanka,

Slovakia tournament (Men's)

- P.V.D.D. Dinidu Dushan Saparamadu – 64kg – Gold
- U.G. Nuwan Karunasinghe Amarawansa – 56kg – Gold
- L. Lahiru Rathnadiwakara – 91kg – Gold
- Rajitha Kavishka – 81kg – Silver

Netherland Championships (Men's)

- P.V.D.D. Dinidu Dushan Saparamadu – 64kg – Gold
- P.V.D.D. Dinidu Dushan Saparamadu represented Sri Lanka at both the Asian and World Boxing Championships.

Slovakia tournament (Women's)

- Kosala Nilmini – 48kg – Bronze
- Anuradha Jayasinghe – 51kg – Bronze
- Shashikala Chandraseka – 75kg – Gold

Netherland Championships (Women's)

- Kosala Nilmini – 48kg – Silver
- Anuradha Jayasinghe – 51kg – Bronze
- Keshani Hansika – 57kg – Silver

“Slovakia Boxing cup Triebel”, held on 18th June, Slimline boxing team became champions of the tournament by winning 5 medals

Para Athletics

L.P.G. Amara Indumathi participated at the World Championships and emerged in 6th place in both the 200m and 400m events.

Shooting

Suranga Fernando participated at the Common Wealth Shooting Championships and emerged 4th and 7th place in the 10m air pistol and 50m free pistol events respectively.

Ruwini Abeymanna emerged in 7th place in the 10m air pistol event at the Common Wealth Shooting Championships and won bronze at the IMMSU Nationals in the rifle category.

Cricket, the following MAS employees represented Sri Lanka,

- Dilruwan Perera
- Danushka Goonethilake
- Niroshan Dickwella
- Kusal Perera

Fencing, the following MAS employees represented Sri Lanka,

- Supun Chanaka (Unichela) - Represented Sri Lanka at Senior Asian Fencing Championship - June 2017 – Hong Kong.
- Suresh Sudarshana (MDS) - Represented Sri Lanka at Senior Asian Fencing Championship - June 2017 – Hong Kong.
- Reeta Prakasham (MDS) – Represented Sri Lanka at Senior Asian Fencing Championship - June 2017 – Hong Kong.
- Manjula Fernando (Unichela – Koggala) – Represented Sri Lanka at Senior World Fencing Championship - July 2017 – Leipzig, Germany

Mr. Gayan Bandara from Silueta, achieved the FIE Referring Qualification.

(Federation Internationale D’Escrime)

GO BEYOND COMPLIANCE & STANDARDS

We understand that labour intensive challenges are an industry-wide problem, which makes our values of being people centric even more relevant to maintain a competitive advantage and to create synergies within our growing global eco-system. Our continuing objective is to ensure and encourage a happy, healthy, diverse and skilled workforce, while maintaining strong relations with them and providing a safe and secure working environment for them all.

While compliance is as an area which is considered as non-negotiable at MAS we have always sought to continuously improve in this space above and beyond what could be the norm. This attitude and approach has resulted in many global brands making us their preferred partner and showcasing us as their gold standard. 2017 saw MAS launching its own Code of conduct / DNA which is a collection of policies standards and guidelines that help instill our values intrinsically within all those we influence.

Business Continuity Management

2017 saw Group HR and Chairmen's office undertaking the initiative of establishing a Business Continuity Process. For this all functions and processes were mapped out and reviewed while critical processes based on time criticality were identified. These processes were then reviewed based on resource requirements and back up capabilities to understand how best a process can be restored in an event of a disaster. Learning of this were shared across the non-critical functions.

COMPLIANCE AND HEALTH & SAFETY

Compliance- 2017 Actions

MAS recognizes the importance of complying with all rules and regulations to ensure the continuity of its operations. MAS also tracks and monitors any fines paid by the SBUs and all other compliance related requirements as per Sri Lankan legislation and customer requirements. Related Operational Health and Safety incidents are also tracked for the same purpose.

Social compliance issues and focus areas relating to our customers differ from division to division and each one deploys dedicated sustainability teams to handle the frequent audits and the strategic synchronisation of priority areas.

Here are some key highlights & achievements in 2017 from across MAS

MAS Kreedas

- Synergy became the only Olympian level performer globally in the culture of safety maturity assessment (COSMA) under Nike's modernisation strategy.
- Synergy achieved a score of 3.20 for NIKE health and safety assessment tool (HSAT) calibration, the highest score in the region for HSAT
- National level recognition in responsible care awards 2017, Nirmaana – Gold & Kreedas Intimo – Silver
- All local SBUs recertified for OHSAS18001:2007
- All SBUs achieved Bronze for HSE in Nike compliance assessment tool (NCAT) with an average score of 98%
- Culture of safety journey initiated and baseline COSMA assessments conducted in all SBUs
- Defensive driving program launched & trainings completed for staff transportation service providers
- National level school Health and Safety program initiated at 2 schools in Awissawella with Synergy

Fabrics

- Trischel Certified for OHSAS 18001:2007
- Matrix certified for OHSAS 18001:2007
- MAS fabrics all factories are now certified for OHSAS

