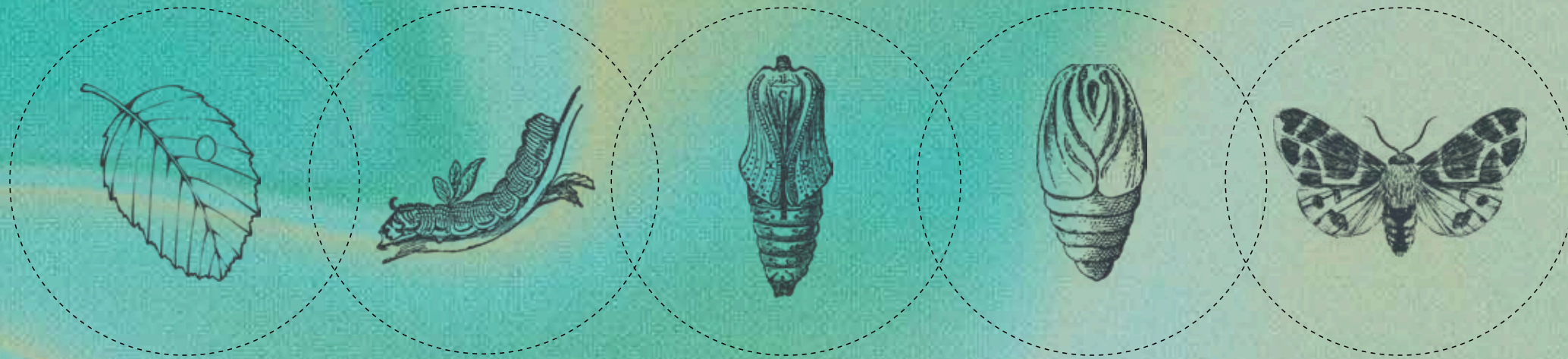




CHANGE IN PROGRESS

INTRODUCTION

This section of the Impact report outlines MAS Holdings' approach to managing Material Topics, with a particular focus on mitigating Environmental, Social, and Governance (ESG) risks.

It details the company's policies, strategies, and actions aimed at minimising the impact of these Material Topics, while upholding responsible and sustainable business practices. The Disclosures of Management of Material Topics under GRI 3-3 are an essential part of the Impact Review Report of MAS Holdings, following the guidelines set by the Global Reporting Initiative (GRI) Standards. To guarantee the accuracy of the information, the sustainability data presented in the report is verified by an independent third-party assurer.

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

Objectives

- Clearly define the policies, strategies, and management approaches employed by MAS Holdings to address ESG risks and manage Material Topics effectively.
- Provide transparency regarding the Company's sustainability efforts and
- Provide transparency regarding the Company's sustainability efforts and their alignment with globally recognised standards.
- Demonstrate MAS Holdings' commitment to fostering long-term sustainable growth and value creation through responsible business practices.
- Ensure stakeholders receive reliable, verified information to support informed decision-making and build trust in the company's ESG management approach.



Sustainability at MAS Holdings

MAS Holdings, headquartered in Sri Lanka, is a global leader in innovation, technology, and sustainable solutions, with 97,989 employees across 13 countries including India, Bangladesh, Hong Kong, Vietnam, Indonesia, Sri Lanka, Singapore, China, Jordan, Canada, UK, the USA, and Kenya. Our integrated supply chain includes 50+ manufacturing facilities and design houses across multiple nations. We partner with world-renowned brands like Nike, lululemon, and Calvin Klein, while also creating our own market-leading brands such as Become and GTNexus. Beyond apparel manufacturing, MAS is a hub for innovation, addressing diverse needs through sustainable solutions. With ten specialised divisions, we lead in Intimates, Athleisure, Wearable Technology, Adaptive Apparel and more, shaping the future of fashion and sustainability.

MAS Holdings' journey of nearly four decades in business has been driven by a relentless pursuit of change and continuous improvement. From the early adoption of the UN Global Compact's 10 Principles in the 2000s to the establishment of material issues in 2014, MAS has consistently prioritised sustainability. This process evolved further in 2016 with external consultants and input from employees, suppliers, and local communities, broadening our focus on social and environmental sustainability.

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

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

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

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

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

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

Our Approach to Products Changed for Good

Our sustainable product strategy is motivated by the urgency of environmental challenges, evolution of the industry– including increased consumer awareness and customer acceptance, and our vision to be change makers and disruptors driving positive impact in the apparel sector. At the heart of the strategy is our definition of sustainable products –as those that are good for the wearer, good for the planet, and good for business. We have set ourselves a goal– to generate 50% of apparel revenue from sustainable products by 2025, achieving 46% against this target. Our sustainable product commitments reflect MAS’ scale and capacity. With a revenue-based target to guide us, we are working to ensure business growth is directly linked to, and does not mitigate any advances in the sustainable product space.

We follow a comprehensive approach to achieve this ambitious commitment, with concerted work across three areas of focus, all of which contribute to achieving this overarching target.

Innovate and disrupt

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

Source sustainably

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

Pioneer circularity at scale

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

Material Topics

- Product and Process Innovation
- Sustainable Materials
- Responsible and Ethical Sourcing
- Supply Chain Management
- Circularity

Aligned GRI Topical Disclosures

- GRI 204: Procurement Practices
- GRI 308: Supplier Environmental Assessment
- GRI 414: Supplier Social Assessment
- GRI 301: Materials
- GRI 408: Child Labour
- GRI 409: Forced or Compulsory Labour

INNOVATE AND DISRUPT

Sustainability and innovation in the apparel sector are inextricably linked. They are vital to mitigating environmental and social impacts at scale, and embracing the transition towards a circular, green, and more responsible future. They are also essential to meeting changing consumer demands and evolving regulatory requirements; fostering growth opportunities and opening up new avenues for business expansion. MAS recognises this imperative and has embedded these principles in our Plan for Change strategy and the core of our approach to sustainable products.

WHY INNOVATION AND SUSTAINABLE MATERIALS MATTER

Responding to environmental challenges: The apparel industry is seeing a shift away from traditional and non-renewable materials; toward responsibly sourced, renewable, recycled, or sustainable materials that minimise negative social and environmental impacts. Addressing the sustainability of materials is essential to minimise the environmental footprint of fashion, and address pressing concerns around resource depletion, water consumption, and pollution respond. Escalating environmental challenges, exacerbated by climate change, result in an undeniable urgency for action. The global scale and reach of the fashion industry necessitate a rethinking of how the industry can answer the climate challenge, while protecting and preserving natural resources.

Meeting consumer needs and regulatory demands: Growing consumers awareness on what clothing is made of and how it is manufactured, is driving an increased focus on sustainable fashion and demanding more sustainable alternatives. At the same time, regulations, such as those in the European Union, are growing more stringent; demanding greater transparency, traceability, and consciousness in line with the push toward a more circular economy.

Business and growth opportunities: Our pursuit of Products Changed for Good consider what is good for the wearer, good for the planet, and good for our business; this shift towards sustainable products presents the perfect opportunity for positive change that is also good for business.

Responding to these business demands, through effective, transparent, traceable, and independently verifiable efforts builds trust; reinforcing the business compact and securing sustainability of our enterprise. Innovation in this space can also spark the creation of products with positive social and business impacts, while catering to previously underserved consumer segments. By being at the forefront of sustainable fashion, our disruptive work with industry pioneer can create new markets and attract new customer streams.

Innovation to scale sustainable solutions:

Innovation to manufacture millions of products with fewer resources, while making them longer-lasting and more recyclable can result in massive sustainability gains. As such, our innovation and product sustainability teams actively pursue new and improved solutions that are industry disruptors. Incorporation of innovative materials also presents revolutionary solutions with the potential for exponential scale – accelerating the industry’s shift away from fossil fuel-based materials, and toward reduced chemical-use, improved biodegradability, and greater recyclability.

WHAT WE ARE DOING TODAY. HOW WE ARE SHAPING TOMORROW.

As a leader in sustainable manufacturing, we recognise the importance of adopting a clear definition for sustainable products – one that is aligned with the needs of our stakeholders, and is ambitious enough to inspire our efforts, our supply chains, and our customers.

Our Approach to Products Changed for Good Cont'd

MAS SUSTAINABLE PRODUCT CRITERIA

RAW MATERIALS

COTTON

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

NATURAL MATERIAL ALTERNATIVES

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

SYNTHETICS

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

RECYCLED/NATURAL ALTERNATIVES

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

WOOLS

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

BIODEGRADABLE

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

BIO-BASED

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

DESIGN/ MERCHANDISING

RAW MATERIAL SOURCING

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

ENGINEERED KNIT

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

DESIGN FOR LONG LIFE

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

COMPOSTABLE PACKAGING

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

RECYCLED PACKAGING

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

PAPER-BASED

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

DESIGN FOR REUSE

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

MANUFACTURING PROCESS

DYEING AND FINISHING

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

CIRCULARITY

POST-CONSUMER WASTE

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

DESIGN FOR POST-CONSUMER

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

PRE-CONSUMER

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

SOCIAL

SOCIAL WELLBEING

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

EMPOWERMENT

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

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

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

Our Approach to Products Changed for Good Cont'd

Since launch of the MAS Plan for Change in 2020, we have made tremendous progress. We have been diligently building capabilities, processes, and optimal partnerships to deliver on our 2025 goal. We continue to increase awareness and knowledge of sustainable products across our enterprise; from product design teams to customer-facing units, merchants, and partners.

Additionally, we are improving transparency across the supply chain – working with even more suppliers, partners, and brands to verify achievements, pursue certification, and improve traceability and transparency across the apparel value chain.

RAW MATERIALS:

Origin and raw material composition of products – Directly impacts what products are made from. MAS prioritises traceable material sources and implements controls aimed at increasing recycled or regenerative raw material content, exploring natural material alternatives, and introducing bio-based and biodegradable materials.

DESIGN AND MERCHANDISING:

Material-use efficiency and product longevity through design and merchandising – Processes aim to increase utilisation of mono-materials (improving recyclability) and innovative technologies such as engineered knit. Products are designed for reuse, recycling, and longevity, with sustainable packaging incorporated at the design stage.

MANUFACTURING PROCESS:

Material and energy use in manufacturing – Process controls promote concepts and techniques such as natural and waterless dye technologies, undyed finishes, and bluesign® chemistries.

SOCIAL IMPACT:

Social contribution – Influences how products contribute to social wellbeing, empowerment, diversity, and inclusivity. Includes products in the FemTech and Adaptive Wear space, such as Femography and Lable by MAS.

SETTING AN AMBITIOUS COURSE AND TRACKING OUR PROGRESS

Our approach to sustainable products places sustainability at the heart of our core business; by setting stringent criteria to define and rate sustainable products, and by setting an ambitious goal – to generate 50% of apparel revenue from sustainable products by 2025, achieving 46% against this target. In an industry where the boundaries of technology and innovation are constantly evolving; we have set objectively verifiable criteria to define sustainable products.

Sustainable product criteria are monitored monthly, assessed by a central team and cascaded to all product design and merchandising teams across our divisions. Furthermore, we continually review, refresh, and update these criteria to reflect the latest advancements and industry trends – new criteria are added, and those no longer relevant are removed.

We track our progress through annual goals and interim targets. In 2023, we surpassed our internal revenue target, achieving 34% of revenue from sustainable products. This increased to 40% in 2024 and 46% in 2025, indicating strong progress, while remaining slightly below our 50% target. The success of our achievements was made possible by adoption of sustainable raw materials, pursuit of positive social impact, improvements in manufacturing processes, and innovative design and merchandising.

Review our efforts in 2025, including an innovative partnership with Ambercycle.

Progress made and successes achieved are not just our own, they are the outcome of engagement with industry innovators, the ongoing efforts of vendors and partners across the supply chain – including Tier-3 suppliers, and the commitment of our partner-brands in offering more sustainable options to their customers.

Engaging stakeholders in developing and delivering sustainable products

Our definition for sustainable products is aligned with the needs of our stakeholders, including customers and consumers. To stay ahead of the curve in a rapidly evolving industry, we are listening to the voice of our stakeholders: partners, regulators, customers, and consumers who are at the heart of growing demand for sustainable apparel.

We recognise the urgency to shift toward sustainable materials, and are working with our stakeholders to embrace sustainable materials throughout our operations. Read about our supply chain commitment and supplier engagement actions.

SOURCE SUSTAINABLY

GRI 301, 308, 414

The global apparel supply chain is characterised by its extensive and interconnected nature, spanning numerous countries and involving a multitude of stakeholders. Sustainable sourcing, within this ever-expanding value chain, is of paramount importance to business success and a crucial means to address the significant environmental and social impacts of the industry.

As consumers and brands increasingly prioritise sustainability, circularity, functionality, adaptability, and traceability; we take up the challenge of exploring new solutions and alternatives by expanding our reach and empowering our suppliers across the textile and apparel value-chain. This ongoing effort has translated into the expansion of sustainable, recycled, and Environmentally Preferred Materials (EPM) across our product lines; including organic and regenerative cotton, recycled polyester, and eco-friendly dyes

Our Approach to Products Changed for Good Cont'd

SUSTAINABLE SOURCING AND THE GLOBAL APPAREL INDUSTRY

Addressing environmental impact: From raw material production or extraction; to textile and garment dyeing, treatment, and manufacture; and eventually consumer use and end-of-life; the apparel industry's environmental footprint is significant and spread wide across the apparel value chain. From the perspective of a manufacturer, the upstream supply chain includes energy intensive processes, emissions, chemical use, and water-consumption – across every stage of the production process. And as the sector grows, it can contribute to resource depletion, pollution, and climate change on a global scale. Manufacturers occupy a niche where their initiatives and investments can inspire change and create tangible impact both upstream and downstream; driving wider adoption of sustainable practices across the apparel value chain.

Social and ethical responsibility: The apparel supply chain spans multiple continents, includes diverse communities, and employs large workforces across the globe. Guaranteeing fair and safe labor conditions, upholding respect for human rights, and ensuring compliance with ethical best-practices throughout the supply chain is an enormous and continuous challenge. Social and labour compliance across this expansive network is an urgent priority with entire regions, sectors, suppliers, and eventually brands – facing increased risks associated with poor labour conditions and non-compliance in the supply chain. Aside from sustainability-related risks, regulators and consumers are pushing for greater accountability, transparency

in the supply chain. Aside from sustainability-related risks, regulators and consumers are pushing for greater accountability, transparency, and traceability; leading to intensified scrutiny on the supply chain. With these demands in the fashion industry, ethical sourcing practices – including independent verification, certification, and accreditation – are rapidly becoming prerequisites for effective supply chain management.

Mitigating business risks and seizing opportunities: Beyond an ethical imperative, effective management of an expansive supply chain is also essential for management of business risks associated with the availability and pricing of raw materials. Geopolitical shifts, climate change, and other disruptions only exacerbate risks. Diversifying material sources, investing in sustainable alternatives, and supporting suppliers can help build a more resilient supply chain; which in turn can contribute to business success. While managing and monitoring suppliers across continents can present challenges, following demand-signals and maximising opportunities can also unlock competitive advantages and a multitude of strategic benefits. Rethinking of supply chain economics to mitigate risk and address future needs can be crucial for long-term competitiveness.

Facilitating the transition to a circular economy: As the apparel industry takes on the challenge of shifting towards a circular economy, strategic supply chain management and sustainable sourcing are crucial to minimising waste, designing for circularity, and reintroducing recycled input

materials into the production process through closed-loop solutions.

RAW MATERIALS (RM) SOURCING

We approach sustainable sourcing of raw materials through a comprehensive strategy that prioritises partnership across the supply chain to responsibly source and develop organic, regenerative, natural, and recycled raw materials – which help mitigate the sector's negative environmental impacts.

We are promoting the switch to more sustainable and traceable cotton, working to purchase and use man-made cellulosic fibers from closed-loop sources, and have been carrying out extensive groundwork to source and integrate regenerative cotton into our product-mix. We prioritise sourcing environmentally preferred materials with adequate traceability and certification, while continually investing in future materials and seeking natural alternatives to synthetics.

Bringing the use of sustainable raw materials to a commercial scale is a long-term effort, with impediments due to premium pricing, price fluctuations, ethical considerations, climate change impacts, sociopolitical instability, regulatory developments, and the gap between consumer aspiration and action.

Despite these challenges, we hold that sustainable sourcing is a critical lever in delivering on our promise of Products Changed for Good; and we are determined to continue efforts to collaborate with industry partners and improve transparency

and traceability measures across the apparel value chain – to improve acceptance, availability, and use of sustainable raw materials.

TRACEABILITY AND CERTIFICATION FOR THE MATERIALS WE SOURCE

MAS employs stringent environmental and social thresholds, and leverages well-established systems, standardised processes, and robust networks; in order to offer products and solutions that adhere to globally accepted sustainability and traceability standards, and brand-specific requirements.

We offer our customers a diverse portfolio of ethically sourced, sustainable, certified, and verified products, bearing industry-accepted certifications, and meeting traceability best-practices. Our sustainable product offering is a direct result of continuous engagement and enhanced transparency across our supply chain, and incorporation of environmentally preferred materials such as organic or regenerative cotton, recycled cotton, recycled synthetics, and manmade cellulosic fibers (MMCF).



Our Approach to Products Changed for Good Cont’d

In a competitive industry, certifications and sustainability standards have grown to become a business necessity for retailers, apparel manufacturers, and raw-material processors and producers alike.

- Our efforts to source certified raw materials contribute to management and mitigation of business risks. Since certified materials often come with assurances of quality, safety, and compliance with environmental and social standards, ensuring certification can mitigate risks associated with potentially negative environmental or social impacts. It also supports compliance with regulatory requirements and reputation management by mitigating non-compliance risk, reputational risk, and related fines and legal disputes.
- Certifications often involve traceability and transparency mechanisms that allow MAS to track the origin and journey of materials throughout the supply chain. This transparency helps identify and address any issues or risks related to raw material sourcing, such as environmental degradation, deforestation, or human rights violations.
- Our sustainable products and solutions utilising certified raw materials serve as a differentiator: setting MAS products apart and creating access to new markets and customers that prioritise sustainability.

Recognising the increasing criticality of transparency and traceability prompted by emerging regulations, client guidelines, and consumer expectations; we are proactively implementing and enhancing traceability measures across our apparel value chain.