Intimates

- MAS Intimates ranks among the top performing 5 vendors of all of our major customers
- GAP Green Rating (Best Rating) for 8 plants in MAS Intimates
- Two largest customers of MAS Intimates have piloted their shift from customer audits to self-ownership in 2017
- Total number of 43 Social Compliance audits by customers and certification bodies in 2017 was done
- L Brands invited MAS Intimates to partner in their Self Ownership to manage social compliance standards, in recognition of the past performance and the high scores in social compliance audits across MAS Intimates facilities. Pilot program will commence in mid 2018
- MAS Intimates were amongst 7 global strategic vendors to be invited by PVH brand to participate in their pilot Gold self-ownership program. Assessments of a sample of manufacturing units have already been completed in our quest for Gold
- An average score of 94% was scored at 5 strategic customer audits for L Brands that measure compliance performance
- Unichela (Pvt) Limited of Linea Intimates Division certified to produce Organic Cotton Certification (OCS) and GOTS certified products by Control Union Inspections (Pvt) Limited
- Unichela (Private) Limited - Casualline Division certified for Recycled Content Certification by Control Union Inspections (Pvt) Limited. The Recycled Content Certification evaluates products made from pre-consumer or post-consumer material diverted from the waste stream. Certification measures the percentage of recycled content for the purpose of making an accurate claim in the marketplace.
- With regard to occupational health and safety, 2017 was an ACCIDENT FREE YEAR, with only few minor first aid injuries across the division
- Contribution of excellent Compliance standards to potential business growth, with Online/ Digital brands and retailers coming on board
- MAS Intimates Casualline works closely with Fair Trade, USA, and GAP (Athleta specifically) to implement the Fair Trade Standard at the factory (exclusively for Athleta products manufactured onsite). The percentage pay-back commitment based on Athleta's FOB is matched dollar to dollar by MAS Intimates which guarantees that there is a substantial fund from which the employees benefit
- Casualline employees received their inaugural pay-back in December 2017, where 2287 associates received a gold pendant
- A second unit, MAS Intimates Thurulie will be seeking Fair Trade USA certification in 2018

MAS Active

- Approximately 32 Social Compliance Audits were conducted by different brands/ 3rd party auditing firms and all passed with excellent ratings
- 3 new customers (Odlo, PUMA, Lacoste) on-boarded and audits passed first time
- 5 facilities are WRAP Platinum certified and 1 facility is WRAP Gold certified
- 5 facilities are OHSAS 18001 certified
- 5 facilities are ISO 14001 certified
- All 6 facilities have completed the Higg Index Social and Environment modules self-assessments. Self ownership given to suppliers to monitor and report on Social Compliance, Occupational Health and Safety, and Environment parameters
- MAS Active is also engaged with the Social & Labour Convergence Project which aims to bring together unique perspectives to create an efficient, scalable and sustainable solution for social audits. All facilities completed the prototype version 1 and 2 plants completed prototype version 2
- Asialine and Linea Intimo had the first Fair Trade USA Certification audit and both facilities are now Fair Trade certified. Currently the factories are producing Fair Trade certified products for Patagonia
- All facilities have passed all customer audits with exceptional results were also able to onboard new customers by adhering the legal and customer labour and health and safety standards

Bodyline

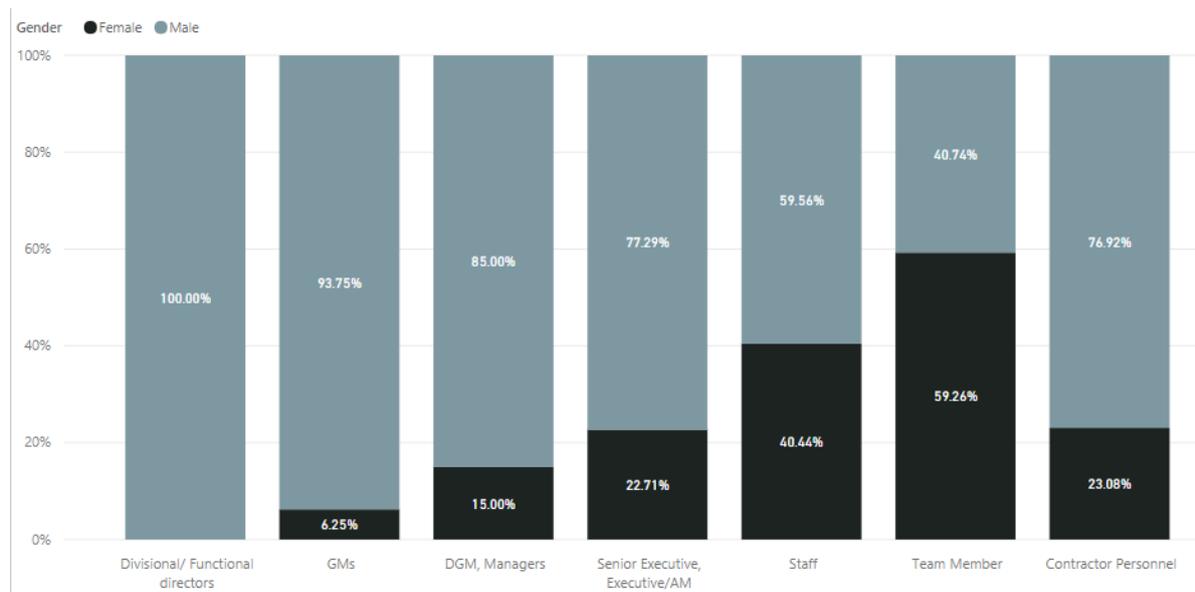
- Achieved OHSAS 18001

HEALTH & SAFETY

Creating a safe and healthy place to work in is of great importance for our employees, subcontractors, clients and the community within which we operate. Throughout the years MAS has sought to minimize any avoidable injuries and occupational illnesses through the adoption of a Health and Safety policy.