This involves active collaboration with industry partners to improve compliance, adoption certifications, and maintain requisite documentation; thereby increasing visibility upstream and broadening the availability of sustainable raw materials for our customers. By prioritising transparency and traceability, we aim to build resilient strategies adaptable to potential disruptions and ensure the integrity of our sustainable sourcing efforts.

Explore the advancements we achieved this year in our journey toward Improving digital traceability across the supply chain.

MANAGING OUR PRIORITY RAW MATERIALS (PRM)

MAS utilises the Textile Exchange’s Materials Terminology Guide to define Priority Raw Materials (PRM) that make up a significant share of the raw materials in our products. Sustainable sourcing of some of these raw materials, such as cotton, also pose material risks to our business and the value chain through their potential impact on ecosystems and communities. In order to sustainably manage such impacts and business risks, we have management strategies in place for each PRM.

Priority raw material	Environmental or social factors	Business risks or opportunities	Management strategy
Cotton/Cellulosic materials	Climate change, water usage,land use, land degradation, material sourcing from placesof conflict	Impact to the availability of cotton, volatility in pricing	Source regenerative cotton, switch to more sustainable and traceable cotton, purchase manmade cellulosic fibres (MMCF) from closed-loop sources, source natural materials with traceability and certification
Synthetic materials	Climate change, emissions, and environmental impact ofnon-renewable fossil fuels,potential for micro-plastic pollution	Change in the product mix and orders from customer due to change in customer demands. Increase use of sustainable natural materials. Changes in regulations with regard to the fossil fuel industry and with regard to synthetics due to micro-plastics. Higher prices of synthetics, which are now some of the lowest cost fibres for textile manufacture	Invest in materials of thefuture, seek out natural alternativesto synthetics,explore partnerships to access torecovered synthetics

Our Approach to Products Changed for Good Cont’d

OUR SUPPLY CHAIN COMMITMENT

GRI 408,409

MAS operates in 13 countries, with manufacturing facilities in seven countries and design houses in five. Working with a number of leading partner-brands, we depend on a large number of external vendors and suppliers for raw materials like fabric and lace ,as well as packaging, labelling, chemicals, and dyes. Our engagement with suppliers extends beyond direct suppliers (Tier 1) to include Tier 2 and Tier3 suppliers in key sectors and regions. Our supply chain commitment extends to building a resilient and transparent supply chain that prioritises sustainability. We believe that developing a sustainable and ethical supply chain is a robust and viable way to drive adoption of sustainable products.

Our commitment exceeds initial due diligence and screening of suppliers to a deep engagement across the value chain; fostering a stronger commitment to ethical business practices that align with our procurement standards, including anti-bribery, anti-corruption, and non-solicitation.

We actively engage with our suppliers to pursue sourcing of sustainable raw materials; ensure environmental compliance, including the phasing out hazardous chemicals and restricted substances; encourage energy efficiency and emissions reduction; and promote social compliance and ethical business practices. Our pursuit of environmental compliance and efficiency improvements across the apparel supply chain can contribute to significant

reductions in waste generation, chemical discharge, energy-use, and emissions.

With an extensive supply chain spread across the globe, successful supply chain management and effective monitoring and enables us to deliver on our broader sustainable product strategy. Supplier best practices also play a vital role in achieving the environmental and social objectives of our customers, and the wider expectations of end-consumers.

The MAS Vendor Code of Conduct (VCC) serves as a binding agreement between MAS and its suppliers, going hand-in-hand with a supplier agreement. All onboarded suppliers are required to sign and agree to comply with the Code. Beyond requiring suppliers to comply with all applicable national laws and regulations, the Code outlines a number of requirements, standards, and best practices, and sets out a guideline for greater transparency and traceability across the supply chain. These standards guide engagement between MAS and suppliers, and the interactions of suppliers with their own stakeholders. Our complete Vendor Code of Conduct is available online corporate website.

Meeting traceability and transparency requirements, we exercise due diligence in screening and onboarding new suppliers, while continuing to monitor and empower existing suppliers through a variety of assessments, audits, and other activities. Vendor onboarding includes standard Mill Evaluation visits and signing of MAS’ Vendor Code of Conduct.

Ethical sourcing	Ethical business practice	Intellectual Property and product stewardship	Environmental compliance	Social compliance
Including human rights and trade compliance	Including anti-bribery, anti-corruption, and fair competition	Including data protection and product safety	Including environmental protection and performance	Including labour practices and health and safety standards

SUPPLIER ENGAGEMENT AND CONNECTIVITY

While selection, onboarding, and allocation of suppliers is closely tied to the needs and standards of customers and particulars of specific products, we employ a comprehensive sourcing and procurement strategy that ensures fair, equitable, and sustainable supply chain management. The strategy prioritises the needs of our business and customers, aligns with our growth strategies, provides suppliers with essential and streamlined management support, and delivers outstanding value to cultivate a best-in-class supplier base. Digitalisation is a key tool in our arsenal for increased efficiency, integration, and data analysis that supports decision-making.

Our expanding supplier ecosystem requires diligent management to ensure procurement competitiveness, security of supply, and sourcing agility; all while upholding the highest environmental, social, and ethical standards. This is achieved through proactive supplier relationship management complemented by ironclad due diligence, continuous assessment, and stringent controls.

MAS’ supplier management strategy and cascaded sectoral action-plans provide a clear roadmap for our teams to follow. The strategy prioritises strategic sourcing, aligns with national imperatives, and emphasises proximity sourcing to foster strong local relationships. This commitment to local suppliers has yielded multiple benefits, including increased operational efficiency, stronger relationships, and positive impact on local communities, industries, and value chains.

Our Approach to Products Changed for Good Cont'd

INSPIRING CLIMATE ACTION AND ENVIRONMENTAL PROGRESS

Leading the way beyond regulatory requirements, we work with our suppliers to improve their environmental performance – through energy efficiency, emissions reduction, and other improvements that benefit their own operations, improve competitiveness, and result in positive outcomes for the environment.

Our commitment to the Science Based Targets initiative (SBTi), and the ambitious target of reducing emissions by 25% by 2025 serves as a catalyst for our efforts to advance climate action across the supply chain. We work with our key suppliers to adopt the SBTi methodology and establish clear and measurable targets for emissions reduction. These efforts are in line with our commitment to ensure 85% of our suppliers by spend and 100% of joint ventures in Scope 3 investments will have science-based targets by 2025.

SUPPLY CHAIN COMPLIANCE AND PERFORMANCE

Our commitment to sourcing sustainably and empowering the apparel sector involves a multi-pronged approach to managing environmental and social impacts across the supply chain.

ENVIRONMENTAL STANDARDS AND COMPLIANCE

MAS sets stringent requirements including minimum standards and controls inline with national regulations, customer requirements, and industry best-practices.

We utilise the Higg Facility Environmental Module (FEM) tool from the Sustainable Apparel Coalition (now Cascale) to assess environmental management standards, ensure national and industry regulations are met, and facilities are in compliance with industry standards. A significant portion of our RM spend-base have adopted the Higg FEM platform for self-assessments, with many also seeking out independent third-party on-site assessments and verification.

For chemical management and water stewardship, we ensure suppliers comply with Zero Discharge of Hazardous Chemicals (ZDHC) standards and guidelines. Assessments and inventory checks through the ZDHC gateway ensure ongoing compliance of suppliers. We monitor subcontracting wet operations against local discharge regulations and ZDHC Wastewater Guidelines (WWG) through annual testing, and extend our oversight to cover Tier 2 suppliers supplying wet raw materials. The ZDHC Gateway is an important tool that enables suppliers to provide timely, standardised reports, and maintain compliance against guidelines.

SUSTAINABLE SOURCING: ENSURING PRODUCT SAFETY AND STEWARDSHIP

MAS' commitment to eliminating hazardous chemicals and restricted substances extends to the supply chain. Our processes to ensure produce safety and stewardship through responsible chemical use, and the performance of our supplier facilities, is detailed in the section Our Planet Changed for Good – Responsible Chemical Use (page 146).

To ensure product commitments are met, we closely track several operational metrics impacting quality, reliability, and efficiency. Some of the KPIs measured include First Time Through (FTT) and On-Time Delivery (OTD).

SOCIAL STANDARDS AND COMPLIANCE

The MAS VCC includes highly detailed standards for social and labour compliance that encompass fair treatment; recruitment and employment contracts; working hours, leave, and wages; benefits and compensation; health and safety; and effective grievance handling. The Code also upholds freedom of association and collective bargaining to ensure worker voices are heard and involvement is ensured.

We encourage suppliers to adopt compliance tools such as the Higg Facility Social and Labour Module (FSLM), which utilises assessment tools and processes outlined by the Social and Labour Convergence Programme (SLCP). In addition to suppliers onboarded to Higg FSLM, some MAS divisions also conduct audits of labour practices.

PIONEER CIRCULARITY AT SCALE

Consumers, retailers, manufacturers, and regulators around the world have come to realise that the apparel industry's traditionally linear model – manufacture, sell, discard – is unsustainable. Recognising this shift towards circularity, where materials are kept in use and waste is minimised, we actively prioritise circular thinking in our operations, partnerships, and products.

THE CIRCULAR ECONOMY AND SUSTAINABLE FASHION

Upstream environmental impact:

Circularity prioritises using recycled, renewable, or upcycled materials, lessening the demand for virgin natural resources with a significant environmental footprint, or fossil fuel-derived synthetics that can contribute to greenhouse gas emissions. Circular thinking in raw material sourcing encourages adoption of environmentally preferred materials with lower environmental footprints, promotes more sustainable or regenerative agricultural practices, and incorporates innovative new closed-loop materials made from waste streams.

Design, merchandising, and production: System-change, aligned with circularity, at the design-level can result in higher quality, greater-durability garments that can withstand prolonged use; thereby indirectly reducing material consumption. In addition, designing for recyclability, through the use of mono-materials or other means, can facilitate easier recycling at end-of-life – improving the uptake of waste diversion initiatives. Other changes at manufacturing, such as efficient cutting techniques, utilisation of surplus materials, and waste minimisation systems can directly reduce or waste during manufacture. Circular thinking, by responsible brands, can encourage design and marketing concepts such as repair-reuse-resale, which can maximise value and extend the lifespan of products; thereby reducing the demand for new production.

Our Approach to Products Changed for Good Cont'd

Downstream environmental impact:

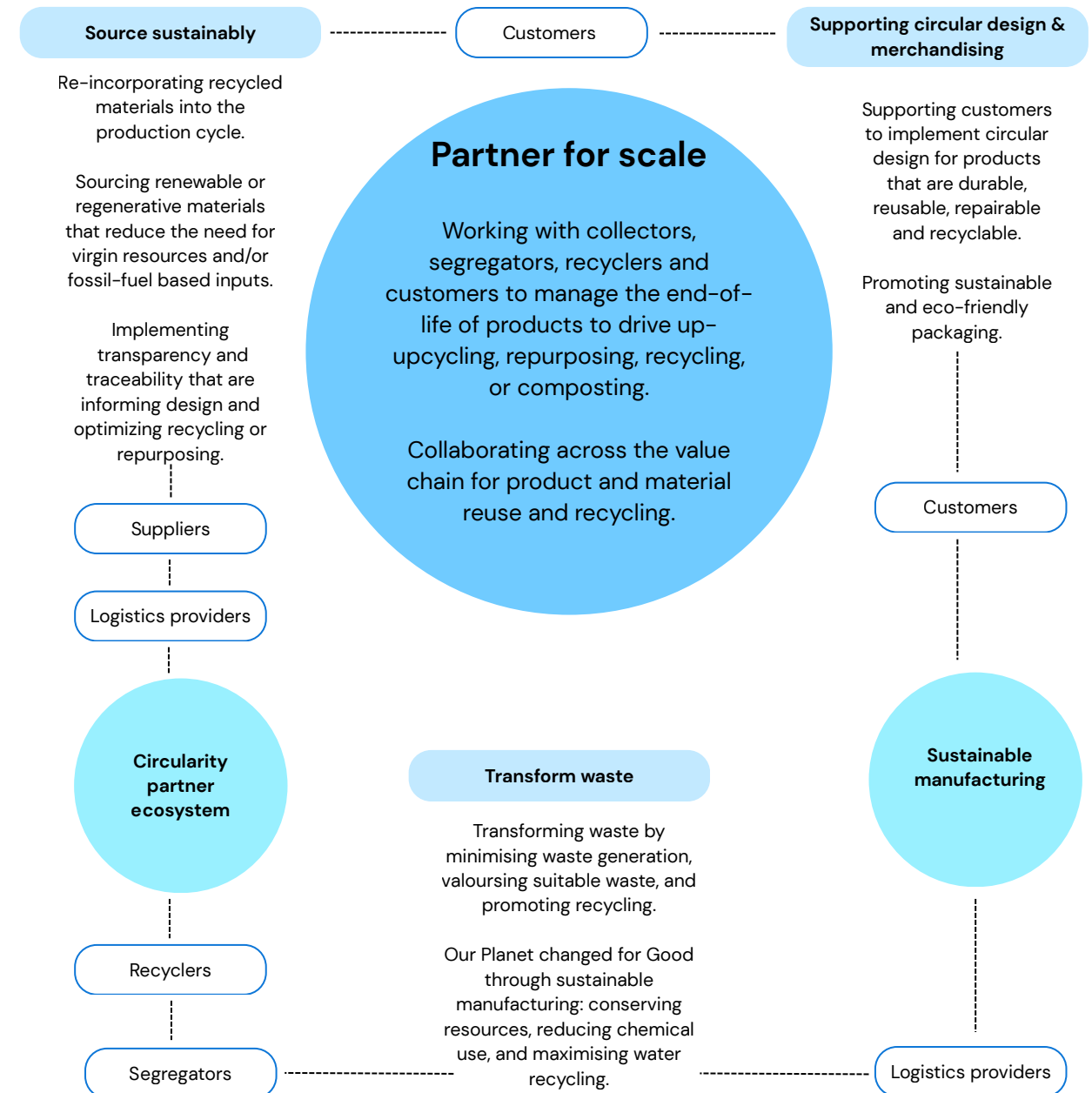
Innovations related to durability and the incorporation of biodegradable natural fibers, can help reduce the downstream use-phase impact of microplastic shedding – a significant environmental concern. End-of-life apparel waste is a major downstream environmental impact, but one that can be addressed by circularity as creative re-use and recycling can result in diversion of apparel waste from landfills and incineration. In addition, incorporation of natural raw materials, designed for safe biodegradation, can also minimise waste-related impacts. As circular principles evolve, scale, and find increased adoption; textile-to-textile recycling and other innovative technologies are improving the volume of products at end-of-life that can be recycled; resulting in closing the loop and reducing extraction of further virgin resources.

OUR APPROACH TO CIRCULARITY

We actively explore avenues to advance circularity in our operations through a dedicated team and collaborative approach across the entire value chain; including material sourcing– re-incorporating recycled materials and sourcing renewable/regenerative materials, product design – designing for re-use and recycling, and manufacturing advancements and waste management innovations across our own operations.

The MAS Circularity Team comprises specialists in fabric technology, waste management, partnerships, and business development, and achieving circularity at scale is enshrined in our Plan for Change. Our circularity network spans a number of geographies and includes multiple supply chain stakeholders: recyclers, sorters, solutions providers, innovators, reverse logistics partners and more. Connecting across national borders and industries, we are making progress in mapping networks and partners to promote circularity, and are extending our engagement beyond immediate (Tier 1 suppliers) to include Tier 2 suppliers.

In addition, the MAS Sustainable Product Criteria and rating system are also informed by circularity principles – ensuring our efforts for sustainability through circularity are integrated in the core line-of-business.



Our Approach to Products Changed for Good Cont'd

SOURCING SUSTAINABLY

We work with suppliers, partners, and innovators to responsibly source and develop recycled and regenerative raw materials. This includes adopting and investing in initiatives such as circular or HeiQ's AeoniQ™ regenerative yarns like and Ambercycle's cycora® –to expedite their reach, scale, and commercial adoption.

SUPPORTING CIRCULAR DESIGN AND MERCHANDISING

We work with partner-brands to innovate the way products are made, and implementing circular design principles for durability, reusability, repairability, and recyclability in products. This means wherever possible, we produce apparels that can last longer, use fewer resources, and be recycled after use. Our active innovations include the utilisation of mono-materials to improve recyclability and employing innovative technologies like engineered knit (E-knit).

With a global production footprint and almost all packaging materials sourced externally, our experienced merchandisers and customer-facing teams play a key role in ensuring packaging is sustainable. While customer-nomination is the primary driver behind selection of packaging materials, the majority of our packaging products come from sustainable certified sources, and we work with customers and suppliers to source reclaimed and/ or recycled materials wherever possible.

TRANSFORMING WASTE

As part of our commitment to the environment outlined in the Plan for Change:Our PlanetChanged for Good pillar, we focus on minimising waste generation, valorising suitable waste, and promoting recycling. Our efforts include partnering and establishing networks to convert RM waste into new yarn and developing projects to separate and recover materials from garment waste. Our initiatives extend to addressing waste outside our operations– exploring avenues to scale synthetic and natural fibre recycling and reincorporation of post-consumer waste into the production process. Innovative partnerships and projects such as Cellucycle, are delivering impressive results through closed-loop recycling of cotton-polyester fleece waste.

PARTNERING FOR SCALE

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

Recent collaborations, such as our work with CIRCULOSE, an award-winning Swedish textile-to-textile recycling initiative, are scaling access to high-quality recycled materials.

Our Approach to Lives Changed for Good

Material Topics

- Empowering Women
- Sustainable Compensation
- Diversity, Equity, and Inclusion
- Learning and Development
- Health, Safety, and Wellbeing
- Engaging and Purposeful Culture
- Community Development

Aligned GRI Topical Disclosures

- GRI 401: Employment
- GRI 402: Labour Management Relations
- GRI 403: Occupational Health and Safety
- GRI 404: Training and Education
- GRI 405: Diversity and Equal Opportunity
- GRI 406: Non-Discrimination
- GRI 407: Freedom of Association and Collective Bargaining
- GRI 413: Local Communities

At the centre of our ability to be a potent force for good is an evolving social compact with our employees and communities; a partnership built on shared values and mutual benefit that is shaping industry norms.

As a global apparel manufacturer with a significant presence in South Asia, we understand the scrutiny our industry faces regarding labour practices. We are committed to demonstrating a departure from those norms, investing in training,

development, and equitable compensation. We aim to provide careers, not just jobs, by implementing these principles across our diverse operations.

Beyond our factories, we are committed to community development, acknowledging the intrinsic link between our success and the prosperity of the regions in which we operate. This involves partnerships and local initiatives aimed at long-term sustainable growth. We are acutely aware that the efficacy of these programmes and their ability to address complex socio-economic realities requires ongoing assessment.

HOW WE DRIVE SOCIAL SUSTAINABILITY

To ensure our social responsibility translates to tangible impact, we employ a robust tracking system aligned with the social pillar of our Plan for Change.

Introduced in 2020, the MAS Social Sustainability Scoring Tool (SS Tool) integrates key social sustainability KPIs into our group strategy deployment, Hoshin Kanri.

This tool effectively cascades our social impact ambitions throughout the Organisation, from leadership to employees. Individual facility scores, calculated monthly, quarterly, and biannually, are tied to CEO performance. Collated data is rigorously validated by pillar and divisional leads and shared with senior management. Finalised scores are shared with the CEO's office and other Senior Management personnel.

EMPOWERING WOMEN

Given that women constitute a significant majority of our global workforce, women's empowerment is not just an ethical imperative; it is a core business strategy. Our work in this regard involves directly addressing gender gaps specific to the apparel sector, and persistent structural inequalities existing in the various countries we operate in.

Recognising this pivotal role women play in the social sustainability of our enterprise, we prioritise diversity, equal opportunity, and women's development across our operations. We believe true women's empowerment is not achieved through a single programme, but through a holistic ecosystem.

To this end, we employ a framework for women's empowerment that integrates economic, social, and political dimensions, and considers ten broad areas that we feel are crucial to creating workplaces where our women can thrive.

- Career advancement
- Skill development
- Women's health and SRHR
- Preventing gender-based violence
- Creating role models
- Unconscious bias training
- Childcare and maternity support
- Mentoring and sponsorship for women
- Recruitment, retention, and promotion strategies
- Flexible work and family friendly policies

Career advancement and skill development not only allow our women to excel at their jobs, they also provide fundamental tools for economic independence. Programmes that address women's health and SRHR, alongside those preventing and addressing gender-based violence are working to safeguard women's physical and psychological safety.

Childcare facilities and flexible work arrangements are crucial enablers that address practical realities and alleviate the significant burden of caregiving that often disproportionately falls on women. These proactive policies and investments in infrastructure allow our women to pursue and maintain employment as they balance professional ambitions with family obligations. In turn, these structural elements in our workplaces enhance overall work-life integration, and reduce the need for women to choose between career and care.

Creating and uplifting role models is a means to inspire even more women, while unconscious bias training helps recognise and reduce internalised systemic biases, while challenging systemic norms and disparities. Mentoring and sponsorship create pathways for inspired and empowered women to take up leadership positions, strategic recruitment, retention, and promotion policies solidify these gains – ensuring our workplaces suitably respect, and retain the women who empower our global operations.

Our Approach to Lives Changed for Good Cont'd

Women's empowerment programmes integrate targeted interventions with broader system-change; wrought through policy support, infrastructural investments, affirmative action, and addressing of unconscious bias. This reflects the understanding that individual empowerment requires systemic change that tackles the root causes of gender inequality, including gaps in resources, skills, and rights. These efforts are nurturing an enabling environment that can attract, retain, and empower our female talent to excel.

We are also proud signatories of the UN Women's Empowerment Principles since 2011, members of the UN Global Compact since 2003, and one of the first Sri Lankan signatories to the UNGC's Target Gender Equality programme.

To ensure these commitments and conversations translate into lasting impact, we continuously engage with the women across our operations, regulators and policy-makers in government, schools and universities that are inspiring young minds, and other stakeholders who are committed to empowering women and shifting mindsets towards diversity and inclusion. We also work with government and non-government bodies, international organisations and subject experts to understand gaps and needs, and to identify the best ways to go about addressing these.

Having leadership buy-in is a crucial part of this journey. The efforts in this space are therefore governed and strategically driven by the Board of Directors, with the commitments and KPIs embedded into the performance management process, starting from the Group CEO, to all CEOs of Strategic Business Units (SBUs), as well as the entire HR fraternity across the business. Progress is measured along with all business KPIs in our main strategy process.

Our targets for representation of women in management and in manufacturing leadership are set as strategic reward-based goals for leadership. Over the years, we have worked on many interventions to support and develop more women into the leadership pipelines, leading to incremental changes in this indicator. There are also bi-annual checks and quarterly progress reports sent to the Group CEOs office, which help business teams to check and adjust interventions along the way.

In addition to the priority focus areas outlined below, our policies, process, and initiatives for talent acquisition and retention, learning and development, employee wellbeing, DEI, health and safety, culture and purpose, and employee engagement; all apply to, and benefit, the women in our organisation.

WOMEN IN MANAGEMENT

At MAS, we are actively paving the way for more women to lead. This commitment is demonstrated through strong leadership support, accountability, and a focus on cultivating a supportive and inclusive work environment. We further amplify this commitment through internal and external media campaigns that spotlight inspirational women.

MAS has consistently celebrated women who surpass limitations and reach new heights, recognising them as an inspiration to the organisation and beyond. Elevating them as role models and sharing their success stories is a core strategy for promoting gender equality across our operations.

ENABLING ENVIRONMENT AND AFFIRMATIVE ACTION

At MAS, we believe in prioritising our employees while extending support to their families and communities. We champion policies and infrastructure that enable women to achieve their full potential in the workplace. This includes advocating for and implementing childcare facilities, lactation rooms, flexible work arrangements, and comprehensive parental leave policies, which attract and retain female talent while fostering their wellbeing and career advancement.

Going beyond basic support, our 'Dignity of Motherhood' programme, carried out by

MAS Intimates provides holistic pre- and post-natal care for mothers and babies. Similar division-driven programmes are implemented and independently managed across all our SBUs. Additionally, MAS has standardised maternity and paternity leave policies across the Group. Maternity leave is a mandatory provision that we make available to all pregnant mothers across our operations, in line with legal requirements.

Similarly, all fathers are entitled to paternity leave. Wherever possible, we attempt to provide benefits that surpass regulatory requirements in order to better support our workforce. For example, since January 2023, MAS KREEDA pioneered additional childcare and dependent care leave for all employees.

ADDRESSING WOMEN'S HEALTH, SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS (SRHR), AND GENDER BASED VIOLENCE

Over the last few years, we have significantly deepened our focus on crucial areas such as Sexual and Reproductive Health and Rights (SRHR) and Gender-based and Intimate Partner Violence (GBV/IPV). This underscores our recognition, aligned with the World Health Organisation's (WHO) work on SRHR as fundamental human rights and the International Labour Organisation's (ILO) findings on the detrimental impact of GBV on workplace productivity and women's wellbeing. By preventing and addressing these issues, we aim to safeguard our female workforce and contribute to broader societal progress.

Our Approach to Lives Changed for Good Cont'd

In 2024, we also initiated our Men Engage efforts to better understand and address challenges faced by men due to gender expectations, expanding our overall approach to inclusion.

MEANINGFUL EMPLOYMENT

GRI 401, 404, 405

Our operations extend across fourteen countries, including customer-facing and support functions in North America and Singapore. The diverse MAS workforce, rich in unique perspectives, skills, and abilities, fuels our impact through the Plan for Change.

To support our workforce our greatest strength we leverage advanced technology and talent analytics, ensuring seamless integration, compliance, and optimisation of our HR systems.

In line with our commitment to Meaningful Employment, all our staff including factory-floor teams across our global operations, are classified as full-time employees. The majority of our workforce are employed on a permanent basis, with employment status confirmed after a probationary period. A smaller portion are employed on fixed-term contracts, based on operational needs and in compliance with local labour laws. However, a significant proportion of employees in Jordan, Kenya, and Vietnam are engaged on fixed-term contracts.

TALENT ACQUISITION AND RETENTION

GRI 401

With approximately 75% of our workforce based in Sri Lanka, MAS operations and employees were significantly impacted by the country's economic challenges, affecting both hiring and turnover rates.

OUR CORE VALUES IN RECRUITMENT

At MAS, talent acquisition extends beyond filling vacancies; we seek individuals who resonate with our core values and purpose. We aim for candidates to understand our organisation's ethos, driven by purpose and shared values. Our employer value proposition embodies this commitment, with diversity, equity, and inclusion as fundamental principles. As an equal opportunity employer, we ensure these principles are reflected in all internal and external branding materials. Recruitment decisions are based solely on merit, guaranteeing a fair and inclusive hiring process. We continuously improve our recruitment strategies, measuring success through KPIs such as internal mobility, first-year performance, first-year retention, and recruitment lead times.

STRENGTHENING LOCAL TALENT PIPELINES

To strengthen ties with future talent, MAS actively participates in career fairs, including dedicated recruitment events at state and private universities. We offer personalised guidance to students, providing insights into our business roles

and expectations. These engagements maintain our brand presence among future job seekers and contribute to workforce capability development. We also facilitate skill development programmes to prepare graduates for the evolving world of work, and cultivate strategic partnerships with universities and professional bodies.

BUILDING GLOBAL PARTNERSHIPS FOR TALENT

MAS extends its talent acquisition efforts globally by participating in international events that offer students from around the world the opportunity to experience our facilities, gain business insights, participate in workshops, and immerse themselves in Sri Lankan culture. These events also enable us to establish valuable connections with international universities for future programmes.

LEARNING AND DEVELOPMENT

GRI 404-2

A robust Learning and Development (L&D) strategy is no longer a mere benefit, but a necessity. We believe a culture of continuous learning creates a resilient and innovative workforce. Through upskilling and multiskilling, our employees receive tailored learning opportunities, enabling them to excel in their roles and advance their careers. Through their success, we ensure MAS remains competitive, agile, and primed to navigate a dynamic business landscape.

We continuously evaluate our training programmes and actively seek feedback from our employees to stay ahead of industry trends, adapt to evolving market needs, and ensure that our skill development initiatives remain relevant. As the future of work evolves, so do we. By staying informed on the latest talent trends and best practices in capability building, we ensure that we remain at the forefront of our industry.

Transparency and accountability are fundamental to our L&D strategy. We uphold compliance with international standards and integrate anti-corruption policies into our training programmes, reinforcing our reputation as a responsible and ethical corporate citizen.

GRI 404-1

Through MAS Education, our central learning hub, all employees from team members to executives have access to technical and leadership training, strategic and cross-functional learning initiatives, and self-learning opportunities that drive career growth.

Our Approach to Lives Changed for Good Cont'd

THE MAS 70:20:10 PHILOSOPHY

Our multifaceted approach ensures employees feel empowered in their roles and contribution to the organisation's strategic goals.

Experiential Learning (70%):

We prioritise experiential, encouraging employees to gain insights through real-world application.

Social Learning (20%):

Social learning fosters knowledge sharing through peer interaction and mentorship.

Formal Learning (10%):

Formal training programmes aim to bridge skill gaps and provide up-to-date knowledge.

TRAINING AND DEVELOPMENT AT EXECUTIVE LEVEL AND ABOVE:

- A standardised learning and development (L&D) Policy ensures a streamlined learning experience across all divisions.
- A template is used to track the 70% experiential learning component, facilitating improved evaluation and feedback.
- Development programmes incorporating essential technical competencies are provided for senior staff.
- Quarterly forums for divisional L&D champions foster communication, collaboration, and the sharing of best practices, ensuring synchronised learning and development efforts across MAS.

LEARNING AND DEVELOPMENT CYCLE

MAS employs a comprehensive learning cycle that comprises six components, which drive the organisation's learning and development initiatives each year. The components of the L&D cycle are interconnected and interdependent, and therefore all essential for successful implementation of the L&D strategy.

LEADERSHIP SKILL DEVELOPMENT AT SHOP FLOOR LEVEL:

- A structured framework has been developed to enhance core competencies among Group Leaders (GLs).
- The Shilpi programme equips GLs with instructor skills, enabling them to effectively deliver training to their teams.
- Certification and diploma programmes focus on refining soft skills and enhancing technical knowledge for GLs.

Competency Assessment

Evaluates the expertise of the job-holder against levels of competence required to perform the job-role.

IDP Formulation

Identifies skill-gaps based on the skills and levels required for the role. This also sets out competencies to be developed, thereby guiding learning interventions required to close or minimise the skill gap.

HRD sign off on IDP

The process of vetting prepared IDPs from a human resources perspective to match skill gaps with training resources, in order to best align and plan competency development.

Budgeting

Following signoff, a Learning Menu is developed and circulated along with the Learning Catalogue. Budgeting guidelines align with the business context and future direction. Divisions prepare their budgets against IDP requirements, taking into account the above considerations.

Nominations call out

The process of calling out nominations for the signature programmes offered by the COE. Divisions are required to indicate their budgeted headcount for each signature programme and IDPs are prioritised during this process.

Execution of L&D Interventions

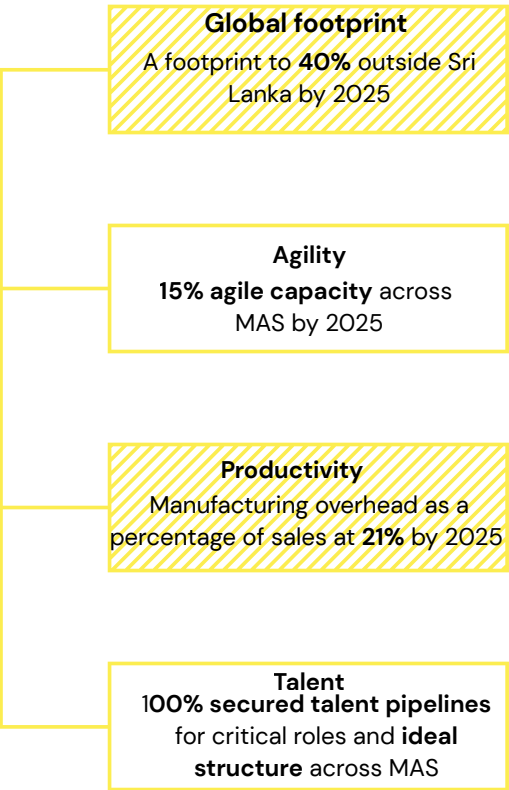
Implementation of COE-led learning programmes according to the predetermined programme calendar. Divisions can run their own programmes as required, at divisional level.

Our Approach to Lives Changed for Good Cont'd

BUILD BACK BETTER

We continuously evaluate our training programmes and actively seek feedback from employees to stay ahead of industry trends, adapt to evolving market needs, and ensure that skill development initiatives remain relevant. As the future of work evolves, so do we. By staying informed on the latest talent trends and best practices in capability building, we ensure that we remain at the forefront of our industry. The MAS Build Back Better initiative exemplifies this approach.

Strategic priorities



The Build Back Better initiative was implemented across MAS from 2022 onward, with a focus on expanding the Group’s global footprint, enhance agility by increasing capacity spread, improving productivity by controlling manufacturing overheads, strengthening talent through 100% secured talent pipelines for critical roles, and establishing an ideal structure across MAS.

TALENT

The Talent Pillar was specifically aimed at developing talent and strengthening capabilities to support long-term organisational goals with a special focus on manufacturing. The initiative focuses on attracting and retaining global technical talent, cultivating a strong leadership pipeline, and enhancing skills to ensure adaptability in the evolving manufacturing environment.

- **Optimising Resource Utilisation (Manning):** Ensuring that resources are effectively allocated to meet evolving business needs.
- **Building Globally Ready Leaders (Leadership):** Developing leaders who can sustain manufacturing excellence and drive organisational growth across global markets.
- **Enhancing Technical Skills (Technical Talent):** Strengthening technical expertise to augment standards of quality and innovation in manufacturing processes.

What?	Why?	Sub levers	Sub lever scope
• To ensure that the required talent and capability is available to support the 3 pillars (agility, productivity and GFP) and drive MAS’ long-term manufacturing and operations strategy	• Attract and retain global technical talent to support growth • Securing the global leadership pipeline to drive MAS long-term manufacturing strategy • Right skill set to support the manufacturing and operations strategy • Optimising manning and the structure • Changing nature of global manufacturing landscape	• Manning • Leadership • Technical Talent	• To move towards optimum utilisation of resources while maintaining ideal material flow which would support in enhancing productivity • Build and sustain globally ready, inspirational leaders who drive manufacturing excellence in MAS’s aggressive growth plans • Enhancing the right technical skill set to support manufacturing and operations strategy

Our Approach to Lives Changed for Good Cont'd

TECHNICAL TALENT

The Technical Talent sub-pillar of the Build Back Better initiative focused on enhancing technical skills across job families and roles within the manufacturing community. This initiative spans the Group's key legal entities and includes positions ranging from Executive to General Manager, across 16 job families in the manufacturing scope. Developing technical talent within the Group was identified as a key factor to drive efficiency and productivity, facilitate multidisciplinary rotations, and deliver innovative solutions aligned with market trends and customer demands.

The initiative also provides a platform for employees to acquire the product-related technical expertise necessary to excel in their roles while addressing technical skill gaps and developing the training programmes to build capability. It also fosters retention through opportunities for career progression, continuous learning, and talent rotation within manufacturing.

Setting and standardising technical competencies was an element of our approach that defined the set of technical skill required to effectively perform specific job roles. Our journey began in early 2023 with a comprehensive review of existing technical competencies, which needed updating, seemed outdated, or was misaligned with evolving demands of the industry and the organisation. Guided by product technical experts, we evaluated and refined these competencies to ensure relevance and adaptability to the current business landscape.

KEY STEPS OF THIS PROCESS INCLUDED:

Competency Refinement:

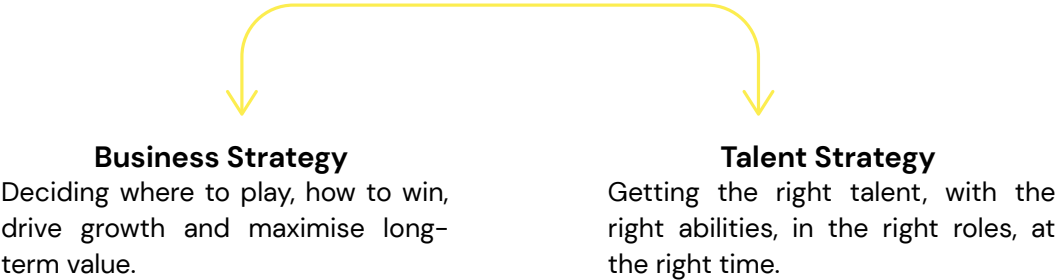
From an initial list of 154 technical competencies, the programmed focused on 20 core areas that aligned with the Group's strategic priorities. This framework also built a foundation for technical competency development of other job families across the business.