As per our management approach, the Group records and reports on rates of injury, occupational diseases, lost days and a total number of work-related casualties of its workforce. Minor occupational injuries or diseases that result in less than one lost day is excluded from these reports.

Health and safety committee composition



Health and safety committee composition by percentage for each work level

Since its inception MAS has operated with Joint Consultative Committees as a proactive and collaborative approach to handling issues within our eco-system. Employee representation in our Joint Consultative Committees remains diverse. We believe that while a 1:1 representation would be ideal a reasonable representation has been accepted by the team members and managers. Every MAS manufacturing plant has a JCC which meets once a month to discuss any issues regarding employees.

<i>Job Level</i>	Gender	Employee Count in H&S committees
<i>Divisional/ Functional directors</i>	Female	0
	Male	7
<i>GMs</i>	Female	1
	Male	15
<i>DGM, Managers</i>	Female	12
	Male	68
<i>Senior Executive, Executive/AM</i>	Female	52
	Male	177
<i>Staff</i>	Female	91
	Male	134
<i>Team Member</i>	Female	304
	Male	209
<i>Contractor Personnel</i>	Female	3
	Male	10

Health and Safety statistics

	Rate	Absolute number
Injury Rate	0.06	888
Disease Rate	0.99	9744
Lost Days Rate	0.16	2171
Occupation Fatalities		3

When considering the diverse manufacturing processes that run across MAS facilities, the reported numbers of Injury rate, Disease rate and Lost days are reasonably positive. All production facilities have very stringent H&S standards and guidelines while constant audits take place on regular basis followed with trainings especially when handling machinery. The three fatalities recorded were due to a road accident that occurred during work hours.

Activities identified as High risk

No activities have been identified as high risk since the risks have been reduced by various interventions and the compulsory use of PPEs

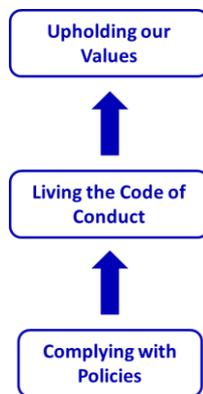
SPOTLIGHT- MAS CODE OF CONDUCT



MAS from its inception was built on the foundation of five values; honesty & integrity, trust and mutual respect, freedom with accountability, humility, and passion for excellence. These values are embedded as our core strengths and helps us to create the distinctive MAS culture.

The code of conduct communicates the behavior which we want our employees to showcase through their actions and ‘Doing the right thing’ has always been part of our DNA.

In this regard, MAS has developed several policies to strengthen the right behavior within the organization, and by complying to the policies, an employee lives the code of conduct and thereby upholding the values of the organization.



Why is our Code of Conduct branded as DNA?

Deoxyribonucleic acid or DNA is in the very core of every being. Unique to every individual, together it combines to shape the personality that makes the individual whole. Similarly, the Code of Conduct is embedded in every employee, creating the heart of MAS and establishing it as our DNA.

The DNA Centre of Expertise has designed and developed the code of conduct and together with the code officers, continue to engage in the activities of communication & education whilst also overseeing the reporting & investigations of the incidents of Non-compliance to ensure that MAS Culture is preserved and protected.

The MAS DNA Website serves as the single platform through which employees can access the policies and all information related to the code of conduct thereby facilitating the communication and education of this process. There are several policy documents & videos available on the website for the employees educate themselves.

The MAS DNA Helpdesk and online incident reporting, is the incident management platform developed for the individuals to report their concerns regarding issues of violations or non-compliances. The system is operated by operated by a globally renowned, independent, confidential service provider - NAVEX Global.

HUMAN RIGHTS

Businesses flourish in societies where human rights are respected and protected. MAS recognizes that this is a topic of importance to our employees, investors, customers, regulators and the communities we operate in, making it not only a moral obligation, but also a business necessity for us to uphold human rights across our operations.

MAS remains committed to business integrity, openness, respect for universal human rights and core labour principles, and we strive to carry out all business in an ethical manner at every turn. MAS has policies governing areas such as child labour, forced labour, freedom of association and anti-corruption which have been introduced through the MAS DNA. This is a collective set of policies that have been introduced to the organisation to be enforced and practiced.

Human Rights training

At MAS all policies and governance are included in the MAS DNA. A groupwide rollout of the Code of Conduct has taken place with 4 activities and an overall participation of 280 employees for 2017. Since this roll out is planned to take a staggered approach the continuation of the same will be seen in 2018 where we will be addressing existing policy gaps.

Percentage of Security personnel trained in Human rights

Human rights are directly in line with our vision to respect humanity and is a key focus area for MAS. We have identified that areas of high risk to Human rights violations need to be identified and such incidents and risks addressed, investigated and reduced. As part of this culture building effort 10 of our SBUs have initiated programs to train security personnel in Human Rights where a total of 428 have been trained. MAS hopes to further this initiative and ensure all security personnel are trained annually.