Dynamic Framework:

Competencies were redefined to reflect current industry standards, technological advancements, and organisational needs.

Technical competencies	
- Original framework developed by Deloitte, required revamping to reflect advancements. 154 outdated and redundant competencies, established a decade ago, no longer relevant to evolving industry needs. - Reduced to 8 technical competencies with the input from product experts, SMEs, and Group Ops leads. To be dynamic and relevant.	To assess technical competency, identify gaps and develop technical talent in manufacturing.
Technical Training	
- Existing technical trainings were Division-specific training led to inconsistencies. Programmes were redundant and repetitive. - Manual developed to ensure standardisation and consistency across all divisions. - Repository of all existing technical training programmes.	A collective of carefully curated and focused technical knowledge to address the technical skill gaps.
Ideal Profile	
Outlines key capabilities (Knowledge, troubleshooting, continuous improvement).	To identify and develop the ideal technical talent required to bring out the potential of the organisation's talent.

Competencies are the bridge that aligns the Business and Talent strategy



Our Approach to Lives Changed for Good Cont'd

CREATING IDEAL PROFILES

1. Ideal Profile Overview

- Defines the essential technical skills and expertise required for a specific job role.
- Outlines expectations for troubleshooting abilities, technical capabilities, and contributions to innovation.
- Designed with input from the Group Operations Core Team and SMEs to ensure accuracy and standardisation.

2. Impact of the Ideal Profile

- Enhances Performance – Provides clear competency guidelines to improve job effectiveness.
- Drives Innovation – Encourages new ideas and solutions for operational excellence.
- Supports Career Progression – Helps employees identify skill gaps and grow professionally.
- Ensures Consistency – Establishes standardised technical competencies across teams.

3. Check and Adjust Approach

- Regular Assessments – Periodic reviews to keep competencies aligned with evolving needs.
- Stakeholder Feedback – Engages SMEs, managers, and employees for real-world validation.
- Performance Tracking – Monitors the impact of competencies on employee effectiveness.
- Continuous Improvement – Updates based on industry trends and operational feedback.
- Ethical business practices are deeply embedded in our learning initiatives. Whether through the MAS DNA E-learning modules, virtual, or in-person training sessions; we provide our employees with the knowledge and tools to navigate the complexities of the business world with integrity.
- At MAS, we take a data-driven approach to capability building, identifying skill gaps through a structured competency assessment process and deploying targeted training programmes to address them.

STEPS IN COMPETENCY ASSESSMENT

The IDP deployment of technical competencies, as with the Technical Competency Framework, follows the same process.



Our Approach to Lives Changed for Good Cont'd

COMPETENCY FRAMEWORK

MAS follows a competency-based learning approach that cascades to creation of individualised learning plans for employees based on their current level of competence. This approach helps employees gain the specific knowledge, skills and abilities they need to excel in their current role; or to progress to another role as could be defined by a Succession Development Plan (SDP).

Competencies create a link between the abilities of the job holder and the expected level of expertise for the job-role, which enable the organisation to clearly define skill-gaps.

The MAS Competency Framework has established two main streams of competence – leadership and technical. These are further sub-divided to ascertain 14 criteria for leadership competence, and specific technical competence defined by the nature and job-specific subject matter expertise required.

INVESTING IN GROWTH

In a constantly evolving work landscape, MAS is at the forefront of talent development by staying informed on the latest global L&D trends and best practices. We conduct regular assessments of our L&D programmes and encourage employee feedback, ensuring our skill development initiatives are aligned with changing market demands.

Ethical business practices are integrated into all learning initiatives, from MAS DNA E-learning modules to virtual and in-person training, equipping employees to navigate business complexities with integrity. We have adopted a data-driven approach to L&D, identifying skill gaps through structured competency assessments and deploying targeted training programmes. The Group's L&D function tracks training hours and conducts assessments to measure effectiveness and optimise our investment. This translates into specialised skill enhancement programmes such as MDP, EDP, BCE, MCL, Elevate for senior leadership, and mechanic training and self-employment skills programmes for team members and staff.

Regular performance reviews and career development discussions are integral to our strategy. We provide constructive feedback and foster accountability, empowering employees to achieve their full potential and career aspirations. All executive and senior employees undergo annual performance reviews, while team members and other staff are evaluated during probationary periods and career transitions.

TEAM LEADER AND GROUP LEADER DEVELOPMENT

MAS provides a Technical Skills Development programme specifically designed for Team Leaders (TLs) and Group Leaders (GLs). This programme develops both technical expertise

and essential soft skills, enabling participants to excel in their leadership roles and adapt to evolving industry demands.

The programme offers a structured learning pathway with certificate, diploma, and degree levels, catering to diverse learning needs and career aspirations. To ensure relevance, both the certificate and diploma programmes are periodically revised to reflect updated industry requirements.

PERFORMANCE MANAGEMENT

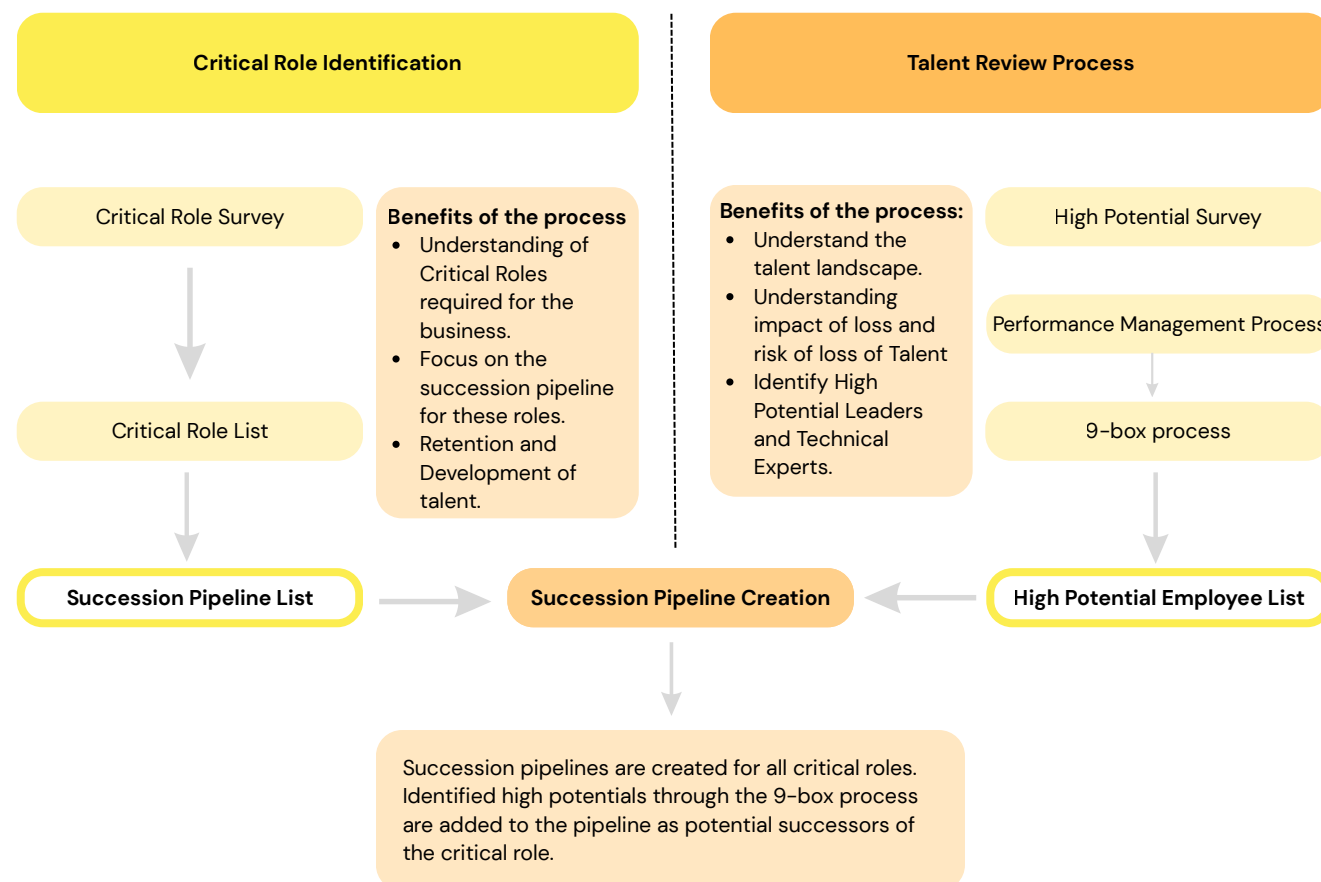
The MAS Performance Management (PM) system provides a continuous process designed to empower our workforce in the dynamic apparel industry. It focuses on identifying, measuring, and developing individual and team performance, directly aligning efforts with our overarching organisational objectives. This comprehensive approach includes clear goal setting, mid-year reviews for progress tracking, values assessments to reinforce our core principles, and year-end evaluations for overall performance and future development planning.

Through targeted opportunities, we enable employee growth and skill enhancement. While all Executive levels and above undergo annual reviews, Staff and Team Member evaluations are tailored to specific roles and skill requirements.

BUILDING FUTURE LEADERS: SUCCESSION MANAGEMENT AT MAS

A strong pipeline of talent is crucial for filling and ensuring continuity in critical roles that are considered vital for business performance. Our robust Succession Management (SM) process supports this through the structured identification and development of Talent. This process is integrated with other talent management functions and is continuously augmented to allow enhancements and ensure that we adapt to evolving talent needs. We leverage our performance management system and surveys to identify high-potential talent and critical leadership roles, providing a clear overview of our talent landscape. In addition, leadership KPIs have been established to measure the process' effectiveness and ensure accountability.

Our Approach to Lives Changed for Good Cont'd



TALENT GOVERNANCE AND REVIEW

The Talent Board, comprising of members from MAS Holdings, Apparel, and Innovations Boards, drives the Enterprise-wide talent review process which is held bi-annually. These reviews assess critical role pipelines, high-potential talent and development interventions (including talent mobility). This process supports a culture of continuous learning and growth. Additionally, Regional Talent Reviews are held to address region-specific Talent challenges across our overseas locations. To complement these initiatives, Centre of Excellence Talent Reviews are conducted to assess and enhance talent within specialised functions. These reviews help build functional bench strength, identify subject matter experts, and support talent rotation. By ensuring the right individuals across the global workforce are placed in critical roles, MAS secures both immediate operational needs and long-term business continuity.

SUCCESSION DEVELOPMENT AND PLANNING

Succession Development Plans (SDPs), are curated for individuals with talent pipelines, and aligned with targeted roles for which they are mapped. These plans are guided by MAS' 70:20:10 learning philosophy.

CAREER MAPPING AND TALENT ROTATION

A phased approach is taken to introduce Career Mapping within MAS, as a strategic tool to help employees align their career aspirations with organisational goals. This aims to provide a clear pathway for growth through meaningful experiences and skill development; by supporting internal mobility, preparing employees for diverse roles, and fostering personal and business growth. In addition, the talent rotation process promotes internal mobility; encouraging employees to explore new opportunities globally, and across different areas of expertise. Together, these initiatives foster robust Talent growth and support MAS' intention to cultivate an agile, future-ready workforce.

TALENT RETENTION

We adopt a structured approach to identify and monitor critical Talent movement monthly. A comprehensive suite of retention strategies, including competitive compensation and benefits, growth opportunities, a positive organisational culture, employee wellbeing initiatives, and talent conversations, is implemented across the MAS Group to nurture and retain this critical Talent pool.

Our Approach to Lives Changed for Good Cont'd

EMPLOYEE WELLBEING AND WORK-LIFE BALANCE

A positive work environment is built upon the fundamental wellbeing of our employees. We recognise that wellbeing drives growth, satisfaction, and resilience, and therefore champion a holistic four-pronged approach encompassing mental, physical, emotional, and financial wellbeing. In addition to these core areas, MAS extends further support to employees, including legal assistance and guidance.

Ensuring employee wellbeing and work-life balance is a core commitment within our Meaningful Employment sub-pillar. To achieve this, we implement a diverse range of health promotion programmes focused on both physical and mental wellbeing. Much of the infrastructure and policy support we have in place creates an enabling environment not only for women, but for all our staff.

Acknowledging the diverse requirements of each division within the international context, MAS grants each division the autonomy to implement customised wellness programmes. To support the health of our workforce, we ensure every Strategic Business Unit (SBU) has access to in-house healthcare professionals and well-equipped treatment facilities.

INVESTING IN OUR MENTAL WELLNESS

We recognise that mental health, substance abuse prevention, domestic abuse assistance, and suicide prevention are vital to fostering a healthy and productive global workforce. Our commitment to these concerns aligns with our foundational values of inclusivity, compassion, and support for our team, transcending typical business goals. Counselling forms an integral part of this approach, providing employees with access to support for both mental and emotional well-being.

MEASURING IMPACT AND DRIVING IMPROVEMENT

We utilise regular surveys and feedback mechanisms to assess the effectiveness of our wellbeing initiatives and identify areas for enhancement. Continuous needs assessments further inform the customisation of our programmes to meet the diverse requirements of our team.

Recognising the sensitive nature of wellbeing topics, MAS designs all programmes to ensure confidentiality and provide safe spaces for employees seeking support. Information on accessing these services is readily available to all employees.

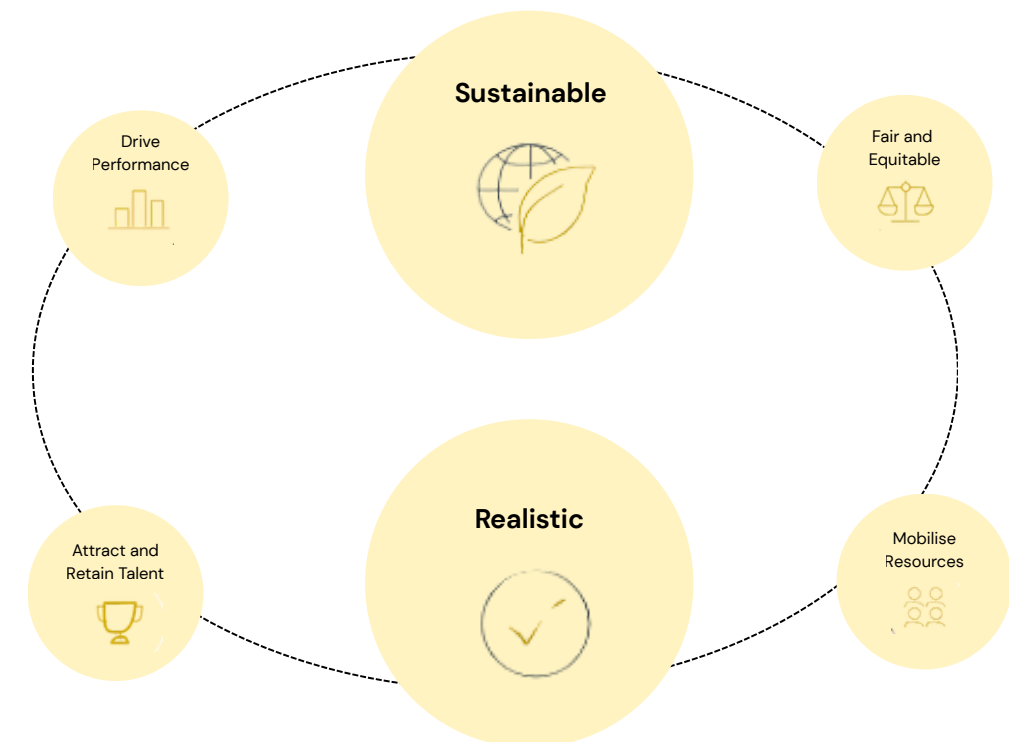
BEYOND WELLBEING: ADDITIONAL SUPPORT

Many of our programmes go beyond core wellbeing dimensions, offering additional elements such as legal guidance and support. Additionally, to further assist our employees, most of our SBUs have appropriately included creche and day care services, as described in the sections detailing our programmes that are empowering women.

COMPENSATION AND BENEFITS

GRI 401-2, 2-19, 2-20

Our commitment is to guarantee fairness and equity for all within our workplace. This commitment is evident in our competitive compensation packages, which consistently exceed minimum wage standards. We categorically reject discrimination in our compensation and benefits practices. We firmly believe that recognition and reward at MAS should be based exclusively on an individual's contributions to the Company's success, irrespective of social factors.



Our Approach to Lives Changed for Good Cont'd

STANDARDISED REMUNERATION POLICIES AND PROCESSES

We employ a standardised and accountable approach to ensure sustainable compensation for employees across the Group. The Compensation Committee, comprising key members of our apex governing body, Group-level senior leadership, HR, Finance, and the Compensation and Benefits (C&B) Team, oversees all compensation decisions, including increments and bonuses.

Guided by an internal charter that outlines processes, authority, and scope of oversight, the Compensation Committee endorses annual increments and makes, vets, or approves key C&B decisions based on their business impact. A compensation subcommittee supports routine and internal C&B matters. We adhere to best practices and fairness protocols outlined in the Group's Compensation and Benefits Centre of Excellence (CoE) guidelines.

COMPREHENSIVE AND EQUITABLE COMPENSATION AND BENEFITS

Our compensation and benefits strategy is designed to be comprehensive and equitable. We provide fair and competitive remuneration, aligned with market standards, industry benchmarks, and individual performance. Our benefits surpass national mandates, prioritizing employee wellbeing, engagement, retention, and empowerment to meet organisational needs.

The Group's compensation practices include an annual increment process that adjusts salaries, aligning with our rewards framework, considering employee categories, addressing organisational needs, and adhering to global best practices.

MAS provides employees with benefits such as medical, illness, and accident insurance, communication and transport allowances, and support for professional development and wellbeing. These benefits are delivered equitably, while also considering specific job roles and designations.

RECOGNISING LONG-SERVICE

MAS values employee loyalty, demonstrated through our 'Experience and Recharge' long-service leave. Senior Executives, after five years of continuous service, are entitled to a 5-day break, while Assistant Managers and above enjoy a 10-day break. This benefit recognises the dedication of our long-serving team members and is granted every five years.

PROPELLING PROFESSIONAL GROWTH

MAS encourages continuous professional development by reimbursing pre-approved annual professional membership fees, up to a specified limit, for Executive-level and above employees in Sri Lankan SBUs. This benefit, effective from their start date, empowers employees to remain current with industry trends and refine their skills, benefiting both individual growth and organisational expertise.

CULTIVATING AN INCLUSIVE AND RESPECTFUL WORKPLACE

MAS actively maintains an inclusive work environment that champions diversity, inclusion, and freedom of expression and identity. We strictly prohibit discrimination and harassment. All individual-related decisions are made fairly, considering business needs, job requirements, and merit. We expect everyone to contribute to this environment by treating each other with dignity and respect.

Our Equal Opportunity and Anti-Harassment Policy applies comprehensively to all stakeholders including employees, candidates, advisors, clients, vendors, partners, and visitors guaranteeing a safe and respectful experience across all interactions with MAS, both inside and outside our premises.

To establish a uniform Freedom of Association (FOA) Policy across all MAS divisions, we conducted a comprehensive review of existing policies, consulted with internal and external experts, and studied relevant ILO conventions to align with global best practices. Based on these insights, an FOA Policy was drafted and translated into three languages for accessibility, reaffirming MAS employees' fundamental right to freely associate and express themselves. Following leadership alignment, the policy is scheduled for formal rollout across the organisation by the first quarter of 2025.

INCLUSIVE EMPLOYMENT FOR PERSONS WITH DISABILITIES (PWDS)

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

Our Supported Employment Process provides personalised assistance and accommodations to facilitate successful workforce integration for employees with disabilities. Supported Employment Officers work directly with these employees, ensuring they receive the necessary support to thrive and contribute meaningfully to the Company.

Our strategy for creating an inclusive workplace for PWDs focuses on four key investments:

- **Employ:** We value the unique talents and perspectives each employee brings. True inclusivity is realised by fostering an environment where all individuals can excel and contribute their best, irrespective of challenges.
- **Enable:** We empower employees with disabilities through essential support systems, including a buddy system, sign language training, and accessible technology.

Our Approach to Lives Changed for Good Cont'd

- **Engage:** To build a sense of community and belonging among employees with disabilities, we organise annual engagement events, like outings and gatherings. We also partner with disability networks for community initiatives, offer accessible JCC minutes, and provide sign language and emergency training for families and friends of persons with disabilities.
- **Empower:** We promote autonomy by providing PWDs new job opportunities or cross-functional roles, enabling them to achieve their full potential. Additionally, we offer specialised counselling, mentoring, and avenues for leadership and soft skills development.

The need for sensitisation was also identified through feedback received through internal surveys. Reflecting on this need, we partnered with the Grassrooted Trust due to their wealth of experience and expertise in this space. Having begun with Focus Group Discussions (FGDs) to understand current levels of awareness in this space, sensitisation workshops were developed, and roll-out was initiated in small but steady steps across the Group.

With the understanding that collaboration is essential for meaningful interventions and progress in this space, MAS continues to partner with organisations such as The Grassrooted Trust, the National Transgender Network Sri Lanka, and EQUITE Sri Lanka. Together, we develop comprehensive training programmes, identify support system gaps, establish access processes, raise awareness, and train internal facilitators to lead SOGIESCS sensitisation across all organisational levels.

SEXUAL ORIENTATIONS, GENDER IDENTITIES, GENDER EXPRESSIONS, AND SEX CHARACTERISTICS (SOGIESCS)

In 2022, MAS began a programme for sensitisation regarding People of Diverse Sexual Orientation, Gender Identities and Gender Expressions, and Sex Characteristics. This was a need mandated through our Equal Opportunity and Anti-Harassment Policy as well as our Meaningful Employment pillar under the Company's 2025 Plan for Change strategy; wherein we have made a pledge to uphold non-discrimination and to foster diversity and inclusion with freedom of expression and identity for all.

WORLD-CLASS WORKPLACES

GRI 402, 403

Our Commitment:

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

MAS is dedicated to establishing world-class workplaces that prioritise safety, security, and employee engagement. We aim to cultivate a rich and purposeful culture that fosters productivity and a sense of belonging, ensuring our facilities provide an ideal, comfortable, and secure environment for our teams to excel.

We aspire to global leadership in sustainable, ethical, and people-centric business practices. We go beyond industry or regional standards by actively listening to employee needs and benchmarking our performance against global best practices.

OUR COMMITMENT TO WORKPLACE HEALTH AND SAFETY

GRI 403-9, 403-10

Employee safety and wellbeing are a fundamental responsibility at MAS. We foster a proactive and interdependent safety culture, driven by a shared commitment to eliminate accidents, incidents, and diseases throughout our operations.

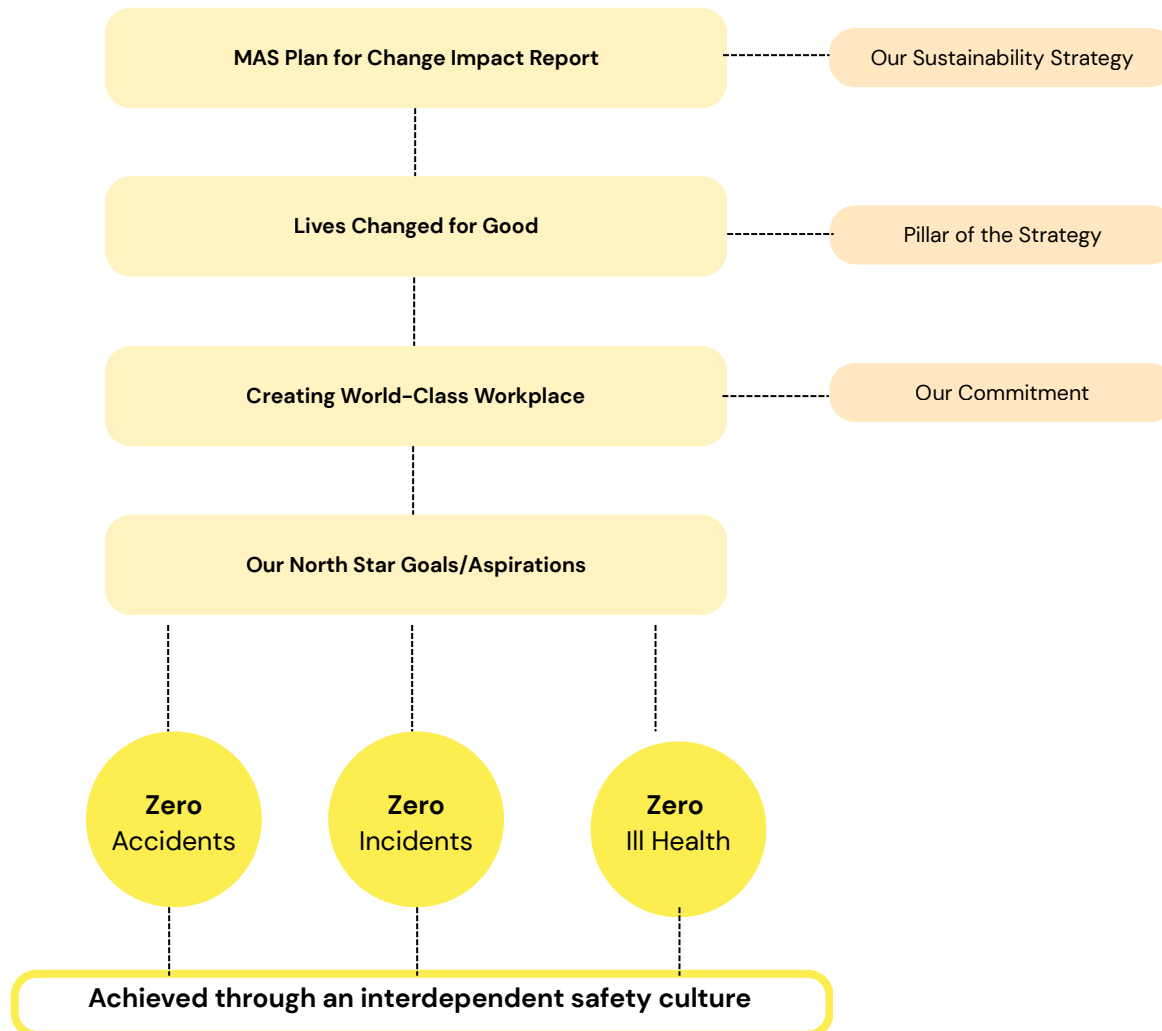
We are establishing annual targets for incident frequency and severity rates across all operational levels, while maintaining our long-term aspiration.

A healthy workforce is essential for our long-term business success. To this end, we have implemented diverse programmes focusing on physical and mental health. These initiatives include programmes for non-communicable disease prevention, eye protection, nutrition promotion, breast cancer awareness, reproductive health enhancement, mental health support, and stress management resources. Potential work-related ill-health from exposure to hazards such as noise, chemicals, and vibration are also monitored. To support our long-term aspiration for zero accidents, incidents and diseases, we are establishing annual targets for incident frequency and severity rates across all operational levels. Our efforts aim to improve overall employee wellbeing, contributing to productivity, satisfaction, and sustained engagement with MAS.

Our Approach to Lives Changed for Good Cont'd

OUR OCCUPATIONAL HEALTH AND SAFETY (OHS) FRAMEWORK

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



MAS implements a robust Occupational Health and Safety (OHS) management system across our global operations, covering all employees and contract workers across the Group. This system surpasses legal requirements and aligns with international standards such as ISO 45001, ILO standards, industry-specific frameworks like the Social and Labour Convergence Project (SLCP), and globally recognised standards for responsible business, such as SMETA.

Our OHS commitment extends to onsite service providers, partners, and stakeholders. To manage and mitigate business interruptions and impacts associated with OHS issues, emergencies, and disasters, we employ an overarching framework. This framework includes developing and periodically reviewing SBU-level, Divisional, and Group-level disaster management plans. We also conduct mock drills, internal, and external audits to ensure all relevant stakeholders are informed and aware of disaster and crisis management plans and protocols.

A strong safety culture requires active participation from all stakeholders, particularly our teams. Employee awareness and engagement are vital for adhering to safety protocols, maintaining compliance with standards, and upholding a safe and healthy work environment.

Employee representatives across our Strategic Business Units (SBUs) serve on active Health and Safety (H&S) committees, acting as changemakers to influence leadership and peers.

Training, knowledge development, and competency development in OHS are crucial for effective H&S management. We methodically identify required competencies and knowledge for each job role and individual, as part of our hazard identification and risk assessment framework. This enables us to establish a comprehensive training schedule covering general safety standards and job-specific safety information and protocols. Our H&S training covers a wide range of areas, including fire safety, electrical safety, chemical management, confined-space entry, fall protection, laser and radiation safety, machine safety, lockout and tag-out procedures, ergonomics, and contractor safety.

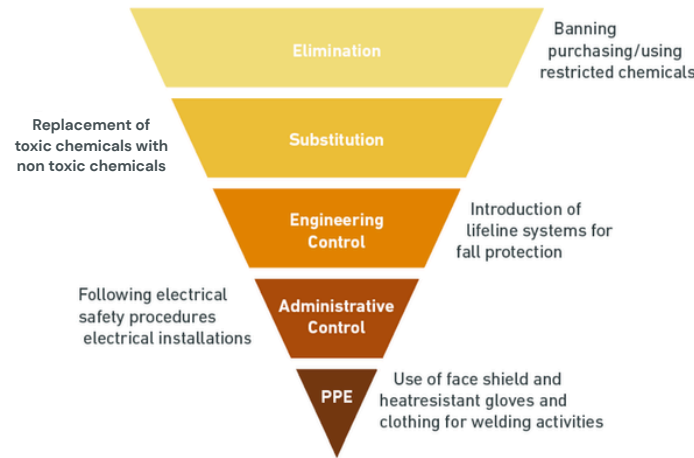
To facilitate reporting and engagement, MAS offers various channels for employees to report near-misses, safety suggestions, and Kaizen improvements (continuous improvement initiatives), including mobile apps, QR codes, WhatsApp groups, paper forms, and Fuguai tags (F-tags) placed on machinery. We reinforce employee participation in OHS through safety inductions, awareness campaigns, promotional competitions, and systems that recognise and reward responsible actions. H&S is also integrated into departmental KPIs.

Our Approach to Lives Changed for Good Cont'd

HAZARD AND RISK MANAGEMENT SYSTEMS

GRI 403-2

Through our OHS framework and management system, we proactively identify potential hazards and risks at all operational sites. A dedicated, skilled team performs regular hazard assessments, prioritising control measures based on a risk management hierarchy that includes elimination, substitution, engineering controls, administrative controls, and personal protective equipment (PPE).



OPERATIONAL CONNECT

GRI 402-1

Operational Connect unites HR operations leaders from each division. This platform facilitates the resolution of potential shop floor issues and drives a unified HR Operations strategy – “One MAS”. The Connect also enables the sharing of best practices for the broader group and community, creating a comprehensive understanding of the operational landscape.

EFFECTIVE EMPLOYEE REPRESENTATION AND COMMUNICATION

MAS prioritises a people-first approach, upholding the principle of freedom of association as outlined in ILO Convention 135, which concerns worker representatives. This is implemented through functioning workers’ councils: the Joint Consultative Committee (JCC) and the Employee Representative Body (ERB). Representatives are

democratically elected annually by employees. JCC/ERB meetings require a recommended quorum of employee representatives. Management ensures fair elections, efficient issue collation, and timely grievance responses. Representatives advocate for shop floor employee interests, addressing a range of issues and ensuring all departmental voices are heard.

Monthly JCC/ERB meetings serve as a problem-solving platform, where representatives and management collaborate on remuneration and working conditions to achieve mutually beneficial solutions. Transparency is ensured through certified minutes, shared for clear communication. The JCC/ERB also plays a crucial role in dispute resolution, involving senior leadership when necessary. This demonstrates MAS’ commitment to fair grievance processes and responsible corporate practices.

MAS continues to strengthen the digitisation of operational data and establish robust data-capturing mechanisms across the organisation. These efforts support leadership, divisions, and business units with actionable insights, enabling more informed and data-driven decision-making through timely and accessible data.

MAS also continued to strengthen knowledge sharing on best practices and subject-matter expertise, while facilitating the development of HR operational dashboards such as the ERB / JCC Dashboards and the TM & Staff Recruitment Portal. These dashboards enable MAS to better analyse shop floor sentiments and internal

recruitment funnels, supporting continuous improvement and more responsive management action.

Further to the above, Senior Management plant visits and MAS’ open-door policy provide employees direct access to leadership, ensuring their concerns are heard and addressed.

Please refer page 126 of the Impact Report for more details on our Operational Connect framework.

STAKEHOLDER ENGAGEMENT AND TRANSPARENCY

Our commitment extends to fostering strong relationships with all stakeholders, including law enforcement, regulatory authorities, schools, hospitals, and the wider community. A dedicated community grievance mechanism enables local residents to voice concerns related to MAS operations, which are reviewed and addressed appropriately.

BUSINESS STRATEGY COMMUNICATION

MAS prioritises open communication through a multi-layered stakeholder engagement approach. Annual and biannual town hall meetings provide employees with insights into the business landscape, customer trends, and strategic direction. While the specific notice period for operational changes may vary depending on the complexity of the change, plant and divisional leaders conduct regular briefings, fostering a

We take a comprehensive approach to hazard identification, including evaluating the potential impact of occupational exposure to chemicals, heat, noise, vibrations, and other factors on employee health and wellbeing.

Our Approach to Lives Changed for Good Cont'd

shared understanding of organisational goals and strategies. Transparency is paramount during operational changes, with employees informed in advance to allow for review, feedback, and revisions, building trust and strengthening engagement.

LEADING INDUSTRY CHANGE

Driven by the HR Operations function, MAS seeks to shape industry standards and practices, guided by our core values of fairness and equity, thereby establishing MAS as a leading force within both industry and national spheres.

Through strategic relationships with key governmental and industry stakeholder: specifically, by partnering with organisations such as the Department of Labour and Foreign Employment, the Board of Investments Sri Lanka, the Joint Apparel Association Forum (JAAF Sri Lanka), and the Sri Lanka Apparel Exporters' Association (SLAEA), HR Operations contributes to critical industry dialogues and policy formulation.

PROACTIVE CRISIS MANAGEMENT

Crisis Response Protocols were established in response to the COVID-19 outbreak. Since their inception, this model has continued to guide the organisation in addressing a range of challenges faced by both the business and its employees, including the economic crisis and flood relief efforts, among others. A more descriptive example of the following includes:

2020 – 2021: Establishment of Covid 19 guidelines, management protocols and privately managed COVID care centres for employees and their families.

2022: Management of Economic Crisis – Crisis management Initiatives focused on supporting employees and communities such as:

- Multiple Exgratias :during the economic crisis to reduce the impact of cost of living.
- The Sisu Diriya project, designed to support the continuing the educational aspirations of our employees' children by donating books and stationary across MAS.
- MAS collaborated with the nation's leading businesses in joining the “Manudam Mehewara” initiative as part of our commitment to the communities to which MAS contributed Rs.100 million to assist low-income segments of the country via the proxy of the Sarvodaya movement.
- Initiation of the dry ration project to all employees and employees from third-party service providers.

2025: Management of the aftermath of Hurricane Ditwah – Efforts put into rehabilitating and repairing 857 employee houses, which had been fully or partially damaged due to the floods and earth slips and extending support to 6000+ employees and family members.

EXPERT HR ADVISORY AND POLICY DEVELOPMENT

The HR Advisory function serves as a central hub for expert advice on employment and labour law at the Group level. Its focus is on developing and implementing policies that standardise and simplify existing labour practices across the Company's divisions. This includes providing support in areas

such as Employee Lifecycle Management (ELM) and social, labour, and health and safety compliance, by considering local and international labour standards to ensure adherence to labour law.

LABOUR LAW COMPLIANCE

HR Operations also provides Labour law related advice for manufacturing consolidation efforts and addresses potential complications with the relevant internal and external stakeholders, playing a vital role in supporting effective problem-solving and legal adherence. This proactive approach safeguards MAS and our employees during challenging times

A PURPOSEFUL CULTURE

In 2021, a powerful movement was launched to ignite a deeper understanding of our Company's purpose. One hundred senior leaders, including our CEOs, took on the mission of weaving MAS's core purpose into the very fabric of their leadership approach and daily operations. While their efforts sparked a ripple effect, divisional and SBU Purpose Ambassadors lead dynamic workshops across our entire workforce. Through these interactive sessions, our employees have begun discovering their own purpose, aligning professional aspirations with personal fulfilment. Our success has inspired us to progressively expand our network of Purpose Ambassadors to connect with our global team in their native

languages. Through focus groups, employees expressed a desire for a stronger connection between their daily work and MAS's overarching purpose. In response, we are implementing employee-driven strategies to bridge this gap. By fostering a shared sense of purpose, MAS is building communication, empowerment, belonging, and ultimately, productivity and organizational success.