Child Labour

The Group has zero tolerance towards child labour and does not employ any persons below the age of 17 years. Young persons who are employed are given job roles that are in line with the legal recommendations of Sri Lanka and other support such as transport and suitable work hours.

Sri Lanka has ratified both ILO Convention on Minimum Age to Employment, 1973 (No.138) and Convention on the Worst Forms of Child Labour, 1999 (No.182). In accordance with the provisions of Employment of Women, Young Persons and Children' Act, a 'child' is a person under the age of 14 years and a 'young worker' is a person who is under the age of 18 years, but has already completed the age of 14.

Forced or Compulsory Labour

The Group ensures that no employee is made to work against his / her will or to work as bonded/forced labour, or subjected to corporal punishment or coercion of any kind, related to work. In line with legal requirements and industry standards, compensation through overtime or variable pay is provided for employees who work beyond normal working hours, in addition to being provided with meals and transport where applicable.

A specific measure to track the number of maximum work time violations has been developed and tracked throughout the organisation to further eliminate possible occurrences of such non-compliance.

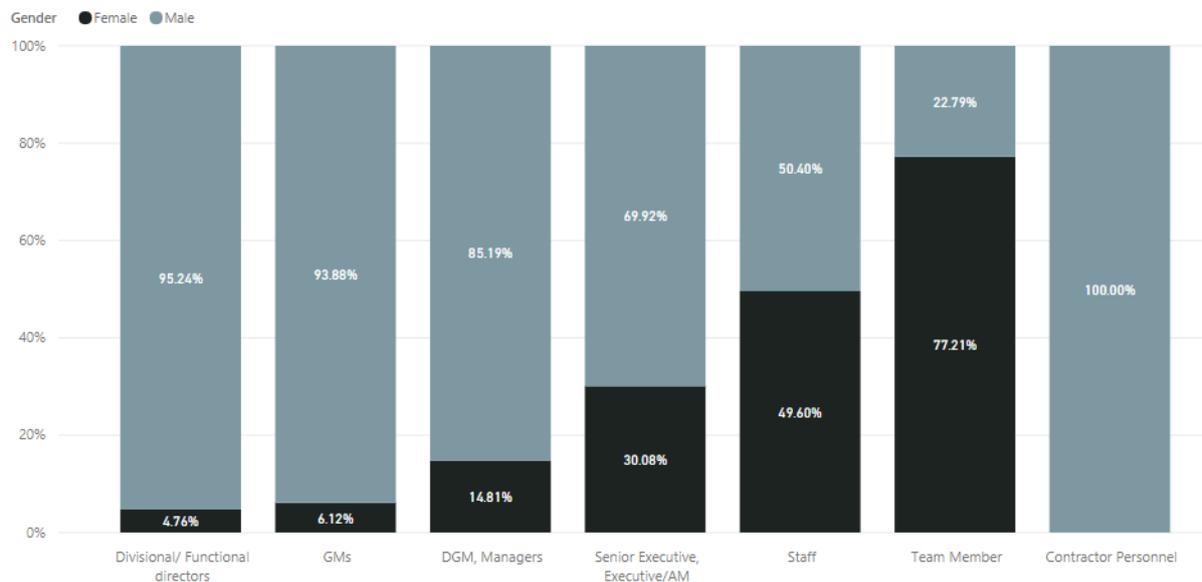
Non-Discrimination

The MAS DNA emphasizes on creating a safe and secure working environment that provides opportunities for every employee to be productive, earn a fair income and develop their skill set for career advancement in their chosen field, regardless of race, gender, nationality, religion, or any other factor. Reflecting the policies on equal opportunity, there is zero tolerance for discrimination or harassment based on gender, race, religion, nationality, age, social origin, disability, political affiliations or opinion.

Freedom of Association and Collective Bargaining

There are no restrictions in freedom of association and all employees are free to join unions as per the laws of the country. Since inception MAS employees have engaged with management every month through Joint Consultative Committees whose members are elected by the employees themselves. This has replaced the requirement of unions and effectively provide collaborative solutions to all staff.

Employee composition in Joint Consultative Committees (JCC)



Job Level	Gender	Employee Count in Committee
Divisional/ Functional directors	Female	1
	Male	20
GMs	Female	3
	Male	46
DGM, Managers	Female	24
	Male	138
Senior Executive, Executive/AM	Female	71
	Male	165
Staff	Female	62
	Male	63
Team Member	Female	1460
	Male	431
Contractor Personnel	Female	0
	Male	2

A JCC is a representation of all staff especially at team member level as acts as a substitute for a union. MAS does not oppose unions but instead a JCC fulfills this requirement very effectively. The above table indicates the absolute number in the JCCs as well as a percentage for the specific work level relevant to the gender ratio. The staff level and team member level has almost an equal representation of male to female which is positive.

Total Grievances and discrimination reported by labour

Grievances

Discriminations



As an extension of the code of conduct MAS has committed to monitor the labor grievance of which discrimination due to religion, race, gender or disability is a subset. As a signatory for Business for Peace the inclusion of this subset is helpful in giving us further insights when operating in post conflict and high risk area. As per the diagram above Labor grievances for 2017 stand at 1459 while 90 of them have been identified as discrimination. However, the key factor here is that a high percentage of issues have been taken up and resolved.