As part of our ongoing efforts to enhance leadership capability and drive continuous improvement across the organisation, we augmented our leadership assessment with a new mechanism that captures candid employee feedback on leadership behaviours. This enables reflection on progress, identification of development areas, and strengthening of overall capability, while reinforcing accountability and fostering a culture of trust, learning, and future-focused growth across MAS. The strong volume and quality of feedback further highlight its value and the importance of continuing to strengthen this effort moving forward.

Based on insights from the Group-wide pulse checks, divisions created their own roadmaps, incorporating initiatives focused on internal development, ensuring alignment and continuous improvement.

In addition, Knowledge-sharing forums were also convened to enable cross-divisional learning, exchange practical solutions, and spotlight innovative approaches.

Our Approach to Lives Changed for Good Cont'd

MAS CHANGEMAKERS: FORGING A BRIGHTER FUTURE

To truly celebrate our purpose-driven strides, MAS unveiled the inaugural MAS Changemaker Awards in 2023. This was a powerful moment to spotlight and reward individuals who live and breathe MAS's purpose, affecting a tangible impact on people, processes, products, and our planet. We also commended teams and departments who made significant progress toward their Plan for Change milestones.

The response was overwhelmingly positive. The dedication of our "Changemakers" inspired us to launch an ongoing programme to share their stories through internal flyer campaigns across the MAS Group. To maintain consistency and fairness, we established clear recognition criteria and shared them with our HR teams, enabling recognition at both divisional and group levels. We take immense pride in our employees who embody the spirit of changemaking, and we are committed to conducting this initiative on a periodic basis to celebrate our people's contributions to positive global change.

To further empower our team to engage in meaningful projects, we introduced a global "Leave for Volunteerism" programme for executive and above cadre in 2023. It was heartening to observe that the Leave for Volunteerism saw elevated acceptance and utilisation in 2025 to either partake in MAS-driven CSR projects or engage in other activities focused on community upliftment and environmental conservation.

OUR DNA: MAS CODE OF CONDUCT

2016 marked the launch of our official Code of Conduct. Beginning with senior leadership, it was then rolled out to all managerial levels in 2017. This marked a pivotal moment: the start of a structured approach to ethical standards and professional conduct. Understanding that leadership sets the tone, we made it a priority to embed the MAS DNA among our executives and above. Their role in shaping our organisational culture and demonstrating ethical behaviour was, and is, essential.

We are taking a phased approach to instill integrity, accountability, and transparency at every level of MAS. Through targeted initiatives and ongoing engagement, we are building a shared commitment to upholding the Code of Conduct across our diverse workforce.

Our ultimate goal is to cultivate a culture of responsibility and trust, a workplace built on strong ethical principles and professional excellence. And importantly, our Code of Conduct, including our grievance handling mechanism, was designed with input from our internal stakeholders and key groups throughout the apparel value chain.

Values

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

Behavioural Pillars

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

Policies

Code of Conduct Related Policies

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

Administrative Policies

Information System Usage Policy
 Flexible Working Policy
 Leave Policy
 Electioneering Policy

AN INFORMED AND ENGAGED WORKFORCE

The Social Sustainability Scoring Tool tracks completion and comprehension, while separate reports are submitted to the Audit Committee for continuous programme improvement.

The MAS DNA comprehensively promotes ethical conduct, equality, confidentiality, data protection, and regulatory compliance within our workplace, aligning with the core principles of our Code of Conduct. To ensure ongoing awareness and engagement, we employ a multifaceted approach with: focused groups, flyers, posters, and educational videos and regular refresher training sessions.

Refresher training utilises practical examples, discussions, and case studies to illustrate policy application in real-life scenarios, engage employees at all levels and foster dialogue, clarification, and a deeper understanding of our Company values. Employees also receive guidance on equal opportunity, anti-harassment, and diversity awareness. The Social Sustainability Scoring Tool tracks completion and comprehension, while separate reports are submitted to the Audit Committee for continuous programme improvement.

Our Approach to Lives Changed for Good Cont'd

Equal Opportunity and Anti-Harassment: Our Equal Opportunity and Antiharassment Policy prohibits discrimination, harassment and retaliation based on factors such as race, gender, age, religion, sexual orientation, disability, or any other protected characteristic unrelated to job performance. We expect employees to treat each other with dignity and respect, fostering an inclusive culture where diversity is celebrated, and differences are valued. The policy includes procedures for reporting incidents to ensure complaints are promptly and thoroughly investigated, and appropriate corrective action is taken.

Conflict of Interest and Transparency: To prevent situations where personal interests might conflict with the Company's interests, our Conflict-of-Interest Policy requires employees to disclose situations where personal interests, relationships, or political and financial interests could potentially influence their decision-making or actions within the Company.

Our Gift Policy provides a clear framework for giving and accepting gifts from third parties, requiring approval for all gifts, including training, entertainment, or any other form of benefit. A comprehensive gift registry tracks all gifts received or given, regardless of value. The Gift Policy emphasises the importance of avoiding the exchange of anything, tangible or intangible, that could create bias in an employee's performance of their role at MAS. These measures promote

transparency and mitigate the occurrence of corruption and potential conflicts between employees' external activities and their responsibilities within the Organisation.

VENDOR CODE OF CONDUCT

Our Vendor Code of Conduct outlines expectations for our external partners regarding business practices, ethical behaviour and compliance. It aims to cultivate a network of trusted partners who share our commitment to ethical conduct, contributing to the overall integrity of our supply chain ecosystem.

CONFIDENTIALITY, DATA PROTECTION, AND INTELLECTUAL PROPERTY

Confidentiality, data protection, and intellectual property (IP) policies are integral to the MAS DNA. Refresher trainings cover safeguarding confidential information, respecting copyrights, and handling intellectual property responsibly. The importance of responsible social media usage is also emphasised in the MAS Social Media Policy, educating employees on maintaining professionalism and protecting the Company's reputation online.

OUR REMEDIATION PROCESS

Our approach to investigations, consequence management and centralised data recording and reporting demonstrates our commitment to fairness, accountability, transparency, and upholding organisational integrity.

When a concern is raised, we initiate a thorough investigation guided by standardised protocols to ensure fairness, objectivity, and consistency. This process begins with gathering evidence, interviewing relevant parties, and documenting findings, leading to a comprehensive analysis for effective resolution.

To determine appropriate actions in response to employee wrongdoing, we employ a structured Consequence Management Framework. This framework considers both the intent behind the misconduct and its impact on the Organisation. We evaluate the severity of the offense across impacted areas, including finances, service delivery, employee morale, reputation, and the environment. Based on these measures, we take proportional and fair disciplinary action, reinforcing a culture of accountability and ethical conduct at all levels.

All reported cases are recorded on a central platform, providing a real-time overview of investigations, actions taken, and outcomes. This dynamic tool allows us to identify trends, patterns, and recurring issues across departments or locations, enabling targeted interventions to address underlying causes.

Maintaining this centralised platform fosters trust among employees and stakeholders by ensuring access to consistent and up-to-date information. It also streamlines reporting processes, reduces administrative burdens, and facilitates compliance with regulations and internal standards, providing a clear audit trail.

CHAMPIONING EMPLOYEE WELLNESS THROUGH SPORT

Beyond manufacturing performance sportswear for renowned brands, MAS champions employee wellness through active engagement in sports. To this end, we actively encourage our employees to pursue a healthy work-life balance and enhance their physical and mental wellbeing through sports. MAS provides a platform for sports enthusiasts to compete, showcase their talents, gain recognition for achievements, and pursue their athletic aspirations.

Competing in Sri Lanka's mercantile sports arena fosters strong teamwork, a competitive spirit, and a drive for excellence – qualities that translate seamlessly into a professional environment. This boosts morale and instills a sense of purpose-driven support and strategic thinking within our corporate culture. We also serve as a clothing sponsor for national and international games, creating strategic partnerships with athletes and creating performance-engineered garments to support their diverse athletic pursuits.

Our Approach to Lives Changed for Good Cont'd

THRIVING COMMUNITIES

GRI 413, 203

Our Commitment:

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

OUR COMMITMENT TO POSITIVE IMPACT

At MAS, our priority is supporting vulnerable groups, including people with disabilities, the elderly, women, and children.

MAS'S COMMUNITY ENGAGEMENT MODEL (CEM)

GRI 413-1

At MAS Holdings, we recognise that strong, sustainable relationships with our surrounding communities are vital to our long-term success. Our Community Engagement (CE) approach stems from the belief that communities are not just beneficiaries of our initiatives, but essential partners in shaping for a better shared future.

Going beyond the corporate citizenship activities, MAS adopt a structured Community Engagement Model (CEM), which dedicated teams assess local needs, align initiatives to priority impact areas, collaborate with relevant stakeholders, allocate resources, and transparently track outcomes ensuring community action is integrated into operational planning rather than treated as standalone CSR.

The CEM model was initiated to:

- Build trust and goodwill with communities
- Position MAS as a reliable partner in development
- Reduce risks such as opposition or distrust
- Foster mutual growth between MAS and communities
- Encourage community advocacy and collaboration
- Gather feedback and ideas to improve social sustainability

The dedicated Community Engagement Team (CEM Team) is responsible for analysing community needs, public requests, and employee suggestions. This ensures that all our operations include local community engagement, allowing us to plan annual activities tailored to the specific needs and interests of each stakeholder group.

Our CEM benefits from a thorough stakeholder mapping system. Utilising a data-driven approach, we list all stakeholders in a central document and plot them on Google Maps, facilitating easy identification of relevant individuals or groups when organising activities in specific locations.

CORPORATE CITIZENSHIP

We have structured clear guidelines and methodologies, focusing on six key categories for our corporate citizenship activities: Education, Environmental Initiatives, Health, Local Connect, Nation Minded, and Sports. These categories are further divided into six subcategories: Capacity Building, Wellness, Donations, State-Run Programmes, Disaster Relief, and Infrastructure Development.

To ensure transparency and track progress, we maintain a centralised corporate citizenship dashboard, "Panthera." To empower localised action, each division controls its own Corporate Social Responsibility (CSR) budget and activity planning and is required to conduct a minimum of one corporate citizenship activity per month at phase three level.

COMMUNITY GRIEVANCE HANDLING

MAS Holdings has established structured process in which the company receives, addresses, and resolves concerns or complaints raised by individuals, groups, or organizations within the communities where MAS operates. This mechanism ensures open communication, accountability, and transparency, fostering trust and strong relationships between MAS and its surrounding communities.

Each Strategic Business Unit (SBU) is essential in clearly displaying or effectively communicating the available methods for community members to raise grievances. This ensures that communities are aware of how to voice their concerns and feel confident that their issues will be taken seriously. MAS has also established a reporting and monitoring system to track community grievances received and addressed. This allows for timely follow-up, accountability, and continuous improvement in how community concerns are managed.

Our Approach to Our Planet Changed for Good

Material Topics

- Energy and Emissions Management
- Waste Management
- Chemicals Management
- Product Stewardship
- Water Stewardship
- Biodiversity Conservation

Aligned GRI Topical Disclosures

- GRI 302: Energy
- GRI 305: Emissions
- GRI 306: Waste
- GRI 303: Water and Effluents
- GRI 416: Customer Health and Safety
- GRI 303: Water and Effluents
- GRI 101: Biodiversity

We consider environmental sustainability a non negotiable mandate integrated in how we do business, and deeply ingrained our organisational DNA and strategy. A core pillar of the MAS Plan for Change – Our Planet Changed for Good sets ambitious targets for our business: to manage and minimise the environmental footprint of our operations, extend our influence to the apparel supply chain, and champion positive and transformative change at a local, national, and global scale.

Our projects and programmes are proactive, collaborative, target driven, science based, and aligned with national priorities and international standards. They prioritise compliance and across our own operations, and wherever possible leverage our influence to catalyse better environmental practices across the supply chain and community.

MAS also integrates environmental considerations into the Company's approach to sustainable products by prioritising and incorporating sustainable raw materials in products, designing for longevity and recyclability, and working with partners to address environmental impacts of apparels across their lifecycle.

Complementary to these initiatives, the MAS Foundation for Change focuses on scalable projects, partnerships, and community initiatives that are working toward cleaner oceans; protecting and restoring ecosystems that are critical to life on our planet; and improving access to water.

LIMIT EMISSIONS

GRI 305

Climate change stands as a defining challenge of our era, and MAS is committed to being part of the solution. Our actions to address emissions in manufacturing, and across the supply chain, include adopting cleaner energy and driving decarbonisation through a variety of means.

We have aligned our climate ambitions with the Science Based Targets initiative (SBTi) as part of the Group's environmental strategy and Plan for

Change. This commitment translates to ambitious emission-reduction goals of our own operations: aiming for a total 25.2% absolute emission reduction, against our 2019 baseline and an inspirational target for our suppliers 85% of our suppliers by spend and 100% of joint ventures in Scope 3 investments, having science-based targets by 2025.

ENERGY, EMISSIONS, AND THE APPAREL SECTOR

Energy and emission intensity of production:

Manufacturing of apparels from raw material cultivation or extraction and processing to fabric manufacture, and ultimately garment production and finishing involves multiple stages of energy intensive processes. While apparel manufacturers are seeking out sustainable sources of energy, many regions involved in material production and apparel manufacture are still heavily reliant on fossil fuels to power their industries. This reliance directly translates to an additionally large emission footprint associated with energy generation for apparel production.

Complexity in materials, supply chains, and lifecycle:

A significant portion of the apparel industry's carbon footprint falls under Scope 3 emissions indirect emissions occurring throughout the value chain; from raw material extraction to the end-of-life of apparels. This includes emissions from transportation of goods across the globe, and the energy cost or emissions that result from disposal of apparel waste.

Even fabric types can have a significant influence on net energy consumption and emission. While natural farmed fibres may contribute to emissions through land use change and ecosystem destruction, synthetic fibres derived from fossil fuels can have an even higher carbon footprint than some natural fibers. In addition, the issue is complicated by the changes in customer demand and the advent of fast fashion, which has exacerbated the issue through rapid production of large volumes of apparels with shorter lifespans demanding more energy and resources.

OUR EMISSIONS IN CONTEXT

Managing emissions in the textile and apparel value chain is complex; with factors like product design and composition, sourcing strategies, intrinsic energy needs of processes, structural and technological limitations in production, and systemic challenges associated with energy sources of different countries and geographies all affecting emissions and emission intensity.

Our Approach to Our Planet Changed for Good Cont'd

	Scope 1	Scope 2	Scope 3
What it entails	Direct emissions from use of biomass and on-site fossil fuels in our equipment, machinery, and fleet.	Indirect emissions as a result of purchased electricity, heat, and steam that power manufacturing operations and ancillary functions.	Emissions across the value chain: Primarily as a result of extraction, processing, and transport of purchased raw materials upstream; waste generation in operations; and downstream distribution, use, and end-of-life treatment/disposal of apparel we manufacture.
The challenge	Cleaner sources like bioenergy come from a largely unregulated and informal biomass industry, which poses sustainability risks surrounding feedstock production and availability.	Energy intensive processes, and systemic/structural limitations of energy providers who rely on fossil fuels for energy generation.	Quantifying emissions and identifying hotspots across a broad supply chain, remains challenging. This is compounded by varying and evolving methods for assessment, data collection, and verification. Achieving concrete emission reductions requires concerted, collaborative efforts from both upstream and downstream entities, and relies heavily on market forces, global regulation, and technological advancement.
Our response	Responsible sourcing and use of biomass is ensured through the Group's Sustainable Biomass Standard; developed in line with international best practices and local adaptations Prioritising fast growing, sustainable fuelwood – such as Gliricidia, presents an innovative solution to GHG reduction. MAS Linea Intimo has established a process to procure certified biomass and in 2025 sourced 9% of its biomass from certified suppliers. Meanwhile, MAS Fabric Park initiated the development of a biomass traceability process in 2025, with the objective of obtaining SLS 1551 certification in 2026.	MAS continues to scale up renewable energy generation and consumption through investments in solar, initiation of PPAs, and purchase of RECs and iRECs. Stringent energy management and ongoing energy efficiency gains are also driving emission reduction.	Our Plan for Change includes an ongoing commitment to waste transformation, innovation, circularity, and sustainable sourcing. These hold great potential for decarbonisation across a range of areas, including elimination of waste; innovation and design for product longevity and closed-loop solutions at end-of-life; and groundbreaking partnerships sourcing alternatives to fossil-fuel based or virgin raw materials.

HOLISTIC APPROACH TO DECARBONISATION

The MAS decarbonisation programme, in line with SBTi commitments, involves systemic and structural change across the Group's entire operational footprint. Guided by Our Plan for Change, which functions as a forward-looking blueprint, we employ a holistic approach that amplifies synergies and maximises the impact of our environmental initiatives.

At a facility-level, we monitor energy and carbon intensity by division and activity. This empowers Senior Management, engineering, and sustainability teams to make informed, timely, and strategic decisions that keep our decarbonisation efforts on track. We calculate the carbon footprint of our operations monthly, and verify our emissions annually with an independent third-party the Sri Lanka Climate Fund, operating under the ambit of Sri Lanka's Ministry of Environment.

Our Approach to Our Planet Changed for Good Cont'd

ENERGY TRANSITION

GRI 302

Industries across the globe are adopting a critical shift towards cleaner energy sources, and addressing dependence on fossil fuels. Our ethos of striving for change, and long-standing climate and sustainability initiatives tackle this head-on.

Green energy projects such as MAS Project Photon, the Group's Solar PV footprint, generate clean energy, enhance energy security, and reduce overall energy costs. Similarly, Power Purchase Agreements (PPAs) with energy-providers and the purchase of Renewable Energy Certificates (RECs) and International Renewable Energy Certificates (iRECs) enable our facilities to source renewable energy at scale while we continue to invest toward building in-house renewable energy generation capacity.

CERTIFIED BIOMASS

Bioenergy, obtained from biomass, comprises a renewable and clean energy source that powers a significant portion of our operations.

While combustion of biomass does contribute to emissions, the feedstock (source plants) for biomass can sequester almost as much CO₂ during their growth phase, as they emit when combusted; making biomass a potentially carbon-neutral source.

We take a proactive and responsible approach to sourcing and utilising biomass in our operations, with stringent measures in place to record purchases and ensure traceability. In regions where the biomass industry lacks regulation, MAS has been at the forefront of promoting sustainable practices in the sector.

In 2025, MAS facilities including MAS Linea Intimo, Noyon Lanka, and MAS Fabric Park continued advancing the use of certified biomass under the SLS 1551 certification standard issued by the Sri Lanka Standards Institution. The certification aims to ensure sustainable biomass supply, environmental protection, biodiversity conservation, and strong governance and socio-economic benefits.

MAS Linea Intimo and Noyon Lanka are prioritizing sourcing from already certified suppliers, while MAS Fabric Park is working to certify its own biomass supply chain by gradually upgrading its supplier base.

In 2025, MAS Linea Intimo achieved 9% certified biomass usage, while Noyon Lanka plans to begin using certified biomass from 2026.

MAS Fabric Park made significant progress toward certification by identifying key suppliers, conducting engagement and training sessions, validating supply sources, mapping the value chain, and initiating systems for compliance. The facility targets completing third-party audits and obtaining certification in 2026.

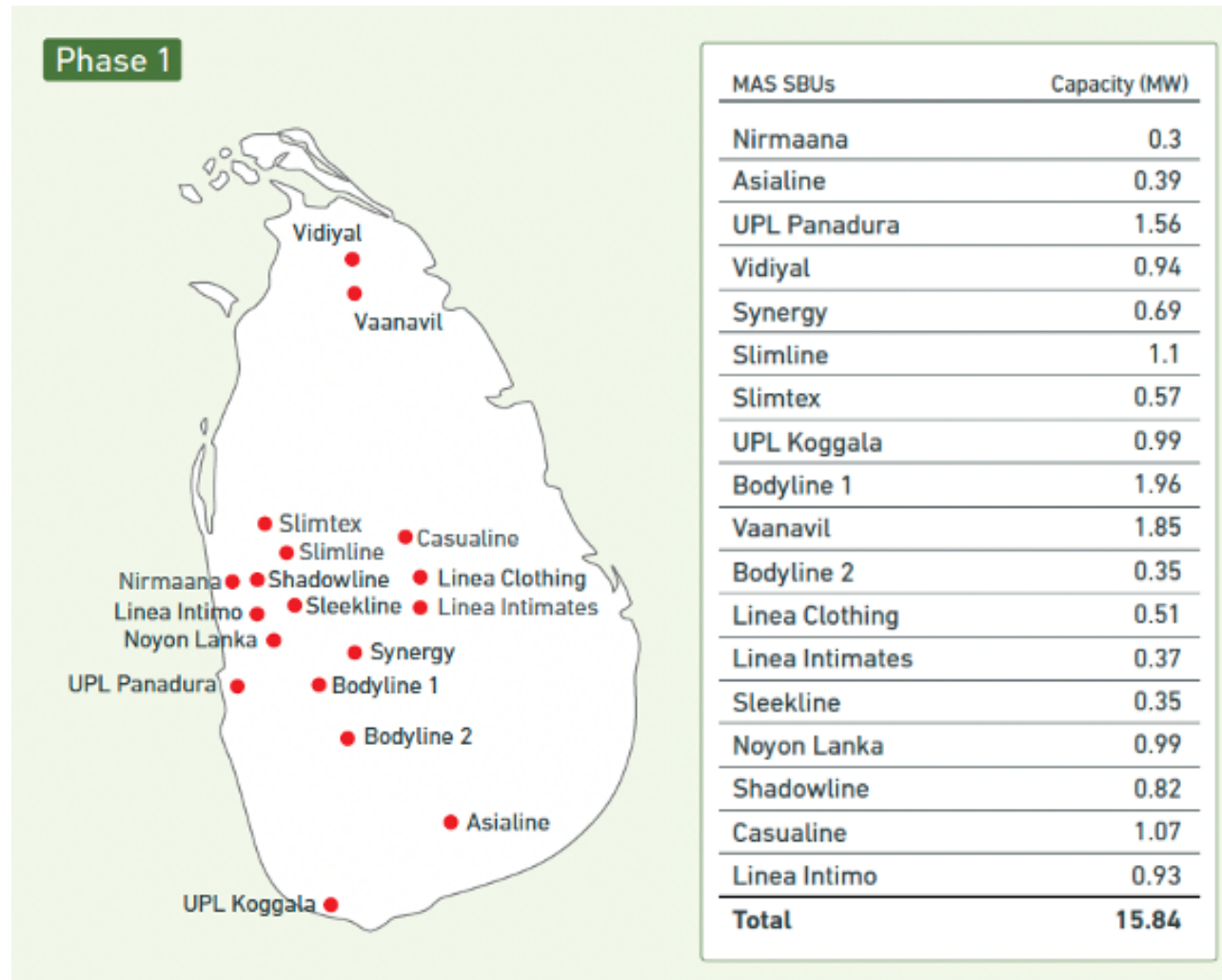
Our innovative approaches, including use of plants as biomass, have resulted in lower energy intensity, while contributing to conservation of vulnerable ecosystems. The MAS Sustainable Biomass Standard specifies suitable climate-neutral feedstock, incorporates systems for sustainable sourcing, and ensures certification and verification that prevents deforestation and biodiversity loss.

Despite the massive clean-energy potential of biomass, and associated increasing demand, there continues to be lack of awareness and reluctance of suppliers to align with the Sri Lanka Standard for sustainable fuel wood (SLS 1551:2016). This leads to persistent challenges with availability, sustainability, and pricing.

Energy transition	Transforming waste	Innovation (product and process) Products changed for good – Innovate and Disrupt (page 34)	Circular thinking Products changed for good – Pioneer circularity at scale (page 37)	Sustainable sourcing Products changed for good – Source sustainably (page 34)
Sustainable sourcing and utilisation of biomass. Scaling up renewable energy generation. Practicing sound energy management: maximising energy efficiency and saving.	Valourisation of non-hazardous waste (recycling and resource-recovery, and energy recovery). Responsible and proactive hazardous waste management (treatment, pre-treatment, repurposing, and energy recovery).	Product innovations unlocking increased resource efficiency; utilising climate-positive raw materials; and reducing waste. Process innovation that contributes to resource and energy optimisation.	Partnering across the value chain to support closed-loop solutions that address end-of-life impact of apparels. Incorporating circular design for apparel longevity, durability, and recyclability.	Collaborating with suppliers to reduce emissions. Sourcing renewable materials and alternatives to fossil fuel-based inputs. Implementing traceability that is supporting recycling.

Our Approach to Our Planet Changed for Good Cont'd

SCALING UP RENEWABLES: PROJECT PHOTON



Phase 1

- Total Capacity – 16 MW
- Investment – USD 12.7 Mn.
- Grid Connection Scheme – Net-metering
- Estimated Annual Generation – 20GWh
- Annual Carbon Footprint Reduction– 12,200 Tons of CO₂

Phase 2

- Total Capacity – 7 MW
- Investment – USD 3.3 Mn.
- Grid Connection Scheme – Net Metering
- Estimated Annual Generation – 9GWh
- Annual Carbon Footprint Reduction – 5,600 Tons of CO₂
- Contribution to MFP Electricity Demand – 20% and Phase 2

Phase 1 and Phase 2

- Total Capacity – 23 MW
- Estimated Annual Generation – 29GWh
- Number of Locations – 19
- Annual Carbon Footprint Reduction – 17,800 tons of CO₂
- Contribution to MAS Group Electricity Demand – 12%

MAS Project Photon, a multi-roof solar installation initiative, is the evolution of the Group's long-term commitment to invest in renewable energy generation. From our initial solar installation in 2008, at MAS Intimates Thurulie the world's first purpose built LEED Platinum Certified ApparelFactory, to South Asia's largest solar installation in 2015 1 MW at MAS Matrix; we have

been at the forefront of pursuing renewable energy with a legacy of early-adoption.

Today we have an installed capacity of 23 MW across 25 rooftops in Sri Lanka. Project Photon comprises an extensive solar roof area that generates clean energy exported to the National Grid, while providing additional supplementary income. Project Photon also serves as the first and largest comprehensive network of weather monitors providing real time and historical data on solar irradiance (sunlight intensity). Contributing to research and informing future investments in renewable energy.

The Project contributes to reducing our annual carbon footprint, and together with other sources of renewable energy such as certified biomass, iRECs, RECs, and PPAs; results in a significant share of the Group's energy consumption coming from renewable sources.

PARTNERING FOR RENEWABLE POWER

Partnering with energy providers through Power Purchase Agreements (PPAs) and procuring clean energy through partners possessing verified Renewable Energy Certificates (RECs), helps mitigate our reliance on fossil fuels.

MAS Indonesia is an exemplar in this regard. A partnership in place with the state-owned electricity provider PT Perusahaan Listrik Negara (PLN), sources 100% of the energy needs of our facilities from renewable sources such as the Kamojang Geothermal Power Plant. This agreement covers multiple MAS facilities in Indonesia: MAS Arya 1 and MAS Arya 2, and PT Silueta Indonesia.

Our Approach to Our Planet Changed for Good Cont'd

ENERGY MANAGEMENT

Facility-level energy management is made possible through energy monitoring systems in place at our operational locations. These systems provide real-time data on electricity-use across our operations, and have been integrated to also measure water usage at some of our facilities.

Energy monitoring systems empower MAS energy managers and engineering teams to analyse historical data and monitor trends, identify areas for improvement, and make informed decisions about capacity utilisation, maintenance, and other elements essential to production. These systems optimise energy use, improve process controls, and facilitate predictive maintenance – thereby reducing down time and operational costs.

TRANSFORM WASTE

GRI 306

The global apparel industry grapples with a significant waste footprint, bearing far-reaching environmental impacts across the supply chain and product lifecycle. From pre-consumer waste generated at the factory floor, to post consumer waste and resulting disposal; waste management at every stage of the value chain is critical to sustainable management of environmental impacts. As a responsible apparel manufacturer, we work to minimise our own waste

footprint, partner with customers and innovators, and collaborate across the value chain to promote circularity in the apparel industry.

RESPONDING TO THE WASTE CHALLENGE

PRE-CONSUMER WASTE

Waste created throughout the apparel manufacturing process, before a garment is completed and shipped, is the extent of pre-consumer waste. This includes waste created during yarn and fabric production, offcuts at cutting during the manufacturing process, defective materials, and more. While these waste streams contribute a significant volume of the fashion industry's footprint, they also present easier-to-address opportunities for waste-reduction, through concerted efforts employed by raw material producers and apparel manufacturers alike.

OUR RESPONSE

Practices: Addressing the waste challenge from the ground-up, we employ the 7R principles; actively working to prevent and reduce waste at source. This begins with our plants, and the practices of our people. We have adopted innovative waste management practices across our operational footprint, through the Pirisidu Lanka (Clean Lanka) initiative that was piloted across our Sri Lankan operations in 2020. The waste management process employed at our facilities, informed by this initiative, sets out a series of guiding principles for our facilities; promotes innovative solutions to reduce, reuse, and recycle non-manufacturing waste; develops staff capabilities on waste value enhancement;

improves waste management infrastructure at our facilities; and creates model plants that uphold zero landfilling. The programme, now rolled out across our global operations, directly addresses MSW generation by reducing generation at source. However, inevitably, a small portion of MSW ends up in landfills because of limitations to further segregation or value enhancement.

Group-wide and facility-level waste policies provide contextualised guidance while stipulating strict standards to be met. KPIs for SBUs and Divisions, which promote recycling, reuse, and value enhancement of waste, serve to instill best-practices and support operationalisation of policies.

Processes: Addressing waste directly related to our primary production processes, textile production/fabric processing and apparel operations (cutting, sewing, and finishing), we incorporate practices and processes for both waste reduction and waste value enhancement. From incorporating strategic lean manufacturing principles and maintaining oversight through the MAS Operating System (MOS) and ERP system; to Group-wide initiatives such as paperless processes, and optimisations rolled-out on the shop floor; we keep waste to a minimum.

While maintaining a commitment to zero-landfilling, all hazardous waste is suitably treated and disposed responsibly – primarily through energy recovery. With regard to process chemicals with potential waste-related impacts, our waste management processes include co-processing and safe measures for disposal or return.

At the same time, guided by the philosophy of waste transformation, MAS is constantly innovating and looking for new avenues to value enhance the waste that is generated. A significant portion of non-hazardous, non-RM waste, is either reused on the factory floor itself, or recycled. In line with customer guidelines and local regulations, suitable fabric waste is recycled, upcycled or downcycled. Where current technological and cost factors limit recycling at scale, such as with 95/5 polyester-spandex, we leverage MAS' robust community engagement programmes to repurpose, reuse, and recycle non-hazardous fabric waste. Many of these initiatives are creating jobs and strengthening the livelihoods of communities in the areas we operate. Where intellectual property, confidentiality, and brand protection guidelines dictate; fabric waste is directed to energy recovery through incineration.

As a Group, we uphold a commitment to reduce and eliminate landfilling across our operations. Success of our multi-layered strategy has ensured that 100% of our RM waste is diverted from landfills. Similarly, non-manufacturing waste, including Municipal Solid Waste (MSW) generated at our facilities is also introduced to value enhancement wherever possible. We work to minimise, manage, and recycle or repurpose MSW; which primarily comes from canteen operations and other employee activities.

These waste enhancement initiatives are built around a rigorous process for monitoring and managing waste across all facilities. This system begins with point-of-origin segregation, where different waste types are separated at source. All waste is then stored in designated areas, with

Our Approach to Our Planet Changed for Good Cont'd

specific locations for both hazardous and non hazardous materials.

To ensure accurate tracking, waste handlers ensure weighing and documentation at each waste stream. Data is fed into an internal monitoring system, allowing for group-level waste analysis on a monthly basis. Finally, to guarantee integrity of the process, annual plant audits are conducted to verify standards for waste management and data collection are upheld.

Partnerships: Apart from Waste to Steam (W2S) initiatives for energy recovery, that are carried out on-site, all waste generated through manufacturing and other processes, once segregated and recorded, is collected and managed by third-party waste management suppliers. Therefore, exercising due diligence, ensuring close monitoring, and developing enduring partnerships with our suppliers, are key to the success of waste enhancement initiatives. Suppliers are selected based on annual evaluations, which account for environmental and waste management licenses, disposal methods, and best-practices. At all times, we strive to work with waste management partners who are innovative, responsible, and compliant with local and international regulatory requirements.

POST-CONSUMER WASTE

Post-consumer waste refers to apparels discarded by consumers at end-of-life. The duration a product can be in use, before it is discarded, is significantly influenced by raw material composition, product quality and design, and consumer and fashion trends. In addition, consumer awareness and access to alternatives such as repair for wear-and-tear, upcycling, or re-use, can also influence the period before a garment is considered waste. Thereafter, segregation, collection, and recycling options also impact the volume of apparel waste that actually ends up earmarked for disposal. Despite developments in technology and trends, the volume of post-consumer textile waste is staggering, with a significant percentage still being disposed.

OUR RESPONSE

We employ life cycle thinking and Lifecycle Assessments (LCAs) in order to identify potential impacts of post consumer waste, and map our role in driving solutions to the same. Taking a cradle-to-grave perspective, our analysis goes beyond manufacturing to study the use-phase and end-of-life waste-related impact of products we produce. We then devise and roll out strategies that ensure we are well placed to partner across the value chain and deliver innovative solutions that mitigate these impacts.

Over the last few years, we have invested in training key personnel on conducting LCAs; allowing us to design and merchandise products in a far more sustainable manner, with consideration for end-of-life of manufactured

products. Guided by our Approach to Sustainable Products, and Sustainable Product Criteria and Rating System, we deploy an innovative multi-modal strategy to address post-consumer waste.

Assessing potential downstream waste-related impacts of our product outputs, we emphasise circular thinking and Priority Raw Material (PRM) management strategies that consider waste-related risks. Our systems for waste reduction, value enhancement of difficult-to-manage materials, innovations to substitute hazardous chemicals, and ethical sourcing of sustainable materials; all contribute to mitigating potential downstream impacts, while creating novel opportunities for closing the loop and promoting circularity in the industry.

Our new and long-standing partnerships with leading customers, raw material producers, collectors and segregators, recyclers, and logistics providers, are explored in the discussion on how we Pioneer Circularity at Scale, as defined by our Products Changed for Good commitments.

OUR WASTE FOOTPRINT

We carry out waste-flow analyses to categorise and analyse waste streams based on their origin (production activity/ function in the value chain), composition, and classification. All percentages represented below are approximate values based on the latest figures. They are largely unchanged year-on-year, and representative of waste streams structurally inherent to our operations.

INSPIRING BETTER WASTE MANAGEMENT BEYOND OUR WALLS

Wherever possible, we work with communities to implement or support division-led community-based waste management initiatives that are cleaning up community spaces, public areas, and vital ecosystems. Programmes implemented by the MAS Foundation, in partnership with government and other corporations, are pursuing similar outcomes for better waste management practices in the wider community.

Our Approach to Our Planet Changed for Good Cont'd

Origin	Composition	Classification	Waste management Measures
Both Apparel and Textile manufacturing Total waste generation 25,096.70 MT	- Stream 1-Cut and Sew RM waste - Total raw material non-hazardous waste- 69% from total waste generation from MAS. Primarily consisting of 30% raw material reuse and recycle from total waste generation from MAS Stream 2-Cut and Sew non-RM waste - Total non-RM non-hazardous waste-26% - Composed primarily of reusable or recyclable packaging components and materials and Municipal Solid Waste (MSW), which includes food waste.	Non-hazardous (96% of waste that falls within our operational boundary)	- Majority of non-hazardous waste is value enhanced through a variety of means, including recycling; upcycling/downcycling; repurposing and reuse on the factory floor or via community engagement; and waste to steam (W2S) generation on-site – which constitutes a cleaner source of energy, compared to conventional incineration. - Percentage as Non-Hazardous Waste from total waste generation from MAS - Preparation for reuse or recycling (54.8%) - Energy recovery through waste to steam (W2S) on-site (18.9%) - Energy recovery through incineration off-site (20.8%) - Landfilling or land application (1.4%)
Both Apparel and Textile manufacturing – Total waste generation 25,096.70 MT	Largely consists of process chemicals and effluent sludge generated at facility level, and fabric and other materials contaminated by contact with chemicals.	Hazardous (4% of waste that falls within our operational boundary)	- Almost all hazardous waste generated, is directed to disposal for incineration with energy recovery. This is in line with industry best-practices and environmental regulations in our areas of operation. - Energy recovery through incineration from total waste generation from MAS (3.9%) - Preparation for reuse or recycling from total waste generation from MAS (0.3%)

Our Approach to Our Planet Changed for Good Cont'd

RESPONSIBLE CHEMICAL USE

GRI 416-1

Responsible chemical management and use involves conscious monitoring and stringent compliance not only within our operations, but also from our suppliers, and worker safety. Our begins with the procurement of raw materials, many of which require chemical inputs during production. Additionally, chemical use is an essential component in the manufacturing processes, from dyeing and finishing to fabric treatment. Therefore, our actions for responsible chemical use safeguard our workers, the environment and the end-consumers of our products. Our due diligence and supplier compliance processes, coupled with continuing engagement with chemical and raw material suppliers are vital for effective management of any and all chemicals used in the production process.