Total Grievances and discrimination reported by Society

Grievance

Discrimination



MAS has also taken one step further to identify the grievance of the local community. Ideally this is a measure that can enable an SBU to avoid some potential societal concerns snowballing into a burning issue. In 2017 the organization has received 327 grievances of which over 90% have been taken up and over 70% resolved. Similarly, discrimination has been recorded at 14 which is a significantly low number.

SUPPORT THRIVING COMMUNITIES

MAS values trust, integrity, commitment and care, and this is demonstrated by our commitment to respect all our stakeholders, including the communities and environment in which our businesses operate. In keeping with these values MAS goes beyond simply adhering to environmental, social and legal requirements. All our Divisions and SBUs constantly strive to make the operational impact on our communities and the environment as positive as we can.

As of 2017 the new sustainability performance management system tracks and monitors the Group's social performance, specifically indicators such as percentage of operations with implemented local community engagement, and discrimination reported by labor and society as well as confirmed incidents of corruption and action taken.

Further to facilitating infrastructure development, MAS seeks to contribute to the social development of the nation by fostering good relationships with communities within which we operate. Since collating our community outreach activities on a formal system, we added Environment and Sports as categories bringing the total categories of intervention to 6. The remaining four areas remain - Education, Health, Nation-mindedness and Local Connect.

Given below are the activities and total costs according to the categories of intervention. A total of 521 activities were conducted for the benefit of the community with an overall investment of over USD 400,000 (64 Million LKR) and with the participation of 7,736 volunteers. The beneficiaries amounted to over 159,000 people. The actual number of activities are higher but only those with complete records were included in the count. Of the number of activities 79% incurring 48% of the overall investment in the community was in the categories of Education and Local Connect. MAS was also very keen to understand the rationale behind the selection of community development activities. Data was also collated based on the origin of programme - if it was a request that originated from the community, from an employee or a programme that was internally formulated based on an identified need.

Category of Intervention	No. of Activities	Total Cost	No. of Volunteers
Education	190	Rs 12,857,361	2,486
Environmental Initiatives	20	Rs 4,179,478	959
Health	67	Rs 4,562,281	1,304
Local Connect	121	Rs 18,053,070	2,565
Nationminded	11	Rs 7,442,750	429
Sports	12	Rs 180,700	28

Origin of the Activity	No. of Activities	Total Cost	No. of Volunteers	No. of Beneficiaries
Employee Request	80	Rs 11,126,585	2,305	19,451
External Request	163	Rs 19,514,491	1,956	38,083
Internally Initialized	158	Rs 15,248,889	3,411	103,419

Almost an equal number of activities 41% and 40% were the result of requests from the community and internally initiated. The rest of the activities were in response to a request by an employee or group of employees.

Furthering the SDGs was also another area of interest and all community development activities of 2017 were reported against the SDGs

	SDG	No. of Activities
1	No Poverty	33
2	Zero Hunger	34
3	Good Health and Well-Being	113
4	Quality Education	143
5	Gender Equality	37
6	Clean Water and Sanitation	27
7	Affordable and Clean Energy	26
8	Decent Work and Economic Growth	28
9	Industry, Innovation and Infrastructure	45
10	Reduced Inequalities	5
11	Sustainable Cities and Communities	45
12	Responsible Consumption and Production	30
13	Climate Action	11
14	Life Below Water	24
15	Life on Land Peace	3
16	Justice and Strong Institutions	25
17	Partnerships for the Goals	29

It is important to note that some activities and initiatives cut across more than one SDG. Most of activities have focused on Goal 4- Ensure Inclusive and Equitable Quality Education and Promote Lifelong Learning Opportunities.

Location- District	No. of Activities	Location- District	No. of Activities
Kurunegala	97	Galle	16
Gampaha	85	Kegalla	16
Kandy	53	Nuwara Eliya	7
Kilinochchi	22	Badulla	5
Colombo	21	Monaragala	2
Kalutara	17	Ratnapura	2
Matara	1	Puttalam	1
Pollonnaruwa	1		

All activities are spread across the 15 districts and 24% of activities were conducted in Kurunagala district and 21% of activities are carried out in Gampaha districts also.

SPOTLIGHT- 'Eco Go Beyond' – Phase 1



For over 11 years, the MAS Eco Go Beyond programme has engaged with school children across the MAS ecosystem in locations across the island as a hands-on learning experience, with help from like-minded partners. The programme has set off a series of projects such as waste disposal and organic agriculture inside these 60 schools that have gone well beyond its scope thanks to the children themselves.

- Based on a Public-Private Partnership between MAS Holdings and the Ministry of Education of Sri Lanka.
- Directly impacted 43,000 Children in over 60 schools across Sri Lanka
- 3-year intensive engagement with each school
- Training both children and teachers on Organic Gardening, Biodiversity, Waste, Nutrition, 5S and Sustainable living
- Continuous training, tracking of progress, support and recognition

WHY: To create and raise awareness in the mind of a child about the concept and practice of sustainable development, hoping that the opportunity will lead to a consciously educated, active youth who will promote sustainable livelihoods in their communities.