RISK-REDUCTION AND CHEMICAL MANAGEMENT

Environmental Impacts: The apparel industry utilises a wide range of chemicals throughout its supply chain, from raw material production to the finishing of garments. While these chemicals can enhance product quality, durability, and aesthetics, their use also poses significant risks to the environment. Aside from elimination of harmful chemicals, effluent from industrial processes requires suitable treatment and continuous monitoring to prevent pollution risks to water and soil.

Social Impacts: Stringent health and safety practices can ensure safety of employees involved in the handling, transport, storage, and use of potentially hazardous chemicals. Effective chemical management and waste water treatment are essential processes that ecosystems and the communities that rely on them. Similarly, standardised testing for finished products assesses and mitigates potential consumer safety risks associated with residual chemicals in finished products.

OUR CHEMICAL MANAGEMENT PROCESS

Supply Chain

- Collaborating with RM suppliers and subcontracting partners, to ensure the chemically value added raw materials we source comply with safe chemistry standards.
- Monitoring of ZDHC MRSL input chemical compliance for 63.5% and ZDHC wastewater compliance for 65.2%
- All embellishment subcontractors achieved minimum 95% compliance with ZDHC Chemical Gateway against ZDHC MRSL Version 3.1.
- 90% of embellishment subcontractors fully complied with the ZDHC WWG.

Product Stewardship and Consumer Safety

Testing, verifying, and certifying that our products conform to international standards, national/regional regulations in our consumer markets, and brand defined requirements.

Input	Process	Output
Ensuring we purchase and use safer chemicals in our operations, with the end goal of creating safer products and mitigating negative environmental impacts.	Practices and processes within our facilities that identify hazards, guarantee safety of our teams, and ensure that chemicals are used in a correct way.	Infrastructure and systems in place to treat and monitor effluent, reduce and mitigate potential risks, and validate our chemical management practices.
99% ZDHC MRSL compliance for chemicals used in Textile Production facilities. 97.2% bluesign® approved chemicals utilised in Textile dyeing operations.	47 staff members trained for ZDHC CMS TIG 18 internal training sessions conducted including direct chemical handlers and executive and above staff on chemical management practices	Compliance with local and national regulations for wastewater treatment (such as CEA limits, and BOI norms) Alignment with international effluent treatment standards (such as ZDHC WWG and parameters), where applicable.

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Facilities delivering either
Oeko-Tex Standard 100
certified finished products
or articles

3

Bluesign system
partner facilities

1

Bluesign certified article
delivering facility

Our Approach to Our Planet Changed for Good Cont'd

COMMITMENT TO SAFER CHEMICALS

We strive to maintain compliance with the latest ZDHC MRSL version, which is also addressed in our internally developed MAS Chemical Management (CM) Manual and MAS RSL Manual for chemicals used in our facilities and products. This ongoing process to continually prioritise greener chemistry ensures our procurement and manufacturing processes are informed by the latest science and regulations and compliant with any restrictions as they are introduced.

Facilities utilising chemicals follow a stringent chemical management process with ZDHC/Bluesign compliant chemicals, prioritising Bluesign approved chemicals. The chemical management process at wet operations, is aligned with the ZDHC Chemical Management System, while dye houses focus on obtaining Bluesign System Partnerships one of the textile industry's most stringent sustainability standards, reflecting rigorous operational controls and commitment to responsible manufacturing.

By maintaining compliance with ZDHC MRSL guidelines and achieving Bluesign® certification for our articles, we seek to minimise potential environmental impacts associated with chemical use in manufacturing, and attempt to offer customers and consumers with safer, more environmentally conscious choices.

International certifications, accreditations, and audits carried out for our facilities, including those covering the area of chemical use and management, are listed in the Plan for Change section.

INPUT

We strive not only to comply with current regulations for safe chemical use but also to proactively assess and anticipate upcoming restrictions. This involves ongoing engagement with customers and suppliers, diligent monitoring of the regulatory landscape, benchmarking against international standards, and strict procurement controls.

Identification and elimination of restricted substances is guided by hazard-based assessments and standardised benchmarks, including industry, brand, or product-specific Restricted Substance Lists (RSLs), the Zero Discharge of Hazardous Chemicals (ZDHC) Manufacturing Restricted Substance List (MRSL), and the Bluesign® System Black List (BSBL).

Sourcing safer alternatives is a continuous process requiring collaboration with customers and chemical suppliers to identify, study, and assign alternatives for Chemicals of Concern that are likely to be replaced. To anticipate future restrictions, we scan international and regional regulations like California Proposition 65 and REACH SVHC.

Controls and restrictions at the procurement stage ensure that only Bluesign® approved chemicals are newly introduced for dyeing, and only ZDHC Level 1 or higher chemicals are

introduced for printing. Wherever possible, in line with our sustainable product criteria, Bluesign®-certified chemicals are encouraged.

PROCESS

We employ a hazard and risk-based approach to managing chemicals across all processes that involve chemicals, with a focus on safety of our teams and compliance of facilities.

Benchmarking our in-plant chemical management against international standards like ZDHC, and use of tools such as Higg FEM for continuous tracking, informs our safety processes and mitigation plans. Based on the composition details and hazard codes in Safety Data Sheets (SDSs), we identify and track the toxic properties of chemicals to facilitate mitigation plans. To maximise worker safety, we conduct standardised, activity-based risk assessments, considering both hazard and exposure. High-risk chemicals are managed with clear risk-mitigation action plans, and we prioritise the sourcing of lower risk Bluesign® alternatives whenever feasible. We also utilise the SAC's Higg Facility Environmental Module (FEM), and our own MAS SCalE (Sustainability Calibration for Environment) Tool, to monitor and verify the effectiveness of work stream implementations.

Controls and Standard Operating Procedures (SOPs) for all chemical related activities are in force within our facilities. These provide clear guidance and instructions for teams working with chemicals. This includes the use of appropriate Personal Protective Equipment (PPE) practices and process controls for chemical dosages, which are continuously monitored.

Capability development, through training and awareness programmes, ensures that our teams, including direct handlers and relevant management, are up to date on SOPs, emergency response protocols, and any updates to guidelines or regulations. This supports adherence to our chemical management requirements.

OUTPUT

Our commitment to responsible chemical use extends to the treatment and discharge of waste water from our wet processing facilities. We employ Effluent Treatment Systems to ensure effective removal of contaminants, and rigorously monitor effluent quality against national regulations and international benchmarks including ZDHC wastewater guidelines.

In Sri Lanka, all facilities within the MAS Fabric Park(MFP) discharge their wastewater to the MFP wastewater treatment plant. The wastewater undergoes secondary and tertiary treatment at MFP before being discharged into a surface waterbody. All treated wastewater is discharged in strict adherence to the standard parameters set by the Central Environmental Authority (CEA) and complies with the norms set by the Board of Investment(BOI) or other applicable country standards. We conduct quarterly tests and submit reports to local authorities and other regulatory bodies. Where applicable, our practices align with international effluent treatment standards, such as the ZDHC WWG.

Our Approach to Our Planet Changed for Good Cont'd

PRODUCT STEWARDSHIP AND CONSUMER SAFETY

Product safety is a fundamental component of our approach to product stewardship. This approach enables MAS to deliver on its commitment to responsible chemical use and our vision for sustainable products that are safe for the wearer.

We take a long-term, strategic, and multifaceted approach to assessing and managing the health and safety impacts of our products and services. This includes the governance structures, management systems, policies and standards, and strategies in place to integrate technical, chemical, and raw material-related compliance factors into our sourcing and production processes.

We verify the safety of our products through routine monitoring and output testing that adheres to brand and product-specific RSL requirements. These standards are cascaded to Tier 1 supply chain partners where applicable. Rigorous finished product testing is carried out through third party laboratories, based on brand recommendations for sample selection, running bulks, and shades/styles.

RESPONSIBLE CHEMICAL USE ACROSS THE SUPPLY CHAIN

We engage and work with all major raw material suppliers and monitor input chemicals compliance against the ZDHC MRSL for a significant portion of our spend base; which includes suppliers of fabrics, apparel embellishments.

We also carry out further RSL testing for products and materials, if mandated by customers. Wherever appropriate, such brand-specific RSL requirements are cascaded to vendors and supply chain partners, and their confirmations, acknowledgements, and self-assessments enable compliance with the same. Similarly, we ensure subcontractors are monitored against ZDHC MRSL in their production process, which serves to restrict most chemicals of concern and meet brand-specific requirements.

Annual subcontractor forums are a key tool in raising awareness, communicating expectations, and ensuring compliance; while interim meetings serve as a monitoring tool to evaluate compliance and progress toward targets. When failures are found, or chemicals of concern likely to be regulated are identified, we work collaboratively with subcontractors to find safer alternatives.

Our approach to sustainable sourcing, and the success of our supplier compliance programme is detailed in how we Source Sustainably, as part of our commitment to Products Changed for Good.

CHAMPION BIODIVERSITY

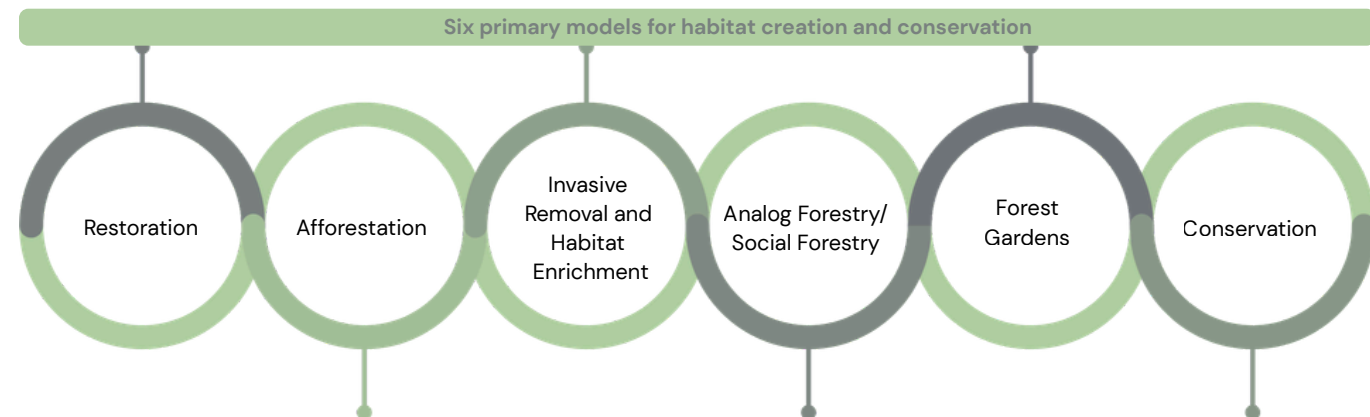
GRI 101

From the smallest building blocks of life, to the largest ecosystems that sustain life, biodiversity is crucial for our planet, and our own survival. Rich biodiversity protects and promotes the essential ecosystem services upon which our industry depends. Conversely, biodiversity loss can disrupt supply chains, increase operational costs, and pose significant risks to business continuity.

OUR APPROACH TO BIODIVERSITY CONSERVATION

Our commitment to biodiversity conservation is founded on the mandate of sustainability, which involved addressing the physical impact of our facilities and built spaces.

While none of our facilities are located in or adjacent to protected areas or areas of high biodiversity value, we set ourselves a proactive goal – to restore and rehabilitate an area 100 times the extent of our footprint, totaling 25,100 acres. To achieve this, we employ **six primary models** for habitat creation and conservation.



Selection of projects aligns with **three key objectives**.

1. Restore and enrich habitats to support a diverse range of species.
2. Conserve habitats and species within their natural environments.
3. Protect and monitor existing biodiverse landscapes.

We prioritise partnerships and projects in areas of high biodiversity value; particularly those that are home to endemic, endangered, vulnerable, or threatened species. Given that our largest operational footprint is in Sri Lanka, much of our work has focused on the Island's biodiversity hotspots. However, as our enterprise has expanded, so have our opportunities for positive impact.

Our Approach to Our Planet Changed for Good Cont'd

Collaborating for Impact and Scale

Since 2017, MAS has engaged in and supported 41 restoration projects, and 72 partnered projects in total, resulting in the restoration of 25,811.14 acres. Key long-term partners for ongoing projects, include the Department of Forest Conservation and the Department of Wildlife Conservation – apex national bodies in Sri Lanka tasked with conserving forests, preserving ecosystems, and protecting local flora and fauna; and the Sri Lanka Air Force – a pioneering partner that has supported the successful implementation of multiple aerial reforestation projects.

In 2025, MAS will expand its ecosystem restoration initiatives by extending restoration activities at KHDTK UGM, Blora and Ngawi Regencies in Indonesia, covering an additional 4,206 acres. This expansion will be implemented in collaboration with PT. Pesona Indonesia Tours and the University of Gadjah Mada, strengthening multi-stakeholder engagement in sustainable forest management.

MAS also started a conservation project in 2025 focusing on the restoration, monitoring, and management of the Suduweli Ara dry-zone forest, a critical elephant corridor connecting Udawalawe and Lunugamwehera National Parks, in collaboration with the Tropical Ecosystem Research Network (TERN). Restoration activities

will cover 50 acres, supporting species conservation while promoting education and awareness.

In addition, MAS will conclude the invasive species removal project at Lunugamwehera National Park with the collaboration with Federation of Environmental Organisations (FEO), contributing an additional 602 acres towards the 2025 biodiversity targets.

MAS also engages with a wide variety of other partners, either at Group-level, or facility-level. These include not-for-profit societies, foundations, and institutions, private-sector corporations, academic institutions, and other local authorities, community-based organisations, or grassroots initiatives working on the ground.

Governmental institutions

- University of Sri Jayawardenepura, Sri Lanka
- Sri Lanka Department of Forest Conservation
- Sri Lanka Department of Wildlife Conservation
- Sri Lanka Airforce
- Universitas Gadjah Mada, Indonesia

Nonprofit organisations

- Rainforest Protectors Sri Lanka
- Thuruliya Arana Monastery, Koggala Sri Lanka
- Centre for Sustainability, University of Sri Jayawardenepura, Sri Lanka
- Centre for Integrated Indigenous Knowledge System, Sri Lanka
- Community Development Centre (CDC), Sri Lanka
- The Wildlife and Nature Protection Society, Sri Lanka
- Preserving Land and Nature (Guarantee) Limited, Sri Lanka
- Tropical Ecosystem Research Network (TERN)
- Wild Life Conservation Society–Galle, Sri Lanka
- PT. Pesona Indonesia Tours, Indonesia
- The Wildlife Foundation, Kenya
- Wildlife and Ocean Resource Conservation, Sri Lanka
- Federation of Environmental Organisations, Sri Lanka

Our conservation initiatives are implemented through strong partnerships with local experts and organisations, ensuring the long-term sustainability of any interventions carried out.

We emphasise collaboration, innovative techniques, and the use of modern technologies and tools to enhance the scale, impact, efficiency, and reliability of our projects. We also place a high value on thorough monitoring and impact assessment, with our teams and partners continuously tracking progress and conducting evaluations to inform ongoing efforts.

SAFEGUARD WATER

GRI 303

Water is an indispensable resource in any industry, but particularly so in the apparel sector; which is dependent on irrigation water for cultivation of raw materials, and process-water for production of textiles. However, this heavy reliance on water, coupled with industrial processes that produce wastewater, poses significant risks to the environment and human populations.

THE IMPORTANCE OF WATER FOR OUR OPERATIONS, COMMUNITIES, AND ENVIRONMENT

Raw Material Production: Some of the most common raw materials used in everyday apparels are produced by agricultural production. As such, the industry relies on raw materials that require substantial water resources for cultivation. Beyond land-use change, unsustainable agricultural practices can exacerbate water scarcity and contribute to desertification or ecosystem degradation; especially in regions where water resources are already limited or facing increased pressure from anthropological shifts and resultant climate-change induced complexities.

Our Approach to Our Planet Changed for Good Cont'd

Textile Production and Processing:

Water is an essential element in various textile processing stages, including pre-treatment, dyeing, and finishing. These large-scale industrial processes can consume large volumes of water, and require dedicated wastewater treatment to remove excess dyes and chemicals that were introduced as part of the production process. Discharge of untreated wastewater, or unplanned discharge of effluent can result in dramatic consequences for the receiving waterbody, surrounding ecosystems, and the communities that depend on the same.

OUR WATER FOOTPRINT

To better understand our specific impact and dependency on this vital resource, we monitor water withdrawal across our operations and develop targeted strategies to improve water-efficiency, minimise waste, and ensure the long-term sustainability of our business, communities, and environment.

SUSTAINABLE WATER MANAGEMENT AT MAS

At the group level, we establish annual normalised water targets, which are then implemented across our strategic business units (SBUs) and divisions. We believe that employee engagement is crucial to achieving these targets and successfully implementing our water stewardship strategies, shift for apparel manufacturing.

Our efforts to reduce reliance on fresh water involve increasing the use of harvested rainwater and scaling up utilisation through advanced treatment, recycling, and reuse technologies. Some of our apparel facilities have on-site Sewage Treatment Plants (STPs) that treat wastewater, and the treated wastewater is used for landscaping, sanitation systems, and other non-potable applications.

Recognising our responsibility to the communities in which we operate, particularly in water-stressed areas, we undertake various projects to improve water accessibility and quality. These community engagement initiatives strengthen relationships between our facilities and local stakeholders, contributing to broader sustainable water management efforts.



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