THE LEARNING MODEL : Is a mix of experiential and popular classroom methods that have been tried, tested and adjusted over the last 10 years. Throughout the 3 years each school experiences a curriculum that includes:

- Social challenges
- Environmental challenges
- Economic Challenges
- Culture
- Special Local Challenges
- International Efforts
- Practical Solutions
- Methods of Application of solutions in your school

“Our work did not stop inside the school premises - we took our learnings to our homes and our villages as well. We implemented keyhole gardens, grass cover, “Dakkoth niwwa” (If you See it Switch it Off) policy, “Dakkoth wahuwa”(If you see it Close it) policy in our houses. We shared core content of this programme with our parents, or community through our school development committee meetings.”

- H.G. Dilrukshi Kumari / Mahawatta Maha Vidyalaya

After consecutive three-year cycles, we started a new cycle of Eco Go Beyond for 2017- 2019. It also marked 11 years of existence for the programme with the partnership of the ministry of Education.

30 schools have been included in phase 1 including one Muslim school and one Tamil school which joined the 2017-2019 cycle. The program was conducted in 13 communities: Mahiyanganaya, Mawathagama, Biyagama, Horana, Hanwella, Balangoda, Kuliypitiya, Pallekelle, Thulhiriya, Awissawella, Koggala and Katunayaka.

The rollout began with 30 workshops that involved and engaged 5,170 students, 377 teachers and 565 parents and well-wishers. In addition, 5,691 handouts were distributed. This brings the total student impact by the program, over 2006 to-date, to just over 48,000. The annual Residential Eco Go Beyond Leadership Camp was held at MAS Athena in 2017, with 119 students and 59 teachers in attendance. The Awards Ceremony was held on the 02nd of November at MAS Athena with participation of 300 students and 60 teachers and selected nine championships since this is first year of the cycle.

This year, as Phase 1 of the project initiated as basic principle of sustainable developments and simple techniques for environmental conservation as approach for sustainable future.



SPOTLIGHT- Flood relief in May 2017



MAS has been proactively involved in disaster relief efforts targeting the communities in our based localities. Ensuring the inclusion of all, in times of crisis, MAS has been a pillar of strength in communities by donating dry rations and other required items to those affected by disasters.

In May 2017, Sri Lanka was devastated by an extreme weather event, resulting in deadly floods. MAS Holdings decided centrally to launch an initiative to assist those affected by donating essential items like water bottles, dry rations, medicine, meals, clothes, sanitary items and household goods. A flood relief collection centre was established at MAS Solutions Centre, Battaramulla, where the whole of the ground floor was utilized to store the relief items that were coming all the way across the group.

All the HR managers of affected plants were contacted to assess the need daily and the goods were procured and sent accordingly. Collective efforts saw the distribution of dry rations and medicine amounting to Rs.8.1 million. Apart from collecting and donating essential items, MAS colleagues were actively involved in the distribution of these items alongside Sri Lankan Army & giving their time.

An emergency team was set up to manage the situation. A help desk was set up to gather information and a blood donation campaign was organized by our facility in Balangoda as well as a relief fund for all our employees affected by the disaster.

The floods affected areas our manufacturing plants based in Colombo, Gampaha, Kalutara, Galle, and Ratnapura districts.

15 Plants Impacted

1. Bodyline 1
2. Bodyline 2
3. Bodyline 3
4. Prym
5. Stretchline
6. Aqua
7. Synergy
8. Intimo

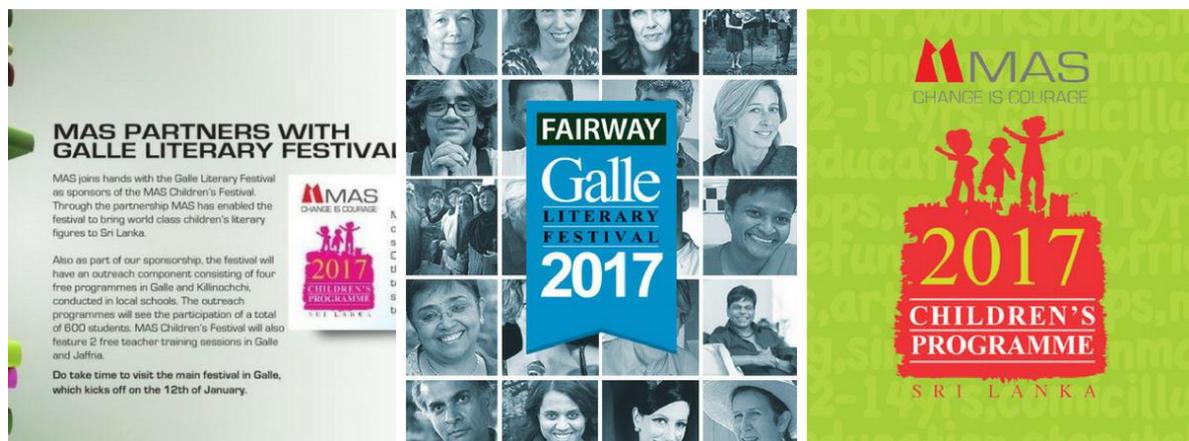
9. Asialine
10. MDS
11. Silueta
12. Rapid, Biyagama
13. UPL, Panadura
14. UPL, Koggala
15. Noyon

The floods impacted 6,104 MAS Colleagues who had **270 Houses Partially Damaged** 28 Fully Damaged.

The impacted were provided immediate support by distributing the following:

- 8,600 lunch packets
- 5,473 5l water bottles
- 4,177 dry ration packs
- 1,500 clothing packs

SPOTLIGHT- MAS Children's Program at the Fairway Galle Literary Festival



Hand in hand with many passionate readers and literary personalities all over the world, once again in 2017 MAS partnered with the Fairway Galle Literary Festival to introduce a comprehensive children's program to the festival as a part of its initiative to inculcate a learning culture in Sri Lanka.

Concentrating more on taking the programme to local school students this year, MAS facilitated the following programs as a part of its community outreach initiative, reaching a nationwide audience:

- Galle Schools' Day 1- Richmond College & Navajeevana Centre, Tangalle
- Galle Schools' Day 1- Sacred Heart Convent
- Galle Schools' Day 2- Janadhipathi Balika Vidyalaya
- Galle Schools' Day 2- Sugathanandha Vidyalaya
- Galle Teacher Training- Amarasuriya Training College
- Galle Children's Program (2 days) - Thomas Gall School
- Kilinochchi Schools' Day- Kilinochchi Maha Vidyalayam
- Kilinochchi Schools' Day- Vivekananda Maha Vidyalayam
- Jaffna Teacher Training- Kokuvil Hindu College

Outreach Schools' Days

The Galle Outreach Schools' Days were conducted completely free of charge in the premises of 4 schools. The event gave 722 students from 4 schools the experience of participating in a variety of storytelling sessions, performances and interactive workshops run by world renowned authors and performers.

This programme presented a touring format which saw a 5-act show delivered in two schools back to back for each of the two days in the Galle area. Students were thrilled with a non-stop lineup of lively performances, peaking with the brilliant Power of Play puppet theatre show. Other sessions included solo interactive storytelling, a magic show, a student orchestra and a workshop on sustainable living by the MAS Eco Go Beyond team.

At the Killinochchi Outreach Schools Day, which were also free, 276 students participated from 2 schools.

Teacher Training

26 English teachers from primary and secondary schools in and around Jaffna participated in a training program that introduced striking new techniques such as Urban Poetry and detailed new techniques on how to use Poetry in classroom presented by the British Council and MAS MOS team conducted their workshops on continuous improvement. It also included teaching about socially conscious Hip Hop music and the social change brought through Tamil Hip Hop.

While in Galle, over 106 student teachers from the Amarasuriya Teacher Training College participated in a half-day teacher training workshop led by Jeeva Raghunath, an incredibly talented trainer. These workshops demonstrated the power of involving students in the storytelling process by introducing body language, repetition, singing and some theatrical techniques in both Sinhala & English languages.

Galle Children's Program

Apart from all of the above, a one-and-a-half-day ticketed program that had 3 dedicated streams for different age groups from 5-14 years was enjoyed by around 75 children. The program included storytelling, crafts and other creative sessions led by international and local authors, performers and artisans. From interaction with international authors and performers to learning about faraway places and cultures, to the hands-on creation of upcycled masterpieces, the program was a truly unique experience for the children.

Category	GRI Standards	GRI Standard Disclosure (G4) / Standard	Page	UNGC	SDG
GRI 200: Economic	GRI 201: Economic Performance	(EC1) 201-1: Direct Economic Value Generated and Distributed (EC2) 201-2: Financial implications and other risks due to Climate Change (EC3) 201-3: Defined Benefit Plan Obligations (EC4) 201-4: Financial Assistance from Govt			
	GRI 202: Market Presence	(EC5) 202-1: Ratio - Entry Wage to Minimum Wage (EC6) 202-2: Senior Management from locality	77	P6	1, 5, 8, 10
	GRI 203: Indirect Econ Impacts	(EC7) 203-1: Infrastructure Investments (EC8) 203-2: Significant Indirect economic impacts			
	GRI 204: Procurement Practices	(EC9) 204-1: Proportion spent on local suppliers			
	GRI 205: Anti- Corruption	(SO3) 205-1: Operations assessed for corruption (SO4) 205-2: Communication and training on anti corruption (SO5) 205-3: Confirmed incidents of corruption and action taken	89,93	P10	16
	GRI 206: Anti Competitive Behaviour	(SO7) 206-1: Legal action taken against company for anti-competitive behaviour			
GRI 300: Environment	GRI 301: Materials	(EN1) 301-1: Materials used by Weight or volume (EN2) 301-2: Recycled input Materials used (EN28) 301-3: Reclaimed products and their packaging material	36		
	GRI 302: Energy	(EN3) 302-1: Energy Consumption within Org (EN4) 302-2: Energy Consumption outside Org (EN5) 302-3: Energy Intensity (EN6) 302-4: Reduction of Energy consumption (EN7) 302-5: Reduction of Energy consumed by products/services	22-25	P7, P8	7, 12, 13
	GRI 303: Water	(EN8) 303-1: Water Withdrawal by Source (EN9) 303-2: Water sources impacted by water withdrawal (EN10) 303-3: Water reused or recycled	26-30	P7, P8	6
	GRI 304: Biodiversity	(EN11) 304-1: Operational sites in proximity to protected areas (EN12) 304-2: Impacts of activities, products and services on biodiversity (EN13) 304-3: Habitats restored (EN14) 304-4: IUCN Red List Species affected by operations	37-44	P8	6, 14, 15
	GRI 305: Emissions	(EN15) 305-1: Scope 1 GHG (EN16) 305-2: Scope 2 GHG (EN17) 305-3: Scope 3 GHG (EN18) 305-4: GHG Emissions Intensity (EN19) 305-5: Reduction of GHG emissions (EN20) 305-6: Emissions of ODS (EN21) 305-7: Emissions of Nox Sox	17-21	P8	3, 12, 13, 14, 15
	GRI 306: Effluents & Waste	(EN22) 306-1: Water discharge by quality and destination (EN23) 306-2: Waste by type and disposal method (EN24) 306-3: Significant spills (EN25) 306-4: Transport of Hazardous waste (EN26) 306-5: Water bodies impacted due to dscharge	31-35	P8	3, 6, 12, 14
	GRI 307: Environmental Compliance	(EN29) 307-1: Non-compliance with Env laws			

	GRI 308: Supplier Assessment - Env	(EN32) 308-1: New Suppliers screened for environmental impacts (EN33) 308-2: Negative impacts in the supply chain, and actions taken			
GRI 400: Social	GRI 401: Employment	(LA1) 401-1: Number of new hires and turnover by region, gender and level (LA2) 401-2: Benefits to full time emps that are not provided to part-timers (LA3) 401-3: Return to work rates after parental leave	47,48	P6	5
	GRI 402: Labour Relations	(LA4) 402-1: Minimum notice periods for changes in operations			
	GRI 403: Occupational Health & Safety	(LA5) 403-1: Workforce represented in H&S committees (LA6) 403-2: Number of injuries and diseases (LA7) 403-3: Workers with high risk of incidence of disease (LA8) 403-4: H&S topics covered with Trade Unions	86,87	P4	3, 8
	GRI 404: Training	(LA9) 404-1: Training hours per employee per annum (LA10) 404-2: Programs for upgrading employee skills and transition (LA11) 404-3: Employees receiving performance reviews	75	P6	8
	GRI 405: Diversity & Equal Opportunity	(LA12) 405-1: Diversity of governance bodies and employees (LA13) 405-2: Ratio of basic Salary Women to Men	48,49	P6	5, 10
	GRI 406: Non-Discrimination	(HR3) 406-1: Incidents of discrimination and actions taken / MAS2 and MAS3	92	P6	8, 10
	GRI 407: Freedom of Association & Collective Bargaining	(HR4) 407-1: Operations and suppliers where Freedom of Association is at risk			
	GRI 408: Child Labour	(HR5) 408-1: Operations and suppliers with risk of Child Labour			
	GRI 409: Forced, Compulsory Labour	(HR6) 409-1: Operations and suppliers with risk of Forced & Compulsory Labour			
	GRI 410: Security practices	(HR7) 410-1: Security personnel trained in human rights policies	89	P2	8
	GRI 411: Rights of Indigenous peoples	(HR8) GRI 411-1: Incidents of abuse of human rights of indigenous people			
	GRI 412: Human Rights Assessment	(HR9) GRI 412-1: Operations that have been assessed for human rights (HR2) GRI 412-2: Employee training on human rights policies (HR1) GRI 412-3: Investment agreements and contracts that include human rights	89	P1	8, 10
	GRI 413: Local Communities	(SO1) GRI 413-1: Ops with local community engagements, impact assessments (SO2) GRI 413-2: Operations with negative impacts on local communities	93	P1	1, 4
	GRI 414: Supplier Social Assessment	(LA14, HR10, SO9) GRI 414-1: New Suppliers screened for social impacts (LA15, HR11, SO10) GRI 414-2: Negative impacts in the supply chain, and actions taken			
GRI 415: Public Policy	(SO6) 415-1: Political contributions				

	GRI 416: Customer Health & Safety	(PR1) 416-1: Assessment of the H&S impacts of products/services (PR2) 416-2: Incidents of non-compliance concerning H&S impacts of products/service			
	GRI 417: Marketing & Labelling	(PR3) 417-1: Requirements for product services info and labelling (PR4) 417-2: Incidents of violation of product service labelling requirements (PR7) 417-3: Incidents of non-compliance of marketing communications			
	GRI 418: Customer Privacy	(PR8) 418-1: Substantiated complaints concerning breach of customer privacy			
	GRI 419: Socioeconomic Compliance	(SO8, PR9) 419-1: Non-compliance with laws and regulations in social and economic area			
MAS specific	MAS4 : Percentage of total workforce represented in Joint Consultative Committee		90,91	NA	8

Initiatives Policies and Processes	UNGC Principle
MAS DNA	1,2, 10
Persons with Disabilities interventions	6
Women Go Beyond	6
Eco Go Beyond	1,2,8
Galle Literary Festival MAS Children's Festival	1,2
TL/GL Programme	6
Flood Relief	1, 2
Labour Practices	3,4, 5
Policies on Water, Chemical & Waste Mgmt	7
MAS Photon	8,9
Energy Management System	7,9
ZDHC Gateway	9
Habitat Restoration	8
Material Recovery Center	7,8
Natural Biological Systems	9
Sustainable Lifestyles	8
CleanChain Chemical management system	7,9